

THE MARKET

There is a large footwear market in Malaysia. It ranges from basic to specialty footwear and caters for all walks of life. Casual shoes and sandals represent the major part of the footwear business in this country due to the tropical climate and the lifestyle lead by Malaysians.

The casual sector is booming and that is really no surprise. Since the mid 1990s, America has been the centre of a worldwide casual boom. Khaki trousers and comfortable knit shirts have replaced more tailored European fashions. Business established "Casual Friday" dress codes that soon extended to the rest of the week. Uniform business attire has given way to a more relaxed, individual style of dress.

Hush Puppies, the footwear brand that "invented casual," has kept pace with appropriate, relevant products and styling that support its brand values of "Fun, Comfort, and Genuine Style."

ACHIEVEMENTS

Since its introduction in the US in 1958, Hush Puppies has become the world's best-loved shoe brand. Sold in 85 countries around the world, Hush Puppies enjoys a brand recognition of over 90% in the US and Malaysia, and nearly that high in most countries in which the brand is sold. Somewhere in the world, more than 30 pairs of Hush Puppies are sold every minute of the day.

Hush Puppies has become a Malaysian favourite since its introduction in September 1990 and continues to grow under the leadership of Mr Antonius Sutanto, Managing Director of Transmarco Concepts Sdn Bhd.

HISTORY

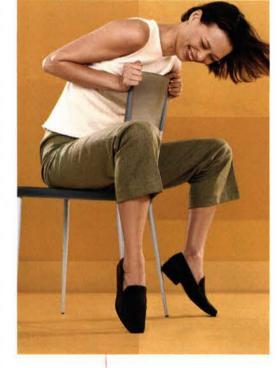
The history of Wolverine World Wide, the parent company of Hush Puppies, dates back to 1888 when a leather-tanning operation began on the Rogue River in Rockford, a small community north of Grand Rapids, Michigan. By 1904 the first shoe factory opened, making ladies dress boots and men's rugged work boots for farmers. In the early 1950s, the United States government approached Wolverine, asking them to

devise an effective way to tan and use durable leather. This new leather is one of the world's most durable, but tanning it was not economical. Wolverine's chairman, Victor Krause, took a leave of absence to work on the project and invented the processes used around the world to this day. Mr Krause realized he needed a venue to showcase the now abundant supply of this new leather. When he looked at the country, he saw the post-war boom. Servicemen returning from the war were building homes and starting families.

The original baby boom was underway; families were leaving cities and expanding into newly created suburbs, to homes on lots with lawns and driveways. But what would this new generation of Americans wear on their feet? At the time, there were no true "casual" shoes.

Men wore wing tips to work and once they were old, bought a new pair for work and used the old pair to mow the lawn. Women wore heels or canvas sneakers. Mr Krause believed that this new consumer was ready for a new type of footwear. He took the leather - naturally durable, treated in the tanning process to be water and stain resistant and attached it to a lightweight crepe sole. The world's first "casual shoes" were born.

The history of the Hush Puppies name is also a slice of Americana. Jim Muir, the



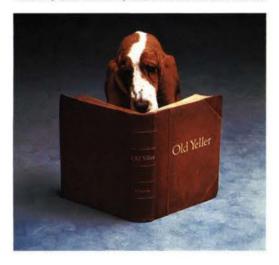
company's first sales manager, was travelling in Tennessee with this new, yet unnamed line of men's and women's comfortable suede casual shoes. He stopped for dinner at a friend's house for a fried catfish dinner. His friend served hush puppies, fried cornmeal dough balls, with the fish. When he asked where they got their name, he was told that farmers "use them to quiet their barking dogs." Jim laughed, because





in the 1950s "barking dogs" was another name for tired, sore feet.

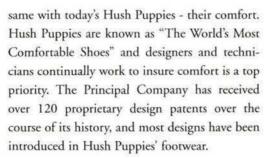
The result? Jim put the two together and that day the comfortable shoes that soothe aching feet became "Hush Puppies." The Hush Puppies brand and famous Basset Hound logo soon became part of American folklore. That original Hush Puppies' style has been an example of classic, American style for over 40 years. Footwear News, an American trade magazine, named it one of the best-selling shoe styles of all time. In 1996, the Council of Fashion Designers in America gave Hush Puppies their "Best Accessory" award, which put the brand in the company of such fashion icons as Ralph Lauren, Calvin Klein, and Tom Ford from Gucci.



THE PRODUCT

Today, there is a lot more to Hush Puppies than the original suede shoe that made them famous. Hush Puppies produces full lines of casual, sandal and formal footwear for men and women. These styles are appropriate for work, for play, or for leisure.

Hush Puppies is also a major maker of children's footwear with dress and play styles for children from four up to 12 years old. While styles may differ, one thing remains the



RECENT DEVELOPMENTS

Today, Hush Puppies, after extensive and continuing research, offers a wide range of comfort technologies, from "Zero G" light weight footwear built to athletic specifications, to "HP02 FLEX" a unique cushioning system designed to give incredible flexibility through multi-directional flex grooves placed throughout the cushioning.

For Fall 2001, Hush Puppies has introduced its new Float FX cushioning, a nitrogen/oxygen filled heel bubble, ABS stabilizer, and non-liquid forefoot gel pad to customize the entire walking motion from heel strike to toe-off.

PROMOTION

The Hush Puppies Basset Hound remains one of the world's great icons. It is as well known as "The Hush Puppies Dog" as it is by its breed. Basset hounds were first introduced in many countries around the world, following the introduction of the Hush Puppies Footwear brand. The icon is widely used in Hush Puppies' advertising in most countries.

From its early beginnings, Hush Puppies recognized the role of marketing in the brand building process. Hush Puppies displays its position not just as a fashion retailer, but also as a brand leader, generating sales in the present, while at the same time building and protecting its longterm brand image.

• In 1988, a Hush Puppies advertisement won the prestigious Gold Lion for the Basset hound on a subway grate, with its ears flapping in the air as a train passed below. The ad was later named one of the top 100 television commercials of all time by Entertainment Weekly Magazine.

Today, Hush Puppies advertising reflects the relevant, contemporary outlook of the brand. The taglines, "Form meets Fun", "Favourite Shoes" and "Be Comfortable With Yourself" suggest that a person can be comfortable with her/himself and a style appropriate to the way







she/he dresses. The campaign targets Hush Puppies main consumers who know the benefit of looking good without being slaves to fashion. Hush Puppies has been involved in many sponsorship and charity events. Cash and kind were extended to local homes, Red Crescent and other community bodies.

BRAND VALUES

The Hush Puppies brand stands for Fun, Comfort, and Genuine Style. Fun- a lighthearted approach to life - can be expressed by friends, events, or simply a smile. Comfort is a state-of-mind as well as a product attribute.

When your feet feel good, you feel good, and when you feel good about yourself, you exhibit a sense of personal confidence and style. Genuine Style is the confidence to be an original, yet to be appropriate in all that you do.

THINGS YOU DIDN'T KNOW ABOUT HUSH PUPPIES

- Hush Puppies is the original casual shoe company; it celebrated its 43rd birthday in September 2001.
- Over 30,000 pairs of Hush Puppies are sold every day around the world, equivalent to about 1,800 pairs per
- It takes over 200 separate operations to make a single pair of Hush Puppies shoes.
- Hush Puppies is the largest maker of comfort footwear for the entire family.
- Including Malaysia, a total of 85 foreign countries, from the US, Europe, the Middle East, Australia to Asia, sell Hush Puppies.
- "Hush Puppies" parent company
 Wolverine World Wide, Inc holds over
 120 proprietary patents in shoe design and comfort technology.
- Hush Puppies are favoured by world celebrities such as Sharon Stone, Elton John, Tom Hanks, Jodie Foster, David Bowie and Sasha Tan, our very own Miss Malaysia World 2001.