

Pursuant Article 277 Para 2 and 3 on the Trading Company Act and Article 33 of the Statutes of the Company KONČAR - ELEKTROINDUSTRIJA d.d. (in English: KONČAR – ELECTRICAL INDUSTRY Inc.), Zagreb, Fallerovo šetalište 22 and the Decision of the Managing Board of the Company on convening of the EGM passed on 17th June, 2011, we hereby announce convening and the Invitation to the

**EXTRAORDINARY GENERAL MEETING OF
KONČAR - ELEKTROINDUSTRIJA d.d.
(in English: KONČAR – ELECTRICAL INDUSTRY Inc.)**

To be held on 28th July, 2011 beginning at 12:00 p.m. in the premises of KONČAR - ELEKTROINDUSTRIJA d.d. (in English: KONČAR – ELECTRICAL INDUSTRY Inc.), Fallerovo šetalište 22, Zagreb, Office 407-8, with the following

Agenda:

Opening of the Extraordinary General Meeting and verification of the present shareholders
Decision on recall from duty and election of the Supervisory Board Members

The EGM Draft Decisions:

The Supervisory Board proposes to the Extraordinary General Meeting to adopt the decision under the Item 2.

Ad.2.

Pursuant Articles 256, 259 and 275 of the Trading Company Act and Article 31 of the Statutes of KONČAR - ELEKTROINDUSTRIJA d.d. (in English: KONČAR – ELECTRICAL INDUSTRY Inc.), on 28th July, 2011, the Extraordinary General meeting has passed the following

DECISION

On recall from duty and election of the Supervisory Board Members

1. The following Supervisory Board Members are recalled from duty on 28th July, 2011:

- Igor Lučić, Supervisory Board President
- Djuro Perica, a Member
- Nenad Matić, a Member
- Zdenka Matković, a Member

2. The following gentlemen are elected to be Supervisory Board Members:

- BOŽIDAR PILLER from Zagreba, Lomnička Street 5, PID: 42649404563, a retiree, is elected to be a Supervisory Board member by a decision of the Extraordinary General Meeting of 28th July, 2011.

- NENAD MATIĆ from Zagreb, Čikatska Street 18, PID: 89271089223, a Manager in the Ministry of the Regional Development, Forestry and Water Management is elected to be a Supervisory Board member by a decision of the Extraordinary General Meeting of 28th July, 2011.

- DJURO PERICA, from Zagreba, Hrvojeva Street 3, PID: 65703893162, a retiree, is elected to be a Supervisory Board member by a decision of the Extraordinary General Meeting of 28th July, 2011.

- ELVIS KOVAČEVIĆ, from Vinkovci, Kanovačka Street 48, PID: 59705671575, a Manger of a company, is elected to be a Supervisory Board member by a decision of the Extraordinary General Meeting of 28th July, 2011.

3. Supervisory Board Members are elected for the term of office of four (4) years, beginning on 29th July, 2011.

4. This Decision comes into force on the date of its passing.

Conditions for participation in the Extraordinary General Meeting and usage of the right to vote:

Every shareholder registered in the Depository of the Central Clearing Depository Association (Središnje klirinško depozitarno društvo - SKDD) shall have right to participate at the Extraordinary General Meeting and use his/her right to vote personally or to be represented by his/her legal representative or proxy, if the shareholder announce his/her intent to participate at the AGM to the Company in written form to the address of the Company with the note "Announcement of participation at the EGM" not later than six (6) days prior to holding of the AGM. Shareholders or their proxies who do not announce participation shall not have an opportunity to participate in the Annual General Meeting.

Every shareholder can be represented by a proxy, a natural or a legal person, on the basis of a validly written power of attorney. Each power of attorney shall comprise the personal data of the shareholder who gives the power of attorney, the number of shares or votes he/she possesses, the power of attorney to the proxy to participate in the Extraordinary General Meeting and to vote and the date of the power of attorney and the time of its validity. Every power of attorney given by a natural person shall be signed in front of a public notary or in the Company premises in front of the person authorised by the Company Managing Board.

Every power of attorney can be submitted by post or personally in the headquarters of the Company, Shareholders Office every working day by the beginning of the Extraordinary General Meeting or immediately during identification at the EGM. A power of attorney sample is available at the Company web site www.koncar.hr.

Shareholders in the possession of shares in the amount of 5 % of the share capital can send their proposals of any subject to be listed in the Extraordinary General Meeting Agenda to the Managing Board for publication. Any application for listing of a subject on the EGM Agenda shall be received at least 30 days prior to holding of the Extraordinary General Meeting and shareholders shall give an explanation and a draft decision.

Shareholders and their proxies can have an insight into materials representing basic documents for passing of decisions whose drafts are published, in the headquarters of the Company, in the Shareholders Office every working day, except Saturdays, from 10:00 a.m. to 14:00 p.m. from the date of publishing of this Invitation in the Official Journal and at the Company web site.

All data bound to holding of the Extraordinary General Meeting are published at the Company web site.

In case the Extraordinary General Meeting cannot be held on the day of 28th July, 2011 due to the lack of quorum, the Annual General Meeting will be held at the same place, on the day of 29th July, 2011 beginning at 12:00.

Managing Board

KONČAR – ELECTRICAL INDUSTRY Inc.