

Asunción, 21 JULY 2015

To whom it may concern:

Mercotec SAE is a private company for the Paraguayan financial system, it began operations in 2000 with the sale of spare parts for vehicles and is today one of the leading companies in the import and sale of auto and motorcycle parts

During the period from October 3, 2014 and August 7, 2015 we developed a process improvement project called "Moving Forward" led by the firm London Consulting Group in the areas of sales, logistics, import, credit and collections, and back office costs.

After implementing different processes, tools and policies we got the following results:

Commercial Area (Sales):

- Increased global sales (cars and motorcycles) by **8.2%**
- Reducing the cost of commercial management by **8.1%**
- Increased coverage of portfolio by **91%**
- Increased productivity (number of calls per day) telesales area by **102%**
- Increased participation in showroom cash sale by **5%**
- Increased participation of the cash sale of branches by **44%**

Área de Crédito y Cobranza:

- Increase the amount of average monthly collection by **11.5%**
- Increased productivity Telecollecting area by **143%**
- Increased effectiveness of collection calls by **47%**
- Reduction of **31%** of the NPL ratio of nonperforming loans.

Logistics:

- Increase the reliability of picking inventory by **61%**
- Reduced operating cost per item shipped by **27.3%**
- Reduction of lost sales by **39.8 %**
- Increased productivity of packing and prepared by **43%**
- Reduced overtime by **62%**

Import:

- Decreased average monthly cost for containers of 40 cubic meters by **28%**.
- Decreased average monthly cost for containers of 20 cubic meters by **22%**.
- Increased OTIF (On Time In Full) vendor of items by **44%**
- Increase in the quality of suppliers' delivery of items by **33%**

Back Office:

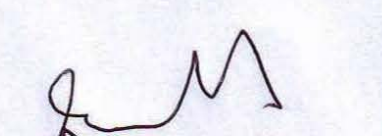
- Development and implementation of the management model for effective accountability, delivery of checks, cash count and flow projection (revenues, expenditures, collections, sales) with projection to 2019.
- Development and implementation of cost management model for the most important financial accounts (60 % of the accounts).
- Development of monitoring model for the delivery fleet, by means of performance indicators.

London Consulting Group has worked closely with all MERCOTEC team and staff, within the demonstrated improvements have had a return on investment of **1:1.1** to date and a projected annualized return of **4.6:1**.

We recognize the commitment and professionalism shown by the staff of London Consulting Group, its methodology promotes the involvement and commitment of all levels within the organization and ensures long-term impact on both savings and work systems.



Wilfried Ediger.
Presidente.
MERCOTEC SAE



Jimmy Dallmann.
Gerente Financiero.
MERCOTEC SAE