

PRESS INFO

April 28, 2015



ERICSSON NIKOLA TESLA D.D.

The Management Report of the Company and Ericsson Nikola Tesla Group business performance and comments on the financial results for Q1 2015

Highlights:

- Sales revenues: MHRK 309.2
- Gross margin: 14.9 %
- Operating profit: MHRK 24.2
- Net profit: MHRK 25.2
- Cash flow from operations : MHRK 50.7

Gordana Kovačević, the President of Ericsson Nikola Tesla, comments:

“During Q1 2015, Ericsson Nikola Tesla continued its stable business performance. We stay focused on implementing our strategic goals and initiatives related to the business development in all markets and the improvement of profitability through cost efficiency and business excellence. The program of cost reduction is progressing ahead of plan and shows solid results during Q1 2015. As far as sales in targeted areas are concerned, I would like to highlight significant results and an increased operators' interest in the segment of OSS and BSS.

Unfavorable economic trends and customer cautious approach to capital expenditure is still present. Compared to the same time period last year, a significant growth in revenue was realized in the Ericsson market. The markets of the Commonwealth of Independent States and Southeast Europe also record growth, thus partially neutralizing the decrease in revenue in the domestic market. Accordingly, total sales revenues decreased by 2% year-over-year. Currently, the Company has no financial exposure to Russia and Ukraine.

One of important achievements in Q1 is the continuation of the informatization of the state administration bodies. We have signed a contract with the Ministry of Justice and State Geodetic Administration regarding the upgrade and expansion of Joint Information System for Land Registry and Cadaster (JIS) that will enable Croatian citizens an easier and a faster access to data and create better prerequisites for business.

Revenues from research and development activities and services sales to Ericsson market are increasing and now account for more than half of the total revenue. This market segment also includes managed services sales to Hrvatski Telekom. This changing business mix put pressure on profitability but has simultaneously led to lower overall business and operational risks.

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Net profit amounting to MHRK 25.2 was achieved, representing 8.1% return on sales (ROS). Gross margin is lower year-over year, as a result of change in business mix (increasing sales to Ericsson markets) and continuous price pressure from the operators. The selling and administrative expenses decreased by 18% year-over-year. We had a clear focus on working capital efficiency and cash conversion. Cash flow from operations amounted to MHRK 50.7 providing a high cash conversion rate of 130%. Cash and cash equivalents, including short term financial assets at the end of Q1, amount to MHRK 269.7.

In line with our strategy, we are focused on sales in mobile broadband access and our targeted areas: IP networks, Cloud, OSS & BSS, TV & Media and Industry & Society. At the recently held Mobile World Congress (MWC) in Barcelona, most of Ericsson key launches were related to the mentioned areas, including the new Router 6000 Series, the Hyperscale Cloud Solution, Expert Analytics 15.0, a new Media Delivery Network solution and Digital Telco Transformation. New Ericsson Radio System was also announced. This year again, Ericsson Nikola Tesla experts have contributed to presented Ericsson solutions, by participating in the development of several innovative solutions and applications.

We shall continue to innovatively contribute to Ericsson technology leadership and strengthen relations with customers and other partners. We continue to employ talented experts and to invest in the development of strategic knowledge and skills.“

Financial summary:

- Sales revenues amount to MHRK 309.2 (Q1 2014: MHRK 315.4), 2% decrease YoY. In total sales revenues, the domestic market accounts for 19.1%, services to Ericsson market account for 59%, and export to other markets is 21.9%.
- Sales in the network segment amounts to MHRK 138.4 (44.8% of total sales revenues), services segment amounts to MHRK 155.9 (50.4% of total sales revenues), and solution support segment amounts to MHRK 14.9 (4.8% of total sales revenues).
- Gross profit amounts to MHRK 46.1 (Q1 2014: MHRK 56.2), a decrease by 18% YoY. The gross margin decreased to 14.9% (Q1 2014: 17.8%) mainly due to changes in business mix.
- Selling and administrative expenses decreased by 18% YoY to MHRK 21 (Q1 2014: MHRK 25.5).
- The operating profit decreased by 22% YoY and amounts MHRK 24.2 (Q1 2014: MHRK 31.1).
- Financial income of MHRK 1 (Q1 2014: MHRK 3) was lower primarily due to less investable assets compared to previous years and lower yield environment.
- Net profit decreased by 26% YoY and amounts to MHRK 25.2 (Q1 2014: MHRK 34.1). Return on sales (ROS) is 8.1% (Q1 2014: 10.8%).
- Cash flow from operations is at a high MHRK 50.7 (Q1 2014: MHRK 9.9) allowing a high Cash conversion of 130%

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- Total cash and cash equivalents, including short term financial assets as at March 31, 2015 amount to MHRK 269.7 (35.8% of total assets), while at the end of 2014 amounted to MHRK 231.0 (33.0% of total assets).
- The Company has a lean balance sheet with total assets of MHRK 752.7. The equity ratio is at a solid 48%.
- With related parties, the transactions were as follows: sales of products and services amounted to MHRK 167.7 (Q1 2014: MHRK 133.1), while the purchase of products and services amounted to MHRK 80.9 (Q1 2014: MHRK 93.8).
- As at March 31, 2015, Ericsson Nikola Tesla outstanding receivable amounted to MHRK 73.5 (end of 2014: MHRK 86.6), and outstanding payables were MHRK 58.8 (end of 2014: MHRK 46.5).

Business situation in major markets

In the domestic market, a total of MHRK 59 sales revenues was realized, 45% decrease year-over-year. The decrease in revenue is primarily due to changes in operators' investment trends. Operators' capital expenditures are expected in the network modernization and optimization. In addition, the operators' focus on a more efficient business shows the trend towards outsourcing build and maintenance of telecommunication network (managed services).

During Q1, the collaboration with the strategic partner Vipnet continued, primarily through the expansion and modernization of radio access and transport telecom network. Also, numerous testing of new functionalities have been performed in various core and access network segments, contributing to an increase in quality and new services for end users.

With Hrvatski Telekom (HT) we work on strategic projects related to HT network and services development. The introduction of the international DT IMS technology center that will provide services to other DT Group operators in the region is ongoing. Business collaboration with HT in Q1 was marked by continued implementation of MPLS (Multi-Protocol Label Switching) architecture in core, access and edge parts of IP network, as well as developing business collaboration with ISKON in the segment of support service provisioning. Also, Q1 was marked by a successful delivery of telecommunications infrastructure build and maintenance services.

Despite not being awarded 3G network modernization contract, we continued a solid collaboration with the mobile operator Tele2. During Q1, there was a continuous work on improving the core network infrastructure. Special attention was given to the further expansion of existing capacities and introducing new functionalities with the aim of introducing new Networked Society services and increasing the functional reliability.

In ICT solutions for Industry & Society business segment, a contract was signed with the Ministry of Justice and State Geodetic Administration regarding upgrade and expansion of Joint Information System for Land Registry and Cadaster (JIS). The project was financed by the World Bank funds and it represents a continuation of the previous contract focused on the development and expansion of the system by which JIS becomes the only comprehensive tool that integrates digitized data from land registry and cadaster for the entire territory of the Republic of Croatia.

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Furthermore, a contract was also signed with the Croatian Health Insurance Fund (HZZO) and the Croatian Regulatory Authority for Network Industries (HAKOM), regarding further informatization of business processes in eHealth (eCare / eTherapy).

In export markets (except for Ericsson market) sales revenues amount to MHRK 67.7, an increase by 13% year-over-year, as a result of contracts / projects agreed during 2014. The political and economic uncertainty in the region and beyond is still present, which impacts the operators' investment cycle and delays tenders.

In the markets of Southeast Europe (Bosnia and Herzegovina, Montenegro and Kosovo), sales revenues increased by 13% year-over-year, and amount to MHRK 44.2.

In Bosnia and Herzegovina market, the collaboration was continued with operators BH Telecom and HT Mostar in the segment of mobile networks modernization, with the special focus on new functionalities of mobile broadband access.

In Montenegro, Crnogorski Telekom and Ericsson Nikola Tesla successfully demonstrated LTE Advanced technology that enables a higher network capacity and improvement of the user experience with the downlink speed, up to 300 Mb/s.

In the Commonwealth of Independent States, sales revenues amount to MHRK 23.5, which is an increase by 19% year-over-year. The activities on projects of mobile networks build and modernization with several key customers are ongoing.

In the Ericsson market, sales revenues amounted to MHRK 182.5, an increase by 22.4% year-over-year.

Ericsson Nikola Tesla Research and Development Center (R&D) continues its successful work. It is necessary to highlight the involvement in the development of modern "hyper scale data center" platform for the so called "cloud solutions". At the same time, intensive preparations for new development responsibilities in the area of LTE Radio Software are ongoing. At the end of March, a regular meeting was held with managers and representatives of Ericsson units, with which our R&D Center collaborates. The total results and the quality of work in the last six months were highly evaluated, which represents an excellent foundation for further business development.

Our global and regional centers show excellent results. In the fixed core network segment, where we have the global responsibility for development, implementation and support, we would like to highlight several successful projects for Vodafone Egypt, Vimpelcom Russia, Maroc Telecom Morocco, SK Telink South Korea and Telefonica Spain.

Service Delivery Center experts have been engaged in numerous projects on the markets worldwide for the following customers: A1 Austria, Vodafone Ireland, PostLUX Luxembourg, Vodafone and Liberty Global Netherlands, Swisscom Switzerland, Polkomtel Poland, P4 Poland, Translink Netherlands, Telekom Slovenia and Vodafone Great Britain. We can highlight the activities related to IPTV project for Vodafone Ireland, VoLTE project for Polkomtel Poland, VoWiFi project for P4 Poland, OSS project for PostLUX Luxembourg and Fabrix project for Swisscom Switzerland. The Centers' experts have also been providing consulting services and services of configuration and dimensioning for Deutsche Telekom Germany, Slovak Telekom Slovakia and Turkcell Turkey. There is intensive work ongoing regarding the development and implementation of software tools for mobile

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networks managing and optimization, such as: Smart Laptop, E/// Design Optimization Service, Rehoming Automation Management Tool, Radio Network Proposal Tool, etc.

The Global Competence Centre experts (GCD) continue to be strongly engaged in the Ericsson Customer Experience Management program via Facebook project and Social Networked Application Coverage Kit (SNAC) of innovation activities.

Other information

Ericsson Nikola Tesla Annual General Meeting shall be held on June 2, 2015. The right to participate at the Annual General Meeting have all shareholders, or their proxies, respectively, who register to participate until May 26, 2015, at the latest. The shareholders who have the Company shares registered on their securities account in the Central Depository & Clearing Company on June 9, 2015, are entitled for the dividend payment in total amount of HRK 90 per share (HRK 20 regular dividend and HRK 70 extraordinary dividend). Ex-dividend date is June 8, 2015. The dividend shall be paid on June 19, 2015. The Notice of Ericsson Nikola Tesla Annual General Meeting, including the suggestions of all the decisions, was published on the Company's web page <http://www.ericsson.hr/20150416-notice>.

Ericsson Nikola Tesla major shareholders (as at March 31, 2015)

	No. of shares	% of share capital
Telefonaktiebolaget LM Ericsson	653.473	49.07
Hypo Alpe-Adria-Bank d.d. / Raiffeisen Mandatory Pension Fund, B category	123.514	9.28
Societe Generale-Splitska banka d.d. / Erste Plavi Mandatory Pension Fund, B category	32.961	2.48
Hypo Alpe-Adria-Bank d.d. / PBZ Croatia Mandatory Pension Fund, B category	30.615	2.30
PBZ d.d. / State Street client account	27.460	2.06
PBZ d.d. / The Bank of New York as custodian	22.407	1.68
Zagrebačka banka d.d. / / Custodian Account for Unicredit Bank Austria AG	14.320	1.08
Zagrebačka banka d.d. / State Street Bank and Trust Company, Boston	12.350	0.93
PBZ d.d. / Custodian Client Account	10.542	0.79
Hypo Alpe-Adria-Bank d.d. / Raiffeisen Voluntary Pension Fund	7.934	0.60
Other shareholders	396.074	29.73

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Share price information in Q1 2015:

Highest (HRK)	Lowest (HRK)	Closing (HRK)	Market cap. (in MHRK)
1,390	1,285.45	1,325.01	1,764.4

Ericsson Nikola Tesla d.d.
Krapinska 45
Zagreb

OIB: 84214771175
Tax No.: 03272699

Pursuant to the Articles 407 to 410 of the Capital Market Law (Official Gazette 88/08 and 146/08) the Managing Director of the joint stock company Ericsson Nikola Tesla d.d. Zagreb, Krapinska 45 gives the following:

Statement of the Management Board responsibility

The accompanying consolidated and nonconsolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS). The financial statements also comply with the provisions of the Croatian Financial Accounting Law valid as of the date of these financial statements.

Unaudited financial statements for the period 1 Jan 2015 to 31 March 2015 present a true and fair view of the financial position of the Company and of its financial performance and its cash flows in compliance with applicable accounting standards.

Managing Director:

Gordana Kovačević, MSc

A handwritten signature in black ink, appearing to read "Gordana Kovačević".

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For additional information, please contact:

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For more information about Ericsson Nikola Tesla's business performance, please visit:

<http://www.ericsson.com/hr>

Communication

Ericsson Nikola Tesla

Ericsson Nikola Tesla d.d.
Consolidated statement of comprehensive income
for the period ended 31 March 2015

	2015	2014
	HRK '000	HRK '000
Sales revenue	309.182	315.372
Cost of sales	-263.097	-259.187
Gross profit	46.086	56.186
Selling expenses	-12.375	-17.254
Administrative expenses	-8.657	-8.274
Other operating income	667	1.583
Other operating expenses	-1.528	-1.148
Operating profit	24.192	31.091
Finance income	1.050	2.982
Finance expense	-2	1
Finance income – net	<i>1.048</i>	<i>2.983</i>
Profit before tax	25.240	34.074
Income tax	-83	-
Profit for the year	25.157	34.074
Other comprehensive income	70	15
Total comprehensive income for the year	25.226	34.089

Ericsson Nikola Tesla d.d.
Consolidated statement of financial position
as at 31 March 2015

	2015	2014
	HRK '000	HRK '000
ASSETS		
Non-current assets		
Property, plant and equipment	143.613	135.715
Intangible assets	5.349	5.481
Loans and receivables	22.104	19.153
Equity securities	40	40
Total non-current assets	171.106	160.389
Current assets		
Inventories	55.624	30.946
Trade receivables	180.948	190.572
Receivables from related parties	69.334	81.849
Other receivables	2.199	2.820
Income tax receivable	9	8
Financial assets at fair value through profit or loss	34.898	44.081
Prepayments and accrued income	3.766	1.956
Cash and cash equivalents	234.793	186.963
Total current assets	581.571	539.195
TOTAL ASSETS	752.676	699.584
EQUITY AND LIABILITIES		
Equity		
Share capital	133.165	133.165
Treasury shares	-8.462	-8.462
Legal reserves	6.658	6.658
Retained earnings	229.923	204.106
Total equity	361.284	335.467
Non-current liabilities		
Interest-bearing borrowings	-	32
Employee benefits	5.722	5.622
Other non-current liabilities	8.965	8.933
Total non-current liabilities	14.687	14.587
Current liabilities		
Payables to related parties	53.983	41.661
Interest-bearing borrowings	37	356
Trade and other payables	163.393	147.559
Provisions	10.159	11.073
Accrued charges and deferred revenue	149.132	148.881
Total current liabilities	376.705	349.530
Total liabilities	391.392	364.117
TOTAL EQUITY AND LIABILITIES	752.676	699.584

Ericsson Nikola Tesla d.d.
Consolidated statement of cash flows
for the period ended 31 March 2015

	2015	2014
	HRK '000	HRK '000
Cash flows from operating activities		
<i>Profit before tax</i>	25.240	34.074
Adjustments for:		
Depreciation and amortisation	11.925	10.935
Impairment losses and reversals	321	1.519
Net increase of provisions	2.296	-784
Gain on sale of property, plant and equipment	-97	-34
Net gain on remeasurement of financial assets	-65	-104
Amortisation of discount	0	-83
Interest income	-1.066	-2.235
Interest expense	2	-1
Foreign exchange losses/(gains)	-327	-705
Equity-settled transactions	668	2.351
	38.898	44.933
<i>Changes in working capital</i>		
In receivables	17.788	24.176
In inventories	-24.678	-9.160
In payables	18.648	-50.092
<i>Cash generated from operations</i>	50.655	9.858
Interest paid	-2	1
Income taxes paid	-2	-
Net cash from operating activities	50.652	9.858
Cash flows from investing activities		
Interest received	1.287	2.429
Proceeds from sale of property, plant and equipment	197	67
Purchases of property, plant and equipment, and intangible assets	-13.091	-11.432
Deposits collected with financial institutions - net	10	-
Proceeds from sale of financial assets at fair value through profit and loss	9.248	5.921
Net cash generated/(used) in investing activities	-2.349	-3.015
Cash flows from financing activities		
Dividends paid	-	-9
Net cash used in financing activities	-	-9
Effects of exchange rate changes on cash and cash equivalents	-473	987
Net increase/decrease in cash and cash equivalents	47.830	7.822
Cash and cash equivalents at the beginning of the year	186.963	411.328
Cash and cash equivalents at the end of the year	234.793	419.150

ENCLOSURE 1

Reporting period:

1.1.2015.

to

31.03.2015

Quarterly Financial Report TFI-PODTax number (MB): **03272699**Registration number (MBS): **080002028**Personal identification
number (OIB): **84214771175**Issuer: **ERICSSON NIKOLA TESLA D.D. ZAGREB**Postal code and location: **10000****ZAGREB**Street and number: **Krapinska 45**E-mail: etk_company@ericsson.comInternet address: www.ericsson.hrCode and city / municipality: **133** **ZAGREB**Code and county: **21** **GRAD ZAGREB**Number of employees: **2.519**
(at the end of year)Consolidated Report: **Yes**Business activity code: **2630**

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Libratel d.o.o.**Zagreb, Selska 93****01449613****ETK BH d.o.o****Sarajevo, Fra Andela Zvizdovića broj 1****65-01-0996-11****Ericsson Nikola Tesla d.d. - Branch office of Kosovo** **Republika Kosovo, Kalabria, Obj 1., BII 1, Kati 1 Nr.13****70633647****Ericsson Nikola Tesla Servisi d.o.o.****Zagreb, Krapinska 45****080921748**

Book-keeping office:

Contact person: **Tatjana Ricijaš**

(Name and surname of contact person)

Telephone: **+385 (0)1 365 3343**Telefaks: **+385 (0)1 365 3174**E-mail: tatjana.ricijas@ericsson.comName and surname: **Kovačević Gordana**

(authorized representatives)

Documents to be published:

1. Consolidated Financial Statements (Balance Sheet, Income statement, Cash Flow Statement, Statement of Changes in Equity)
2. Management Commentary Statement with notes
3. Responsibility of the Management for the preparation of the consolidated financial statements

(seal)

(signature of authorized representative)

Balance Sheet
as at 31 March 2015

Issuer: Ericsson Nikola Tesla d.d.			
Item	AOP	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR REGISTERED UNPAID CAPITAL	001		
B) NON CURRENT ASSETS (003+010+020+029+033)	002	160.389.100	171.105.674
I. INTANGIBLE ASSETS (004 do 009)	003	5.481.195	5.348.907
1. Research & Development expenditure	004		
2. Patents, licences, royalties, trade marks, software&similar rights	005	1.307.950	1.175.661
3. Goodwill	006	4.173.246	4.173.246
4. Prepayments for intangible assets	007		
5. Intangible assets under construction	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	135.715.229	143.612.817
1. Land	011	15.605.344	15.605.344
2. Property	012	30.024.740	29.180.035
3. Plants and equipment	013	76.086.523	78.674.181
4. Tools, plants&vehicles	014	11.320.107	10.500.440
5. Biological asset	015		
6. Prepayments for tangible assets	016		
7. Assets under construction	017	2.579.181	9.555.429
8. Other tangible assets	018	99.334	97.388
9. Investments property	019		
III. FINANCIAL ASSETS (021 do 028)	020	7.403.441	7.389.961
1. Investments in subsidiaries	021		
2. Loans to subsidiaries	022		
3. Participating interests (stakes)	023		
4. Loans to participating interest	024		
5. Investments in securities	025		
6. Loans & deposits	026	7.363.441	7.349.961
7. Other non-current financial assets	027	40.000	40.000
8. Investment accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	11.789.235	17.153.943
1. Receivables from subsidiaries	030	4.133.330	4.133.330
2. Receivables from credit sales	031	3.352.403	6.337.021
3. Other receivables	032	4.303.502	4.283.638
V. DEFERRED TAX ASSETS	033	0	0
C) CURENT ASSETS (035+043+050+058)	034	537.239.532	577.805.041
I. INVENTORIES (036 do 042)	035	30.946.083	55.624.146
1. Raw materials & consumables	036	5.185	3.031
2. Work in progress	037	30.922.400	55.602.617
3. Products	038		
4. Merchandise	039		
5. Prepayments for inventories	040	18.498	18.498
6. Other available-for-sale assets	041		
7. Biological asset	042		
II. RECEIVABLES (044 do 049)	043	275.249.664	252.490.236
1. Receivables for trade debt of subsidiaries	044	81.849.371	69.334.393
2. Trade receivables	045	190.571.947	180.947.680
3. Receivables for trade debts of participating entities	046		
4. Amounts receivable from employees	047		
5. Receivables from government agencies	048	915.708	1.279.881
6. Other receivables	049	1.912.638	928.282
III. FINANCIAL ASSETS (051 do 057)	050	44.080.515	34.897.663
1. Investments in subsidiaries	051		
2. Loans to subsidiaries	052		
3. Participating interests (stakes)	053		
4. Loans to participating interest	054		
5. Investments in securities	055	44.080.515	34.897.663
6. Loans & deposits	056		
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	186.963.270	234.792.996
D) PREPAYMENTS AND ACCRUED INCOME	059	1.956.083	3.765.532
E) TOTAL ASSETS (001+002+034+059)	060	699.584.715	752.676.246
F) OFF-BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) EQUITY (063+064+065+071+072+075+078)	062	335.466.574	361.284.393
I. SHARE CAPITAL	063	133.165.000	133.165.000
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	22.942.695	22.942.695
1. Legal reserves	066	6.658.250	6.658.250
2. Reserves for treasury shares	067	24.746.708	24.746.708
3. Treasury shares and stakes (less)	068	8.462.264	8.462.264
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS (073-074)	072	92.009.269	180.020.014
1. Retained earnings	073	92.009.269	180.020.014
2. Loss brought forward	074		
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	87.349.610	25.156.684
1. Profit for the financial year	076	87.349.610	25.156.684
2. Loss for the financial year	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	0	0
1. Provisions for redundancy costs	080		
2. Provisions for tax obligations	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 do 092)	083	14.587.602	14.687.042
1. Amounts payable to subsidiaries	084	4.799.908	4.831.843
2. Liabilities for loans, deposits and other	085	0	0
3. Liabilities towards banks and other financial institutions	086	31.935	0
4. Amounts payable for prepayment	087	0	0
5. Trade payables	088	4.133.330	4.133.330
6. Amounts payable for securities	089	0	0
7. Liabilities toward participating interests	090	0	0
8. Other non-current liabilities	091	5.622.429	5.721.869
9. Deferred tax	092		
D) CURRENT LIABILITIES (094 do 105)	093	200.649.596	227.572.485
1. Amounts payable to subsidiaries	094	41.661.457	53.983.000
2. Liabilities for loans, deposits and other	095		
3. Liabilities towards banks and other financial institutions	096	355.803	37.066
4. Amounts payable for prepayment	097		
5. Trade payables	098	53.384.032	64.709.638
6. Amounts payable for securities	099		
7. Liabilities toward participating interests	100		
8. Amounts payable to employees	101	73.635.920	78.454.870
9. Liabilities for taxes and contributions	102	31.612.383	30.387.911
10. Dividend payables	103		
11. Liabilities directly associated with the assets classified as held for sale	104		
12. Other current liabilities	105		
E) ACCRUED CHARGES AND DEFERRED REVENUE	106	148.880.943	149.132.327
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	699.584.715	752.676.246
G) OFF-BALANCE SHEET ITEMS	108		
ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders of the parent company's capital	109	335.466.574	361.284.393
2. Attributable to minority interest	110		

Note 1.: APPENDIX TO THE BALANCE SHEET (to be filled in by entites who submitting consolidated financial statements).

INCOME STATEMENT
for the period 01 January 2015 to 31 March 2015

Issuer: Ericsson Nikola Tesla d.d.

Item	AOP	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112+113)	111	320.450.706	320.450.706	313.170.730	313.170.730
1. Sales revenue	112	315.372.411	315.372.411	309.182.437	309.182.437
2. Other operating income	113	5.078.295	5.078.295	3.988.293	3.988.293
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	289.359.332	289.359.332	288.978.736	288.978.736
1. Changes in inventories of finished products and work in progress	115	-5.407.294	-5.407.294	-24.680.217	-24.680.217
2. Raw material and consumables used (117 do 119)	116	148.173.149	148.173.149	136.461.803	136.461.803
a) Cost of raw materials & consumables	117	91.617.711	91.617.711	79.869.099	79.869.099
b) Cost of goods sold	118				
c) Other costs	119	56.555.438	56.555.438	56.592.704	56.592.704
3. Staff costs (121 do 123)	120	125.022.235	125.022.235	157.330.403	157.330.403
a) Net salaries	121	61.489.349	61.489.349	80.594.144	80.594.144
b) Employee income tax and contributions	122	47.381.085	47.381.085	54.446.902	54.446.902
c) Employer's contributions	123	16.151.801	16.151.801	22.289.357	22.289.357
4. Depreciation and amortisation expense	124	10.934.880	10.934.880	11.924.978	11.924.978
5. Other costs	125	8.044.345	8.044.345	7.195.215	7.195.215
6. Impairment losses (127+128)	126	1.482.211	1.482.211	294.427	294.427
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	1.482.211	1.482.211	294.427	294.427
7. Provisions	129				
8. Other operating expenses	130	1.109.806	1.109.806	452.127	452.127
III. FINANCIAL INCOME (132 do 136)	131	2.982.752	2.982.752	1.145.783	1.145.783
1. Interest, foreign exchange gains, dividends and other income from related	132				
2. Interest, foreign exchange gains, dividends and other income from non-related and other entities	133	2.716.975	2.716.975	1.066.202	1.066.202
3. Income from associates and ownership interests	134				
4. Unrealized gains	135				
5. Other financial income	136	265.777	265.777	79.581	79.581
IV. FINANCIAL EXPENSES (138 do 141)	137			97.832	97.832
1. Interest, foreign exchange losses and other expenses with related parties	138				
2. Interest, foreign exchange differences and other expenses with non-related and other entities	139			97.832	97.832
3. Unrealized losses	140				
4. Other financial expenses	141				
V. SHARE OF INCOME OF ASSOCIATES	142				
VI. SHARE OF LOSS OF ASSOCIATES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	323.433.458	323.433.458	314.316.513	314.316.513
X. TOTAL EXPENSES (114+137+143 + 145)	147	289.359.332	289.359.332	289.076.569	289.076.569
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	34.074.127	34.074.127	25.239.944	25.239.944
1. Profit before tax (146-147)	149	34.074.127	34.074.127	25.239.944	25.239.944
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX EXPENSE	151			83.259	83.259
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	34.074.127	34.074.127	25.156.685	25.156.684
1. Profit for the period (149-151)	153	34.074.127	34.074.127	25.156.685	25.156.684
2. Loss for the period (151-148)	154	0	0	0	0
ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to owners of the company	155	34.074.127	34.074.127	25.156.685	25.156.684
2. Attributable to non-controlling interests	156				
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	34.074.127	34.074.127	25.156.685	25.156.684
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)	158	0	0	0	0
1. Exchange differences arising from foreign operations	159	14.514	14.514	69.556	69.556
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161				
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	167	14.514	14.514	69.556	69.556
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	34.088.641	34.088.641	25.226.241	25.226.240
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					
1. Attributable to owners of the company	169	34.088.641	34.088.641	25.226.241	25.226.240
2. Attributable to non-controlling interests	170				

CASH FLOW STATEMENT - Indirect method
in the period 01 January 2015 to 31 March 2015

Issuer: Ericsson Nikola Tesla d.d.			
Item	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	34.074.127	25.239.944
2. Depreciation and amortisation	002	10.934.880	11.924.978
3. Increase in liabilities	003		18.647.655
4. Decrease in receivables	004	24.176.232	17.788.331
5. Decrease in inventories	005		
6. Other increase in cash flow	006		1.728.867
I. Total increase in operating cash flow (001 do 006)	007	69.185.239	75.329.775
1. Decrease in liabilities	008	50.091.912	
2. Increase in receivables	009		
3. Increase in inventories	010	9.159.645	24.678.063
4. Other decrease in cash flow	011	75.250	
II. Total decrease in operating cash flow (008 do 011)	012	59.326.807	24.678.063
A1) NET INCREASE IN OPERATING CASH FLOW (007-012)	013	9.858.432	50.651.713
A2) NET DECREASE IN OPERATING CASH FLOW (012-007)	014		
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of property, plant and equipment	015	66.799	196.845
2. Net disposal of financial assets	016		9.247.637
3. Interest received	017	2.429.355	1.287.185
4. Dividend received	018		
5. Other cash from investing activities	019	5.920.549	10.311
III. Total cash flow from investing activities (015 do 019)	020	8.416.702	10.741.979
1. Purchase of property, plant and equipment and intangible assets	021	11.431.546	13.090.531
2. Purchase of financial instruments	022		
3. Other cash flow used in investing activities	023		
IV. Total cash flow from investing activities (021 do 023)	024	11.431.546	13.090.531
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	3.014.844	2.348.552
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuance of financial instruments	027		
2. Proceeds from loans	028		
3. Other cash flow from financial activities	029	987.290	
V. Total cash flow from financial activities (027 do 029)	030	987.290	0
1. Repayment of interest-bearing borrowings	031		
2. Dividend paid	032	9.017	
3. Repayment of finance lease	033		
4. Repurchase of treasury shares	034		
5. Other cash flow used in financial activities	035		473.434
VI. Total cash flow used in financial activities (031 do 035)	036	9.017	473.434
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	978.273	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038		473.434
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	7.821.861	47.829.726
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040		
Cash and cash equivalents at the beginning of the period	041	411.328.191	186.963.270
Increase in cash and cash equivalents	042	7.821.861	47.829.726
Decrease in cash and cash equivalents	043		0
Cash and cash equivalents at the end of the period	044	419.150.052	234.792.996

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2015 to 31.3.2015

Item	AOP	Previous period	Current period
1	2	3	4
1. Share capital	001	133.165.000	133.165.000
2. Capital reserves	002		
3. Reserves from profit	003	15.710.740	22.942.695
4. Retained earnings	004	524.625.435	180.020.014
5. Profit or loss for the period	005	34.074.127	25.156.684
6. Revaluation of property, plant and equipment	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial financial assets available for sale	008		
9. Other revaluations	009		
10. Total capital and reserves (AOP 001 do 009)	010	707.575.302	361.284.393
11. Foreign exchange differences from investments in foreign operations	011	14.514	69.556
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Changes in accounting policies	014		
15. Prior year adjustment	015		
16. Other changes in equity	016		
17. Total increase/decrease in equity (AOP 011 do 016)	017	14.514	69.556
17 a. Parent company share in subsidiary	018	14.514	69.556
17 b. Minority interest	019		

Items that decrease equity have negative sign

Items from 001 to 009 are state of balance sheet date

Notes to the Financial Statements

1. Segment reporting

	Networks		Professional Services		Support solutions		Unallocated		Total	
	31.3.2015. '000 kn	31.3.2014. '000 kn	31.3.2015. '000 kn	31.3.2014. '000 kn	31.3.2015. '000 kn	31.3.2014. '000 kn	31.3.2015. '000 kn	31.3.2014. '000 kn	31.3.2015. '000 kn	31.3.2014. '000 kn
Sales revenue - gross	139.875	161.556	157.997	146.318	14.891	9.854	0	0	312.763	317.728
Inter-segment sales	-1.422	-1.635	-2.141	-718	-18	-3	0	0	-3.580	-2.356
Sales revenue - net	138.453	159.921	155.856	145.600	14.874	9.851	0	0	309.182	315.372
Operating profit/(loss)	-2.002	1.267	32.178	37.454	1.980	468	-7.965	-8.097	24.192	31.091

2. Transactions with related parties

	31.3.2015. '000 kn	31.3.2014. '000 kn
Total sales	167.705	133.118
Total purchases	80.851	93.772

3. Balances with related parties

	31.3.2015. '000 kn	31.12.2014 '000 kn
Receivable	73.468	86.649
Payable	58.815	46.461

4. Other notes to the financial statements are disclosed within the Management Board report.