




The Home Owners' ADVANTAGE

 Home Owners helping homeowners

Amber Wilson
Sydney, Nova Scotia



Independence starts at Home

More and more Home Owners are enjoying the benefits of independence with Home Hardware. This past year, 55 new independent hardware, lumber, building materials and furniture stores have joined the Home Hardware family. That's 96 new Home locations across Canada since 2008 that have embraced and benefited from Home independence.

Independence has its benefits

Home Hardware gives every hardware or building centre Dealer who joins the advantage of tremendous buying power, a comprehensive distribution and delivery network, a strong national advertising program and more, without sacrificing independence. As a Dealer-owned cooperative, Home Hardware answers only to Home Owners – who participate and share equally – not to any external shareholders.

Benefit from independence

In a recent survey of new Home Owners, all respondents reported a significant increase in sales and special orders since converting to a Home banner, mainly due to the depth and breadth of product assortment. Home Hardware also helps Home Owners grow and improve their businesses, from expansions to renovations, with the Build a Better Home Design Service.

Since 1964, Home has helped independent retailers grow and thrive while remaining independent. Throughout the following pages, you'll learn more about how Home helps every Home Owner, how Home Owners help one another and how Home helps others, too. And most importantly, you'll learn how you can benefit from being part of the Home team.

Delivering the merchandise from coast to coast to coast.

Home always delivers the goods.

One of the reasons Home Owners are able to help homeowners find what they need is the strength of Home Hardware logistics and distribution. With **four highly sophisticated distribution centres across the country** – located in St. Jacobs and Elmira, Ontario, Debert, Nova Scotia and Wetaskiwin, Alberta – Home Owners everywhere can depend on reliable fill rates and a high service level (averaging 95+%).

With industry-leading shipping times, Home Owners can also rely on Home Hardware to keep their shelves fully stocked. Home delivers the goods through Canada's most recognized fleet of delivery vehicles (125 tractors and 400 trailers), fully certified by the CSA, making it one of the safest fleets on the road, too. And for products a Home Owner doesn't carry in-store, customers can special order any product Home Hardware offers for delivery to their nearest location.

With Home Hardware handling the distribution, delivery and logistics, Home Owners are free to focus on helping their customers find what they need instead of worrying about ordering products and tracking shipments. This comprehensive level of service, from product orders and logistics to quick and reliable delivery, can't be found anywhere else.



“Since we switched to Home Hardware, our customers are thrilled – and so are we. Our product selection has improved dramatically. So has our in-stock situation, and our orders have doubled.”
– John Glover, Redmond's Home Hardware, Upper Tantallon, NS



Product selection that can't be beat.

Selection is our strength.

Home Hardware offers Home Owners more product selection across every category. Whether it's heating, plumbing, electrical, housewares, automotive supplies, hardware or paint and home decorating supplies and lawn & garden, **Home has over 60,000 product SKUs in the distribution centres** to help you serve all your community's needs. And LBM Home Owners have access to over 40,000 additional product SKUs direct-shipped from suppliers to Home Owners across the country.

Home also features over 11,000 exclusive items and private label products that not only provide great quality and value to consumers, but also greater profit margins to Home Owners.

To provide Home Owners with even more value, Home Hardware fully owns the private labeller W.D. Packaging, allowing Home to buy in bulk and package perennially popular items such as Builders Hardware and fasteners in a cost-efficient manner. In its first year under Home ownership, the product line has doubled.



Get the structure and support you need with the LBM Division.

Build your business.

By joining the LBM Division, Home Owners gain access to tremendous buying power – even greater than the retail sales of some of our competitors. That’s why the LBM Division continues to thrive and grow, with 500 Home Building Centre locations across the country – up from 460 in 2008.

And with four regional buying offices located as close as possible to the volatile LBM markets, every LBM Home Owner gets the best possible deals on lumber and building materials no matter where they’re located.

The Home LBM Division also offers a diverse range of programs and services that benefit Home Owners and all their customers, from consumers to contractors. They include Home Installs installation services, the Beaver Homes & Cottages design program, Home Architectural Solutions and the Top Notch rewards program.

Initiatives such as the Tough As Nails Contractor Club, which sponsors several successful regional trade shows and rewards Home’s most valued customers, give LBM Home Owners more ways to learn, network and serve their customers. They also help LBM Home Owners build better relationships with contractors, consumers and everyone else in their communities.



“The minute I signed up with Home, I could not believe how many suppliers stood right there to my face and said, ‘You made one of the best decisions of your life!’” – Don Liley, Langford Lumber HBC, Langford, BC



Get the recognition you deserve with Home.

When new Home Owners join the Home Hardware family, they get more than one of the most comprehensive national advertising and marketing programs in the industry. They get the kind of recognition in their community and across the country that no competitor can match – and it's not just because they're featured prominently in all our advertising.

Eighty-nine percent of recent survey respondents successfully recalled Home Hardware advertising – up from 67% in 2008. Nearly all respondents (99.6%) were able to correctly identify the Home Hardware “double H” logo without any assistance. And the Home Hardware tagline, “Home Owners helping homeowners”, was the No. 1



correctly identified tagline within the home improvement category, identified correctly three times as often as our competition's slogans.

The foundation of this strong brand awareness starts with the Home Hardware flyer, one of the most read and instantly recognizable flyers on the market – and not just within the home improvement category. This is supported by highly popular annual catalogues for every Home Hardware banner, along with in-store POP Kits for all sales, promotions and events.

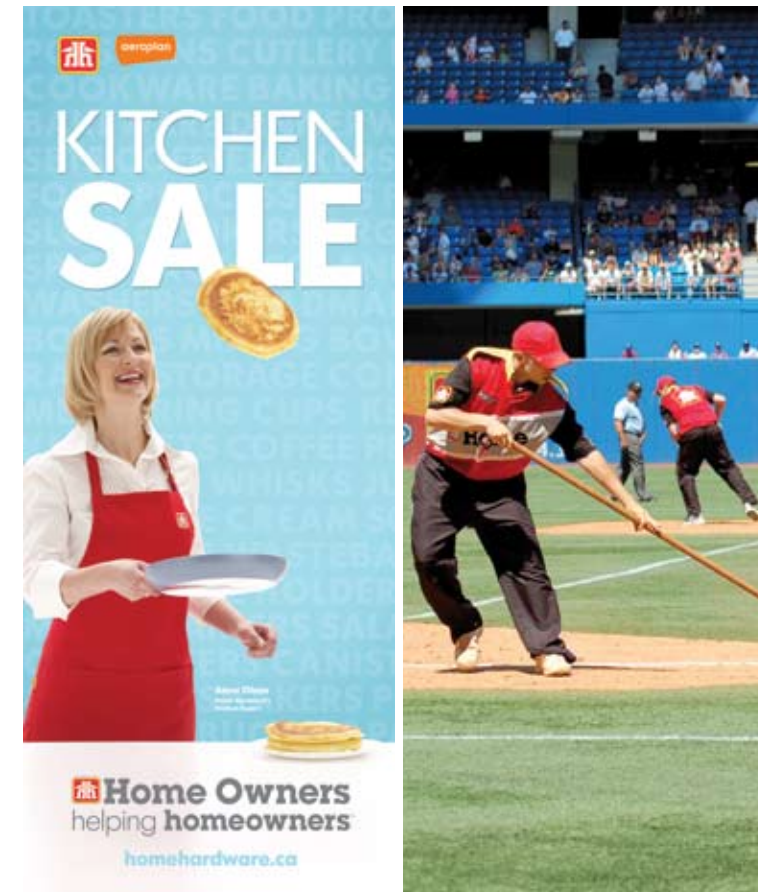
Adding to our flyers, catalogues and in-store signage, Home Hardware sponsors the Toronto Blue Jays, NHL and CHL teams across the country, and NASCAR Canada driver Don Thomson, Jr. – ensuring our visibility locally and nationally.

Home also features nationally recognized spokespeople such as Gardening Expert Mark Cullen and Kitchen Expert Anna Olson as members of the Home Hardware team of experts. Both are part of a year-round TV advertising campaign that scores highly in terms of recognition, memorability and effectiveness year after year. But it's the Home Owners who really shine as the stars of all our print, TV and online advertising.

Digitally, the homehardware.ca website is constantly being updated with new features and functionalities. Customers can search over 60,000 items online, and register for an e-communications program to receive customized emails from their closest Home location alerting them to online exclusives, new flyers, sales and more.

Home Hardware is also an active partner with Aeroplan® in their industry-leading customer loyalty program, allowing customers to redeem their Aeroplan Miles for valuable Home Gift Cards.

Get the marketing assistance and support you deserve by giving your store the type of recognition that only Home can deliver.



Home helps Home Owners and their staff members shine.

Your Home for training and development.

Home is committed to helping Home Owners build their businesses by helping to train and develop the skills of Owners and their staff. Whether it's small projects or larger home renovations, Home equips you and your staff with the knowledge and tools necessary to help your customers complete all their home improvement projects. Increased sales come from knowledgeable, well trained staff.

In fact, Home Owners and their staff have been recognized by the North American Retail Hardware Association Canada (NRHA Canada) as the best-trained Dealer group in North America. In 2009 alone, Home Owners and staff logged nearly 8,000 hours of training and education.



Home Hardware training programs include the Solid Base Series, a combination of hands-on training, videos, lectures, group exercises and discussions covering everything Home Owners and staff need to know about daily store operations. And twice a year, Home Owners are encouraged to take part in classroom-based training at the Pre-Market Conference, which features informative seminars, guest speakers and presentations to help them build their businesses and increase sales.

Home also offers video training with SBTV training DVDs on a variety of topics, from helpful tips on selling Beauti-Tone paint to Plumbing and Electrical advice and Product Knowledge training. And Home brings the classroom to every Home Owner's store through online tools and training courses, including Seasonal training and Product Knowledge webinars. The weekly Home Hardware electronic newsletter also keeps Home Owners and staff informed and current.

Through these programs and initiatives, every Home Owner is equipped with the resources and training they need to provide expert advice and product information to all their customers.



Grow your Home with Beauti-Tone.

The future is brighter with Home and Beauti-Tone.

Decorating is a critical part of the home improvement market, and with the Beauti-Tone paint division, Home Hardware is well positioned to help your business grow. Fully owned, operated and manufactured in Canada by Home Hardware, Beauti-Tone paint is Canada's fastest growing brand. Year after year, Beauti-Tone outpaces the growth of the paint market by a factor of two to one. It's no wonder Beauti-Tone is Canada's No.1 retail paint brand.

Independent tests prove that Beauti-Tone is also one of the very best paints money can buy compared to other leading brands. In fact, Beauti-Tone does so well compared to competing brands that over 90% of Home Owners stock Beauti-Tone paint exclusively – and more Home Owners are following their lead every day.

All Beauti-Tone products – which include household cleaners, stains, clear coatings, caulking, sealants and liquid lawn fertilizers as well as paint – are made exclusively for Home Hardware in Burford, Ontario, in one of the most technologically advanced manufacturing facilities in North America.

Because Home Hardware is the sole manufacturer and distributor of Beauti-Tone paint, only Home Owners enjoy an annual rebate on Beauti-Tone products that sets the standard in the paint business.

Home also helps Home Owners grow the sales and profitability of their paint departments through a number of programs and services:

- Annual training seminars, in-store merchandising and cost-saving direct-buy programs

- A comprehensive commercial paint program to help Home Owners access the \$650-million professional market
- Successful customer appreciation events
- Video training and correspondence courses on everything from Selling to Contractors to Décor Consulting

In terms of promotions, new products and exclusive colour partnerships, Beauti-Tone delivers, too. Our aggressive promotional strategy means Beauti-Tone always has the right products at the right price. In the past two years, Beauti-Tone has doubled its share of the premium-priced paint market, and introduced a wide range of innovative new products such as the successful Woodshield Best stains, and Designer Series Door and Trim paint.

In 2010, Beauti-Tone launched exclusive colour partnerships with some of Canada's best known colour authorities, including *Style at Home* magazine, renowned Canadian fashion designer Simon Chang and an exclusive new partnership with Sesame Street.

Beauti-Tone is just as committed to the environment as it is to Home Owners. It leads the way in environmental initiatives, as the first Canadian paint company to switch to plastic cans, in addition to offering the Natura line of eco-friendly paint and cleaning products. Beauti-Tone is also proud to join with the Canadian Lung Association as Partners for Healthy Homes, working together to help Canadians breathe easier and improve the air quality in their homes.

Beauti-Tone paint continues to grow, and Home Owners are taking advantage of the great products and great margins Beauti-Tone provides. Join Home and get the expertise and support you desire to become one of Canada's Paint Experts.

Beauti-Tone
PAINT



Dunc Wilson, **National**,
519.498.1302
Georgette Carriere,
Ontario, 519.501.5988
Luc Martin, **Quebec**,
819.3570203
Andrew Parkhill, **Western**
Canada, 604.751.3853
Kevin MacDonald, **Atlantic**
Canada, 902.368.1620



**CANADA'S
NO.1 RETAIL
PAINT BRAND**