

Zagreb, 8 March 2011

ZAGREB STOCK EXCHANGE

Ivana Lučića 2a
10000 Zagreb

Subject: Notice, Dalekovod has contracted medium-term financing by taking out a club loan at the domestic banks and at the same time decreased its commitments arising from the issued commercial bills

Dear Sirs,

We feel free to inform you that, together with three Croatian banks and under favorable borrowing terms, Dalekovod has contracted a HRK 240 million club loan for a three-year period with a granted one-year grace period.

The above loan has been contracted within the "A model of measures for economic recovery and development of the Government of the Republic of Croatia", through the Croatian Bank for Reconstruction and Development and three other Company's business banks: Privredna banka d.d. Zagreb, Erste&Steiermärkische Banke d.d. and Raiffeisenbank Austria d.d. Zagreb. Please note that 20% of the contracted amount of HRK 240 million shall be used for refinancing one portion of financial commitments, while the remaining portion of the funds shall be used for financing the current assets, including settlement of commitments towards suppliers, the state and other creditors.

The above club loan has been brought into compliance with the announced Company's restructuring program with a view of decreasing dependency on expensive short-term financing sources and extending the maturity and quality of Company's financial commitments.

By taking out this loan, the Company has created a prerequisite for redemption (buy-out) of the 11th and 12th tranche of commercial bills totalling EUR 14,724,567.00 and HRK 13,119,000.00, that shall become due by the end of March 2010. In this way most of HRK 159 million worth issued commercial bills (the remaining 3 smaller tranches shall become due in the second half of this year) would be closed. It is important to emphasize once again that by undertaking this action the Company shall significantly decrease its financing costs, as the club loan interest rates shall be half the amount of the yield on commercial bills on the issuance date.

This financing shall enhance further development of the Company and improve its present financial position, as well as create prerequisites for a new business model in which further internationalization of business activities of the Dalekovod Group would play an important role.

Yours sincerely,

Dalekovod d.d.