

KONZUM



Market

Konzum d.o.o. Sarajevo is the leading retail chain, with more than 100 stores across Bosnia and Herzegovina.

In only five years of business at the market of Bosnia and Herzegovina, Konzum evolved into a prestigious company that reached and strengthened its leading position in the segment of retail sales at the domestic market, conducting its business in accordance with the most contemporary global retail standards. The retail network of Konzum stores includes stores of various formats, classified according to their features to the following categories: super, maxi and small stores, adjusted to different consumer needs.

In addition to sustained improvement and development of operations of Konzum's retail

network, the company is simultaneously developing operations in the segment of wholesale. Thus, two Velpro centres operate as part of Konzum in Sarajevo and Čitluk, which have become a recognisable destination of quality of service, a wide range of assortments and favourable prices for professional vendors, caterers and other businesses. Konzum plans to achieve a 15 percent market share at the Bosnia and Herzegovina market by the end of 2009.

Achievements

Through its operations in Bosnia and Herzegovina, Konzum has distinguished itself as an excellent and responsible employer. This is also confirmed by the Collective Agreement, signed with the Bosnia and Herzegovina Trade Workers Union in July 2008, which

comprehensively and formally guarantees high standards of protection of rights and interests for Konzum employees. Another argument in support hereof is the award The Most Desirable Employer, awarded in 2008 and 2009 by visitors and users of the website Posao.ba.

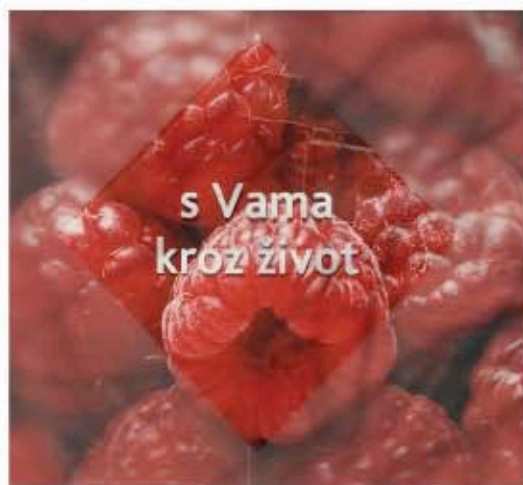
As a serious employer, Konzum offers its employees the possibility of continuous advancement, organising internal trainings, workshops and seminars focused on specific business tasks and daily practice. Employee satisfaction and creation of good relationships and a pleasant working atmosphere is one of the most important foundations of Konzum's successful business operations.

Also illustrating Konzum's commitment to investing into human resources and development and

advancement of managerial staff are numerous recognitions and prizes awarded to Konzum management in the past.

Konzum is also prominent as a socially responsible company actively assisting the most vulnerable categories of society. With a view to supporting local communities, Konzum made occasional donations to schools, centres for social work and public kitchens across Bosnia and Herzegovina.

Konzum also invests a part of its funds in sports so young and talented athletes could further develop their talents and achieve top results. In this way Konzum wishes to give its contribution to the promotion of



Bosnia and Herzegovina sports and has in this sense supported the development of football by becoming a sponsor of the Bosnia and Herzegovina national football team.

History

Konzum is a part of the Agrokor Group, the largest private company in Croatia and one of the largest companies in Southeast Europe.

In June 2004, Agrokor made its first regional step by opening the Velpo Centre in Sarajevo, the largest sales and distribution centre in Bosnia and Herzegovina. In subsequent years this was followed by intensive expansion of the network of Konzum stores, by opening new shops and taking over numerous retail chains – Mališić, Diona, VF Komerc, Džananović, Tomašević, Super Nova and Dujmović.

Konzum started the development programme in the segment of Kozmo drugstore in December 2007. During 2008 and 2009 the number of Kozmo drugstores increased to 11 in total. Kozmo thus, guided by the slogan "The Beauty that You Live", soon became the favourite shopping destination for women, offering them supreme quality products in the category of health and beauty preparative and decorative cosmetics, perfumes and jewellery.

Product

In its stores located at the most attractive locations, Konzum offers its buyers a carefully selected top-quality assortment with more than 30,000 products by renowned manufacturers at most affordable prices, with a special emphasis on domestic products. Konzum pays great attention to its fresh product assortment – dairy products, fruits and vegetables, and fresh meat of the highest quality.

Konzum's purchasing station in Čapljina started operating in 2009, and in its first year of operations it will purchase 5,000 tonnes of fruits and vegetables from domestic producers. Konzum is also developing partnership relations with domestic producers of meat, poultry and fish, thereby offering to its customers excellent fresh meat and fish of supreme domestic quality on a daily basis.

Konzum's business operations are based on constant communication with its customers, recognising their needs, adjusting operations to customers' desires and expectations and improving them by applying the world's latest standards.

Recent Developments

With its modern business approach, Konzum endeavours to get close to customers and offer them service of the highest quality. With a view to achieving this, a new online shop has been launched at www.konzumshop.ba, attracting more and more online buyers with the ordered items being delivered free of



charge to home addresses in 13 city centres in Bosnia and Herzegovina (Sarajevo, Zenica, Tuzla, Travnik, Sanski Most, Tešanj, Doboj, Bihać, Gračanica, Teslić, Prijedor, Mostar and Čitluk). Online grocery shopping and home delivery by special vehicles provide tremendous help to households in times of a fast living and working rhythm.

With a view to building the best possible relationship with buyers and rewarding them, Konzum is also preparing to introduce its loyalty programme, which will provide additional benefits for the most loyal customers.

Promotion

Konzum's business operations are based on continuous communication with its customers, identifying their needs and fulfilling their desires and expectations. Therefore, Konzum prepares regular weekend and catalogue actions, seasonal actions, numerous discounts and other attractive benefits such as the Permanently Low Price offer and many prize games.

Practice has shown that customers follow such actions and gladly buy products at special promotion prices and they enjoy participating in numerous prize games with rich prize funds, organised by Konzum for their benefit.

In accordance with global trends in advertising, Konzum communicates with its customers via different types of media, in an effort to present its offer and prices to them in the best possible way, always bearing in mind to create additional value through many benefits it offers.

Brand Values

At the end of 2004, Konzum started developing a private brand called K Plus, which enables customers to buy high quality products at extremely affordable prices. The product assortment is thus expanded, while buyers are given an additional comparative advantage when shopping at Konzum stores. In Konzum's K Plus assortment, buyers can find more than 400 products of excellent quality offered at very affordable prices. K Plus products are mostly manufactured in cooperation with domestic producers. Konzum's K Plus products have been excellently received by the customers, owing to their exceptional quality, well designed packaging and affordable prices. Konzum has also developed a private brand in the segment of non-food products – its assortment including more than 300 products of K Style and K Home brands. Konzum's private brand assortment also includes a product line called Standard, characterised by entry-level prices and simple packaging. Through the development and constant improvement of private brands, Konzum tries to strengthen customers' loyalty towards the company. In addition to private brands present in retail sales, Konzum is developing another brand called Rial, present with more than 250 products in the assortment of Velpo centres.

www.konzumshop.ba



THINGS YOU DIDN'T KNOW ABOUT...

Konzum

- Konzum has got more than 2,500 employees.
- More than 30 million buyers visit Konzum annually.
- Total surface of Konzum's sales facilities exceeds 60,000m².

