Mercator Group is with more than 1,100 stores in 5 countries the Best neighbour for more than 65 years.

Mercator is the **largest retailer in SEE** and is among top retailers in its core markets: Slovenia, Serbia and Montenegro.

As at March 31, 2016, the Group is present in Slovene market with **11 companies** and also **8 more subsidiaries** in other markets of SEE.

Poslovni sistem Mercator, d.d., **headquartered in Slovenia**, is the parent company of the Group.
More than 65 years: from small Slovene wholesaler to the biggest retailer in SEE

1949: Establishment of the »Živila Ljubljana« wholesale company, the predecessor of Poslovni sistem Mercator, d.d

1953: »Živila Ljubljana« is renamed to »Mercator«.

From 1953 to late 1990: Intensive process of taking over other smaller retailers in Slovenia. In 1993 the start of privatization with an initial public offering of shares, the largest privatization project in Central Europe by volume and value of capital. Mercator introduced the first self-service store in Slovenia.

From the beginning of 2000 ... With the establishment of subsidiaries in Croatia, Serbia, Bosnia and Herzegovina Montenegro, Mercator entered foreign markets. Mercator has, as the first retailer in Slovenia, introduced innovations such as private label products, self-service cashier, online store, Pika card, new format of small stores called Mercator Neighbour, ...
Our vision and mission

Vision

Mercator will be the biggest, the most successful, and the most efficient retailer in the markets of Slovenia, Serbia, and Montenegro.

Strategy

We are fulfilling five key promises, or propositions, to our customers. Each proposition has a clear purpose and goals:

1. Value for money
Day in, day out, Mercator fulfils the needs and expectations of its customers, and offers the best value for their money with innovative offer.

2. Local
Mercator works closely with its environment and continues its local initiatives which are reflected in the most extensive network of stores that are closest to the customers.

3. The best offer
In addition to the offer of renowned brands, Mercator's private label products offer customers solid quality and competitive pricing. Mercator introduces innovative products and adjusts the offer in each of its stores to customer needs.

4. The ultimate freshness
Mercator offers its customers the broadest choice of innovative products that are relevant to them, with stable partnership with local and regional suppliers.

5. The best service
With a friendly and amiable approach, Mercator employees are focused on the customers. With intensified refurbishment of its stores, Mercator offers its customers improved shopping experience in a pleasant ambiance.
## Mercator Group key figures

<table>
<thead>
<tr>
<th></th>
<th>1-3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>EUR 604.9 mn</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>EUR 12.9 mn</td>
</tr>
<tr>
<td><strong>Number of stores</strong></td>
<td>1,174*</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>EUR 24.7 mn</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>EUR 867.8 mn</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>21,405</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>EUR 2.3 mn</td>
</tr>
</tbody>
</table>

* Excluding third parties leases, offices, warehouses etc.
Overview by markets in the period 1-3 2016

**Revenue**

- Slovenia: 57.5%
- Serbia: 35.1%
- Montenegro: 4.1%
- Croatia: 2.3%
- Bosnia and Herzegovina: 1.0%

**Total Revenue:** EUR 604.9 mn

**Employees**

- Slovenia: 49.6%
- Serbia: 40.7%
- Montenegro: 6.4%
- Croatia: 2.5%
- Bosnia and Herzegovina: 0.8%

**Number of Employees in Mercator Group:** 21,405

**CAPEX**

- Slovenia: 23.7%
- Serbia: 59.7%
- Montenegro: 7.8%
- Croatia: 8.6%
- Bosnia and Herzegovina: 0.3%

**Total Capital Expenditure:** EUR 12.9 mn
Overview by programs as at March 31, 2016

<table>
<thead>
<tr>
<th>Program</th>
<th>FMCG program</th>
<th>Home program</th>
<th>Intersport</th>
<th>Modiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of retail units under management</td>
<td>934</td>
<td>45</td>
<td>96</td>
<td>99</td>
</tr>
<tr>
<td>Number of franchise stores</td>
<td>222</td>
<td>0</td>
<td>7*</td>
<td>0</td>
</tr>
<tr>
<td>Business markets</td>
<td>Slovenia, Serbia, Montenegro</td>
<td>Slovenia, Montenegro</td>
<td>Slovenia, Serbia, Montenegro, Croatia, BIH</td>
<td>Slovenia, Serbia, Croatia, BIH</td>
</tr>
</tbody>
</table>

**Sales of Mercator Group in the period 1-3 2016 by programs**

- **FMCG** - 87.1% revenue
- **Home program** - 4.1% revenue
- **Intersport** - 5.4% revenue
- **Modiana** - 3.4% revenue

**DISPOSALS OF NON-CORE BUSINESS:**
- Grosuplje Bakery (Pekarna Grosuplje) - September 2015
- brand Santana and Loka - June 2015
- M Holidays - December 2015

*Franchise stores in the markets of Macedonia, Albania and Kosovo*
*The company does not conduct business operations.*

** The company is a subsidiary of company Intersport ISI, d.o.o.
## Key information for shareholders

### Key information for the shareholders:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2016</th>
<th>March 31, 2015</th>
<th>Index Marc. 31, 2016/ Mar. 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares entered into the court register</td>
<td>6,090,943</td>
<td>6,090,943</td>
<td>100.0</td>
</tr>
<tr>
<td>Number of treasury shares</td>
<td>42,192</td>
<td>42,192</td>
<td>100.0</td>
</tr>
<tr>
<td>Market capitalization (in EUR)</td>
<td>499,457,326</td>
<td>441,593,368</td>
<td>113.1</td>
</tr>
<tr>
<td>Market price per share (in EUR)</td>
<td>82.00</td>
<td>72.50</td>
<td>113.1</td>
</tr>
<tr>
<td>Share book value (in EUR)</td>
<td>104.90</td>
<td>107.01</td>
<td>102.0</td>
</tr>
<tr>
<td>Minimum close rate in the period (in EUR)</td>
<td>82.00</td>
<td>70.13</td>
<td>116.9</td>
</tr>
<tr>
<td>Maximum close rate in the period (in EUR)</td>
<td>85.00</td>
<td>74.80</td>
<td>113.6</td>
</tr>
<tr>
<td>Average close rate in the period (in EUR)</td>
<td>83.15</td>
<td>72.64</td>
<td>144.5</td>
</tr>
</tbody>
</table>

As at March 31, 2016, the share in the company Poslovni sistem Mercator, d.d., held by foreign investors amounted to **98.47 percent**, which is **0.02 percentage point** more than as at December 31, 2015.

### Movement of closing price per MELR share in the period 1-3 2016, compared to the SBITOP index

![Graph showing the movement of closing price per MELR share compared to the SBITOP index](image)
Real estate operations in progress consistently with the adopted strategy and market conditions

In 2015 the value of **total investment** was **EUR 77.4 million**, while the amount of investment in the period **1-3 2016** amounted to **EUR 12.9 million**, which means nearly doubled investment than in the same period of last year.

**OPENINGS AND REFURBISHMENTS IN THE PERIOD 1-3 2016**

<table>
<thead>
<tr>
<th>Country</th>
<th>Refurbishments</th>
<th>Area of new facilities</th>
<th>Number of new retail units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>5</td>
<td>3,444 m²</td>
<td>8</td>
</tr>
<tr>
<td>Serbia</td>
<td>2</td>
<td>392 m²</td>
<td>1</td>
</tr>
<tr>
<td>Montenegro</td>
<td></td>
<td>2,924 m²</td>
<td>4</td>
</tr>
</tbody>
</table>

**Share of investment by markets**

- Slovenia: 23.7%
- Serbia: 59.7%
- Montenegro: 8.6%
- Bosnia and Herzegovina: 0.2%

**Share of investment by type**

- New investment: 22.8%
- Refurbishments: 56.6%
- Other: 8.1%
- IT: 12.5%
THANK YOU!

Additional information at:
http://www.mercatorgroup.si
http://seonet.ljse.si/