

## Ericsson Nikola Tesla income statement

for the year ended 31 December 2008

	2008	2007
	HRK '000	HRK '000
Sales revenue	1,800,059	1,781,486
Cost of sales	-1,499,146	-1,509,235
<b>Gross profit</b>	<b>300,913</b>	<b>272,251</b>
Other operating income	27,410	23,858
Distribution expenses	-85,027	-77,386
Administrative expenses	-44,825	-44,799
Other operating expenses	-35,197	-36,450
<b>Results from operating activities</b>	<b>163,274</b>	<b>137,474</b>
Finance income	61,566	92,771
Net foreign exchange gain/(losses)	1,417	-29,469
<b>Profit before finance and income tax expense</b>	<b>226,257</b>	<b>200,776</b>
Finance expense	-14,287	-237
<b>Profit before tax</b>	<b>211,970</b>	<b>200,539</b>
Income tax expense	-7,602	-744
<b>Profit for the year</b>	<b>204,368</b>	<b>199,795</b>
Earnings per share (HRK)	155.05	152.11

## Ericsson Nikola Tesla balance sheet

as at 31 December 2008

	2008 HRK '000	2007 HRK '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	163,289	174,688
Intangible assets	6,265	4,421
Loans and receivables	349,911	384,110
Equity securities	45	45
Deferred tax assets	13,008	9,723
<b>Total non-current assets</b>	<b>532,518</b>	<b>572,987</b>
<b>Current assets</b>		
Inventories	53,110	55,509
Trade receivables	486,732	593,999
Receivables from related parties	59,111	53,590
Income tax receivable	-	25,568
Other receivables	20,524	26,558
Financial assets at fair value through profit or loss	49,331	57,741
Prepayments and accrued income	1,290	9,890
Cash and cash equivalents	318,303	338,276
<b>Total current assets</b>	<b>988,401</b>	<b>1,161,131</b>
<b>TOTAL ASSETS</b>	<b>1,520,919</b>	<b>1,734,118</b>
	2008 HRK '000	2007 HRK '000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133,165	133,165
Treasury shares	-46,389	-45,165
Legal reserves	20,110	20,110
Retained earnings	1,059,241	1,207,524
<b>Total equity</b>	<b>1,166,127</b>	<b>1,315,634</b>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	6,425	748
Employee benefits	5,009	4,722
<b>Total non-current liabilities</b>	<b>11,434</b>	<b>5,470</b>
<b>Current liabilities</b>		
Payables to related parties	74,281	87,149
Interest-bearing borrowings	2,408	663
Trade and other payables	102,020	112,215
Income tax payable	2,811	-
Financial liabilities at fair value through profit or loss	6,360	-
Provisions	12,477	16,662
Accrued charges and deferred revenue	143,001	196,325
<b>Total current liabilities</b>	<b>343,358</b>	<b>413,014</b>
<b>Total liabilities</b>	<b>354,792</b>	<b>418,484</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,520,919</b>	<b>1,734,118</b>

## Ericsson Nikola Tesla statement of cash flows

for the year ended 31 December 2008

	2008 HRK '000	2007 HRK '000
<b>Cash flows from operating activities</b>		
<i>Profit before tax</i>	211,970	200,539
Adjustments for:		
Depreciation and amortisation	73,283	83,685
Impairment losses and reversal	28,303	25,472
Change in provisions	-375	6,597
Net gain on sale of property, plant and equipment	-117	-326
Net loss/(gain) on financial assets at fair value through profit or loss	14,084	-9,879
Amortisation of discount	-12,855	-30,717
Interest income	-48,711	-52,175
Interest expense	203	237
Foreign exchange differences	-1,417	3,620
Equity-settled transactions	<u>6,656</u>	<u>24,333</u>
	271,024	251,386
Decrease in loans and receivables	18,649	12,470
Decrease/(increase) in inventories	2,022	-26,267
Decrease/(increase) in receivables	120,016	-98,070
(Decrease)/increase in payables	-83,929	42,486
<i>Cash generated from operations</i>	327,782	182,005
Interest paid	-203	-237
Income taxes receipts/(paid)	14,852	-25,849
<b>Net cash from operating activities</b>	<b>342,431</b>	<b>155,919</b>
<b>Cash flows from investing activities</b>		
Interest received	48,655	52,098
Proceeds from sale of property, plant and equipment	291	995
Purchases of property, plant and equipment, and intangible assets	-63,901	-59,769
Increase/(decrease) in non-current deposits	478	-828
Net disposal of financial assets	686	389,090
<b>Net cash (used)/from investing activities</b>	<b>-13,791</b>	<b>381,586</b>
<b>Cash flows from financing activities</b>		
Increase in interest-bearing borrowings	8,085	-
Repayment of interest-bearing borrowings	-655	-590
Repurchase of treasury shares	-3,895	-52,456
Dividends paid	-355,305	-423,664
<b>Net cash used in financing activities</b>	<b>-351,770</b>	<b>-476,710</b>
Effects of exchange rate changes on cash and cash equivalents	3,157	-3,286
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-19,973</b>	<b>57,509</b>
Cash and cash equivalents at the beginning of the year	338,276	280,767
<b>Cash and cash equivalents at the end of the year</b>	<b>318,303</b>	<b>338,276</b>