# **CONTENTS**

# General Report

Annual report on Group performance / 12
Business responsibilities and activities / 16
Products and services / 17
Sales and marketing / 18
Scientific and research activities / 21
The benefits of the Networked Society: The future has already begun! / 22
Events in 2016 / 30
Performance in 2016 / 32
2016 financial highlights / 33
Information for shareholders / 37

# **Social Report**

Ericsson Nikola Tesla - socially responsible company / 42
Key stakeholders / 43
Socially responsible operations / 44
Economic sustainability / 46
Corporate social responsibility as integral part of business strategy / 48
Work environment / 51
Market relations / 57
Applying the principles of corporate governance / 58
Environmental protection / 60
Community relations / 62
Awards and recognitions in 2016 / 63

### Consolidated Financial Statements

Profile of the Parent Company and its subsidiaries (the Group) / 67
Responsibilities of the Management and Supervisory Boards for the preparation and approval of the annual consolidated financial statements / 69
Independent Auditor's Report / 70
Consolidated statement of comprehensive income / 76
Consolidated statement of financial position / 77
Consolidated statement of changes in equity / 79
Consolidated statement of cash flows / 80
Notes to the consolidated financial statements / 82

### Financial Statements of Ericsson Nikola Tesla d.d

Company profile / 129
Responsibilities of the Management and Supervisory Boards for the preparation and approval of the annual financial statements / 131
Independent Auditor's Report / 132
Statement of comprehensive income / 138
Statement of financial position / 139
Statement of changes in equity / 141
Statement of cash flows / 142
Notes to the financial statements / 144