



# ATTIRANCE

natural cosmetics

Company Attirance is experienced manufacturer of natural cosmetics from Riga, Latvia. Inspired by the beauty of Provence, our goal was to create natural cosmetics that combine expression of feeling beautiful and harmonious.

Established in 2003, the company has developed more than 260 unique products with charming design and wonderful selection of fragrances.

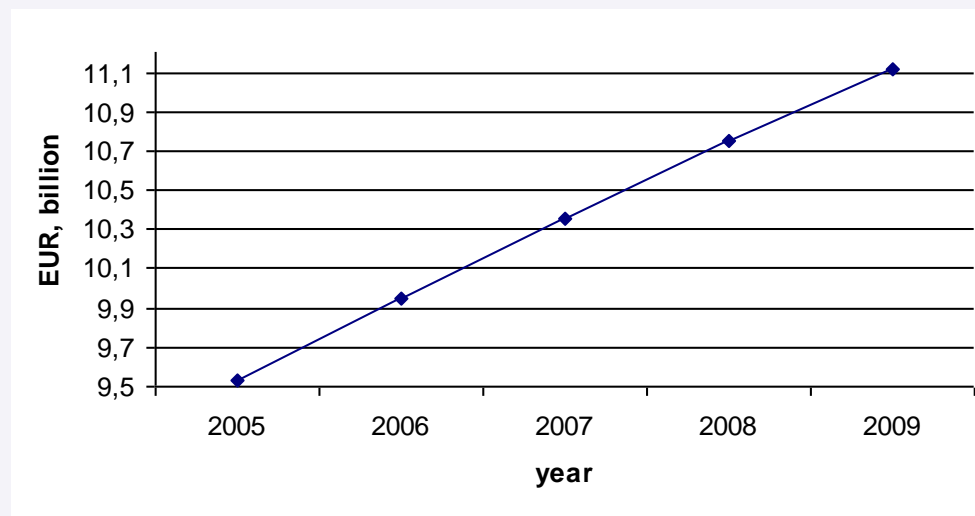
# Natural cosmetics: a fast growing market

- The natural cosmetics market is relatively small, but is growing faster than the overall market.
- Natural cosmetics continued to benefit from growing health concerns, a sense of well-being and looking good.
- Over the last 15 years, the cosmetics market has grown on average by +4.5% a year excluding currency fluctuations, with annual growth rates ranging from around +3% to +5.5%.
- It is a market which has demonstrated both its ability to achieve sustainable growth.
- In 2020, the frontiers of the cosmetics market will be very substantially redrawn as a result of the natural increase in population, international migration and rising levels of income in a very large number of countries.



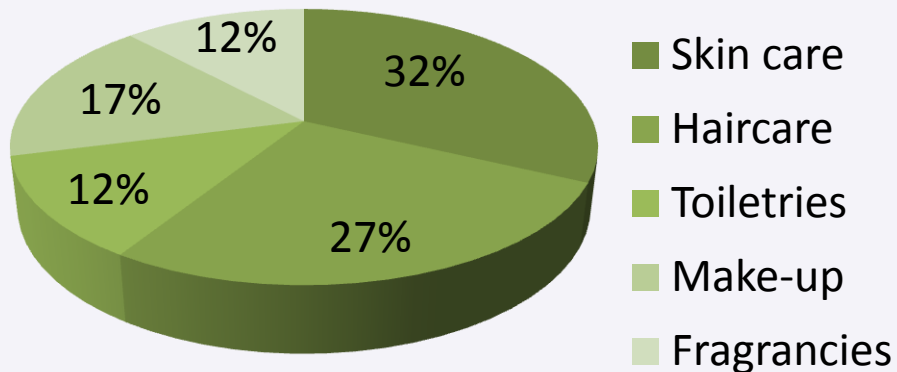
# Global Hand and Body Care Market Value

## EUR billion, 2005 – 2009



# Weight of World Luxury market by product category

- The cosmetics market is divided into five main business segments: skincare, haircare, make-up, fragrances and toiletries
- These segments are complementary and thus able to meet consumers' needs in all their diversity

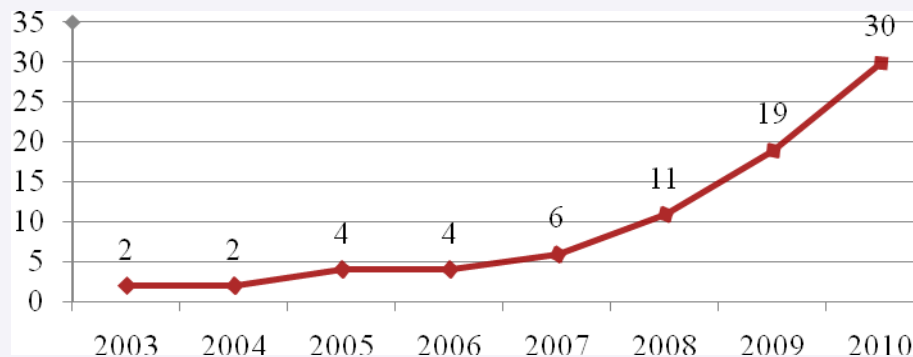


# Charm of a high value - Attirance body care products

Taking advantage of nature as the main source of beauty together with innovations, we have reached the top quality of products and provided physical and emotional comfort of body care. We only select the highest quality plants, butters, flower extracts and essential oils which faithfully reflect the beauty of Attirance products. However, we make every effort to continually improve and develop new product lines.



# Attirance product groups



Products launched from 2003-2010:

- 2003-2008 – soaps, bubble bath bombs, aromatic water, massage oil, bath salt, bath milk, body butter, body scrub, body yogurt
- 2009 - shower gels, shampoo, liquid soaps, bath foams, foot balms, hand creams, body butter creams
- 2010 - shower oil, hair conditioner, face creams, perfumes, after shave balms, face foams, baby products – body cream, body butter and baby cleansing gel, travel size products – shower gels, shower oils, shampoo and conditioner, foot cream-gel



# Products launched in 2011

## Hair masks:

- "Arnica" for Painted Hair
- " Grapefruit" for greasy Hair
- "Honey and Almond" for dry Hair

## Anti Cellulite cream "Apple"

## Face Exfoliators:

- "Honey and Almond" for Combination Skin
- "Apple" for Dry Skin
- "Arnica" for Mature Skin
- "Bamboo" for Oily Skin

## New Perfumes :

- Verveine, Jasmin, Gardenia and Ambre for women
- Bergamote and Cedre for men



# Products planned to be released by the end of 2011

## New products:

- Shower Milk – coconut
- Body milk – coconut, cherry blossom
- Shampoo:
  - Arnica
  - Argan
- Shower Gel - Bergamot and Peppermint

## New Product Lines:

- Cherry Blossom Line – Shower Gel, Body Milk, Hand Cream, Hand Washing Foam
- Almond - Hair Elixir, Body Milk, Shower Milk



# Franchise system

Since 2007 we started to develop a worldwide franchise system by offering fully developed business concept with wide product range and proven profitability. We have made a franchise package that provides everything necessary for an effective launch of the business at a new location. Throughout these years we have already opened franchise stores in Russia, Germany, Italy, France, Switzerland, Canada, Mongolia, Turkey, South Africa and other countries.



# Attractive franchise concept



# Main terms for franchise store

- Entry fee: EUR 5 000
- Commission: 0 % of sales
- Local advertising (invested by franchisee locally): 5% of sales
- Duration of contract: 7 years



# Main benefits

- 60% Gross margin guaranteed the whole year, even during sales and promotions
- No stock to finance - initial stock: EUR 50,000 of retail value
- Full stock permanently
- Assortment adjusted to the sales
- The franchisee can focus on customers and sales



# The business model

- Size of the store: 25-55 sq.m.
- Total investment for a single franchise: EUR 40,000 to EUR 75,000 (from 1300 EUR/m<sup>2</sup>)
- Location: 1A commercial area in a shopping mall or on a shopping street with a constantly high customer flow
- Entry fee (single franchise): EUR 3,000
- Construction and renovation works – case by case (from 700 EUR/sq.m.);
- Investment in working capital: minimum of EUR 12,000 worth of stock constantly available in the store
- Estimated annual profit (\*): 15% - 35% of turnover

\* Estimated based on average Europe figures in urban areas above 1 million inhabitants, applied to corresponding European urban areas, built on relevant European data related to rents, labor costs, social contribution.

# Our support

- Methodology tool for store location scoring
- Store concept, adaptation by our designers
- Manuals: sales techniques, merchandising
- Performant and user-friendly software system
- Promotion concepts, loyalty programs
- Marketing material in electronic format
- International website



# Coaching

- Initial training: products, sales techniques, merchandising, software
- Additional training programs on regular basis
- Presentation of new collections
- Performance monitoring and benchmarking: average sales per customer, number of pieces sold per customer, conversion rate
- Newsletters
- Outstanding customer service
- After sales and quality service - guaranteed products for 1 year to 2 years

# Our requirement from franchisees

- Sales talent
- Business / retail know-how
- Proven track record
- Entrepreneurship, Organisational talent
- Enthusiasm for fashion and high-quality products
- Financial resources



# Master Franchise

Master Franchise means the exclusive rights to develop your own Attirance branded store network, attract new partners for franchise in your region (city, country or region). It is an opportunity to profit as the intermediary between the manufacturer and:

- Single franchise holder;
- Specially selected cosmetic chain stores;
- Cosmetics and spa saloons;
- Pharmacies;
- Hotels



# Master Franchise

Benefits you will have as a MASTER franchisee:

- Priority service due to the constant contact with Attirance as a manufacturer;
- Additional discount programs on products;
- Outstanding start-up assistance and ongoing operational support
- Control over franchisees in territory and enforcement of agreements
- Professional website design offering national and international exposure
- Opportunity to create an online store in your territory
- Profit opportunities from supplying franchisees, as well as from franchise fees
- Profit from sales to cosmetic chains, hotels, spa saloons, pharmacies
- A wider range of marketing programs and tools
- Higher growth of turnover than in single franchise

We wish you to enjoy natural beauty together with Attirance  
cosmetics!



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