

Mercator, d.d.
Dunajska cesta 107
p.p. 3234, 1001 Ljubljana
Slovenija

To the consortium of sellers

Telefon: (01) 560 11 95
Telefax: (01) 560 10 74
<http://www.mercator.si>

Date: 14 December 2011

Subject: Response to your letter, dated 13 December 2011

Dear!

We would like to thank you for your letter with attachments dated 13 December 2011, which we received only after we sent you our letter yesterday. We were not able to answer you yesterday, so we are sending you the answer today.

Also in the named letter you have not indicate any information how interest of Mercator Group would be adequately protected in the transaction. We would like to recall that we have already proposed several constructive approaches regarding this matter, namely:

- in the letter dated 27 October 2011; conclusion of two agreements with the Consortium of buyers and the Consortium of sellers, which was later proved to be impossible to implement due to non-existence of anticipated signatories;
- in the letter dated 30 November 2011, three new possible alternative approaches;
- in the letter dated 13 December 2011, a new approach to this matter.

Although you have repeatedly ensured us that you intention in the sales process is to protect the interests of Mercator and its employees the greatest extent possible. So far you have not confirmed the selection of any of the proposed approaches for protection of interests of the Mercator Group, nor submitted any other specific proposal.

Taking into account that:

- the Agrokor Group is the biggest competitor of the Mercator Group in the whole Western Balkan region,
- after completion of the transaction Mercator would become a subsidiary of Agrokor,
- there exist transactions execution risks which could cause irreparable loss to Mercator,

we gave you a very clear message, already at the beginning of our communication regarding our sales support activities and also later, that we are willing to support the process of selling a majority packet of shares to our largest competitor in region only under the condition that vital interests of the Mercator Group will be preliminary adequately protected. This is even more important in an unexpected further tightening of financial and economic situation in the region which have and in the coming years will continue to have an impact on the business operations of the Mercator Group and all other operators in the region.

So far protection of the interest of Mercator has not yet been adequately ensured, and only when you will ensure this, we will adequately support your sales process.

We are pleased to be at your disposal for any further information.

Kind regards,

Melita Kolbezen
Member of the Management Board

Žiga Debeljak
President of the Management Board

