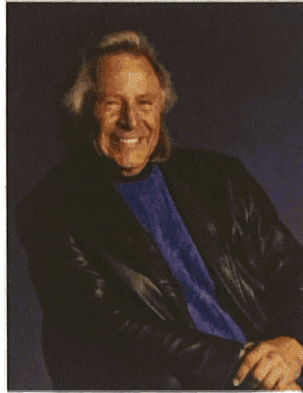


# NYGÅRD

## The Man & The Company Peter J. Nygård



### THE MAN

Peter J. Nygård, Chairman of NYGÅRD (International) is the classic rags-to-riches story – the Finnish immigrants' son, who stitched up an empire out of women's clothing and is now the quintessential self-made man. A hard driven man who has created a standard of excellence for the Canadian Women's Fashion Industry, his label is the #1 recognized label in the Canadian marketplace.

Peter Nygård's success story all began when he gathered his life savings and borrowed \$8,000 capital to purchase 20% of a women's garment manufacturer with \$800,000 in annual sales, which within a few years he owned outright - renaming it 'NYGÅRD' & turning it around from near bankruptcy into a bustling multi million-dollar dynasty. The speed with which Nygård claimed his #1 position in the industry is attributed to the uniqueness of his business decisions and his work ethic that includes 14-16 hour days/seven days a week

### AWARDS & ACHIEVEMENTS

Peter Nygård has been instrumental in the evolution of the Women's Fashion Industry in Canada. He is the Founder of the Manitoba Fashion Institute and has been an Executive Member since 1968. From 1983-1988, he was an Executive Member of the Canadian Apparel Manufacturers Institute. He was also the President of the Canadian Ladies' Fashion Committee. The mandate of this organization, in conjunction with the Federal Government, was to develop and coordinate policy for the Women's Fashion Industry.

Nygård's business stature and extensive political leverage in Canada, the US and the Bahamas, have honoured him with the company of many high profile dignitaries including, the Duke of Edinburgh, Governor General Ray Hnatyshyn, Prime Minister Brian Mulroney, Prime Minister Jean Chrétien, President Gorbachev of the USSR, President Mauno Koivisto of Finland, Sha Lin - Mayor of Shanghai, President Vicente Fox of Mexico, President George Bush Sr., and former Prime Minister Pindling of the Bahamas.

Even in his earlier years, Peter Nygård always took a leadership role in his sports and school programs. He received his B.Sc. and B.A degrees from the University of North Dakota. He was President of Delta Sigma Pi, the professional business fraternity, and won first place in its international Efficiency Contest.

Throughout his career Nygård has received numerous awards, which include: North American Yachting Champion & member of the Canadian Olympic Yachting Team; Sioux Award (Outstanding Alumni), University of North Dakota (1978); Outstanding Canadian Distinction; Winnipeg Chamber of Commerce (1981); Winnipeg's Community Service Award (1986); Commemorative Medal Award, Government of Canada (1993); AIM All Star Award (1998); City of Toronto Award (2001); Patriot Award, The Royal Military Institute (2002); Keeping America Strong Award (2002); Queen Elizabeth II Golden Jubilee Medal (2003); Medal of Merit, Finnish War Veterans

Association (2003); Entrepreneur Hall of Fame, University of North Dakota (2004); Best of Scene Award, Dallas Fashion Awards (2004); Honorary Captain to the Fort Garry Horse regiment & elected senator of its regiment senate (2005). Most recently he was named to the Canadian Manufacturing Hall of Fame.

In 1986, in conjunction with the 20th anniversary of NYGÅRD, Mayor Bill Norrie presented Peter Nygård with the City of Winnipeg's Community Service Award. This award of distinction was given "in recognition of an outstanding Canadian who carries out his responsibilities with intelligence, enthusiasm, energy and determination."

In 1993, Nygård was awarded the highly coveted Commemorative Medal Award from the Government of Canada – This medal is awarded to a Canadian who has made a significant contribution to his fellow citizens, community and Canada.

In 1998, he received the prestigious AIM All Star Award for international excellence in manufacturing.

In 2001, the City of Toronto Award was presented to Peter Nygård for professional excellence and service to Canada.

On APR2-03, Nygård received the prestigious Queen Elizabeth II Golden Jubilee medal for helping to "create the Canada of today, and to recognize Mr. Nygård for outstanding and exemplary achievement to Canada as a whole."

On APR4-03, during Nygård's CELEBRATION 35 Gala Dinner, Veikko Kallio, Chairman of the Finnish War Veteran's Association in Canada, presented Peter Nygård with the Medal of Merit in recognition of all Nygård has done for the War Veterans of his homeland.

On MAY13-04, Peter Nygård was inducted into the University North Dakota (UND) Entrepreneur Hall of Fame, which recognizes the longstanding (25 years or more) national and international entrepreneurial contributions of UND alumni. Peter Nygård was recognized for "his leadership and significant contributions to the fashion industry through NYGÅRD International. The award signifies Nygård's innovative spirit in many areas – building products, processes, technologies, businesses and organizations, for solving problems and inventing new concepts. By doing so he has contributed immeasurably to the standard of living, economy and general well-being of an enormous number of people."

On OCT23-04 during the 29th Annual Dallas Fashion Awards Gala at the Dallas Market Center—the world's largest wholesale merchandise resource -- Peter Nygård was presented with the 'Best of Scene Award' for his company's 35 years of business, design excellence and customer service.

DEC-05 - Winnipeg's famed Fort Garry Horse bestowed the rank of honorary captain to Peter Nygård, as well as electing him to the regimental senate. Lt.-Gen. Ray Crabbe and Col. Gary Solar handled the duties saying the awards recognize "Nygård's unequalled civilian support of the military and his outstanding philanthropic humanitarian efforts."

NOV-06 - Port Arthur, TX Mayor, Oscar Ortiz, proclaims NOV29-06 as 'Peter Nygård Day and awards him with his own set of keys to the city of Port Arthur.

2007 - NYGÅRD is the Winner of the 2007 VICS Collaborative Commerce Achievement Award for Most Innovative VICS CPFR Implementation

MAR30-08 – Winnipeg, MB Mayor, Sam Katz, presents Peter Nygård with the key to the city stating "Peter Nygård never forgets his roots...he still calls Winnipeg home."

JUL13-08 – Peter Nygård receives Lifetime Achievement Award from Kevin Strakan, CEO of Bahamas Fashion Week. "This award is for the person who goes above and beyond when it comes to fashion, advertising and entertainment," stated Strakan.

## **Free Trade & North American Free Trade Agreement (NAFTA)**

Nothing has made a bigger impact on the Canadian Fashion Industry than NAFTA. The seeds of this agreement were sown in 1982, when Peter Nygård wrote a strategic position paper to initiate Free Trade, resulting in his appointment to Chair the advisory committee on future Canadian long-term Industrial Strategy. From that committee grew Nygård's recommendation to negotiate a Free Trade Agreement (FTA) first with the United States, which ultimately became the foundation agreement for Mexico's entry in DEC-92, known as the North American Free Trade Agreement (NAFTA). No other person in the apparel industry has played a more significant role with the creation of NAFTA than Peter Nygård.

Nygård continued to promote the principle of Free Trade with many community and international leaders and groups:

- \* In 1984, Nygård was appointed Co-Chairman of a 15-member task force created to make recommendations to the Federal Government about long-term industrial strategies for Canada's textile and clothing industries.
- \* In 1985, he was the only apparel representative to be appointed to the International Trade Advisory Committee (ITAC), a body which is charged with the task of formulating and advising the Government of all matters of trade including the US - Canada bilateral negotiations.
- \* In 1986, Nygård was appointed to the Sectoral Advisory Group on International Trade (SAGIT) as Chairman of the Apparel & Fur Group to further assist with the principles and policies of Free Trade. Globalization and the liberalization of trade have always been mainstays of his business philosophy, but Nygård believes this must be tempered with new philosophies and realistic Government policies.
- \* In 1989, amongst his political endeavors, Peter Nygård became a founding member of the Canada - USSR Business Council to be the leading voice for trade between the two countries. This honorary appointment resulted in Nygård spending much time away from his business, to conduct face-to-face meetings with world leaders of that time, such as Prime Minister Brian Mulroney and Soviet President Mikhail Gorbachev.

## **International Association of Department Stores Conference (IADS)**

In OCT-03 (Paris, France) -- Peter Nygård was honored with the opportunity to be the Keynote Speaker at the prestigious 75th annual International Association of Department Stores Conference (IADS). The conference topic was 'The Future for Department Stores.' A top-tier group of industry leaders -- selected for their "true and profound understanding of the department store market, and because they have been partners of the industry they are able to give their vision on the future of department stores" -- were brought together to share their thoughts on how department stores could dramatically improve their competitive position and become stronger, more attractive destinations for future customers. Joining Peter Nygård in this elite group of Chief Executive Officers were Yves Carcelle (Chairman/CEO, Louis Vuitton), Paul Charron (CEO, Liz Claiborne), Leonard Lauder (CEO, Estée Lauder), and Dr. Bruno Salzer (CEO, Hugo Boss). The IAD thanked him "for sharing his valuable analysis and perspectives on a wide range of topics including academic, financial, consumer, architectural and real estate perspectives to give better insight into the future of the Department store."

## **NYGÅRD - Sustained COMPANY Growth**

The company expanded into the United States in 1978. As a result of its increasingly diverse business activities, in 1987 Nygård opened the company's International Sales and Marketing Headquarters in Toronto, Canada in an \$8 million building that is a showcase for both Toronto and the Fashion Industry. Along with its new World Headquarters located in the heart of New York City, the company lays claim to complete design, production and distribution facilities in Winnipeg, Toronto and Los Angeles; research and design studios in New York, and Hong Kong; and sales offices throughout Canada and the US. As well, the company has extensive operations throughout the Orient, Middle East, South Africa, India & Bangladesh.

The Standard of Excellence that NYGÅRD has created for the Canadian Women's Fashion Industry includes the following achievements and practices: 1st manufacturer to have air-conditioned factories; International fabric sourcing; Computer driven patterns; 100% on-time delivery; Impeccable and trusted quality of garments; Consistency of fit; Price honesty; 'Zero' charge-backs; Utilizing NYGÅRD's own retail stores as laboratories to define and learn more about the NYGÅRD customer, and share information with retail customers.

NYGÅRD's various product lines, each target women over 25 years of age. The Nygård Moderate brands include collection of colour-related separates focusing on pant as well as a moderate line of coordinates. The Nygård Fashion brands focus on the bridge and better categories. The company maintains its successful website at [www.Nygard.com](http://www.Nygard.com) <outbind://31/www.Nygard.com> and has an array of retail stores under the banners NYGÅRD, NYGÅRD Fashion Park, NYGÅRD Fashion, NYGÅRD Fashion World, ALIA, TanJay and Jay Set.

The NYGÅRD name is expanding at an ever-increasing pace. In addition to its various product lines, NYGÅRD now offers an array of licensed products. Over the past 10 years, NYGÅRD has broadened its fashion repertoire to include Outerwear, Swimwear, Footwear, Handbags, Jewelry, Accessories (Scarves, Hats & Gloves), Belts, Sunglasses, Soft Home Furnishings ('NYGÅRD Home').

### **NYGÅRD Fashion, Grand Openings - Toronto, Thunder Bay & Winnipeg**

SEP 2005, NYGÅRD, Canada's #1 Women's Fashion House, celebrated the Grand Opening of its newest FASHION CONCEPT STORE: NYGÅRD FASHION PARK at Heartland Town Centre, Mississauga, Ontario. NOV 2007, marked the Grand Opening of Manitoba's flagship NYGÅRD Fashion Park Store in Winnipeg's West Broadway area.

The NYGÅRD 'Concept Shopping' is a 'store-within-a-store' experience - Denim, Black & White, Petites, the Pant Shop & DFX (Designer Fashion Exchange), which offers top designer brands @ 50-75% savings every day, are some of the innovative changes @ NYGÅRD Fashion Parks! Services like the NYGÅRD TailorShop offers customers the convenience of having alterations done in 'real-time.'

MAR29-08 the grand opening of the Kenaston NYGÅRD Fashion store went far beyond expectations in retail sales. On FRI NOV6 2009, NYGÅRD's first ever New York Fashion Concept store held its grand opening in the heart of times square at 1431 Broadway – in the same block as its World Headquarters.

### **NYGÅRD Retailing systems**

**NR1 - NR1 - Replenishment** - NYGÅRD system for replenishment, Size Replenishment Inventory (SRI), and logistics with focus on fast transit time from reorder to store floor

**NR2 - Planning to the Rack** - NYGÅRD system for unit planning, merchandising to the rack (fixture), ranking, execution of Floor Model Order (FMO) and Size Replenishment Inventory (SRI) orders, and performance analysis

**NR3 - NR3 - Fashion Intelligence** - NYGÅRD system for gathering and distributing Fashion Intelligence information by computer and Fashion Intelligence Agents (FIA) regarding trends to the design teams for development of product lines and Fast To Market (FTM) items

**NR4 - NR4 - Marketing** - NYGÅRD system for coordinated approach to multi-media advertising and promotion, in-store selling, sales associate training, visual presentation, In-Store events, hands-on approach with clientele

**NR5** - Total Nygård Retail Merchandising System to improve in-store consumer experience and financial results

## Where Fashion Meets Technology

NYGÅRD is considered one of the top Canadian companies when it comes to information technology and the top company in the world when it comes to the synthesis of technology and fashion. NYGÅRD's web-site slogan 'Where Fashion Meets Technology,' pioneered by Peter Nygård in the early '80s, is emblematic of the company's melding of IT with operations.

Starting 20 years ago, NYGÅRD began establishing manufacturing facilities in Shanghai, Tianjin, Sri Lanka, Indonesia, and most recently in the Middle East to accommodate the increase in business. These facilities paved the way for the 2002 opening of the new 'state-of-the-art' showcase facility in Gardena, CA – named '8U.' 8U is a 300,000 sq ft Service Centre with 100,000 sq ft in transit capacity and a holding capacity of 2M units. This service centre is at the leading edge of distribution, with 'real time' tracking from the supplier's source, to individual stores, to the racks on the floor.

8U deals in minutes, not days or weeks. Orders are received via the Internet in seconds, processed in minutes and shipped in hours—the SAME Day. Quality, reliability and efficiency give NYGÅRD without question, the lowest per unit cost in the industry. 8U is capable of shipping over \$400M worth of goods annually – which is significant based on the small space and high quantity volume that is handled and shipped. 8U has slick rail logistics able to provide flexibility of GOH (Garments On Hangers) and flat pack operation with 'real time' tracking of each process. The service complex will individually scan over 300,000 garments on a weekly basis. This showcase in 'technology at its best' is a blueprint for successful supply chain management – 8U set new standards for the industry.

5P, our new addition to the Gardena facility, represents the 5th building in our Los Angeles Service Centre (LASC). with an increased capacity of 400,000 sq ft.

TSC4, located at 239 Chrislea Road in Vaughan, Ontario, is a 250,000 sq ft structure that stretches out over 2 levels. Unlike any NYGÅRD space, TSC4 encompasses its own 15,000 sq ft NYGÅRD Fashion Park (NFP) as well as its own personal RETAIL-training center. This factory has the ability to hold 1M of GOH units along with the capability of storing another 2M units in cartons (Prepacks/3PL) of NYGÅRD garments. TSC4 can ship up to 10M units annually equaling a \$250 million worth of annual shipments.

NYGÅRD understands the importance of the 'bricks to clicks' relationship within the e-marketing forum. In tune with NYGÅRD's 'paperless' mandate, essentially all of the company's marketing initiatives are web based. Peter Nygård believes that success in today's virtual marketplace will depend on creating and nurturing networks of cross-industry partners such as Airmiles, Aeroplan and Scotiabank to provide products and services related to the customer's basic life objectives. The right brand alliances along with an existing high-impact Brand Identity is the formula for successful 'customer centric' marketing. Some of NYGÅRD's key marketing mandates are to establish and develop marketing relationships with first-tier brand partners and to continue defining niches for permission marketing. Through successful e-marketing campaigns NYGÅRD has been able to increase its e-database by over 300% within the last 6 years.

The most significant aspect of the company's sustained growth is the commitment to that growth itself. When NYGÅRD invested \$10M and several years in technological advancement that proved cumbersome and ineffective, the company cut its losses and started again. IT has put the company at the leading edge of technology. The last 2 years has seen a 70% increase in NYGÅRD's IT personnel and a 30% reduction in its cost.

The need to keep performance facts and figures within easy reach has led to an investment of over \$16M in the first 10 years (1980-1990) with an additional \$50M in the following 10 years (1990-2000), with a continued commitment of \$10M per year on an on-going basis. This is all mandated toward building a streamlined computerized operation, with the goal of eliminating traditional, paper-based manufacturing methods. All communication with retailers and suppliers is web based using the following four e-business suite applications, NYGÅRD's four Pillars:

**PDM:** Product Development Management – This system calculates the cost of a garment before going into production and has added millions to the bottom line by accurately projecting gross margins

**ICS:** Internet Commerce for Suppliers - A secure, Internet based solution which provides NYGÅRD's garment manufacturers with complete and accurate product specifications and bills of material at the cut and style level

**RFX:** Showroom Retail Fashion eXpert - Allows the user to see the entire NYGÅRD product line, complete with images and product information with an easy-to-use order entry or assortment planning interface



Show Me: NYGÅRD's powerful, web-based, business intelligence tool allowing merchandisers, sales people and retailers to view product sell through and sales performance

FCS: Financial Control System - Internal control applications managing and controlling the purchases and quality of goods and services through ePO and AQC (Automatic Quality Control); managing HR (time & attendance, payroll); managing travel (NYGÅRD Travel System NTS); and managing the bottom line with budgeting, AP & GL.

The company has also initiated and invested in on-going training for its global suppliers, vendors and customers by conducting a bi-annual conference on 'Internet Commerce for Suppliers,' inviting over 20 guests to discuss EDI solutions, educating them about who the company is and what specific solution they utilize. During the conference, suppliers are paired with a NYGÅRD product manager and information technology person for 8-10 hours, in order to seek an electronic commerce solution for supply chain management.

## **Associate Orientation & Training**

Associate orientation at NYGÅRD is conducted during the first two weeks of employment. The first week (Macro) is spent learning communication systems and policies, and application software. The second week (Micro) are spent in the position, working directly with an assigned 'buddy,' orienting the associate to the specific job requirements.

In addition to new associate orientation, NYGÅRD provides professional training from a dedicated internal Training Department, responsible for the complete development and execution of new associate orientation and training. Associates do not start working in their hired positions until the 4-week training period is complete.

## **Our People**

NYGÅRD employment of many associates worldwide and the company continues to grow rapidly. Peter Nygård has personally designed all of the company's distribution systems and centres; his clarity of organizational structure has lead to the complete design of the company's infrastructure. Company associates know him as an involved Chairman of the Board, one who needs to and does know every aspect of his company's multi-faceted business and the way each interacts with the other.

The company's sustained growth is due in large measure to staff loyalty that has developed toward Peter Nygård. This can be partially explained by Nygård's charismatic personality and the fact that Nygård has stood by people, working as a mentor to many people in the company. As one long-time employee explained, "He gives everyone the opportunity to do what he or she wants in the company; there are no shut doors – no barriers. If you want to change scope, let your manager know what you are looking for; if you are willing to make the commitment, there is no end to what you can do."

In 2003, to help celebrate the company's 35th Anniversary, Peter Nygård handed out \$10,000 cheques to 107 long-standing employees who have been with the company for 20 years or more. This generous token of appreciation shows just how Nygård recognizes his employees and acknowledges that their contributions add to the company's success.

This personal contact has instilled a tremendously successful and coherent executive management team each in tune with the other. All have huge confidence and team cohesiveness, starting from the top and working its way throughout the company.

## **PETER NYGÅRD – THE HUMANITARIAN**

### **'We Stand United' with America Campaign**

After the tragic attacks of 9/11 Peter Nygård showed his support for the citizens of the United States of America, through the 'We STAND United' campaign.

In MAY-02, as a result of his support, Nygård was presented with the first ever 'Patriot Award' from The Royal Military Institute. This award was presented for exceptional and rare patriotic action and outstanding support of the US following the attacks. In fact, President Bush Sr. personally commended Nygård for his strong stance.

### **NYGÅRD & Breast Cancer Research**

Over a decade ago, NYGÅRD responded to a customer survey and decided to take the recommendation to make a meaningful contribution toward finding a cure for Breast Cancer and the company's commitment to the cause has been strong ever since. The company donates over \$2 million a year to this worthy cause. As Peter Nygård says, "Breast cancer awareness and research continues to be top of mind for our associates, 12 months of the year."

On OCT25-04, NYGÅRD announced the opening of its two new state-of-the-art Breast Cancer Research Units in the Manitoba Breast Cancer Research Centre- the Nygård International Molecular Biology Breast Cancer Research Unit and Breast Cancer Tumour Bank. The Breast Cancer Tumour Bank is the ONLY one of its kind in the world and currently houses more than 4,000 different types of Breast Cancer tumours.

The global medical research studies taking place at these NYGÅRD Breast Cancer Research Units will benefit women worldwide. World-renowned scientists are working together to eradicate Breast Cancer. Their goal is to diagnose Breast Cancer earlier so they can target individual treatment to patients. Researchers are also working to identify markers currently present in non-cancer patient's blood and urine in hopes of creating a test that shows cancer markers that exist in tumors.

Peter Nygård is also the primary supporter of a Mobile Mammography Unit that travels to remote areas in Canada testing over 133,000 women per year that normally would not receive testing.

In NOV 2006, NYGÅRD International forged an alliance with the Susan G. Komen Breast Cancer Foundation Dallas & Houston affiliate. NYGÅRD International will continue to build a partnership with the foundation. On SEP24-10 NYGÅRD made an exciting announcement regarding the company donating 1500 mammography gowns worth \$90,000 to CancerCare Manitoba. The gowns will be worn by women in Winnipeg at 16 community cancer program sites around the province when they go for a mammogram. Company founder Peter Nygård said, "We are proud of our long-term association with CancerCare Manitoba and to know that we are helping women in the fight against breast cancer."

### **NYGÅRD for Life CHARITY EVENTS**

In AUG26-05 Peter Nygård, Chairman & Founder of NYGÅRD hosted Winnipeg's largest & most prestigious charity event the inaugural 'NYGÅRD for Life - Gala Dinner & Fashion Show' in Winnipeg, MB. Peter Nygård presented a cheque in the amount of \$550,000 to the Canadian Breast Cancer Foundation to support breast cancer research.

AUG25-06, NYGÅRD presented 2 very special cheques -- 1 in the amount of \$550,000 to the Canadian Breast Cancer Foundation & the other in the amount of \$70,000 to CancerCare Manitoba's Breast Cancer Centre of Hope.

### **BACK TO HIS ROOTS**

Nygård was the major contributor to and patron of the 'Millennium Project' and Nygård Park in Deloraine, MB, where the Nygård family first lived upon arriving to Canada