

**PROSPECTUS ON THE ISSUANCE AND OFFERING
OF THE COMMERCIAL PAPERS BY THE COMPANY
POSLOVNI SISTEM MERCATOR, D.D., (MEL06)
FOR TRADING IN THE REGULATED MARKET**

Ljubljana, February 2013

The purpose of this document (hereinafter also referred to as: the Prospectus) is to present the 6th issue of commercial papers by the issuer Poslovni sistem Mercator, d.d., Dunajska cesta 107, 1000 Ljubljana, Slovenia (hereinafter: the Issuer or Mercator, d.d.) to potential investors. Mercator, d.d., authorized the company ALTA Invest, investment services, d.d., Železna cesta 18, 1000 Ljubljana, Slovenija (hereinafter also referred to as: ALTA Invest, d.d.), to prepare and conduct the activities required to list the commercial papers for trading in the regulated market.

Offering of commercial papers by the company Mercator, d.d., complies with the provisions of the Financial Instruments Market Act (hereinafter also referred to as: ZTFI), with the omission of the provisions from Chapter 2 thereof on public announcement or publication of the prospectus. Pursuant to Article 25 of the the Financial Instruments Market Act, money market instruments specified in Article 7, Paragraph 4 of the same act, with maturity of less than 12 months are not classified as securities. Therefore, Chapter to of the Financial Instruments Market Act does not apply to commercial papers presented in this Prospectus, which are money market instruments.

The document has been prepared based on the information acquired by the company ALTA Invest, d.d., from the issuer. The issuer guarantees this information is complete, accurate, and up-to-date. ALTA Invest, d.d., is a member of the Ljubljana Stock Exchange operating under the supervision of the Securities Market Agency, Poljanski nasip 6, Ljubljana.

The prospectus does not necessarily include all information that could be required for the evaluation of justifiability or rationality of the purchase of the 6th issue of the Issuer's commercial papers. Any potential investor shall assume entire responsibility for obtaining additional information in order to conduct analyses and estimates of the financial status and level of risk related to the issuer, in the scope in and in the manner seen required or fit by such investor.

The document shall not be considered an investment research or report, nor an investment recommendation or tip, as it does not include a recommendation. It is merely a Prospectus, i.e. a presentational document. The document was developed for the sole purpose of better understanding of financial instruments and operation of the capital market and it is not intended for any specific investor. In addition, the document shall not be construed as an offer or an invitation to bid for the purchase or sale of the financial instruments at hand. The document does not include personal investment consulting as it does not take into account the investment goals, financial conditions, knowledge and experience of individual investors, and circumstances relevant to the person who was informed of this document or any part thereof. The document shall also not be construed as the issuer's prospectus; it has not been confirmed by the issuer's supervisory body.

This document has been developed pursuant to the legislation of the Republic of Slovenia. You have received this document as a part of its distribution or circulation in the Republic of Slovenia or based on your request. The document is not intended for direct or indirect distribution, especially, without prejudice to other locations, in the United States of America, Australia, Japan, or Great Britain, without prior written consent by the company ALTA Invest, d.d. Distribution of the document or contents thereof in countries with other legislation may be restricted by such legislation or may be regulated in a different way. It shall be the responsibility of the recipient/reader of this document to learn about and observe such restrictions. By obtaining this document, the recipient/reader agrees to comply with the above restrictions.

IMPORTANT NOTE

As the issuer of commercial papers, Mercator, d.d., assumes full responsibility for the information presented in this Prospectus. The Prospectus includes information that was publicly available as at February 10, 2013.

Information regarding the issuer's operations and performance, activities, and legal and financial position, which may be relevant for the investors' decision to purchase the commercial papers in the regulated market, can be found in documents made available at the issuer's website at <http://www.mercator.si>.

The issuer authorized the company ALTA Invest, d.d., for the organization, preparation, and execution of activities required for the issue and subsequent listing of commercial papers for trading in the organized market. Alta Invest, d.d., did not independently examine and check the information included in the Prospectus and shall not assume any responsibility for their accuracy.

This Prospectus may only be used for its expressly stated purpose. Copying of this Prospectus, partly or in entirety, for any other purposes and use, and publication of information and text from this Prospectus or parts thereof, is prohibited.

Ljubljana, March 2013

Drago Kavšek
Senior Vice President


 **Mercator**
Mercator, d.d.
Dunajska c. 107, Ljubljana
1/7 7

SUMMARY OF PROSPECTUS

1. INFORMATION ABOUT THE ISSUER OF THE COMMERCIAL PAPERS	Poslovni sistem Mercator d.d., Dunajska cesta 107, 1000 Ljubljana, Slovenia.
	Share capital of the company as registered with the share register amounts to EUR 157,128,514.35.
2. INFORMATION ABOUT THE FINANCIAL INSTRUMENT	
<u>Financial instrument type:</u>	Money market instrument – commercial paper (MEL06), issued in dematerialized form
<u>Maturity:</u>	Maturity in 182 days after the start of the interest accrual period, i.e. on July 30, 2013 .
<u>Selling price:</u>	Discounted selling price for the commercial paper as at January 29, 2013, amounted to 97.5971% of the face (nominal) value.
<u>Interest rate:</u>	Amounts to 4.870 percent. The commercial paper is a discounted security. Interest shall be accrued in advance. Upon purchase of the commercial paper, interest shall be discounted from its face value.
	Interest shall be calculated by linear/simple method, accrued and payable at the end of period, based on the actual number of days to maturity (interest accrual period) and 360 days for one year. Interest is rounded to three decimal places. Interest shall be accrued from January 1, 2013 to July 30, 2013. Theoretical value of the commercial papers can be calculated based on the formula provided in Chapter 3 of this Prospectus. Changes in the current market interest rates should be factored in.
<u>Face (nominal) value of commercial paper:</u>	EUR 1,000.00
<u>Total face (nominal) value of the issue:</u>	EUR 20,000,000.00
<u>Transferability:</u>	Commercial papers shall be freely transferable by entry or registration of such transfer with the central register of the Central Securities Clearing Corporation (Centralna klirinško depotna družba,

	d.d.), Tivolska cesta 48, 1000 Ljubljana, Slovenia (hereinafter: KDD).
<u>Trading venue:</u>	The commercial papers shall be listed for trading on the structured product market of the Ljubljana Stock Exchange.
<u>Method of payment:</u>	<p>Liabilities related to the commercial paper shall be paid upon maturity on July 30, 2013, in the amount of the commercial paper's face value. Payment shall be made in entirety in a single amount/instalment. No interest shall be paid prior to the date of maturity.</p> <p>If the day on which the liabilities pertaining to the commercial paper are due is not a business day in the Republic of Slovenia, payments shall be made on the first business day after the date of maturity. In such case, the holder of the commercial paper or beneficiary to the payment based thereon shall not be entitled to any interest for the time from the maturity of the security until the first ensuing business day.</p> <p>Business day shall be deemed any day on which payments can be made in the Republic of Slovenia in domestic currency during regular working hours on a day that is not Saturday, Sunday, state holiday or other holiday.</p> <p>The Issuer shall redeem its liabilities pertaining to the commercial paper to the beneficiary's account of which the beneficiary shall notify the Issuer until such payment. Before paying or redeeming any liabilities pertaining to the commercial paper, the Issuer shall invite the beneficiaries for whom the Issuer has no information about a current account to submit such information.</p> <p>If a beneficiary to any amount pertaining to the commercial paper fails to provide the information on their current account as per the provisions in the paragraph above by the last business day of the Central Securities Clearing Corporation (KDD) before the maturity day of the commercial paper, or if the information provided about the beneficiary or the current account is deficient to the extent that it does not allow the Issuer to conduct the payment to the beneficiary's account, the Issuer shall be obliged</p>

	<p>to pay out such sum as soon as possible, but no later than on the fifth business day after the information about the beneficiary and the beneficiary's current account was submitted fully and correctly as per this or the previous paragraph. In such case, the beneficiary shall not be entitled to any interest or other payment resulting from such delay.</p>
<u>Beneficiaries to payment of the principal:</u>	<p>Commercial papers entitle the beneficiaries of the claims to the payment of principal upon maturity, the right of use and disposal of commercial papers, the right to pledge the commercial papers, and other rights pursuant to the effective regulations on financial instruments.</p> <p>A beneficiary to the payment of the principle shall by any holder of the commercial paper or any other beneficiary who is registered with the central register of the Central Securities Clearing Corporation (KDD) two business days before the maturity of the security.</p>
<u>Purpose of the issue:</u>	<p>Managing the maturity of the Issuer's assets and liabilities and diversification of the base of debt financing sources</p>
<u>Underlying assets or securities:</u>	<p>Claims are not secured by any underlying collateral or guarantee. Settlement of liabilities and obligations pertaining to the commercial papers is guaranteed by the Issuer, against its entire assets.</p>
<u>Issuer's covenants and restrictions:</u>	<p>The Issuer shall not make any commitments or restrictions with regard to its operating policies with regard to the issue of the commercial papers.</p>
<u>Other rights based on the financial instrument:</u>	<p>With the exception of the rights expressly specified above, the commercial paper does not entitle the holder to any other rights, nor the right to exchange for another type of financial instrument.</p> <p>Holder of the commercial paper or other beneficiary registered with the central register shall not have the right to claim from the Issuer any premature payment of claims pertaining to the commercial paper before the maturity date. The financial instrument does not include a</p>

clause or provision that would allow the Issuer the right to settle the commercial paper prematurely, before the maturity date.

Except for the holder of the commercial paper or other beneficiary registered with the central register, no person shall be entitled to assert the rights regarding the commercial paper. Regardless of this, the claim for the payment of any sum pertaining to the commercial paper may only be asserted by the beneficiary to such payment (as defined in the section Beneficiaries to payment of the principal).

3. SUMMARY OF RISKS ASSUMED BY THE HOLDER OF COMMERCIAL PAPER

Risks related to the Issuer

Before adopting a decision to invest in commercial papers of the company Mercator, d.d., prospective investors should carefully examine the information provided in the Prospectus, and consider the fact that the Prospectus does not necessarily include all information required by the investor to make an informed decision on the purchase of the commercial papers. The key risk assumed or faced by holders of the commercial papers or beneficiaries to payment based thereon is the risk that the Issuer is unable to pay the liabilities based on the commercial papers (hereinafter: risk of default). As a result, the Prospectus includes in the chapter on risk factors those aspects that could affect the Issuer's ability to settle the liabilities based on the commercial papers. In addition, the presented risk factors do not include all possible risk factors. Therefore, prospective investors, making a decision regarding the purchase of the commercial papers of the company Mercator, d.d., should consider and factor in other risks that could affect such decision.

Risks pertaining to commercial papers

Risk of default

Holders of the commercial papers or beneficiaries to payment based thereon assume or face the risk that the Issuer is unable to pay the liabilities based on the commercial papers (risk of default). The Issuer's liabilities towards the holders or beneficiaries, based on the commercial papers, are backed by entire Issuer's property. The commercial papers are not backed by any additional underlying collateral or guarantee and the holders of commercial papers shall not have any preferential treatment relative to other creditors or claims regarding repayment.

Liquidity risk

Despite the fact that Mercator, d.d., intends to list the commercial papers for trading at the Ljubljana Stock Exchange, there is no guarantee that there will be considerable trading volume in commercial papers on the Ljubljana Stock Exchange. As a result, it is possible that a holder of commercial papers will not be able to dispose of them (sell them) before their maturity. Low liquidity can also affect the market price of the commercial papers.

Interest rate risk

A selling price is set upon the issue of commercial papers based on the reference interest rate, the 6-month EURIBOR; thus, a fixed interest rate is set as well. Until maturity, holders of commercial papers are exposed to the risk of change in interest rate. Due to short maturity period of commercial papers, the risk is lower than with long-term financial instruments; however, it is possible that the interest rate on the Issuer's commercial papers will be lower than the current market interest rate.

4. BROKERAGE COMPANIES INVOLVED IN THE LISTING OF THE COMMERCIAL PAPER FOR TRADING IN THE REGULATED MARKET

ALTA Invest, investment services, d.d., Železna cesta 18, Ljubljana, is in charge of preparing and conducting the activities required to list the commercial papers for trading in the regulated market.

5. IMPORTANT NOTE

Summary of the Prospectus shall be understood as an introduction to the Prospectus (presentational document); therefore, the summary should be read in conjunction with the Prospectus. The Prospectus includes more detailed information regarding the financial and legal status of the Issuer, as well as a more detailed analysis and specification of the rights and business possibilities based on the commercial papers. However, it should be noted that the Prospectus does not necessarily include all information that could be necessary for assessment of justifiability or rationality of the purchase of the 6th issue of the Issuer's commercial papers. Any potential investor shall assume entire responsibility for obtaining additional information in order to conduct analyses and estimates of the financial status and level of risk related to the issuer, in the scope in and in the manner seen required or fit by such investor.