

Market

According to a study carried out by the Economist Intelligence Unit (EIU), drug consumption per capita in Romania is estimated at 25 euros in 2005, being amongst the lowest in Europe, but it is expected to reach 85 euros by 2007.

During the twelve months ending September 2005, the Romanian pharmaceutical market reached 1.23 billion euros (Source: Market Research Company Cegecim). This figure is only 2.7% higher than the previous twelve-month average, ending June 2005, indicating that throughout most of 2005, the market has stagnated in comparison to 2004. However, estimates are that the market will record an increase reaching 1.46 billion euros in 2007 (Source: EIU Report).

With some 200 pharmacies, Sensiblu is the largest pharmaceutical retail chain, both in terms of turnover and number of pharmacies in operation. In 1997, the year of the Sensiblu establishment on the Romanian market, the company's turnover was two 2 million euros. By 2005 it has reached 63.7 million euros. The brand is now present in all cities exceeding 50,000 inhabitants, with 65 pharmacies in Bucharest, and the rest spread across some 50 cities.

Together with the wholesaler Mediplus - the leading pharmaceutical wholesaler in Romania, Sensiblu is part of the largest Romanian pharmaceutical group, A&D Pharma.

Achievements

In recognition of its performance on the market and its involvement in community life through Corporate Social Responsibility campaigns, Sensiblu has been awarded numerous prizes:

- March 2003 - Best Quality of Services Award, by the Association of Health Journalists
- May 2003 - The Best Community Program for the Sensiblu Foundation, awarded by American Chamber of Commerce
- December 2003 - The Sponsor of the Year, by the Bethany Foundation
- April 2004, May 2005 and April 2006 - No-cash Award for the Best Merchant Card
- 2004 - The Best IT Investment for A&D Pharma, awarded by e-Week



- May 2004 - The Best Community Program Award for the Sensiblu Foundation, awarded by American Chamber of Commerce
- 2005 - The sixth place on the Top 50 Romanian Companies to work for, by Capital
- 2005 - The first place on the Romanian Chamber of Commerce's list of Top Romanian Companies
- May 2006 - The Excellence Diploma for Best Product Management, awarded to Herbology, one of Sensiblu's own brands, by The Central European Advocacy for a Fair and Transparent Competition (CEFTAC) Platform
- May 2006 - The Best Young Manager for Consumer Markets, awarded to Dragoş Dinu, CEO A&D Pharma, by Business Magazine
- May 2006 - Special Mention for Casa Blu Program (Sensiblu Foundation), at the Civil Society Gala.

History

The first Sensiblu pharmacy was experimentally opened in 1997 in Bucharest. Conceived as a model, in terms of best sales practices and the most efficient ways of merchandising products in a pharmacy, the experiment saw a tremendous success. The next year, the number of pharmacies increased to eleven. Customers and patients have appreciated the innovative concept for Romania, an open pharmacy where cosmetic products and other services could be found in one place. As a result, in a short period of time, Sensiblu not only became one of the leaders on the market, but also developed into a real life model for the pharmaceutical market.

- 1998 - Sensiblu was the first pharmacy chain in Romania to introduce a loyalty card program based on a Customer Relationship Management platform that attracted about one million card holders;
- 2002 - The Sensiblu Foundation came into being with the objective of helping various categories of disadvantaged people. Casa Blu is the first and most important program of the Foundation, helping victims of domestic violence and fighting against this phenomenon;

- 2003 - Sensiblu numbered 50 pharmacies, doubled this number in 2004 and reached 200 units in August 2006;
- 2004 - Sensiblu introduced off-the-shelf sales for cosmetic products by using wireless devices, increasing effectiveness and improving customer experience;
- 2005 - Sensiblu entered the mass market competition introducing two of its own brands;
- Since November 2005 - Sensiblu exclusively sells L'Occitane products through dedicated in-shop displays and L'Occitane shops;



- December 2005 - Sensiblu took over Europharm, part of GSK Romania, and the oldest brand on the Romanian pharmaceutical retail market. It was the most important acquisition on the market and it brought Sensiblu 33 more pharmacies in nineteen cities, together with 190 professional employees;
- Since March 2006 - Sensiblu is selling Boots products in Romania through dedicated in-shop displays.

Product

Sensiblu's portfolio counts over 20,000 products, as well as a wide range of quality services tailored towards its customers and patients.

The company offers a complete range of medicines, a wide variety of pharmaceutical goods, cosmetic and beauty products, as well as numerous cosmetic advice services: skin analysis, make-up sessions, cosmetic tips and beauty treatment programs. Moreover, an efficient information system for customers is available, as

well as a Sensiblu product search on the website, which presents information related to price and the pharmacies where such items can be found.

Each Sensiblu pharmacy is equipped with a POS terminal for electronic payment.

The Sensiblu info-line (a talk-free telephone number) is also a service for the brand's customers, meant to offer valuable information on the products and their use. A monthly program of special offers can also be found in Blu, the monthly Sensiblu magazine.

Recent Developments

Sensiblu is gradually diversifying into areas around the present core business, into broader health/beauty/wellness territory. Sensiblu is creating and maintaining an innovative and entrepreneurial management structure, despite having grown considerably as a company.

In order to offset the negative effects of the financial volatility affecting the Romanian health sector, the company has announced its intention to focus on expanding into higher value-added areas, such as cosmetics, through strategic partnerships, such as the L'Occitane brand, introduced in Romania in 2005 by Sensiblu.

Other strategic initiatives for Sensiblu include the preparations for the introduction of private health insurance programs and future investments intended to boost operational cost efficiency.

One of the most important achievements of Sensiblu is the initiation of Casa Blu project in 2002, under the Sensiblu Foundation, with the view to positively tackle the phenomenon of domestic violence.

After four years of activity, over 535 women and 678 children called for help and benefited from the services offered by the Casa Blu. In 2005 alone, some 207 women and 222 children received assistance from the foundation.

Promotion

Sensiblu constantly promotes its products, service, and most important, a healthy life style. On the one hand, there is the constant marketing and communication activity and, on the other hand, there are Corporate Social Responsibility campaigns that take place periodically, or whenever the people around are in need and call for help.

On the pharmaceutical market, Sensiblu is constantly promoting its brand image through various media campaigns, as well as by using in-store communication materials. Brand values such as modernity, femininity and care are the core ideas of the communication towards its clients.

Along the year, Sensiblu brings to its clients various offers of medicine and cosmetic products and services, including prices cutting offs, as well as offering products for free. These offers are specially tailored according to the season and the specific needs that occur periodically: body care, sun protection, skin care, flu and season's disease.

Besides specific marketing offers, Sensiblu assumes the role of educating its clients to better and more effective take care of their health and beauty. Sensiblu often transmits them educative messages (through the marketing campaigns, through its consumer magazine, through its site, etc.), that help them choose a modern and healthy life style.



Sensiblu's clients constantly benefit from the counselling of its specialists that are always there to offer them a friendly, well informed advice.

In its Corporate Social Responsibility campaigns, Sensiblu was amongst the first private Romanian companies to help families affected by the floods that took place in Romania in 1995. The company felt that it was its duty, as a pharmaceutical company, to help such people in need, offering them medical and pharmaceutical assistance and showing them that they are not alone when facing hard times. For this reason, Sensiblu launched the "Health and Hope" campaign, to which it allocated a budget of over 100,000 euros. Within the project, the company was the first to settle assistance tents in the affected areas and offered drugs, vaccines, clothes and food for children. It wasn't just Sensiblu as a company that got involved in this activity, Sensiblu's employees also voluntarily got involved, helping the refugees in the flooded areas. In 2006, the program continued with donations and help for the areas flooded by the Danube.

Over the time, Sensiblu has also supported the student community by financing their projects: websites, magazines, special conferences and seminars, as well as national and international congresses.

In September 2004, Sensiblu launched the first private scholarship program for the students at the Pharmacy Faculty, a unique initiative in Romania. The program addresses high school students in their final year of study and is promoted in over 330 high schools in 220 small and medium towns from all over the country. It thus represents a unique initiative in Romania. The goal of this complex program is to



encourage young people from low income backgrounds to continue their studies at the university.

In 2005, Sensiblu became the first pharmacy where blind and visually impaired people could find drugs with labels written in Braille language. Each year, the company marks the International Day of the Elderly, International Children's Day and other international and national celebrations, with special events and offers.

Brand Values

Sensiblu redefined the pharmacy concept in Romania and keeps on innovating.

The Sensiblu brand is amongst the most important brands in Romania. In October 2003, the Financial Times wrote: "Sensiblu has entered the Romanian language as an alternative word for pharmacy."

Sensiblu is a health and beauty pharmacy and stands as a quality standard for pharmaceutical services. The brand has always been appreciated for its constant involvement in innovating its services, for offering services with added value for customers and for paying caring and professional attention to its patients. It all makes Sensiblu the place where anybody, at any time, can find a friend to trust.

www.sensiblu.com
www.adpharma.ro
www.fundatiasensiblu.ro

THINGS YOU DIDN'T KNOW ABOUT

SENSIBLU

- The company's site www.sensiblu.com is the tenth most visited Romanian website in the health and beauty category
- Sensiblu has the biggest loyal consumer database, with over 800,000 fidelity card holders
- Sensiblu has an average one million customers per month
- The health & beauty pharmacy concept was introduced in Romania for the first time by Sensiblu