

CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY
Miramarska Street 24 B
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Zagreb Stock Exchange
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Zagreb, 30th October, 2017

KONČAR – ELECTRICAL INDUSTRY Inc. SUPERVISORY BOARD MEETING

Končar – Electrical Industry Inc. Supervisory Board held its 18th Meeting on 30th October, 2017.

The Meeting considered and adopted financial reports for business operation of Končar Elektroindustrija d.d. (Končar – Electrical Industry Inc.) and consolidated financial reports for the Končar Group for the time period from January to September, 2017.

During the report period, activities regarding merging of three companies from the Generation, Transmission and Distribution of Electrical Power and Transport Business Area have been initialled. All three Companies (Končar – Električni aparati srednjeg napona / Medium voltage Apparatus; Končar – Električni visokonaponski aparati / High Voltage Switchgear and Končar – Sklopna postrojenja / Switchgear) operate in the field of middle and medium voltage and from the marketing point of view they are oriented towards common markets of distribution and transmission of electric energy.

Merger main objectives are increasing of synergic effects, better research, development and sales coordination, usage of the “excellence” approach where the excellence of one company is being transferred to other Companies, outsourcing of mechanical components, lower staff costs, lower indirect costs using less resources compared to resources used by those Companies nowadays and sales of not used property. All three Companies are 100 % owned by the Group Mother Company (Končar – Elektroindustrija d.d. / Electrical Industry Inc.).

The Supervisory Board took the notice regarding the current advancement of the merging project and reached the decision on merging of the Company Končar - High Voltage Switchgear Inc. and Končar - Switchgear Inc. to the Company Končar - Medium voltage Apparatus Inc. and gave its consent to all legal activities necessary for implementation of the merger status change.

Managing Board

Končar – Electrical Industry Inc.