

Flamingo International continues its strategy of orienting the company towards profit

The second retailer on IT&C, electronics and home appliances on the Romanian market will orient its resources towards the main activity object, the retail in Romania, by adopting a decisions set towards making the company profitable

Bucharest, June 25th, 2007: Flamingo International continues its policy of orienting the company towards profit, trough a specific measures set, aiming at continuing the developing strategy announced at the end of the last year and confirmed in the first period of this year, meaning developing the Flanco World large surface chain shop.

The increasing efficiency actions put forward by Flamingo International include selling the activities at international level, stopping the development of Future Shop Project, without transferring the „Future Shop” brand and selling the real-estate properties held by the company. All the actions mentioned will allow the group management to fully focus on the core businesses - electrical retail and wholesale.

After almost eight years of activity at international level, Flamingo Group decided to sell its subsidiaries from Serbia and Macedonia, just to orient the resources of the company towards developing the retail activities in Romania. The group will still operate trough its subsidiary in Holland that at present moment is involved in distribution activities.

The action of stopping the Future Shop project is in perfect accordance with its declared purpose in the next three years: developing the Flanco World concept by opening 13 new locations this year, on appreciatively 19 000 sqm retail surface. The „Future Shop” brand will remain in the Flamingo International portfolio with the possibility of being re-activated according to the company's interests.

The Flamingo Group decided also to sell its real estate properties in the next period and to focus on the core activity, that is to offer IT&C products, electronics and home appliances thru the two channels that Flamingo operates in Romania: retail and wholesale. Are taken into consideration few owned small surface shops and the central headquarter located in Otopeni that became to large for the new organizational structure resulted after the restructuring and making the activity more efficient process.

The group doesn't exclude the possibility of signing other joint-ventures or sales towards the strategic partners of the local distribution activity, although there isn't an established plan for that in the near future.

Currently there is no final selling contract signed bz Flamingo for the businesses or properties mentioned above; the company is involved in preliminary discussions about the terms and conditions with the potential buyers. By the time when any of these discussions will turn into a secured potential selling agreement, the capital market will be properly informed.

All the presented measures before are confirming the Flamingo International will to become the most competitive player on the national electronics and home appliances market. Developing the concept Flanco World, characterized by large surface shops and a generous products offer represents at present moment the developing direction of the company for the next three years, most of the resources being directed towards it. The results of company's restructuring process and orienting the company towards profit will be sustained in the next period of time by an aggressive developing policy in strategic locations.

**Board Representative,
Anca Liana Barbu**