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Zagreb Stock Exchange –HR
Ivana Lučića Street 2 a

Zagreb, 7th December, 2011

Notice of the Company KONČAR-ELEKTROINDUSTRIJA d.d., Zagreb
(in English: KONČAR – ELECTRICAL INDUSTRY Inc.)

Pursuant Article 428 and 441 of the Capital Market Act, the Company KONČAR-ELEKTROINDUSTRIJA d.d. (in English: KONČAR – ELECTRICAL INDUSTRY Inc.), Zagreb, Fallerovo šetalište Street 22, registered at the Court Register of the Commercial Court of Zagreb,(NO) 3282635, PID; 45050126417 with headquarters in Zagreb, Fallerovo šetalište Street 22, President of the Managing Board Mr Darinko Bago (further on referred to as “the Issuer”) is informing the general public over HINA (Croatian Information Agency) that it has received the notice by VALAMAR ADRIA HOLDING d.d., Miramarska cesta Street 24, and the Company LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.), as the company 100 % owned by the Company VALAMAR ADRIA HOLDING d.d., on acquisition of shares and passing of the threshold of 5 % of voting rights in the Issuer.

1. On 30th September, 2011, VALAMAR ADRIA HOLDING and LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.) made the Contract on Investment of Securities (stocks), precisely 190,491 Issuer’s ordinary shares were invested into the share capital of the Company LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.).
2. On 30th September, 2011, VALAMAR ADRIA HOLDING d.d., as the only member of the Company LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.), made the decision on the increase of the share capital by investment of the stated Issuer’s shares into the share capital of the Company LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.).
3. On 1st December, 2011 an application was submitted to the Commercial Court for registration of the stated increase of the share capital. After receipt of the resolution on the increase of the share capital, the stated Issuer’s shares will be transferred from VALAMAR ADRIA HOLDING d.d. to LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.) in the Central Clearing Deposit Company.

On the basis of the above stated, VALAMAR ADRIA HOLDING d.d. releases and the Company LINTEUM SAVJETOVANJE d.o.o. (in English: LINTEUM COUNSELLING Ltd.) acquires 190,491 shares with the right to vote, making 7.406 % of the Issuer’s share capital and represents 190,491 votes at the Issuer’s Annual / Extraordinary General Meeting.

With the stated increase the Company LINTEUM SAVJETOVANJE d.o.o (in English: LINTEUM COUNSELLING Ltd.) passes the threshold of 5 % of the Issuer’s voting rights and it will be in

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possession of the total of 190,491 Issuer's shares with voting rights making 7.406 % of the Issuer's share capital resulting in 190,491 votes at the Issuer's Annual / Extraordinary General Meeting, while the Company VALAMAR ADRIA HOLDING d.d. will release the stated number of shares and it will not be in a direct possession of any of the Issuer's shares, but since it owns 100 % of shares of the Company LINTEUM SAVJETOVANJE d.o.o (in English: LINTEUM COUNSELLING Ltd.) it will be in an indirect possession of the stated shares.

Končar-Elektroindustrija d.d.
Končar – Electrical Industry Inc.