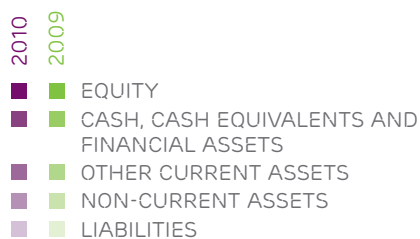


2010 FINANCIAL HIGHLIGHTS

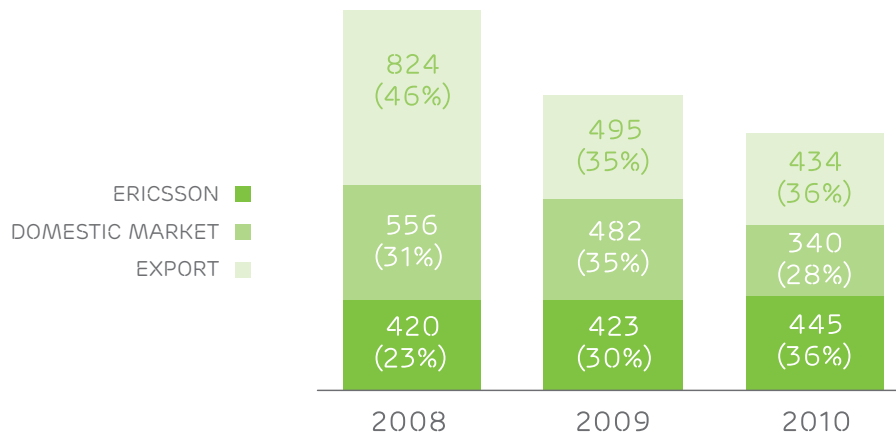
in MHRK, except per share amounts	2010 ⁽¹⁾	2010	2009	2008
PROFITABILITY:				
Sales revenue	1,219	1,219	1,400	1,800
Gross margin	17%	17%	13%	17%
Operating profit	111	-15	66	163
Profit before tax	152	26	127	212
Profit for the year	151	24	128	204
Operating expenses	111	237	138	158
Earnings per share (EPS) in HRK	114	18	98	156
FINANCIAL POSITION AT YEAR-END:				
Total assets	1,425	1,425	1,552	1,521
Cash, cash equivalents and financial assets	737	737	536	367
Capital employed	1,079	1,079	1,210	1,177
Equity	1,071	1,071	1,200	1,166
RATIOS:				
Return on equity	13.3%	2.1%	10.8%	17.5%
Return on capital employed (ROCE)	13.3%	2.3%	10.6%	18.0%
Return on sales (ROS)	12.4%	2.0%	9.1%	11.3%
Equity ratio	75.2%	75.2%	77.3%	76.7%
Capital turnover	1.1	1.1	1.2	1.5
Current ratio	3.7	3.7	3.2	2.9
P/E ratio	11.9	75.6	13.7	7.7

⁽¹⁾ There was a significant write-off during 2010 as a result of a one-time event and this write-off had a significant impact on reported results, financial measures and ratios. We have presented all measures excluding the write-off to facilitate analysis of the Company's underlying performance. However, these measures should not be viewed in isolation or as substitutes for the original measures which are also shown. For more details on this write-off, please see Note 17, "Trade receivables".

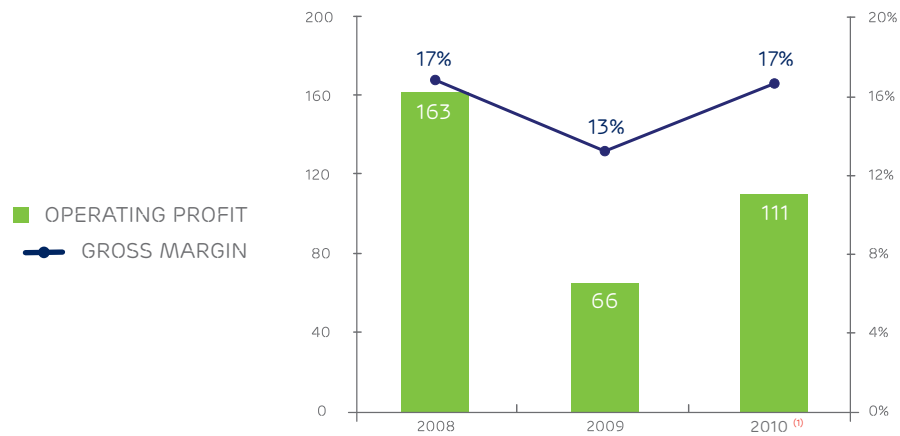
Balance sheet structure (in MHRK)



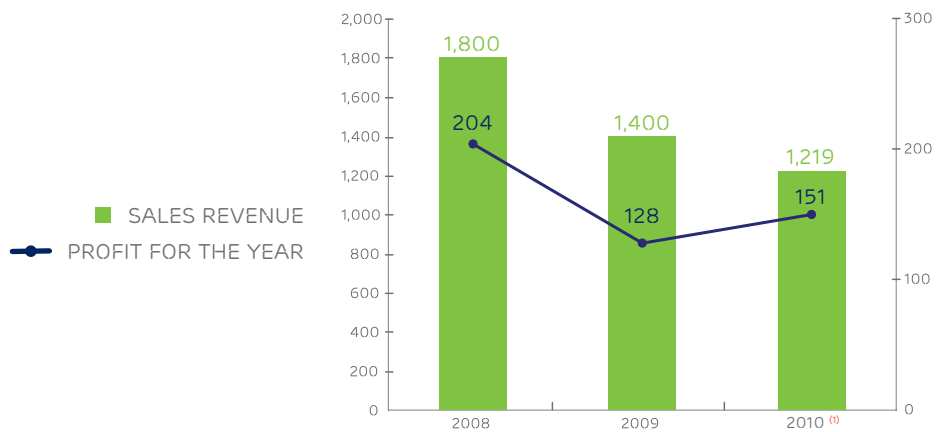
Sales revenue by ETK cornerstones (in MHRK and percentage)



Operating profit (in MHRK) and gross margin



Sales revenue and profit for the year (in MHRK)

2010⁽¹⁾ = excluding one-time write-off



INFORMATION FOR SHAREHOLDERS

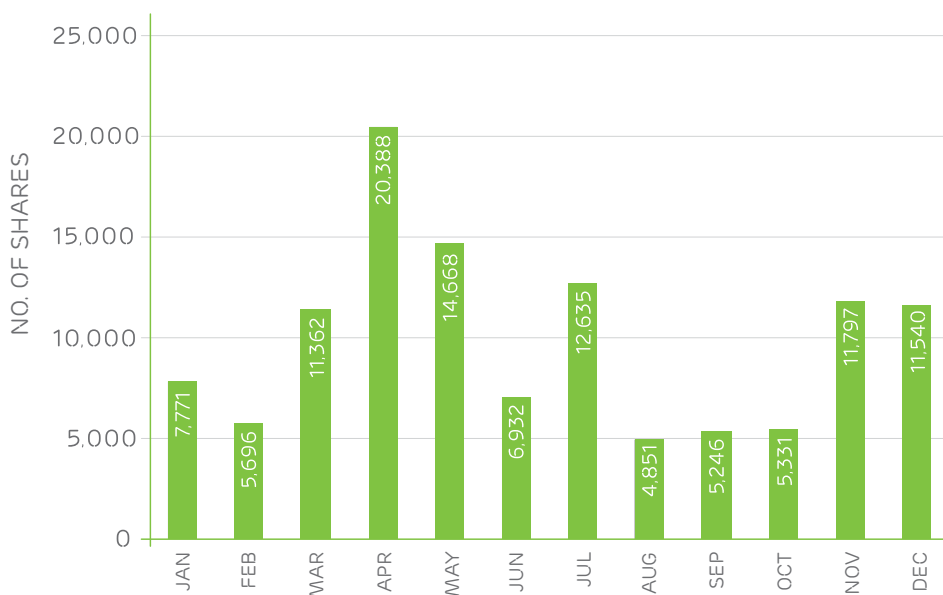
Shares of Ericsson Nikola Tesla are traded in the Regular Market of the Zagreb Stock Exchange under the stock exchange symbol ERNT-R-A.

SHARE TRADING AND PRICE MOVEMENT

Ericsson Nikola Tesla's share preserved its position among the ten most traded shares in the Zagreb Stock Exchange, with turnover of MHRK 168.8 (2.9 percent share in the equity ZSE turnover in 2010).

At the end of 2010, Ericsson Nikola Tesla's market capitalization amounted to MHRK 1,812.4, an increase of 1.6 percent year over year. Ericsson Nikola Tesla's share in the total market capitalization of the Zagreb Stock Exchange amounts to 1.3 percent.

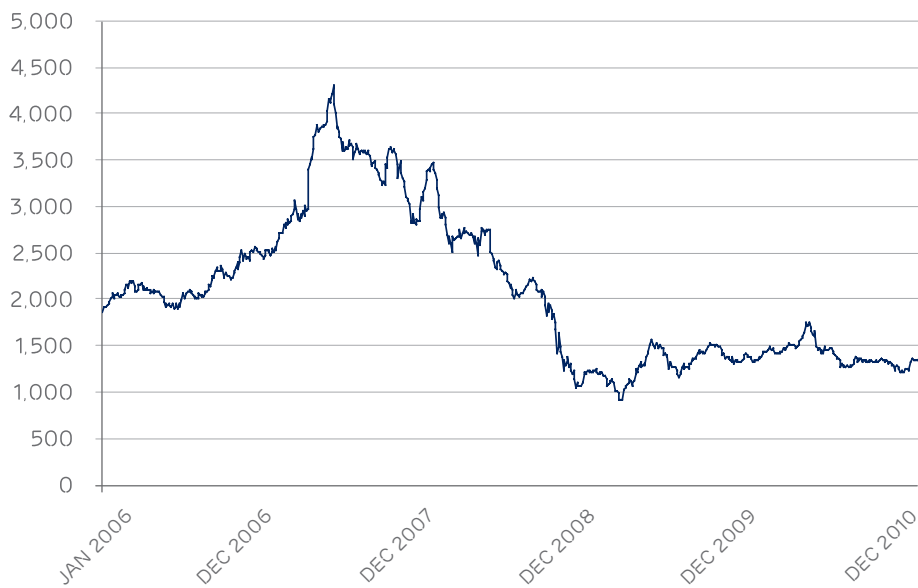
Trading volume in 2010



Comparative Ericsson Nikola Tesla's share price movement and share indices in the Zagreb Stock Exchange in 2010



Average Ericsson Nikola Tesla's share price movement 2006 – 2010 (in HRK)



Share price and turnover	2006	2007	2008	2009	2010
Highest (HRK)	2,600	4,300	3,490	1,575	1,777
Lowest (HRK)	1,850	2,450	1,000	820	1,181
Last – end of year (HRK)	2,500	3,420	1,200	1,339.5	1,361
Turnover (MHRK)	500.7	947.4	952.0	196.2	168.8
Dividend per share (HRK)	320	270	70	120	190*

*Proposal for dividend amount sent to the Annual Meeting of Shareholders for approval

SHARE CAPITAL

As at December 31, 2010, the share capital of 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 Annual Meeting of Shareholders. The total number of treasury shares at the end of 2010 was 9,288 (0.7 percent of the share capital). Shares are under the ownership of 6,501 shareholders.

SHAREHOLDERS

Below follows a list of Ericsson Nikola Tesla's major shareholders as at December 31, 2010.

Shareholders	No. of shares	Percentage of share capital
Telefonaktiebolaget LM Ericsson	653,473	49.07%
Hypo-Alpe-Adria-Bank d.d. / Raiffeisen mandatory pension fund	119,991	9.01%
Zagrebačka banka d.d./ custodian account for Unicredit Bank Austria AG	41,106	3.09%
Societe Generale-Splitska banka d.d. / Erste Plavi mandatory pension fund	35,132	2.64%
Hypo-Alpe-Adria-Bank d.d. / PBZ Croatia osiguranje mandatory pension fund	30,615	2.30%
Societe Generale-Splitska banka d.d. / AZ mandatory pension fund	19,562	1.47%
PBZ d.d. / custodian client account	15,344	1.15%
PBZ d.d. / State Street client account	14,580	1.09%
Ericsson Nikola Tesla d.d.	9,288	0.70%
Societe Generale-Splitska banka d.d. / Societe Generale Splitska banka d.d.	8,062	0.61%
Other	384,497	28.87%