

In Jastrebarsko, 30 August 2010

SUBJECT: Notice of the convened regular General Assembly of the company Magma d.d.

A regular session of the General Assembly of the company Magma d.d. (the Company) was held on 30 August 2010.

The shareholders were provided with the Management's report on ratified annual financial statements and consolidated annual financial statements of the Company for 2009, the Management's annual report on the state of the Company and its subsidiaries, and the Management's report on acquisition of own stocks. Also presented were the Supervisory Board's report on executed supervision of business transactions of the Company in 2009, the results of auditing and adoption of annual financial statements and consolidated annual financial statements of the Company, as well as on analysing the Management's report on the state of the Company and its subsidiaries.

The Assembly issued letters of release to the members of the Management and the Supervisory Board who had been authorised to manage and supervise business activity of the Company in 2009.

The Assembly adopted the Decision on covering business losses from 2009, which are to be covered in such a manner that a portion of retained profit from 2008, in amount of HRK 615,065, is allocated to reserves for acquisition of own stocks. The remaining retained profit from 2008, in amount of HRK 11,661,847, shall be allocated for covering the loss from 2009. The amount of the remaining outstanding loss from 2009 shall be covered from the profits of future periods.

The audit company KPMG Croatia d.o.o., Zagreb, was appointed the auditor of the Company for business year 2010.

The shareholders in the regular session authorised the Management of the Company to purchase regular stocks in the name of the Company on the Zagreb Stock Exchange d.d. over the course of the next five years.

New members of the Supervisory Board were also elected in the session. Their term of office commences on 16 February 2011. For a new 4-year term of office were elected: Mrs Biserka Preininger-Fižulić, Mr Alastair Hayward Crewdson and Mr Roland Žuvanić. The fourth member's term of office commenced on 1 July 2009, when the shareholders elected him for a period of 4 years, therefore his appointment was not subject to voting in the main session of the Company.

Martina Bandula
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MAGMA d.d.