

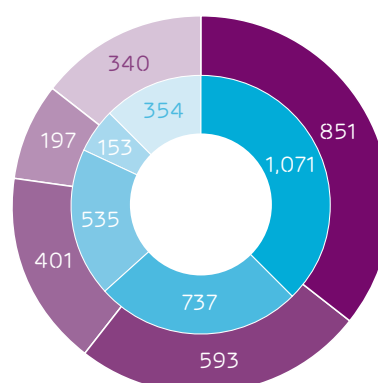
2011 FINANCIAL HIGHLIGHTS

in MHRK, except per share amounts	2011	2010	2009
PROFITABILITY:			
Sales revenue	1,166	1,219	1,400
Gross margin	12%	17%	13%
Operating profit	-12	-15	66
Profit before tax	22	26	127
Profit for the year	28	24	128
Operating expenses	168	237	138
Earning per share (EPS) in HRK	21	18	98
FINANCIAL POSITION AT YEAR-END:			
Total assets	1,191	1,425	1,552
Cash, cash equivalents and financial assets	593	737	536
Capital employed	857	1,079	1,210
Equity	851	1,071	1,200
RATIOS:			
Return on equity (ROE)	2.9%	2.1%	10.8%
Return on capital employed (ROCE)	2.9%	2.3%	10.6%
Return on sales (ROS)	2.4%	2.0%	9.1%
Equity ratio	71.4%	75.2%	77.3%
Capital turnover	1.2	1.1	1.2
Current ratio	3.0	3.7	3.2
P/E ratio	51.4	75.6	13.7

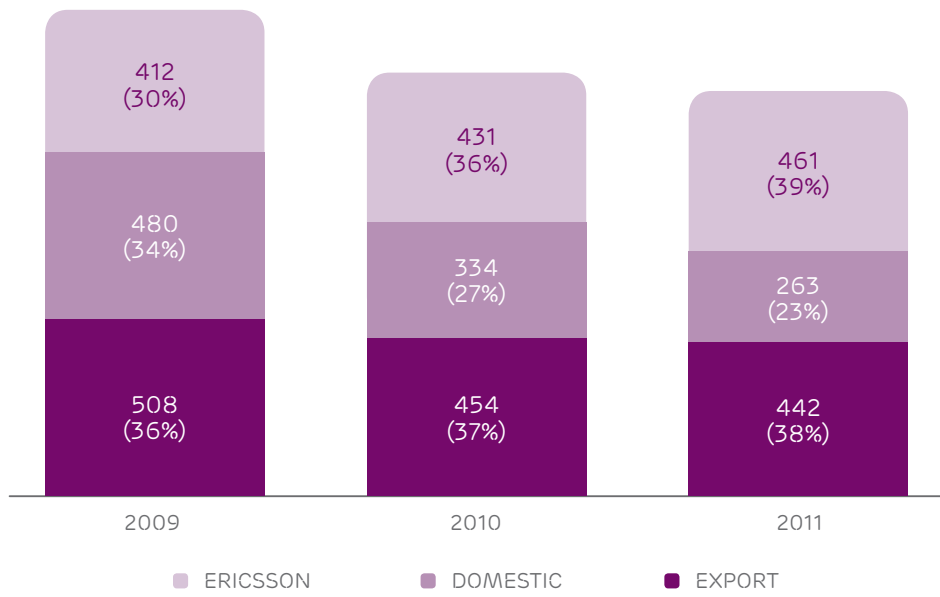
Balance sheet structure (in MHRK)

2011
2010

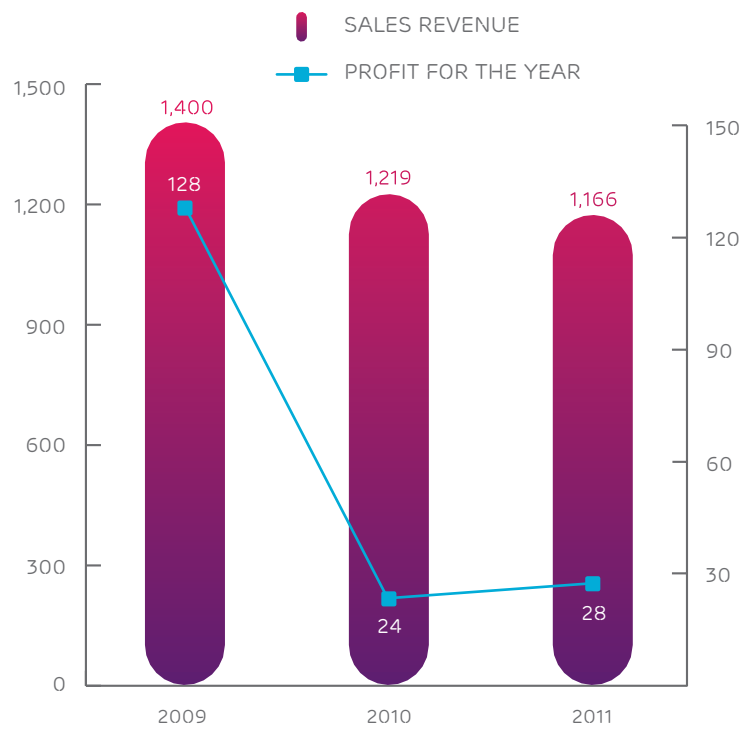
- EQUITY
- CASH, CASH EQUIVALENTS AND FINANCIAL ASSETS
- OTHER CURRENT ASSETS
- NON-CURRENT ASSETS
- LIABILITIES



Sales revenue by ETK cornerstones (in MHRK and percentage)



Sales revenue and profit for the year (in MHRK)



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 is the seventh most liquid one on the Zagreb Stock Exchange (ZSE) with 3.3 percent share in the equity ZSE turnover. In 2011, share turnover amounted to MHRK 174.9 and the year before it amounted to MHRK 168.8.

At the end of 2011, Ericsson Nikola Tesla's market capitalization amounted to MHRK 1,438.2, while at the end of 2010 it amounted to MHRK 1,783.7.

During 2011, Ericsson Nikola Tesla's share value mainly followed the trends of share indices CROBEX and CROBEX10. A significant jump in value in February is a reflection of trading after the dividend was declared, but after the expiration of the period during which shareholders were entitled to receive dividends, the share value was corrected.

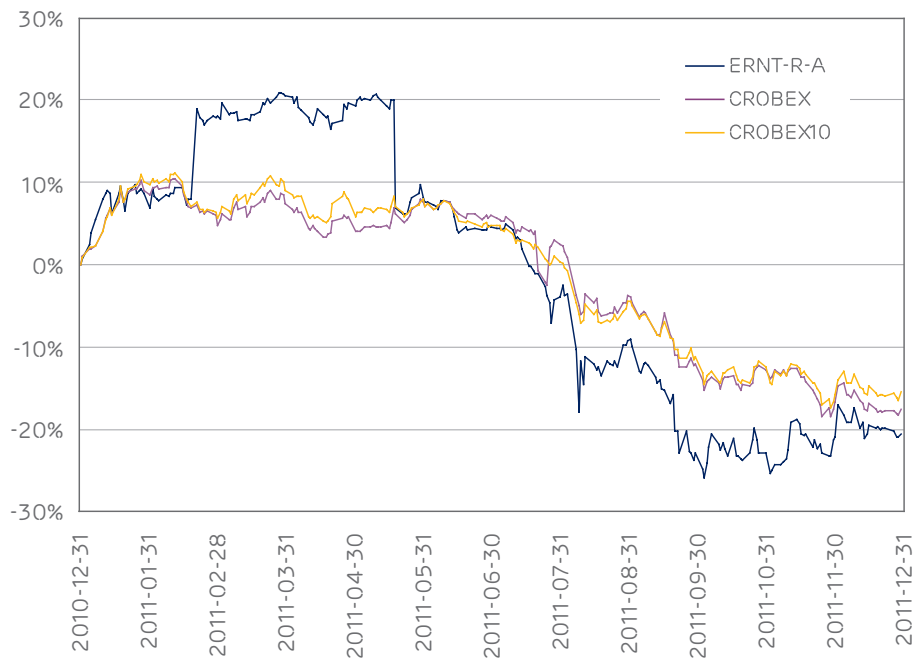
Ericsson Nikola Tesla was awarded by the Zagreb Stock Exchange and *Poslovni dnevnik*, a Croatian business daily, for the best relations with investors in Croatia in 2011.

At the end of 2011, Ericsson Nikola Tesla was granted membership, for a second consecutive year, in the CEERIUS Sustainability Index. The CEERIUS (CEE Responsible Investment Universe) is the sustainability index of Vienna Stock Exchange, composed of the leading companies in relation to economic performance as well as social and ecological awareness, that are listed on stock exchanges in Central, Eastern and South-Eastern Europe.

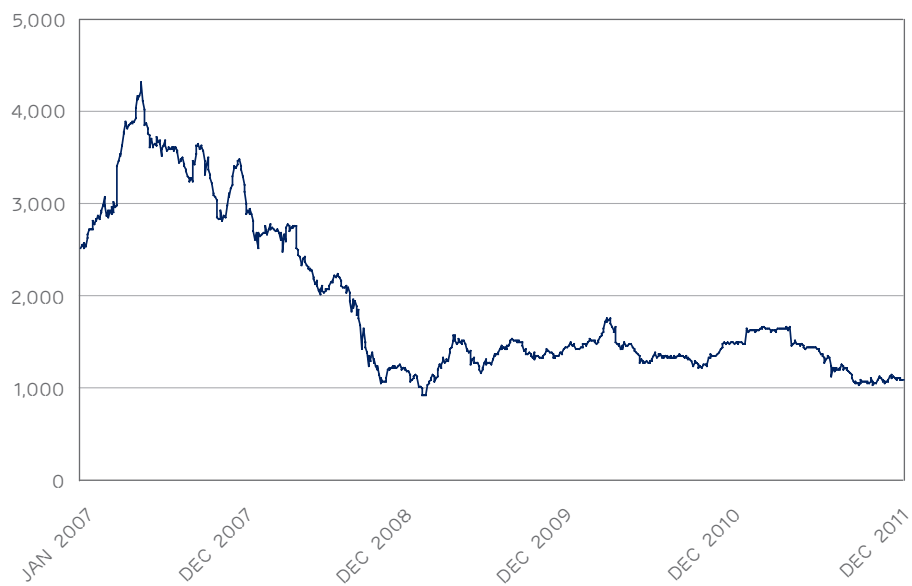
Trading volume in 2011



Comparative Ericsson Nikola Tesla's share price movement and share indices on the Zagreb Stock Exchange in 2011



Average Ericsson Nikola Tesla's share price movement 2007 – 2011 (in HRK)



Share price and turnover	2007	2008	2009	2010	2011
Highest (HRK)	4,300	3,490	1,575	1,777	1,650
Lowest (HRK)	2,450	1,000	820	1,181	1,000
Last – end of year (HRK)	3,420	1,200	1,340	1,361	1,080
Turnover (MHRK)	947.4	952.0	196.2	168.8	174.9
Dividend per share (HRK)	270	70	120	190	170 *

* Proposal for dividend amount sent to Ericsson Nikola Tesla's Annual Meeting of Shareholders for approval

SHARE CAPITAL

As at December 31, 2011 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 Annual Meeting of Shareholders. The total number of treasury shares at the end of 2011 was 4,262 (0.32 percent of the share capital). Shares were owned by 6,777 shareholders.

SHAREHOLDERS

Below follows a list of Ericsson Nikola Tesla's major shareholders as at December 31, 2011.

Shareholders	Number of shares	Percentage of share capital
Telefonaktiebolaget LM Ericsson	653,473	49.07%
Hypo-Alpe-Adria-Bank d.d. / Raiffeisen mandatory pension fund	121,486	9.12%
Societe Generale-Splitska banka d.d. / Erste Plavi mandatory pension fund	32,961	2.48%
Zagrebačka banka d.d./ custodian account for Unicredit Bank Austria AG	32,298	2.43%
Hypo-Alpe-Adria-Bank d.d. / PBZ Croatia osiguranje mandatory pension fund	30,615	2.30%
PBZ d.d. / State Street client account	22,810	1.71%
Societe Generale-Splitska banka d.d. / AZ mandatory pension fund	15,376	1.15%
PBZ d.d. / custodian client account	14,902	1.12%
PBZ d.d. / The Bank of New York as custodian	12,927	0.97%
Societe Generale-Splitska banka d.d. / Societe Generale Splitska banka d.d.	8,062	0.61%
Other	386,740	29.04%