



the attitude of latitude

Corporate Backgrounder

Hanging Furniture from Outback Chair: Remarkably Relaxing *Retailers Win Customers with Innovative Hanging Chairs and Traditional Hammocks*

SAN DIEGO – February 2006 – Home. Home means comfort, retreat and relaxation, and the pleasures of leisure time enjoyed with family and good friends. To enhance their homes, consumers are devoting more attention and resources to designing and furnishing outdoor living areas as extensions of their homes' interiors. Furnishing outdoor spaces is an important priority for homeowners who center relaxation and entertainment at home on the outdoors. Thus, when selecting casual furniture, discerning consumers today seek exceptional value: imaginatively designed, well-made furniture that provides genuine comfort at a sensible price.

According to the U.S. Census Bureau, consumers now spend some \$40 billion annually on their outdoor living areas and gardens. In 2004, sales of outdoor furnishings and amenities (outdoor furniture, lighting, umbrellas and grills) totaled approximately \$6.2 billion (based on *Casual Living's* recent "Universe Study.") Of that total, retail sales of casual furniture reached \$4.21 billion 2004, growing nearly 8 percent from 2003.

Challenges for Retailers

In 2004, the Big Box discounters increased their market share from 44 percent to 48 percent of total retail sales of casual furniture. Specialty retailers' market share dropped to 27 percent, down two percentage points from 2003. Big Boxes are aiming to sell higher quality merchandise at price points approaching those that until recently were found only in specialty stores. They are aided in improving the value of their merchandise by many big manufacturers that establish separate divisions to sell just to Big Box chains.

Retailers who sell casual furniture in competition with the Big Boxes operate under intense pressure. Their market shares and margins are at-risk. To survive and thrive, they must offer distinctive products that consumers cannot find at a Big Box. And they must strive to provide an experience that no Big Box store can match: outstanding service in pleasant, engaging retail environments. Who is dedicated to these retailers? The Outback Chair Company, Inc., manufacturer and distributor of the most complete line of remarkably relaxing hanging furniture – including chairs, loungers, recliners and hammocks – that provide the soothing sensation of softly floating on air.

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Lofty Comfort

Some sensations simply must be experienced to be appreciated. And so it is with the carefree feeling of floating that consumers experience aloft in the exceptional chairs, loungers and recliners (31 SKUs) from Outback Chair. When they sit back in Outback's hanging furniture, they catch the "attitude of latitude" and enjoy a sense of comfort that raises relaxation up to airy heights. And to complement its unique chairs, loungers and recliners, Outback Chair offers hammocks (11 SKUs) for the feeling of time-honored relaxation.

Thus, Outback enables retailers to offer both innovative hanging furniture and traditional hammocks. The products are designed and produced in complementary fabrics and colors. For example, an Outback Lounger for a patio can be paired with a matching Outback Quilted Fabric Hammock for the yard. Of course, Outback provides hardware to suspend its furniture from the ceiling of a porch or the branch of a tree in the backyard as well as attractive and sturdy frames that enable the furniture to sway gently above the ground out back on a patio, by the pool or in a garden.

All Outback Chair products are durably manufactured to last for years of enjoyment outdoors. And many retailers find that customers want to purchase an extra hanging chair or recliner for use indoors in a family room, home office or a teen's bedroom.

Superb Quality, Award-winning Design

Jack Bass founded Outback Chair in 1997 not just to meet but to exceed consumers' expectations. Jack, who hails from South Africa, brought more than 15 years of manufacturing experience to Outback Chair, as well as his commitment to quality craftsmanship and continuous design innovation. Where quality is concerned, producing furniture that surpasses the commonplace requires that every detail be attended to with single-minded devotion. From the raw materials selected right through manufacturing and final finishing processes, Outback Chair Company does not compromise. The company's commitment to craftsmanship is the assurance of quality – above and beyond.

Outback Chair is recognized for design excellence. Outback's achievements include the 2002 Southern Nursery Show Best Interactive Product Award, the 2001 Invention Convention Best Chair Design Award, and Best New Product (Hard Goods) at the 2000 DC Flower and Garden Show.

Commitment to Retailers

Outback Chair Company is committed to the success of retailers contending with the competitive challenges of the Big Box stores. It stakes its success on the success of its dealers. To the retailers who sell its products, Outback Chair makes five unconditional promises:

First, Outback Chair does not design and manufacture mass merchandise for mass merchants. Never has, never will. Outback Chair produces quality furniture that provides lasting value.

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Second, as a convenience to consumers, Outback Chair does offer the option of ordering direct on its Web site. But Outback never undercuts its dealers' retail prices. Never has, never will.

Third, discerning customers, especially those whom specialty retailers seek to attract and serve, do not want to compromise. Outback Chair will not compromise on excellence in design and manufacturing.

Fourth, whether a dealer's order is large or small, Outback Chair provides first-rate service. That includes fast, direct shipping from the company's West Coast or East Coast distribution centers.

Fifth, retailers can count on Outback Chair for continuing product innovation. Outback ensures that retailers can offer exceptional hanging furniture products and traditional hammocks at a range of price points to those consumers who seek imaginatively designed, well-made furniture that provides an unmatched experience of idyllic comfort.

Additional information on the Outback Chair Company is available at www.outbackchair.com.

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