

Business Plan of the Mercator Group and the company Poslovni sistem Mercator, d.d., for the year 2015



Ljubljana, December 2014

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EXECUTIVE SUMMARY

Mercator Group is planning revenue of EUR 2.85 billion in 2015. Cash flow from operating activities (EBITDA) will increase by 65% relative to 2014 and amount to EUR 182 million.

Economic growth will remain low

While there is some optimism regarding the improvement of economic conditions in Slovenia in 2014, the economic environment is expected to be less favourable in some other markets of Mercator's operations in 2015. Moreover, unemployment rate in the markets of Serbia, Croatia and Bosnia and Herzegovina remains at historical highs, affecting the purchasing power of households. Improvement of economic conditions and increase in consumption is only forecast for Slovenia. No major changes relative to 2014 are expected in Serbia and Montenegro; in Croatia and Bosnia and Herzegovina, economic circumstances and the entire market situation is expected to deteriorate.

Major changes resulting from consolidation

Consolidation in particular markets, carried out following the acquisition by Agrokor, d.d., has resulted in major changes in the Mercator Group structure. In the process of the merger, all business units of a particular market were transferred to the company that had had the larger market share there. Thus, Mercator remains present in the markets of Slovenia, Serbia, and Montenegro where it remains the retailer with the highest market share. In Serbia, Mercator took over the operations of Konzum stores. As a result, it now manages retail units of the banners Roda, Mercator and Idea. In the markets of Croatia and Bosnia and Herzegovina, most Mercator retail units have been leased out to Agrokor, while some units will be closed down or sold off to comply with the requirements of the local competition protection agencies. In these two markets, Mercator will continue to be present as a real estate management company leasing out its property.

Mercator Group profitability improved

Consolidation will also improve Mercator Group's profitability. Mercator's retail units in the Croatian market, which had not been profitable, have been leased out to Konzum. Except for some supplementary activities which are mostly being divested, the companies and activities that remain a part of Mercator are in fact the most profitable part of the Mercator Group. Thus, we are planning to maintain the leading position in Slovenia and

Montenegro while reaping synergies based on economies of scale at the regional level, which is planned to result in an improvement of profitability. In Serbia, our sales will be doubled in 2015 due to integration of Idea into Mercator operations, which is a good platform for improvement of company profitability resulting from both marketing activities and efficient organization of support and logistics processes.

Integration activities will be targeted at creation of synergistic effects

Mercator's integration activities will continue in 2015. In 2014, we launched the optimization of our sales network by closing down the non-profitable units and leasing out some of them. In all foreign markets included in the consolidation we continue to rationalize our administration. The number of employees will be reduced the most in the markets of Croatia and Bosnia and Herzegovina; in Serbia, it will increase. Activities to standardize the business and other processes will be in progress, and we shall continue the exchange of sound practices.

Financial restructuring will bring positive effects on Mercator operations

In addition to consolidation by markets and integration, Mercator Group operations will be positively affected by the completed refinancing of the Group's borrowings. Financial restructuring also allows adjustment or decrease of interest expenses, improvement of our relations with suppliers and, as a result, improvement in maturity profile and company liquidity, as well as higher investment potential, which in turn leads to additional sales revenue. Stabilization of financial management will allow the management of Mercator Group to focus even more to the management of the Group's core activity.

Planned revenue exceeds the 2014 estimate

For 2015, we are planning to generate revenue of EUR 2.85 billion, which is 6.94% more than estimated for 2014. Composition of revenue by markets will differ considerably relative to the years before, due to the consolidation of Mercator and Agrokor retail units in respective markets. While Mercator revenue in Slovenia and Montenegro will slightly increase, revenue in Serbia will increase considerably – in fact, they are expected to nearly double. On the other hand, lower revenue is expected in Croatia and Bosnia and Herzegovina.

Bottom line in 2015 back to positive after three years

Mercator Group has laid down ambitious, yet attainable goals for 2015. Higher revenue, synergistic effects, and especially closing down of non-profitable markets will improve our performance. EBITDA for 2015 is planned at EUR 182.3 million, which is 65% more than estimated for 2014. Unlike the 2014 estimate which involves a negative result for the year, Mercator Group plans for 2015 include positive performance and profit of EUR 60 million.

Investment to be considerably higher than in 2014

In 2015, we are planning to increase our total retail area and to refurbish a greater part of our facilities. Accordingly, the increase in investment funds for 2015 relative to 2014 is more than threefold. Major investments will be carried out in all markets included in the consolidation process. Investment for 2015 is planned at EUR 99.5 million, of which refurbishments and maintenance of the existing retail units in Slovenia will represent the largest part, consistently with the strategy laid down.

INTRODUCTION

MERCATOR GROUP PROFILE

Company Profile

Mercator Group is one of the largest corporate groups in Slovenia and in the entire Southeastern European region. Five of the companies comprising the Group are headquartered in Slovenia, while seven more subsidiaries operate in other markets of Southeastern Europe. Poslovni sistem Mercator, d.d., headquartered in Slovenia, is the parent company of the Group.

Poslovni sistem Mercator, d.d.	
Telephone	+3861 560 10 00
E-address	info@mercator.si
Website	www.mercatorgroup.si
Headquarter	Dunajska cesta 107, 1113 Ljubljana
Activity	Retail in non-specialized food retail outlets (G 47.110)
Registration number	5300231
VAT number	45884595
Company share capital as at November 30, 2014	EUR 254,175,051.39
Number of shares issued and paid-out as at November 30, 2014	6,090,943
Share listing	Ljubljanska borza, d.d., official market, prime market, symbol MELR

Mercator Group composition

In 2015 Mercator Group will include following companies:

MERCATOR GROUP

MERCATOR OPERATIONS

Poslovni sistem Mercator, d.d., Slovenia

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

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%)*

MERCATOR REAL ESTATE

Mercator - H, d.o.o., Croatia (99.9%)

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

M - BL, d.o.o., Bosnia and Herzegovina (100.0%)

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

OTHER OPERATING ACTIVITIES

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

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

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

* The company does not conduct business operations.

Branch Offices

In 2015, Mercator Group companies are not going to have any branch offices.

Other Organizations

The company Poslovni sistem Mercator, d.d., is the founder of the Mercator Humanitarian Foundation whose purpose is provision of humanitarian aid to Mercator employees.

The company Mercator - S, d.o.o., is the founder of the Mercator Solidarity Foundation in Serbia, and Mercator - CG, d.o.o., is the founder of the Mercator Solidarity Foundation in Montenegro. The purpose of these two organizations is to provide solidarity aid to employees in social or economic distress.

MERCATOR GROUP BUSINESS STRATEGY

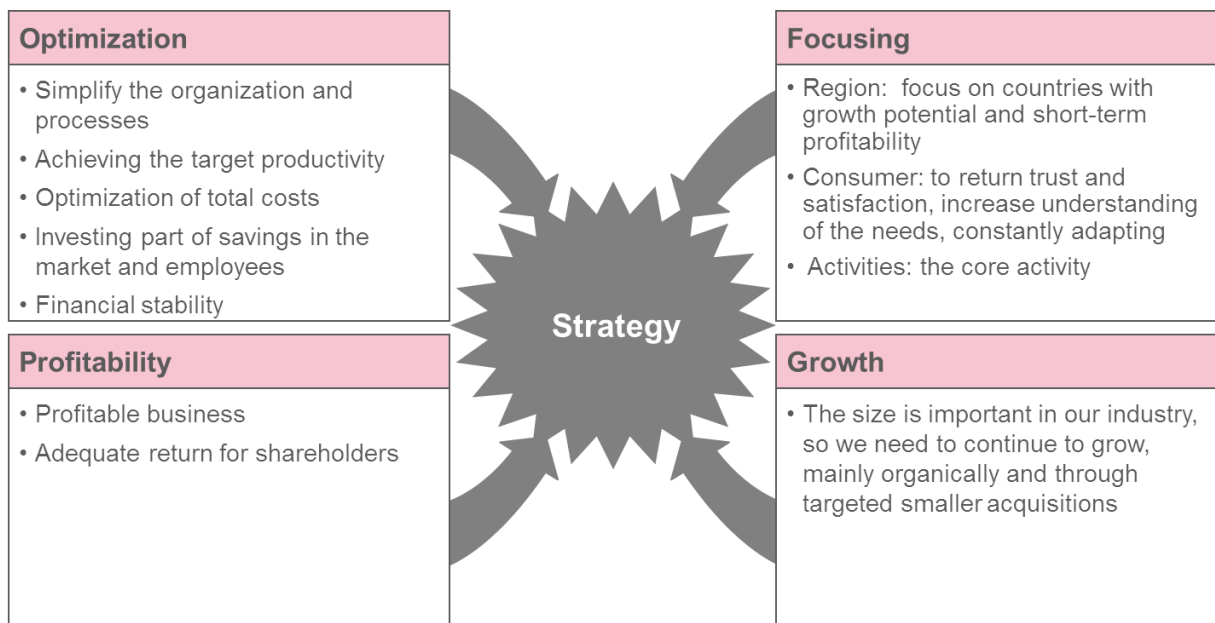
Vision

Mercator will be the largest, the most successful and the most efficient retailer in the region.

Mission

- A satisfied customer recognizes us as the best retailer that offers everything a discount store can offer, and much more.
- Employees with **smiles on their faces and sparkles in their eyes** are our key competitive advantage. They will be able to develop their potential in a stable environment.
- We are striving towards a **stable ownership structure** that will support the company development based on merit and results.
- Mercator is striving to win the **confidence of all stakeholders**.

Strategy



MERCATOR GROUP PERFORMANCE HIGHLIGHTS

SLOVENIA

882 business units, 366,840 m²

9.3 mn transactions per month

Plan 2015:

54.86% of Group revenue

11,195 employees

CROATIA

107 business units, 79,149 m²

0.7 mn transactions per month

Plan 2015:

2.70% of Group revenue

487 employees

SLO

HR

SERBIA

449 business units, 253,573 m²

5.0 mn transactions per month

Plan 2015:

37.85% of Group revenue

9,200 employees

SRB

BiH

BOSNIA AND HERZEGOVINA

23 business units, 7,028 m²

0.3 mn transactions per month

Plan 2015:

0.71% of Group revenue

169 employees

MNE

MONTENEGRO

91 business units, 26,737 m²

1.6 mn transactions per month

Plan 2015:

3.88% of Group revenue

1,457 employees

Macedonia

2 Intersport franchise stores

Albania

1 Intersport franchise store

BUSINESS REPORT

EXPECTED ECONOMIC CONDITIONS AND COMPETITION IN MERCATOR GROUP MARKETS IN 2015

Economic conditions in the markets of Mercator operations in 2015¹

European Union

With the improvement in foreign and domestic demand, economic growth rate is expected to slowly increase in 2015 to 1.5% in the European Union and 1.1% in the euro zone. Despite the encouraging financial conditions, economic recovery in 2015 will be slow as the effects of the crisis are fading out only gradually, with unemployment and sovereign debt still high, and capacity usage still low. A recent comprehensive evaluation by the European Central Bank has partly dispelled the uncertainty regarding the stability of the banking sector, and improvement of financing terms should contribute to the revitalization of economic activity. Private investment is anticipated to increase gradually as a result of a more positive outlook regarding demand and convergence effects, although the vast unused capacities will initially pose an obstacle. Household consumption is expected to increase moderately in 2015 and 2016, fuelled by low prices of primary products and increase of disposable income, as well as the anticipated gradual improvement in the labour market. Public spending, too, is expected to contribute to growth. Considering the moderate improvement of the global trade, the contribution of net exports to GDP growth will most likely be minore, although recent export data has been encouraging. Job creation remains moderate, and unemployment rates have only gradually descended from their historical highs. In 2015, unemployment rate is expected to drop to 10.0% in the European Union and to 11.3% in the euro zone. Gradual improvement of economic activity and wage increases are expected to drive up the inflation rate. Recent depreciation of the euro will have the same effect. Inflation rate in the European Union in 2015 is forecast at 1.0%.

Slovenia

Following the favourable developments in the first half of 2014, GDP growth will reach 2.0% this year, especially due to increase in exports and infrastructure investments. According to the Institute of Macroeconomic Analysis and Development (IMAD), economic growth can be expected in 2015 as well, at a rate of 1.6% in real terms. Employment rate is also increasing along with growing economic activity. Based on such development, the unemployment rate in Slovenia is forecast at 13.0% in 2015, which is lower than in 2014 when it stands at 13.1%. Exports are expected to increase in real terms from 3.7% in 2014 to 4.3% in 2015. Moreover, the IMAD is forecasting an increase in exports (in real terms), from the estimated 3.1% in 2014 to 4.2% in next year. Domestic consumption in 2015 will be 1.3% higher in real terms than in 2014. Average inflation rate in 2014 is 0.3%; in 2015, it is expected at 0.6%. The cause for very low inflation rate is especially the drop in raw material prices in international markets, particularly food and energy. Along with the expected recovery of domestic demand, inflation rate is also anticipated to increase in the next two years; it is, however, expected to remain well below 2%. This estimate relies in part on the assumption of absence of price shocks from the international environment and of any measures involving taxation, which could spur a price hike.

Serbia

According to the European Commission forecasts, growth of Serbian economy will be negative in 2014 at -1.0%. For 2015, GDP growth is forecast to be zero. Public spending is expected to decrease by 1.9% in 2015 and unemployment rate is expected to increase. In 2014, it stands at 20.2%; in 2015 it is forecast to reach 21.6%. Inflation rate in 2015 will reach 3.5%. Further salary cuts are expected in public administration, posing a serious threat of lower trade activity. At the same time, further consolidation of retail can be expected.

¹ Economic conditions are commented based on the following data sources: IMAD (Institute of Macroeconomic Analysis and Development); Bank of Slovenia; EBRD (European Bank of Reconstruction and Development); European Commission; S&P (Standard&Poor's ratings services); and statistical offices or bureaus and central banks of individual countries.

Croatia

Croatia's economic growth in 2014 is estimated and forecast to be negative at -0.7%. In 2015, the situation is only expected to improve slightly with real GDP growth reaching 0.2%. Both public and private spending will shrink with the former at -0.5% and private at -0.2%. Unemployment rate will remain rather high. In 2014, it is at 17.7% and it is not expected to change in 2015. Inflation rate in 2014 is 0.2%; for 2015, it is forecast at 0.6%.

Bosnia and Herzegovina

Economic growth in 2014 is estimated at a negative figure of -3.5%. In 2015, it is forecast at zero. The estimates have changed relative to the earlier forecasts especially due to the floods that struck Bosnia and Herzegovina in mid-2014. Unemployment rate in 2014 is at 27.0% and no improvement is forecast for 2015. The exchange rate of the convertible mark is pegged to euro at KM 1.95583 per 1 EUR.

Montenegro

Real economic growth in Montenegro will amount to 2.0% in 2014 and 3.0% in the next year. The European Commission forecasts an increase in both public and private spending. In 2015, public spending is anticipated to increase by 1.5% in real terms, while private spending is expected to increase by 1.6%. Unemployment is forecast to drop. In 2014, it is estimated at 19.3%, while estimates put it at 18.6% in 2015 and at 17.0% in 2016. Inflation rate will be negative this year at -0.2%, as well as in 2015 when it is forecast at -0.8%. The official currency is the euro.

Changes in consumer behaviour and effect of the market situation on consumption

In 2015, we are expecting an improvement in economic conditions in **Slovenia** as the gross domestic product is forecast to grow, household consumption is expected to increase and unemployment is anticipated to start decreasing.

Improvement, or at least no worsening, is also expected in the markets of **Serbia** and **Montenegro**. Private spending will rise while unemployment remains high.

Consumers in all markets believe we are still in a recession (over 90%) and they do not expect

improvement in 2015 (over 70%)², which certainly is not encouraging for consumption.

In **Slovenia**, we have seen some improvement in consumer confidence. According to the survey conducted by the Statistical Office of the Republic of Slovenia, October 2014³ consumer confidence indicator was up 23 percentage points year-on-year. Consumers in Slovenia are more optimistic regarding the economic forecasts, decrease of unemployment, improvement of financial position of their households, and major possibilities to save in the coming 12 months. Nevertheless, the consumers will insist on their new shopping habits developed since the onset of the economic crisis: rational shopping, more low-priced products, greater responsiveness to special offers and promotions, more private label products, and spreading their shopping over a greater number of retailers.

In the markets of **Serbia** and **Montenegro**, consumer confidence has not improved.⁴ Consumption will not change considerably. Consumers will shop more rationally, which will also be evident in a preference for cheaper brands and labels.

No significant improvement in consumption is expected at this point. The consumers are more rational and price-sensitive. They tend to plan their shopping and they do not opt for major shopping sessions. They shop less and more frequently, with lower value of each shopping cart.

² Nielsen: Consumer Confidence Index, Q3 2013, Serbia, Slovenia

³ Consumer survey, Slovenia, October 2014 – final data, SORS

⁴ Nielsen: Consumer Confidence Index, Q3 2013, Serbia, Slovenia

SALES AND MARKETING

Sales

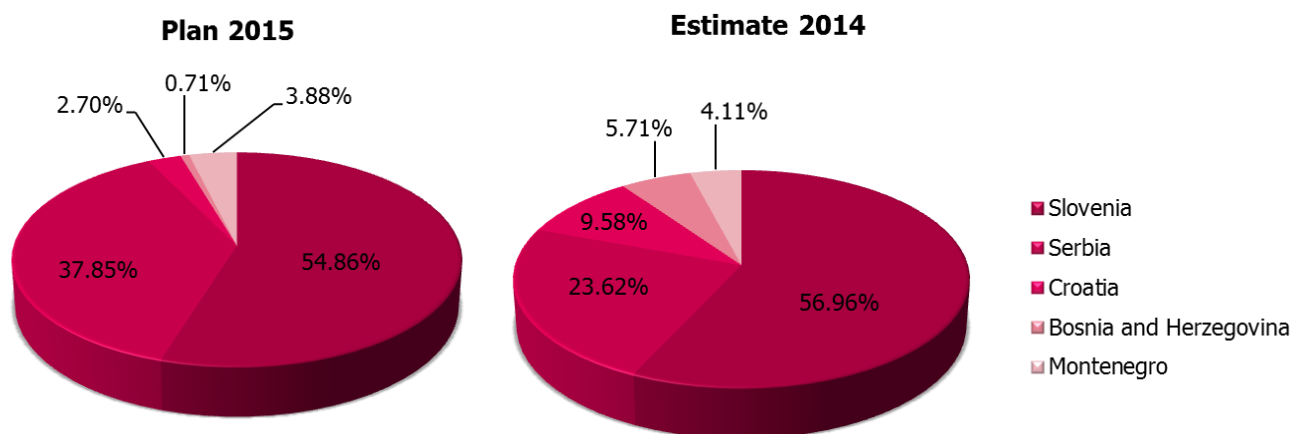
For 2015, revenue in Slovenia and Montenegro is planned to be slightly higher as the 2014 estimate. In Serbia, revenue will rise considerably as a result of the transfer of Agrokor retail units to Mercator. On the other hand, revenue will drop in Croatia and Bosnia and Herzegovina as Mercator stores will be transferred to Konzum.

Revenue in 2015 is thus planned at EUR 2,854 thousand.

Compared to the 2014 estimate, revenue in 2015 is planned to increase by 3% in Slovenia and to remain approximately the same in Montenegro. Due to the changes referred to above, having to do with consolidation in respective markets, revenue in Serbia will increase by 71.3% while it is expected to drop by 69.9% in Croatia and 86.9% in Bosnia and Herzegovina.

Planned revenue in the markets of Croatia and Bosnia and Herzegovina pertains to real estate management activity that remains a part of Mercator, and operations of Intersport and Modiana.

Mercator Group net sales revenue by geographical segments:



Marketing

Our key activities will be focused on the benefits offered to our customers:

1. We are a neighbour in the local environment in which we are active.
2. We are focused on fresh and local offer on our shelves.
3. We focus on the consumers and provide well-priced shopping.
4. Pika card customer loyalty program.
5. Developing quality offer of private label line products.

1. We are a neighbour in the local environment in which we are active.

Neighbourhood stores are particularly important for the consumers and their daily shopping as they provide proximity and convenience. With over 500 stores across Slovenia, we are a retailer that is closest to the consumers. We are looking to upgrade our proximity by reinforcing our integration into local life. People all over Slovenia have always considered us a part of their lives for ages. Therefore, we pay particular attention to socially responsible activities in the local environments and to establishing close links and connections with the environment.



2. We are focused on fresh and local offer on our shelves.

In order to offer consumers a broad choice of local, Slovenian produce and products, our offer in the **Locally Grown** project ("Iz domačih krajev") is constantly being expanded and upgraded. Communication of the project involves stressing the preservation of the environment and importance of tradition as the key advantage, providing direct delivery to allow small growers to reach our shelves and aisles more easily, and caring about the development of the economy and preservation of jobs. The key goal of the project is to satisfy the needs and demand of our consumers.



In the "Locally Grown" marketplaces, our consumers can find broad seasonal offer of fruit and vegetables of Slovenian origin and access information about the growers using a mobile application and a QR code; our bakery uses 100% Slovenian wheat for its products; we are expanding the offer of milk and dairy products made of 100% Slovenian milk; communication of Mercator's butcher's department relies on emphasizing the competitive advantage that 100% all meat in our regular offer is raised in Slovenia. The offer was specially labelled for our consumers at our stores.

3. We focus on the consumers and provide well-priced shopping.

In fast-moving consumer goods retail we are continuously monitor the consumer trends and adapt to the needs and demand of our customers. Convenience, rationality, and quality are important factors affecting the consumers' choices. Our **key policy is to focus on the consumers and to provide well-priced shopping**. Key target tasks will be geared towards **improving Mercator's pricing perception** and **making the offer more appealing** in order to retain the existing customers and to attract new ones.

We prepare regular and seasonal special offers and campaigns, and various short-term activities that involve well-priced offer. We are focused on the actual needs of our customers. We adapt our offer to their demand and we have been introducing even more Slovenian products in our fresh offer.



By continuously adapting the marketing mix and with powerful campaigns, Mercator is making sure that our basket of products represents the best value for our customers, both in terms of price and quality.

In addition to favourable price, today's consumer expects freshness and breadth of the offer, attractive promotion, high quality of a wide range of products, attractive shopping environment, and quality service.

4. Pika card customer loyalty program.

Focusing on the consumer, we shall carry on the development of the **advantages of the Mercator Pika customer loyalty system**. Now, the customers can win and use their loyalty points for virtually the entire offer. They are also offered special Pika discounts for select products. In addition, the card allows deferral of payment and payment in up to 24 instalments at a zero interest rate. For the segment of customers keen on shopping in the web store, we will continue to allow the functionality of online payment for alimentary products and technical consumer goods using the Pika card.

The Pika card brings a number of benefits for the customers in the Mercator sales network and at partner outlets. To make it even more appealing, we will continue to expand the network of partners

in the future. Value added of the Pika card is enhanced in cooperation with new partner companies that offer appealing complementary offer exclusively for us and for our target segments.

Future projects in the Pika card system will be focused on the development and implementation of new functionality for the users and on delivering an offer that is well-adapted to our consumers.

5. Developing quality offer of private label line products.

Mercator is successfully building its distinction and recognition with its **private label** products as these are only available in Mercator's retail network. Moreover, we are offering quality products by renowned manufacturers, at lower prices. Mercator private label lines offer a variety of products for all occasions, at all price segments. **Mercator was the first Slovenian retailer to offer its consumers private label lines** which were gradually expanded to other markets of Mercator's operations. Introduction of private labels allows Mercator some control over the supply chain and targeted management in such way that allows offering the customers the best quality products at reasonable prices. The share of sale of private label products has been continuously rising.



INVESTMENT AND RETAIL NETWORK DEVELOPMENT

In 2015, Mercator Group will further pursue its current real estate management strategy, which means that leasing real property will still be preferred to acquisition or construction of our own, and that priority will be given to refurbishment of the existing stores. Relative to the estimated actual investments in 2014, the 2015 investment budget is increased threefold to compensate for the loss of investment in the last two years when it was highly limited. In 2015, we will launch the construction of a modern logistics and distribution center which is expected to be completed by the end of 2016.

Activities will also take place with regard to divestment of non-operating assets and lease of retail area, pursuant to our investment strategy.

In 2015, we shall carry on the activities to update Mercator's shopping centres, especially in terms of program mix.

Investment and Divestment

In 2015, Mercator Group CAPEX will amount to EUR 99.5 million. Of this amount, 58.77% will be invested in Slovenia, and 41.23% is to be invested on foreign markets.

Investment into expansion of retail area will represent 24.70% of total investment in 2015; refurbishments and investment maintenance of existing units will account for 48.12%; 16.91% will be invested in logistics; and the remaining 10.27% will be invested in IT and non-trade activities.

Divestment of assets is planned at EUR 12.1 million.

EMPLOYEES

Employees are at the core of our operations as they are the key to customer satisfaction and thereby to the attainment of Mercator's business goals. Our activities in human resource management will involve the following:

- **We are improving the efficiency** of the attainment of our goals (optimum usage of the available resources, competencies, and potentials according to the possibilities and situation in the market).
- **The employees are our competitive advantage** (quality of service based on integrity and friendly, respectful, and professional communication with the customers).
- Strategic human resource management **goals are changing** in compliance with the changes in the labour market, consistently with the business policies of the management, regional needs, and characteristics and possibilities of operational implementation at the local level.

Our key goal is to have competent, satisfied, and motivated employees.

Making sure the right people are in the right places

Hiring and recruitment are based on standard HRM processes required for timely provision of adequate human resources. At the regional level, action plans will be developed to recruit scarce (excess-demand) human resources (butchers, cooks, bakers etc.).

Care for development

We are aware that knowledge is the prime generator of development. Therefore, particular attention will be paid to it despite the harsh conditions. Our educational activities will be focused on development and execution of induction programs for newly hired employees and on development of internal training and education with emphasis on expert training which, paired with selling skills, lead to a better service for our customers. In addition to in-house training, we will also encourage enrolment of our employees in quality third-party training and education, thus allowing the influx of fresh expert knowledge. We will continue to develop, expand, and upgrade our

network of internal instructors. E-learning can save time and money for the company. Therefore, we will promote e-seminars and encourage electronic learning.

Development of mission and vision and their fulfilment depends on each employee and especially on the leaders. Therefore, we shall continue to pay particular attention to leadership development, caring for the development of our leaders at all levels through key competencies.

Motivation and rewards

Motivated employees are a prerequisite for successful and committed work. Payment is an important source of motivation. If our business results allow, we shall revise the salary system and introduce changes in the method of assigning the variable share of the salary. Non-cash forms of rewards will include contests in which the best individuals or groups will be voted. Also motivating further work will be the *team-building* workshops and employee meetings which traditionally take place each year. We shall develop a culture of praises and feedback.

Connecting our employees

Connections between employees convey a sense of loyalty to the company and build trust among co-workers. Many good and useful ideas are generated by the employees. Therefore, we will support entrepreneurship, motivate innovation, and look for possibilities for improvement. The array of different generations offers an opportunity to learn from the experienced and to seek the freshness of the younger employees. To this end, we shall develop inter-generational cooperation and connections. Cooperation with our social partners is of key importance as well. In the broad environment and within the company Mercator, d.d., we will act in a socially responsible manner. Activities awarded by the Family-Friendly Company will be a part of our efforts to make balancing the professional and family life easier for our employees. Mercator Humanitarian Foundation in Slovenia and Mercator Solidarity Foundations in Serbia and Montenegro will provide aid to those who need it the most. As health is the foundation that allows our employees to perform their work, we shall continue to carry out the many activities of the health promotion project.

CONSOLIDATION BY MARKETS AND THE INTEGRATION PROCESS

Mercator's position in respective markets

Following the consolidation after the acquisition by the company Agrokor, d.d., Mercator operations in 2015 in particular markets will differ greatly from what they have been like to date.

Slovenia

In Slovenia, Mercator's position will remain unchanged. Due to the acquisition by the company Agrokor, d.d., no closing down or opening of new retail units is planned. In Slovenia, Mercator is present with retail units carrying fast-moving consumer goods, under the **Mercator** banner.

Serbia

In Serbia, **188 Agrokor's Idea units have been leased out to the company Mercator - S, d.o.o.** Thus, Mercator is now present in this market with fast-moving consumer goods retail units under the banners **Roda, Mercator, and Idea**. Pursuant to the commitments required by the competition protection office, 8 units of the Mercator banner have been closed down, divested, or leased out. The company **Mercator - S, d.o.o.**, remains responsible for:

- existing Mercator operations in Serbia;
- retail and wholesale activity acquired from Idea.

Croatia and Bosnia and Herzegovina

In **Croatia, 75 Mercator retail units have been leased out to Konzum, d.d.**, and 46 Mercator units have been, pursuant to the commitments required by the competition protection agency, closed down, divested, or leased out; or negotiations are still in progress for the solution regarding the discontinuation of operations of some of them.

In **Bosnia and Herzegovina, 89 Mercator retail units have been leased out to Konzum, d.o.o.**

In Croatia and Bosnia and Herzegovina, the fast-moving consumer goods units under the Mercator, Getro and Drvopromet banner have mostly been closed down or they will no longer be present once appropriate agreements are made for all locations. After restructuring, the companies **Mercator - H, d.o.o., Mercator - BH, d.o.o., and M - BL, d.o.o.**, are responsible for:

- real estate management and
- supplementary activities of Intersport and Modiana.

Montenegro

In Montenegro, Mercator's position will remain unchanged. Due to the acquisition by the company Agrokor, d.d., no closing down or opening of new retail units is planned. In Montenegro, Mercator is present with retail units carrying fast-moving consumer goods, under the **Roda** banner.

Integration activities

The integration process involves the Agrokor Group and the Mercator Group carrying out projects to generate synergistic effects that will positively affect both short-term and long-term Group performance. Integration activities are in progress in five key fields:

Activities to develop market position and perception

These activities include customer relationship management (CRM) projects, marketing activities, strategic partnerships with suppliers, improvement of pricing perception, and further development of the processes of the retail unit management business model. The key purpose of these activities is to generate new benefits and added value for Mercator customers and to thus create a competitive market position of the company.

Development of new organizational culture

The purpose of the activity is to develop an organization and organizational culture that will offer the Agrokor and Mercator Group solid support and foundations for further development of their competitiveness through development of organization and its employees.

Investment

Pursuant to the plans for boosting the Group's investment activities, activities are in progress to develop both the retail and logistics network. Key focal point for activities in this field is investment project management in a way that brings the greatest possible effects and value added for company operations.

IT support

Introducing advanced information technology is an important foundation for further corporate development of Mercator, d.d. Therefore, Mercator's integration efforts are also focused on

beefing up the development of IT support and network.

Operating cost optimization

Focusing on operating cost optimization involves generating synergistic effects in purchasing of non-trade goods and services and continuation of all activities related to rationalization of current operations.

RISK MANAGEMENT

Managing the key risks in 2015

Mercator believes the Group will remain considerably exposed in 2015 to some risk related to the economic growth rate which will be negative in some of our markets. Employment is expected to improve, but no major positive changes in this respect are anticipated.

Business Risks

Risk of a decline in purchasing power

The risk of a decline in purchasing power is related to the economic growth rate, unemployment rate, increase in personal income, and changes in the prices of essentials.

In Slovenia, gross domestic product is expected to rise by around 1.6% in 2015 and the unemployment rate will decrease slightly, to 13.0%. Salary per employee will increase by 0.7% in real terms. Consumer price index will rise by 0.6%. An increase of household consumption by 1.3% is also forecast.

In foreign markets, the European Commission 2015 estimates include the following: in Serbia, stagnation of gross domestic product, increase of unemployment by 1.5%, drop of private spending by 1.6%, growth of consumer price index of 3.5%. In Montenegro, gross domestic product is expected to increase by 3.0%; unemployment is expected to drop by 1.8%; private spending is to rise by 3.2%; real wage per employee is expected to increase by 0.4%; and the consumer price index is expected to rise by 0.8%.

Despite this, purchasing power will not improve significantly; therefore, adjusting the entire marketing mix in order to provide well-adapted offer for the consumers and to retain the revenue will continue to be of key importance.

Risks in the supply process

Preventive business risk management measures in the purchasing process will alleviate or disperse the risks in 2015.

Pooling our efforts in the purchasing process will lead to the right breadth of assortment, lower upstream prices and better supply terms in

purchasing of private label products, seasonal products, and products for the home.

Transparent operation with the suppliers will allow us to perceive in a timely manner the problems faced by the suppliers. Regular monitoring and checking of supplier solvency by monitoring the ratings will allow switching to new supply sources in a timely manner.

We will continue to monitor supply failures for each supplier on a weekly basis.

Risks of sub-optimum marketing mix and effects of the competitive environment

In 2015, we will complete the revision of the material operation processes. We shall complete the implementation of new assortment management infrastructure which in turn will allow simpler and more efficient assortment management. Assortments within particular store formats will be further unified and we shall make sure we offer products that are in the greatest demand among our customers. At the same time, we shall also provide locally-specific offer in each Slovenian region. We shall regularly monitor the sales assortment and update or extend it in accordance with the trends and changes in consumer behaviour.

Risks of failure to attain the planned profit margin

We shall continue to manage this risk by daily management of regular and promotional retail prices and by monitoring of all key performance indicators on a weekly and monthly basis.

Financial risks

Credit risks

Credit risk is risk that a receivable will not be settled or paid. This mostly includes receivables in wholesale, Pika cards, and rents. Receivables change on a daily basis and they are processed according to their maturity or aging profile. This includes notifications by telephone and in writing, as well as notifications submitted through the central limit system which blocks any new supply to customers in payment delinquency. Receivables from existing customers have to be monitored on a daily basis, with emphasis on those whose performance deteriorates in a certain period or

who are identified to start to take longer to settle their liabilities towards Mercator. Based on the credit rating and credit report by a third-party agency, credit limits are set for customers using the Pika card. In case of payment defaults, the card is blocked.

Currency risk

Monitoring the changes in exchange rates is of exceptional importance for currency risk management. In this process, current and future macroeconomic conditions in the countries we work with are also important. European Commission reports, statistical offices or bureaus, and central banks provide statistical data and forecasts which we regularly monitor to mitigate or hedge the currency risk as much as possible, or neutralize it altogether. Most Mercator Group's financial liabilities are denominated in EUR, or they include a so-called foreign currency clause. The exception is several long-term borrowings in Serbia which the company Mercator - S, d.o.o., took out in the currency RSD. Considering the operations of the company, this actually hedges the Group's currency risks. With regard to trade payables, currency risk is relatively low as operations are mostly conducted in local currencies. In other cases, we employ the so-called natural hedging by balancing the inflows and outflows in foreign currency.

Interest rate risk

Interest rate risk management also includes monitoring of the current information on interest rates and studying the forecasts for them. Most borrowings of the company Poslovni sistem Mercator, d.d., are based on EURIBOR. This rate is currently very low. However, as interest rates are cyclical, there is considerable probability that they will increase which will have an adverse effect on debt repayment. In such cases, a number of derivative financial instruments are available to hedge such risks.

Liquidity risk

Mercator Group financial restructuring, successfully completed on June 9, 2014, resulted in restructuring of our debt, a considerable portion of which was short-term debt. One important step in the improvement of Mercator's capital structure was the acquisition of Mercator by Agrokor. In the process, the acquiring party provided EUR 200 million of additional capital (initially through subordinated loan and then by payment of capital by in-kind contribution, i.e. the subordinated loan) which was used for repayment of bank loans. As a result, the restructuring had a strong impact on

company liquidity. After restructuring, the debt repayment plan is adapted to Mercator Group's anticipated cash flows. Moreover, the interest rate has also been adjusted and the maturity profile of financial liabilities has been considerably improved. From the aspect of Mercator Group liquidity management it is also important that Mercator's operations in Croatia and Bosnia and Herzegovina have been transferred to Konzum. Moreover, legislation regulating the payment terms for perishables has been changed, as a result of which Mercator will have more funds available to settle its liabilities.

Operational risks

Strategic risks

Strategic risks that could arise from the activities related to the acquisition of Mercator, d.d., by Agrokor, d.d., are regulated by the provisions of an agreement between Mercator and Agrokor. The agreement namely provides, inter alia, that Mercator will not provide any guaranties, loans, pledges, or similar commitments for any Agrokor's liabilities and that it will not provide any loans (indirectly or directly), advance payments, or payments for additional services to Agrokor, while all other mutual transactions shall be based on arm's length principle, i.e. at market terms.

Category management operational risks

Consumer shopping behaviour has changed permanently as a result of the persistently harsh economic conditions and rising unemployment. The offer at Mercator will be adjusted to lower demand as we will diligently monitor sales and inventories, especially of seasonal products, and take appropriate measures in a timely fashion. In procurement, we shall monitor the changes of the prices of tradable commodities which have a material effect on the prices of some of our important products, and respond appropriately. We shall stay up-to-date with the changes in legislation that stipulate shorter payment terms to our suppliers and may therefore reduce our liquidity. We shall actively control delivery failures and implement measures to reduce the risk of delivery failures, as well as monitor the changes in excise duties on cigarettes and alcoholic beverages and the effect thereof on downstream prices.

Core activity operational risks

As some facilities and equipment are outdated, particular attention will be paid to the management of risk of equipment failure. In

addition to the mandatory monitoring by relevant inspectors, we shall also conduct internal control of preventive equipment maintenance and education of refrigeration system operators.

Risk of investment, divestment, and lease and facility management

Consistently with the investment plan for 2015 which includes intensive expansion and refurbishment of the existing retail network, more attention will be paid to monitoring and mitigating the exposure to the risk of completion or non-completion of investments. This means that we may not be able to complete all planned investments merely by investing into leased area and that acquisition of commercial premises or construction of new facilities will be required as well. Although a larger investment budget is planned for the investment projects in the period, investment projects will have to be carried out with the right combination of the investment completion methods listed above, so that the investments into planned new retail area are completed without breaking the budget. Moreover, decisions will have to be made in a timely manner with regard to changes of technical information in in-store technology, and new store format standards will have to be adopted.

IT risks

IT risks will include the adaptation of the employees and the IT equipment to the newly formed corporate group. The key planned infrastructural changes include consolidation of server environment, adaptation of the network environment, and transfer of operations between business applications. The new division of tasks will include redistribution of responsibility for particular fields of IT. These changes can increase the occurrence of IT failures or errors, or result in poor troubleshooting efficiency. As a result, more attention will be paid in the adaptation period to the measures for provision of uninterrupted operation of the IT infrastructure.

In the logistics business function, an increasing volume of operations is being transferred to the GOLD application. Among others, key warehouses are in the process of transition to the new solution. A lot of dynamics is expected in promotions and customer loyalty systems. Every change affects the risks of IT operation and, in turn, operation of the company. Therefore, a lot of attention in these fields will be paid to efficient change management and elimination of any errors or failures.

Accounting risks

We shall manage the risks of incompliant reporting of assets and liabilities of our subsidiaries, which is not harmonized with the IFRS and the Group policies, the risks of losses resulting from any penalties by the tax authorities, errors in entry of accounting data by the users, and the risks in the operation of the financial and material IT system.

Human resource risks

Given the restricted possibilities to implement the activities to improve employee satisfaction and motivation, we shall focus primarily on raising the awareness of the employees about the urgency of change to improve our performance, as this is the only way to keep the jobs and, in the long run, allow increase of salary and open up possibilities or promotion. We shall carry on our training and education programs as they are the key factors for improving employee motivation. We shall continue to be creative in provision of required excess-demand human resources to allow unimpeded operations. We shall inform the employees about healthy lifestyle in order to decrease absenteeism.

Legal risks

We shall manage the risks in labour law, intellectual property law (brand protection), risks related to disclosure of business secrets, and compliance risks regarding competition law.

Project risks

By continuous monitoring of the completion of tasks and activities in accordance with the project plans, we shall provide timely, quality and goal-oriented project completion; in case of discrepancies, we shall promptly adopt relevant measures. We shall provide internal resources required for implementation, and identify any bottlenecks, critical points, and milestones to provide the grounds for decision-making by the project managers. Key risks are seen in the provision of external resources in the field of information technologies, coordinated and targeted work of everyone involved in the completion of tasks and activities, and prioritizing consistently with the respective company strategies.

FINANCIAL MANAGEMENT

Net financial debt

Financial liabilities of Mercator Group in 2015 are planned to be lower than estimated for year 2014. The Group's net financial debt planned at the end of 2015 amounts to EUR 760,278 thousand, which is 3.9 percent less than estimated in 2014. Maturity

profile has changed significantly in 2014 as the share of non-current financial liabilities has increased and the share of current financial liabilities has decreased. Similar ratio is planned in the coming year.

in EUR thousand	Plan 2015	Estimate 2014	Index Plan 2015/ Estimate 2014
Non-current financial liabilities	769,782	816,578	94.3
Current financial liabilities	75,356	63,509	118.7
Financial liabilities	845,138	880,089	96.0
Cash and cash equivalents	32,274	32,285	100.0
Derivative financial instruments (assets)	5	5	101.0
Available-for-sale financial assets	825	825	100.0
Loans and deposits	51,756	55,712	92.9
Financial assets	84,860	88,827	95.5
NET FINANCIAL DEBT	760,278	791,262	96.1

Cash flows

Mercator Group investments in 2015 will be threefold relative to the 2014 estimate. Nevertheless, improved performance and higher

cash flow from operating activities (EBITDA) in 2105 will result in a positive free cash flow which will be used for repayment of financial liabilities.

in EUR thousand	Plan 2015	Estimate 2014	Index Plan 2015/ Estimate 2014
Cash flow from operating activities (EBITDA)	182,312	110,434	165.1
Interest paid	(26,121)	(29,465)	88.7
Other financial items	(1,837)	(5,218)	35.2
Corporate income tax	(8,825)	(2,135)	413.3
Cash from operating activities	145,529	73,616	197.7
Net expenditure on investment in fixed assets	(87,472)	(24,696)	354.2
Change in working capital	(21,128)	(1,389)	1,521.1
Free cash flow	36,929	47,531	77.7

Financial restructuring of the Mercator Group

The revised terms of Mercator Group financial restructuring are effective as of November 2014.

The effects of the revised terms of financial restructuring for the financial management in 2015 will include the following:

- more stable capital structure of the Mercator Group following the capital increase with EUR 200 million in the fourth quarter of 2014 (banking debt in the same amount had been repaid prior to that in the middle of the year);
- possibility of further deleveraging of the Mercator Group;
- adjusting the dynamics of loan principal repayment to Mercator's actual free cash flow generated;
- adjustment of interest rate;
- considerable improvement in the maturity profile of financial liabilities with maturity extended until mid-2021;
- enabled integration of the Mercator Group and Agrokor Group.

Restructuring thus eliminated the risk of refinancing, which has been particularly high in the last year. This will allow the stabilization of financial management and above all allow the company management to focus more closely in 2015 on other aspects of Mercator Group operations.

Changes in the EURIBOR interest rate

In 2014, 6-month EURIBOR was between 0.5% and 0.1%. Since no considerable increase of EURIBOR is expected for 2015, no increase of interest expenses due to higher variable interest rates is planned either.

Dividend policy

The company did not pay out any dividend in 2014; likewise, no dividend payment is planned for 2015.

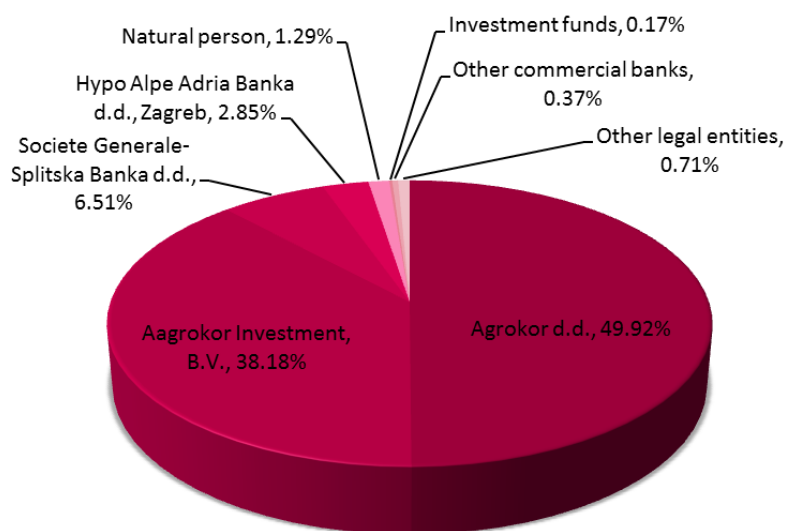


MERCATOR SHARE

Basic information on the share of the company Poslovni sistem Mercator, d.d., as at November 30, 2014:

Symbol	MELR
Type	Ordinary share
Listing	Prime market of Ljubljanska borza, d.d.
Share capital	EUR 254,175,051.39
Number of shares	6,090,943
Number of treasury shares	42,192
Number of shareholders	2,686

Ownership structure of the company Poslovni sistem Mercator, d.d., as at November 30, 2014:



Major Shareholders

As at November 30, 2014, the following ten largest shareholders combined owned **97.32 percent** of the company.

Major shareholders	Country	Number of shares	Share
Agrokor d.d.	Croatia	3,040,597	49.92%
Agrokor Investments B.V.	Netherlands	2,325,582	38.18%
Societe Generale - Splitska Banka d.d.	Croatia	396,785	6.51%
Hypo Alpe-Adria-Bank d.d	Croatia	173,464	2.85%
Galić Josip	Croatia	21,525	0.35%
Erste Group Bank AG	Austria	17,415	0.29%
Gustavia Balkan	Sweden	10,000	0.16%
Horvat Jože	Slovenia	1,231	0.02%
Banque Pictet and Cie SA	Switzerland	1,107	0.02%
Clearsteam Banking SA	Luxembourg	969	0.02%
Total		5,988,675	97.32%

**Foreign shareholders**

As at November 30, 2014, the share in the company Poslovni sistem Mercator, d.d., held by foreign investors amounted to **97.40 percent**.

Shares held by Management and Supervisory Board Members as at November 30, 2014

	First and last name	Position	Number of shares	Share
Management Board				
1	Toni Balažič	Management Board President	0	0.0000%
2	Drago Kavšek	Senior Vice President	0	0.0000%
3	Igor Maroša	Senior Vice President	0	0.0000%
Total			0	0.0000%
Supervisory Board				
1	Ante Todorčić	Supervisory Board Chairman	0	0.0000%
2	Matej Lahovnik	Deputy Supervisory Board Chairman	0	0.0000%
3	Damir Kuštrak	Supervisory Board member	0	0.0000%
4	Ivan Crnjac	Supervisory Board member	0	0.0000%
5	Darko Knez	Supervisory Board member	0	0.0000%
6	Ivica Mudrinić	Supervisory Board member	0	0.0000%
7	Vesna Stojanović	Supervisory Board member	36	0.0010%
8	Veljko Tatić	Supervisory Board member	0	0.0000%
9	Ivan Valand	Supervisory Board member	0	0.0000%
Total			36	0.0010%

Dividend policy

The company did not pay out any dividend in 2014; likewise, no dividend payment is planned for 2015.

Treasury shares

As at November 30, 2014 the company Poslovni sistem Mercator, d.d., held 42,192 treasury shares. In the period 1-11 2014, the company Poslovni sistem Mercator, d.d., neither acquired nor disposed of treasury shares.



FINANCIAL REPORT

ACCOUNTING POLICIES

All financial statements of the Mercator Group and the company Poslovni sistem Mercator, d.d., have been prepared in compliance with International Financial Reporting Standards and they are unaudited.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE MERCATOR GROUP

Poslovni sistem Mercator, d.d., is a company headquartered in Slovenia. The address of its registered head office is Ljubljana, Dunajska cesta 107. Planned condensed consolidated financial statements for the year 2015 include the company Mercator, d.d., and its subsidiaries, as follows:

- in Slovenia: Intersport ISI, d.o.o., Mercator - Emba, d.d., Mercator IP, d.o.o., M - Energija, d.o.o.;
- abroad: Mercator - H, d.o.o., Croatia, Mercator - S, d.o.o., Serbia, Mercator - BH, d.o.o., Bosnia and Herzegovina, M - BL,

d.o.o., Bosnia and Herzegovina, Mercator - CG, d.o.o., Montenegro, Mercator Makedonia, d.o.o.e.l., Macedonia, and Investment Internacional, d.o.o.e.l., Macedonia;

(hereinafter referred to as the "Mercator Group").

Mercator Group's predominant operating activity is retail and wholesale of fast-moving consumer goods.

Condensed consolidated statement of financial position

EUR thousand	Plan Dec. 31, 2015	Estimate Dec. 31, 2014	Index Plan Dec. 31, 2015/ Estimate Dec. 31, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	1,706,371	1,687,582	101.1
Investment property	2,491	2,614	95.3
Intangible assets	18,856	22,698	83.1
Deferred tax assets	17,438	15,830	110.2
Loans and deposits	29,748	31,259	95.2
Available-for-sale financial assets	825	825	100.0
	1,775,729	1,760,808	100.8
Current assets			
Inventories	249,890	251,697	99.3
Trade and other receivables	254,802	273,973	93.0
Current tax assets	0	0	-
Loans and deposits	22,008	24,453	90.0
Derivative financial instruments	5	5	100.0
Cash and cash equivalents	32,274	32,285	100.0
	558,979	582,413	96.0
Total assets	2,334,708	2,343,221	99.6
EQUITY	756,161	696,509	108.6
LIABILITIES			
Non-current liabilities			
Trade and other payables	1,069	1,058	101.0
Financial liabilities	769,782	816,578	94.3
Deferred tax liabilities	34,864	33,579	103.8
Provisions	19,736	19,711	100.1
	825,451	870,926	94.8
Current liabilities			
Trade and other payables	668,957	711,063	94.1
Current tax liabilities	8,783	1,214	723.5
Financial liabilities	75,356	63,509	118.7
Derivative financial instruments	0	0	-
	753,096	775,786	97.1
Total liabilities	1,578,547	1,646,712	95.9
Total equity and liabilities	2,334,708	2,343,221	99.6

Condensed consolidated income statement

EUR thousand	Plan 2015	Estimate 2014	Index Plan 2015/ Estimate 2014
Revenue	2,854,401	2,669,043	106.9
Cost of goods sold and selling costs	(2,682,032)	(2,578,322)	104.0
Administrative expenses	(73,824)	(73,519)	100.4
Other income	9,762	21,283	45.9
Results from operating activities	108,307	38,485	281.4
Finance income	2,951	5,696	51.8
Finance expenses	(42,781)	(54,990)	77.8
Net finance expense	(39,830)	(49,294)	80.8
Profit (loss) before tax	68,477	(10,809)	-
Tax expense	(8,825)	(2,135)	413.3
Profit (loss) for the period	59,652	(12,944)	-

Notes to condensed consolidated interim financial statements

Notes to condensed consolidated income statement

Revenue

In 2015, Mercator Group will generate EUR 2,854,401 thousand of sales revenue, which is 6.9 percent more than the 2014 estimate. Sales revenue will increase by 3.0 percent in Slovenia; in foreign markets, it will rise by 12.2 percent.

Cost of goods sold and selling and marketing costs

For 2015, Mercator Group costs of sales, which include the cost (purchase value) of goods sold, production costs, selling and marketing costs, and other expenses, are planned at EUR 2,682,032 thousand. Depreciation and amortization cost for 2015 is planned at EUR 74,005 thousand; the estimate for this figure in 2014 stands at EUR 71,949 thousand.

Administrative expenses

Mercator Group administrative expenses for 2015 are planned at EUR 73,824 thousand, which is 0.4 percent more than the estimate for 2014. The decrease of the share of administrative expenses in sales revenue is a result of cost rationalization measures.

Results from operating activities

Mercator Group's results from operating activities in 2015 are planned at EUR 108,307 thousand, which is 181.4 percent above the 2014 estimate.

Finance income and expenses

Finance income in 2015 will amount to EUR 2,951 thousand, the major part of which will be finance income from interest paid (EUR 1,981 thousand). Finance expenses in 2015 will amount to EUR 42,781 thousand, the major part of which will be finance expenses for interest paid (EUR 28,102 thousand).

Profit before income tax

Mercator Group is planning to generate profit before income tax in the amount of EUR 68,477 thousand in 2015.

Profit for the financial period

Mercator Group profit for 2015 is planned at EUR 59,652 thousand.

Cash flow from operating activities (EBITDA)

Mercator Group cash flow from operating activities (EBITDA) in 2015 is planned at EUR 182,312 thousand, which is 65.1 percent more than the estimate for the year before.

Notes to condensed consolidated statement of financial position

Assets

As at December 31, 2015, Mercator Group assets are planned to amount to EUR 2,334,708 thousand, which is a decrease of EUR 8,513 thousand relative to the estimate for December 31, 2014.

As at December 31, 2015, the value of Mercator Group non-current assets is planned at EUR 1,775,729 thousand, which is EUR 14,921 thousand more than the estimate for December 31, 2014. Property, plant, and equipment will represent the largest share of non-current assets at 97.3% (EUR 1,727,718 thousand), which is EUR 14,824 thousand more than the estimate for the end of 2014.

As at December 31, 2015, the value of Mercator Group current assets is planned at EUR 558,979 thousand, which is EUR 23,434 thousand less than estimate for the end of 2014. Trade and other receivables will represent the largest portion of total current assets (45.6%), followed by inventories (44.7%).

Equity and liabilities

As at December 31, 2015, Mercator Group equity is planned to amount to EUR 756,161 thousand, which is EUR 59,652 thousand, or 8.6 percent, more than the estimate for the end of 2014.

As at December 31, 2015, the value of Mercator Group total financial liabilities is planned at EUR 845,138 thousand, which is EUR 34,949 thousand less than the estimate for the end of 2014. Net financial debt of the Mercator Group, calculated as the difference between the Group's financial liabilities and financial assets, will amount to EUR 760,278 thousand as at December 31, 2015 (estimate for December 31, 2014: EUR 791,262 thousand).

Provisions as at December 31, 2015, are planned at EUR 19,736 thousand. Compared to the estimate for the end of 2014, provisions are planned to increase by EUR 25 thousand.

Trade and other payables as at December 31, 2015 are planned to amount to EUR 670,027 thousand, which is EUR 42,095 thousand less than at the 2014 year end.

As at December 31, 2015, long-term coverage of non-current assets with non-current liabilities at the Mercator Group is planned at 89.1%, which the same as at the end of 2014.