

Market

The Mobexpert Group enjoys a leader position on the Romanian furniture retail market, estimated as standing at 450 million euros in 2005. The furniture sector is one of the most dynamic branches of the Romanian industry, carrying with it a tradition for producing quality and cost effective furniture and exporting to foreign markets all around the world. More than 1.1 billion euros worth of furniture was produced last year, most of it addressing European Union markets.

2005 proved to be a difficult year for producers, as recession on the Western markets and the devaluation of the euro caused a decline in profit and even serious losses. With exports accounting for 80% of all furniture production, most companies in the sector were in danger to face bankruptcy unless they had made efforts to overcome the deficit registered in 2005. However, the market has passed through the era of big booms and is expected now to maintain a growth trend of 10-12% annually, during the coming years.

The Mobexpert Group covers the entire furniture market by producing and selling home furniture and decorations, as well as office furniture. Its retail networks and brands are Mobexpert and Mobexpert Office.

Achievements

For over thirteen years now, Mobexpert has provided expert solutions to people and companies wanting to design, furnish, or reorganise their space. The experience acquired with regard to tastes, trends, design and function is the foundation of every new endeavour. While building one of the strongest Romanian companies, the customer has always been at the heart of all collections and line developments.

Although the market is still not entirely mapped out due to the persistence of a grey area, Mobexpert is estimated to have an 18% market share in Bucharest and the other five major cities in Romania, while Mobexpert Office is estimated to hold 30% of that same market. Both branches, home furniture and decorations,



and office furniture, are leaders in their market sectors.

Mobexpert Group, which includes both retail branches, ended 2005 with a turnover of 150 million euros, 14% more than in 2004 and an especially notable figure, when considering the hostile conditions for exporting in 2005. With 32 stores covering the entire country, including four hyper-stores in Bucharest and one in Braşov, Mobexpert has the largest store network of all furniture retailers in Romania.

The company is also supported by a significant number of production facilities that keep the ever-growing showroom spaces filled with lovable and affordable products. More than 70% of the products in Mobexpert stores and hyper-stores are produced in the company's ten factories.

Over the years, the company has received a large number of awards, such as: Reader's Digest Most Trusted Brand in Romania for furniture retail in 2005, first position in 1999 for Top firms in Bucharest, awarded by the Romanian Chamber of Commerce, and the Rising Star Award for encouraging excellence, presented by Margaret Thatcher in 1997.

History

The foundations of what Mobexpert is today were laid in 1993, when Dan Şucu, the initiator of the business, opened a small store in Bucharest's Unirea Shopping Center. The store addressed a need that proved to be real and growing; consequently, the company's turnover multiplied ten times during its first year.

Sensing great potential, the next year the newly founded company started producing chairs and couches under the Mobexpert name and added its own brand products to the already growing offer of imports. While the office furniture market was growing, in 1996, Mobexpert began selling home furniture and decorations as well. At first, the showroom only displayed



imported pieces, but later that year the company became the major shareholder with two of the biggest furniture factories in Romania and started producing its own lines.

By 1998, turnover and stock increased to such an extent that the company diversified its business into two separate units operating under the same brand name - Mobexpert stores for home furniture and decorations, and Mobexpert Office for office furniture.

A third factory was acquired in 2000 and more than 70% of the products sold in the stores were manufactured in the company's own production facilities. The product range was then completed with imports from some of the biggest global names in furniture retail and production.

In 2001, Mobexpert saw the furniture retail market ready for a new shopping experience and established a new concept store by opening Bucharest's first furniture hyper-store - an area of 15,000 sqm. The new store concept proved to be in line with customers' expectations and needs. Following the first hyper-store's success, Mobexpert opened three more in the following years, to cover other important commercial areas of Bucharest, and opened another one in the city of Braşov.

After thirteen years of activity on the Romanian market, Mobexpert has a strong national presence, with its stores and hyper-stores in 29 of the most important Romanian cities. The company has established itself as the leading brand in home and office furnishing.

Product

Ever since its launch on the market, Mobexpert has been more than a furniture retailer. Its commitment to selling lovable products at a fair price naturally led the company to locally design and locally produce most of the products on



display in its stores. Selling directly to customers and assisting them with every purchase provided information on tastes and trends, which proved to be a valuable insight. The company started its own design department and production lines in order to capitalise on this insight, in order to come, with each new product, ever closer to the specific need of the client.

The products are split into several lifestyles, addressing different customer categories, while staying true to the company's credo of offering beautiful, lovable products at a fair price. Each Mobexpert product is part of a whole, especially designed to represent a certain lifestyle - ethnic chic, classic, contemporary, young living - rather than to fit a certain space.

Mobexpert's designers are always first in line at international fairs, exhibitions, and furniture showrooms in order to bring global trends to the Romanian clients and to ensure that whatever they are preparing for other markets matches the expectations of international customers.

By building strong production lines and a highly competent and competitive team of designers, Mobexpert is now in control of each of the steps in the production and retail process. The company decides upon the materials that are to be bought, the way they are to be used, what pieces should be produced, when and where they are to be distributed, how they are to be transported. Every single detail is taken care of by Mobexpert in order to save time and money that would otherwise be spent on commissions to production, storage, or transport companies.

Recent Developments

After twelve years of strengthening the company nationally and sustaining a presence abroad exclusively through exports, the brand reached an obvious degree of maturity. The next natural step was regional expansion. Already having developed brand awareness on the main export markets, the time came to introduce the full Mobexpert concept and shopping experience onto foreign markets.



2005 represented a milestone in the development of the Mobexpert brand, a year of genuine firsts. It was the year that marked the opening of the first stores outside Romania, with Mobexpert Office brand starting up in both Sofia (Bulgaria) and Belgrade (Serbia). In continuation of this, the first home furniture and decorations hyper-store is scheduled to open in Sofia. Other firsts recorded in 2005 include the opening of the first hyper-store outside Bucharest, in the city of Braşov, and starting the construction and development of the first Romanian lifestyle home furniture and decorations mall in Băneasa district (Bucharest).

Promotion

Mobexpert's promotion activities are developed through a variety of channels, each approached according to its own merits. Among the most frequently used are print adverts, outdoor billboards, radio ads, and advertorials promoting special offers, new collections, and new locations.

Active above-the-line campaigns are supported by in-store POSM (point of sale materials), flyers and brochures, as well as by a professional team of sales consultants who make sure that the customer is in the know, ready to offer assistance if necessary.

Public Relations activities are another key part of the communication strategy for both individual and corporate audiences. An important development in 2006 was the development of Mobexpert's online presence, with a quarterly e-newsletter, targeting home furniture and decoration consumers, with articles ranging from trends to new developments (new collections, market changes), from furniture history to company history. An already traditional major communication tool



Brand Values

At the center of what the Mobexpert brand is today lies an in-depth understanding of customer needs. Mobexpert's credo is to always offer lovable products at a fair price. Since 2004, the brand has begun the transition from a furniture retailer towards an inspirational, lifestyle brand, addressing the clients' need to be inspired by, and develop trust in, a partner who is as important as the kind of friend we allow into our private spaces.

As educational levels increase, customers are becoming more and more demanding, valuing their time and money and recognising the need for an increased sense of security in their lives. It is this need for trust that Mobexpert addresses by always having the customer in mind when designing a new product, when opening a new store closer to customers, or when furthering the training of its sales consultants.

Mobexpert respects the value of its customers' money by carrying out production with greater efficiency, respects their time by keeping stores open longer hours during both weekdays and weekends, and respects their vision, by paying attention to their needs and tastes in order to create products that transform such vision into reality, to suit customer lifestyles.

www.mobexpert.ro

THINGS YOU DIDN'T KNOW ABOUT

MOBEXPERT

- › It is estimated that one in ten houses in France has a piece of Mobexpert furniture, although the brand is not yet present in France through its own stores
- › Mobexpert is the only local producer and retailer to offer warranty and post-warranty services for its products
- › It is one of the first Romanian companies to expand onto the regional market