

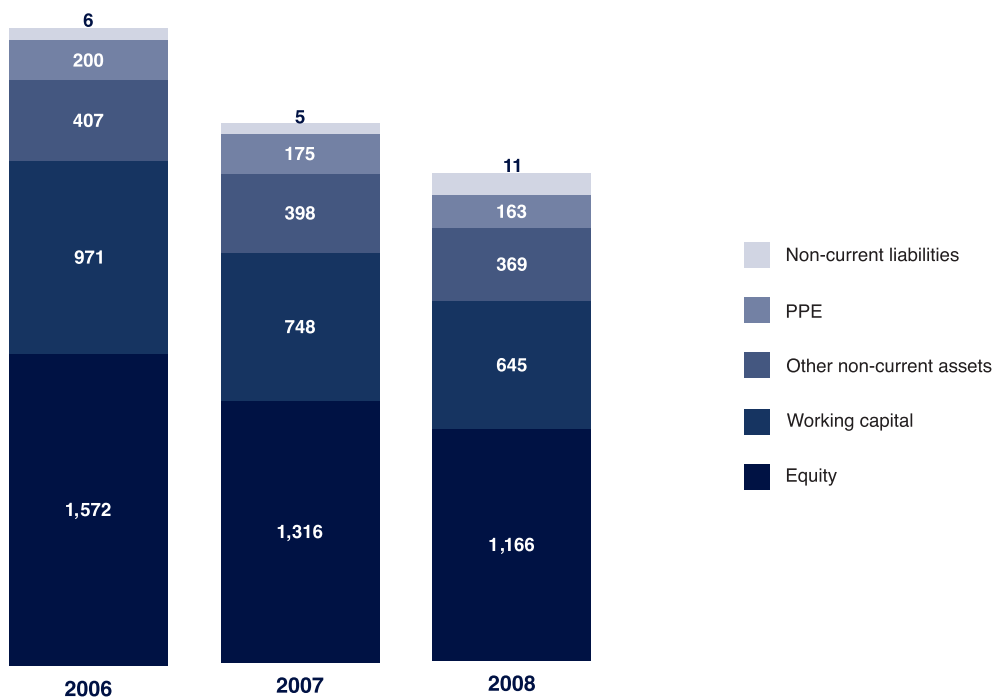
## FINANCIAL HIGHLIGHTS 2008

	in MHRK, except per share amounts		
	2008	2007	2006
<b>Profitability:</b>			
Sales revenue	1,800	1,781	1,634
Operating profit	163	137	198
Pretax profit	212	201	265
Profit for the year	204	200	234
Operating expenses	165	158	163
Operating expenses/Sales revenue	9%	9%	10%
Earnings per share (EPS) in HRK	155	152	177
<b>Financial position at year-end:</b>			
Total assets	1,521	1,734	1,943
Working capital	645	748	971
Capital employed	1,177	1,321	1,579
Equity	1,166	1,316	1,572
Cash and cash equivalents	318	338	281
<b>Ratios:</b>			
Return on equity	16%	14%	15%
Return on capital employed (ROCE)	17%	14%	17%
Equity ratio	77%	76%	81%
Capital turnover	1.4	1.2	1.1
Current ratio	2.9	2.8	3.7
P/E ratio	7.7	22.5	14.1

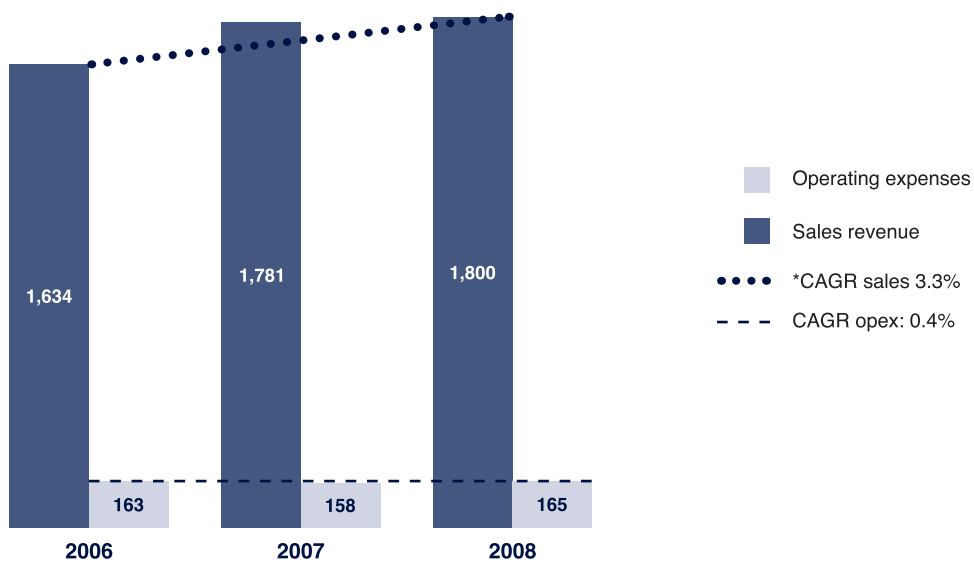




Balance sheet structure (in MHRK)



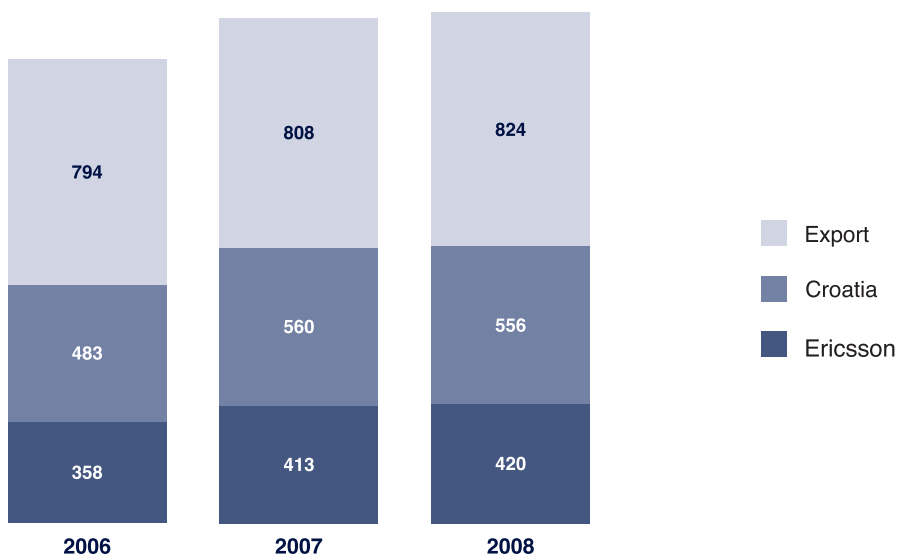
Sales revenue and operating expenses (in MHRK)



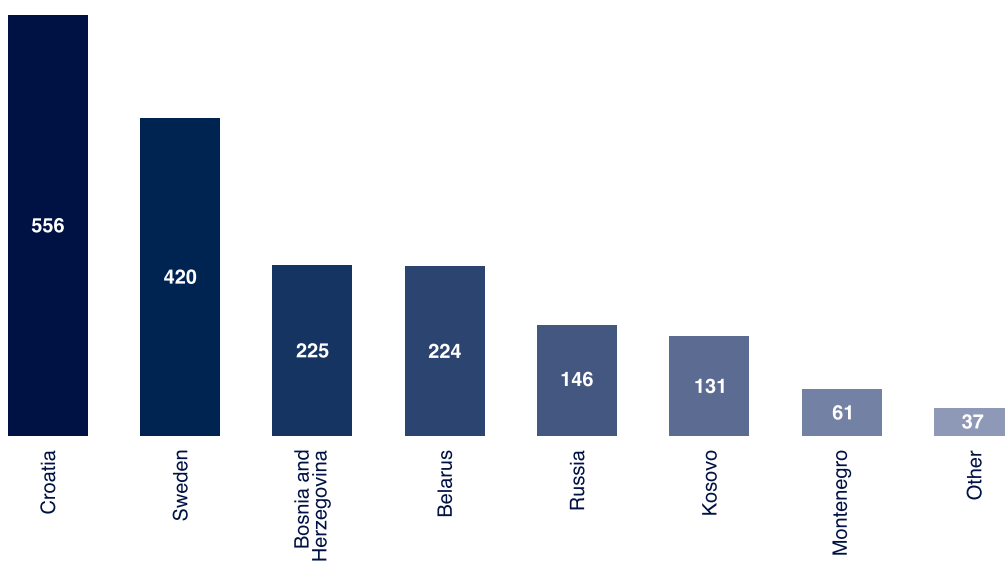
\*CAGR (Compound Annual Growth Rate)



Sales revenue by ETK cornerstones  
(in MHRK)



Sales revenue by markets in 2008 (in MHRK)





## INFORMATION FOR SHAREHOLDERS

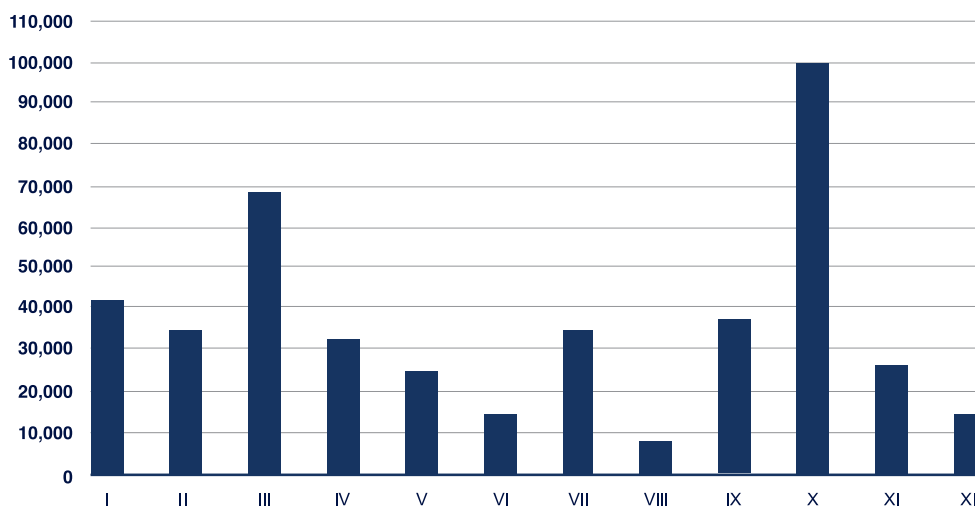
Shares of Ericsson Nikola Tesla (ERNT-R-A) were listed in the quotation of public joint stock companies in the Zagreb Stock Exchange on July 17, 2003. Following the entry into effect of the new Capital Market Act, in January 2009, shares are being traded in the "Regular Market".

### ► Share trading and price movement

During 2008 almost 440,000 shares were traded – 56% more than in 2007. Total turnover is insignificantly higher than last year's but significantly higher than in 2006, amounting to MHRK 952. Ericsson Nikola Tesla's shares are the fifth most liquid in the Zagreb Stock Exchange, with a 5.4% share in the total turnover.

In 2008 Ericsson Nikola Tesla's market capitalization decreased by 65% to MHRK 1,598 (MHRK 4,554.2 in 2007). The official stock market index (CROBEX) recorded a decrease of 67%.

Trading volume in 2008



Month	No. of shares
	ZSE
I	42,442*
II	34,972
III	68,571*
IV	32,660
V	25,307
VI	14,763
VII	34,854
VIII	7,729
IX	37,806*
X	100,065
XI	26,268
XII	14,522
<b>Total</b>	<b>439,959*</b>

\*including regular and block transactions



Average daily share price movement 2003 - 2008 in the ZSE  
(in HRK)



Share price and turnover	2003	2004	2005	2006	2007	2008
Highest (HRK)	475	1,550	2,300	2,600	4,300	3,490
Lowest (HRK)	250	440	1,495	1,850	2,450	1,000
Last – end of year (HRK)	445	1,480	1,914	2,500	3,420	1,200
Turnover (MHRK)	117.6	313.8	638.4	500.7	947.4	952.0

ERNT-R-A share price and CROBEX movements in 2008





► **Share capital**

As of December 31, 2008 the share capital of the joint stock company Ericsson Nikola Tesla amounted to HRK 133,165,000 divided into 1,331,650 ordinary registered series A shares. Each share carries one vote at the General Shareholder's Assembly. At the end of 2008 the total number of treasury shares was 13,588 (1.02% of the share capital). The shares are under the ownership of 6,313 shareholders.

► **Shareholders**

Below is a list of Ericsson Nikola Tesla's major shareholders as at December 31, 2008.

Shareholders	No. of shares	Percentage of share capital
Telefonaktiebolaget LM Ericsson	653,473	49.07%
Hypo-Alpe-Adria-Bank d.d. / Raiffeisen mirovinsko društvo za upravljanje obveznim mirovinskim fondom d.d.	110,090	8.27%
Zagrebačka banka d.d. / joint trustee account for Unicredit Bank Austria AG	36,871	2.77%
PBZ d.d. / joint trustee client account	34,719	2.61%
Societe Generale-Splitska banka d.d. / Erste Plavi mandatory pension fund	32,619	2.45%
Societe Generale-Splitska banka d.d. / Allianz ZB d.o.o. mandatory pension fund	19,562	1.47%
Hypo-Alpe-Adria-Bank d.d. / PBZ Croatia osiguranje d.d. mandatory pension fund	18,240	1.37%
Erste & Steiermarkische bank d.d. / CSC	13,963	1.05%
Ericsson Nikola Tesla d.d.	13,588	1.02%
Croatian Privatization Fund	11,848	0.89%
Other	386,677	29.03%

► **Ericsson Nikola Tesla's General Shareholders' Assembly**

The General Shareholders' Assembly was held on May 27, 2008 HRK 81,866,800 of capital was represented at the assembly which is 61.48% of total share capital.

The Supervisory Board's report regarding the supervision of the Company operations in 2007 was accepted and a statement of release for the Company's Managing Director and members of the Supervisory Board was issued.

Resolutions were passed regarding profit allocation and dividend payment amounting to HRK 270 per share for the fiscal year 2007 for all Company shareholders who, as of May 20, 2008 had Company shares registered on their securities accounts in the Central Depository Agency. Dividend payment was effected on June 18, 2008.

Resolutions were passed regarding changes to the Company Statute: in Article 3 an activity was annexed which reads: "Production of medical products", and in Article 32 the first sentence was altered so as to read: "The deadline for profit allocation shall be defined by the Shareholders' Assembly in accordance with legal provisions."

Roland Nordgren, President of Ericsson's Market Unit Central Europe, was elected as a new member of the Ericsson Nikola Tesla Supervisory Board, while Carita Jönsson, Head of Management System Audits and Region Europe, the Middle East and Africa was once again elected as a member of the Supervisory Board.

KPMG Croatia d.o.o. za reviziju, Zagreb, was once again appointed as the Company auditor.

