



Beyond the Rack

The private sale industry at-a-glance

- ▶ Fastest growing segment of product e-commerce globally
- ▶ \$3B - \$4B growing at 50% annually
- ▶ Clubs in over 20 countries – started in France in 2002
- ▶ North American privates sale market will double in 2011
- ▶ Close to 8 million consumers are members of private sale clubs
- ▶ Not just about fashion and accessories anymore: home, electronics, travel, jewelry, etc.



What are private sales?

- ▶ Members-only access
- ▶ Distinct sales events start every day (11 am)
- ▶ Limited-time (48 to 36 hours)
- ▶ Limited-quantity
- ▶ Deep discounts (40% to 85% off retail)
- ▶ First-come / first-served
- ▶ Selection refreshed daily



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Get exclusive access to limited-time events featuring top designer brand fashions, accessories, home décor, and beauty products **at up to 70% off retail.**

Better yet: join now, and get a \$10 credit to kick start your shopping spree.

**JOIN NOW:
GET \$10**

EXCLUSIVE EVENTS ARE ONLY OPEN TO MEMBERS
FEATURED BRANDS INCLUDE

roberto cavalli	Juicy Couture
VERSACE	MOVADO
BALENCIAGA	YVES SAINT LAURENT
Dior	ALEXANDER MQUEEN

A photograph of a man and a woman in winter attire. The man is wearing a plaid scarf, a white shirt, a dark jacket, and jeans. The woman is wearing a patterned knit sweater, a fur collar, and high-heeled boots. They are standing close together, looking towards the camera.

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A win-win scenario

It's what consumers want

- ▶ Value-conscious shopping
- ▶ Apparel / accessories
no. 1 online shopping category
- ▶ Online shopping = value + convenience

It's what brands need

- ▶ Convert excess / idle inventory into cash
- ▶ Discreet / brand-enhancing
clearance channel
- ▶ Turnkey solution / fast payment

COSMOPOLITAN

AND BEYOND THE RACK
OFFER YOU A
CHANCE TO WIN A
\$1000
SHOPPING SPREE

'Tis the season to update your look with fall-friendly fashions. So while you're in that makeover mood, why not update your home décor?

Join Beyond the Rack today, and you'll not only get exclusive access to top home furnishing brands like Kinetic, Versace, and Ralph Lauren **at up to 70% off**, you'll also be entered for a chance to win **\$1000 in shopping credits** to kick off your fabulous home makeover.

As if all that wasn't enough, you'll automatically get a **\$10 welcome credit** as soon as you register.

BTR ALSO OFFERS YOU
A WELCOME CREDIT
JOIN NOW: GET \$10

SOME OF OUR FEATURED BRANDS

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VERSACE **kinetic** RALPH LAUREN *Tanner* **thinkkitchen**

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Beyond the Rack at-a-glance

- ▶ Website launched in February 2009
- ▶ 3.2 Million members across North America
- ▶ #1 in Canada, #3 in USA
- ▶ 10 product categories - apparel, accessories, home décor, beauty, travel, kids
- ▶ Offices in Montreal / New York
- ▶ Partner with 1,700+ brands
- ▶ Global reach – working relationship with 11 other clubs as member of the Global Brands Alliance
 - ▶ Dubai, Australia, Russia, Mexico, Brazil, Switzerland, India, Korea
- ▶ 220 Employees
- ▶ 2011 Revenue - \$140 Million



**INVITE FRIENDS FOR A CHANCE TO WIN
WIN THE \$1500 LOOK**

- Pucci pouch
- Burberry London eau de toilette
- Lancôme Color Design eyeshadow and color palette
- Balmshell Beach Patrol lip gloss set
- Ocean & Sari by Ocean nail lacquer set
- Bill Blass leather handbag
- Halo by Shoshana headband
- Prada key ring
- Ray-Ban aviators
- Hilary Radley scarf
- CC Skye bangles

FOR EACH FRIEND YOU INVITE,
YOU'LL GET A \$25 CREDIT UPON
THEIR FIRST PURCHASE

How's that for a holiday bonus?

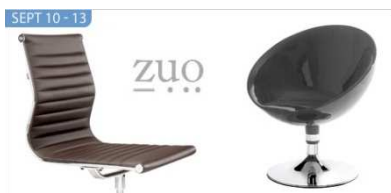
**INVITE
FRIENDS NOW**

You have until December 31, 2010 at midnight (ET)
Winner will be contacted via email
In order to be eligible for your \$25 credit, each friend you invite
must create their BTR account before midnight on December 31, 2010

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Some of our brand partners



Operating Globally

Investor Base

- ▶ Canada / USA / Europe
- ▶ Smart money with expertise in e-commerce and business model

Key Markets

- ▶ Warehousing / Operations
- ▶ Sourcing / Marketing
- ▶ Distinct Websites

Global Brands Alliance

- ▶ Best Practices
- ▶ Joint Sourcing
- ▶ Market Opportunity

FRI FEB 11 - 14

THU FEB 10 - 13

UP TO 80% OFF

Beyond the Rack
DESIGNER BRANDS AT EXCLUSIVE PRICES

SAVE UP TO **70%**
OFF RETAIL

WELCOME BONUS
\$10 SHOPPING CREDIT

JOIN TODAY
IT'S FREE

Beyond the Rack
DESIGNER BRANDS AT EXCLUSIVE PRICES

Beyond the Rack offers its members top designer apparel accessories, and home decor at up to 70% off retail

Beyond the Rack

Opportunities

- Access to Product and Market on a global scale
- Leverage best practices from one market to another
- Operations in Canada and USA provide access to diverse talent pool
- Able to balance cost / benefit in building team
- Highly mobile workforce – people can work from anywhere – virtual work-spaces
- Proximity to US market/ shipping corridor
- Locate logistics close to market
- Access to Product on a global scale

Challenges

- Moving Goods Cross Border - logistics
- Duty and Customs
- Labeling Restrictions – developed expertise
- Regulatory (HR, Marketing, Import, Taxation, etc...)
- Language
- Taxes – Remittance (US, Canada, State Provincial)
- Currency
- Managing remote team (face-time / follow-up)
- G&A expenses (overhead, travel, IT infrastructure to link work-groups)

Beyond the Rack

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