

Ericsson Nikola Tesla income statement

for the year ended 31 December 2007

	2007 HRK'000	2006 HRK'000
Sales revenue	1,781,486	1,634,141
Cost of sales	(1,509,235)	(1,347,875)
Gross profit	272,251	286,266
Other operating income	23,858	75,112
Distribution expenses	(77,386)	(67,900)
Administrative expenses	(44,799)	(42,120)
Other operating expenses	(36,450)	(52,902)
Results from operating activities	137,474	198,456
Interest income and other financial income	92,771	93,505
Net foreign exchange losses	(29,469)	(25,690)
Profit before financial cost and income tax expense	200,776	266,271
Financial cost (including interest expense and excluding net foreign exchange losses)	(237)	(1,751)
Profit before tax	200,539	264,520
Income tax expense	(744)	(30,747)
Profit for the year	199,795	233,773
Earnings per share (HRK)	152.11	177.06

Ericsson Nikola Tesla balance sheet

as at 31 December 2007

	2007 HRK '000	2006 HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	174,688	200,333
Intangible assets	4,421	3,888
Non-current loans and receivables	384,110	389,140
Equity securities	45	45
Deferred tax assets	9,723	14,181
Total non-current assets	572,987	607,587
Current assets		
Inventories	55,509	30,608
Trade receivables	593,999	490,334
Receivables from related parties	53,590	70,192
Income tax receivable	25,568	872
Other receivables	26,558	24,269
Other current financial assets	57,741	436,952
Prepayments and accrued income	9,890	1,249
Cash and cash equivalents	338,276	280,767
Total current assets	1,161,131	1,335,243
TOTAL ASSETS	1,734,118	1,942,830
	2007 HRK '000	2006 HRK '000
EQUITY AND LIABILITIES		
Equity		
Share capital	133,165	133,165
Treasury shares	(45,165)	(3,119)
Legal reserves	20,110	20,110
Retained earnings	1,207,524	1,422,337
Total equity	1,315,634	1,572,493
Non-current liabilities		
Interest-bearing borrowings	748	1,415
Employee benefits	4,722	4,331
Total non-current liabilities	5,470	5,746
Current liabilities		
Payables to related parties	87,149	70,083
Interest-bearing borrowings	663	586
Trade and other payables	112,215	122,754
Provisions	16,662	14,734
Accrued charges and deferred revenue	196,325	156,434
Total current liabilities	413,014	364,591
Total liabilities	418,484	370,337
TOTAL EQUITY AND LIABILITIES	1,734,118	1,942,830

Ericsson Nikola Tesla statement of cash flows for the year ended 31 December 2007

	2007 HRK'000	2006 HRK'000
Cash flows from operating activities		
<i>Profit before tax</i>	200,539	264,520
Adjustments for:		
Depreciation and amortisation	83,685	73,286
Impairment losses and reversal	25,472	(5,695)
Change in provisions	6,597	5,339
Net loss/(gain) on sale of property, plant and equipment	(326)	918
Net gains on financial assets at fair value through profit or loss	(9,879)	(9,187)
Amortisation of discount	(30,717)	(59,698)
Interest income	(52,175)	(24,620)
Interest expense	237	1,751
Foreign exchange gains	3,620	(6,091)
Equity-settled transactions	<u>24,333</u>	<u>5,800</u>
	251,386	246,323
Decrease/(Increase) in non-current loans and receivables	12,470	(129,091)
Decrease/(Increase) in inventories and receipt from insurance company	(26,267)	37,272
Decrease/(Increase) in receivables	(98,070)	114,905
(Decrease)/increase in payables	<u>42,486</u>	<u>(32,004)</u>
<i>Cash generated from operations</i>	182,005	237,405
Interest paid	(237)	(1,751)
Income taxes paid	(25,849)	(18,045)
<i>Net cash from operating activities</i>	155,919	217,609
Cash flows from investing activities		
Interest received	52,098	24,316
Proceeds from sale of property, plant and equipment	995	-
Purchases of property, plant and equipment, and intangible assets	(59,769)	(69,381)
Increase/(Decrease) in non-current deposits	(828)	3,326
Net disposal of other non-trading financial assets	389,090	64,029
<i>Net cash from investing activities</i>	381,586	22,290
Cash flows from financing activities		
Repayment of interest-bearing borrowings	(590)	(1,430)
Repurchase of own shares	(52,456)	-
Dividends paid	(423,664)	(25,077)
Capital redemption	-	(131,403)
<i>Net cash used in financing activities</i>	(476,710)	(157,910)
Effects of exchange rate changes on cash and cash equivalents	(3,286)	6,458
Net increase/(decrease) in cash and cash equivalents	57,509	88,447
Cash and cash equivalents at the beginning of the year	280,767	192,320
<i>Cash and cash equivalents at the end of the year</i>	338,276	280,767