



14 June 2016

S-Clave and Funding Update

S-Clave

Mercer Group Limited (NZX:MGL) announces a significant step forward with its S-Clave medical sterilisation technology.

MGL owns and has been developing a patented medical sterilisation technology known as S-Clave.

In the last few months, MGL has completed extensive internal trials resulting in consistent and rigorously controlled sterilisation cycles that have reached the previously stated goal of materially reducing the currently accepted industry processing time.

To now bring that technology to market, MGL has signed a Heads of Agreement (HoA) with Melbourne based A.E. Atherton & Sons (www.atherton.net), Australasia's leading manufacturer and supplier of medical steam sterilisation products. MGL and Atherton will now each commit resources with the goal of bringing an S-Clave product to market trials and subsequent production.

The principle terms of the HoA bring together MGL's technology and Atherton's manufacturing and marketing strengths, which both parties believe will prove successful in bringing a ground breaking technology to market in Australia and New Zealand in the shortest possible time.

Funding

As per the announcement on 2 March 2016, Gresham Finance Limited, a company associated with shareholder and director Humphry Rolleston, agreed to underwrite the deferred consideration due from Mercer Interiors Limited ('MIL') that related to the sale of the Interiors business.

MGL has called the underwrite and on 14 June 2016 received \$750,000. MGL was due to receive \$450,000 from MIL in February 2017 and \$450,000 from MIL in February 2018.

For further information contact:

Richard Rookes, MGL CEO
021414016