



BTC Company Profile



October 2002



BTC City at night



"BTC was created by us. Two generations built it with their knowledge, ability and heart."

Jože Mermal
President and CEO of BTC d.d.





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BTC's balloon Ajda above Ljubljana





I.

Introductory Presentation

Mission

The mission of the public limited company BTC includes development, management, investments and management of property intended for business, trading, entertainment, sports and recreation, together with development of business and technical processes of logistics and distribution.

*From warehousing
premises...*

*... to one of the largest
business and shopping centres
in Central Europe*

*BTC, public limited company,
assumes responsibility
for transformation*

Half a Century of Tradition

BTC d. d. was founded in 1990 as the assign of a socially-owned company, created in 1954. Initially, its principal activity was warehousing, but from the largest customs warehouse in the then Yugoslav market and Europe's largest land terminal it gradually transformed into a modern, market-oriented public limited company.

In the nineties of the previous century, the Company undertook intensive reconstruction and renovation of 200,000 m² of warehousing premises and started dealing in property management. As a result a balanced range of business, trading, sports, recreation and entertainment activities evolved over time.

In a good decade of property management BTC became the number one Slovene shopping centre offering a global range of products and services and thanks to new services and programmes it is developing into one of the largest business shopping centres in Central Europe.

When BTC transformed from a warehousing company into a public limited company dealing with business premises management, it became responsible for choosing new profitable and competitive programmes, business contents and at the same time adequate infrastructure.

Public Limited Company

In 1994 BTC's shares were listed on the Ljubljana Stock Exchange.

International Public Limited Company

In 1997 BTC became an international public company; it is the first Slovene company whose shares were listed on the London Stock Exchange and soon after also on the Frankfurt and Munich Stock Exchanges. By recapitalisation the Company penetrated the international capital market. Foreign investors brought EUR 18.5 million of fresh capital into BTC, which was a window of opportunity for further development. Due to a price fall in global capital markets and too few shares on a global scale, in 2001 BTC delisted its shares from the international market.



BTC - Many years ago



Creation of a City

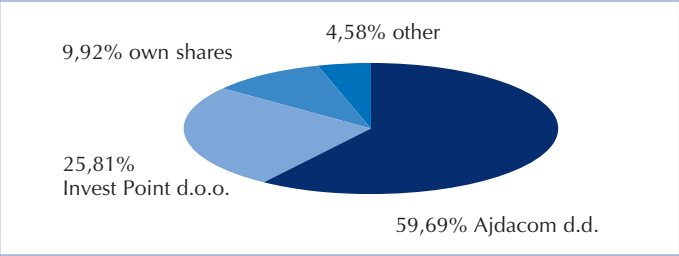
BTC's premises with the pertaining infrastructure are becoming a city with entrances, streets, roundabouts, parking facilities and a wide variety of programmes, opportunities and contents.



Architectural and interior project - refurbishment
of Hall A - view from the east side



Ownership Structure as at 30 September, 2002



The companies Ajdacom and Invest Point are mostly owned by the members of BTC’s staff or management. In view of the fact that the majority stake in BTC is held by its employees, a resolution was passed at the General Meeting of Shareholders that BTC’s shares would be delisted from the Ljubljana Stock Exchange. On 27 September, 2002 the Management Board temporarily delisted BTC’s shares from the stock exchange.

*Heavy investments
in the 1993-2002 period,
totalling EUR 100,000,000*

Heavy investments and intensive development resulting in new, enhanced programmes as a supplement to the existing ones are the two major factors in maintaining and strengthening competitive position.

In the 1993-2002 period BTC’s partners invested EUR 50,000,000 in renovation and equipment of business premises.

*250,000 m² of business premises
acquired by conversion
and construction*

- 97.700 m² of shopping premises
- 33.000 m² of offices
- 7.500 m² of indoor parking area
- 12.600 m² of sports and recreational facilities
- 98.500 m² of warehouses

Stable Growth of the Company’s Business

Refining and expanding the palette of shops was accompanied by development of sports, recreation, culture and entertainment programmes, offering much more than standard shopping centres. In 2000 our development vision improved significantly. With the construction of the modern Office Tower BTC enriched its contents and appearance. Together with other business premises and the Convention Hall, the new Office Tower, housing numerous registered offices of companies, emphasises and deepens the character of the BTC business centre. Thus, an area is becoming a city. BTC is turning into BTC City.

*Increasing the value
of property in
the 1993-2001 period*

- Increase in income from services index 312
- Increase in operating profit index 521
- Higher ROE and ROA
 - 1993 - 2.37%;
 - 2001 - 11.06%
- Growing earnings per share
 - 1993 - 272 SIT
 - 2001 - 4,433 SIT
- Rising book value of the share
 - 1993 - 11,525 SIT
 - 2001 - 44,518 SIT



Symbiosis between the new Office Tower and the BTC's corporate image



II.

BTC City: Coexistence of Various Business Contents

Universal Area

BTC City stands for activities arranged by purpose with a balanced range of various one-stop services. Their co-existence serves as a basis for business, trading, recreational and entertainment activities.

BTC City is the result of heavy investments in restructuring and renovation of premises. It proves that challenges posed by developed international environment as well as visitors' and consumers' needs were met.

*Shopping,
business,
sports, recreational
and entertainment centre*

What Can the New Centre Offer?

Above all a diversified, stimulating and developed environment packed with high-quality features and fulfilling all the needs - beyond any other centre. This must be followed by improvement of exterior, layout and architecture, promotion of innovative designs acceptable in such new environments, providing for safe, comfortable and friendly open areas - markets, pavements and roads - surrounding buildings. These are only some of the features of BTC, which will bring new quality to BTC City in the years to come, while each well-thought improvement will make it even better and more inviting.

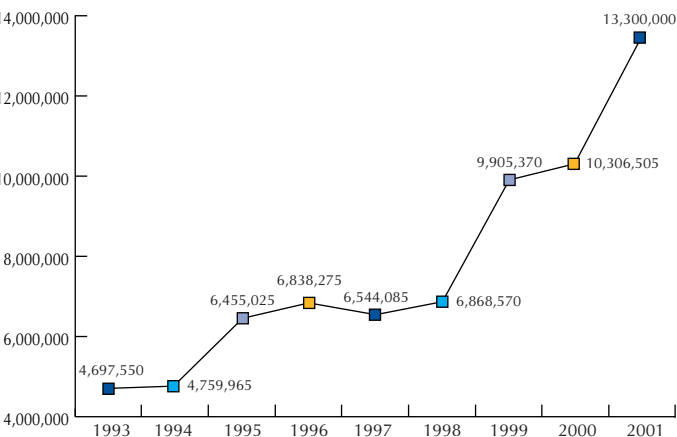
Shopping Centre

In the past decade the BTC area was one of the most lively construction sites in Ljubljana. The existing buildings were restructured and modernised, new halls, roads and parking lots were constructed and green plots arranged. At first, visitors and consumers came here to shop. The name BTC became a synonym for a variety of shops situated at the same place. BTC wishes the consumers to feel that the standard of shopping is constantly increasing and that global trends are being followed. Many visitors and increasing popularity called for investments in different, new ways of spending spare time: sports, recreation, entertainment, relaxation and culture.

After 1993 the number of visitors and shoppers increased, which proved that BTC could turn into a “one-stop shop” with a variety of trading and other business activities tailored to consumers’ needs; a small brewery and a pub, post office, restaurants, food market, banks, pharmacy, car wash - investments improving trading services and introducing new, different products and services.

*Constant increase
in the number of visitors*

Average number of visitors to BTC by year



*The average number of visitors to BTC City,
including City Park and Kolosej,
is regularly calculated since 2001*





- ^ Dom Muller - an eye-catching façade
- v Pleasing interior design of Dom Muller





- Λ Emporium - department store offering clothing for every occasion and age and featuring 111 fashion trademarks
- > Big Bang - the widest range of fun electronics, white goods and music in one place
- ✓ Ariel - a large store for children and their parents



Four hundred shops

The number of shops and business partners of BTC has been increasing since the very first day of business restructuring. BTC houses 400 shops, offering one-stop shopping to fulfil practically all visitors' needs and expectations.

Global trends and moderate specialisation are also reflected in the contents of the newest shops.

Their premises mostly spread over 2,000 m² and their architecture and contents make them comparable to the most reputable European trading centres in every respect; they offer a wide range of separate product groups, i.e. clothing, footwear, products for children, furniture, audio and video appliances, etc.

*BTC City and City Park
- 120,000 m² of shopping area
in total*

Synergic effects emerging from an even more complete and diverse range of products and services of BTC City are even further amplified by the shopping centre City Park, financed entirely by the company Spar Slovenija. City Park positively contributes to BTC City's architectural image and stimulates business.





Office Tower BTC City - architectural symbol
and the centre of business life in BTC



Everything in one place

Business Centre

Concentration of various activities in one place triggered the development of a business centre, which today spreads over 24,200 m². In 2001 the Company's business function was finally reinforced by the newly constructed Office Tower BTC City, covering an area of 14,300 m², which nearly doubled the total area of office premises.

The pyramid-shaped thirteen-storey office building became the architectural symbol of BTC on the verge of the 21st century. A representative architectural achievement is the fruit of the latest construction trends with state-of-the-art communication equipment. The Office Tower in BTC City houses many Slovene and foreign companies and institutions: Bank Austria Creditanstalt, Merck Sharp & Dohme Idea, Johnson & Johnson, Microsoft, Novo Nordisk, Nike, Bene and the Government of the Republic of Slovenia.

Area, the major connective element of BTC City, was designed together with many architects and town planners in Ljubljana, Murska Sobota and Novo mesto:

Vladimir Koželj	Ivo Koritnik	Peter Bassin	Mojca Fišer
Milena Kitek	Nada Schollmayer	Petra Bauer	Igor Jurančič
Toš Kitek	Barbara Schollmayer	Mirjana Berčič	Mira Prelog
Franci Erjavec	Jelica Kupec	Marjan Bežan	Jože Nemec
Milan Štrukelj	Brane Smolej	Urban Brandner	Đuro Ivanovič
Matjaž Pangerc	Fedor Špacapan	Heinz Brunner	Andrej Gregorčič
Jurij Sadar	Boris Vovk	Andrej Cvar	Pavle Klavs
Boštjan Vuga	Andrej Kasal	Angelca Dokl	

Sports and Recreational Centre

The recreation programmes in BTC City have changed the way of life. The Millenium centre is the central sports and recreational facility, covering 5,400 m². The hall features a badminton court, 8 tennis courts, fitness, sauna, jacuzzi, aerobics, massage facilities and a small swimming pool. Every day more than 500 visitors come to the sports centre. On top of that, BTC City offers also halls for squash, indoor golf, aerobics and a wellness centre, used by additional 500 people each day.

- > The Millenium sports centre improves the quality of life and reduces stress
- v Kalipso - Wellness centre - body care and fitness centre







- ^ Kolosej - the first multiplex cinema in Slovenia - 12 cinemas under one roof
- > The Alley of the Youth - a lively centre of the City, packed with youth and energy
- v Attractive interior of Kolosej





*The Alley of
the Youth*

Multiplex Cinema

*BTC Comedy Theatre:
relaxation hand in hand
with culture*

*Art collection:
Place of inspiration*

*Entertainment
of the future*

Entertainment Centre

The Alley of the Youth with a distinctive sundial is a place for relaxation, entertainment and sports. The facility, redolent of beaches and the sea, houses beach volleyball contests and other events that attract many visitors, especially youngsters. In winter the Alley of the Youth offers many activities suited to the time of year, with the outdoor ice-skating rink as the main attraction.

The centre of entertainment in BTC City is the first multiplex cinema in Slovenia. BTC together with the co-investor, Ljubljanski kinematografi, named it Kolosej. It is also one of the largest multiplex cinemas in Europe. Kolosej features 12 halls covering 14,500 m², with 3400 seats and 750 parking lots. High-tech audio-video equipment with state-of-the-art acoustics and ergonomic comfort ensure the cinema-goers to enjoy top standard of film projection.

Nevertheless, in addition to top-range contemporary films, Kolosej also features a number of other functions - a pub, a sweet shop, a restaurant, fast food and drink stalls, which add to the enjoyment of the visit.

An interesting symbiosis has evolved between culture and business in Mercurius. The Convention Hall with 200 seats is used for artistic, business and professional meetings at the highest level and it also hosts the Comedy Theatre - the cult comedy theatre.

The art collection is a proof of the Company's understanding of art, it is the Company's inspiration as well as a good business investment. BTC's art collection includes over 350 works of art: oil paintings, graphics, water-colour paintings, plastic sculptures and other exhibits of foreign and Slovene world renowned artists and those not yet established, adding to the exquisiteness of the place. At the same time the art collection has timeless aesthetic values, appreciated by BTC's employees, business partners and visitors.

In the future BTC City's visitors will be able to spend their spare time also in the entertainment centre and aqualand. This facility will be pleasing to the eye and designed for rest, recharging and recreation - following the latest architectural and technological trends.



- Λ The actors of BTC Comedy Theatre shape and enhance social life
- > BOF - architectural originality, emphasising the importance of the City's entertainment quarter
- √ The new sales concept - BOF - a store in daytime and a building of fun at night



B&F



View of the renovated exterior of Hall A,
BTC City Office Tower in the background



III.

BTC City: Place of Distinction

Place of Diversity

The BTC site is the place of diversity. The everyday activities are intertwined with trading, business, sports, recreation and entertainment programmes, touching the lives of individuals interested in different events, exhibitions and sports activities, such as ice-skating, beach volleyball, roller-skating, etc.

6000 free parking lots

Free day childcare

E-commerce

Lay-out of premises

Place of Distinction

BTC is constantly concerned with the well-being of its visitors. Among other things BTC and City Park together offer 6,000 free parking lots, most of which are under electronic surveillance. The bus lines connecting BTC and the city have been established and modern bus stops constructed. Roundabouts are under construction and a lot is being invested into landscaping, with some sculptures embellishing the place.

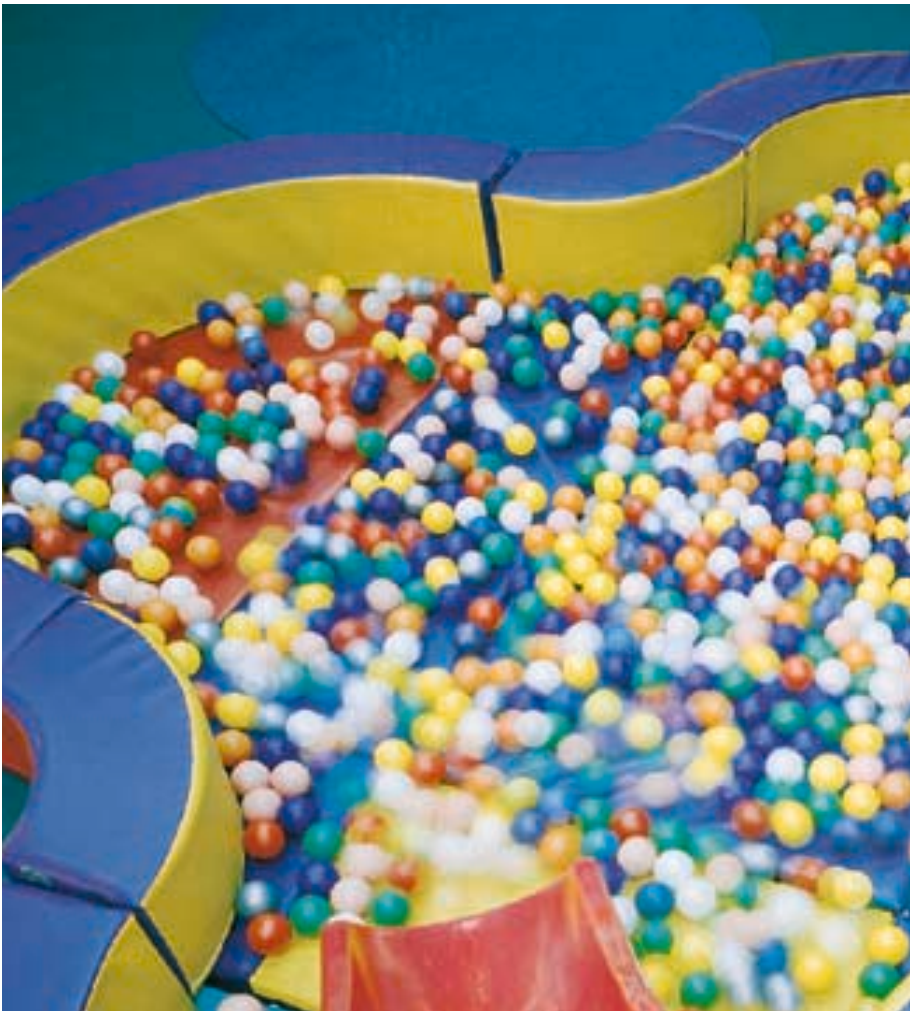
In co-operation with the Ministry of Education and Sport BTC introduced the first free day childcare run by day-care workers.

The playgrounds are being expanded.

In addition to the traditional trading, BTC introduced e-commerce. The share of trading via e-commerce is modest, but constantly on the rise.

In the last decade BTC’s image underwent a complete makeover.

The architecture of BTC improves every year thanks to renovation of exteriors and parks, construction of new facilities and roundabouts. The architecture of BTC, namely its style, layout and decorative features, is constantly being developed so as to enrich the activities and create a stimulating environment. Attractive layout is an important element of recognition, a constant inspiration for development and one of the elements of competitive advantage.





- ^ Free parking lots under electronic surveillance
- < The first free day childcare in the shopping centre
- ✓ The roundabouts will increase the flow and safety of traffic in BTC





- ^ One of the best well-stocked food markets in Slovenia - a variety of colourful fruits and vegetables catches the eye
- > Number 13 can be lucky too - BTC City restaurant, a popular place for business and social events on the 13th floor of the Office Tower
- √ Bars and sweet shops near the food market have turned into lively meeting places







BTC City's horizons

Business units

BTC performs its activities through its business units: the Ljubljana BU is the largest, followed by the Logistics Centre, Murska Sobota BU and Novo mesto BU. At the beginning these units only performed logistic services, but later this was topped by business and shopping centres. In structure they are similar to the Ljubljana BU, only smaller, and their range of services and programmes is not as diversified as in BTC City in Ljubljana. Nevertheless, they are constantly increasing their business premises and expanding their range of products and services. The business units of BTC are turning into lively meeting places, attracting shoppers and visitors.



IV. BTC's Dimensions

250,000 m² of business premises



BTC City in Ljubljana is a place of changes, development and creation.
Vital construction sites dictated by dynamic development can be seen at any time.



*Extraordinary
position*

Ljubljana Business Unit

It is the oldest and the largest unit in BTC, today known as BTC City. It features various inter-connected activities, which complement each other. The Ljubljana BU as a major business district in Slovenia's capital has an extraordinary position, since it lies at the transit crossroads leading to all parts of the country and abroad. It is only 400 metres away from the Ljubljana bypass.

The Ljubljana BU lies 25 kilometres from Brnik international airport and merely 3 kilometres from the very centre of Ljubljana.

- 192,600 m² of business premises:
- > 80,900 m² of shopping premises
 - > 24,000 m² of offices
 - > 7,500 m² of indoor parking area
 - > 12,600 m² of sports and recreational facilities
 - > 67,600 m² of warehouses

The Ljubljana BU generates 68.16% of BTC's income.

Novo mesto Business Unit

15,200 m² of business premises:

>8,500 m² of shopping premises

>1,800 m² of offices

>4,900 m² of warehouses

The Novo mesto BU generates 5.26% of BTC's income.

The Novo mesto BU was founded in 1974. It covers three locations, with business premises covering an area of 15,200 m² in total. Along the Ljubljanska Road there are 44 shops, a post office, a bank and restaurants.

The shopping centre Bršljin was constructed in 2000.

The distribution and logistics centre for the Novo mesto region is located in Češča vas. The centre features an office building, a cargo terminal and a warehouse.

Murska Sobota Business Unit

in Murska Sobota:

11,100 m² of business premises:

>8,300 m² of shopping premises

>1,800 m² of offices

>1,000 m² of warehouses

and in Ptuj:

1,700 m² of business premises:

> 900 m² of offices

> 800 m² of warehouses

The Murska Sobota BU generates 5.47% of BTC's income.

The Murska Sobota BU was established in 1988. Its position is exceptional - it is located in the area bordering Croatia, Austria and Hungary.

With 34 shops the business and shopping centre in Murska Sobota is the central shopping centre in town. The business unit will be expanded further as the well-known merchant Interspar plans to build a new facility, which is expected to be completed in the first half of 2003. Stretching on the area of 6,700 m² this will be the central trading centre in Murska Sobota. In addition, the Murska Sobota BU features a small brewery, a pub and an ice-skating rink in the winter. Thus, it has become a popular gathering place of the citizens and has gradually been turning into a "city".





- ^ Entrance to the shopping centre Novo mesto
- ▼ Entrance to the shopping centre Murska Sobota





- < BTC's Logistics centre BU near Letališka Road in Ljubljana
- ✓ Construction of the new logistics centre Spar Slovenija - 25,000 m² of business and warehousing premises near Letališka Road



Logistics Centre Business Unit

28,700 m² of business premises:

- > 4,500 m² of offices
- > 24,200 m² of warehouses

The Logistics Centre BU generates 16.44% of BTC's income.

The traditional logistics and distribution activity of the Company was relocated from Šmartinska Road to the site along the Letališka Road. At the same time its contents and operations were restructured.

Through modernisation of its infrastructure BTC aims to provide to its partners services of the highest quality. Its state-of-the-art technology enables faster operations, the result of which is constant and considerable growth in the movement of goods. The Company's goal is to provide comprehensive logistics services: forwarding, warehousing, transportation, distribution and manipulation of goods. At present BTC's major partner is Spar Slovenija and the volume of its operations will significantly increase thanks to the new facility covering 25,000 m², which will be completed at the beginning of 2003. BTC will provide logistics and distribution services for the entire network of Spar shops all over Slovenia. Due to the abovementioned, BTC's staff will increase by 6%.



Sundial on the Alley of the Youth - a dynamic symbol of elapsing time and constant movement



V. Development vision

No Limit to Dramatic Development

BTC is capable of rising to further development challenges and ready for a dynamic growth, with planned investments amounting to SIT 11.3 billion over the next three or four years.

Jože Mermal, President and CEO of BTC d.d.



"Ever since the first step was made, the world has been our path and the time our trail. On the path into time, on the trail into the world, BTC is entering the third millennium with ease."

Jože Mermal, President and CEO of BTC d.d.



Company Development

As the Company developed in the nineties, its activity changed radically. The first step to carrying out the development plans was the opening of the first Slovene shopping centre and the second was the birth of BTC City.

Heavy Investments

BTC together with a number of business partners realised its vision by making heavy investments. BTC was an incubator of small family companies and an equal partner to large Slovene and foreign companies.

Future

In order to ensure development and maintain competitive advantage BTC issued mortgaged bonds in the amount of EUR 40 million. These will be used to finance the construction of an aqualand, renovate the facility intended mostly for entertainment, purchase land and expand the central shopping centre in Murska Sobota. In the next stage BTC will complement its functions in BTC City, particularly those of recreation and entertainment.

Broad-mindedness

A business centre as a large open area enables a deeper understanding of the environment, including people who have been hurt and overlooked because of their difficulties. BTC has helped many educational, scientific and cultural institutions. Over nearly 50 years BTC has left a visible trail in a broader environment.

BUSINESS UNITS

Ljubljana BU

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Tax number: 51367971

Company registration number: 5068681

Activity code: 63.110

Share capital: SIT 2,000,000,000

The company is entered in the Companies Register kept by the Regional Court of Ljubljana under the registration number 1/00510/00

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