

Marlix Group Critical Review April 2011

1. The Marlix Long Time Pioneering Strategy

The consumer sector and its supply chain is by far and away the largest contributor of domestic waste and land fill input worldwide. Some countries manage domestic waste outputs better than others. In most cases domestic wastes are treated as a cost centre and financial liability to the public bodies and authorities managing them.

After nearly 25 years of building shopping centres and advising in consumer sector development, Marlix was persuaded to move sideways into the realms of waste management, recycling and renewable energy.

January 2006 was the Marlix start up date when a small team of like minded but "under resourced" managers and investors realised that traditional waste management was inadequate in CEE. Finding, offering and developing support for Municipalities and the Consumer sector would likely provide access to free waste streams. This philosophy became core to Marlix strategy.

Marlix predicts in a short time Governments and Municipal Authorities will wake up to the fact that domestic waste has a value and should be treated as an asset rather than a liability. In the meantime more and more sophisticated technologies are becoming available to make use of domestic (and other) wastes for profit.

Therefore, retaining continuing access to the consumer sector sources and the domestic waste streams, catching the outputs of the public are of vital importance to the development of the Group. In this respect in 2006 Marlix started to become pioneers of end to end waste management and recycling in pilot and embryo form.

2. Principle "First" Pioneering Achievements

During its time in CEE Marlix Group has clocked a number of FIRSTS:

- 1991 Opened Spain's FIRST 100 hectare edge of town retail centre and commenced in Hungary
- 1992 Completed all strategic plans for Hungary's FIRST edge of town Retail Park for Raiffeisen Bank Austria
- 1993 Set up and managed for 5 years Hungary's FIRST government consumer sector advisory group
- 1994 Contracted to create Auchan's FIRST three "edge of town" shopping centres in Hungary
- 1996 Arranged with IKEA to join Auchan in their FIRST shopping park
- 1997 Opened Auchan's FIRST retail shopping park in Hungary
- 1998 Retained to research, design, and supervise build Raiffeisen Banks FIRST town centre shopping mall with Interspar as key food anchor.
- 2000 Retained by Cora Group France (Carrefour) as FIRST hypermarket group to arrange strategic entry and obtain critical mass presence in Croatia (not achieved by Cora)
- 2003 Retained by Ablon Group (Israel-Austro Investments) to set up FIRST retail investments in CEE

Waste, Recycling and Renewable Energy

- 2006 Saw the FIRST co-operation agreements signed with 4 of 5 Municipalities in Zakarpattya Ukraine envisaging 30 year PPP contracts managing domestic waste for 700,000 residents. The project awaits or seeks appropriate financial backing
- 2007 Saw the commencement of building of the FIRST commercial composting yards for Municipal green waste acceptance, Water Authority sewage sludge, paper industry sludge and Customs destruction of imported fruit and vegetables falling beneath standards
- 2008 Saw the roll out of the FIRST pilot commercial door to door plastic and paper recycling service in Budapest in a rolling 5 year co-operation within a full Budapest district. 3 other districts wish to start
- 2009 Saw the FIRST commercial evaluation trials of Tesco store wastes with Marlix recommendations now fully implemented by Tesco
- 2009 Saw the FIRST Budapest Municipal exchange green for compost program
- 2010 Saw FIRST deliveries of green waste by major retailers to its composting yard
- 2011 Saw FIRST deliveries of bagged compost back to Auchan consumers