

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the Annual Meeting of Stockholders of Ericsson Nikola Tesla, Zagreb, Krapinska 45 (hereinafter: Company) will be held at the registered office of the Company in Zagreb, Krapinska 45, on **May 31, 2007 at 17.00**, as convened by the Managing Director of the Company, compliant with her decision of 21st March 2007 on convening this Meeting and pursuant to the Company Law, Art. 277, sections 2 and 3.

AGENDA

1. Opening the Meeting (verifying commission to be appointed, verification of registrations, determination of represented equity capital, verifying the Assembly as lawfully convened and eligible to make decisions);
2. Managing Director's report on Company's business situation 2006;
3. Annual financial statements for 2006;
4. Report and expert opinion of Company auditor on Company's business performance in 2006;
5. Supervisory Board's report on performed review of Company's operations, of annual financial statements, of Company's business situation and on proposed allocation of net income for 2006;
6. Making decisions on the allocation/use of cumulative retained earnings achieved till the end of 2000 and of part of retained earnings achieved in 2005, and on the use of net income achieved in the fiscal year 2006;
7. Making decision on Approval of conduct of business as performed by the Managing Director;
8. Taking decision on approval of the activities (conduct of supervision) as performed by the Supervisory Board and its Chairman;
9. Making decision on addition to Company's Statute
10. Making decision on the appointment of:
 - Ignac Lovrek, Zagreb, Gundulićeva 38, as a member of the Supervisory Board
 - Darko Marinac, Zagreb, Vidovčica 10, as a member of the Supervisory Board
11. Appointing the Company's auditor for 2007

Proposed decisions of the Shareholders' Meeting

The Managing Director and the Supervisory Board of Ericsson Nikola Tesla d.d. Zagreb make a joint proposal to the Annual General Meeting to make decisions stated under sections 5, 6, 7, 8, 9 and the Supervisory Board makes a proposal to the Annual General Meeting to make decisions stated under section 10, and with the recommendation of the Audit Committee the decision under 11:

Agenda Item 5

The Report of the Supervisory Board on performed supervision/review of Company operations in 2006 is approved.

Agenda Item 6

I. Shareholders of the Company shall be paid a dividend of **HRK 320** per share from retained, not allocated earnings realized till the end of 2000 and in 2005 amounting to a total of **HRK 423.510.080,00**.

The dividend shall be paid out to all shareholders who seven days before the Meeting and this decision (date **May 24, 2007**) have Company shares registered on their securities account in the Central Depository Agency. The payment shall be effected depending on the Company solvency but not later than **August 29, 2007**, pursuant to the Company Statute, Art. 32

II. The net income (profit) of the Company for the financial year 2006 amounting to a total of **HRK 233.772.789,73** shall be allocated:

- to a reserve for treasury shares: the amount of HRK **70.000.000,00**
- to the retained earnings: the amount of HRK **163.772.789,73**

III. Considering the Company's business results achieved in the previous period, and to enable the participation in profit, hereby consent is given to the Managing Director of the Company to grant to Company's employees up to 15.000 treasury shares.

Agenda Item 7

A decision is made on the approval of conduct of business as performed in 2006 by the Managing Director of the Company, Gordana Kovačević.

Agenda Item 8

A decision is made on the approval of review 2006 as performed by the Chairman and the members of the Supervisory Board.

Agenda Item 9

Decision on addition to the Statute:

In art. 3, closing line, an activity shall be added that reads:

“*Providing training in IS/IT and holding seminars”

Agenda Item 10

As their mandates expired, the following members of the Supervisory Board are re-elected:

- Ignac Lovrek, Zagreb, Gunduličeva 38, full professor at the Faculty of Electrical Engineering and Computing, University of Zagreb
- Darko Marinac, Zagreb, Vidovčica 10, Management Board President of PODRAVKA

Agenda Item 11

KPMG Croatia d.o.o. za reviziju, Zagreb, Euro Tower, 17th floor, Ivana Lucića 2a, is appointed as the auditor of the Company for the year 2007.

Important information about registration and participation in the Annual Meeting

All shareholders and their proxies, who register their representation at the Meeting seven (7) days before the Meeting (i.e. including the date **May 24, 2007**) shall be entitled to attend and to vote.

Shareholders can register their representation in the Legal Affairs Department at the registered office of the Company in Zagreb, Krapinska 45, between 10.00 and 12.00 every workday.

The following documents shall be submitted to the registration commission:

- Personal registration form if the shareholder attends in person,
- Personal registration form and authorization form if the shareholder's representative (proxy) attends.

Within the registration period the shareholders and their proxies respectively are entitled to file (submit in writing) notes and proposals regarding the proposed resolutions.

The registration commission shall hand over to shareholder, or his proxy, the registration document and a receipt for the submitted (filed) proposals.

The shareholder or his/her proxy who does not register shall not be entitled to take an active part at the Meeting.

The shareholder's proxy shall have a valid authorization document, which does not have to be verified by the notary public. The authorization document shall indicate the issuer of the authorization, to whom it is issued (name and family name, address), to what purpose and that the proxy is authorized to vote at the Meeting.

If the proxy represents a legal person he has to enclose with the authorization document a document showing that the issuer of authorization document has legal authority to represent the legal person in question (statement from the Court Register of Companies).

The shareholding capacity is checked by insight into the Central Depository Agency data.

The required identification document is a personal identity paper (personal identification card or passport).

Written materials for the Annual Meeting that are required to make decisions shall be available to shareholders for insight starting with the date of public announcement of the Meeting, in the Legal Affairs Dept. at the registered office of the Company, every workday between 9.00 and 15.00.

The registration of attendance of persons authorized to take part in the proceedings shall start two (2) hours before the time scheduled for the beginning of the Meeting, upon the presentation of the registration document.

In case those shareholders who together own the twentieth part of the share capital of the Joint Stock Company put a request, after the Meeting has been convened, that the subject matter of decisions to be made at the Meeting should be made public, this has to be done within ten days after the Meeting has been convened. If the mentioned deadline should not be kept the proposed agenda would be considered as not lawfully announced.

Any shareholder is entitled to submit to the Company at least two weeks prior to the Meeting a counterproposal to the proposal submitted by the Managing Director and/or Supervisory Board relating to a particular agenda item, with due explanation, to the following address:

Ericsson Nikola Tesla d.d. Zagreb
Krapinska 45
10000 Zagreb

If the Meeting should lack a quorum (more than 50% of the stock representing the share capital) the Managing Director shall, within the following 3 days, send to shareholders Meeting notices with the same agenda. The new Meeting shall be convened not later than 15 days after the originally convened, i.e. on **June 15, 2007** at the latest.

The decisions adopted at the new Meeting shall be considered as lawful disregarding the number of represented shareholders.

For all additional information, please call 365 4314 or 365 4168.

ERICSSON NIKOLA TESLA d.d. Zagreb

The Managing Director:
Gordana Kovačević, MSc