

ERSTE PLAVI PENSION FUNDS

KONČAR – ELECTRICAL INDUSTRY Inc
Attn. Mr Ervin Filipčić
Fallerovo Šetalište Street No 22
10 000 ZAGREB

18^h August, 2014

**SUBJECT: NOTIFICATION PURSUANT CAPITAL MARKET ACT, ART 464 –
ACQUISITION OF KONČAR – ELECTRICAL INDUSTRY Inc. SHARES**

Dear Mr Filipčić,

Regarding the fact Mr Petar Vlaić is the President of the Managing Board of Erste Ltd., a company in charge of management of an obligatory pension fund (further on referred to as: “the Company”) and also a member of the Supervisory Board of Končar – Electrical Industry Inc., pursuant the Capital Market Act, Art 464, Para 2, (Official Gazette No 88/08, 146/08, 74/09, 54/13), we are informing you that the Company acquired 30 shares of Končar – Electrical Industry Inc. having the identification KOEI-R-A for the account of Erste Plavi Obligatory Retirement Fund on 11th August, 2014, on the basis of their sale at the Zagreb Stock Exchange buying them for the average price of HRK 676,00 , acquired 38 shares of Končar – Electrical Industry Inc. having the identification KOEI-R-A for the account of Erste Plavi Obligatory Retirement Fund on 12th August, 2014, on the basis of their sale at the Zagreb Stock Exchange buying them for the average price of HRK 675,2011 and acquired 106 shares of Končar – Electrical Industry Inc. having the identification KOEI-R-A for the account of Erste Plavi Obligatory Retirement Fund on 12th August, 2014, on the basis of their sale at the Zagreb Stock Exchange buying them for the average price of HRK 675,2011.

With kindest regards,

Vedran Šurina
For Erste Ltd.