

## BALANCE SHEET

VAT No. 03272699; ERICSSON NIKOLA TESLA D.D. ZAGREB

	31.12.2008. (audited)	31.03.2009. (unaudited)
	in HRK	in HRK
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>	532.517.383	534.403.678
Property, plant and equipment	163.289.102	166.156.596
Intangible assets	6.264.762	5.416.400
Loans receivable	338.299.561	338.112.962
Other receivables	4.211.209	4.130.777
Financial assets	7.445.231	7.579.425
Deferred tax assets	13.007.518	13.007.518
<b>CURRENT ASSETS</b>	988.401.019	952.232.478
Inventories	53.110.050	33.179.991
Trade receivables	545.842.163	521.446.199
Other receivables	20.524.449	29.564.474
Financial assets at fair value through profit or loss	49.330.861	43.706.327
Cash and cash equivalents	318.303.296	320.796.370
Prepayments and accrued income	1.290.200	3.539.117
<b>TOTAL ASSETS</b>	1.520.918.402	1.486.636.156
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	1.166.126.746	1.207.891.220
Share capital	133.165.000	133.165.000
Treasury shares	-46.389.502	-47.629.758
Legal reserves	20.109.780	20.109.780
Retained earnings	854.873.190	1.059.241.468
Profit for the period	204.368.278	43.004.730
<b>NON-CURRENT LIABILITIES</b>	11.433.576	11.646.211
Interest-bearing borrowings	6.425.000	6.756.972
Other non-current liabilities	5.008.576	4.889.239
<b>CURRENT LIABILITIES</b>	343.358.080	267.098.725
Interest-bearing borrowings	2.408.000	2.081.968
Advances from customers	17.710.210	6.471.531
Trade payables	110.672.602	68.353.987
Financial liabilities at fair value through profit or loss	6.359.761	0
Liabilities to employees	51.953.797	32.410.828
Liabilities for taxes and state contributions	16.168.620	26.824.630
Other current liabilities	317.881	1.565.365
Accrued charges and deferred revenue	137.767.209	129.390.416
<b>TOTAL EQUITY AND LIABILITIES</b>	1.520.918.402	1.486.636.156
<b>OFF-BALANCE ITEMS</b>	217.727.471	197.390.938

## INCOME STATEMENT

VAT No. 03272699; ERICSSON NIKOLA TESLA D.D. ZAGREB

	31.03.2008. (unaudited)	31.03.2009. (unaudited)
	in HRK	in HRK
I. OPERATING INCOME	380.829.475	300.304.019
Sales revenues	374.302.265	294.827.032
Other operating income	6.527.210	5.476.987
II. OPERATING EXPENSES	349.605.618	288.740.017
Decrease in inventories of finished goods and work in progress	5.822.036	15.272.743
Increase in inventories of finished goods and work in progress		
Raw material costs	226.619.237	151.176.050
Raw material and consumables used	154.778.108	87.286.550
Service expenses	71.841.129	63.889.500
Staff costs	95.714.474	105.355.489
Net salaries	47.481.051	51.862.383
Taxes and contributions	45.893.681	50.815.072
Other costs	2.339.742	2.678.034
Depreciation and amortisation expense	19.954.372	16.085.215
Impairment losses	802.502	0
Other operating expenses	692.997	850.520
III. FINANCIAL INCOME	18.275.857	54.384.947
Net foreign exchange gains	0	34.126.637
Interest income and other financial income	18.275.857	20.258.310
IV. FINANCIAL EXPENSES	20.950.983	12.193.037
Net foreign exchange losses	20.427.665	
Interest expense and other financial expense	523.318	12.193.037
VII. TOTAL INCOME	399.105.332	354.688.966
VIII. TOTAL EXPENSES	370.556.601	300.933.054
IX. PROFIT BEFORE TAX	28.548.731	53.755.912
XI. INCOME TAX EXPENSE	5.709.746	10.751.182
XII. PROFIT FOR THE PERIOD	22.838.985	43.004.730
XIII. EARNINGS PER SHARE	17.39	32.65

## STATEMENT OF CASH FLOWS

VAT No. 03272699; ERICSSON NIKOLA TESLA D.D. ZAGREB		
	31.03.2008. (unaudited)	31.03.2009. (unaudited)
	in HRK	in HRK
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	28.548.731	53.755.912
Depreciation and amortisation	19.954.372	16.085.215
Increase in current liabilities	712.915	337.541
Decrease in current receivables	120.445.836	4.805.157
Decrease in inventories	6.802.682	19.930.059
Other increase in cash flow		
<b>Total increase in operating cash flow</b>	176.464.536	94.913.884
Decrease in current liabilities	61.720.054	76.378.692
Increase in current receivables	1.372.678	2.248.917
Increase in inventories		
Other decrease in cash flow	5.835.899	10.805.484
<b>Total decrease in operating cash flow</b>	68.928.631	89.433.093
<b>NET CASH FROM OPERATING ACTIVITIES</b>	107.535.905	5.480.791
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	262.343	18.900
Net disposal of financial assets	9.249.957	5.624.534
Interest received	11.608.477	10.817.813
Other cash flow from investing activities	588.872	0
<b>Total cash flow from investing activities</b>	21.709.649	16.461.247
Purchases of property, plant and equipment and intangible assets	22.367.502	18.068.945
Purchase of financial instruments		
Other cash flow used in investing activities	0	134.194
<b>Total cash flow used in investing activities</b>	22.367.502	18.203.139
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	-657.853	-1.741.892
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of financial instruments		
Proceeds from loans		
Other cash flow from financing activities		
<b>Total cash flow from financing activities</b>	0	0
Repayment of interest-bearing borrowings	331.275	5.569
Dividends paid		
Repurchase of treasury shares	0	1.240.256
Other cash flow used in financing activities		
<b>Total cash flow used in financing activities</b>	331.275	1.245.825
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	-331.275	-1.245.825
<b>Total increase in cash and cash equivalents</b>	106.546.777	2.493.074
<b>Cash and cash equivalents at the beginning of the period</b>	338.276.444	318.303.296
<b>Cash and cash equivalents at the end of the period</b>	444.823.221	320.796.370

**STATEMENT OF CHANGES IN EQUITY**

VAT No. 03272699; ERICSSON NIKOLA TESLA D.D. ZAGREB

	Share capital	Treasury shares	Legal reserves	Retained earnings	Total
					in HRK
As at 1 January 2009 (audited)	133.165.000	-46.389.502	20.109.780	1.059.241.468	1.166.126.746
<i>Changes in equity for 2009</i>					
Profit for the period				43.004.730	43.004.730
Dividend distribution for 2008					
Purchase of treasury shares		-1.240.256			-1.240.256
Share-based payments					
<b>As at 31 March 2009 (unaudited)</b>	133.165.000	-47.629.758	20.109.780	1.102.246.198	1.207.891.220