



Market

ALTEX is the Romanian market leader in electronics, home appliances, IT&C and multimedia, with an impressive presence throughout the country. The brand's total retail surface of over 75,000 square meters is divided between over 120 ALTEX and eleven Media Galaxy shops.

ALTEX offers its clients a varied range of products, at lowest cost, by making available a flexible and generous financing system that offers one of the lowest interest rates on the market, in combination with manageable monthly payments. This system facilitates the access of all categories of consumers to high quality products and equipment, indispensable to daily comfort. ALTEX is the Romanian leader in electronics, home appliances and IT&C, having a 30% market share. In 2005, ALTEX had a turnover of 275 million euros (excluding VAT), while profits were 10% higher than in 2004.

In 2005, the Romanian retail market for electronic goods, home appliances and IT&C achieved significant growth, the total volume of the market reaching 800 million euros.

In 2006, market growth slowed, and most categories of goods saw a fall in sales. The only categories to maintain the same sales dynamic were IT&C and brown products, such as Plasma and LCD TVs.

This market evolution was due to an increase in families' monthly expenditure on utilities and the market saturation on the white goods segment (fridges, cookers and washing machines), goods mainly purchased through consumer credits in 2003/2004, which created spectacular sales during those years. A more encouraging growth rate is expected for the next few years,

when the market will see a degree of recovery.

This segment of the retail market is divided among three main players, specialised in the sale of white, brown and IT&C goods, and to a smaller extent by the hypermarket chains.

Achievements

ALTEX is the only retailer in Romania that is listed in the "very large business" category, according to The Top National Companies of 2004, put together by the Romanian and Bucharest Chamber of Commerce and Industry (CCIRB).

According to the official records of the Ministry of Finance, in 2004, ALTEX was the best performing company among the Romanian electronic goods, home appliances and IT&C retailers, registering a 4.6% profit rate and 145 million euros in turnover.

Moreover, the ALTEX advertising campaign entitled "Accessibility" brought the creative agency Leo Burnett an EFFIE Gold award at the retail section of the competition in 2006.

History

ALTEX was established in 1992 in Piatra Neamţ, as a private company with 100% Romanian capital. One year after its foundation, ALTEX opened its first shop in Piatra Neamţ. The shop still exists today, specialised, like all stores, in the sale of electronic goods and home appliances.

Between 1994/1997, ALTEX invested a great deal in the development of its retail chain, opening over 50 shops in all of the major cities across Romania.

Between 1997/1999, the company went through a restructuring process due to the

general decline of the market (inflation, very high interest rates etc). ALTEX carried out retail, wholesale, transport and service activities in order to best survive this difficult period - as can be seen today, the firm succeeded.

In 2000, ALTEX decided to outsource a part of its services. Thus, the same year, the ALTEX Group was established, comprising the ALTEX retail stores, the logistics and distribution company 8tim as well as Italromtex, a company specialised in distribution and wholesale.

In 2001, following the restructuring

process, ALTEX began to position itself on the local market as a strong and efficient company. 22 new shops were added to the company's retail chain in 2001. In 2002, the retail chain continued to grow, totalling 62 shops by the end of the year.

In 2003, ALTEX witnessed unprecedented growth, achieving the widest national coverage in terms of number of shops. The company finished the year with sales of over 136 million euros. A year later, ALTEX introduced a new concept onto the market: Media Galaxy, the largest electronics-complex in Romania.

Media Galaxy is the store that offers a diverse range of products across very large surfaces (over 2,000 square meters), setting a new standard on the electronic goods, home appliances and IT&C retail market. The very same year, ALTEX launched a revolutionary financial product "Credit doar cu buletinul" (Credit offered to the consumer on the basis of possession of an ID card).

In 2006, the ALTEX Group continued its expansion, totalising over 120 ALTEX stores and eleven Media Galaxy electronics-complexes. For the near future, the company has publicly expressed its intention to enter new markets in Eastern Europe. ALTEX Group has today over 2,500 employees.

Product

Besides the ALTEX and Media Galaxy retail chains, the ALTEX Group also includes the following companies: 8tim (logistics and distribution); Italromtex (distribution and wholesale); Credex (consumer finance credit established in partnership with Raiffeisen Bank)



and Complet Electro Serv (manufacturer of DAVIO computers).

Davio computers has a 30% market share of the entire Romanian computers' retail market. Teletech is another ALTEX brand and is one of the leaders of the Romanian TV market, holding a market share of 10%.

Both ALTEX and Media Galaxy collaborate with a significant number of suppliers, being the only electronics retailer in Romania with an impressive portfolio that encompasses famous brands such as Philips, Panasonic, Sony, Thomson, Daewoo, Whirlpool, Arctic, Bosch, Siemens, Electrolux, Zanussi, Ariston, Indesit, Rowenta, Tefal, Braun etc. Similarly, ALTEX sells three of its own brands on the national market: Teletech (TV, DVD), Cata (extractor fans and radiators), Davio (PC line & storage devices) and is the exclusive distributor of the Sanyo, Rotel, Ariete, Cata, Petra and Iner brands.

Recent Developments

In June 2006, ALTEX revealed its new visual identity, the result of a complex re-branding process.

The visual identity was developed based on ALTEX' s current brand capital: today, ALTEX represents a leader that innovates, and always innovates for its customers. The most suitable expression of this philosophy is the lighthouse. The lighthouse is a symbol for guidance, a guide in the service of the customer. ALTEX is the reference point for customers finding their way in a very complex marketplace. ALTEX is their first choice.

A visual identity was created around a symbolic letter A able to clearly transmit the position of the brand on the market. The new iconic identity underlines the excellence achieved by ALTEX as a strong brand and as a market leader.

Created so as to suggest the idea of modernity, the new ALTEX identity keeps the yellow and red colours that are representative for the company, but also for any Romanian, since they are two of the colours of the national flag. The red and yellow colours stand for a simple expression of what ALTEX means to the



Romanian market: a 100% Romanian success story.

Promotion

ALTEX strives daily to maintain its position as one of the best retailers in Romania, offering its customers complete solutions adapted to meet their needs, through a range of electronic goods, home appliances, IT&C and multimedia products at the lowest prices. ALTEX is well-known among Romanian consumers as a company that offers the best solutions for purchases and services.

The brand's past and current strategy is rooted in one vision: ALTEX - the first choice in home appliances, electronic goods and IT&C products.

Each promotional activity comes to support the brand's positioning statement: "Lowest Price in Romania".

ALTEX continually prepares and selects its products and prices while making continual comparisons with all its competitors on the market. It's a "never ending" process for the company's management and sales force. The 365 days of the year are dedicated to product planning.

The best products at the lowest prices are presented twice a month in the ALTEX catalogue, distributed all over the stores and retail locations.

Media communication is used to sustain the ALTEX catalogue. TV, radio, press and web communication are strategically mixed to sustain the catalogue offers with the same striking message and humour. The brand's methods of communication are particularly popular and wide-ranging, intended for everyone. The results can be seen in high sales for the company and big savings for its customers.

Brand Values

The brand's strategy is to be seen as a friendly, innovative, trustworthy, charismatic and successful partner.

ALTEX communication is built on the idea of offering the "lowest price in Romania", as a



fundamental brand promise. The brand values are based around the customers' needs and expectations. Thus, with ALTEX, the customer is always at the centre of the brand's concerns. All products, prices and programmes are prepared and developed in light of the needs of consumers.

ALTEX believes that innovation, at all levels of its activities, represents the basis for the company's growth. Similarly, the brand believes that its offers, services and innovative programmes help facilitate the expansion of the retail market in Romania.

Competence represents another brand value, as, through this concept, ALTEX is able to establish new goals and strategies, and to keep its promises in offering excellent quality products that meet all the requirements of the market.

ALTEX is characterised by a young spirit, seen by the company as an important premise for innovation and flexibility, and is always ready to develop new competencies and talents.

Moreover, the company shows respect for its clients, colleagues and partners, believes in fair competition and the protection of the environment, a stance that has helped the brand win a leadership position.

www.altex.ro



THINGS YOU DIDN'T KNOW ABOUT

ALTEX

- ▶ Despite offering its products at the lowest prices on the market in its sector, ALTEX finished 2005 with a turnover of 275 million euros, with profits up by 10% in comparison to 2004, achieving a market share of 30%
- ▶ ALTEX Bonus Card is an advantage programme developed by the company that offers faithful consumers discounts up to 8%
- ▶ The company website encourages on-line shopping, using the most advanced and secure e-Payment system