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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUE PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2002 \*

LM Ericsson Telephone Company  
(Translation of registrant's name into English)

Telefonplan, S-126 25 Stockholm Sweden  
(Address of principal executive office)

PROCESSED

FEB 11 2002

THOMSON  
FINANCIAL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefonaktiebolaget LM Ericsson,  
(Registrant)

Date January 29, 2002,

By

Gary Pinkham  
(Signature) *SM*

Gary Pinkham  
Vice President

\* Interim Report  
Fourth Quarter Report 2001 (Ended Dec. 31, 2001)

## Ericsson reports positive cash flow for full year and expands GSM/GPRS lead in North America

- Adjusted income before taxes of SEK -3.4 b. excluding additional risk provisions for Latin America of SEK 1.7 b.
- GSM sales up 9% for the year
- Handset operations repositioned with licensing business and Sony Ericsson Mobile Communications
- Targeting over 5% operating margin for full year 2002 through new business opportunities and ongoing cost control

| SEK b.  | Fourth quarter |             |             | Twelve months |                |             |
|---|----------------|-------------|-------------|---------------|----------------|-------------|
|   | 2001           | 2000        | Change      | 2001          | 2000           | Change      |
| <b>Orders</b>                                     | <b>39.9</b>    | <b>65.9</b> | <b>-39%</b> | <b>201.8</b>  | <b>239.1</b>   | <b>-16%</b> |
| - Systems   | 34.2           | 59.9        | -43%        | 182.8         | 213.2          | -14%        |
| - Other operations                                | 8.1            | 9.3         | -13%        | 28.5          | 39.5           | -28%        |
| <b>Sales</b>                                      | <b>58.5</b>    | <b>69.1</b> | <b>-15%</b> | <b>210.8</b>  | <b>221.6</b>   | <b>-5%</b>  |
| - Systems   | 50.0           | 61.3        | -18%        | 187.8         | 194.7          | -4%         |
| - Other operations                                | 11.1           | 10.9        | 2%          | 33.4          | 40.2           | -17%        |
| <b>Adjusted Operating Income <sup>1)</sup></b>    | <b>-4.1</b>    | <b>-1.5</b> |             | <b>-17.9</b>  | <b>16.7</b>    |             |
| - Systems   | 0.3            | 9.2         |             | 2.9           | 32.6           |             |
| - Phones  | -0.7           | -9.8        |             | -14.6         | -16.2          |             |
| - Other operations                                | -3.0           | -0.2        |             | -4.4          | 2.2            |             |
| - Unallocated                                     | -0.6           | -0.7        |             | -1.7          | -1.9           |             |
| <b>Adjusted Operating Margin <sup>1)</sup></b>    | <b>-7%</b>     | <b>-2%</b>  |             | <b>-8%</b>    | <b>8%</b>      |             |
| - Systems   | 1%             | 15%         |             | 2%            | 17%            |             |
| - Phones  | -              | -           |             | -             | -              |             |
| - Other operations                                | -27%           | -2%         |             | -13%          | 5%             |             |
| <b>Adjusted Income Before Taxes <sup>1)</sup></b> | <b>-5.1</b>    | <b>-2.6</b> |             | <b>-21.1</b>  | <b>14.3</b>    |             |
| <b>Net Income</b>                                 | <b>-3.5</b>    | <b>2.3</b>  |             | <b>-21.3</b>  | <b>21.0</b>    |             |
| <b>Earnings per share, diluted (SEK)</b>          | <b>-0.44</b>   | <b>0.28</b> |             | <b>-2.69</b>  | <b>2.65</b>    |             |
| <b>Earnings per share, diluted per</b>            |                |             |             |               |                |             |
| <b>U.S. GAAP (SEK)</b>                            | <b>-0.69</b>   | <b>0.65</b> |             | <b>-3.14</b>  | <b>2.94</b>    |             |
| <b>Cash flow before financing activities</b>      | <b>16.5</b>    | <b>11.6</b> |             | <b>4.2</b>    | <b>6.4</b>     |             |
| <b>Number of employees</b>                        |                |             |             | <b>85,198</b> | <b>105,129</b> |             |
| <sup>1)</sup> Adjusted for:                       |                |             |             |               |                |             |
| - Capital gain, Juniper                           | -              | 15.4        |             | 5.5           | 15.4           |             |
| - Non-operational capital gains                   | 0.2            | -0.2        |             | 0.3           | 5.9            |             |
| - Pension refund                                  | -              | -           |             | -             | 1.1            |             |
| - Restructuring charges                           | -              | -8.0        |             | -15.0         | -8.0           |             |

*Pro forma format: Sony Ericsson Mobile Communications are accounted for under the equity method and included in "Earnings from Joint Venture and Associated Companies." The results of the phone activities retained by Ericsson are included in "Other Operations."*

## **OPERATIONAL RESULTS**

Net sales were SEK 58.5 b., representing a 25% increase from the third quarter 2001 and a 15% decline compared with the fourth quarter 2000. Adjusted operating income was SEK -4.1 b. including provisions of SEK 1.7 b. for increased customer credit risks in Latin America and a loss of SEK 0.7 b. from our share in Sony Ericsson Mobile Communications. Operating margin in Systems improved sequentially to 4% excluding the additional risk provisions.

Through significant improvements in working capital we generated strong cash flow of SEK 16.4 b. and achieved our target of positive cash flow before financing for the full year. Notably, the cash proceeds from the sale and lease-back of test plants are not included as this transaction is treated as a financing activity.

Our Efficiency Program continued as scheduled with SEK 4.5 b. in cost savings for the quarter. The workforce was 85,200 at year-end compared to 107,300 in March 2001 at the start of the program.

## **CEO COMMENTS**

“Our strength in the market and our positive cash flow demonstrate the commitment by our employees to win new business and increase operational efficiency. We achieved our cost reduction targets in the Efficiency Program and we will continue to improve profitability,” says Kurt Hellström, President and CEO of Ericsson.

In Mobile Systems, we continued to outperform our closest competitors with sales up 9% in GSM for the full year. We have taken the lead in the North American transition to GSM/GPRS, which also positions us for leadership in the follow-on upgrades to 3G/EDGE.

The market for next generation multi-service networks continues with good demand for our ENGINE solution. However, the traditional circuit-switching business continues to shrink and we are particularly affected by the downturn in Latin America. Actions are underway to improve profitability in this area later this year.

We have made significant progress in the changing handset market, where we have repositioned Ericsson as one of the few that can deliver core handset technology. Several licensing agreements are already in place with other handset suppliers. Furthermore, our joint venture with Sony is off to a good start with a substantially lower cost structure and the most advanced GPRS phones.

We are now in a much stronger position to capitalize on market opportunities and restore profitability in 2002. Although the market will be particularly challenging in the beginning of 2002, we maintain our objective of over 5% operating margin for the full year.

## **OPERATIONAL REVIEW**

### **Systems**

Orders and sales have gradually declined during the year, reflecting lower volumes and more competitive pricing for both mobile systems and multi-service networks. The Systems order backlog remains strong at 43% of annual sales, almost unchanged from 44% at the end of 2000. However, new order development is essential to secure our operational targets in 2002.

The Systems operating margin remained at 1% with improvements in Mobile Systems offset by further deterioration in Multi-Service Networks. Excluding the increased risk provisions for Latin America, our Systems margin increased sequentially to 4%, mainly reflecting cost savings from our Efficiency Program.

### **Mobile Systems**

In 2001, we again outperformed the competition in our GSM business. GSM sales for the full year rose 9%, even with a 7% decline in the quarter, demonstrating our strong performance under difficult market conditions.

Orders for GSM increased in North America and Asia Pacific but were weak in Western Europe. Overall, orders for 2G systems continued to decline in the fourth quarter, primarily reflecting lower demand for TDMA and PDC as these operators prepare to migrate to next generation networks.

In 2.5G, we have signed 78 commercial GPRS agreements out of a total 162 announced industry-wide to date. Thirty of our customers have already launched commercial services and we have taken the lead in the North American transition to GSM/GPRS. Recently we also signed our first global contract for MMS (Multi-Media Messaging) for initial deployment in nine countries beginning this year. The availability of attractive MMS services with color images, animations and sounds will be an important driver for GPRS traffic.

In 3G, we are currently shipping systems to more than 30 operators. We have been named in 60% of the 3G/UMTS agreements announced so far, which we believe will represent at least a 40% global market share in terms of value. We have further strengthened our position with important contract wins in North America, giving us the best position for the follow-on upgrade to 3G/EDGE.

### **Multi-Service Networks**

Orders and sales declined significantly as demand for traditional wireline equipment continued to deteriorate. This was partially offset by increased spending on next generation packet-switching equipment, as demand for our ENGINE solution continued to develop favorably.

Approximately two-thirds of our Multi-Service Networks business is derived from Latin America and Western Europe. As a consequence, our circuit-switching business has been particularly affected by the market downturn in these regions.

With the market deterioration accelerating, our efforts to improve profitability in this business have not been sufficient to offset the dramatic drop in sales. We are pursuing different solutions including further restructuring on an ongoing basis.

## **PHONES**

Our Phones business has been restructured with the establishment of the Sony Ericsson joint venture for mobile multi-media products and the formation of technology licensing businesses for mobile phone platforms and Bluetooth™. With this, we have repositioned Ericsson to capitalize on the opportunities in the new handset market structure, which is shifting from a few complete suppliers to a chain of specialized companies.

As previously announced, our 50% share of income from Sony Ericsson Mobile Communications is included in "Earnings from Joint Venture and Associated Companies." The retained activities, including technology licensing and phone manufacturing in China, are now reported as part of "Other Operations."

### **Sony Ericsson Mobile Communications (SEMC)**

This was the first quarter of operations for SEMC. The new company is off to a good start with solid integration of operations from both partners. The joint venture incurred a loss of SEK 1.4 b. The number of employees in the joint venture was approximately 4,000 at year-end 2001.

The joint venture sold 6.8 million phones, generating sales of SEK 9.7 b. The lower unit volume and higher average sales price (ASP) reflect a product strategy that primarily focuses on high-end models, resulting in lower volumes near-term. As the market for mobile multi-media products continues to develop, the business opportunity for the joint venture will also increase.

### **Other Operations**

Sales were up 4% for the quarter, including the retained phone activities.

Adjusted operating income was SEK -3.0 b., including losses of SEK -1.7 b. incurred by our retained phone activities, mainly for phasing-out activities and costs for underutilized capacity.

The Defense business was profitable, while the other major units traditionally reported within Other Operations (Cables, Microelectronics and Enterprise Systems) generated losses for the quarter. This is mainly due to lower sales, which declined at a faster pace than our ability to reduce fixed costs. Solutions for improved profitability are underway.

### **Efficiency Program**

The Efficiency Program continued on plan and delivered savings of SEK 4.5 b. Operating expenses are now 20% lower compared to the fourth quarter 2000, excluding the risk provisions for Latin America.

The number of employees affected by the program during the quarter was 4,700, bringing the total reduction within the program to 10,600. The number of consultants was further reduced by over 500 for a total reduction of more than 8,000 in 2001.

## FINANCIAL REVIEW

### Income

*Income is reported in a "statutory" format and a "pro forma" format. Swedish GAAP is used for both, with only the presentation differing to facilitate comparability. There are no differences in the reported income between the two formats. In the pro forma version, the previous three quarters of 2001 as well as the fourth quarter and full year 2000 are restated. This is to show how the restructuring of our Consumer Products Division affects our reporting.*

Gross margin declined in the quarter as improved cost of sales only partially offset adverse effects of the decline in Multi-Service Networks and Other Operations. The gross margin was also affected by low sales in Japan (PDC) and strategic break-in contracts with high initial costs in China (CDMA) and the U.S. (GSM/GPRS).

Excluding provisions for increased customer credit risk in Latin America, adjusted income before taxes was SEK -3.4 b. This sequential improvement reflects reductions in operating expenses from the Efficiency Program and smaller losses from our phone activities.

Financial net developed negatively due to the increased borrowing. The effect of changes in foreign currency exchange rates compared to the rates one year ago was SEK 0.4 b. of which SEK -0.2 b. was for Phones.

Adjusted income before taxes was SEK -5.1 b after deduction of SEK 0.2 b. of non-operational capital gains.

The effective tax rate for the year was 30%.

Earnings per share (EPS) diluted were SEK -0.44 (0.27) in the quarter and SEK -2.69 (2.65) year to date.

EPS diluted according to U.S. GAAP for the full year was SEK -3.14 (2.94), and SEK -0.69 (0.65) for the quarter. The effect of capitalization of development expenses for software has normally been positive under U.S. GAAP. For 2001, however, the effect is negative with reduced R&D spending, more conservative capitalization due to increased market uncertainties and extra write-downs as part of product reviews. Different recognition rules for the timing effects of restructuring charges compared to Swedish GAAP and effects of market valuation of derivatives also affected U.S. GAAP EPS negatively this year.

### Balance sheet and financing

We improved our payment readiness to 28%. This gives us more flexibility to operate under the current market uncertainty and enables us to capitalize on business opportunities. Our equity ratio is now 29%, compared to 38% at the end of last year. However, with a normal payment readiness level of between 7% and 10%, the equity ratio would have been approximately 35%.

As previously announced, we placed a portfolio of customer credits valued at USD 1.5 b. (approximately SEK 15 b.) in the financial market. This transaction reduced our on-balance sheet customer financing by SEK 2 b. The rest represents credits against future commitments and thereby improves our risk profile and reduces future cash outflow.

During the quarter, our total gross customer financing exposure increased by SEK 4.5 b. to SEK 26.4 b. With two-thirds now off-balance sheet, our on-balance sheet financing is SEK 8.9 b., down from SEK 9.7 b. at the end of the third quarter.

Net debt decreased from SEK 30.9 b. to SEK 12.9 b. in the quarter.

### **Cash flow**

Cash flow before financing activities was positive by SEK 16.5 b. for the fourth quarter and by SEK 4.2 b. for the full year. The improvement in working capital was the primary cash generator.

Our DSO (Days Sales Outstanding) was reduced to 88 days, a substantial improvement from 102 days in the third quarter, generating SEK 8.9 b. in cash. Inventory was reduced by SEK 3.0 b. through improved turnover. Flextronics made a SEK 1.0 b. payment for inventory that was transferred earlier in the year.

Also contributing to the positive development were divestments of real estate (SEK 3.8 b.) and the sale of computers and production equipment (SEK 2.1 b.).

### **MARKET VIEW**

By year-end 2001 the number of mobile subscribers had grown to 940-950 million, within our forecasted growth of 25-35%. We expect about 200 million new subscribers to be added in 2002, a solid growth rate of 20-25%. Our long-term forecast of 1.6 billion mobile subscribers by the end of 2005 remains unchanged.

The number of mobile phones sold in 2001 was approximately 390 million, close to our forecasted 400 million, reflecting a slower than expected replacement rate. In 2002, we anticipate up to 10% unit volume growth, driven by increased availability of replacement phones with GPRS, Bluetooth, color screens and multi-media messaging.

The slowdown in the telecommunications equipment market continued during the fourth quarter, resulting in a more or less flat mobile systems market for the full year. The wireline systems market contracted significantly and is likely to shrink further during 2002.

These market conditions are expected to persist well into 2002 with a much weaker first half. We maintain our view that the global market for mobile systems will be flat to down 10% in 2002. However, the North American market may show modest growth as operators upgrade to GSM/GPRS and 3G/EDGE.

The build-out of several 3G/UMTS networks in Europe and Asia has begun with the commercial launch of services planned for later this year. The number of 3G/UMTS subscribers could reach well over one million by the end of the year, depending on the availability of phones.

Our market view is based on discussions with our customers and the current macro-economic outlook. We have assumed that the market downturn will last well into 2002, that there will be significant net subscriber additions with increasing usage per subscriber, that GPRS traffic will gradually build up of over the next 12 months and that deployment of 3G systems will accelerate during the second half of 2002.

## **OUTLOOK**

In the third quarter report, we stated that our sales of Mobile Systems during 2002 were expected to be at least in line with the market development of flat to down 10%. We also stated an objective of an operating margin over 5% for the full year, even if net sales decline as much as 10% compared to 2001.

We maintain this outlook for full year 2002 with an operating loss in the first quarter and results improving over the year. We expect to generate positive operating cash flow for the full year.

For the first quarter of 2002, we expect sales to be approximately SEK 40 b. with Mobile Systems sales declining and particularly weak sales of Multi-Service Networks. Income before taxes is expected to be at about the same level as in the first quarter 2001, including a minor loss from Sony Ericsson Mobile Communications. We will implement necessary cost reductions on an ongoing basis to meet our operational targets.

### **Parent Company information**

The Parent Company business mainly consists of corporate management and holding company functions. It also includes activities performed on a commission basis by Ericsson Treasury Services AB and Ericsson Credit AB regarding internal banking and customer credit management. The Parent Company has branch and representative offices in 44 (44) countries.

In the second quarter, as decided at the Annual General Meeting, a stock issue and a subsequent stock repurchase was carried out related to the 2001 employee stock option and stock purchase plans. The stock issue increased the capital stock in restricted stockholders' equity by SEK 155 m. and the repurchase of shares reduced non-restricted equity by SEK 156 m.

Net sales for the year amounted to SEK 1.4 (1.2) b. and income after financial items was SEK -6.4 (9.0) b. Write-downs of investments in subsidiaries have affected income by SEK -19.0 b.

Major changes in the company's financial position were:

- Increased investments in subsidiaries of SEK 9.1 b.
- Increased current and long-term commercial and financial receivables from subsidiaries of SEK 25.7 b.
- Increased cash and short-term cash investments of SEK 23.2 b.

These investments were financed primarily through increased internal borrowing of SEK 44.3 b. and increased short and long-term external borrowing of SEK 22.0 b. At year-end, cash and short-term cash investments amounted to SEK 49.0 (25.9) b.

### **Dividend proposal**

The Board of directors will propose to the Annual General Meeting to suspend dividends for 2001.

## **Annual Report**

The annual report will be distributed to shareholders and will be available at our head office at Telefonplan, Stockholm, by March 10, 2002.

## **Annual General Meeting of shareholders**

The Annual General Meeting of shareholders will be held on Wednesday, March 27, 2002, in Stockholm Globe Arena.

## **Accounting principles**

This report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim Reports. The same accounting principles have been used as were used in our latest annual report. The following optional recommendations are not yet implemented: RR 1:00, RR 15, RR 16, RR 17 and RR 19. For U.S. GAAP purposes, FAS 133 "Accounting for derivative instruments and hedging activities" is adopted from January 1, 2001.

Stockholm, January 25, 2002

Kurt Hellström  
President and CEO

## **Uncertainties in the Future**

"Safe Harbor" Statement under the U.S. Private Securities Litigation Reform Act of 1995:

*Some statements in this interim report are forward looking and actual results may differ materially from those stated. In addition to the factors discussed, among other factors that may affect results are product demand, the effect of economic conditions, exchange-rate and interest-rate movements, capital- and credit market developments, the ability to successfully restructure existing business, the timing of customer orders and manufacturing lead times, the changes in customer order and payment patterns, insufficient, excess or obsolete inventory, and the impact of competing products and their pricing, product development, commercialization and technological difficulties, political risks in the countries in which the Company has operations or sales, supply constraints, and the result of customer financing efforts. Results for interim periods are not necessarily indicative of results for the full fiscal year or any future periods.*

Date for next report: April 19, 2002

A glossary of all technical terms is available at: <http://www.ericsson.com/about> and in the annual report.

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**ERICSSON**  
**CONSOLIDATED INCOME STATEMENT**

| SEK million   | Oct-Dec |         |        | Jan-Dec  |          |        |
|---|---------|---------|--------|----------|----------|--------|
|   | 2001    | 2000    | Change | 2001     | 2000     | Change |
| Net sales   | 58,538  | 82,109  | -29%   | 231,839  | 273,569  | -15%   |
| Cost of sales   | -42,648 | -55,613 | -23%   | -165,555 | -172,892 | -4%    |
| <b>Gross margin</b>                                     | 15,890  | 26,496  | -40%   | 66,284   | 100,677  | -34%   |
| Gross margin as percentage of net sales                 | 27.1%   | 32.3%   |        | 28.6%    | 36.8%    |        |
| Restructuring costs <sup>*)</sup>                       | -3,345  | -7,500  |        | -8,345   | -7,500   |        |
| <b>Gross margin after restructuring costs</b>           | 12,545  | 18,996  | -34%   | 57,939   | 93,177   | -38%   |
| Research and development and other technical expenses   | -9,530  | -12,958 | -26%   | -43,094  | -41,421  | 4%     |
| Selling expenses  | -7,878  | -11,340 | -31%   | -30,186  | -34,706  | -13%   |
| Administrative expenses                                 | -2,950  | -4,254  | -31%   | -12,584  | -13,311  | -5%    |
| <b>Operating expenses</b>                               | -20,358 | -28,552 | -29%   | -85,864  | -89,438  | -4%    |
| Operating expenses as percentage of net sales           | 34.8%   | 34.8%   |        | 37.0%    | 32.7%    |        |
| Restructuring costs <sup>*)</sup>                       | 3,345   | -500    |        | -6,655   | -500     |        |
| <b>Operating expenses including restructuring costs</b> | -17,013 | -29,052 | -41%   | -92,519  | -89,938  | 3%     |
| Other operating revenues                                | 1,247   | 15,586  |        | 8,207    | 27,652   |        |
| Share in earnings of JV and assoc. companies            | -669    | 117     |        | -721     | 274      |        |
| <b>Operating income <sup>*)</sup></b>                   | -3,890  | 5,647   |        | -27,094  | 31,165   |        |
| Operating margin as percentage of net sales             | -6.6%   | 6.9%    |        | -11.7%   | 11.4%    |        |
| Financial income  | 1,484   | 720     | 106%   | 3,743    | 2,929    | 28%    |
| Financial expenses                                      | -2,152  | -1,314  | 64%    | -5,782   | -4,449   | 30%    |
| <b>Income after financial items</b>                     | -4,558  | 5,053   |        | -29,133  | 29,645   |        |
| Minority interest in income before taxes                | -373    | -460    | -19%   | -1,176   | -953     | 23%    |
| <b>Income before taxes</b>                              | -4,931  | 4,593   |        | -30,309  | 28,692   |        |
| <b>Taxes</b>  | 1,431   | -2,343  |        | 9,045    | -7,674   |        |
| <b>Net income</b>                                       | -3,500  | 2,250   |        | -21,264  | 21,018   |        |
| Earnings per share, basic (SEK)                         | -0.44   | 0.30    |        | -2.69    | 2.67     |        |
| Earnings per share, diluted (SEK)                       | -0.44   | 0.28    |        | -2.69    | 2.65     |        |
| <sup>*)</sup> Of which items affecting comparability    |         |         |        |          |          |        |
| Non-operational capital gains/losses, net               | 179     | -231    |        | 347      | 5,933    |        |
| Capital gain, Juniper                                   | 0       | 15,383  |        | 5,453    | 15,383   |        |
| Pension refund  | 0       | 0       |        | 0        | 1,100    |        |
| Restructuring costs                                     | 0       | -8,000  |        | -15,000  | -8,000   |        |
| <b>Total</b>  | 179     | 7,152   |        | -9,200   | 14,416   |        |
| Adjusted operating income                               | -4,069  | -1,505  |        | -17,894  | 16,749   |        |
| Adjusted operating margin (%)                           | -7.0%   | -1.8%   |        | -7.7%    | 6.1%     |        |
| Adjusted income before taxes                            | -5,110  | -2,559  |        | -21,109  | 14,276   |        |

<sup>\*)</sup> In the fourth quarter restructuring costs of SEK 3,345 m. has been redistributed between cost of sales and operating expenses.

**ERICSSON  
CONSOLIDATED BALANCE SHEET**

| SEK million   | Dec 31<br>2001 | Sep 30<br>2001 | Dec 31<br>2000 | Sep 30<br>2000 |
|---|----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>   |                |                |                |                |
| Intangible assets   | 13,066         | 13,203         | 12,833         | 12,568         |
| Tangible assets   | 16,075         | 23,012         | 22,378         | 23,814         |
| Financial assets  |                |                |                |                |
| Equity in JV and associated companies                           | 4,497          | 2,625          | 2,790          | 2,869          |
| Other investments   | 3,100          | 3,139          | 2,484          | 2,490          |
| Long-term customer financing                                    | 4,225          | 5,889          | 6,364          | 7,588          |
| Other long-term receivables                                     | 13,739         | 13,911         | 3,657          | 3,440          |
| <b>Total fixed assets</b>                                       | 54,702         | 61,779         | 50,506         | 52,769         |
| <b>Current assets</b>   |                |                |                |                |
| Inventories   | 24,910         | 28,248         | 43,933         | 48,361         |
| Receivables   |                |                |                |                |
| Accounts receivable - trade and short-term customer financing   | 59,612         | 63,697         | 76,240         | 68,794         |
| Other receivables   | 41,993         | 45,008         | 44,029         | 44,831         |
| Short-term cash investments, cash and bank                      | 68,839         | 39,969         | 35,606         | 23,753         |
| <b>Total current assets</b>                                     | 195,354        | 176,922        | 199,808        | 185,739        |
| <b>Total assets</b>   | 250,056        | 238,701        | 250,314        | 238,508        |
| <b>Stockholders' equity</b>                                     | 68,587         | 72,387         | 91,686         | 89,926         |
| <b>Minority interest in equity of consolidated subsidiaries</b> | 3,532          | 3,437          | 2,764          | 2,433          |
| <b>Provisions</b>   | 34,171         | 34,749         | 27,650         | 26,770         |
| <b>Long-term liabilities</b>                                    | 52,134         | 51,541         | 22,294         | 22,512         |
| <b>Current liabilities</b>                                      | 91,632         | 76,587         | 105,920        | 96,867         |
| <b>Total stockholders' equity, provisions and liabilities</b>   | 250,056        | 238,701        | 250,314        | 238,508        |
| Of which interest-bearing provisions and liabilities            | 81,761         | 70,940         | 46,563         | 41,444         |
| Assets pledged as collateral                                    | 2,615          | 267            | 435            | 443            |
| Contingent liabilities  | 15,583         | 12,796         | 11,184         | 11,814         |

**ERICSSON**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

| SEK million   | Oct-Dec       |               | Jan-Dec       |                |
|---|---------------|---------------|---------------|----------------|
|   | 2001          | 2000          | 2001          | 2000           |
| Net income  | -3,500        | 2,250         | -21,264       | 21,018         |
| Adjustments to reconcile net income to cash           | -53           | -8,601        | -13,413       | -11,924        |
| <b>Changes in operating net assets</b>                |               |               |               |                |
| Inventories   | 2,950         | 3,907         | 20,103        | -18,305        |
| Customer financing, short-term and long-term          | 1,190         | 2,808         | 1,034         | 946            |
| Accounts receivable                                   | 4,401         | -9,550        | 19,454        | -10,446        |
| Other   | 9,327         | 9,101         | -6,597        | 7,863          |
| <b>Cash flow from operating activities</b>            | <b>14,315</b> | <b>-85</b>    | <b>-683</b>   | <b>-10,848</b> |
| Investments in tangible assets                        | -953          | -3,813        | -8,306        | -12,293        |
| Acquisitions/sales of other investments, net          | -3,263        | 14,616        | 5,322         | 22,643         |
| Other investing activities                            | 6,352         | 853           | 7,850         | 6,894          |
| <b>Cash flow from investing activities 1)</b>         | <b>2,136</b>  | <b>11,656</b> | <b>4,866</b>  | <b>17,244</b>  |
| <b>Cash flow before financing activities</b>          | <b>16,451</b> | <b>11,571</b> | <b>4,183</b>  | <b>6,396</b>   |
| Dividends paid  | -             | -109          | -4,295        | -4,179         |
| Other financing activities                            | 11,818        | 297           | 32,607        | 3,943          |
| <b>Cash flow from financing activities</b>            | <b>11,818</b> | <b>188</b>    | <b>28,312</b> | <b>-236</b>    |
| Effect of exchange rate changes on cash               | 601           | 94            | 738           | 438            |
| <b>Net change in cash</b>                             | <b>28,870</b> | <b>11,853</b> | <b>33,233</b> | <b>6,598</b>   |
| <b>Cash and cash equivalents, beginning of period</b> | <b>39,969</b> | <b>23,753</b> | <b>35,606</b> | <b>29,008</b>  |
| <b>Cash and cash equivalents, end of period</b>       | <b>68,839</b> | <b>35,606</b> | <b>68,839</b> | <b>35,606</b>  |

1) Of which major items:

|                                |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|
| Investment in Sony Ericsson JV | -2,800 | -      | -2,800 | -      |
| Juniper                        | -      | 15,400 | 5,500  | 15,400 |
| Energy System                  | -      | -      | -      | 5,900  |
| Enterprise distribution        | -      | -      | 3,400  | -      |
| Real estate                    | 3,800  | 1,000  | 4,700  | 5,200  |
| PC and test equipment          | 2,100  | -      | 2,100  | -      |

## CHANGES IN STOCKHOLDERS' EQUITY

|   | Jan-Dec<br>2001 | Jan-Sep<br>2001 | Jan-Dec<br>2000 | Jan-Sep<br>2000 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Opening balance</b>                                  | 91,686          | 91,686          | 69,176          | 69,176          |
| Stock issue   | 155             | 155             | -               | -               |
| Conversion of debentures                                | 10              | 10              | 1,915           | 1,902           |
| Repurchase of own stock                                 | -156            | -156            | -386            | -386            |
| Dividends paid  | -3,954          | -3,954          | -3,919          | -3,919          |
| Gains on sale of own options and convertible debentures | -               | -               | 2,018           | 2,010           |
| Changes in cumulative translation                       | 2,110           | 2,064           | 1,975           | 2,476           |
| Net income  | -21,264         | -17,764         | 21,018          | 18,771          |
| Other changes   | 0               | 346             | -111            | -104            |
| <b>Closing balance</b>                                  | <b>68,587</b>   | <b>72,387</b>   | <b>91,686</b>   | <b>89,926</b>   |

**ERICSSON**  
**OTHER INFORMATION**

| SEK million   | Jan-Dec<br>2001 | Jan-Sep<br>2001 | Jan-Dec<br>2000 |
|---|-----------------|-----------------|-----------------|
| <b><u>Number of shares and earnings per share</u></b>   |                 |                 |                 |
| Number of shares outstanding, basic, end of period (million)  | 8,066           | 8,065           | 7,910           |
| Number of shares outstanding, diluted, end of period (million)  | 8,147           | 8,149           | 8,004           |
| Number of treasury shares, end of period (million)  | 157             | 157             | 2               |
| Average number of shares, basic (million)   | 7,909           | 7,909           | 7,869           |
| Average number of shares, diluted (million)   | 7,909**         | 7,909**         | 8,004           |
| Earnings per share, basic (SEK)   | -2.69           | -2.25           | 2.67            |
| Earnings per share, diluted (SEK)*  | -2.69           | -2.25           | 2.65            |
| Earnings per share, diluted, per U.S. GAAP (SEK)  | -3.14           | -2.45           | 2.94            |
| <b><u>Ratios</u></b>  |                 |                 |                 |
| Equity ratio, percent   | 28.8            | 31.8            | 37.7            |
| Capital turnover (times)  | 1.6             | 1.6             | 2.1             |
| Accounts receivable turnover (times)  | 3.5             | 3.4             | 3.9             |
| Inventory turnover (times)  | 4.8             | 4.5             | 5.2             |
| Return on equity, percent   | -26.5           | -28.9           | 26.1            |
| Return on capital employed, percent   | -15.8           | -19.4           | 26.5            |
| Days Sales Outstanding  | 88              | 102             | 82              |
| <b><u>Other</u></b>   |                 |                 |                 |
| Research and development and other technical expenses<br>(including costs related to customer orders) | 43,973          | 34,284          | 43,780          |
| - As percentage of Net Sales  | 19.0            | 19.8            | 16.0            |
| Additions to tangible fixed assets  | 8,306           | 7,699           | 12,293          |
| - Of which in Sweden  | 3,374           | 2,702           | 5,094           |
| Total depreciation on tangible and intangible assets  | 7,749           | 5,771           | 10,936          |
| - Of which goodwill   | 1,022           | 741             | 761             |
| Orders booked   | 221,477         | 181,547         | 292,344         |
| Export from Sweden  | 121,277         | 90,250          | 158,338         |
| Net debt  | 12,922          | 30,032          | 10,957          |

**\* Calculation of earnings per share, diluted**

|   |                |                |        |
|---|----------------|----------------|--------|
| Net income  | Calculation    | Calculation    | 21,018 |
| Interest on convertible debentures, net after tax | not applicable | not applicable | 207    |
| Adjusted net income                               | See below **   | See below **   | 21,225 |
| Average number of shares, diluted (million)       |                |                | 8,004  |
| Earnings per share, diluted (SEK)                 |                |                | 2.65   |

\*\* Potential ordinary shares are not dilutive when their conversion to ordinary shares would increase earnings per share.

| <b>Three-year summary</b>               | <b>2000</b> | <b>1999</b> | <b>1998</b> |
|---|-------------|-------------|-------------|
| Net sales                               | 273,569     | 215,403     | 184,438     |
| Operating income                        | 31,165      | 17,590      | 19,273      |
| Earnings per share, fully diluted (SEK) | 2.65        | 1.54        | 1.67        |
| Return on equity, percent               | 26.1        | 18.3        | 22.5        |
| Return on capital employed, percent     | 26.5        | 19.0        | 24.9        |
| Equity ratio, percent                   | 37.7        | 35.2        | 38.9        |
| Number of employees                     | 105,129     | 103,290     | 103,667     |

## ORDERS BOOKED BY SEGMENT BY QUARTER

(SEK m.)

| Year to date                     | 2000          |                |                |                | 2001          |                |                |                |
|----------------------------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
|                                  | 0003          | 0006           | 0009           | 0012           | 0103          | 0106           | 0109           | 0112           |
| <b>Systems</b>                   | 57,944        | 103,503        | 153,219        | 213,164        | 62,583        | 113,286        | 148,561        | 182,757        |
| <i>of which Mobile Systems</i>   | 48,471        | 85,757         | 125,738        | 175,609        | 52,625        | 94,841         | 125,430        | 156,370        |
| <i>Multi-Service Networks</i>    | 9,473         | 17,746         | 27,481         | 37,555         | 9,958         | 18,445         | 23,131         | 26,387         |
| <b>Phones</b>                    | 14,562        | 27,988         | 42,113         | 56,937         | 7,178         | 14,813         | 22,234         | 22,234         |
| <b>Other operations</b>          | 11,266        | 19,991         | 27,665         | 35,751         | 8,239         | 13,764         | 17,902         | 25,974         |
| <b>Less : Intersegment sales</b> | -4,298        | -7,287         | -10,131        | -13,508        | -2,501        | -5,198         | -7,150         | -9,488         |
| <b>Total</b>                     | <b>79,474</b> | <b>144,195</b> | <b>212,866</b> | <b>292,344</b> | <b>75,499</b> | <b>136,665</b> | <b>181,547</b> | <b>221,477</b> |

| Isolated quarters                | 2000          |               |               |               | 2001          |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                  | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>                   | 57,944        | 45,559        | 49,716        | 59,945        | 62,583        | 50,703        | 35,275        | 34,196        |
| <i>of which Mobile Systems</i>   | 48,471        | 37,286        | 39,981        | 49,871        | 52,625        | 42,216        | 30,589        | 30,940        |
| <i>Multi-Service Networks</i>    | 9,473         | 8,273         | 9,735         | 10,074        | 9,958         | 8,487         | 4,686         | 3,256         |
| <b>Phones</b>                    | 14,562        | 13,426        | 14,125        | 14,824        | 7,178         | 7,635         | 7,421         | 0             |
| <b>Other operations</b>          | 11,266        | 8,725         | 7,674         | 8,086         | 8,239         | 5,525         | 4,138         | 8,072         |
| <b>Less : Intersegment sales</b> | -4,298        | -2,989        | -2,844        | -3,377        | -2,501        | -2,697        | -1,952        | -2,338        |
| <b>Total</b>                     | <b>79,474</b> | <b>64,721</b> | <b>68,671</b> | <b>79,478</b> | <b>75,499</b> | <b>61,166</b> | <b>44,882</b> | <b>39,930</b> |

## NET SALES BY SEGMENT BY QUARTER

(SEK m.)

| Year to date                     | 2000          |                |                |                | 2001          |                |                |                |
|----------------------------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
|                                  | 0003          | 0006           | 0009           | 0012           | 0103          | 0106           | 0109           | 0112           |
| <b>Systems</b>                   | 38,910        | 85,343         | 133,440        | 194,747        | 44,127        | 94,843         | 137,798        | 187,777        |
| <i>of which Mobile Systems</i>   | 32,481        | 70,339         | 109,061        | 158,083        | 35,336        | 76,356         | 111,923        | 154,343        |
| <i>Multi-Service Networks</i>    | 6,429         | 15,004         | 24,379         | 36,664         | 8,791         | 18,487         | 25,875         | 33,434         |
| <b>Phones</b>                    | 14,794        | 28,145         | 42,473         | 56,279         | 7,170         | 15,317         | 23,567         | 23,567         |
| <b>Other operations</b>          | 9,297         | 17,801         | 25,888         | 35,927         | 7,249         | 14,162         | 19,671         | 30,816         |
| <b>Less : Intersegment sales</b> | -3,916        | -7,171         | -10,341        | -13,384        | -2,614        | -5,610         | -7,735         | -10,321        |
| <b>Total</b>                     | <b>59,085</b> | <b>124,118</b> | <b>191,460</b> | <b>273,569</b> | <b>55,932</b> | <b>118,712</b> | <b>173,301</b> | <b>231,839</b> |

| Isolated quarters                | 2000          |               |               |               | 2001          |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                  | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>                   | 38,910        | 46,433        | 48,097        | 61,307        | 44,127        | 50,716        | 42,955        | 49,979        |
| <i>of which Mobile Systems</i>   | 32,481        | 37,858        | 38,722        | 49,022        | 35,336        | 41,020        | 35,567        | 42,420        |
| <i>Multi-Service Networks</i>    | 6,429         | 8,575         | 9,375         | 12,285        | 8,791         | 9,696         | 7,388         | 7,559         |
| <b>Phones</b>                    | 14,794        | 13,351        | 14,328        | 13,806        | 7,170         | 8,147         | 8,250         | 0             |
| <b>Other operations</b>          | 9,297         | 8,504         | 8,087         | 10,039        | 7,249         | 6,913         | 5,509         | 11,145        |
| <b>Less : Intersegment sales</b> | -3,916        | -3,255        | -3,170        | -3,043        | -2,614        | -2,996        | -2,125        | -2,586        |
| <b>Total</b>                     | <b>59,085</b> | <b>65,033</b> | <b>67,342</b> | <b>82,109</b> | <b>55,932</b> | <b>62,780</b> | <b>54,589</b> | <b>58,538</b> |

## ADJUSTED OPERATING INCOME AND OPERATING MARGIN BY SEGMENT BY QUARTER

(SEK m.)

| Year to date            | 2000         |               |               |               | 2001          |               |                |                |
|-------------------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                         | 0003         | 0006          | 0009          | 0012          | 0103          | 0106          | 0109           | 0112           |
| <b>Systems</b>          | 5,641        | 15,280        | 23,392        | 32,641        | 1,808         | 2,382         | 2,620          | 2,881          |
| <b>Phones</b>           | 569          | -1,544        | -5,517        | -15,613       | -5,722        | -10,350       | -14,559        | -17,001        |
| <b>Other operations</b> | 578          | 1,058         | 1,550         | 1,579         | -118          | 25            | -817           | -2,058         |
| <b>Unallocated*</b>     | -413         | -1,260        | -1,171        | -1,858        | -331          | -642          | -1,069         | -1,716         |
| <b>Total</b>            | <b>6,375</b> | <b>13,534</b> | <b>18,254</b> | <b>16,749</b> | <b>-4,363</b> | <b>-8,585</b> | <b>-13,825</b> | <b>-17,894</b> |

## Items affecting comparability:

|   |          |              |              |               |              |               |               |               |
|---|----------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|
| - Non-operational capital gains/losses, net | -        | 4,738        | 6,164        | 5,933         | 42           | 3             | 168           | 347           |
| - Capital gain Juniper Networks             | -        | -            | -            | 15,383        | 5,453        | 5,453         | 5,453         | 5,453         |
| - Pension refund                            | -        | 1,100        | 1,100        | 1,100         | -            | -             | -             | -             |
| - Restructuring costs                       | -        | -            | -            | -8,000        | -            | -15,000       | -15,000       | -15,000       |
| <b>Total</b>                                | <b>0</b> | <b>5,838</b> | <b>7,264</b> | <b>14,416</b> | <b>5,495</b> | <b>-9,544</b> | <b>-9,379</b> | <b>-9,200</b> |

| As percentage of Net Sales | 2000       |            |            |           | 2001       |            |            |            |
|----------------------------|------------|------------|------------|-----------|------------|------------|------------|------------|
|                            | 0003       | 0006       | 0009       | 0012      | 0103       | 0106       | 0109       | 0112       |
| <b>Systems</b>             | 14%        | 18%        | 18%        | 17%       | 4%         | 3%         | 2%         | 2%         |
| <b>Phones</b>              | 4%         | -5%        | -13%       | -28%      | -80%       | -68%       | -62%       | n/a        |
| <b>Other operations</b>    | 6%         | 6%         | 6%         | 4%        | -2%        | 0%         | -4%        | n/a        |
| <b>Total</b>               | <b>11%</b> | <b>11%</b> | <b>10%</b> | <b>6%</b> | <b>-8%</b> | <b>-7%</b> | <b>-8%</b> | <b>-8%</b> |

| Isolated quarters       | 2000         |              |              |               | 2001          |               |               |               |
|-------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                         | Q1           | Q2           | Q3           | Q4            | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>          | 5,641        | 9,639        | 8,112        | 9,249         | 1,808         | 574           | 238           | 261           |
| <b>Phones</b>           | 569          | -2,113       | -3,973       | -10,096       | -5,722        | -4,628        | -4,209        | -2,442        |
| <b>Other operations</b> | 578          | 480          | 492          | 29            | -118          | 143           | -842          | -1,241        |
| <b>Unallocated*</b>     | -413         | -847         | 89           | -687          | -331          | -311          | -427          | -647          |
| <b>Total</b>            | <b>6,375</b> | <b>7,159</b> | <b>4,720</b> | <b>-1,505</b> | <b>-4,363</b> | <b>-4,222</b> | <b>-5,240</b> | <b>-4,069</b> |

## Items affecting comparability:

|   |          |              |              |              |              |                |            |            |
|---|----------|--------------|--------------|--------------|--------------|----------------|------------|------------|
| - Non-operational capital gains/losses, net | -        | 4,738        | 1,426        | -231         | 42           | -39            | 165        | 179        |
| - Capital gain Juniper Networks             | -        | -            | -            | 15,383       | 5,453        | -              | -          | -          |
| - Pension refund                            | -        | 1,100        | -            | -            | -            | -              | -          | -          |
| - Restructuring costs                       | -        | -            | -            | -8,000       | -            | -15,000        | -          | -          |
| <b>Total</b>                                | <b>0</b> | <b>5,838</b> | <b>1,426</b> | <b>7,152</b> | <b>5,495</b> | <b>-15,039</b> | <b>165</b> | <b>179</b> |

| As percentage of Net Sales | 2000       |            |           |            | 2001       |            |             |            |
|----------------------------|------------|------------|-----------|------------|------------|------------|-------------|------------|
|                            | Q1         | Q2         | Q3        | Q4         | Q1         | Q2         | Q3          | Q4         |
| <b>Systems</b>             | 14%        | 21%        | 17%       | 15%        | 4%         | 1%         | 1%          | 1%         |
| <b>Phones</b>              | 4%         | -16%       | -28%      | -73%       | -80%       | -57%       | -51%        | n/a        |
| <b>Other operations</b>    | 6%         | 6%         | 6%        | 0%         | -2%        | 2%         | -15%        | n/a        |
| <b>Total</b>               | <b>11%</b> | <b>11%</b> | <b>7%</b> | <b>-2%</b> | <b>-8%</b> | <b>-7%</b> | <b>-10%</b> | <b>-7%</b> |

\* "Unallocated" consists mainly of costs for corporate staffs, certain goodwill amortization and non-operational gains and losses

## ORDERS BOOKED BY MARKET AREA BY QUARTER

(SEK m.)

| Year to date   | 2000          |                |                |                | 2001          |                |                |                |
|--|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
|  | 0003          | 0006           | 0009           | 0012           | 0103          | 0106           | 0109           | 0112           |
| Western Europe*                                      | 25,048        | 50,870         | 71,807         | 105,684        | 29,042        | 47,697         | 60,895         | 68,934         |
| Central- and Eastern Europe,<br>Middle East & Africa | 17,388        | 24,503         | 32,104         | 40,972         | 11,273        | 17,606         | 29,548         | 33,455         |
| North America  | 9,148         | 19,082         | 27,326         | 37,977         | 7,320         | 13,183         | 19,954         | 29,767         |
| Latin America  | 9,695         | 19,312         | 33,053         | 44,959         | 12,638        | 22,723         | 26,989         | 33,332         |
| Asia Pacific   | 18,195        | 30,428         | 48,576         | 62,752         | 15,226        | 35,456         | 44,161         | 55,989         |
| <b>Total</b>   | <b>79,474</b> | <b>144,195</b> | <b>212,866</b> | <b>292,344</b> | <b>75,499</b> | <b>136,665</b> | <b>181,547</b> | <b>221,477</b> |
| * Of which Sweden                                    | 2,924         | 6,010          | 7,983          | 9,876          | 1,998         | 5,135          | 6,294          | 9,379          |
| * Of which EU  | 23,261        | 47,523         | 67,194         | 99,951         | 27,565        | 45,356         | 57,855         | 64,437         |
| <b>Change</b>  |               |                |                |                | <b>0103</b>   | <b>0106</b>    | <b>0109</b>    | <b>0112</b>    |
| Western Europe*                                      |               |                |                |                | 16%           | -6%            | -15%           | -35%           |
| Central- and Eastern Europe,<br>Middle East & Africa |               |                |                |                | -35%          | -28%           | -8%            | -18%           |
| North America  |               |                |                |                | -20%          | -31%           | -27%           | -22%           |
| Latin America  |               |                |                |                | 30%           | 18%            | -18%           | -26%           |
| Asia Pacific   |               |                |                |                | -16%          | 17%            | -9%            | -11%           |
| <b>Total</b>   |               |                |                |                | <b>-5%</b>    | <b>-5%</b>     | <b>-15%</b>    | <b>-24%</b>    |
| * Of which Sweden                                    |               |                |                |                | -32%          | -15%           | -21%           | -5%            |
| * Of which EU  |               |                |                |                | 19%           | -5%            | -14%           | -36%           |

| Isolated quarters                                    | 2000          |               |               |               | 2001          |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| Western Europe*                                      | 25,048        | 25,822        | 20,937        | 33,877        | 29,042        | 18,655        | 13,198        | 8,039         |
| Central- and Eastern Europe,<br>Middle East & Africa | 17,388        | 7,115         | 7,601         | 8,868         | 11,273        | 6,333         | 11,942        | 3,907         |
| North America  | 9,148         | 9,934         | 8,244         | 10,651        | 7,320         | 5,863         | 6,771         | 9,813         |
| Latin America  | 9,695         | 9,617         | 13,741        | 11,906        | 12,638        | 10,085        | 4,266         | 6,343         |
| Asia Pacific   | 18,195        | 12,233        | 18,148        | 14,176        | 15,226        | 20,230        | 8,705         | 11,828        |
| <b>Total</b>   | <b>79,474</b> | <b>64,721</b> | <b>68,671</b> | <b>79,478</b> | <b>75,499</b> | <b>61,166</b> | <b>44,882</b> | <b>39,930</b> |
| * Of which Sweden                                    | 2,924         | 3,086         | 1,972         | 1,893         | 1,998         | 3,137         | 1,159         | 3,085         |
| * Of which EU  | 23,261        | 24,262        | 19,671        | 32,757        | 27,565        | 17,791        | 12,499        | 6,582         |
| <b>Change</b>  |               |               |               |               | <b>Q1</b>     | <b>Q2</b>     | <b>Q3</b>     | <b>Q4</b>     |
| Western Europe*                                      |               |               |               |               | 16%           | -28%          | -37%          | -76%          |
| Central- and Eastern Europe,<br>Middle East & Africa |               |               |               |               | -35%          | -11%          | 57%           | -56%          |
| North America  |               |               |               |               | -20%          | -41%          | -18%          | -8%           |
| Latin America  |               |               |               |               | 30%           | 5%            | -69%          | -47%          |
| Asia Pacific   |               |               |               |               | -16%          | 65%           | -52%          | -17%          |
| <b>Total</b>   |               |               |               |               | <b>-5%</b>    | <b>-5%</b>    | <b>-35%</b>   | <b>-50%</b>   |
| * Of which Sweden                                    |               |               |               |               | -32%          | 2%            | -41%          | 63%           |
| * Of which EU  |               |               |               |               | 19%           | -27%          | -36%          | -80%          |

## NET SALES BY MARKET AREA BY QUARTER

(SEK m.)

| Year to date   | 2000          |                |                |                | 2001          |                |                |                |
|--|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
|  | 0003          | 0006           | 0009           | 0012           | 0103          | 0106           | 0109           | 0112           |
| Western Europe*                                      | 23,578        | 47,011         | 70,090         | 100,234        | 18,024        | 37,154         | 53,568         | 71,105         |
| Central- and Eastern Europe,<br>Middle East & Africa | 7,323         | 16,799         | 25,850         | 37,701         | 8,187         | 17,315         | 25,555         | 35,867         |
| North America  | 8,549         | 19,263         | 27,704         | 35,193         | 7,186         | 14,961         | 23,131         | 31,379         |
| Latin America  | 7,781         | 17,334         | 28,953         | 44,118         | 8,467         | 18,482         | 24,836         | 34,516         |
| Asia Pacific   | 11,854        | 23,711         | 38,863         | 56,323         | 14,068        | 30,800         | 46,211         | 58,972         |
| <b>Total</b>   | <b>59,085</b> | <b>124,118</b> | <b>191,460</b> | <b>273,569</b> | <b>55,932</b> | <b>118,712</b> | <b>173,301</b> | <b>231,839</b> |
| * Of which Sweden                                    | 2,380         | 4,371          | 6,704          | 8,732          | 1,628         | 3,518          | 5,022          | 7,341          |
| * Of which EU  | 22,052        | 44,031         | 65,754         | 94,293         | 17,046        | 35,020         | 50,650         | 66,561         |
| <b>Change</b>  |               |                |                |                | <b>0103</b>   | <b>0106</b>    | <b>0109</b>    | <b>0112</b>    |
| Western Europe*                                      |               |                |                |                | -24%          | -21%           | -24%           | -29%           |
| Central- and Eastern Europe,<br>Middle East & Africa |               |                |                |                | 12%           | 3%             | -1%            | -5%            |
| North America  |               |                |                |                | -16%          | -22%           | -17%           | -11%           |
| Latin America  |               |                |                |                | 9%            | 7%             | -14%           | -22%           |
| Asia Pacific   |               |                |                |                | 19%           | 30%            | 19%            | 5%             |
| <b>Total</b>   |               |                |                |                | <b>-5%</b>    | <b>-4%</b>     | <b>-9%</b>     | <b>-15%</b>    |
| * Of which Sweden                                    |               |                |                |                | -32%          | -20%           | -25%           | -16%           |
| * Of which EU  |               |                |                |                | -23%          | -20%           | -23%           | -29%           |

| Isolated quarters                                    | 2000          |               |               |               | 2001          |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| Western Europe*                                      | 23,578        | 23,433        | 23,079        | 30,144        | 18,024        | 19,130        | 16,414        | 17,537        |
| Central- and Eastern Europe,<br>Middle East & Africa | 7,323         | 9,476         | 9,051         | 11,851        | 8,187         | 9,128         | 8,240         | 10,312        |
| North America  | 8,549         | 10,714        | 8,441         | 7,489         | 7,186         | 7,775         | 8,170         | 8,248         |
| Latin America  | 7,781         | 9,553         | 11,619        | 15,165        | 8,467         | 10,015        | 6,354         | 9,680         |
| Asia Pacific   | 11,854        | 11,857        | 15,152        | 17,460        | 14,068        | 16,732        | 15,411        | 12,761        |
| <b>Total</b>   | <b>59,085</b> | <b>65,033</b> | <b>67,342</b> | <b>82,109</b> | <b>55,932</b> | <b>62,780</b> | <b>54,589</b> | <b>58,538</b> |
| * Of which Sweden                                    | 2,380         | 1,991         | 2,333         | 2,028         | 1,628         | 1,890         | 1,504         | 2,319         |
| * Of which EU  | 22,052        | 21,980        | 21,723        | 28,539        | 17,046        | 17,974        | 15,630        | 15,911        |
| <b>Change</b>  |               |               |               |               | <b>Q1</b>     | <b>Q2</b>     | <b>Q3</b>     | <b>Q4</b>     |
| Western Europe*                                      |               |               |               |               | -24%          | -18%          | -29%          | -42%          |
| Central- and Eastern Europe,<br>Middle East & Africa |               |               |               |               | 12%           | -4%           | -9%           | -13%          |
| North America  |               |               |               |               | -16%          | -27%          | -3%           | 10%           |
| Latin America  |               |               |               |               | 9%            | 5%            | -45%          | -36%          |
| Asia Pacific   |               |               |               |               | 19%           | 41%           | 2%            | -27%          |
| <b>Total</b>   |               |               |               |               | <b>-5%</b>    | <b>-3%</b>    | <b>-19%</b>   | <b>-29%</b>   |
| * Of which Sweden                                    |               |               |               |               | -32%          | -5%           | -36%          | 14%           |
| * Of which EU  |               |               |               |               | -23%          | -18%          | -28%          | -44%          |

## EXTERNAL ORDERS BOOKED BY MARKET AREA AND SEGMENT

(SEK m.)

| Year to date 2001                                 | Systems        | Phones        | Other         | Total          | Share of Total | Change vs. 2000 (%) |
|---|----------------|---------------|---------------|----------------|----------------|---------------------|
| Western Europe                                    | 49,996         | 7,506         | 11,432        | 68,934         | 31%            | -35%                |
| Central- and Eastern Europe, Middle East & Africa | 31,058         | 1,842         | 555           | 33,455         | 15%            | -18%                |
| North America                                     | 23,342         | 5,123         | 1,302         | 29,767         | 13%            | -22%                |
| Latin America                                     | 29,171         | 2,257         | 1,904         | 33,332         | 15%            | -26%                |
| Asia Pacific                                      | 48,824         | 4,834         | 2,331         | 55,989         | 26%            | -11%                |
| <b>Total</b>                                      | <b>182,391</b> | <b>21,562</b> | <b>17,524</b> | <b>221,477</b> | <b>100%</b>    | <b>-24%</b>         |
| <b>Share of Total</b>                             | <b>82%</b>     | <b>10%</b>    | <b>8%</b>     | <b>100%</b>    |                |                     |

## EXTERNAL NET SALES BY MARKET AREA AND SEGMENT

(SEK m.)

| Year to date 2001                                 | Systems        | Phones        | Other         | Total          | Share of Total | Change vs. 2000 (%) |
|---|----------------|---------------|---------------|----------------|----------------|---------------------|
| Western Europe                                    | 51,209         | 7,465         | 12,431        | 71,105         | 31%            | -29%                |
| Central- and Eastern Europe, Middle East & Africa | 32,307         | 2,017         | 1,543         | 35,867         | 15%            | -5%                 |
| North America                                     | 22,677         | 6,147         | 2,555         | 31,379         | 14%            | -11%                |
| Latin America                                     | 30,090         | 2,428         | 1,998         | 34,516         | 15%            | -22%                |
| Asia Pacific                                      | 51,096         | 5,017         | 2,859         | 58,972         | 25%            | 5%                  |
| <b>Total</b>                                      | <b>187,379</b> | <b>23,074</b> | <b>21,386</b> | <b>231,839</b> | <b>100%</b>    | <b>-15%</b>         |
| <b>Share of Total</b>                             | <b>81%</b>     | <b>10%</b>    | <b>9%</b>     | <b>100%</b>    |                |                     |

## TOP 10 MARKETS IN ORDERS AND SALES

Year to date 2001

| Orders         |                       | Sales          |                      |
|----------------|-----------------------|----------------|----------------------|
|                | Share of Total Orders |                | Share of Total Sales |
| United States  | 13%                   | United States  | 13%                  |
| China          | 12%                   | China          | 12%                  |
| Italy          | 7%                    | Mexico         | 6%                   |
| Mexico         | 6%                    | Italy          | 6%                   |
| Brazil         | 5%                    | United Kingdom | 5%                   |
| Japan          | 4%                    | Brazil         | 5%                   |
| United Kingdom | 4%                    | Japan          | 4%                   |
| Sweden         | 4%                    | Spain          | 4%                   |
| Spain          | 4%                    | Sweden         | 3%                   |
| Germany        | 3%                    | Turkey         | 3%                   |

## NUMBER OF EMPLOYEES BY SEGMENT BY QUARTER

|                         | 2000           |                |                |                | 2001           |               |               |               |
|-------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
|                         | 0003           | 0006           | 0009           | 0012           | 0103           | 0106          | 0109          | 0112          |
| <b>Systems</b>          | 64,836         | 66,207         | 68,571         | 71,102         | 75,081         | 76,636        | 71,392        | 67,898        |
| <b>Phones</b>           | 17,290         | 17,710         | 18,137         | 16,840         | 14,461         | 7,837         | 6,439         | 0             |
| <b>Other operations</b> | 19,167         | 16,324         | 15,602         | 16,059         | 16,453         | 14,005        | 13,774        | 15,861        |
| <b>Unallocated</b>      | 1,030          | 1,076          | 1,084          | 1,128          | 1,264          | 1,343         | 1,344         | 1,439         |
| <b>Total</b>            | <b>102,323</b> | <b>101,317</b> | <b>103,394</b> | <b>105,129</b> | <b>107,259</b> | <b>99,821</b> | <b>92,949</b> | <b>85,198</b> |
| <b>Change</b>           |                |                |                |                | <b>0103</b>    | <b>0106</b>   | <b>0109</b>   | <b>0112</b>   |
| <b>Systems</b>          |                |                |                |                | 16%            | 16%           | 4%            | -5%           |
| <b>Phones</b>           |                |                |                |                | -16%           | -56%          | -65%          | -             |
| <b>Other operations</b> |                |                |                |                | -14%           | -14%          | -12%          | -1%           |
| <b>Unallocated</b>      |                |                |                |                | 23%            | 25%           | 24%           | 28%           |
| <b>Total</b>            |                |                |                |                | <b>5%</b>      | <b>-1%</b>    | <b>-10%</b>   | <b>-19%</b>   |

**ERICSSON**  
**CONSOLIDATED INCOME STATEMENT - PROFORMA**

| SEK million   | Oct-Dec |         |        | Jan-Dec  |          |        |
|---|---------|---------|--------|----------|----------|--------|
|   | 2001    | 2000    | Change | 2001     | 2000     | Change |
| Net sales   | 58,538  | 69,147  | -15%   | 210,837  | 221,586  | -5%    |
| Cost of sales   | -42,648 | -37,823 | 13%    | -138,123 | -120,617 | 15%    |
| <b>Gross margin</b>                                     | 15,890  | 31,324  | -49%   | 72,714   | 100,969  | -28%   |
| Gross margin as percentage of net sales                 | 27.1%   | 45.3%   |        | 34.5%    | 45.6%    |        |
| Restructuring costs                                     | -2,258  | 0       |        | -4,858   | 0        |        |
| <b>Gross margin after restructuring costs</b>           | 13,632  | 31,324  | -56%   | 67,856   | 100,969  | -33%   |
| Research and development and other technical expenses   | -9,530  | -11,227 | -15%   | -40,247  | -34,949  | 15%    |
| Selling expenses  | -7,878  | -8,319  | -5%    | -26,927  | -26,072  | 3%     |
| Administrative expenses                                 | -2,950  | -3,901  | -24%   | -11,175  | -12,004  | -7%    |
| <b>Operating expenses</b>                               | -20,358 | -23,447 | -13%   | -78,349  | -73,025  | 7%     |
| Operating expenses as percentage of net sales           | 34.8%   | 33.9%   |        | 37.2%    | 33.0%    |        |
| Restructuring costs                                     | 2,258   | 0       |        | -6,242   | 0        |        |
| <b>Operating expenses including restructuring costs</b> | -18,100 | -23,447 | -23%   | -84,591  | -73,025  | 16%    |
| Other operating revenues                                | 1,247   | 15,496  |        | 8,209    | 27,132   |        |
| Share in earnings of JV and assoc. companies            | -669    | -9,726  |        | -14,668  | -15,911  |        |
| Restructuring costs, phones                             | 0       | -8,000  |        | -3,900   | -8,000   |        |
| <b>Operating income<sup>*)</sup></b>                    | -3,890  | 5,647   |        | -27,094  | 31,165   |        |
| Operating margin as percentage of net sales             | -6.6%   | 8.2%    |        | -12.9%   | 14.1%    |        |
| Financial income  | 1,484   | 720     | 106%   | 3,743    | 2,929    | 28%    |
| Financial expenses                                      | -2,152  | -1,314  | 64%    | -5,782   | -4,449   | 30%    |
| <b>Income after financial items</b>                     | -4,558  | 5,053   |        | -29,133  | 29,645   |        |
| Minority interest in income before taxes                | -373    | -460    | -19%   | -1,176   | -953     | 23%    |
| <b>Income before taxes</b>                              | -4,931  | 4,593   |        | -30,309  | 28,692   |        |
| Taxes   | 1,431   | -2,343  |        | 9,045    | -7,674   |        |
| <b>Net Income</b>                                       | -3,500  | 2,250   |        | -21,264  | 21,018   |        |
| *) Of which items affecting comparability               |         |         |        |          |          |        |
| Non-operational capital gains/losses, net               | 179     | -231    |        | 347      | 5,933    |        |
| Capital gain, Juniper                                   | -       | 15,383  |        | 5,453    | 15,383   |        |
| Pension refund  | -       | -       |        | -        | 1,100    |        |
| Restructuring costs                                     | -       | -8,000  |        | -15,000  | -8,000   |        |
| <b>Total</b>  | 179     | 7,152   |        | -9,200   | 14,416   |        |
| Adjusted operating income                               | -4,069  | -1,505  |        | -17,894  | 16,749   |        |
| Adjusted operating margin                               | -7.0%   | -2.2%   |        | -8.5%    | 7.6%     |        |
| Adjusted income before taxes                            | -5,110  | -2,559  |        | -21,109  | 14,276   |        |

*Proforma format, reflecting results with parts of Phones transferred to the JV Sony Ericsson Mobile Communications accounted for under the equity method, and retained parts included in Other operations. No change in reported total income numbers are made.*

## ADJUSTED OPERATING INCOME AND OPERATING MARGIN BY SEGMENT BY QUARTER - PROFORMA

(SEK m.)

| Year to date            | 2001          |               |                |                |
|-------------------------|---------------|---------------|----------------|----------------|
|                         | 0103          | 0106          | 0109           | 0112           |
| <b>Systems</b>          | 1,808         | 2,382         | 2,620          | 2,881          |
| <b>Phones</b>           | -5,512        | -9,964        | -13,947        | -14,649        |
| <b>Other operations</b> | -328          | -361          | -1,429         | -4,410         |
| <b>Unallocated*</b>     | -331          | -642          | -1,069         | -1,716         |
| <b>Total</b>            | <b>-4,363</b> | <b>-8,585</b> | <b>-13,825</b> | <b>-17,894</b> |

Items affecting comparability:

|   |              |               |               |               |
|---|--------------|---------------|---------------|---------------|
| - Non-operational capital gains/losses, net | 42           | 3             | 168           | 347           |
| - Capital gain Juniper Networks             | 5,453        | 5,453         | 5,453         | 5,453         |
| - Restructuring costs                       | -            | -15,000       | -15,000       | -15,000       |
| <b>Total</b>                                | <b>5,495</b> | <b>-9,544</b> | <b>-9,379</b> | <b>-9,200</b> |

| As percentage of Net Sales | 2001       |            |            |            |
|----------------------------|------------|------------|------------|------------|
|                            | 0103       | 0106       | 0109       | 0112       |
| <b>Systems</b>             | 4%         | 3%         | 2%         | 2%         |
| <b>Phones**</b>            | -          | -          | -          | -          |
| <b>Other operations</b>    | -4%        | -2%        | -6%        | -13%       |
| <b>Total</b>               | <b>-9%</b> | <b>-8%</b> | <b>-9%</b> | <b>-8%</b> |

| Isolated quarters       | 2001          |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>          | 1,808         | 574           | 238           | 261           |
| <b>Phones</b>           | -5,512        | -4,452        | -3,983        | -702          |
| <b>Other operations</b> | -328          | -33           | -1,068        | -2,981        |
| <b>Unallocated*</b>     | -331          | -311          | -427          | -647          |
| <b>Total</b>            | <b>-4,363</b> | <b>-4,222</b> | <b>-5,240</b> | <b>-4,069</b> |

Items affecting comparability:

|   |              |                |            |            |
|---|--------------|----------------|------------|------------|
| - Non-operational capital gains/losses, net | 42           | -39            | 165        | 179        |
| - Capital gain Juniper Networks             | 5,453        | -              | -          | -          |
| - Restructuring costs                       | -            | -15,000        | -          | -          |
| <b>Total</b>                                | <b>5,495</b> | <b>-15,039</b> | <b>165</b> | <b>179</b> |

| As percentage of Net Sales | 2001       |            |             |            |
|----------------------------|------------|------------|-------------|------------|
|                            | Q1         | Q2         | Q3          | Q4         |
| <b>Systems</b>             | 4%         | 1%         | 1%          | 1%         |
| <b>Phones**</b>            | -          | -          | -           | -          |
| <b>Other operations</b>    | -4%        | 0%         | -17%        | -27%       |
| <b>Total</b>               | <b>-9%</b> | <b>-8%</b> | <b>-11%</b> | <b>-7%</b> |

\* "Unallocated" consists mainly of costs for corporate staffs, certain goodwill amortization and non-operational gains and losses

\*\*Calculation not applicable

*Proforma format, reflecting results with parts of Phones transferred to the JV Sony Ericsson Mobile Communications accounted for under the equity method, and retained parts included in Other operations. No change in reported total income numbers are made.*

## ORDERS BOOKED BY SEGMENT BY QUARTER - PROFORMA

(SEK m.)

| Year to date                     | 2001          |                |                |                |
|----------------------------------|---------------|----------------|----------------|----------------|
|                                  | 0103          | 0106           | 0109           | 0112           |
| <b>Systems</b>                   | 62,583        | 113,286        | 148,561        | 182,757        |
| <i>of which Mobile Systems</i>   | 52,625        | 94,841         | 125,430        | 156,370        |
| <i>Multi-Service Networks</i>    | 9,958         | 18,445         | 23,131         | 26,387         |
| <b>Other operations</b>          | 9,227         | 15,653         | 20,426         | 28,498         |
| <b>Less : Intersegment sales</b> | -2,501        | -5,198         | -7,150         | -9,488         |
| <b>Total</b>                     | <b>69,309</b> | <b>123,741</b> | <b>161,837</b> | <b>201,767</b> |

| Isolated quarters                | 2001          |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>                   | 62,583        | 50,703        | 35,275        | 34,196        |
| <i>of which Mobile Systems</i>   | 52,625        | 42,216        | 30,589        | 30,940        |
| <i>Multi-Service Networks</i>    | 9,958         | 8,487         | 4,686         | 3,256         |
| <b>Other operations</b>          | 9,227         | 6,426         | 4,773         | 8,072         |
| <b>Less : Intersegment sales</b> | -2,501        | -2,697        | -1,952        | -2,338        |
| <b>Total</b>                     | <b>69,309</b> | <b>54,432</b> | <b>38,096</b> | <b>39,930</b> |

## NET SALES BY SEGMENT BY QUARTER - PROFORMA

(SEK m.)

| Year to date                     | 2001          |                |                |                |
|----------------------------------|---------------|----------------|----------------|----------------|
|                                  | 0103          | 0106           | 0109           | 0112           |
| <b>Systems</b>                   | 44,127        | 94,843         | 137,798        | 187,777        |
| <i>of which Mobile Systems</i>   | 35,336        | 76,356         | 111,923        | 154,343        |
| <i>Multi-Service Networks</i>    | 8,791         | 18,487         | 25,875         | 33,434         |
| <b>Other operations</b>          | 8,247         | 16,062         | 22,236         | 33,381         |
| <b>Less : Intersegment sales</b> | -2,614        | -5,610         | -7,735         | -10,321        |
| <b>Total</b>                     | <b>49,760</b> | <b>105,295</b> | <b>152,299</b> | <b>210,837</b> |

| Isolated quarters                | 2001          |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | Q1            | Q2            | Q3            | Q4            |
| <b>Systems</b>                   | 44,127        | 50,716        | 42,955        | 49,979        |
| <i>of which Mobile Systems</i>   | 35,336        | 41,020        | 35,567        | 42,420        |
| <i>Multi-Service Networks</i>    | 8,791         | 9,696         | 7,388         | 7,559         |
| <b>Other operations</b>          | 8,247         | 7,815         | 6,174         | 11,145        |
| <b>Less : Intersegment sales</b> | -2,614        | -2,996        | -2,125        | -2,586        |
| <b>Total</b>                     | <b>49,760</b> | <b>55,535</b> | <b>47,004</b> | <b>58,538</b> |

## NUMBER OF EMPLOYEES BY QUARTER - PROFORMA

|                         | 2001          |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | 0103          | 0106          | 0109          | 0112          |
| <b>Systems</b>          | 75,081        | 76,636        | 71,392        | 67,898        |
| <b>Other operations</b> | 18,615        | 16,167        | 15,936        | 15,861        |
| <b>Unallocated</b>      | 1,264         | 1,343         | 1,344         | 1,439         |
| <b>Total</b>            | <b>94,960</b> | <b>94,146</b> | <b>88,672</b> | <b>85,198</b> |

Proforma format, reflecting results with parts of Phones transferred to the JV Sony Ericsson Mobile Communications accounted for under the equity method, and retained parts included in Other operations.

**EXTERNAL ORDERS BOOKED BY MARKET AREA AND SEGMENT - PROFORMA**

(SEK m.)

| <b>Year to date 2001</b>     | <b>Systems</b> | <b>Other</b>  | <b>Total</b>   | <b>Share of Total</b> |
|------------------------------|----------------|---------------|----------------|-----------------------|
| Europe, Middle East & Africa | 81,054         | 11,648        | 92,702         | 46%                   |
| North America                | 23,342         | 1,293         | 24,635         | 12%                   |
| Latin America                | 29,171         | 1,912         | 31,083         | 15%                   |
| Asia Pacific                 | 48,824         | 4,523         | 53,347         | 27%                   |
| <b>Total</b>                 | <b>182,391</b> | <b>19,376</b> | <b>201,767</b> | <b>100%</b>           |
| <b>Share of Total</b>        | <b>90%</b>     | <b>10%</b>    | <b>100%</b>    |                       |

**EXTERNAL NET SALES BY MARKET AREA AND SEGMENT - PROFORMA**

(SEK m.)

| <b>Year to date 2001</b>     | <b>Systems</b> | <b>Other</b>  | <b>Total</b>   | <b>Share of Total</b> |
|------------------------------|----------------|---------------|----------------|-----------------------|
| Europe, Middle East & Africa | 83,516         | 13,617        | 97,133         | 46%                   |
| North America                | 22,677         | 2,513         | 25,190         | 12%                   |
| Latin America                | 30,090         | 2,006         | 32,096         | 15%                   |
| Asia Pacific                 | 51,096         | 5,322         | 56,418         | 27%                   |
| <b>Total</b>                 | <b>187,379</b> | <b>23,458</b> | <b>210,837</b> | <b>100%</b>           |
| <b>Share of Total</b>        | <b>89%</b>     | <b>11%</b>    | <b>100%</b>    |                       |

**TOP 10 MARKETS IN ORDERS AND SALES - PROFORMA**

Year to date 2001

| <b>Orders</b>  |                              | <b>Sales</b>   |                             |
|----------------|------------------------------|----------------|-----------------------------|
|                | <b>Share of Total Orders</b> |                | <b>Share of Total Sales</b> |
| China          | 13%                          | China          | 13%                         |
| United States  | 11%                          | United States  | 11%                         |
| Italy          | 7%                           | Mexico         | 6%                          |
| Mexico         | 6%                           | Italy          | 6%                          |
| Brazil         | 5%                           | United Kingdom | 5%                          |
| Japan          | 5%                           | Brazil         | 5%                          |
| Sweden         | 4%                           | Japan          | 5%                          |
| United Kingdom | 4%                           | Spain          | 4%                          |
| Spain          | 4%                           | Sweden         | 3%                          |
| Germany        | 4%                           | Turkey         | 3%                          |

*Proforma format, reflecting results with parts of Phones transferred to the JV Sony Ericsson Mobile Communications accounted for under the equity method, and retained parts included in Other operations.*