

**KONČAR ENTERED INTO A NEW AGREEMENT
FOR A HYDRO POWER PLANT IN NORWAY**

Oslo/Zagreb, 16th May, 2013 – Company KONČAR - Generators and Motors (GIM) has entered into a new agreement for refurbishment and increase of power of two bulb type units for Norwegian Hydro Power Plant Klosterfoss in Oslo. After the refurbishment new units will have the total installed power of 15.6 MVA.

The value of the agreement made with the Norwegian electric power manufacturer, company Akershus Energi, is 13.4 million euros and it has been won in the competition with the largest world generator producers. The Agreement also represents a continuance of KONČAR successful export to Scandinavian countries. KONČAR GIM has delivered the equipment for 11 small hydro power plants for Norwegian market, while the production of the equipment for another four small hydro power plant is in due course (within the frames of several-year-long agreement made with Norwegian company SMAKRAFT).

In addition to the stated, a generator with the power of 35 MVA has been delivered for Dale Hydro Power Plant, while the refurbishment of the last out of four generators, each of one having the power of 37 MVA for Binga Hydro Power Plant on Philippines owned by Norwegian company SN Power and the local group Aboitiz has entered the final phase.

“This is another important agreement for the delivery of generators to the challenging market and the proof of confidence in our products. In addition to Norway, KONČAR is very successful on the markets of other Scandinavian countries as well, where it has contracted generators for 45 larger and smaller hydro power plants by now. At the moment as many as eight agreements have entered various performance phases for hydro power plants in Finland. We are proud we have won the new project

for Klosterfoss Hydro Power Plant in the bidding procedure among the best manufacturers and I am sure that we are going to complete this project successfully as well”, says Roman Nota, Chairman of the Managing Board of KONČAR – Generators and Motors.