

In Zagreb, on 30 March 2012

MEETING OF THE SUPERVISORY BOARD OF KONČAR-ELECTRICAL INDUSTRY Inc.

The meeting of the Supervisory Board of Končar - Electrical Industry Inc. was held on 30 March 2012. At the abovementioned meeting, the Supervisory Board of Končar - Electrical Industry Inc. adopted the financial statements for 2011 for Končar - Electrical Industry Inc. and the consolidated financial statements for the Končar Group, along with the auditors' reports and opinions.

The financial reports have been revised by the following two auditing companies: Grant Thornton Audit Ltd. Zagreb and Reconsult Ltd. Zagreb, in whose opinion the financial statements in all material respects give a true and fair presentation of the financial position of the Company and the Group as of 31 December 2011, as well as the results of operations, the changes in equity and the cash flows of the Company and the Group for the year 2011 in accordance with the International Financial Reporting Standards effective in the European Union.

The Supervisory Board adopted the Management Board report on the state of the company Končar - Electrical Industry Inc. as well as the Končar Group for the year 2011. Furthermore, a proposal of the Capital Allocation Decision for the business year 2011 was determined, which has been referred to adoption at the General Assembly of the Company.

The date of the General Assembly of the Company shall be decided on subsequently.

The Management Board of Končar - Electrical Industry Inc.