

KONČAR – ELECTRICAL INDUSTRY Inc

Attn. Mr Darinko Bago
Fallerovo šetalište Street No 22
10000 Zagreb

07/06/2016

**SUBJECT: NOTIFICATION PURSUANT CAPITAL MARKET ACT, ART 464 –
ACQUISITION OF KONČAR – ELECTRICAL INDUSTRY Inc. SHARES**

Dear Mr Bago,

Regarding the fact Mr Petar Vlaić is the President of the Managing Board of Erste Ltd., a company in charge of management of obligatory and voluntary pension funds (further on referred to as: “the Company”) and also a member of the Supervisory Board of Končar – Electrical Industry Inc., and pursuant the Capital Market Act, Art 464, Para 2 (Official Gazette of the Republic of Croatia NN 88/08, 146/08, 74/09, 54/13, 159/13, 18/15), we are informing you that the Company acquired shares of Končar – Electrical Industry Inc. having the identification KOEI-R-A on the basis of their sale at the Zagreb Stock Exchange on 3rd June, 2016, as follows:

896 shares for the account of Erste Plavi Obligatory Retirement Fund of A Category for the average price of HRK 698.5000;

117,743 shares for the account of Erste Plavi Obligatory Retirement Fund of B Category for the average price of HRK 698.4999;

1,186 shares for the account of Erste Plavi Expert Voluntary Retirement Fund for the average price of HRK 698.5042;

90 shares for the account of Closed Voluntary Road Worker Retirement Fund for the average price of HRK 698.5556;

85 shares for the account of Closed Voluntary Retirement Fund buying them for the average price of HRK 698.5294.

With kindest regards,

ERSTE d.o.o. – a company in charge of management of obligatory and voluntary pension funds

Nataša Ivanović
Managing Board Member

Senka Fekeža Klemen
Managing Board Member