

PRESS RELEASE

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FOR IMMEDIATE RELEASE

EventExtra brought in to manage change conference after WikiLeaks revelations at Lapland Global Holdings

Following this month's damaging WikiLeaks release of confidential memos between top executives at Lapland Global Holdings, the group is to hold its first international change conference in February to address the key issues affecting the business.

The WikiLeaks release exposed serious production and distribution problems resulting from a breakdown in communications and management right across group operations. EventExtra, the conference communication and in-event design specialist, has been appointed to manage communications for the event and to facilitate on and offline workshops during the conference itself.

After news of the turmoil spread through the world's financial press the potential damage to the group's brand reputation is already having an impact on its share price, now down 22% since Monday's disclosure and leaving red faces all around. In one email to the production director, LGH's long standing CEO is shown to be using language considered grossly inappropriate to the group's core brand values as he vents his frustration at events. The now public text has subsequently brought his continuing leadership into question.

The memos reveal that production lines were nearly brought to a complete halt due to a series of catastrophic failures since February when the group is building up to its busiest trading period in December. Inadequate planning, the impact of volcanic ash from Iceland and a global electronic component shortage that has affected key products such as games consoles and other electronic toys, have all seriously affected production. Over the phone, a company spokesperson stated, *"Memory chips, resistors and capacitors have been in short demand after recession fears caused makers to cut output, dismiss staff and stall equipment purchases. As demand increased, component manufacturers were simply unable to meet it."*

The previously unchallenged LGH market position relies totally on its single *Santa* brand and its credibility amongst 1.6 billion customers all under the age of fifteen. This is a huge market that is growing annually at 1.1% and which has resulted in a 55% increase in demand in recent decades.

Further leaks highlighted logistics concerns at LGH that could well impact on this month's deliveries, *"The truth is, we've got an aging transport fleet resulting from a lack of investment over recent years"*, confesses logistics chief, Rudolph Deer.

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In deciding to appoint EventExtra to lead the conference, the CEO Mr S. Claus said *"We need change and we need it quickly. The days of top-down management are gone. It simply does not allow us to compete in a globalised world. In future, our elf workforce has to take ownership of all the key purchasing, manufacturing and distribution processes. My future role will be to protect the core brand."* Claus continued, *"To that end, the necessary changes have to come from within."*

The conference, to be held at the group's grotto HQ in Lapland, will initiate a total review of operations including a new approach to elf engagement strategies in order to minimise future organisational challenges. The format of the conference will be:

- a) To engage both attending and non attending elves in production and logistics issues prior to the conference using innovative facilitated online services. This will include a live interactive webcast by CEO Claus himself, with linked regional seminars moderated by local elf leaders.
- b) To allow ownership of the conference and its outputs to remain with the elf participants themselves. Mr Claus will initially outline the challenges as he sees them, and then the participating elves will engage in EventExtra's OpenSpace and SpeedShops formats. These guide each group of participants to achieving 100% buy-in on the proposals they put forward to Mr Claus at the end of the sessions. The total buy-in principle is the key to having ideas listened to and implemented.
- c) To consult the wider organisation of non-participating elves through EventExtra's online and interactive conference communication hub.
- d) To maintain workshop momentum and progress reporting after the conference and right through to implementation via the communication hub.

"It's a fantastic opportunity to work with Lapland Global Holdings. said Matt O'Neill, director at EventExtra Ltd. "We aim to help the company build on an international brand reputation amongst its core customer groups. The group's top management team recognises that positive change only comes about when things are done differently. Through engaging EventExtra, CEO Claus is sending a clear signal to his organisation and the wider world that he means business"

Ends

Podcast: Interview with CEO S.Claus in London
<http://www.eventextra.net/storage/audio/lgh-podcast.mp3>

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