



 **Mercator**

COMPANY PROFILE

MERCATOR GROUP



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

1-3 2016

Revenue
EUR 604.9 mn

EBITDA
EUR 24.7 mn

Net income
EUR 2.3 mn

CAPEX
EUR 12.9 mn

Net financial debt
EUR 867.8 mn

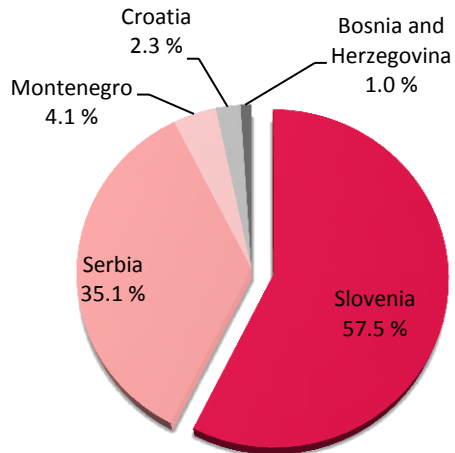
Number of stores
1,174*

Number of employees
21,405

* Excluding third parties leases, offices, warehouses etc.

Overview by markets in the period 1-3 2016

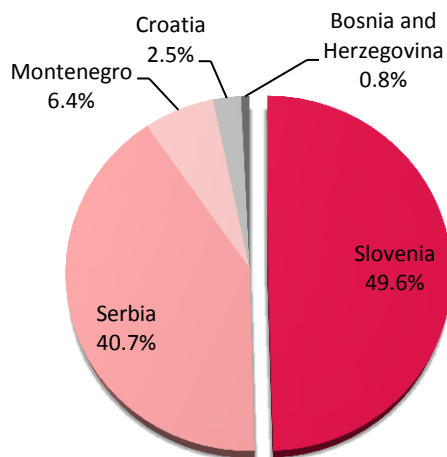
Revenue



TOTAL REVENUE: EUR 604.9 mn

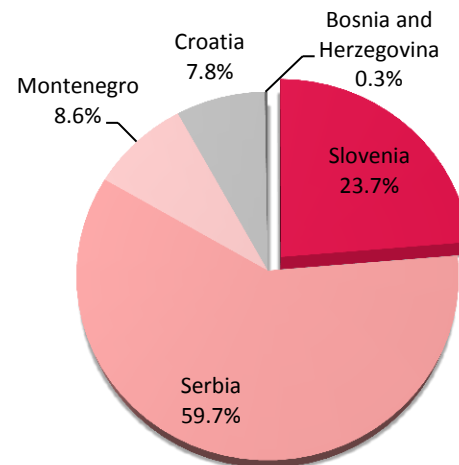


Employees



NUMBER OF EMPLOYEES IN MERCATOR GROUP: 21.405

CAPEX



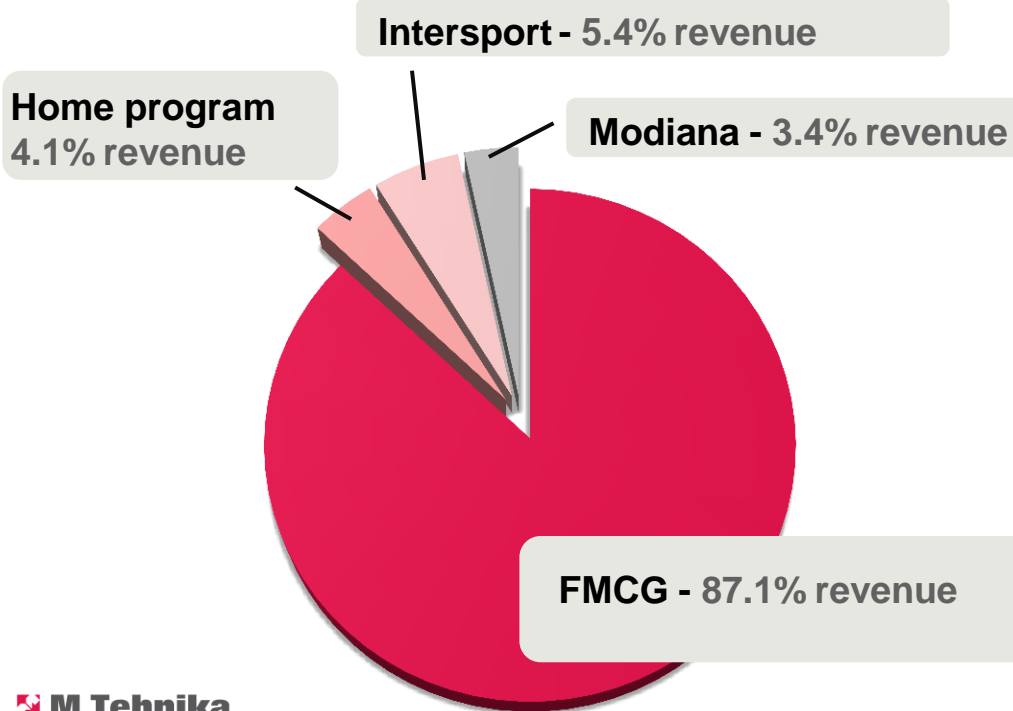
TOTAL CAPITAL EXPENDITURE: EUR 12.9 mn

Business fields

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

Overview by programs as at March 31, 2016

Program	FMCG program	Home program	Intersport	Modiana
Number of retail units under management	934	45	96	99
Number of franchise stores	222	0	7*	0
Business markets	Slovenia, Serbia, Montenegro	Slovenia, Montenegro	Slovenia, Serbia, Montenegro, Croatia, BIH	Slovenia, Serbia, Croatia, BIH



DISPOSALS OF NON-CORE BUSINESS:

- Grosuplje Bakery (Pekarna Grosuplje) - September 2015
- brand Santana and Loka- June 2015
- M Holidays - December 2015

 **M Tehnika**

 **MODIANA**

 **Mercator**

 **INTERSPORT**

 **RODA**

 **iDEA**

*Franchise stores in the markets of Macedonia, Albania and Kosovo

Group composition as at March 31, 2016

MERCATOR OPERATIONS SLOVENIA

Poslovni sistem Mercator, d.d., Slovenia

Mercator - Velpro, d.o.o., Slovenia (100,0%)*

Mercator IP, d.o.o., Slovenia (100.0%)

MERCATOR OPERATIONS FOREIGN MARKETS

Mercator - S, d.o.o., Serbia (100.0%)

Mercator - CG, d.o.o., Montenegro (100.0%)

Mercator Makedonija, d.o.o.e.l., Macedonia (100.0%)*

OTHER OPERATING ACTIVITIES

Mercator - Emba, d.d., Slovenia (100.0%)

M - Energija, d.o.o., Slovenia (100.0%)

Intersport ISI, d.o.o., Slovenia (100.0%):

- Intersport BH, d.o.o., Bosnia and Herzegovina (100.0%)**

- Intersport H, d.o.o., Croatia (100.0%)**

MERCATOR REAL ESTATE

Mercator - H, d.o.o., Croatia (99.7%)

Mercator - BH, d.o.o., Bosnia and Herzegovina (100.0%)

Investment Internacional, d.o.o.e.l., Macedonia (100.0%)*

Platinum-A, d.o.o., Slovenia (100.0%)*

Platinum-B, d.o.o., Slovenia (100.0%)*

Platinum-C, d.o.o., Slovenia (100.0%)*

Platinum-D, d.o.o., Slovenia (100.0%)*

Platinum-E, d.o.o., Slovenia (100.0%)*

*The company does not conduct business operations.

** The company is a subsidiary of company Intersport ISI, d.o.o.

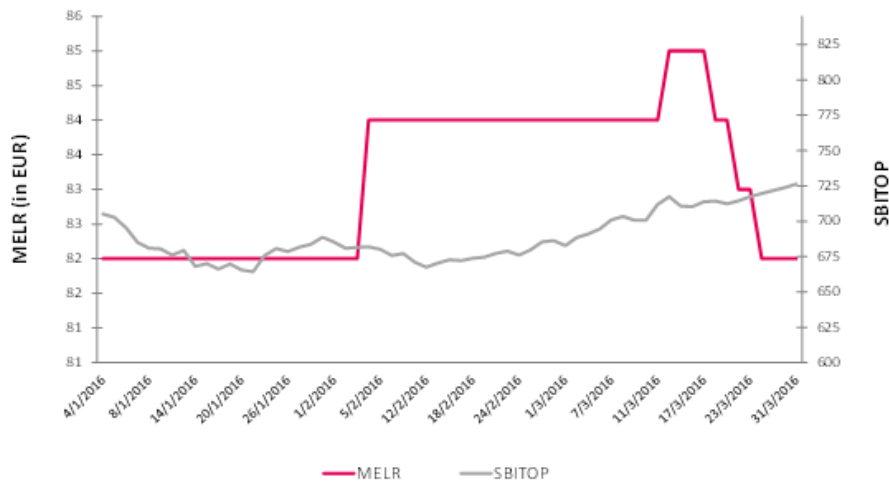
Key information for shareholders

Key information for the shareholders:

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

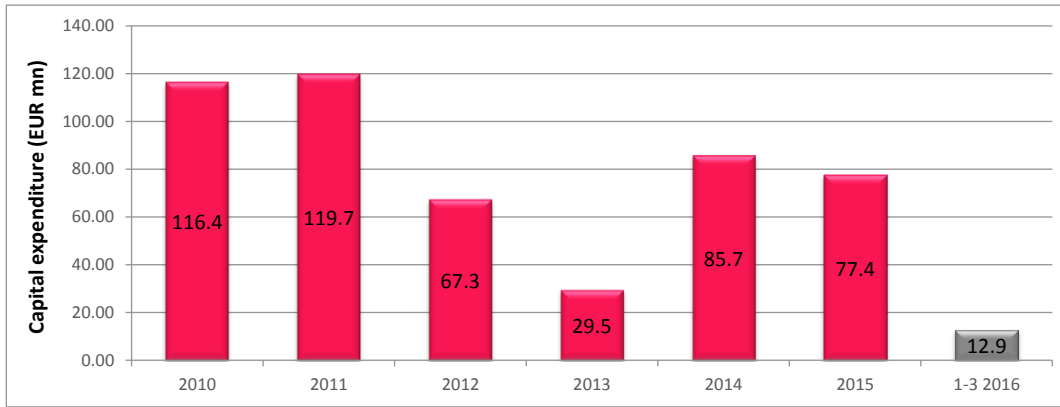
As at March 31, 2016, the share in the company Poslovni sistem Mercator, d.d., held by foreign investors amounted to **98.47 percent**, which is 0.02 percentage point more than as at December 31, 2015.

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

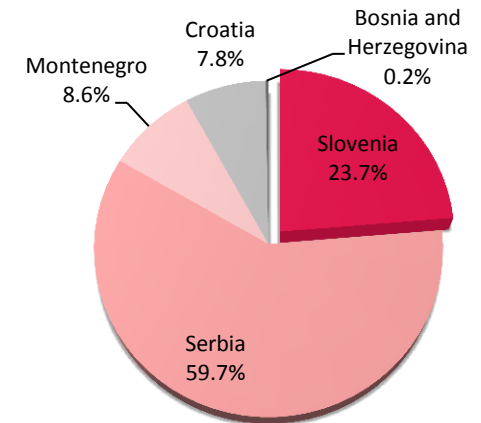


Real estate operations in progress consistently with the adopted strategy and market conditions

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.



Share of investment by markets



OPENINGS AND REFURBISHMENTS IN THE PERIOD 1-3 2016

SLOVENIA

Refurbishments 5

SERBIA

Area of new facilities: 3,444 m²

Number of new retail units: 8

Refurbishments: 2

MONTENEGRO

Area of new facilities: 392 m²

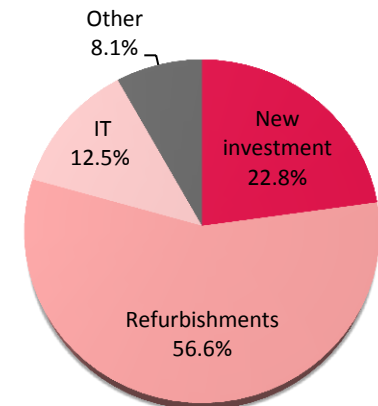
Number of new retail units: 1

CROATIA

Area of new facilities: 2,924 m²

Number of new retail units: 4

Share of investment by type



THANK YOU!

Additional information at:

<http://www.mercatorgroup.si>

<http://seonet.ljse.si/>