



Ericsson Nikola Tesla d.d.
Zagreb, Krapinska 45

NOTICE OF THE ANNUAL SHAREHOLDERS' ASSEMBLY OF ERICSSON NIKOLA TESLA d.d.

Pursuant to the Company Law, Art. 277, sections 2 and 3, the Managing Director of the joint stock company Ericsson Nikola Tesla d.d., Zagreb, Krapinska 45, on March 08, 2011 made the decision on the convocation of the Annual Shareholders' Assembly that will take place at the registered office of the Company in Zagreb, Krapinska 45, on May 31, 2011 at 16.00 p.m.

AGENDA

1. Opening the Assembly (appoint commission to record presence of shareholders/votes, verify registrations, determine represented equity capital, verify the Assembly as lawfully convened and eligible to make decisions);
2. Managing Director's report on Company's business situation in 2010;
3. Presentation of annual financial statements for 2010;
4. Report and expert opinion of Company auditor on Company's operations in 2010;
5. Supervisory Board's report on performed review of Company's operations, on performed review of annual financial statements, of Company's business situation and on proposed allocation of net income for 2010;
6. Make decision on allocating part of retained earnings realized in 2001, retained non-allocated earnings realized in 2006 and 2009 and on using net income realized in the financial year 2010;
7. Make decision on approving the conduct of business as performed by the Managing Director;
8. Make decision on approving the activities as performed by the Supervisory Board and its Chairman;
9. Make decision on amendment and addition to the Company's Statute;
10. Make decision on reappointment of:
- Ignac Lovrek, from Zagreb, Gundulićeva 38, PIN (OIB) 78202531146, as the member of the Supervisory Board;

11. Appoint the Company's auditor for 2011.

Proposed Decisions of Shareholders' Assembly

The Managing Director and the Supervisory Board of Ericsson Nikola Tesla d.d. Zagreb, submitted a joint proposal to the Annual Shareholder's Assembly, for decision making, as stated under sections 5, 6, 7, 8, 9. The Supervisory Board submitted a proposal for decision making, as stated under the section 10, and pursuant to the Audit Committee's recommendation, the Supervisory Board submitted a proposal for a decision making, as stated under the section 11:

Agenda Item 5

"The Report of the Supervisory Board on the performed review of the Company operations in 2010 is approved."

Agenda Item 6

"Company shareholders shall be paid out a regular dividend of HRK 20 per share, and an extraordinary dividend of HRK 170 per share, i.e. the total of HRK 190 per share. With that, HRK 93.79 shall be paid out from the retained, non-allocated earnings in 2006 and 2009, and from the net income realized in the financial year 2010. The amount of HRK 96.21 shall be paid out from part of the retained earnings realized in 2001.

Pursuant to the Income Tax Law, physical persons shall be liable to 12% capital income tax plus related surtax on the dividend amount to be paid out from part of the retained earnings realized in 2001.

The dividend shall be paid out to all shareholders who have Company shares registered on their securities account in the Central Depository & Clearing Company seven days prior to the Assembly that is to make the decision (i.e. on May 24, 2011). The payment shall be effected depending on the Company solvency, but not later than June 30, 2011 pursuant to the Company Law, Art. 223."

Agenda Item 7

"The Decision is made on approving the conduct of business, as performed in 2010 by Gordana Kovačević, the Managing Director of the Company".

Agenda Item 8

"The Decision is made on approving the review 2010, as performed by the Chairman and the members of the Supervisory Board".

Agenda Item 9

Decision on amendment and addition to the Statute

In Article 3, the following activities will be added:

“Services provided for setting up, repair and regular technical support of machinery, telecom equipment, computers and software.”

In article 13, section 3 is changed and it now reads:

“Immediately upon the convocation of the Annual Assembly, the notification content and all documents that the Company is obliged to present to the Annual Assembly will be available on the Company's websites. The notification of the Annual Assembly of Shareholders shall be provided by way of electronic communication only.”

Agenda Item 10

“As his mandate expired, Ignac Lovrek, PIN (OIB) 78202531146, Zagreb, Gundulićeva 38, the full-time professor of the Faculty of Electrical Engineering and Computing, University of Zagreb, is re-elected as a member of the Supervisory Board, with a mandate renewed for further four years”.

Agenda Item 11

“PricewaterhouseCoopers d.o.o., Zagreb, Alexander von Humboldt 4, is appointed as Company auditor for the year 2011. “

Important information about registration and participation in the Annual Shareholders' Assembly

REQUIREMENTS TO BE MET FOR PARTICIPATION AND VOTING AT THE ANNUAL SHAREHOLDERS' ASSEMBLY

Shareholders who meet the requirements below are entitled to participate in the Annual Shareholders' Assembly:

- Have Company shares registered on their securities account in the Central Depository & Clearing Company on the date of latest possible registration for the Shareholders' Assembly (i.e. May 24, 2011).
- Have registered in advance, their attendance to the Shareholders' Assembly, not later than six days before the Assembly date. The deadline does not include the date of the received/ filed registration, so that practically this deadline covers seven days, i.e. May 24, 2011, at the latest.



Shareholder's proxies, who register their presence/representation at the Assembly, not later than six days before the Assembly date, taking into account that the date of the received/ filed registration is not included in that deadline (i.e. by May 24, 2011, at the latest), are entitled to attend, and to vote.

Shareholders can register their presence/representation in the Legal Affairs Department at the Company headquarters in Zagreb, Krapinska 45, between 10.00 a.m. and 12.00 a.m. every workday.

The following documents shall be submitted to the registration commission:

1. Personal registration form, if the shareholder attends in person
2. Personal registration form and a power of attorney, if the shareholder's proxy attends

The registration commission shall hand over to shareholder/ shareholder's proxy the registration document and a receipt for the submitted proposals.

Within the registration time the shareholders and their proxies respectively, are entitled to submit in writing notes and proposals regarding the proposed decisions.

The shareholding capacity will be checked by insight into files of the Central Depository & Clearing Company.

The required identification document is a personal identity document (personal identification card or passport). Written materials required by the Shareholders' Assembly to make decisions will be available to shareholders for insight, starting with the date of public announcement of the Assembly, in the Legal Affairs Dept. at the Company headquarters, from 10.00 a.m. to 12.00 a.m. on workdays, and on the Internet site of the Company:

www.ericsson.hr/investitori/aktualnosti.shtml

The registration of attendance of persons authorized to take part in the proceedings shall start one (1) hour before the scheduled time for the beginning of the Assembly, upon the presentation of the registration document.

The shareholder or his/her proxy who does not register shall not be entitled to take an active part in the Assembly.

VOTE BY PROXY

The shareholder's proxy shall have a valid power of attorney (use the Company's form at www.ericsson.hr/investitori/aktualnosti.shtml or get it in the Company's Legal Department at the Company headquarters from 10.00 a.m. to 12.00 a.m. on workdays). Verification by a notary public is not required. The power of attorney must state the name of the authorization issuer,

name and family name/ address of the individual to whom power of attorney was issued, to what purpose, as well as the power to vote at the Assembly.

If the proxy represents a legal person, besides the power of attorney, the proxy has to document the authorization of issuer of power of attorney to represent the legal person in question (i.e. the statement from the Court Register of Companies).

The scanned authorization document on appointment of a proxy (with scanned signature) shall be submitted to the Company's Legal Dept. or e-mailed to the address:

pravni.poslovi@ericsson.com

NEW AGENDA ITEMS

Should after the Assembly is convened, the shareholders owing together the twentieth part of the share capital of the Joint Stock Company, request that additional item is to be added to the Agenda and disclosed, then any new agenda item should be accompanied by an explanation and respective decision proposal.

The Company has to receive requests for putting items on the agenda at least 30 days prior to the Annual Assembly date. This period does not include the day the request is filed/received at the Company. If the deadline is not observed, the proposed additional items of the Agenda will be considered not lawfully announced and no decision on them can be made at the Assembly.

SHAREHOLDERS' COUNTER PROPOSALS

Counterproposals to the proposals submitted by the Managing Director and/or Supervisory Board, relating to a particular agenda item and made by shareholders with their names/family names, explanation and possibly, opinion by Managing Board must be available to legal persons stated in Article 281, sections 1 to 3 of the Company Law (credit or financial institutions and shareholders associations who at the preceding Assembly cast vote on behalf of shareholders or requested to be informed), as defined in the Article 281, if a shareholder has submitted such a counterproposal, at least 14 days prior to the Assembly date, to the address given below:

Ericsson Nikola Tesla d.d.
Krapinska 45, 10000 Zagreb

The date a counterproposal is received at the Company is not counted into 14 days deadline. The counterproposal shall be available at the Company's Internet site: www.ericsson.hr/investitori/aktualnosti.shtml. In case the shareholder should not exercise this right, he should still be entitled to make a counterproposal at the Assembly. The same applies to shareholders proposals regarding the election of the Supervisory Board members or appointment of the Company auditor. Such a proposal does not have to include an explanation. The Managing Board is not obliged to make such a proposal available to shareholders unless it includes information that must be disclosed, with a proposal relating to the election of



Supervisory Board members, and to the appointment of Company auditor, as well as the membership of candidates in other supervisory or managing boards, in the country and abroad.

RIGHT TO INFORMATION ABOUT COMPANY OPERATIONS

At the Annual Shareholders' Assembly, the Managing Director is obliged to provide information about Company operations to any shareholder at his/her request, in case this information is necessary to judge on agenda items. This obligation to provide information regards also legal and business relations with related parties. If the Company has acquired treasury shares throughout the year, the Managing Director is obliged to state (in the Company position report) the reasons for shares acquisition, the number and nominal value of acquired shares, whether the shares have been acquired through payment collection, how much they cost, treasury shares sold and those still held.

NO QUORUM / NEW ASSEMBLY

If the Assembly should lack a quorum (which is more than 50% of the stock representing the share capital), the Managing Director shall, within the following 3 days, send to shareholders the notice of Assembly with the same agenda. The new Assembly shall be convened within 15 days after the originally convened, i.e. on June 15, 2011, at the latest. The decisions adopted at the new Annual Assembly shall be considered lawful, disregarding the number of represented shareholders.

For any additional information, please call +385 1 365 4148 or +385 1 365 4168.

Managing Director:
MSc Gordana Kovačević, B.E.E.