

RedHead – Forward to Victory!

Family
Corporation

2016



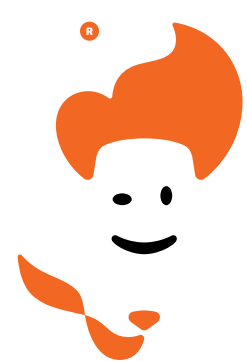
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General Information

*The persons at the branded photos are
the RedHead active employees who have
reached significant sports results*





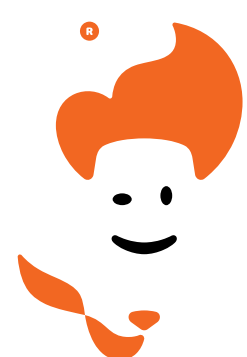
RedHead
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About the company

The RedHead Family Corporation (founded in 1994 as Europroduct) is the leader on the children's merchandise market and the largest family company in Ukraine.

The company's business includes the largest chain of children's stores in the country (Antoshka), boutiques selling leading fashion brands in key cities throughout the country, and national distribution which exclusively represents the brands of world leaders in the children's merchandise market. RedHead's distribution holds 70% of the national baby food market (import), and the company is striving toward a leading position in the categories of toys, children's hygiene products, furniture and accessories.



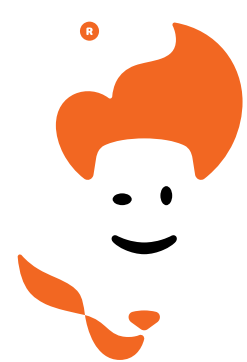


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3 Vectors of Development





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Company Key Areas

АНТОШКА

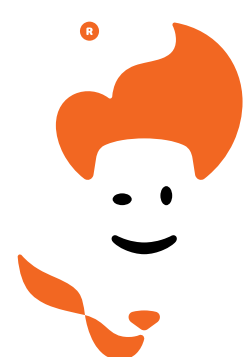
*National chain
of children's stores "Antoshka"*



*National distribution
of children's goods*

DANIEL
kids boutique

*Children's boutiques chain Daniel
in Kiev, Odessa and Kharkov*



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Branches



The central office of the corporation is located in Odessa.

Branches of RedHead operate in all regions of Ukraine. Offices have been opened in cities with populations over one million — Kiev, Kharkov, Dnepr and Lvov.

The corporation's retail chain covers 18 cities.

Facts and Figures



70%

*baby food market
in Ukraine*



30

*exclusive brands
of children goods*



41

*stores
in Antoshka chain*



2200

*employees
of the company*



10

*luxury boutiques
in 3 big cities*

Structure of the Company

External Board of Directors

CEO

Dream Team



Retail
Department



Finance
Department



National Distribution
and Logistics Department



Law and Compliance
Department



Boutique Chain
Department



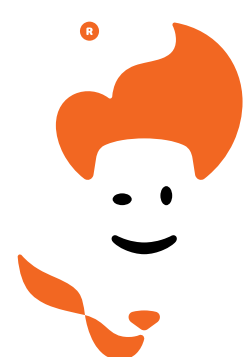
Personnel Management
Department



Real Estate
Department



IT Department



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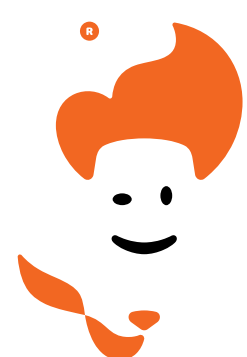
*“Sometimes people think about how to become “immortal”,
but there are not so many ways to realize this idea.
The first is to create a business which will outlive you.
The second is to have children who will outlive you.
The ideal combination is children
who will continue your business”*

Founder and CEO

Vladislav Burda was the originator of many innovations in Ukrainian business: the creation of children’s supermarket format and the Antoshka chain (1997), the implementation of strategic planning procedures (2003) and the implementation of the Adizes methodology in Ukrainian companies (2004), the holding of leadership programmes (Vladimir Shubin’s «breakthrough programme») on a corporate level (1996, 2006), the unification of Ukrainian family business owners in Family Business Network Ukraine (2009), and the holding of Forums – confidential meetings of owners in small groups (since 2011).

He was the first in Ukraine to receive the Executive MBA for Families in Business (2011) and to use George Manners’ system of 6 levels of financial knowledge in management (since 2010). He has gone through several educational programmes on leadership and the management of family businesses with world specialists at IMD (Switzerland) and several other training organizations. He implemented the system of the external Board of Directors in the company (2012).

In 2013 Vladislav Burda became the Honorary Consul of the Republic of Slovenia in Odessa. In 2014 he organized several meetings for the honorary consuls of Slovenia from Ukraine, Moldova, Armenia and Georgia to strengthen effective ties of these countries with Slovenia.



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External Board of Directors



Joseph Astrachan, USA

Professor of management and entrepreneurship at Kennesaw University (USA), executive director of the Cox Family Enterprise Center. World No.1 researcher on family business. He is on the board of directors of seven other family companies.



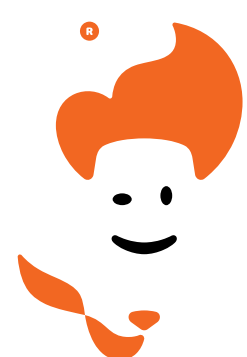
Reinout van Lennep, Switzerland

Independent Financial Services and Family Governance Advisor (Zürich). Member of the Board of WM Partners (Zürich). Advisor to High Net Worth Families in Switzerland, USA, UK, Eastern Europe, Singapore, Argentina. Former Global Head International Private Banking and CEO ABN AMRO Bank Switzerland. Senior management positions ABN AMRO Hong Kong, Taiwan, UK. Vice President JP Morgan UK. Master of Laws, University of Leiden Law School, the Netherlands.



Vadim Margulis, USA

President of JGM Group Inc., a New York-based investment and advisory firm focusing on US and Eastern European markets. Vadim is an expert on corporate finance and strategic management, with experience in the leading global investment and advisory firms Accenture, McKinsey, Bear Stearns and Equifin Capital. He graduated from Odessa National University (Ukraine) with degree in Mathematics in 1994, and from The Wharton School of the University of Pennsylvania (USA) with an MBA in Finance in 1998.



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Dream Team



Alexey Pogorelov

Retail Department Director
has been working for the company since 2016



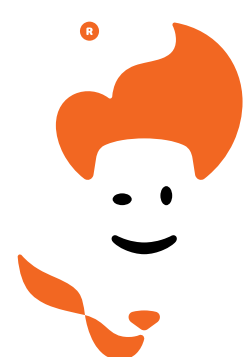
Vadim Orlov

Director of the National Distribution
and Logistics Department
has been working for the company since 2004



Tatyana Karlova

Head of Fashion for Retail & Boutiques
has been working for the company since 2015



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Dream Team



Sviatoslav Okhrimenko

Chief Financial Officer (CFO)
has been working for the company since 2015



Anna Varbanets

Real Estate Department Director
has been working for the company since 2013



Mariya Panchenko

HR Director
has been working for the company since 2015



Nikolay Glukhov

Chief Administrative &
Compliance Officer
has been working for the company since 2010



Vladimir Vikol

IT Director
has been working for the company since 2002

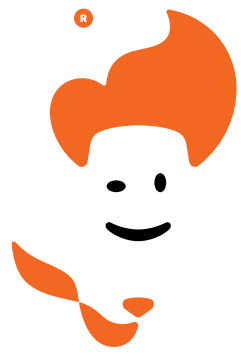


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RedHead Missions





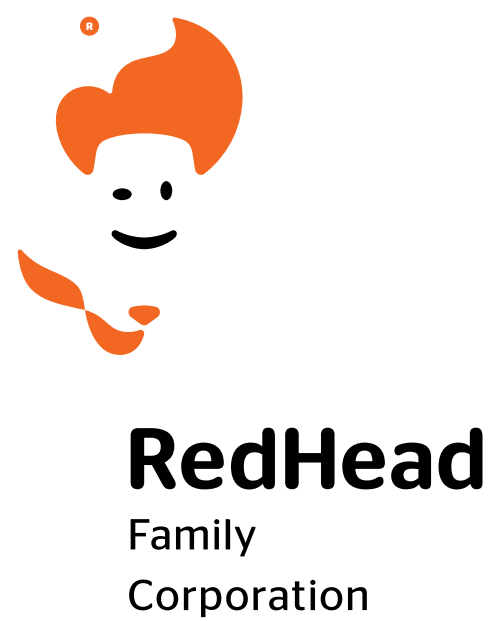
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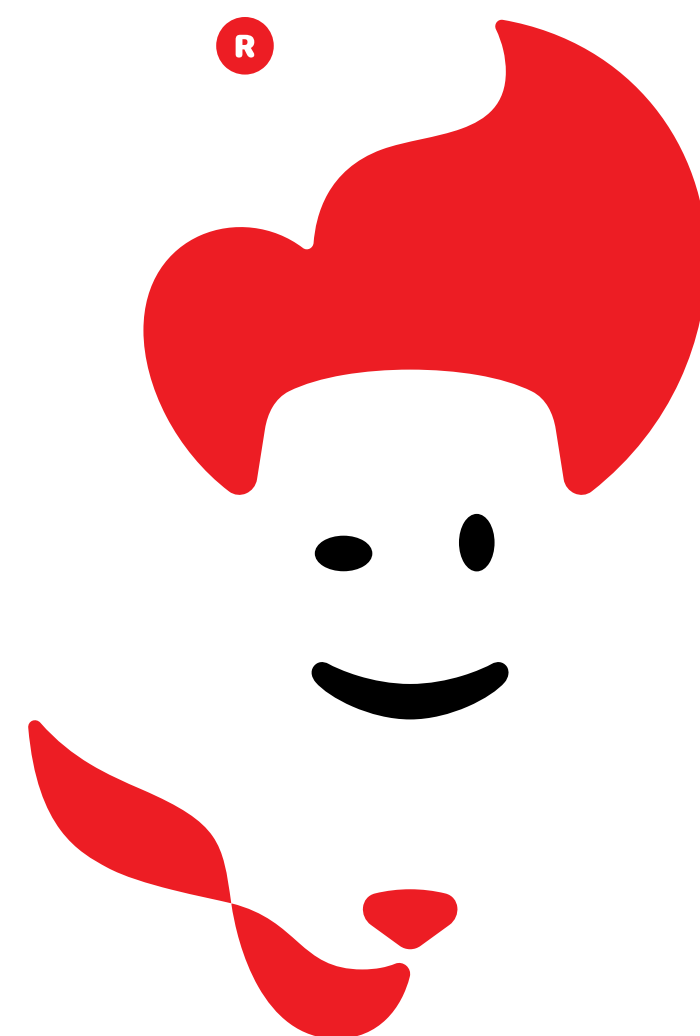
Mission

RedHead Family Corporation aspires to become the most efficient Ukrainian family business that does good to the society, makes its customers happy and satisfied and gives its employees the opportunity to enjoy professional growth.



The RedHead Corporation's identity

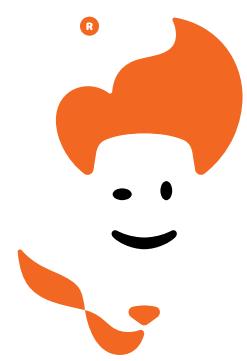
A RedHead is a head in which the most innovative and creative ideas are born.



*A redhead is different from others.
That means he has his own special path.
In addition, red is a lucky colour for the company.
And red-headed Antoshka has already proven that.*

RedHead Family Corporation

The foundation of the business and the strategy of the corporation are that of a family business. This advantage, set out in the name of the company, is unique for Ukraine.



RedHead
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12 Principles for RedHead Team



1. *Aim high. Lead by example*



2. *Deliver what you promised.
And better on time!*



3. *Exceed expectations,
do a little more*



4. *Be responsible for your own health
(mental and physical)*



5. *Balance effectiveness and efficiency.
Be intolerant to waste of resources
(yours, company's and society's)*



6. *Be responsible to have right
people in your team.
You need the best people to
execute on the best strategy*



7. *Support transparency and
accountability on all levels*



8. *Be authentic. Find your own way.
Do what you can do best and what
is natural for you*



9. *Move company to Prime
by developing yourself*



10. *Nurture mutual trust and
respect around you*



11. *Break down bureaucracy and
barriers between people; don't
build them*



12. *Show real care for those we serve*

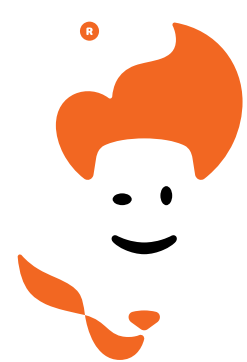


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**Knowledge
at the
Company**



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In 2007 RedHead was awarded “The Best Company of the Year” (Pursuit to Prime) title for the most successful and consecutive implementation of Dr. Adizes’s methodology among all the clients of the Institute.



Company's transformation under Adizes's methodology

Cooperation with Adizes's Institute is the process of optimal organization of business and company's structure transformation for RedHead Family Corporation.

Dr. Ichak Adizes's methodology implies coming through 11 stages of transformation. As a result the structure of the company is renewed, its goals are determined more clearly as well as the means of these goals achievements.

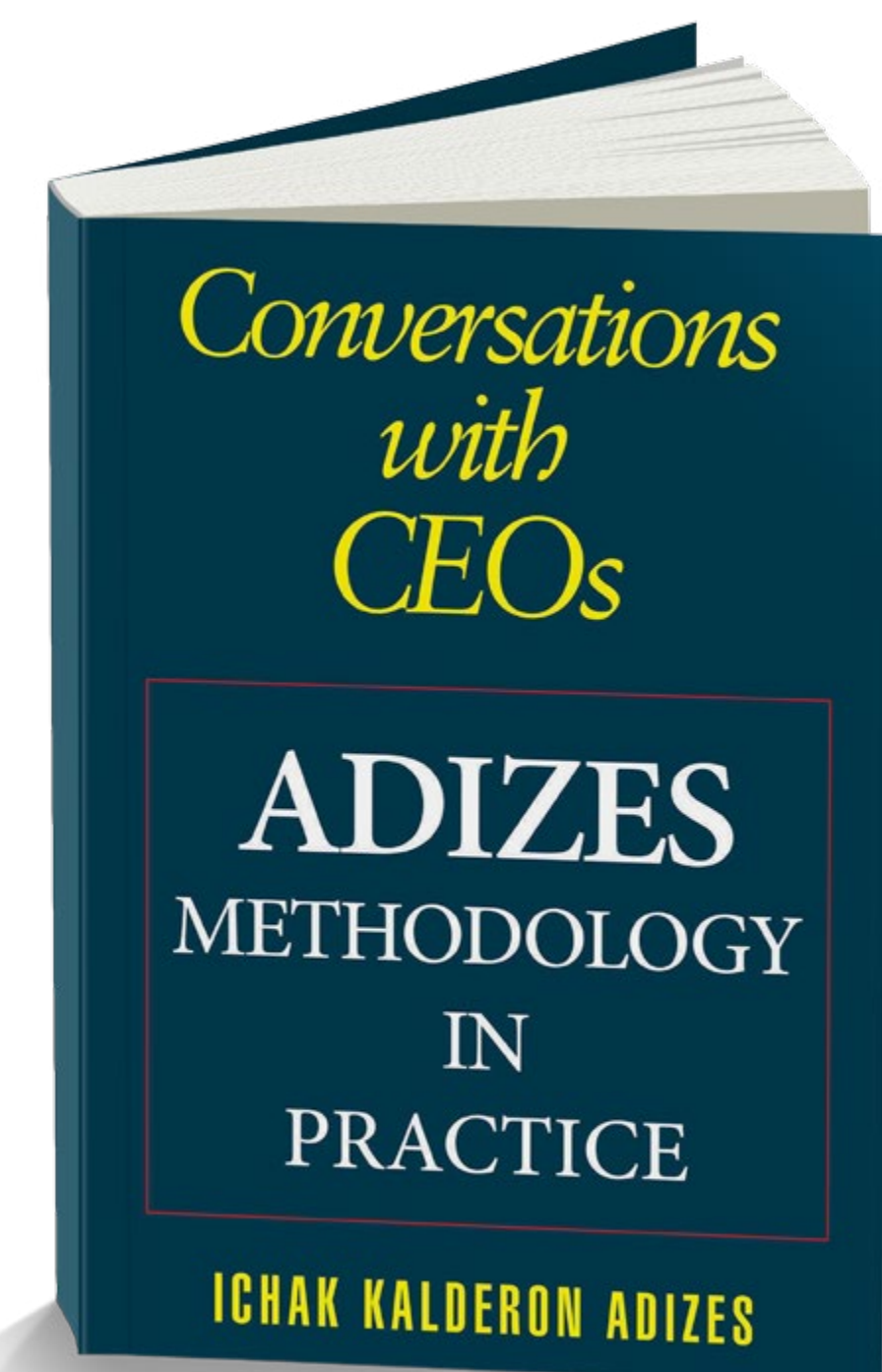


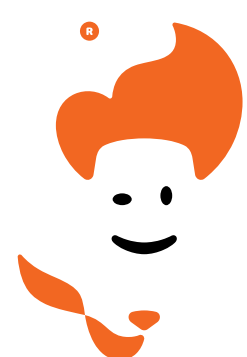
Company's transformation under Adizes's methodology

Dr. Ichak Adizes's visited RedHead Family Corporation twice personally and advised the owners of the Company.

Adizes's Institute has affiliates in 15 countries all over the world. The organization specializes in management of structural business transformations.

Over the last 35 years Dr. Ichak Adizes was working with many commercial organizations all over the world. He is also an adviser on political issues under the government of many countries.





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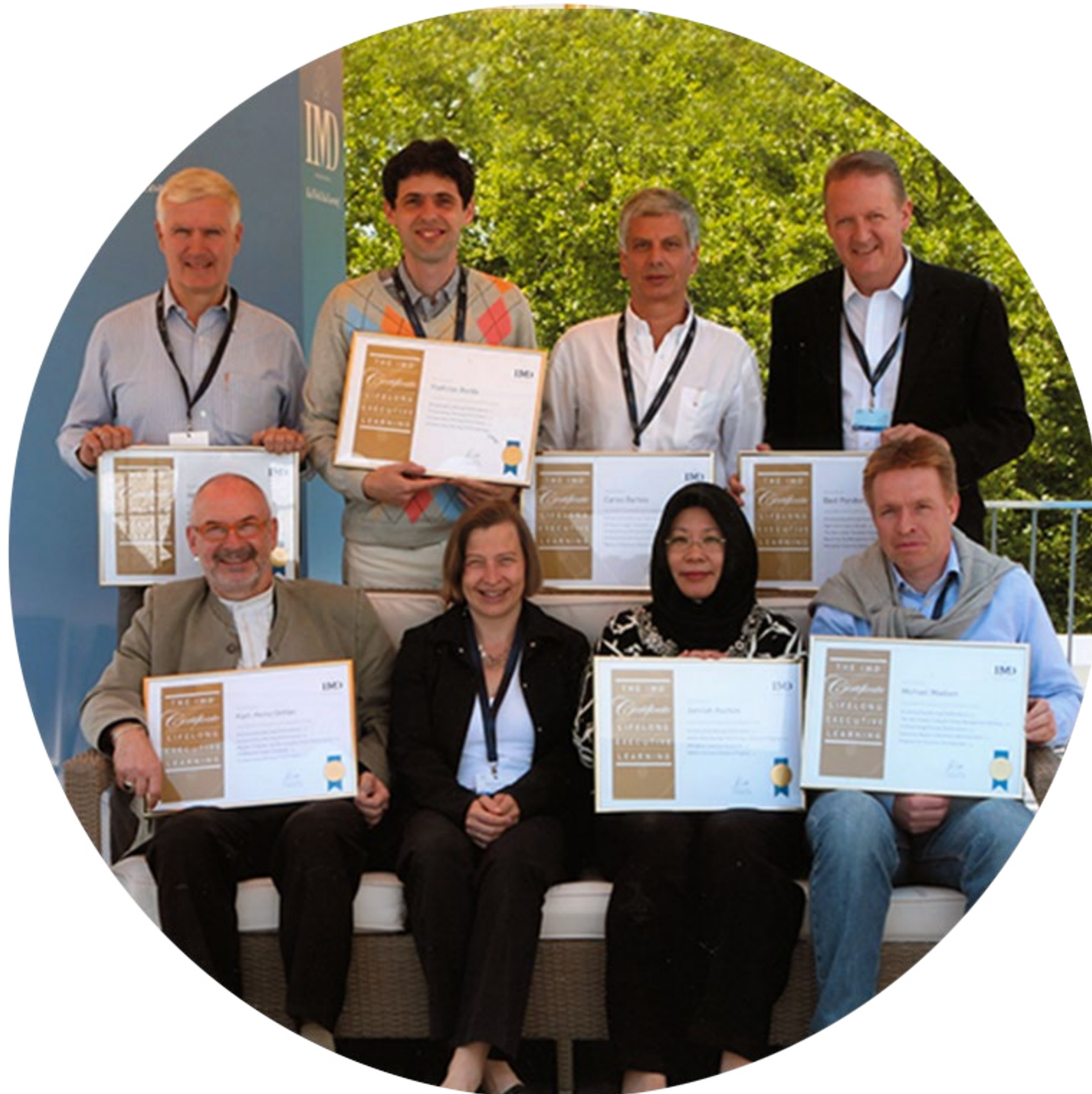
The leadership program with Vladimir Shubin

In 2006 a comprehensive program for the development of leadership qualities in key managers and employees was conducted. The program, which lasted 47 days, consisted of three «breakthrough» trainings in which 66 people took part, and two leadership sessions in the next stage, to which the 40 most persistent people passed.

After the work he did with the company leadership team, Vladimir Shubin and his partner, Marina Krupenina, wrote the book «There are Few Real Wild Ones», in which they used examples from this leadership program.

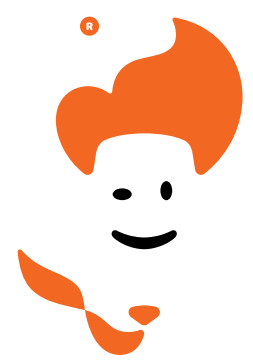


Leadership programmes at IMD



The International Institute of Management Development (IMD) was organized in 1990 with the support of Nestlé. The majority of IMD's programmes are directed toward leadership development.

Vladislav Burda and the top managers of RedHead have undergone training in several of the institute's courses, starting in 2003. The company president's first course at IMD was John Ward's programme on managing a family business.



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Leadership programmes at IMD

In 2010-2011, four leaders of company departments, along with Vladislav Burda, participated in George Kohlreiser's leadership programme; Dr. Kohlreiser is currently one of IMD's most in-demand professors.



Exclusive education for family business owners



Since 2009 Vladislav Burda, The President of RedHead Family Corporation has been undergoing EMBA program for family business owners. FB EMBA course is founded on the basis of Kennesaw State University, the USA.

The Professors Joseph Astrachan and George Manners are considered to be the recognized experts in the sphere of family business.

The program comprises the fundamental EMBA course that provides the advanced information on family business concerning strategy, finance, economics and statistics.

Exclusive education for family business owners



Also this program is giving deep knowledge of family conflicts resolution and influence of family genogram on family business.

FB EMBA course strongly emphasizes the financial education of a family business owner and the peculiarities of financial management in the process of transferring business to the next generations.



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Exclusive education for family business owners

RedHead has become the first family company in which a top manager who is not a member of the owners' family is working toward an EMBA in Family Business. Vadim Orlov, director of national distribution and logistics at RedHead Family Corporation, is in the FB EMBA class of 2013.



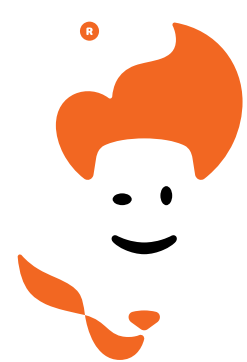


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Family Business





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The owners' family

RedHead is a family company with an acting founder as CEO and a rising second generation of owners.

Vladislav and Tatiana Burda pay great attention to succession and relationships with the children, raising them to be the next generation of business owners. The couple thinks the children can contribute to their family business after they gain some independent experience. The elder sons in Burda's family start their careers in other companies.

Vladislav Burda is focused on the corporate management of RedHead and on providing a consistent strategy as well as effective integration of the company's business units. In addition, he engages actively in educational work for the support and development of Ukrainian family business.



The mission in family business

A family business is a business where the family has effective control over the strategic decisions of the business and where the business makes a considerable contribution to the family's prosperity, income and identity.

Stable connections, constant growth and long term goals – these are the advantages of a family company which attract employees and partners.

Development is connected to the concept of succession – the transfer of the family's main values and the business from generation to generation, from parents to children. That is what provides the identity of a family company.

One of the family company's key goals is to get Global Family Business Award given for a number of criteria



*smooth succession
in 3 generation*



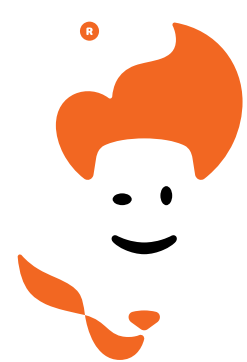
*well known brand
all over the world*



*positive contribution
through social
entrepreneurship
approach*



*financially independent,
successful family own business
with sales volume enough
to satisfy winner criteria*



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Pooling of interests of family owned companies

In 2009 Vladislav Burda initiated and became a founder of the Association of the family business owners in Ukraine. The Association is the Ukrainian chapter of the international organization Family Business Network — FBN.

The Association tends to provide the Ukrainian family business owners with the essential instruments for business management and transferring business to the next generation.

Over seven years of FBN Ukraine activity, the number of families that joined it has reached 55 and is still growing.





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**“Antoshka”.
Children’s
retail chain**

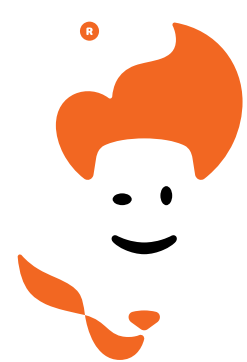


Antoshka is RedHead Family Corporation children's stores chain

The first “Antoshka” opened in 1997 was presented in a unique format in Ukraine. Today “Antoshka” stores operate in 18 cities of the country.

“Antoshka” keeps its leading positions on children's goods market developing a multichannel model and creating new services for its customers regularly.

АНТОШКА



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Lumers – new characters of Antoshka

The evolution of our retail brand made it necessary to create Antoshka's own characters. Antoshka wants to make friends with its clients personally.

The whole world, as well as colorful, funny, naive and harmless characters, was created. This world has become the basis for the design of chain stores and unique business franchise.

АНТОШКА



“Antoshka” in figures and facts



1400
employees



41
stores in Ukraine



50 000 m²
total store space

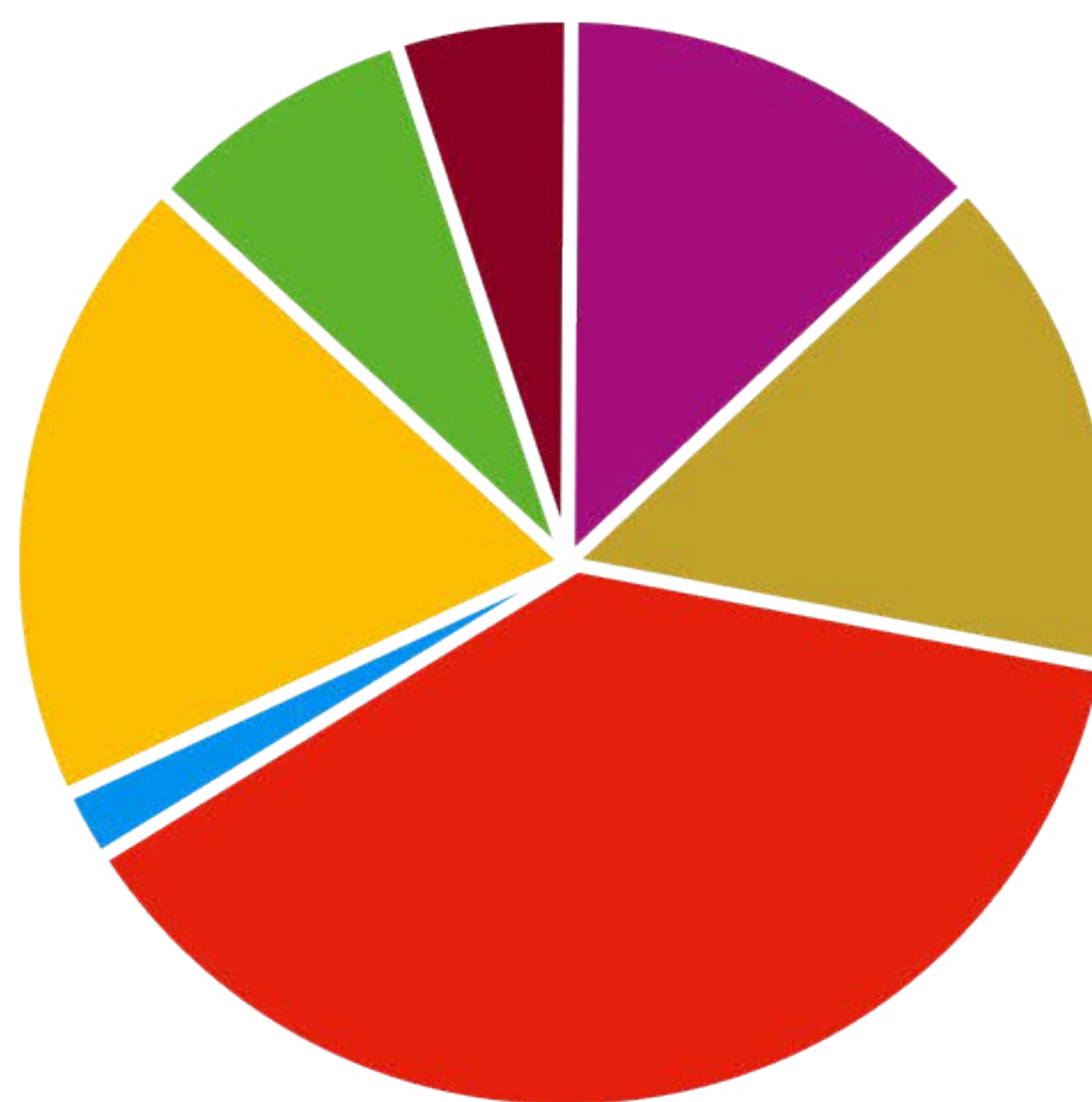


350 000
*active members
of Antoshka loyalty club*



60 000
*items
of children's goods*

Distribution of the categories at “Antoshka”



*Baby
food*

13%



Hygiene

15%



Toys

39%



*Entertainment
and services*

1%



Garment

19%



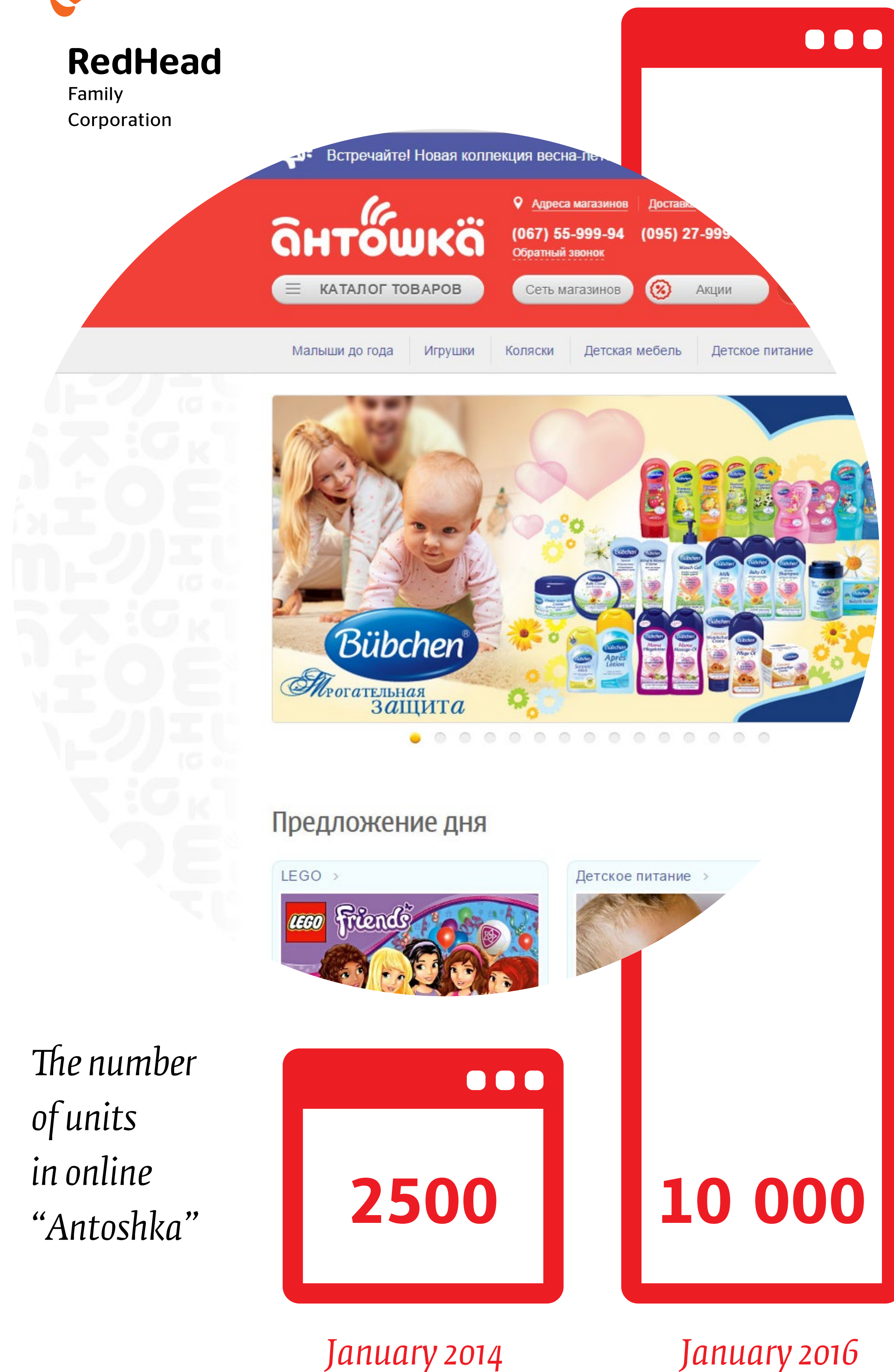
Footwear

8%



*Furniture
and accessories*

5%



The number
of units
in online
“Antoshka”

Multichannel Selling Development

“Antoshka” is aspiring to contact customers permanently both in traditional and online stores.

In 2013 an online selling channel Antoshka.ua started up; it was the beginning of multichannel conception’s development.

In 2015 the online store was united with “Antoshka” informational site in order to improve and provide a full range of customers’ service.



January 2014

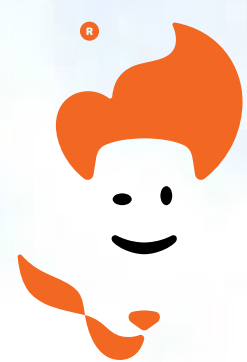
650 UAH

Average check
in online “Antoshka”



January 2016

1100 UAH



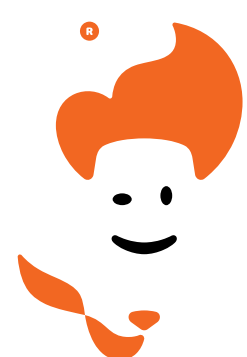
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Shopping and Entertainment Center "Antoshka", Kharkov



The largest children's shopping
and entertainment center
in Ukraine

Total area
8595 m²



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Shopping and Entertainment Center “Antoshka”

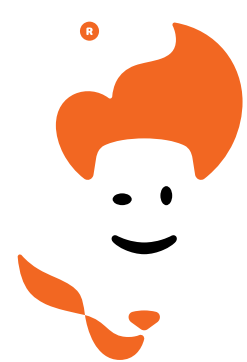
Shopping and entertainment center “Antoshka” is a unique format for Ukraine that unites trade and entertainment areas for children.

Events aimed at intellectual and creative development of children are held regularly, and kids can spend their time on play grounds.

A children hairdresser's, a dancing school and an art studio operate here permanently. There is also a café where one can have a children's occasion and take cooking classes.

Parents can consult a pediatrician.





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Shopping and Entertainment Center “Antoshka”, Odessa



Total area
4175 m²

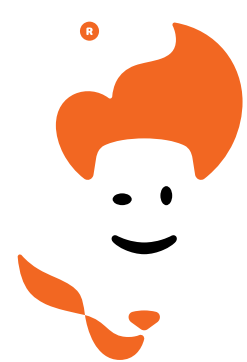


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Daniel. Children's boutiques chain





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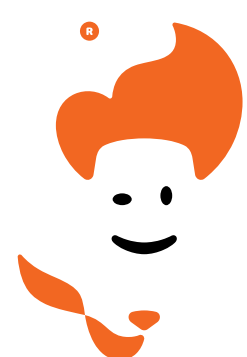
RedHead in the luxury segment of children's fashion

The company launched the fashion area of its luxury segment in 2003.

The acquisition of the Daniel chain in 2006 and its subsequent development has made it possible to concentrate on the leading brands of children's fashion.

Today the chain of 10 children's luxury boutiques includes multi-brand Daniel Boutiques, Daniel Avenue galleria of mono-brand boutiques in Kiev, as well as boutiques in outlet format in Kiev and Odessa.





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DANIEL
kids boutique

World brands at the Daniel children's boutique

The multi-brand Daniel Boutique combines lines of children's fashion from La Perla, Paul & Shark, Burberry, Galliano, Cavalli, Ferre, Fendi, D&G, Donna Karan, and Gaultier.

There are Daniel Boutiques in three large Ukrainian cities (Kiev, Odessa and Kharkov).


MONCLER

VDP
Mini Club

JaKiioo

D&G
DOLCE & GABBANA


roberto cavalli

PAUL & SHARK


NY
&
LON

malip

LA PERLA

•Devals•
roberto cavalli

DKNY


MANUDIECI

BURBERRY

simonetta

F
FENDI

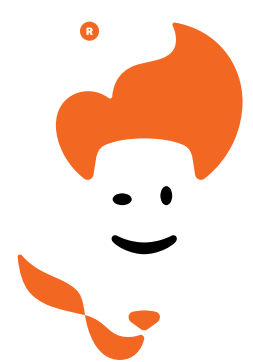
John
Galliano

RICHMOND
jr

Lesy

Juicy-Couture

ERMANNO SCERVINO
J u n i o r



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Daniel Avenue – a galleria of mono-brand boutiques

The luxury brands Armani Junior, Miss Blumarine and Monnalisa are exclusively represented in Ukraine at mono-brand boutiques in a unique format – Daniel Avenue.

Miss Blumarine

MONNALISA ARMANI
JUNIOR

The fashion galleria in Kiev give clients the ability to shop for exclusive brands in their own brand spaces, going from one boutique to another along a single fashion «street», Daniel Avenue.



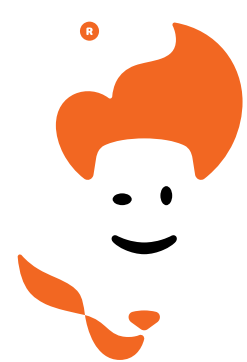


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National Distribution



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Brands distributed by RedHead Family Corporation

RedHead's distribution department is the national leader in the baby food market.

RedHead also exclusively represents world brands in the categories of toys, children's hygiene products, prams and furniture.

RedHead has held its leading distribution positions on the market for over 20 years, covering all regions of Ukraine.



RedHead's Distribution in figures and facts



6870

*store units in Ukraine
covered directly*



30

*exclusive brands
of children's merchandise*



107

*trade chains in Ukraine
covered directly*



170

*sales specialists
and merchandisers*



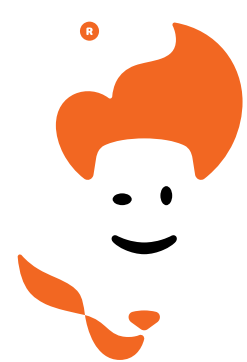
31 500 m²

*of warehouse
space*



47

*pharmacy chains
covered directly*



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Exclusive brands

Among the brands which RedHead distributes exclusively in Ukraine are famous leading brands in the categories of baby food – Bebi, Heinz, Hamé, Nanny; children’s toiletries and hygiene products – Bübchen, NUK, Baby-Nova and Muumi; toys – Tolo, Playmobil, Siku and Lena; and furniture and prams – Bébécár and Trama.



Baby food

Bebi



НЭННИ



Hygiene



Muumi
BABY



Toys

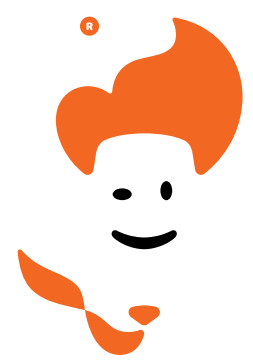


playmobil



Furniture





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The RedHead distribution department main advantages



- Possession of a large volume of information on the market and on consumers in the baby food category.
- Corporate experience in the building of a retail network (Antoshka) and the ability to use it for joint marketing programs with distribution partners.
- Implementation of a product mix and a category management service. The ability to completely take the creation and supplying of children's sections in supermarkets upon itself.



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History of the Company



The meeting of Vladislav Burda and Nina Galina and the beginning of their joint management of the company



*The first "Antoshka" supermarket opening.
The launch of cooperation with Nestle*



1994
year

*Creation of the company. The birth of the first son Dmitriy.
Realization of the need for high-quality children's nutrition*

1995
year



1996
year

*The first direct supplies of baby food –
Bebi and Frutek (Slovenia)*

1997
year



2003
year

*Entering in luxury-segment
and boutique "Heir" opening
in three cities of Ukraine*



*“Mega-Antoshka” shopping center
opening in Odessa*



*Purchase of the building that became
the central office known as “Sun City”*



2004
year

*The launch of cooperation
with Adizes’s Institute.*



*The organization of the first “Antoshka Cup”
tennis tournament*



2005
year

2006
year

*Renaming of “Heir” to “Daniel”.
Opening of the boutiques in 5 cities*

2007
year



2008
year

*“Mega-Antoshka” shopping center
opening in Kharkov*



2009
year

RedHead joining FBN International

*The NEW 15 project:
formation of new corporate identity and
the searching of new name for corporation.
Rebranding in RedHead Family Corporation*

2010
year



2011
year

*Nina Galina passed away. Company's
transition from the family model
to the entrepreneurial model of business*

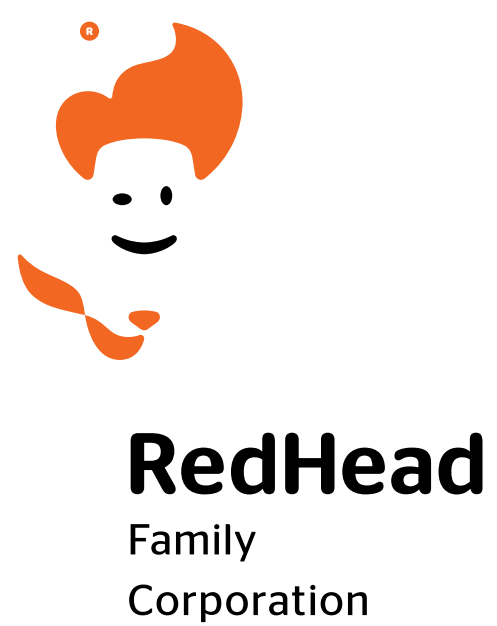
Creation of RedHead's strategic declaration

2012
year

*Opening of the Honorary Consulate of the
Republic of Slovenia at RedHead central office.
Strategic visit to Odessa of the owner of Atlantic
Grupa, the largest supplier of Slovenian goods.*

2013
year





2014
year

RedHead's participation in the "revolution of dignity" and the war period events



Daniel boutiques renovation under Tatyana Karlova and Tatyana Burda leadership

2015
year


Creation of game characters for Antoshka – lumers



2016
year

Significant renovation and rejuvenation of RedHead Dream Team. Renewed company's growth