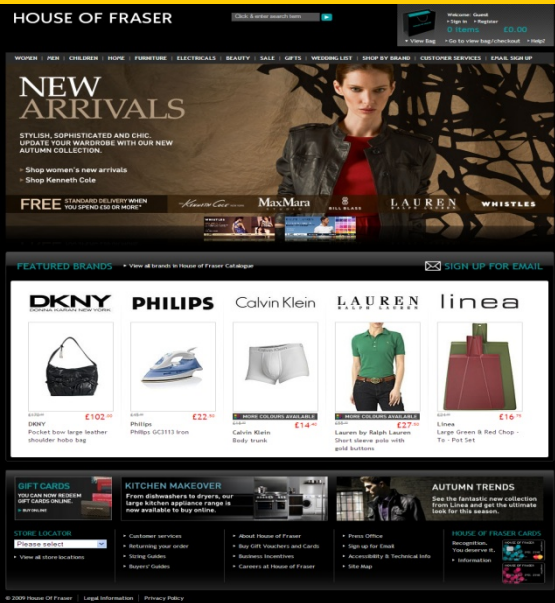


PARTNERSHIP BRINGS WORLD CLASS SOLUTION FOR HOUSE OF FRASER ONLINE



Renowned for its designer brands and exclusive collections, House of Fraser is one of the best known names on the high street with 62 locations across the UK and Ireland. In September 2007 the department store launched its transactional website, followed a year later by its multi-channel wedding list service. From beauty essentials to home accessories, this premium department store strives to offer its customers an enjoyable and pleasant shopping experience, both online at www.houseoffraser.co.uk and in-store.

FAST MOVING RETAIL DEMANDS A CUTTING EDGE

In the dynamic and competitive retail sector, moving with trends and managing consumer demands is essential to success, no more so than in difficult economic times. So when House of Fraser looked to optimize its supply chain and develop an integrated multi-channel offering, it needed a partner that could adapt to current market needs and support growth with cutting edge forward-thinking solutions.

BUSINESS CRITICAL SOLUTION

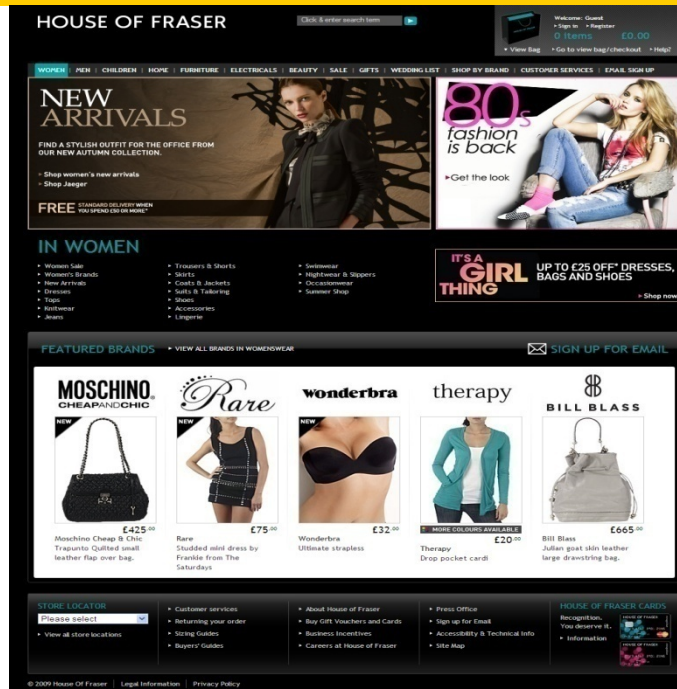
Using DHL's in-house project management system DePICT, a migration and integration solution was developed utilizing DHL's wider capabilities in customer delivery, distribution network management and precise operating procedures. A dedicated team devised and created a separate multi-channel warehouse platform within House of Fraser's existing retail logistics operation in Milton Keynes. DHL@home couriers were partnered to manage customer deliveries consolidating five previous suppliers, and the National Distribution Center-based staff were trained in multi-channel operations. To complete the transfer solution, House of Fraser's Manhattan PkMS (pick ticket) management system was enhanced to assimilate additional customer orders and deliveries, including a returns service.

HOUSE OF FRASER

BENEFITS SUMMARY

- Cost savings and efficiencies through integration within existing operations
- Set up within three months exceeding planned service levels from day one
- Flexible, skilled team manages peaks
- Integrated operations saves an average of three days out of supply chain





SEAMLESS TRANSITION EXCEEDS EXPECTATIONS

At precisely the agreed date and within the three month deadline, the new integrated multi-channel operation went live on 2 March 2009 with a seamless transition. The final transfer of the bulk of website orders was made over one weekend with no requirement for service downtime. An immediate hit rate of 99.8% for first time customer deliveries was achieved by DHL@home. The courier service, operated by DHL Express, allows more customer options including appointed time deliveries.

House of Fraser is able to draw on a skilled, flexible workforce to fulfill peak demands, and stock management systems are adapted and integrated to optimize the availability of goods for online orders, thus maximizing web sales. It is this scalability of resources that reduced initial investment in terms of training, recruitment, facility management and storage.

Integrating the multi-channel operation into the established retail operation already managed by DHL saved an average of three days out of the supply chain, thereby increasing the speed of stock turnaround and providing the potential for higher sales.

Increased flexibility of stock creating scope for expansion and growth

Increased accuracy with 100% service levels and 99.8% first time deliveries

Increased capacity savings through integration within existing operations

Reduced costs through scalability and flexibility of resources

Reduced lead time and product handling turnaround

Reduced waste through dedicated returns service and quality checking procedures

“DHL’s partnership with House of Fraser, together with multi-channel experience and resources, enabled us to deliver an integrated and complete solution that provides a reliable platform for further growth.”

Paul Richardson
Managing Director, UK
DHL Supply Chain Fashion

“By the end of the first week it was clear that DHL had delivered a solution to a demanding deadline that exceeded expectations. It integrated seamlessly into our existing network and supported our brand integrity .”

Mark Holland
Supply Chain Director
House of Fraser

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