



MEETING OF THE BOARD OF DIRECTORS

Board of directors


- Chief Executive – Korneva Veronika
- Deputy Chief Executive – Sergienko Maria
- Company Secretary – Chekushkina Ilona
- Director – Corporate Strategy – Malisheva Tatyana
- Director - Public Relations – Turina Valentina
- Director- Corporate Finance – Mezencheva Elena
- Director- Marketing – Pisklova Alina
- Director- Personnel and Staff Development – Dolinina Polina, Morokko Elena
- Non-Executive Director- Vlasenko Ekaterina

Agenda

1. Discussion of the future strategy of the company
2. Presentation of the SWOT analysis
3. Presentation of the results of the customer survey
4. Presentation of the financial report
5. Voting procedure

SWOT Analysis

Origin Internal	Strengths 1) Location of stores 2) Number of loyal customers 3) Experience of managers	Weakness 1) Unclear company image 2) Low quality of goods 3) Absenteeism of staff 4) Rising costs 5) Poor logical system of transportation
Origin External	Opportunities 1) Improvement of advertising 2) Qualitative location of goods 3) Self-service in stores 4) Financial services	Threats 1) Popular competitor (Levinson Brothers') 2) Competitor (Hi-Mark) has a better quality of goods. 3) Escaping customers

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- Razzmatazz promotion
 - New image of stores
 - Better quality of goods & service
 - **Innovative profitable services such as:**
 1. Financial service
 2. Issue and sale of own original products
 3. No rent. Just goods on consignment.
 4. Predictability of the location of the goods and interactive signage
 5. Monitoring gauges for personnel.
 6. Delivery of goods ordered through the online store.

Customer survey

The survey was conducted among 500 people aged from 15 to 60 and older.

Part I

1. Sex?
2. Age?
3. Your income per month?
4. Which of the factors are important to you when you choose a store?
5. Which of the following stores do you know?
6. Which of the stores did you visit in the last 6 months?
7. In which stores did you shop for the last 6 months?
8. In which of the stores did you spend the biggest amount of money in the last 6 months?

The results of the survey

1. Sex?

- 65% - female
- 35% - male

2. Age?

- 36,5% - 15-21 year-old;
- 29,5% - 21-30 year-old;
- 19% - 30-50 year-old;
- 15% - older than 50 year-old

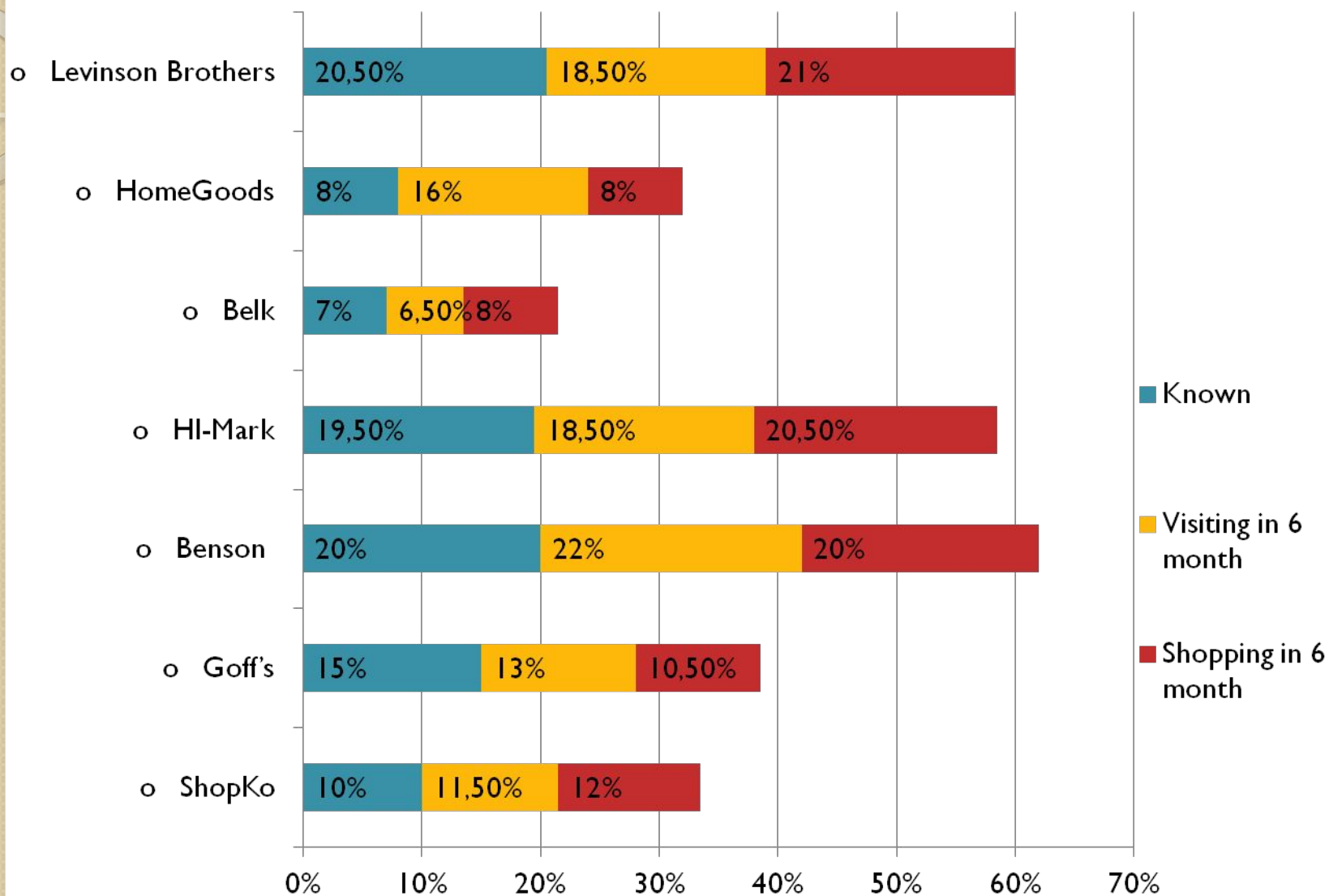
3. Your income per month?

- 19% - \$750 - \$1000;
- 17% - \$1000 - \$1500;
- 17% - \$500 - \$750;
- 13% - \$1500 - \$2000
- 13% - \$250 - \$500
- 9,5% - less than \$250
- 12,5% - more than \$2000

4. Which of the factors are important to you when you choose a store?



Known.Visiting.Shopping.





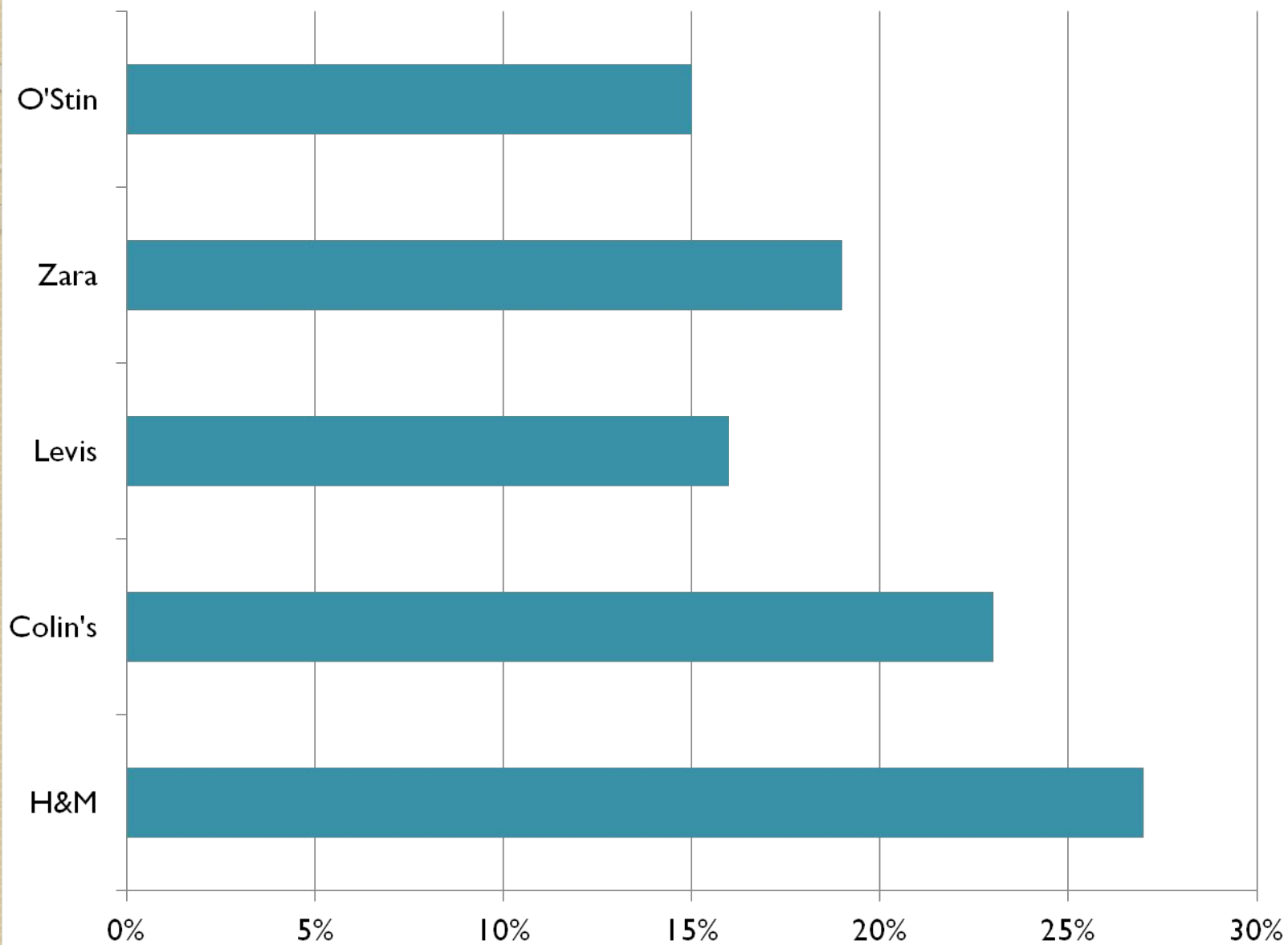
Part II

1. Do you know Benson Department Stores?
 - 87% - Yes;
 - 13% - No
2. What would you like to change in our stores?
3. Which brands would you like to see in our stores?

Consumers dislike



New brands



Financial report

Comparable figures	Previous year	Current year	Difference, %
Turnover, mln \$	225	190 m	-15,5
Pre-tax profit, mln \$	8.3	6,225	-25.0
Net profit, mln \$	6,64	4.98	-25.0
Share price, \$ per unit	10	6.8	-32.0
Sales per employee, \$ per year	900000	633300	-29.63
Loan capital, mln \$	6.65	8.72	+31.13

Voting procedure

1. Merger with Levinson Brothers
2. Going down-market
3. Termination of the contract with Chief Executive