

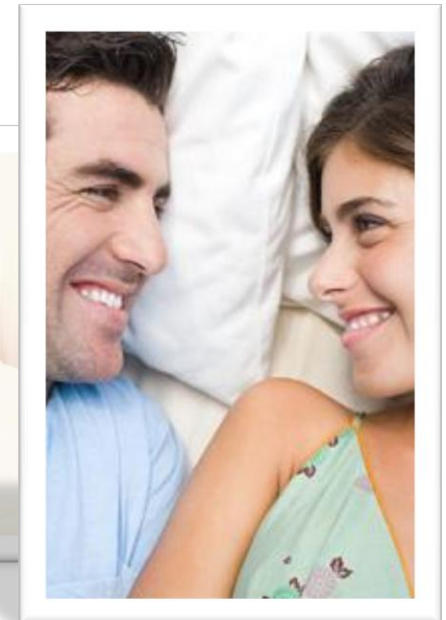
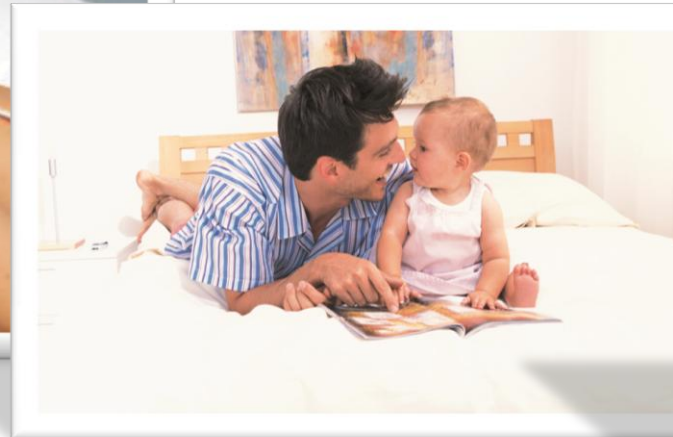
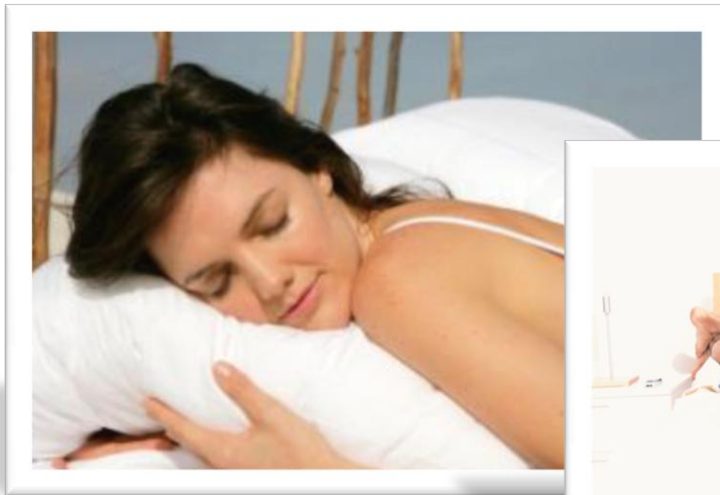
Franchise System



Business Cooperation Proposal

Welcome to Media Strom world!

This presentation will provide you with an inside look of Media Strom's network, along with all the necessary information on its cooperation system, in order for you to acquire all the data needed for evaluating our business proposal.



Who is “MEDIA STROM”?

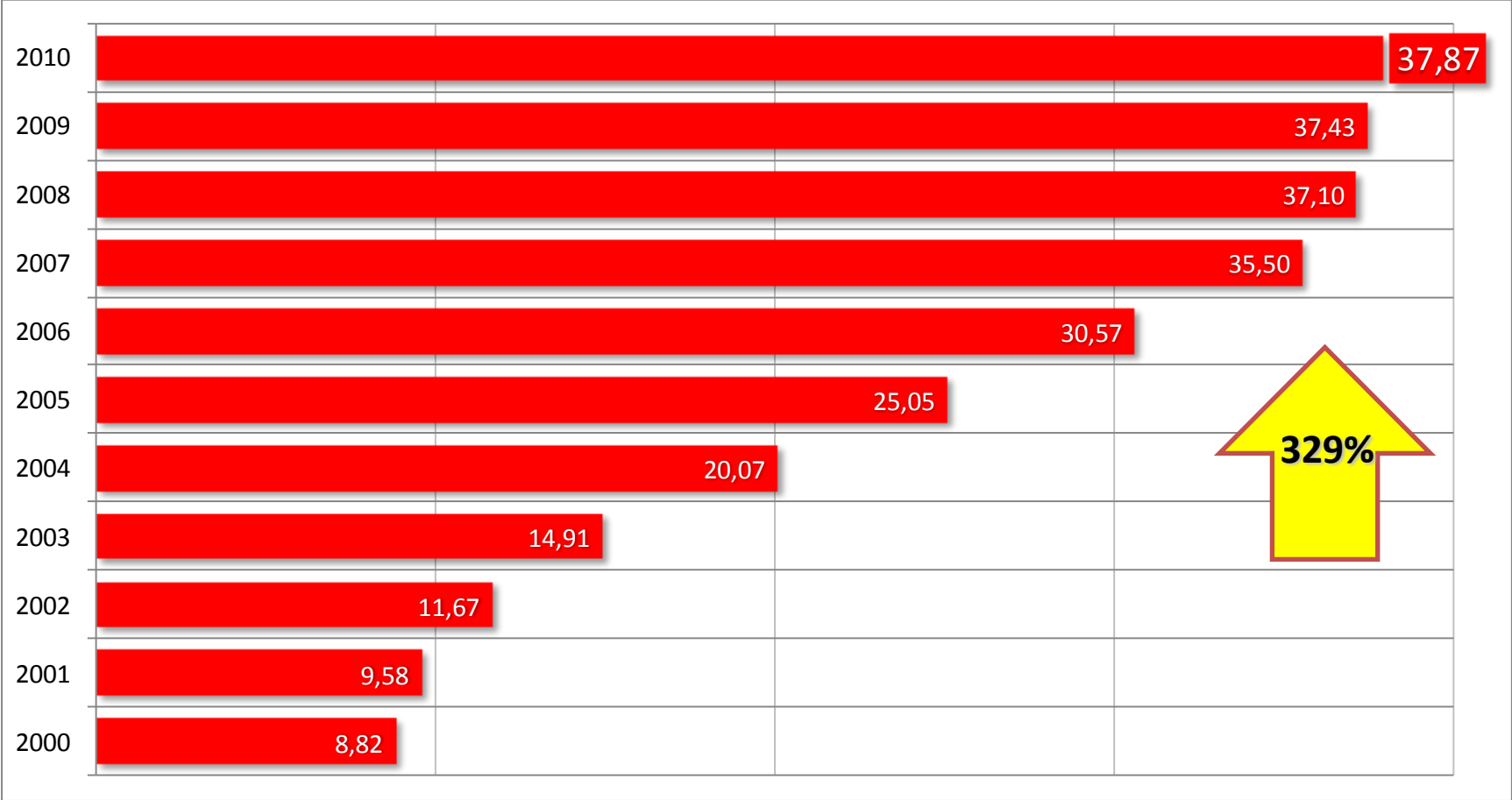
**Media Strom is the leading company
in the Greek mattress industry**

With over **40 years of experience**, constant innovations and over **2.5 million Greeks** who have appreciated its reliability, its product and its service quality, Media Strom can pride in itself that it knows best how to offer an **unparallel sleeping quality**.

Media Strom, which maintains constant growth during the last decade (2000-2010) , has displayed up to **305% increase** in its turnover, surpassing 37,5 million Euros in 2010.

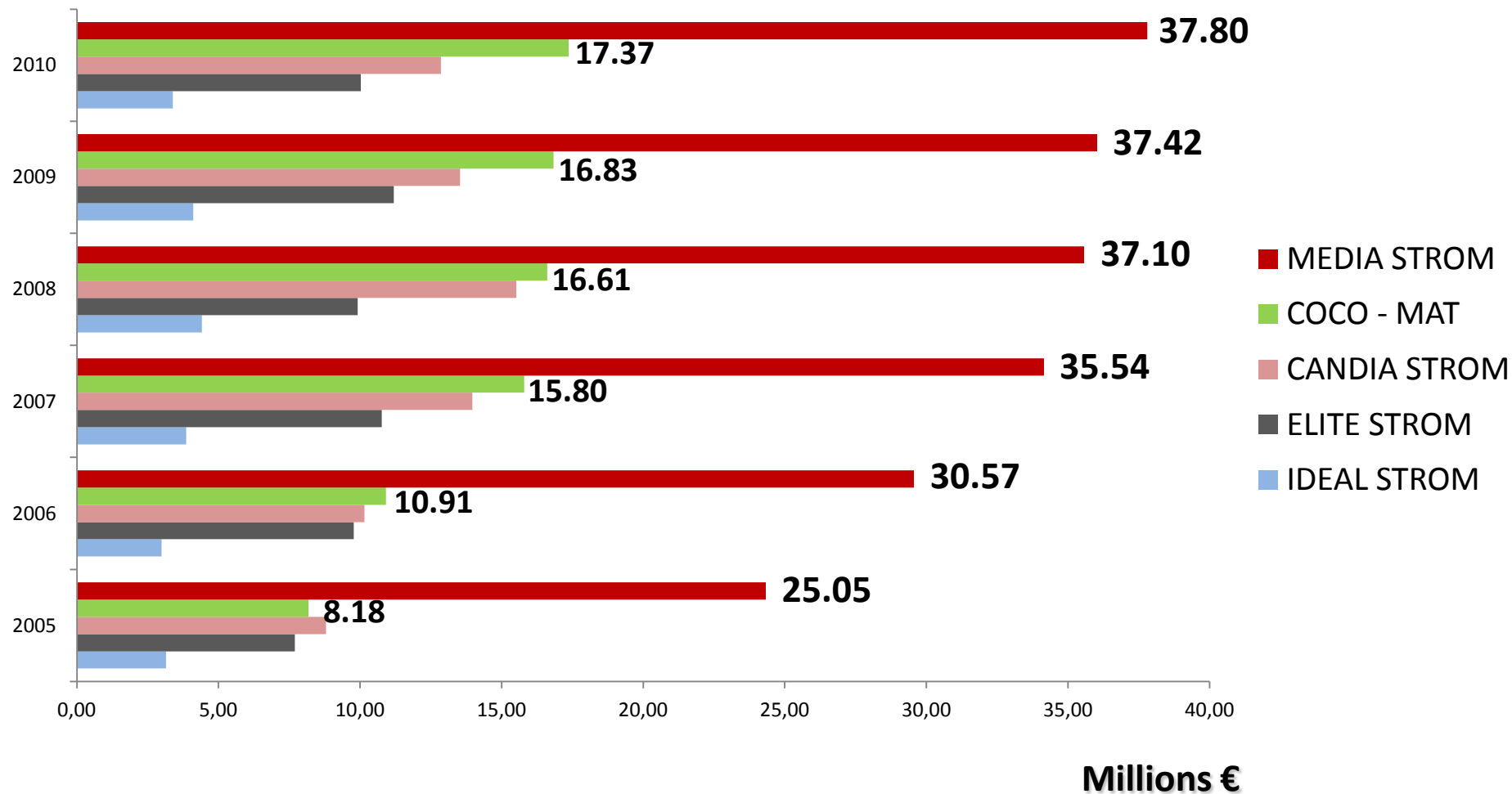
Media Strom has always been and remains by far the No 1 company in the mattress industry in Greece and one of the leading mattress manufacturers worldwide!

Sales Growth [2000 – 2010]



Millions €

Turnover of the top 5 companies in the Greek mattress industry.



Constant Evolution & Development

Since its establishment in 1967, Media Strom constantly embraces innovative solutions that changed our way of sleeping. Among others, few of the achievements that we take proud of are the following:

2010

Completion of New Factory in Markopoulo

Works in our new industrial facilities in Markopoulo are completed. The new factory, expanding in an area of 17,000 sq. m. in full operation today, is a real gem for the modern European industry!

2009

Major re-design of all Mattresses

Media Strom proceeds to a complete re-launch of all 18 mattresses, designing 5 distinct lines: Optimum Line, Advance Line, Flexy Line, Basic Line & Baby Line. At the same time the Optimum line is expanded with the addition of 2 top quality innovative mattresses, Diamond & Platinum.

2008

Re-design of Media Strom stores

Media Strom created a new store concept that turned its retail Network into an unforgettable shopping experience for all visitors. All its 33 owned stores + the 23 franchising have been renovated with the new concept, which won the first prize in the FRANCHISE AWARDS.

2007

Expansion via Franchising

Media Strom sees an opportunity for larger long-term returns on its investment and decides to expand its retail network through **Franchising**.

Constant Evolution & Development

2005

Investment a land for a new factory in the future

Purchase of 25.000 sq.m. land in Markopoulo Attica, where the new factory will be built. Already a building unit of 4000 sq. m. is housing an automated mattress production line, along with the existing production installations of 7.000 sq. m. in the Piraeus (Rentis) area.

Media Strom launches the first R & D Department in Greece

Media Strom creates the first **R & D** Department, which is fully equipped with cutting-edge mattress' testing tools. As a result of this, through various methodologies such as Durability Test, Ergo-check and Roll Test, we can test our mattresses durability and behavior throughout their lifespan, as well as their anatomic and orthopedic features.

Launch of Memory Foam Pillows

Launch of **Space Comfort**, a new line of revolutionary sleeping pillows made of memory Foam – a material developed specifically for NASA, to relieve the pressure of Astronauts.

2004

Launch of Optimum – a breakthrough for sleep quality improvement!

Optimum, the new generation of mattresses brought the revolution to Greek mattress industry, and was welcomed with great enthusiasm by the consumers.

ISO Certification of the ATHENIAN BED MATTRESS MANUFACTURING S.A. (Media Strom)

The company was certified by TUV AUSTRIA for establishing and applying a Quality Assurance System according to EN ISO 9001:2000 requirements.

Constant Evolution & Development

2003

Launch of MediFlex

MediFlex is an innovative orthopedic support system for all types of bed mattresses. MediFlex, an exclusive product of MEDIA STROM.

2002

Launch of BIOMEDIA

A revolutionary top mattress cover with **medical biomagnets**, ideal for the relief of muscular pains and the release of stress and tension. A product that plays a very important role in the improvement of sleep quality. An exclusive product of Media Strom.

2001

Award of Ecolabel to all our mattresses

We are the first company to be awarded the **ECOLABEL** by EU for all our mattresses, a trademark that confirms their quality, durability and ecological character.

2000

ISO Certification of Media Strom

Media Strom was certified by TUV AUSTRIA for establishing and applying a Quality Assurance System according to **EN ISO 9002** requirements.

1997

Launch of a high quality mattress with innovative material Stylex

Media Strom exclusively launched the revolutionary raw material **Stylex**, an excellent substitute for latex, with all the latex properties and none of its disadvantages.

Constant Evolution & Development

1986

Launch of the 1st. Latex mattress in Greece

Media Strom launched the first mattress in Greece, made entirely with natural Latex

1984

MEDIOTEL Foundation

The company founded a new Department specializing in servicing the Hotel & Maritime Business with the development of a totally new product range, under the name **MEDIOTEL**.

1980

Launch of the Upholstered Beds in the Greek Market

We are the first ever to import American type **upholstered beds** in Greece.

1977

The 1st. Mattress Retail Shop is a fact!

Media Strom introduces the **first retail mattress shop**, aiming at meeting with the consumers face-to face and to understand their needs more thoroughly, so as to develop products that will satisfy their needs at best!

1976

Launch of the 1st. orthopedic mattress in Greece

Launch of the **first ever orthopedic mattress** in the Greek market under the name **Media Strom** that came to become generic **for good sleep!**

1967

Foundation of ATHINAIKI BED MATTRESS MANUFACTURING

Recognizing the importance of the mattress and its contribution to health and good physical condition, the owners of Athinaiki, John and Nicholas Niarchos, decided to enter the mattress production business. The establishment of the company **signaled a new era for the mattress business in Greece**, since Media Strom set the corner stone for sleep products of the highest quality.

The MEDIA STROM Vision and Philosophy

Our vision is to constantly improve the quality of your sleep and your life!

“We stay awake... so that you can sleep better”



The company's philosophy is based on the following pillars:

- Constant customer satisfaction
- Passion for innovation
- Top quality in products and services
- Continuous development of the retail network

Media Strom Concept

The Media Strom Concept leads to a diversified placement of Media Strom in relation to its competitors and has contributed enormously to the company's success in mattress market.

The concept's essential pillars are the following:

- **Product Mix:** A wide variety of sleep related products – provision of integrated proposals and solutions.
- **Customer service:** Contact with the customers, tracing of their needs, provision of specialized solutions.
- **Shop location:** Shops located near the city center, at the edge of the commercial district, with parking accessibility and increased exposure.
- **Image – Visual Merchandising:** Dreamy environment that guides and trains the customers, advances their journey into the field of mattresses and brings the company's principles to life.
- **Pricing policy:** High quality, value-for-money goods. In Media Strom there is a top quality mattress for "every budget"
- **Personnel:** Highly trained personnel – Focus on its continuous education.

Media Strom Production Facilities & Infrastructure

Media Strom New Factory - A leading factory in Europe and one of the most sophisticated in the world!

The new factory that has been completed and is in full operation since March 2010 covers an area of 17.000 sq. m. in the company's owned 43,000 sq. m. plot, in Markopoulo, Attica. This ultramodern industrial complex, one of the best worldwide, confirms our company's dynamics, entrepreneurship, healthy growth and expansion.



In Media Strom's new factory, we have established a unique production line of mattresses, with the best machinery from around the world, operating under the supervision of our specialized personnel. This helped us to push even further the high quality of products !

MAIN STRATEGIC OBJECTIVES:

- To increase production capacity
- To manufacture products of high quality and hygiene.
- To operate with respect towards the employees and the natural environment.
- To create the conditions for future expansion and exports

Media Strom Product Portfolio

Media Strom product mix comprises of the following categories:

Mattresses: Media Strom offers 5 new series of mattresses in 19 different types, responding to any quality, feel and budget requirement.



MEDIA STROM } **Optimum**
Exceptional Sense

MEDIA STROM } **FLEXY**
Unique design

MEDIA STROM } **ADVANCE**
High Quality

MEDIA STROM } **Baby**
Care and safety
for your little treasure

MEDIA STROM } **BASIC**
Timeless value

Media Strom Product Portfolio

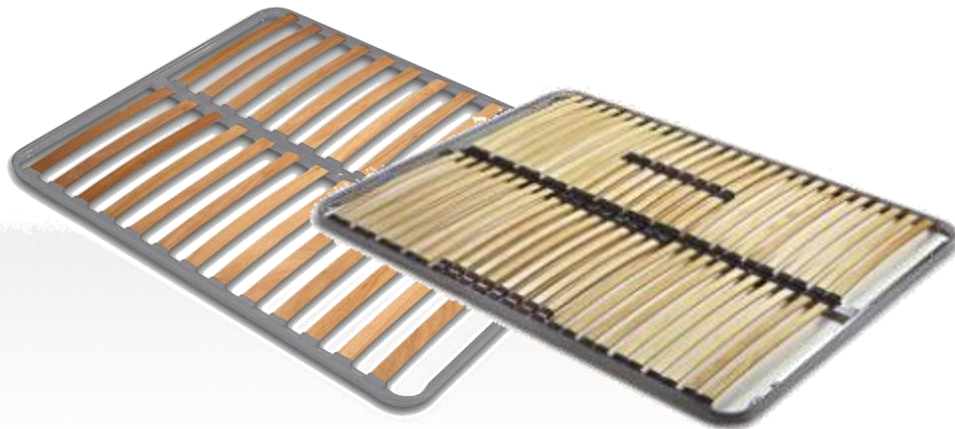
Pillows, Mattress Protective Covers, Duvets, Toppers



Orthopedic Support Bases



Orthopedic Frames



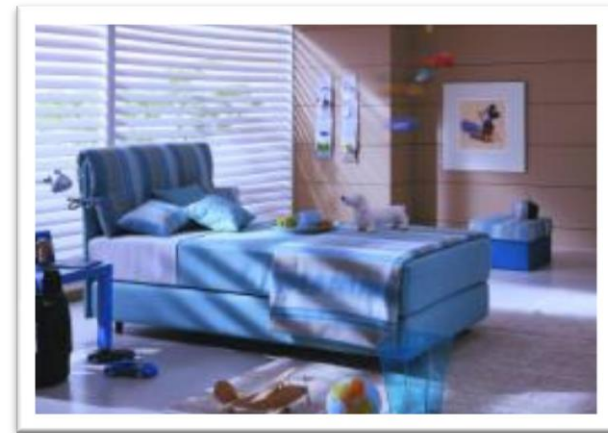
Media Strom Product Portfolio

Upholstered Beds & bedroom furniture

Exclusive stylish and elegant designs in numerous combinations

Bedroom furniture and accessories

A wide variety of modern and classic designs, with excellent finish and attention to detail.



Media Strom Product Portfolio

Folding sofas and armchairs

Stylish designs that adorn your house and provide the perfect solution for sleeping arrangements to accommodate guests.



Media Strom Quality

Media Strom quality policy is summarized in the following phrase:

“Manufacture of goods that satisfy the customer’s needs, produced in an environmental friendly manner through a process of continuous improvement”.

All of the company’s products are the result of scientific research and many years of design, and their quality is ensured by the **Quality Assurance System** according to **EN ISO 9001: 2000**, certified by TUV of Austria.

Specialized tests

All Media Strom mattresses undergo specialized tests, like Ergo-check, for comfort, rest and ergonomic control, Durability test for mattress durability and longevity and Roll test for behavior control after perennial usage.

Written Guarantee

Media Strom can provide a written guarantee for all of its mattresses, guaranteeing not only for the quality and hygiene of materials used, but also for the unique technical know-how in their manufacture.

Media Strom is presented with the **EU Ecolabel Award** for all its mattresses (2001). Media Strom is among the first European companies to receive the Ecolabel award, as a proof that both new raw materials and production methods used are environment and people friendly.



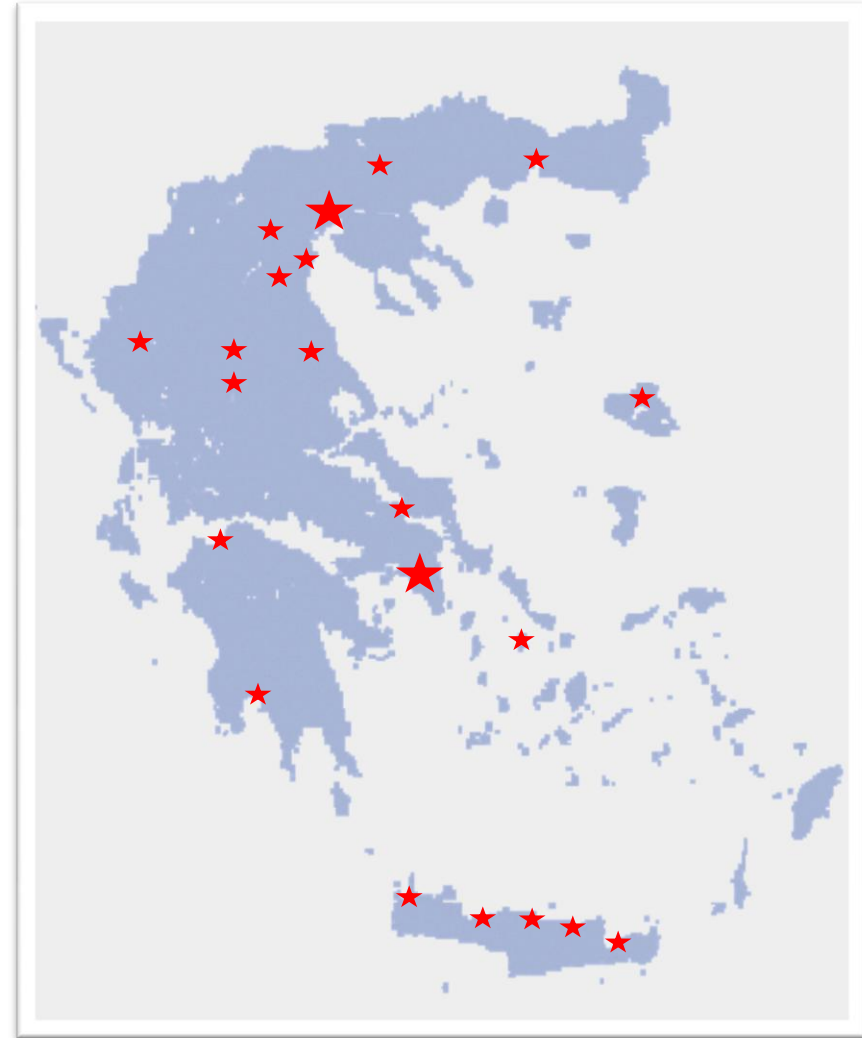
MEDIA STROM distribution network

Media Strom's network consists of:

- 33 Proprietary shops
(25 in Athens, 7 in Thessaloniki, 1 Veria)
- 23 Franchise shops with great success in sales and notable profits

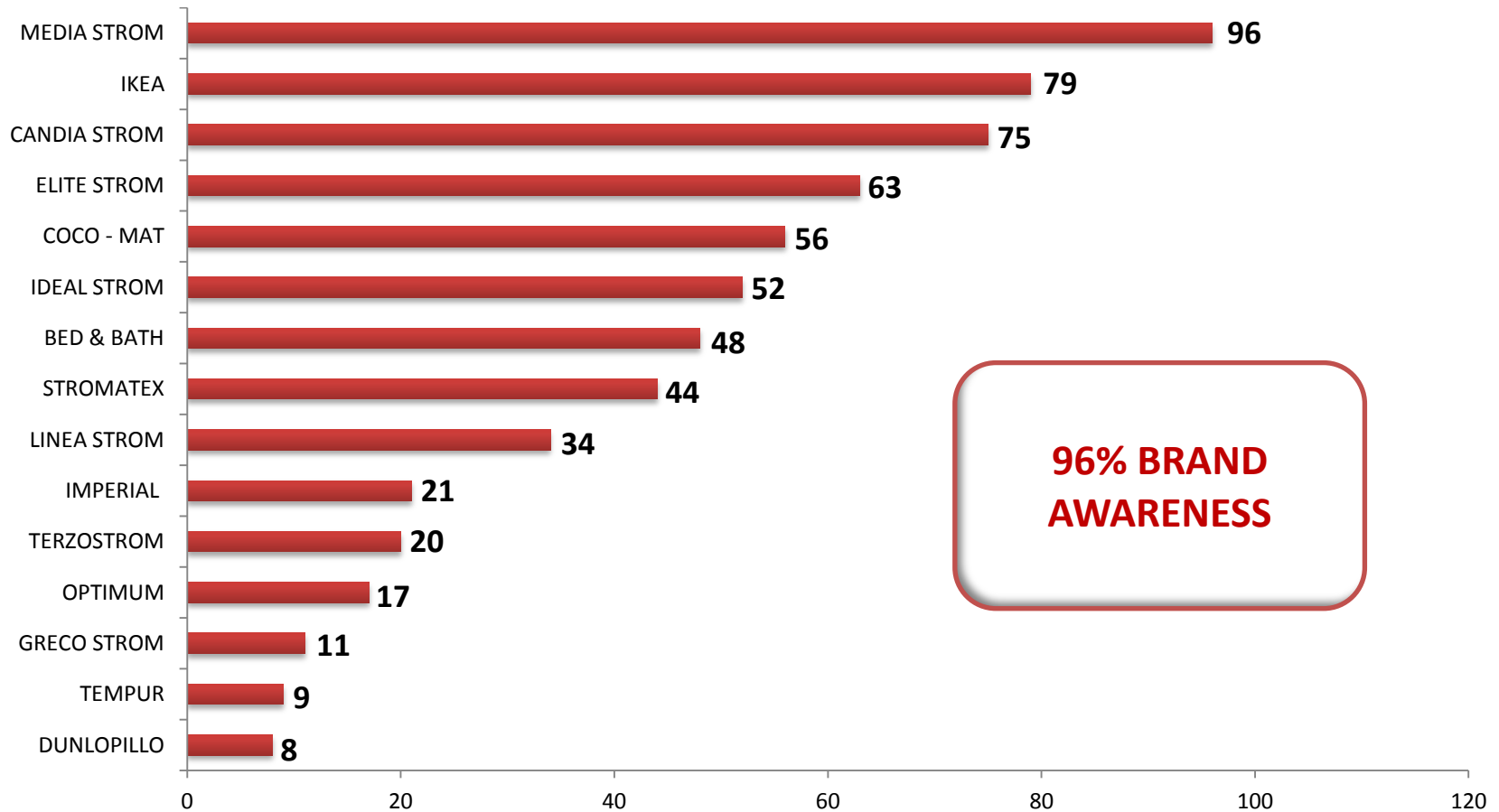
Due to our growth system through multiple channels, our distribution network is enhanced with:

- Wholesale Business: 2.800 partners and furniture manufacturers
- Hotels: over 1.000 hotels on a national level
- Exports in: Cyprus



MEDIA STROM distinctions

Media Strom enjoys maximum awareness in comparison with its counterparts



**96% BRAND
AWARENESS**

Enjoy the maximum in sales due to Media Strom's reputation and unparallel quality of products!

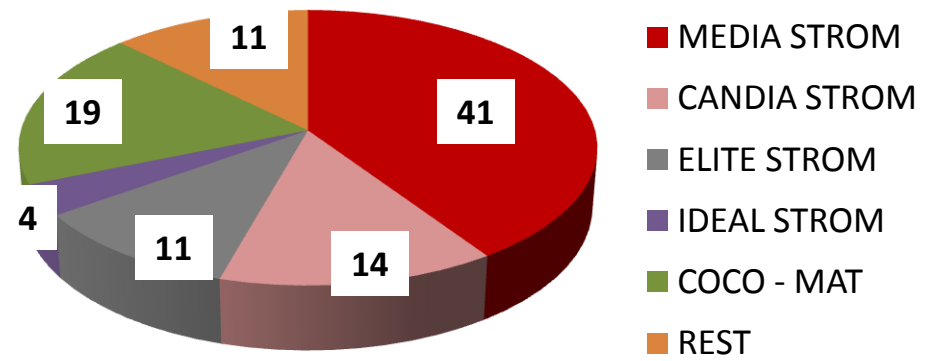
MEDIA STROM distinctions

Media Strom is considered to be the most reliable company of the mattress industry and holds the largest market share!

Q: Which companies, brands of the mattress industry is the best.



41% MARKET SHARE*



*in branded mattresses market

Enjoy the maximum in sales due to Media Strom's reputation and unparalleled quality of products!

MEDIA STROM distinctions

Media Strom is ranked 42nd among the “50 mighty players of the Greek Industry”
 “THE 50 POWERFULL PLAYERS OF THE GREEK INDUSTRY”
 (Newspaper “Real News”: 2009)

ΟΙ 50 ΙΣΧΥΟΙ ΤΗΣ ΒΙΟΜΗΧΑΝΙΑΣ

ΕΠΙΧΕΙΡΗΣΙΑ	ΕΣΠΟΔΑ 2007 (€ κτ)	ΜΕΤΑΒΟΛΗ (%)	ΕΠΙΧΕΙΡΗΣΙΑ	ΕΣΠΟΔΑ 2007 (€ κτ)	ΜΕΤΑΒΟΛΗ (%)
ΕΛΛΑΣ ΚΟΙΝΩΝΙΑΣ ΕΡΓΑΣΙΑΣ	686.600.000	9,79	ΚΑΜΑΡΟΣ ΑΕ	47.643.537	36,28
ΑΝΘΡΑΚΩΝ ΕΠΙΧΕΙΡΗΣΙΑ	495.260.967	10,10	ΕΒΡΟΤΕΜΠΟ ΑΕ	47.381.029	84,84
ΑΙΓΑΙΟΣ ΑΕ	432.864.000	247,23	ΗΛΙΟΣ ΑΕ	46.963.000	35,04
ΠΑΝΕΛ ΑΕ	323.011.178	12,91	ΓΑΛΙΚΑ ΒΑΡΝΙΚΕΥΤΙΚΑ	46.056.740	17,34
ΚΟΝΙΑΡΤΙΣ ΠΕΛΛΑΣ ΑΕ	319.355.376	16,62	ΕΒΡΟ ΕΛΛΑΣ	46.012.785	10,31
ΣΙΔΕΡΟΧΑΛΚΟ ΑΕ	292.518.050	11,05	ΠΑΠΑΔΟΠΟΥΛΟΣ	43.647.538	26,70
ΚΑΥΣΗ ΕΛΛΑΣ ΑΕ	292.505.894	19,30	ΠΑΠΑΔΟΠΟΥΛΟΣ	43.175.430	18,29
ΕΛΛΑΣ ΠΕΛΛΑΣ ΑΕ	193.825.567	76,78	ΠΡΟΛΕΤΕΡΙΑ ΑΕ	42.955.062	17,84
ΠΡΟΛΕΤΕΡΙΑ ΑΕ	184.141.504	19,34	ΑΝΤΙΜΕΤΩΠΙΣ ΑΕ	41.537.828	17,49
ΒΙΣΤΟΛ ΑΜΠΕΡΣ ΣΚΩΤΣΙΑΣ ΑΕ	145.328.242	10,69	ΣΟΦΙΣ ΑΕ	40.667.045	26,05
ΜΕΤΑΛΟΥΡΓΙΑ ΑΕ	140.497.251	16,51	ΠΕΡΚΑΤΙΑΣ ΑΕ	40.032.259	41,99
ΤΑΣΤΙ ΤΡΟΦΙΜΑ ΑΕ	138.356.329	8,54	ΑΓΡΟΤΙΚΗ ΕΠΙΧΕΙΡΗΣΙΑ	39.532.275	10,29
ΕΛΠΗ ΒΑΡΝΙΚΕΥΤΙΚΑ	104.802.501	10,57	ΚΟΡΥΤΕΡΙΑ	35.983.731	31,51
ΚΟΝΙΟ ΑΕ	103.874.225	21,86	ΤΡΑΧΕΛΙΑΡΗΣ ΑΕ	35.115.556	217,87
ΑΙΓΑΙΟΣ ΠΕΛΛΑΣ ΑΕ	95.238.000	25,07	ΜΑΤΕ ΑΕ	34.425.419	32,86
ΣΧΙΝΔΕΛΕΚΤΡΙΚΗ ΑΕ	80.878.117	60,46	ΑΓΡΟΠΥΡΡΗΜ ΑΚΑΡΙΑ ΑΕ	34.420.401	44,05
ΚΑΘΕΥΡΥ ΑΕ	75.782.223	8,89	ΑΙΓΑΙΟΣ ΑΕ	34.216.349	26,95
ΒΕΡΟΔΟΡΟΣ ΠΕΛΛΑΣ ΑΕ	63.358.955	10,84	ΑΝΤΙΜΕΤΩΠΙΣ ΑΕ	33.000.102	40,17
ΚΑΝΙ ΠΥΡΟΦΩΣΑ ΑΕ	61.230.830	12,81	ΕΥΡΩΠΑΪΚΑ ΒΑΡΝΙΚΕΥΤΙΚΑ	33.707.566	35,50
ΟΛΥΜΠΙΚΗ ΚΑΣΙΝΟ ΑΕ	54.087.000	21,16	ΣΟΦΙΑ ΑΕ	33.100.128	15,03
ΕΛΛΑΣ ΚΟΙΝΩΝΙΑΣ ΕΡΓΑΣΙΑΣ	51.074.183	40,73	ΕΡΜΟΣ ΑΕ	31.069.205	21,86
ΒΕΡΟ ΑΕ	51.072.888	8,07	ΑΝΤΙΜΕΤΩΠΙΣ ΑΕ	31.542.543	14,99
ΚΑΝΑ ΒΑΡΝΙΚΕΥΤΙΚΑ	33.556.645	9,41	ΕΛΛΑΣ ΚΟΙΝΩΝΙΑΣ ΕΡΓΑΣΙΑΣ	31.101.429	36,72
ΓΑΡΒΑ ΑΕ	30.432.259	17,29	ΜΥΚΟΝΟΣ	30.898.800	155,58

Media Strom comes 226th among the 500 fastest growing companies of the enlarged European Union in 2006 based on:

- Sales' growth rate
- Human resources' growth rate

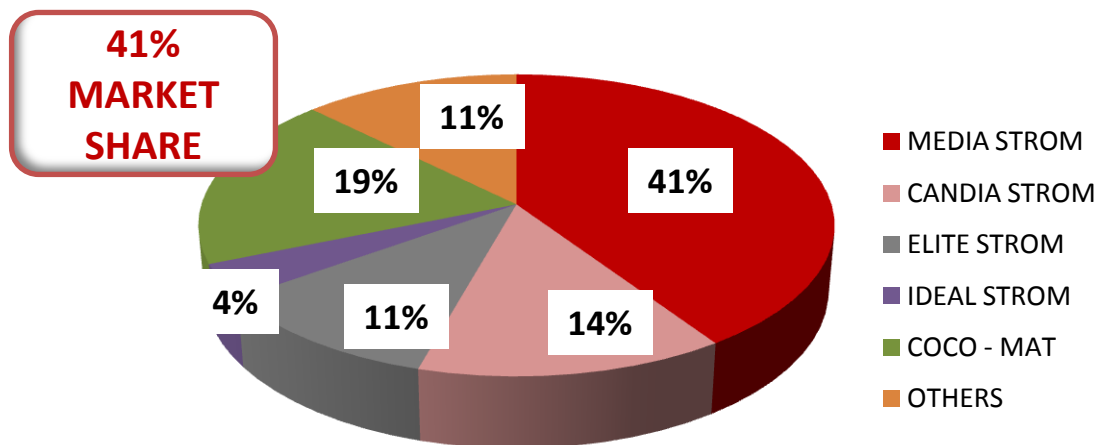


The Greek Mattress Market

The total domestic production of mattresses is estimated at 680 thousand units in 2010. The size of the domestic consumption of mattresses is estimated at 732 thousand units in 2010.

In 2010 the total value of sold mattresses sold in Greece was about € 110 million. Five (5) big companies in the sector hold 50% of the total value in 2010.

In Media Strom we hold high aspirations for the future since consumers more and more turn towards branded goods which occupy 50% of the market in total (a percentage that continuously rises). **Media Strom's branded mattress market share rises above 40%.**

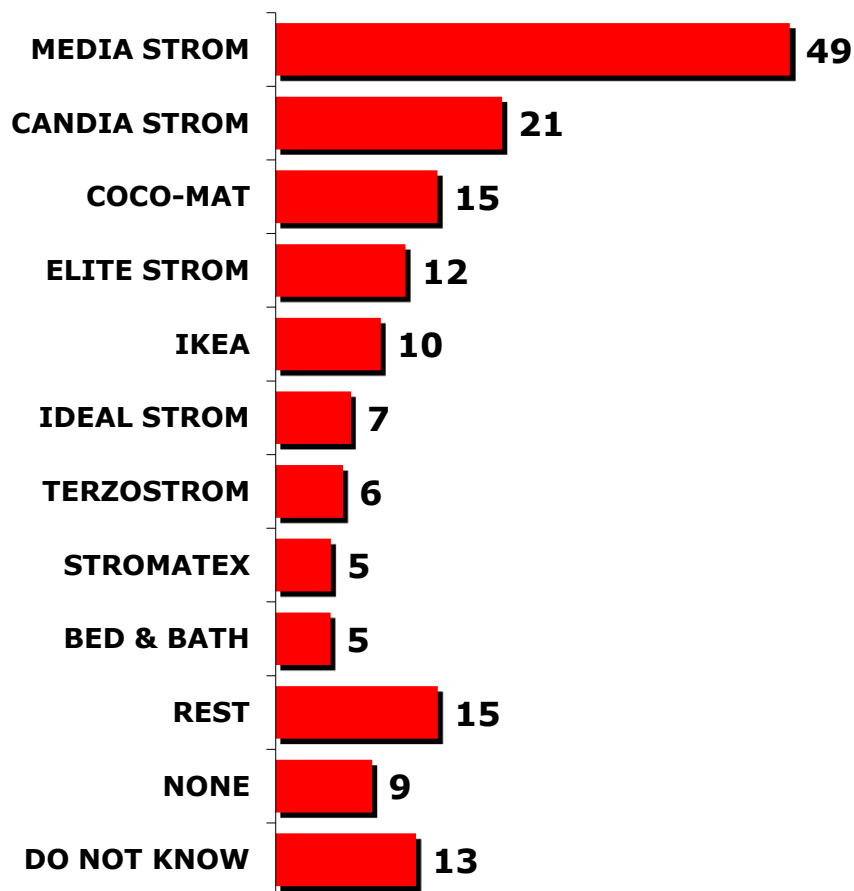


Media Strom along with its franchise shops increases its market dominance and profits due to the consumers' turn towards branded mattresses

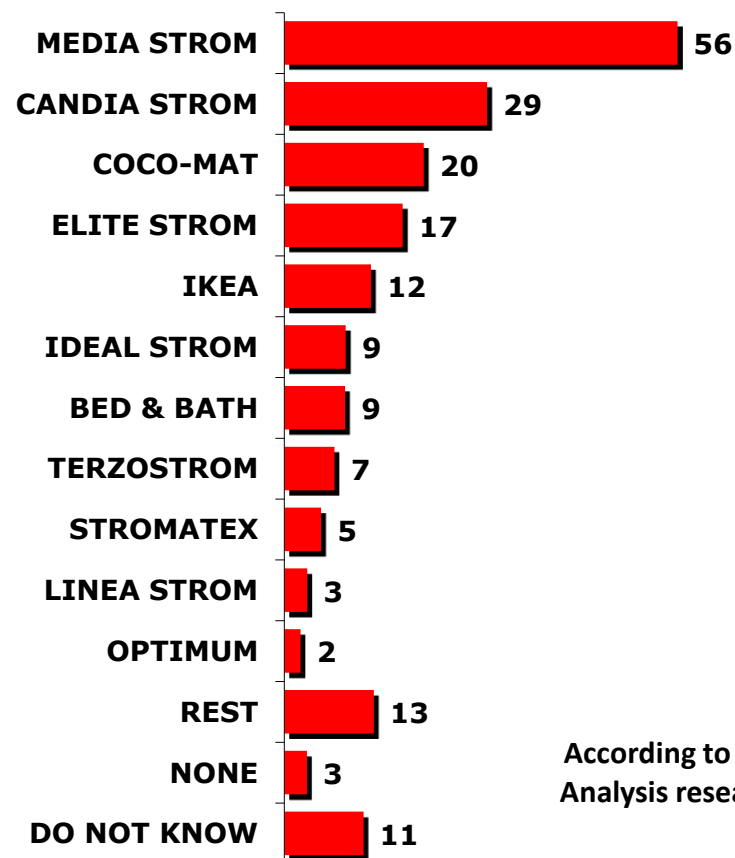
The Greek Mattress Market

According to a Metron Analysis research (May 2011), Media Strom is expected to continue to strengthen its place as the leading company in the mattress industry.

Recommendation



Willingness to Buy (Short List)

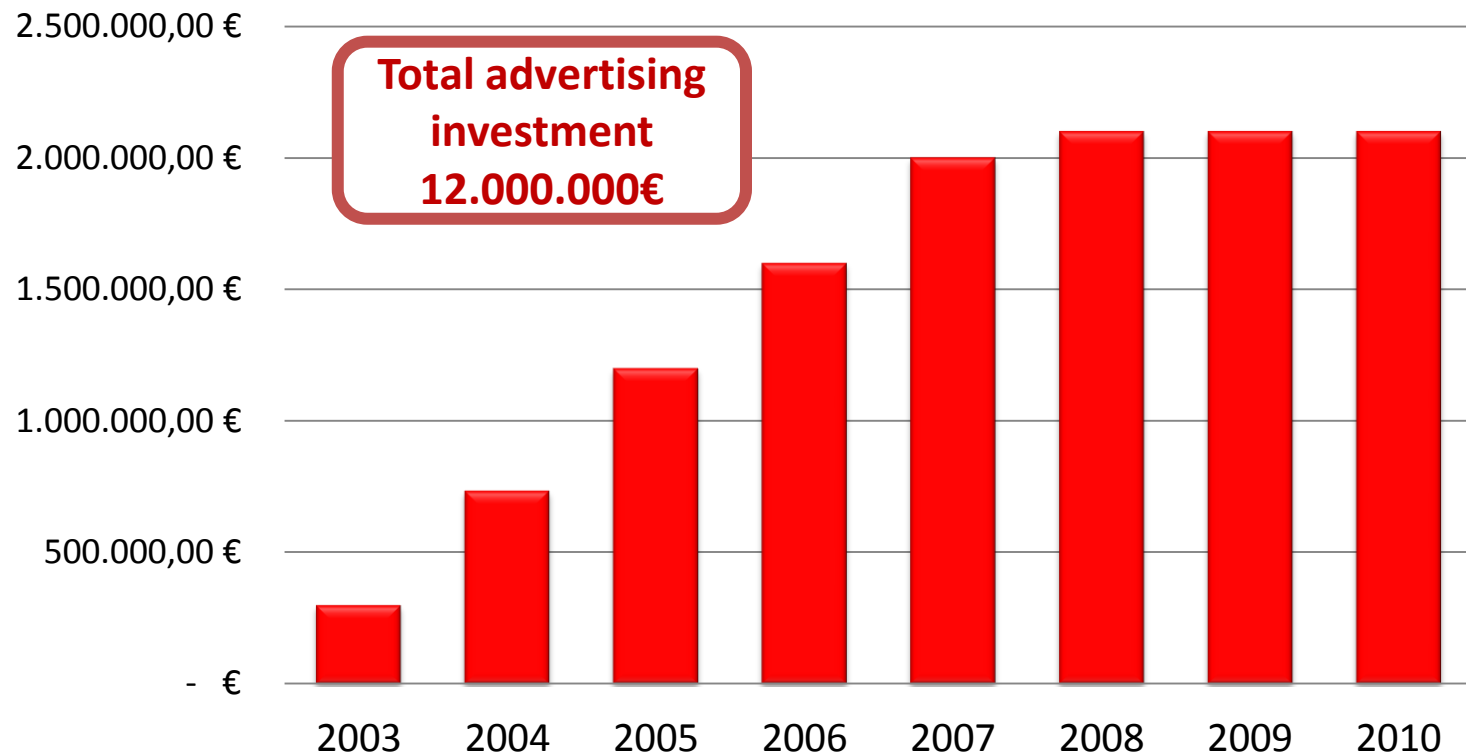


According to a Metron Analysis research, 2011

The Greek Mattress Market

Media Strom is going to strengthen its place further because of the constant communication with the end user.

Advertising Spending (2003-2010)



■ Σειρά2

MEDIA STROM Franchise System

We welcome each new member into the Media Strom Family with a Franchise System that provides the franchisees with all the necessary information and procedures in order to run a successful Media Strom shop.

Please note that each new member of the Media Strom network, apart from the right to use the Media Strom brand name, will enjoy many more benefits.

Our support system includes training, marketing, supplies, research & development and a combination of all necessary services and products for a profitable, successful and competitive operation.

The advantages of working with MEDIA STROM

Media Strom franchisee enjoys tangible advantages:

- The Franchisee invests in a reliable company which has accomplished 96% awareness leaving far behind its counterparts.
- The mattress market is quite large and continues to grow as the consumer seeks for a better quality of life.
- The franchisee has a guaranteed demand for products, since MEDIA STROM enjoys the largest mattress market share and is the No 1 company in advertising investment.
- Media Strom holds the leading place in research for the development of pioneering and innovative products of high demand.
- Media Strom is the No 1 selling company with total revenue of 38 million Euros, leaving far behind the second mattress company.
- The Franchisee enjoys a feeling of safety deriving from the 42 years presence of Media Strom in the market.
- To start a Media Strom shop one needs much smaller funds than those needed for any other venture and with limited risk.
- The Franchisee becomes the sole authorized distributor of Media Strom in his geographical area.
- Media Strom does not charge any Royalty fees to its franchisees.

Before starting your business

Media Strom offers to its franchisees a step by step plan on starting and running a successful shop.

Franchisees will be provided with guidance on subjects such as:

- design and set up of the shop
- product supply
- local market research
- personnel selection without spending valuable time.

Our highly experienced consultants will help you:

- avoid operational problems through our long-term experience in the mattress industry.
- ensure a smooth and low cost start of your business.

Media Strom Stores

Media Strom has introduced a new store concept that turned its retail Network into an unforgettable shopping experience for all visitors.

Media Strom's new store concept:

- Creates a “wellness “ atmosphere and stress the importance of Sleep
- Offers the visitor a unique shopping experience
- Acts as a selling tool for the sales consultants
- Harmonizes the appearance of all stores
- Differentiates us from the competition



Store Selection and Design

The selection of a store's ideal location is an essential decision, as it determines the sales outcome in any region and the long-term network's development, viability and profitability.

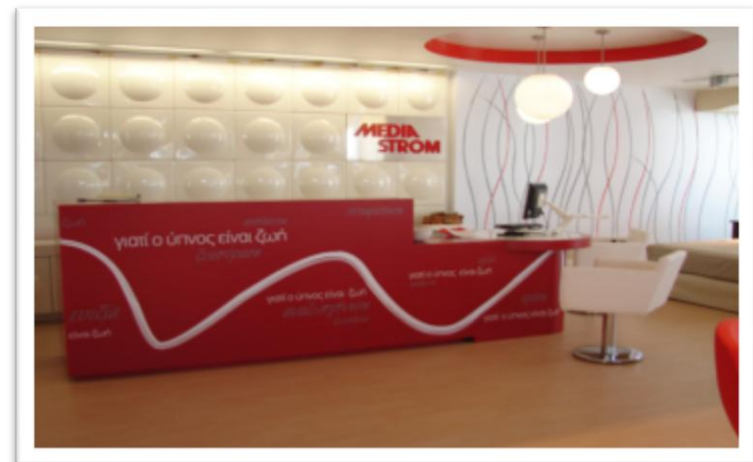
Media Strom is aware of this fact, therefore the company's executives offer a substantial help in:

- Mapping
- Evaluation and
- Ideal location's selection for the establishment of a successful shop

Once the ideal location has been selected, the shop design from Media Strom associates starts based on approved architectural plans, site photos etc.

Media Strom associates fully undertake:

- Labeling
- Product placement
- Visual merchandising
- Shop's interior and exterior design and overall style



In Media Strom we strongly believe that the key to a successful Franchise System is the continuous, thorough and substantial training of both the franchisees and their personnel.

Media Strom has established a Training Academy, so that every new Franchisee is not obliged to have a previous experience on sales. The Company covers in full the theoretical and practical training of every new partner, next to the respectable Sales Associates of our network.

The training program, apart from educating the Franchisee on the Media Strom products and services, will also address useful topics on operational issues such as:

- Merchandising principles
- Inventory and materials management
- Techniques for sales and customer service
- Human resource management
- Financial management of the shop (budgeting, reporting)

Media Strom pays great attention to emerging training needs, therefore, besides the initial training program, the company constantly provides its Franchisees with additional seminars in order to meet the needs of both its network and its selling points as well as to educate its Franchisees on new products.

Media Strom supports its franchisees from the moment they start their business and throughout their entire lifespan.

A number of organized information and activities will be at your disposal in the form of manuals in order to support the efficient operation of the shop and the promotion of Media Strom products along with the best possible customer service. Some of the manuals offered are the following:

- **Operation manuals**
- **Product manuals**
- **Business management manual**
- **Quality standards' manual**

Media Strom's highly-skilled personnel (Area Managers) visit on a regular basis all the selling points of our network in order to offer consulting to each opportunity or difficulty the franchisee may face. Our staff, being constantly on your side, brings back into the company all your questions, ideas and remarks. Our goal is to optimize the efficiency and the profitability of all the selling points of our network.

The Area Managers work, among other things, on the following topics:

- Pinpointing of training needs
- Products' display presentation
- Product mix and sales analysis
- Regional market research
- Financial management of the shop
- Guidance on plan revisions

All supplies needed for a Media Strom selling point come from the **Central System Operations** of the company. Moreover, franchisees are equipped with tools for **Efficient Stock Management** and high inventory turnover for boosting the profitability of their shop. MEDIA STROM delivery system is extremely prompt (approximately within a week upon the order) therefore there is no need for the franchisee to keep a large stock if not at all.

The **Inventory Management Manual** addresses extremely important issues for the profitable operation of a shop, such as:

- Initial stock / supply amount according to shop type.
- Minimum stock amount per product and factors that affect it
- Display management procedures
- Inventory procedures
- Receipt and delivery of goods procedures
- New code input procedure
- Old code removing procedure
- Management of products on sale
- Management of packaging, advertising and various auxiliary materials

Enjoying such a skilled guidance and support from the Central System Operations you will be left free of distractions to look after your shop and mostly provide Media Strom's customers with high quality products and services.

Marketing & Advertising (in Greece only)

The key point of the Media Strom Franchise Package is advertising and support of its network regarding marketing issues. Media Strom's Marketing Department supports the entire network operation and sees that it is compliant with the communication policy of the company.

The Central Marketing Department supports the franchisee in marketing and advertising issues engaging the following actions:

- Advertising campaigns regarding the entire company network on a national level
- Local marketing services (LSM) adjusted to meet the individual needs of each selling point
- Integrated programs to advertise and promote newly launched products
- Uninterrupted supply of the selling points with advertising material
(leaflets, brochures, catalogues, posters, stands etc.)
- Merchandising services (classification and efficient display of the products in the shop, etc.)
- Sales Tools which support an impeccable customer service
- Integrated sales support programs

Last but not least, it should be noted that the Central Marketing Department takes under serious consideration each franchisee's suggestions and remarks, since the franchisee is the one who interacts daily with the customers, therefore with his accumulated knowledge and experience he can actively participate in the making of Media Strom's marketing policy.

Research & Development

Research and development is considered a major pillar of growth for Media Strom who is constantly in search of methods to improve its products' quality and efficiency as well as to enlarge its product mix and to adjust it accordingly in order to meet the changing needs of its clients. Our company never ceases to seek ways to improve the quality of sleep through medical surveys and monitoring of the international market for pioneering raw materials and cutting edge technologies.

Since 2005, Media Strom, having realized through its long experience in the mattress market, that Research & Development is the cornerstone of a business' survival and profitability in a constantly growing and changing market, invested in **its own pioneering Research & Development department.**



Research & Development

Moreover, the Research and Development department, through cutting edge technology systems, runs a series of tests such as:

Durability test: We study the durability that the raw materials are attributing to the mattress and thus we check its expected lifespan. During this test the mattress undergoes mechanical pressure on various spots providing us with information on its behavior under three subsequent measurements: at 25.000 beats, at 60.000 beats and at 130.000 beats.

Roll Test: We test the mattress behavior against each movement of the human body while sleeping. For this test a cylinder puts pressure equivalent to 140 kg on the mattress. Throughout the Roll Test, the mattress is closely monitored by researchers and computers in order to register any unusual behavior. When a mattress passes its Roll Test successfully, we can guarantee a 10 year problem free use.

Edge test: This test checks the peripheral durability of the mattress, in other words the durability of the spots that take the maximum pressure while sitting and getting off the bed. For this purpose a human body simulator equivalent to 140 kg is used to simulate a 10 year daily use.



**Roll
Test:**



**Edge
Test**

The company provides all its retail shops with a sophisticated IT management system, developed to meet in full all their needs.

In brief, the IT management system sees that the following network operations are being conducted in an efficient manner:

- **Cash balances management (returns, receipts, invoices etc)**
- **Orders, production schedule, deliveries**
- **Purchases of goods and supplementary operational materials**
- **Stock inventories**
- **Products display**

In general, the IT management system keeps a database with all the necessary data for the shop's supervision and analysis of its efficiency and returns.



Financial information (Based on the Greek market model)

For the further growth of Media Strom, through the franchise channel, the company has compiled a standards' guide for its shops, which may slightly vary according to the location of each shop.

Although the average space for a shop is 120-220 sqm, a franchise shop should ideally compile the following attributes:

- A total space of 280 sqm.
- Out of these 280 sqm, 180 sqm have to be on the ground floor and the rest either on the first floor or the basement.
- A location of high exposure and commercial value, within the town's or municipality's furniture market area or in the consumer products market (e.g. near a consumer electronics superstore or a supermarket)
- Parking space for at least 4 to 5 cars.

The average initial investment for the refurbishment of the shop is estimated between 60.000 and 90.000 Euros, depending on its size and previous condition. In any case, the franchisee should be ready to finance with own funds at least 70% of the total investment.

The following table serves as an example for the necessary initial investment (covering the opening of the shop).

EXEMPLARY STRUCTURE OF INITIAL INVESTMENT (shop:280 sq m)	
Refurbishment of the shop (depending on its size and previous condition)	60.000 – 90.000 €
Shop's equipment (leasing option available)	25.000 €
Initial stock	10.000 – 20.000 €
Other initial expenditures (planning permissions, studies etc.)	6.500 – 10.000 €
TOTAL INVESTMENT	100.000 – 145.000 €

Entry Fees – Royalties – Marketing Fees (Based on the Greek market model)

Entry Fee

The Entry Fee for a franchisee is the lump sum payment one must contribute, in order to enter the franchisor network and thus to enjoy all the benefits it has to offer.

The entry fee for the Media Strom franchise package ranges from 20.000 to 30.000€, depending on the demographics of the area of interest.

Royalties- Marketing Fees

Media Strom does not require from its partners to pay royalties for the provided collaboration system.

The marketing & advertising fee, i.e. the franchisee's contribution to the marketing expenditures on a national level, is 2% of the annual turnover (it is paid on a quarterly basis).

The same fee of 2% of the annual turnover applies for regional advertising too. All regional advertising activities are executed in collaboration with the company's Marketing Department, through approved advertising material and channels.

Area of exclusivity in secondary mattress market

Media Strom assigns the franchisee a specific geographic region for the use of his franchise package, delimited by its flow, versatility and demographics.

Basic contract terms

MEDIA STROM Obligations

The Franchisor is obliged to grant the franchisee the license to use and exploit the Franchise Package that the company has developed, which consists of the following:

- Use of the Media Strom logo.
- Designated area of exclusivity.
- Unified invoicing policy.
- Operating Manuals.
- Training manuals for the new entrepreneur and the personnel of each new Media Strom shop.
- Training of the franchisee and his personnel.
- Help the franchisee to select the appropriate personnel.
- Efficient advertising and public relations.
- Programs to promote the new shop on a national level.
- Help in developing regional promotional activities.
- Legal advice.
- Continuous updates on market trends.

Media Strom is also obliged:

- Not to grant the right of exploitation of the package - in whole or in part - to third parties, within the area of exclusivity assigned to the franchisee,
- Not to individually exploit the franchise package – in whole or in part – within the area of exclusivity of the franchisee
- To provide equal treatment to all network members.

Basic contract terms

Franchisee Obligations

The franchisee, on his part, is obliged:

- To actively participate as a Media Strom operation partner and to enhance the organization's operations with his added-value experience and skills
- To actively promote the sales of the franchising system products
- To comply with the selling standards of the franchisor
- To make sure that all merchandise is supplied through the Central System Operations
- To comply with the unified invoicing policy of the franchisor
- To comply with the franchisor's standards for the refurbishment of the shop
- To comply with the organizational principles of the Franchise System
- To recognize the franchisor's right to apply new methods in the franchising system whenever necessary
- To maintain and repair his shop
- To issue an insurance policy for his shop
- Not to engage directly or indirectly into a similar commercial activity, competitive to the franchisor or another franchisee of Media Strom's network, within the same geographic region
- Not to engage financially in competitive businesses
- Not to produce, sell or use competitive to the franchisor merchandise
- To timely schedule his orders to the franchisor
- To maintain the franchise network's identity and reputation
- Not to assign his legally binding rights and obligations without the franchisor's consent

Candidate Partner Profile

For Media Strom the collaboration with the future franchisee is a long-term relationship with great growth and profit perspectives for both parts.

We address to entrepreneurs who have the following characteristics:

- Entrepreneurial vision and goals.
- Know-how of the market operations.
- Ability to occupy substantially with the shop on a daily basis and to actively participate in the growth of Media Strom's market share.
- Faith and engagement in a modern, profitable and rapidly growing network.
- Flexibility and adaptability to ever-changing new given facts.
- Professional ethics and willingness to succeed.
- Dynamic personality (in terms of collaboration – initiative – communication and organizational skills).
- Ability to built strong relationships with customers and partners.
- “Customer orientation”, i.e. ability to comprehend and respond to customers' needs.
- Available funds for investment.

On our part, we will help the franchisee providing him with a reliable and well reputed brand name, our expertise, know-how, organizational operations and continuous support.

Your commitment and drive will be the key-factors in defining the success of your business.

MEDIA STROM®

sleeping is living

We invite you to study carefully the business cooperation proposal aspects so that we can afterwards discuss our ideas and propositions on how to materialize this cooperation proposal in your region.

We are aware that our development depends on mutual interest and common effort. Our experience, technical know-how and constant support, combined with the drive for work and the effort of all our associates, are the key-points for the further development of a successful network.

If you desire and believe you can create your own up-to-date and profitable business, do not hesitate to contact us.

