Listing of ordinary shares of Dalekovod ltd.
on the Official Market of the Zagreb Stock Exchange

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12. Business results
13. Business plan
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60th ANNIVERSARY OF THE EXISTENCE OF DALEKOVOD
1. DALEKOVOD GROUP

<table>
<thead>
<tr>
<th>Parent company</th>
<th>Dalekovod d.d.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Manufacturing companies</th>
<th>Dalekovod Cinčaonica d.o.o.</th>
<th>Dalekovod TKS a.d. Doboj</th>
<th>Cindal d.o.o. Doboj</th>
<th>Unidal d.o.o. Vinkovci</th>
<th>Dalekovod TIM d.o.o., Topusko</th>
<th>Dalekovod EMU d.o.o.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Special-purpose companies</th>
<th>Sportski grad TPN d.o.o.</th>
<th>ADRIAL d.o.o.</th>
<th>Dalekovod Ulaganja d.o.o.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project-focused companies</th>
<th>Dalekovod Projekt d.o.o.</th>
<th>Dalekovod EKO d.o.o.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>International companies, representative offices</th>
<th>Dalekovod Mostar d.o.o.</th>
<th>Dalekovod Ljubljana d.o.o.</th>
<th>DALCOM GmbH, Freilassing</th>
<th>Dalekovod Namibia</th>
<th>Dalekovod Polska S.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Montenegro</td>
<td>Macedonia</td>
<td>Kosovo</td>
<td>Ukraine</td>
<td></td>
</tr>
<tr>
<td>Iceland</td>
<td>Norway</td>
<td>Germany</td>
<td>Finland</td>
<td>Kazakhstan</td>
<td></td>
</tr>
</tbody>
</table>
Management Board: Mr. Luka Miličić, President of Management Board,
Mr. Krešo Kraljević, Deputy President of Management Board,
Mr. Tomislav Belamarić, Member of Management Board

Supervisory Board: Mr. Marijan Pavlović, President (7 members)

AGM: Mr. Marko Kozina, President of the AGM committee, PwC has been the auditor since 2000
DALEKOVOD GROUP

Since its foundation in 1949, Dalekovod has developed into a modern company that offers services within the following scope of activities:

- Design
- Production
- Construction

Insisting on world-renowned quality and environment protection standards along with continuous development of new products and decrease of manufacturing costs, Dalekovod has established its basic goal - continuous improvement of customers' satisfaction.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale revenue in 2009*</td>
<td>2.25 billion kn</td>
</tr>
<tr>
<td>Number of employees in the Group</td>
<td>2,200</td>
</tr>
<tr>
<td>Number of active markets</td>
<td>80</td>
</tr>
<tr>
<td>ROE*</td>
<td>15%</td>
</tr>
<tr>
<td>Revenue per employee*</td>
<td>1.02 million kn</td>
</tr>
</tbody>
</table>

* based on anticipated results for 2009
2. VISION AND MISSION

VISION
In 2000 to become a leading company in its branch of activity in the Southeast Europe!
In 2010 to become a leading company in its branch of activity in Europe!

MISSION
of the company is to provide complete services to infrastructure sectors in the electric power industry, road and railway traffic, telecommunications, gas pipelines and construction industry.

STRATEGY
- Generic strategies – differentiation by quality and dead-lines
- Associated diversification in niches of long-term profitable infrastructure industries
- Positioning in niches in numerous countries

In this way Dalekovod shall try to ensure revenue also in the period when the domestic market is in recession.
3. BASIC INFRASTRUCTURE PROGRAMS

- Power transmission and distribution systems of all voltage levels up to 750 kV
- Providing equipment for roads and motorways
- Electrification of railway lines
- Telecommunications
- Main gas pipelines
- Steel structures in the building construction
4. NEW PRODUCT LINES

- 2009 Landys+Gyr Electronic measurement systems
- 2010 Renewable power sources
- 2011 Steel lattice structures for garages and dry marinas
# 5. STRATEGIC INVESTMENTS

* Secured financing

<table>
<thead>
<tr>
<th>Description</th>
<th>Ownership</th>
<th>mil EUR</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CINDAL – Galvanizing plant in Doboj, Bosnia and Herzegovina</td>
<td>100%</td>
<td>10</td>
<td>2</td>
<td>8*</td>
<td></td>
</tr>
<tr>
<td>Wind Power Plant ZD6 (9.2 MW)</td>
<td>50%</td>
<td>7</td>
<td>5</td>
<td>7*</td>
<td></td>
</tr>
<tr>
<td>Sky office</td>
<td>50%</td>
<td>45</td>
<td>5</td>
<td>20*</td>
<td>20*</td>
</tr>
<tr>
<td>TLM Pressed Products Works</td>
<td>33%</td>
<td>10</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Modernization and allocation of production</td>
<td>100%</td>
<td>10</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82</strong></td>
<td><strong>10</strong></td>
<td><strong>44</strong></td>
<td><strong>28</strong></td>
<td></td>
</tr>
<tr>
<td>Employee structure optimization</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GALVANIZING PLANT CINDAL

**Project:** 13 m galvanizing plant, the largest (soon the only one) in Bosnia and Herzegovina, capacity 24,000 t/annually

**Location:** Doboj, Bosnia and Herzegovina, synergy with the existing works DTKS a.d.

The most competitive price of a complete product in the Group

**Investment:** 10 million Euros

**Payback period:** 5 years

**Depreciation period:** 20 years

**Ownership:** 100%
VELIKA POPINA WIND POWER PLANT

Project: Wind power plant ZD6 (9,2 MW)
Location: Velika Popina, Croatia
Investment: 14 mil EUR, SocGen loan, 70% investment secured
Payback: 7 years
Depreciation period: 20 years
Ownership: 50%
Annual revenue: cca.300.000 EUR/MW

Goal: to install minimum 60 MW until 2014 and to realize revenue of 18 million Euros annually
Potential of the location of Velika Gorica after relocation

**Land**: cca 73,000 m²

**Halls**: cca 18,000 m²

**Business premises**: cca 3,500 m²

Construction of industrial and trade facilities are permitted pursuant to the Urban Development Plan

**Goal**: relocation of the production facilities to Dugo Selo and Topusko
SKY OFFICE

**Project:** Business building of cca. 70,000 m2

**Location:** Rudeš, Zagreb

**Investment:** 90 million euros

**Ownership:** 50%

**Rationale:**

- Releasing the potentials of the location Žitnjak
- Engagement of its own production capacities
- References
- Commercial value of m2 in future
Potential of the location of Žitnjak after relocation

Construction of cca. 900 building units and a 13-storey business building is permitted pursuant to the Urban Development Plan.
6. SWOT ANALYSIS

STRENGTHS
- synergy of its own development, design production and erection – vertical integration
- opportunity to compete in the largest and most demanding Invitations to Bid worldwide with regard to references, quality, dead-lines and financing possibilities as well
- the company is well diversified and has a leading position in its market niches
- knowledge and experience of employees

WEAKNESSES
- organization encumbered by fixed costs
- expensive approach to strategy raw materials and products
- high concentration of customers – 20% of customers make up 80% of revenue

OPPORTUNITIES
- new investment cycles in power generation, road and railway infrastructure in European countries – new international contracts
- new product lines
- taking advantage of the crisis to increase market share in our international markets

THREATS
- stoppage of infrastructural investments in the Croatia due to fiscal deficits
- lack of access to reasonably priced financing
- international competition that uses export incentives and competes in the Croatia
- domestic “cheaper” competition that does not pay levies to the authorities
7. GLOBAL CHALLENGES

We are one of the five world-renowned producers of high voltage suspension equipment that together hold 60% of the global market!

- Mosdorfer, Austria
- Sicamex group, France (Salvi)
- PLP, USA
- Dalekovod, Croatia
- EMI, India
- Tyco Group (multi-national)

Over 90% of the production of suspension and jointing equipment of Dalekovod has been exported to 80 countries worldwide.
8. MARKETS

Domestic market vs. International markets

- growth of share of international sales revenues
- internationalization of operations – strategic focus of Dalekovod (50%:50% sales structure is a long-term goal)


- 81% Domestic
- 19% International

Structure of sales revenue in 2008.

- 74% Domestic
- 26% International
<table>
<thead>
<tr>
<th>Country</th>
<th>Project value (mil. EUR)</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>20</td>
<td>A portion of works on a 785 km long transmission line</td>
<td>Awaiting the decision</td>
</tr>
<tr>
<td>Sweden</td>
<td>2,5</td>
<td>Installation of phase conductors and laying of cables</td>
<td>Contracted</td>
</tr>
<tr>
<td>Greenland</td>
<td>6</td>
<td>A portion of works on a 48 km long transmission line</td>
<td>Awaiting the decision</td>
</tr>
<tr>
<td>Georgia</td>
<td>60</td>
<td>A portion of works on a 282 km long transmission line</td>
<td>Tender to be prepared</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>200</td>
<td>A portion of works on rehabilitation of transmission lines and substations</td>
<td>Tender to be prepared</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6</td>
<td>A portion of works on a 488 km long transmission line</td>
<td>Awaiting the decision</td>
</tr>
</tbody>
</table>

Sweden and Norway are planning to invest 2 billion euros in the power infrastructure in the following 5 years. We are expecting next year to conclude a contract on 60% of annual participation in the procurement of suspension and jointing equipment of Stattnett (60 million euros in the next three-year period).

Opening of a branch office in Finland is anticipated.
## FOREIGN MARKETS

<table>
<thead>
<tr>
<th>Country</th>
<th>Project value (mill. EUR)</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>40</td>
<td>A portion of works on a 97 km long transmission line Beričevo-Krško</td>
<td>Tender to be prepared</td>
</tr>
<tr>
<td>Macedonia</td>
<td>60</td>
<td>Connecting the power plant to the transmission network</td>
<td>Contracted</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>11</td>
<td>Rehabilitation of the distribution network</td>
<td>Contracted</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>25</td>
<td>Rehabilitation of the distribution network</td>
<td>Tender to be prepared</td>
</tr>
<tr>
<td>Kosovo</td>
<td>10</td>
<td>Transmission lines and substation</td>
<td>In the bidding phase</td>
</tr>
<tr>
<td>Kosovo</td>
<td></td>
<td>TL Tirana-Priština (160 km)</td>
<td>Tender to be prepared</td>
</tr>
</tbody>
</table>
## DOMESTIC MARKET

<table>
<thead>
<tr>
<th>Investor</th>
<th>Project value (mill. EUR)</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLINACRO</td>
<td>57</td>
<td>Main gas pipeline Bosiljevo-Benkovac</td>
<td>Works started</td>
</tr>
<tr>
<td>HEP</td>
<td>22</td>
<td>TV 400 kV Ernestinovo-Pečuh</td>
<td>Works in progress</td>
</tr>
<tr>
<td>HAC</td>
<td>10</td>
<td>Provision of equipment for the section Orehovica-Sv. Kuzam</td>
<td>Works in progress</td>
</tr>
<tr>
<td>PLINACRO</td>
<td>32</td>
<td>Main gas pipeline Benkovac-Dugopolje</td>
<td>Tender underway</td>
</tr>
<tr>
<td>HEP</td>
<td>22</td>
<td>S/S 220 kV Plat</td>
<td>Postponed</td>
</tr>
<tr>
<td>HEP</td>
<td>5</td>
<td>TL 110 kV Vinodol-Melina</td>
<td>Postponed</td>
</tr>
<tr>
<td>HAC</td>
<td>53</td>
<td>Provision of equipment for the section Ravča-Ploče</td>
<td>Postponed</td>
</tr>
<tr>
<td>HAC</td>
<td>22</td>
<td>Provision of equipment for the section Buševac-Lekenik</td>
<td>Postponed</td>
</tr>
</tbody>
</table>
9. SHAREHOLDERS

Dalekovod d.d. is entirely a privately-owned company. Today there are over 7,000 shareholders of Dalekovod. 85% of the company is owned by minor shareholders (mainly former and present employees) and none of them holds more than 1% of shares.

It should be mentioned that two ESOP programs (ESOP2000 and ESOP2001) have been implemented so far in Dalekovod d.d. and we are proud of the fact that over 60% of employees have participated in the above.
10. SHARES OF DALEKOVOĐ ON THE ZAGREB STOCK EXCHANGE

Since 2001 the shares of Dalekovod d.d. have been listed on the Zagreb Stock Exchange.

Share information:
- Market cap: 739 mil kn
- 1Y high/low: 474/230 kn
- 1Y average daily volume: 2,05 mil kn
- Free float: 84,63%

DLKV-R-A is the fourth most liquid issue on the Zagreb Stock Exchange.
10. DALEKOVOD AND SECTOR INDICES

Correlation with relevant indices

- **CROBEX Index**
- **DLKV**
- **BEENRGX Index**
- **BEUENGN Index**

**BEENRGX Indeks**
*(Bloomberg Europe Energy Index)*
- Index of European companies from the power sector

**BEUENGN Indeks**
*(Bloomberg EMEA construction & engineering indeks)*
- Index of European companies from the engineering/construction sector
11. FINANCIAL RESULTS

Sales revenue

- Domestic sales
- Exports

CAGR 1998. – 2008. = 20,5%
INDEBTEDNESS

- 221 mill. HRK or 30% of total leverage of the company refers to project financing (as Sky Office, TLM etc.)

- Improvement of the coverage of interests is expected as soon as investments which are secured through project financing start drawing some benefit in form of money

### Leverage & fixed-charge coverage

<table>
<thead>
<tr>
<th></th>
<th>31.12.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt / equity</td>
<td>90%</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>3.2</td>
</tr>
<tr>
<td>EBITDA / Net interest expense</td>
<td>5.4</td>
</tr>
</tbody>
</table>

### Financial debt vs. owners’ equity

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial debt (mil HRK)</th>
<th>Owners’ equity (mil HRK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>502</td>
<td>531</td>
</tr>
<tr>
<td>2008</td>
<td>583</td>
<td>942</td>
</tr>
<tr>
<td>E 2009</td>
<td>667</td>
<td>727</td>
</tr>
</tbody>
</table>

### Share of owners’ equity in total liabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of owners’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>0.30</td>
</tr>
<tr>
<td>2008</td>
<td>0.23</td>
</tr>
<tr>
<td>E 2009</td>
<td>0.32</td>
</tr>
</tbody>
</table>
LIQUIDITY AND WORKING CAPITAL

Collection of outstanding debts in 2009 is similar to that in 2007 and is on average 137 days, while the period in which debts are due towards the suppliers has decreased from 144 to 84.

By the end of 2009 Dalekovod shall have at its disposal 238 mil. HRK net operating capital (NOK), which is 17% of short-term assets that shall make the company resilient to risks of default payment or unforeseen accumulation of stocks.

It is our long-term plan to increase this portion to 30% in order to decrease even more the liquidity risks that are present due to specific quality of our business operations (long-term projects, long payment deadlines, business depending on biddings).

Therefore, we are planning in future to replace a portion of short-term credit liabilities with another form of long-term financing sources.

<table>
<thead>
<tr>
<th>Anticipated structure of balance sheet as of 31 Dec 2009 (mil. HRK)</th>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.411</td>
<td>1.173</td>
</tr>
<tr>
<td></td>
<td>238</td>
<td>698</td>
</tr>
</tbody>
</table>

- Long-term
- Net Operating Working Capital (NOWC)
- Short-term
12. OUTLOOK FOR 2010

- Revenue decrease by 33% is expected in the year 2010, in other words to the amount of 1.5 billion HRK
- Growth of EBITDA margin to the level over 10% is anticipated.
- Restructuring of revenue realized abroad and in Croatia from the ratio 26%:74% in 2008 to the ratio of 65%:35%
- Focus on Scandinavia, countries of the region, Kazakhstan, Ukraine and Georgia
- Restructuring of the debt
- Decrease of fixed costs of business operations
OUTLOOK FOR THE MEDIUM-TERM PERIOD

- Due to the decreased basis in 2010 and anticipated way out of the crisis we are expecting our company's business operations to continue to increase at attractive double digit rates.

- The main agents of growth in the above period are increased investments in the power infrastructure in the Republic of Croatia and abroad (especially Scandinavia).

- There is enough space left for further improvements of margins through optimization of costs: closure of some segments of production facilities, relocation of one segment of production facilities to countries with cheaper labor force, improvement of control functions within the company.

- Taking into account the above facts we believe that EBITDA margin of 11-12% in the medium period can be realized, which is a pre-requisite for retaining a strong ROC.

- In the forthcoming period Dalekovod shall not pay out more than 25% of realized profit through dividends.
13. REASONS FOR LISTING OF SHARES ON THE OFFICIAL MARKET

- The DLKV-R-A share has been listed on the Zagreb Stock Exchange since March 2001.

- Dalekovod has been applying high reporting standards in compliance with the Corporate Management Code, which are higher than the requirements of the issuers listed on the Regular Market of the Zagreb Stock Exchange.

- By listing on the Official Market of the Zagreb Stock Exchange we intend to increase the base of potential investors and prepare the investors' public to possible new forms of long-term financing through an issue of securities.

- Possible new financing sources shall be used for financing developmental projects.

- The final goal is listing of shares on the Prime Market.
THANK YOU FOR YOUR ATTENTION!