

CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY
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Zagreb, 15th December, 2014

KONČAR – ELECTRICAL INDUSTRY INC. SUPERVISORY BOARD MEETING

The Supervisory Board considered business operations of the KONČAR Group in accordance with the Agenda of its Meeting held on 15th December, 2014.

It is estimated that the Končar Group Companies are going to achieve the consolidated incomes from sales of products and services for the time period January to December, 2014, in the amount of HRK 2,626.4 million making them higher by HRK 117.4 million or 4.7 per cent than the achievements in 2014.

It is estimated that incomes from sales of products and services achieved on the domestic market are going to be achieved in the amount of HRK 1,328.9 million making them 5 per cent higher than the achievement for 2013. It is estimated that incomes from sales of products and services achieved on foreign markets are going to be achieved in the amount of HRK 1,297.5 million making them 4.4 per cent higher than the achievement of the last year. The position of unsettled liabilities at the end of 2014 is estimated to the amount of approximately HRK 4 billion and they are higher by 74 per cent compared to the beginning of 2014.

The consolidated profit before tax of the Group is estimated to the amount of HRK 156.4 million. The estimated profit belonging to the owners of the Group Mother Company amounts to HRK 110.3 million and it is at the level of 2014 Plan.

The Supervisory Board adopted the 2015 Business Plan.

During 2015 Business Year, the KONČAR Group plans to generate incomes from sales of products and services in the amount of HRK 3,263.5 million making them by HRK 637.1 million or 24.3 per cent higher than the estimated 2014 results. It is estimated that incomes from sales of goods and services in the domestic market are going to be achieved in the amount of HRK 1,920.5 million making them by 44.5 per cent higher than the achievement in 2014. Incomes from sales of goods and services in export are planned in the amount of HRK 1,343 million or 3.5 per cent higher than the estimated achievement for 2014.

The planned profit before tax is planned in the amount of HRK 157.7 million and it is 1 per cent higher compared to the estimated achievement for 2014. The profit belonging to the

Mother Company shareholders is planned in the amount of HRK 108.6 million, the amount that is at the level of the estimated achievement for 2014.

The investment into tangible assets in 2015 is planned to amount to HRK 136.9 million. The majority of the planned amount of investments is going to be invested into the means of production in the amount of HRK 90.7 million or 66 per cent of the total amount of investments. The majority part of the planned investments (75 per cent) is planned to be financed from the in-house asset sources (approximately HRK 101.9 million).

Končar – Electrical Industry Inc. Managing Board