Zagreb Stock Exchange

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Title: **Statement referring to the project TL 2x400 kV Beričevo – Krško**

Induced by articles and releases in the media issued both in Croatia and Slovenia and related to cessation of works on construction of the Beričevo – Krško transmission line in the Republic of Slovenia, the Management Board d.d. of Dalekovod d.d. has decided, with a view of providing unbiased and integral information both to the Croatian and Slovenian public, to forward the following statement to the Zagreb Stock Exchange, Hanfa and Hina:

The Consortium Dalekovod d.d., Dalekovod Ljubljana d.o.o. and Elektroservisi d.o.o. signed on 2 September 2011, together with the Slovenian Employer the company Elektro-Slovenia d.o.o. (ELES), an Agreement on Construction, Supply and Installation of Metal Structures, Performance of Civil Engineering and Electrical Fitting Works for Construction of the 2x400 kV Beričevo-Krško Transmission Line.

Despite the initial difficulties (prolonged signing of the Agreement for one month, delayed resolving of the property rights in the field, later date of procurement of permits and necessary documentation than as set out by the original plan), realization of the construction project has been running according to the jointly established plan as accepted by both parties. The situation of the works in the field confirms that the transmission line, being of huge interest for the Slovenian electric power system, should have been completed within the anticipated deadline and within the framework of planned financial funds. Therefore, the decision on cessation of construction of works by ELES is, from the point of view of Dalekovod d.d. and other Consortium members that are taking part in the construction of the project, a move that might cause multiple damages to all the parties of the Agreement, mostly to the Slovenian electric power system and also to the national budget with the help of which the above project is financed.

„Taking into account the business implications, the above decision on cessation of works is the worst solution for Dalekovod d.d., as is brings into question the completion of works within the planned and accepted deadlines. I believe that by conducting direct talks with the representatives of ELES we could resolve any misunderstandings. We have managed to agree on almost everything so far, which is supported by the fact that circa fifty operational working meetings have been held by both parties during the construction of the project. And I don't see which problem could be more important at the moment than the completion of construction of such a significant project, since Dalekovod is a company that is fully ready to deliver the transmission line to the Slovenian Employer and the Slovenian state. As president of the Management Board of the Croatian company on the one hand and as a native Slovene on the other hand, I have an additional incentive to successfully complete this project to the satisfaction of both parties. This is why I believe that the upcoming talks with the representatives of ELES shall be successful, said Matjaž Gorjup, President of the Management Board of Dalekovod d.d.

Dalekovod d.d.