



Zagreb, 1 June 2011

Decisions of the General Assembly of Končar – Electrical Industry Inc. Held on 1 June 2011.

Agenda of the General Assembly of Končar – Electrical Industry Inc.

1. Opening of the Annual General Meeting and verification of present shareholders
2. Managing Board 2010 Annual Report on the position of the Company and dependent Companies
3. 2010 Financial Reports and KONČAR – ELECTRICAL INDUSTRY Inc. 2010 Consolidated Financial Report including the Auditor Report as determined by the Managing and the Supervisory Boards of the Company.
4. Supervisory Board Report on supervision of management of business operations of the Company in 2010
5. Decision on allocation of 2010 profits
6. Decision on relieve of Managing and Supervisory Board members from duty
 - a) Decision on relive of Managing Board members from duty for the year 2010
 - b) Decision on relive of Supervisory Board members from duty for the year 2010
7. Decision on the remuneration for activities performed in the Supervisory Board
8. Decision on appointment of the Auditor for the year of 2011

The General Assembly of Končar – Electrical Industry Inc., which was attended by 2.026.822 votes, which constitutes 78,80% of total votes, has made the following decisions

Ad.2.

The General Assembly takes the notice of the Managing Board 2010 Annual Report on the position of the Company and the dependent Companies.

Ad.3.

The General Assembly takes the notice of the information on 2010 KONČAR – ELECTRICAL INDUSTRY Inc. Financial Reports and 2010 KONČAR GROUP Consolidated Financial Reports as determined by the Managing and the Supervisory Boards including Auditor Reports on the performed audit of financial reports.

In 2010 the Company generated:

- Total revenues	- in the amount of:	234,587,768 HRK
- Total expenditures	- in the amount of:	173,072,679 HRK
- Profit before taxation	- in the amount of:	61,515,089 HRK
- Income tax	- in the amount of:	0 HRK
- Net profits	- in the amount of:	61,515,089 HRK
- Total assets of the Company:		1,548,168,499 HRK
- Capital, reserves and unallocated profits:		1,256,631,736 HRK
- Total liabilities:		291,344,087 HRK

In 2010 the Končar Group generated:

- Total consolidated revenues	- in the amount of:	2.826.291.704 HRK
- Total consolidated expenditures	- in the amount of:	2.624.646.630 HRK
- Profit before taxation	- in the amount of:	201.645.074 HRK
- Income tax	- in the amount of:	15.609.173 HRK
- Profits after taxation	- in the amount of:	186.035.901 HRK
- Total assets:		3.296.149.979 HRK
- Capital, reserves and unallocated profits:		1.577.485.012 HRK
- Total liabilities:		856.839.667 HRK

Ad.4.

The General Assembly takes the notice of the Supervisory Board Report on supervision of management of business operations of the Company in 2010.

Ad. 5.

Decision on allocation of 2010 profits:

1. Available/remaining profits generated in the business year of 2010 in the amount of HRK 30,865,428.00 are allocated for payment of dividends in the amount of HRK 12.00 per share;
2. Dividends shall be paid to every shareholder that is registered in the Depository of the Central Clearing Depository Association (SKDD) as a holder of rights arising from the share on the date that falls 15 (fifteen) days after holding of the AGM. That is the date of acquisition of the right to payment of dividends.
3. The payment of any dividend shall be executed not later than 15 (fifteen) days from the date of acquisition of the claim to pay the dividend.

Explanation:

KONČAR – ELECTRICAL INDUSTRY Inc. Managing and Supervisory Boards determined the Company 2010 Financial Reports on 4th April, 2011.

The net profits generated in 2010 in the amount of HRK 61,515,089.04 are allocated to:

- Legal reserves (5 %)	- in the amount of	3,075,754.45 HRK
- Statutory reserves	- in the amount of	8,786,953.29 HRK
- Reserves for acquisition of own shares	- in the amount of	10,000,000.00 HRK
- Other reserves	- in the amount of	<u>8,786,953.30 HRK</u>
Total		30,649,661.04 HRK
Remaining available profits		30,865,428.00 HRK

The Managing and Supervisory Boards have proposed to KONČAR – ELECTRICAL INDUSTRY Inc. Annual General Meeting to:

- distribute remaining available profits in the amount of HRK 30,865,428.00 to shareholders as dividends. A dividend per share amounts to HRK 12.00. (HRK 30,865,428.00: 2,572,119 shares = HRK 12.00 per share)

Ad.6.

a)

The Company Managing Board members are relieved of duty to manage business operations of the Company in 2010.

b)

The Company Supervisory Board members are relieved of duty to supervise managing of business operations of the Company in 2010.

Ad.7.

The Company Supervisory Board members shall receive one-off remuneration for the achieved 2010 business result in the amount of 1/10 of the amount of remuneration of each Company Managing Board member, while the Supervisory Board Chairman and Deputy Chairman shall receive one-off remuneration in the amount of 1/10 of the remuneration of the Managing Board Chairman. The paid amounts shall be net amounts and the Company shall pay associated taxes, local taxes and contributions.

Ad.8.

Companies Grant Thornton d.o.o. from Zagreb, Koranska 16 and Reconsult d.o.o. from Zagreb, Trg hrvatskih velikana 4/1 are commonly appointed auditors for KONČAR – ELECTRICAL INDUSTRY Inc. Financial Reports and the KONČAR Group Consolidated Financial Reports for the year of 2011.