



Ulica Marijana Čavića 4, Zagreb
Tel:+385 1 24 11 111
Fax:+385 1 61 71 283
e-mail: dalekovod@dalekovod.hr

Zagreb Stock Exchange

Title: Public Notice to the Existing Shareholders for Subscription for New Shares

Zagreb, 7 May 2014 – „Pursuant to the provision of Article 18c of the Statute of Dalekovod d.d. (hereinafter referred to as the Company), Resolution of the Company’s Management Board, and consent of the Company’s Supervisory Board, Dalekovod d.d. hereby issues this Public Notice to the Existing Shareholders in the Company for Subscription for up to 6,000,000 New Ordinary Shares in the First Round of Subscription

Enclosed please find the Public Notice, while more detailed information is available on our website at www.dalekovod.hr

Dalekovod d.d.



dioničko društvo
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**PUBLIC NOTICE
TO THE EXISTING SHAREHOLDERS OF Dalekovod, d.d.
FOR SUBSCRIPTION FOR UP TO 6,000,000 NEW ORDINARY SHARES IN THE FIRST
ROUND OF SUBSCRIPTION**

Pursuant to its authorities set forth in Article 18c of the Statute, the Management Board of Dalekovod, dioničko društvo za inženjering, proizvodnju i izgradnju, Ulica Marijana Čavića 4, Zagreb, registered in the court registry of the Commercial Court in Zagreb under registration number (MBS) 080010093, PIN: 47911242222 (hereinafter referred to as the Issuer or the Company), passed, on 6 May 2014, its Resolution to Increase the Share Capital and Issue Ordinary Shares by Cash Contributions to the Exclusion of the Right of First Refusal Granted to the Shareholders Holding Company Shares Issued Against Cash Contributions Pursuant to the Ordinary General Meeting's Resolution of 22 July 2013 (hereinafter referred to as the Share Capital Increase Resolution).

The Issuer's share capital is divided into 18,719,433 ordinary registered shares (hereinafter referred to as the Existing Shares) and is to be increased by a cash payment from HRK 187,194,330.00 by up to HRK 60,000,000.00 to up to HRK 247,194,330.00 by issuing up to 6,000,000 new ordinary registered shares in dematerialized form, each having a nominal value of HRK 10.00 (hereinafter referred to as the New Shares). The New Shares will be issued in their nominal value.

The Issuer has engaged Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, Zagreb, PIN: 92963223473, as the manager of the New Shares issue (hereinafter referred to as the Issue Manager), and MADIRAZZA & PARTNERI, Law Firm, Masarykova 21, Zagreb, PIN: 37462847637, as its legal advisor for the New Shares issue.

As the offering of the New Shares is envisaged by the Company's pre-bankruptcy settlement entered into before the Commercial Court in Zagreb on 29 January 2014, file number: Stpn-365/13, and is to be made in accordance with the financial and operating restructuring plan adopted within the pre-bankruptcy settlement procedure, the Company is issuing the New Shares by exercising the exception defined in Article 351, paragraph (1), subparagraph 12 of the Capital Market Act and no prospectus will be published for the purposes of issuing the New Shares.

The public offering is addressed solely to the Issuer's existing shareholders holding registered shares in their dematerialized securities accounts with Central Clearing and Depository Company Inc. (hereinafter referred to as CCDC) on 21 May 2014 (hereinafter referred to as the Subscription Right Establishment Date), except for such shareholders whose right of first refusal is excluded under the Share Capital Increase Resolution (hereinafter referred to as the Investors). Treasury shares do not entitle to participation in the process of increasing the share capital.

By this public notice for subscription of New Shares (hereinafter referred to as the Public Notice), the Issuer invites the Investors to subscribe for New Shares i.e. for up to 6,000,000 Issuer's New Shares.

The subscription and payment for the New Shares shall be carried out in two rounds:

In Round 1, the right to subscribe to shares will be granted to the existing Issuer's shareholders holding registered shares in their dematerialized securities accounts with CCDC on the Subscription Right Establishment Date (21 May 2014) in accordance with CCDC's rules, except for the shareholders whose right of first refusal is excluded under the Share Capital Increase Resolution.



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In Round 1, shares will be subscribed for over a period of 30 days, from 26 May 2014 to 24 June 2014 (hereinafter referred to as the Subscription Period).

An Investor will be allowed to subscribe and pay for shares up to 100% of the total number of offered shares i.e. up to 6,000,000 shares, pro rata to their respective shares in the share capital. The maximum number of shares an Investor may subscribe for in Round 1 (hereinafter referred to as the Maximum Subscription Right) will be calculated by dividing the total number of New Shares by the total number of Existing Shares on the Subscription Right Establishment Date, less the number of shares not entitling to subscribe for New Shares, multiplied by the number of shares held by the Investor on the Subscription Right Establishment Date, rounded down to the nearest integer. After the Subscription Right Establishment Date and prior to the beginning of the Subscription Period in Round 1, the Issuer will publish, via Zagrebačka burza d.d. and Issuer's website, the exact number of Existing Shares on the Subscription Right Establishment Date, less the number of shares not entitling to subscribe for New Shares.

A Subscription Statement based on which an Investor subscribes in excess of the Maximum Subscription Right will only be taken into account up to the amount of the Maximum Subscription Right.

If an Investor fails to pay the full amount for the New Shares subscribed for within the period set in this Public Notice, the New Shares will be allocated to such Investor according to such underpaid amount.

If an Investor pays an amount in excess of the amount payable for the New Shares subscribed for, the amount specified in the Subscription Statement will be taken into account, while the overpaid amount will be refunded to such Investor within 7 business days following the end of the Subscription Period. An amount overpaid in Round 1 may not be applied toward the payment for New Shares subscribed for in Round 2. Any setoff of an Investor's claim arising from the payment for New Shares subscribed for in Round 1 against the required payment for New Shares in Round 2 will have no legal effect.

In case the subscription is canceled, the amounts paid will be refunded within the refund period following the Subscription Period for each round of subscription.

In Round 2, only Investors that subscribed for New Shares in Round 1 will be entitled to subscribe for all remaining shares not subscribed and paid for in Round 1 (hereinafter referred to as Round 2 Shares). In Round 2, shares will be subscribed for over 8 days and the public notice of subscription for shares in Round 2 will detail the: place and time of subscribing for shares by using Subscription Statements, the total number of shares offered in Round 2, the time limit for paying for shares subscribed in Round 2, the refund period, and the method of notifying the Investors of the number of shares acquired by allocation in Round 2.

In case the total number of shares subscribed and paid for in Round 2 exceeds the maximum number of shares offered in Round 2, the shares will be allocated pro rata to the amount of each Investor's New Shares validly subscribed and paid for in Round 2.

New shares will be subscribed for by a written statement – a subscription statement (hereinafter referred to as the Subscription Statement). New Shares will be subscribed and paid for at the nominal value of each share of HRK 10.00. The payment period will equal the Subscription Period. Shareholders are required to fully pay for their shares subscribed for in Round 1 to a designated account number: HR17 2360 0001 3000 8611 7, opened for the share subscription purposes with Zagrebačka banka d.d., no later than 24 June 2014 at 11:59 p.m., provided that valid payments will only include payments received in the above account by 24 June 2014 at 11:59 p.m. (hereinafter referred to as the Payment



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Receipt Deadline). If an Investor makes such payment through another payment institution, such Investor should obtain information from such institution as to the time necessary for the funds to be duly received in the above account by the Payment Receipt Deadline.

Non-corporate Investors may only subscribe for New Shares in Issue Manager's offices. Corporate Investors may subscribe for New Shares via Institutional Sales of Zagrebačka banka d.d.

The New Shares issue will be deemed successfully completed if at least 60% of the total amount of the issue is subscribed and paid for within the period for subscription and payment provided for in the public notices, that is, at least 3,600,000 New Shares. If the subscription for New Shares fails, the Issuer will within 7 business days following the end of the last day of the period for subscription and payment for New Shares refund to the Investors the amounts paid by them. In such case, the Issuer will not be responsible for the payment service costs or for paying any interest to such Investors.

The Existing Shares and the New Shares grant equal rights. The New Shares will be issued in dematerialized form as electronic records within CCDC's computer system under an identification number assigned by CCDC. The New Shares will be quoted on the organized market of Zagrebačka burza d.d. in accordance with the applicable regulations.

Issuer's Existing Shares will be recorded electronically in CCDC's computer system under the security identification numbers DLKV-R-A and DLKV-R-B and international security identification numbers (ISIN) HRDLKVRA0006 and HRDLKVRB0005. The stock exchange identification number of the Issuer's shares quoted on the organized market of Zagrebačka burza d.d. will be DLKV-R-A.

The New Shares will be issued after the Issuer's share capital increase is registered in the court registry of the Commercial Court in Zagreb. If the share capital increase is not registered in the court registry within 12 months following the adoption date of the Share Capital Increase Resolution, the Subscription Statement will no longer be binding upon the subscriber and the payment made will be promptly refunded to the shareholders. In such case, the share capital increase and share issue will not be deemed successfully completed.

When subscribing for New Shares, Investors or their legal representatives are required to present an identification document (identity card or passport), a document showing their PIN, and particulars of the bank account to which a potential refund will be made. The bank account number must be provided in the form of an IBAN.

In addition to personal subscription, shares may also be subscribed for through an attorney. In addition to such identification document, an attorney is required to present a notarized special power of attorney in Croatian in two copies when subscribing for New Shares. In case such power of attorney is legalized abroad, the text of the legalization must be translated into Croatian.

A power of attorney legalized abroad must be legalized either (i) at a consular mission of the Republic of Croatia, or (ii) before a competent authority of a third country being a party to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents, subject to fulfillment of all prerequisites for the validity of legalization in accordance with such Convention.

The wording of the form of power of attorney will be published on Issuer's website.



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The Issuer invites all shareholders to examine the Issuer's documents published on Zagreb Stock Exchange's website and on Issuer's website and to autonomously assess the financial position, potential, and risk factors in connection with the Issuer and New Shares before they make any decision regarding their subscription for New Shares.

All further information concerning the subscription and payment for New Shares will be available at all Issue Manager's offices during the Subscription Period and Investors may also request it by sending a written inquiry at the addresses below:

For Non-corporate Investors

Zagrebačka banka d.d.
Investment Banking Division
Savska 60, Zagreb
Fax: +385 1 6325 300
e-mail:
capital.markets@unicreditgroup.zaba.hr

For Corporate Investors

Zagrebačka banka d.d.
Market Division (Institutional Sales)
Savska 62, Zagreb
Fax: + 385 1 6325 400
e-mail:
institutional.sales@unicreditgroup.zaba.hr

The Public Notice will be published in at least one daily newspaper, the Official Gazette (Narodne novine) and through the Zagreb Stock Exchange (www.zse.hr), and will be provided to the Official registry of Required Information with the Croatian Financial Services Supervisory Agency.

Dalekovod d.d.