

ERICSSON REPORTS FOURTH QUARTER AND FULL YEAR

SEK b.	Fourth quarter			Third quarter		Full year		
	2011 ¹⁾	2010 ²⁾	Change	2011 ¹⁾	Change	2011 ¹⁾	2010 ²⁾	Change
Net sales	63.7	62.8	1%	55.5	15%	226.9	203.3	12%
Gross margin	30.2%	36.6%	-	35.0%	-	35.1%	38.2%	-
EBITA margin excl JVs	8.1%	15.3%	-	13.4%	-	11.6%	14.4%	-
Operating income excl JVs	4.1	8.4	-52%	6.3	-36%	21.7	24.4	-11%
Operating margin excl JVs	6.4%	13.4%	-	11.3%	-	9.6%	12.0%	-
Ericsson's share in earnings in JVs	-1.9	-0.3	-	-0.6	-	-3.8	-0.7	-
Income after financial items	1.8	7.8	-	5.9	-	18.1	23.1	-21%
Net income	1.5	4.4	-66%	3.8	-61%	12.6	11.2	12%
EPS diluted, SEK	0.36	1.34	-73%	1.18	-69%	3.77	3.46	9%
EPS (Non-IFRS), SEK ³⁾	0.55	1.65	-67%	1.44	-62%	4.72	4.80	-2%
Adjusted operating cash flow ⁴⁾	6.0	16.2	-	2.4	-	13.2	29.8	-
Cash flow from operations	5.5	15.2	-	1.6	-	10.0	26.6	-
Dividend, proposed SEK	-	-	-	-	-	2.50	2.25	11%

¹⁾ All 2011 numbers are stated incl. restructuring charges of SEK 0.7 b. in Q4, SEK 0.4 b. Q3, SEK 1.7 b. Q2 and SEK 0.4 b. Q1

²⁾ All 2010 numbers, excl. EPS, EPS (Non-IFRS), Net income and Cash flow from operations, are stated excl. restructuring charges. For details see section on restructuring under Financial Statements and Additional Information

³⁾ EPS, diluted, excl. amortizations and write-downs of acquired intangible assets

⁴⁾ Cash flow from operations excl. restructuring cash outlays that have been provided for

"For the full year 2011, we had a strong sales growth and an increase in net income. In the fourth quarter, however, we saw weaker development in Networks, as well as an expected gross margin impact from a changed business mix with more coverage projects, modernization projects in Europe, and a higher services share," says Hans Vestberg, President and CEO of Ericsson (NASDAQ:ERIC).

"Group sales in the quarter were flat year-over-year and grew 15% sequentially, which is weaker than normal in the fourth quarter. The sequential growth is mainly driven by a strong development of 32% in Global Services, while Networks sales were weak, up only 2%. The sales development in Networks is mainly related to North America and Russia, where the trend continued from the third quarter with slower operator spending after a period of high investments in capacity. In addition, we saw some increased operator cautiousness during the quarter due to uncertainties such as economic development and political unrest in some countries.

2011 was a year of strong sales growth of 12%, and sales for comparable units, adjusted for currency exchange rate effects and hedging, increased 19%. In spite of weak JV results, net income increased SEK 1.3 b. to SEK 12.6 b., driven by higher sales and lower restructuring charges. The Board of Directors proposes a dividend for 2011 of SEK 2.50 (2.25), an increase by 11%.

In 2011, we have successfully executed on our strategy to leverage our strength in the growth areas mobile broadband, managed services and operating and business support systems. Many operators have had mobile broadband high on the agenda and the industry has during the year seen a shift to higher proportions of coverage buildouts. We implemented our strategy to capture new market share in the network modernization projects in Europe, despite their initial lower margins. We have further strengthened our market position in mobile networks. With 70 new managed services contracts during 2011 we are confident of our strong offering and market leadership. With the acquisition of Telcordia, now concluded, we have also gained a leadership position and skilled people in the important areas of operating and business support systems.

The quarter was challenging for our joint ventures and both reported significant losses. We have announced that Sony will acquire our 50% share in Sony Ericsson. Sony Ericsson's loss in the quarter reflects intense competition, price erosion and restructuring charges. ST-Ericsson made a loss of the same size as in the third quarter and during the quarter we announced a new CEO who has the task to review the strategy with the objective to restore profitability.

We believe that the industry fundamentals for longer-term positive development remain solid. Short-term, we expect operators to continue to be cautious with spending, reflecting factors such as macro economic and political uncertainty. We will continue to execute on our strategy which means that the business mix, with more coverage and network modernization projects than capacity projects, will prevail short-term. With our global scale and presence, as well as technology and services leadership, we are well positioned to continue to drive and lead the industry development,” concludes Vestberg.

FINANCIAL HIGHLIGHTS

Income statement and cash flow

Sales in the quarter amounted to SEK 63.7 (62.8) b., was up 1% year-over-year and 15% sequentially. Sales for comparable units, adjusted for currency exchange rate effects and hedging, increased 6% year-over-year. The sequential increase is mainly related to strong growth in services.

In 2011, sales amounted to SEK 226.9 (203.3) b., up 12%, driven by strong demand for mobile broadband along with network rollout services. Sales in 2011 for comparable units, adjusted for currency exchange rate effects and hedging, increased 19%.

Software represented 23% (24%), hardware 40% (37%) and services 37% (39%) of total sales in 2011.

In the fourth quarter 2011 restructuring charges of SEK 0.7 b. were included, while the last quarter 2010 exclude restructuring charges of SEK 1.7 b. Total restructuring charges for 2011 amounted to SEK 3.2 (6.8) b. excluding joint ventures. For 2012, restructuring charges are estimated to approximately SEK 4 b. and the main part of activities expected in the first half of 2012.

Gross margin in the quarter was down year-over-year to 30.2% (36.6%), and down from 35.0% sequentially. As previously communicated, network modernization projects in Europe accelerated in the quarter and together with a higher proportion of coverage projects, as well as an all time high Global Services share of 42%, impacted gross margin negatively. Including restructuring charges fourth quarter 2010 gross margin amounted to 34.7%.

In 2011, gross margin declined from 38.2% to 35.1% due to higher share of coverage projects, network modernization projects in Europe and 3G rollouts in India.

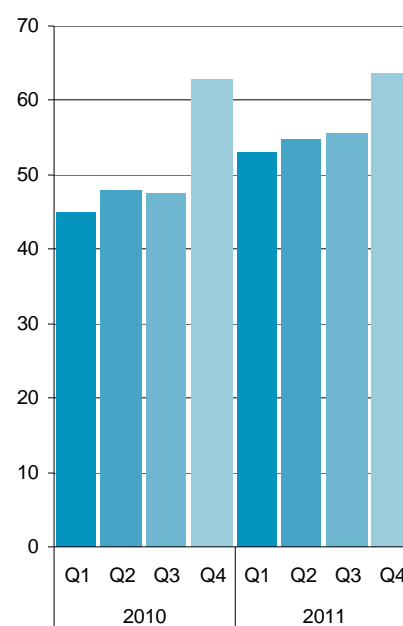
All modernization projects that Ericsson has won have started by the fourth quarter 2011. The network modernization projects in Europe, with their lower margins, fully impacted the fourth quarter. Since average project duration is expected to be 18-24 months, the impact is expected to prevail for a couple of more quarters.

Total operating expenses amounted to SEK 15.6 (15.2) b. in the quarter. R&D expenses amounted to SEK 8.7 (8.3) b., an increase of 6% year-over-year. Selling and general administrative expenses (SG&A) amounted to SEK 6.8 (6.9) b., representing 10.7% of sales compared to 11.0% in the last quarter 2010. Other operating income and expenses amounted to SEK 0.4 (0.6) b. in the quarter.

In 2011, total operating expenses amounted to SEK 59.3 (55.2) b. R&D expenses amounted to SEK 32.6 (29.9) b., an increase of 9% year-over-year. The increase is a result of earlier communicated planned higher investments in radio, such as TD-LTE and IP as well as the acquired LG-Ericsson operations. SG&A amounted to SEK 26.7 (25.3) b., representing 11.8% of sales compared to 12.4% in 2010. Other operating income and expenses decreased to SEK 1.3 (2.0) b. in 2011.

Operating income, excluding joint ventures, decreased to SEK 4.1 (8.4) b. in the quarter, due to changed business mix and a larger share of services sales. Operating margin decreased to 6.4% (13.4%) year-over-year and sequentially from 11.3%.

SALES BY QUARTER
2010 AND 2011 (SEK B)



In 2011, operating income, before joint ventures, was SEK 21.7 (24.4) b. Adjusted for restructuring charges operating income amounted to SEK 24.9 b. Operating margin before joint ventures declined to 9.6% (12.0%) due to lower gross margin and the fact that restructuring charges is included in 2011 figures. Operating margin adjusted for restructuring charges was 11.0% in 2011.

In the fourth quarter, Ericsson's share in earnings of joint ventures, before tax, was SEK -1.9 (-0.3) b., compared to SEK -0.6 b. in the third quarter 2011 due to significantly lower result in Sony Ericsson. Ericsson's share in Sony Ericsson's result was SEK -1.1 (0.2) b. and in ST-Ericsson SEK -0.8 (-0.5) b. For the full year, Ericsson's share in earnings from joint ventures decreased to SEK -3.8 (-0.7) b. as a result of negative contribution from both Sony Ericsson and ST-Ericsson. The agreed cash consideration of EUR 1.05 b. for Ericsson's 50% share in Sony Ericsson will not be impacted by 2011 year's result.

Financial net amounted to SEK -0.3 (-0.3) b. in the quarter and decreased sequentially with SEK -0.5 b., mainly related to negative currency exchange revaluation effects. For 2011 financial net was SEK 0.2 (-0.7) b. The difference is mainly attributable to a higher interest net of SEK 0.8 b. compared to 2010.

The tax rate in the quarter was 18% as a result of revalued tax assets. For the full year, the tax rate was 31%.

Net income decreased year-over-year to SEK 1.5 (4.4) b. due to lower sales volumes in networks, lower gross margin and losses related to Sony Ericsson. Sequentially net income decreased from SEK 3.8 b to 1.5 b. mainly due to lower gross margin and losses related to Sony Ericsson. For the full year, net income increased to SEK 12.6 (11.2) b. driven by higher sales and lower restructuring charges.

Earnings per share were SEK 0.36 (1.34) in the quarter. Earnings per share, Non-IFRS, diluted, i.e. excluding amortizations and write-downs of acquired intangibles, were SEK 0.55 (1.65) in the quarter, down -67%. For the full year, earnings per share increased 9% to SEK 3.77 (3.46).

The Board of Directors proposes a dividend for 2011 of SEK 2.50 (2.25), reflecting 2011 year's earnings and balance sheet structure, as well as coming years' business plans and expected economic development.

Adjusted operating cash flow was SEK 6.0 (16.2) b. in the quarter and cash flow from operations was SEK 5.5 (15.2) b. The weaker cash flow compared to the last quarter 2010 is mainly explained by a strong quarter last year, lower profit and higher working capital build up due to more projects. For the full year, adjusted cash flow was SEK 13.2 (29.8) b. and cash flow from operations was SEK 10.0 (26.6) b. During 2011, cash flow was negatively impacted by a significant increase in working capital as a result of higher sales and more projects. As a result, cash conversion ended at 40% (112%).

Balance sheet and other performance indicators

SEK b.	Dec 31 2011	Sept 30 2011	June 30 2011	Mar 31 2011	Dec 31 2010
Net cash	39.5	35.4	42.6	48.2	51.3
Interest-bearing liabilities and post-employment benefits	41.0	41.5	36.1	34.8	35.9
Trade receivables	64.5	65.6	60.2	60.6	61.1
Days sales outstanding	91	106	99	101	88
Inventory	33.1	38.6	35.1	32.1	29.9
Of which regional inventory	19.9	24.9	22.5	21.1	18.7
Inventory days	78	91	89	87	74
Payable days	62	67	68	70	62
Customer financing, net	4.2	4.6	4.0	4.2	4.4
Return on capital employed	11%	13%	13%	13%	10%
Equity ratio	52%	50%	52%	53%	52%

Trade receivables decreased sequentially to SEK 64.5 b. from SEK 65.6 b. Compared to December 31, 2010 trade receivables have increased by SEK 3.4 b. as a result of higher sales volumes. Days sales outstanding (DSO) decreased from 106 to 91 days sequentially and increased from 88 the same period last year.

Inventory decreased sequentially by SEK 5.6 b. to SEK 33.1 b. The earlier higher inventory level that followed the Japan earthquake has been reduced in the quarter. That effect, in combination with increased sales, resulted in a reduction of inventory turnover days from 91 to 78 days. For the full year, inventory has increased by SEK 3.2 b. which is related to increased sales and increased share of coverage projects.

Cash, cash equivalents and short-term investments increased sequentially by SEK 3.6 b. and decreased SEK -6.6 b. full year to SEK 80.5 b.

During the quarter, approximately SEK 1.5 b. of provisions was utilized, of which SEK 0.5 b. related to restructuring. Additions of SEK 0.8 b. were made, of which SEK 0.2 b. related to restructuring. Reversals of SEK 0.8 b. were made of which SEK 0.1 b. related to restructuring. Cash outlays for restructuring amounted to SEK 0.5 b. in the quarter. Cash outlays of SEK 1.3 b. remain to be made.

In 2011, SEK 6.0 b. of provisions was utilized, of which SEK 3.2 b. related to restructuring. Additions of SEK 4.8 b. were made, of which SEK 1.8 b. related to restructuring. Reversals of SEK 1.9 b. were made of which 0.4 b. related to restructuring.

Total number of employees at the end of the year amounted to 104,525 (90,261), an increase by 3,635 from end September, 2011, mainly related to our services business, primarily in India and Brazil. For the full year the net number of employees increased by 14,264, of which 12,330 in services, 1,770 in R&D and 995 in supply. In other job areas, there were reductions or flat development in the number of employees. In 2011, 1,334 people joined Ericsson through acquisitions and 3,775 through managed services agreements.

SEGMENT RESULTS

Networks

SEK b.	Fourth quarter			Third quarter		Full year		
	2011 ¹⁾	2010 ²⁾	Change	2011 ¹⁾	Change	2011 ¹⁾	2010 ²⁾	Change
Networks sales	33.3	36.4	-9%	32.5	2%	132.4	112.7	17%
EBITA margin ³⁾	10%	18%	-	16%	-	16%	18%	-
Operating margin	8%	16%	-	13%	-	13%	15%	-

¹⁾ All 2011 numbers are stated incl. restructuring charges of SEK 0.2 b. in Q4, SEK 0.1 b. Q3, SEK 1.0 b. Q2 and SEK 0.2 b. Q1

²⁾ All 2010 numbers are stated excl. restructuring charges of SEK 1.0 b. in Q4, SEK 0.6 b. Q3, SEK 0.9 b. Q2 and SEK 1.5 b. Q1

³⁾ EBITA – Earnings before interest, tax, amortizations and write-downs of acquired intangibles

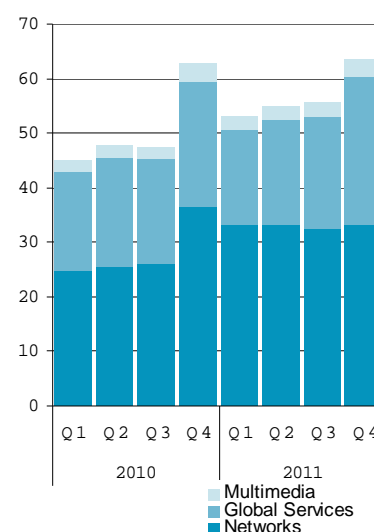
Networks sales in the quarter were SEK 33.3 (36.4) b., a decline of -9% year-over-year and up 2% sequentially. The slow development in the quarter is mainly related to North America and Russia. North America, down -27% sequentially, was impacted by operator consolidation, technology shift from CDMA to LTE as well as a slower pace after a period of high operator investments in network capacity. In addition, we saw some increased operator cautiousness during the quarter due to uncertainties such as economic development and political unrest in certain countries.

For the full year, Networks sales increased 17%, driven by a strong demand for mobile broadband, especially in regions China and North East Asia as well as North America. Our strategy to focus on growth in the mobile broadband business has been successful and during the year we have gained market share. This gain is a result of long-term partnerships with successful operators as well as captured footprint with new and existing customers.

In 2010 we acquired Nortel's CDMA business in order to strengthen our position in North America. Ericsson is now established as the market leader in this market and we now see the expected decline in CDMA sales and subsequent rapid shift to LTE. CDMA sales increased slightly for the full year, but declined in the quarter year-over-year and sequentially. The CDMA acquisition has created substantial value for the company. In the quarter the CDMA decline impacted margins negatively due to the change in business mix from capacity investments to LTE coverage.

In the fourth quarter, the first RBS6000 with CDMA functionality was shipped. RBS6000 now accounts for close to 100% of all deliveries of GSM/WCDMA/LTE radio base stations. Shipping of the IP Edge router, Smart Service Router SSR 8020, and the Antenna Integrated Radio unit (AIR) also commenced in the quarter.

SEGMENT SALES BY QUARTER, 2010 AND 2011 (SEK B)



EBITA margin in the quarter decreased year-over-year to 10% (18%) due to lower volumes, higher degree of coverage projects, modernization projects in Europe and planned R&D investments to accelerate technology leadership. The same factors caused the sequential drop in margin from 16%. For the full year, EBITA margin decreased to 16% (18%) due to business mix. The full year number is impacted by restructuring charges of 1%-point.

Global Services

SEK b.	Fourth quarter			Third quarter		Full year		
	2011 ¹⁾	2010 ²⁾	Change	2011 ¹⁾	Change	2011 ¹⁾	2010 ²⁾	Change
Global Services sales	27.0	22.9	18%	20.4	32%	83.9	80.1	5%
Of which Professional Services	18.1	16.7	8%	14.7	23%	58.8	58.5	1%
<i>Of which Managed Services</i>	<i>6.0</i>	<i>5.4</i>	<i>13%</i>	<i>5.3</i>	<i>14%</i>	<i>21.0</i>	<i>21.1</i>	<i>-1%</i>
Of which Network Rollout	8.9	6.2	44%	5.7	56%	25.1	21.6	16%
EBITA margin ³⁾	6%	13%	-	9%	-	7%	12%	-
Of which Professional Services	14%	16%	-	14%	-	14%	16%	-
Operating margin	6%	12%	-	9%	-	7%	11%	-
Of which Professional Services	14%	15%	-	14%	-	13%	15%	-

¹⁾ All 2011 numbers are stated incl. restructuring charges of SEK 0.5 b. in Q4, SEK 0.3 b. Q3, SEK 0.5 b. Q2 and SEK 0.2 b. Q1

²⁾ All 2010 numbers are stated excl. restructuring charges of SEK 0.7 b. in Q4, SEK 0.3 b. Q3, SEK 1.0 b. Q2 and SEK 0.7 b. Q1

³⁾ EBITA – Earnings before interest, tax, amortizations and write-downs of acquired intangibles

Global Services sales in the quarter were SEK 27.0 (22.9) b., an increase of 18% year-over-year and 32% sequentially. In 2011, Global Services sales increased 5% to SEK 83.9 (80.1) b., driven by network rollout, consulting and systems integration.

Professional Services sales were SEK 18.1 (16.7) b. in the quarter, up 8% year-over-year and 23% sequentially. The year-over-year increase is due to increased managed services sales, while the sequential increase mainly relates to strong development in consulting and systems integration. Currency adjusted sales of Professional Services increased year-over-year 12%. In the quarter, ten significant systems integration contracts were signed in the areas of OSS/BSS, Service Delivery Platforms and data center build projects. In 2011, sales were up 1% and increased 7% in local currencies. In 2011, more than 60% of Professional Services sales were recurring.

Managed Services sales increased by 13% year-over-year to SEK 6.0 (5.4) b. and 14% sequentially, mainly driven by India and Latin America. Currency adjusted Managed Services sales increased 17% year-over-year. The sequential growth is reflecting the 14 new managed services contracts signed in the third quarter.

In the fourth quarter, 23 (16) new managed services contracts were signed, of which 12 (5) were extensions or expansions. In 2011, sales decreased slightly -1% to SEK 21.0 (21.1) b. although it increased 7% in local currencies. In 2011, 70 (54) contracts were signed, of which 32 (26) extensions or expansions.

Network Rollout sales amounted to SEK 8.9 (6.2) b. in the quarter, an increase of 44% year-over-year and 56% sequentially, driven by high volumes of network modernization in Europe and coverage projects in other regions. In 2011, sales increased 16% to SEK 25.1 (21.6) b.

Global Services' EBITA margin decreased in the quarter to 6% (13%) year-over-year and decreased sequentially from 9%. Network Rollout margins are still negative primarily due to high activity levels related to network modernization in Europe. The margin impact on Global Services from restructuring charges was 2%-points in the quarter. EBITA margin for the full year was 7% (12%) with an impact of 2%-points from restructuring charges in the 2011 margin.

EBITA margin for Professional Services amounted to 14% (16%) in the quarter. Margin was flat sequentially at 14%. Excluding the impact of restructuring charges of 1%-point in the quarter, margin was flat also year-over-year. EBITA margin for the full year was 14% (16%) with an impact of 2%-points from restructuring charges in the 2011 margin.

Ericsson provides support for networks that serve more than two billion subscribers worldwide. The total number of subscribers in networks managed by Ericsson is 900 (750) million, of which 500 (450) million in network operation contracts and 400 (300) million in field operations. The number of services professionals employed amounts to 56,000.

Multimedia

SEK b.	Fourth quarter			Third quarter		Full year		
	2011 ¹⁾	2010 ²⁾	Change	2011 ¹⁾	Change	2011 ¹⁾	2010 ²⁾	Change
Multimedia sales	3.4	3.5	-2%	2.6	33%	10.6	10.5	1%
EBITA margin ³⁾	6%	16%	-	11%	-	2%	3%	-
Operating margin	0%	11%	-	3%	-	-5%	-4%	-

¹⁾ All 2011 numbers are stated incl. restructuring charges of SEK 0.0 b. in Q4, SEK 0.0 b Q3, SEK 0.1 b. Q2 and SEK 0.0 b. Q1

²⁾ All 2010 numbers are stated excl. restructuring charges of SEK 0.0 b. in Q4, SEK 0.0 b Q3, SEK 0.2 b. Q2 and SEK 0.0 b. Q1

³⁾ EBITA – Earnings before interest, tax, amortizations and write-downs of acquired intangibles

Multimedia sales in the quarter decreased -2% year-over-year and increased 33% sequentially. Sequentially, multimedia brokering and TV showed good development. For the full year, sales were flattish, negatively impacted by political unrest in Middle East and weak development in India.

EBITA margin decreased to 6% (16%) in the quarter due to unfavorable product mix with relatively lower sales of revenue management. Full year EBITA margin amounted to 2% (3%). Restructuring charges had no material impact on either period. Efficiency measures are still top on the agenda in order to improve profitability.

The integration of Telcordia will now start and with this acquisition Ericsson holds a leading position in the OSS/BSS market. Telcordia generated revenues of USD 739 m. during the fiscal year ended January 31, 2011. Telcordia is expected to be accretive to Ericsson's earnings per share within twelve months.

Sony Ericsson

EUR m.	Fourth quarter			Third quarter		Full year		
	2011	2010	Change	2011	Change	2011	2010	Change
Number of units shipped (m.)	9.0	11.2	-20%	9.5	-5%	34.4	43.1	-20%
Average selling price (EUR)	143	136	5%	166	-14%	152	146	4%
Net sales	1,288	1,528	-16%	1,586	-19%	5,212	6,294	-17%
Gross margin	24%	30%	-	27%	-	28%	29%	-
Operating margin	-18%	3%	-	2%	-	-4%	3%	-
Income before taxes	-247	35	-	31	-	-243	147	-
Income before taxes, excl restructuring charges	-154	39	-	31	-	-150	189	-
Net income	-207	8	-	0	-	-247	90	-
Operating cash flow	-26	-128	-	53	-	-550	-248	-

Sony Ericsson's fourth quarter loss reflects intense competition, price erosion and restructuring charges. The quarter was also impacted by unfavorable macro economic conditions and effects from the flooding in Thailand.

Restructuring charges of EUR 93 m. impacted the quarter, including global workforce reductions. Sales of Android-based smartphones increased 65% year-over-year. Cash flow from operating activities during the quarter was negative EUR -26 million. External borrowings were EUR 19 m. during the quarter resulting in total borrowing of EUR 742 m. at year-end. Total cash balances at year-end were EUR 442 m.

Sony Ericsson estimates that its share in the global Android-based smartphone market during the quarter was 10% in volume and 7% in value and for the full year 10% in volume and 10% in value.

Ericsson's share in Sony Ericsson's income before tax was SEK -1.1 (0.2) b. in the quarter and SEK -1.2 (0.7) b. for the full year.

October 27, 2011, it was announced that Sony Corporation will acquire Ericsson's 50% share of Sony Ericsson and that Sony Ericsson will become a wholly-owned subsidiary of Sony. The transaction is expected to close in late January to February, subject to customary closing conditions, including regulatory approvals.

ST-Ericsson

USD m.	Fourth quarter			Third quarter		Full year		
	2011	2010	Change	2011	Change	2011	2010	Change
Net sales	409	577	-29%	412	-1%	1,650	2,293	-28%
Adjusted operating income ¹⁾	-207	-119	-74%	-194	-7%	-732	-436	-68%
Operating income	-241	-171	-41%	-224	-8%	-867	-611	-42%
Net income	-231	-177	-31%	-211	-9%	-841	-591	-42%

¹⁾ Operating income adjusted for amortization of acquired intangibles and restructuring charges

ST-Ericsson's sales was flat sequentially and decreased -29% year-over-year. For the full year sales declined by -28% as a result of decreased sales in legacy products. The net financial position at the end of the quarter was negative USD -798 m.

ST-Ericsson is reported in US GAAP and Ericsson's share in ST-Ericsson's income before tax, adjusted to IFRS, decreased year-over-year and sequentially to SEK -0.8 (-0.5) b. in the quarter. For the full year, the operating loss was SEK -2.7 (-1.8) b. due to lower sales.

By the end of the quarter ST-Ericsson had utilized USD 800 m. of the short-term credit facility granted on a 50/50 basis by the parent companies.

ST-Ericsson is currently in a shift from legacy to new products. Though their path to success is challenging, ST-Ericsson is continuing to focus on securing the successful execution and delivery of their new products to customers while lowering its break-even point.

The changes in the business environment at a large customer during 2011 have reduced demand for legacy products and are delaying the ramp of new products with that customer. As ST-Ericsson does not yet have the adequate level of sales, the company's path to improve its financial performance is expected to take longer. Additionally, ST-Ericsson has recently increased its focus on execution.

In light of the current business environment, ST-Ericsson's recently appointed CEO is reviewing the company's strategic plan and financial prospects. Ericsson, together with our partner STMicroelectronics, is firmly committed to support ST-Ericsson in the transition to turn-over to sustainable profitability and cash generation.

As a result of this strategic review, we may consider additional actions to solidify and accelerate ST-Ericsson's path to profitability. In such an event, or in case of a significant worsening of business' prospects, the value of ST-Ericsson for Ericsson could decrease to a value significantly lower than the current carrying amount of ST-Ericsson on our books and we may be required to take an impairment charge.

REGIONAL OVERVIEW

Sales, SEK b.	Fourth quarter			Third quarter		Full year		
	2011	2010	Change	2011	Change	2011	2010	Change
North America	11.2	14.1	-20%	12.1	-7%	48.8	49.5	-1%
Latin America	7.0	6.1	16%	6.0	17%	22.0	17.9	23%
Northern Europe and Central Asia	3.8	4.8	-22%	3.5	7%	15.2	12.2	25%
Western and Central Europe	5.3	5.9	-11%	4.6	14%	19.0	19.9	-4%
Mediterranean	8.2	6.9	19%	5.2	58%	23.8	22.6	5%
Middle East	5.2	4.6	12%	3.7	42%	15.5	15.1	2%
Sub-Saharan Africa	3.2	2.0	59%	2.5	28%	10.2	9.2	11%
India	1.5	2.8	-46%	2.3	-33%	9.8	8.6	13%
China and North East Asia	10.9	9.5	15%	9.7	13%	38.2	26.0	47%
South East Asia and Oceania	4.0	3.9	2%	3.7	8%	13.9	14.9	-7%
Other	3.3	2.2	57%	2.2	49%	10.6	7.4	41%
Total	63.7	62.8	1%	55.5	15%	226.9	203.3	12%

North America sales decreased -20% year-over-year, -7% sequentially and -1% for the full year. The decline is related to a drop in networks sales, while services and multimedia developed favorably. The sequential growth in services sales was 19% driven by market share gains and a high level of project executions. As previously communicated, the networks business developed slower in the second half of 2011 after a period of high operator investments in network capacity along with operators focus on cash flow management as well as negative impacts from operator consolidation. The CDMA sales declined sequentially and year-over-year as a result of the ongoing rapid technology shift to LTE. With increases in mobile devices and data usage there is a continued need for investments in mobile broadband in both HSPA and LTE.

Latin America sales increased 16% year-over-year, 17% sequentially and 23% for the full year. Year-over-year, Networks and Global Services increased while Multimedia dropped. For the full year, all segments grew. Operators show an increasing interest in network performance.

Northern Europe and Central Asia sales decreased -22% year-over-year, increased 7% sequentially and 25% for the full year. The slowdown in Networks sales is especially visible in Russia, following strong operator investments in network capacity and coverage during the first half of 2011. Services showed strong growth compared to last quarter 2010 as well as sequentially and for the full year due to project completions. In multimedia, sales declined year-over-year due to lower sales of revenue management although sales picked up compared to the third quarter.

Western and Central Europe sales decreased -11% year-over-year, increased 14% sequentially and decreased -4% for the full year. Sequentially, sales in all segments increased, but declined for the full year. The positive sequential development is driven by continued rollout of network modernization projects as well as demand for managed services.

Mediterranean sales increased 19% year-over-year, 58% sequentially and 5% for the full year. Networks sales increased year-over-year and sequentially although it was flat for the full year. Networks positive development in the quarter is due to market share gains, following contract wins in network modernization deals. Services sales showed good development in all periods as a result of network rollout related to network modernization and systems integration projects. Multimedia developed well in the quarter, following good sales of multimedia brokering.

Middle East sales increased 12% year-over-year, 42% sequentially and 2% for the full year. Sequentially, there was a strong development in all segments. Saudi Arabia developed especially favorably in the quarter although the region was still negatively impacted by political unrest in many countries with operators continuing to be cautious with infrastructure investments. LTE is being deployed in parts of the region and WCDMA/HSPA continued to develop positively across the region, resulting in positive networks sales both year-over-year, sequentially and for the full year. Services also developed favorably since operators are looking into opportunities to increase efficiencies.

Sub-Saharan Africa sales increased 59% year-over-year, 28% sequentially and 11% for the full year, primarily due to increased build-out of networks to meet demand for capacity and quality. The use of mobile data generating services is increasing which drive operators to focus on transmission capacity as well as investments in higher speeds.

India sales decreased -46% year-over-year, -33% sequentially and increased 13% for the full year. Networks sales were positively impacted by the initial 3G rollouts in the first half of the year. Regulatory uncertainty, particularly around mergers and acquisitions as well as spectrum trading policy, contributed to a slowdown in infrastructure investments in the second half of the year. The telecom market is fragmented and cost competitive, which has created a renewed focus among operators on reducing operating expenses. This has resulted in a growing managed services business for Ericsson.

China and North East Asia sales increased 15% year-over-year, 13% sequentially and 47% for the full year. The year-over-year increase is mainly related to broad introduction of smartphones by all operators leading to continuous growth in mobile broadband in the region together with steady growth of mobile subscriptions. The extraordinary high level of GSM shipments in China during the first three quarters of the year, was normalized during the quarter. At the end of the quarter, the business mix started to change with relatively higher share of LTE sales in Korea and in Japan there was a substantial amount of project completions.

South East Asia and Oceania sales increased 2% year-over-year, 8% sequentially and decreased -7% for the full year. Sales of networks increased year-over-year and sequentially, driven by business in Australia and Thailand. The decline for the full year is due to reduced 2G business in Vietnam. Year-over-year and for the full year, the services business declined due to a concluded managed services contract in Australia.

Other includes sales of for example embedded modules, cables, power modules as well as licensing and IPR. Revenues for licensing and IPR had a strong fourth quarter. In the quarter, Ericsson took the decision to phase out the embedded modules business.

MARKET DEVELOPMENT

Growth rates are based on Ericsson and market estimates

	Unit	Fourth quarter			Full year					Ericsson forecast
		2010	2011	Change	2007	2008	2009	2010	2011	2012
Mobile subscriptions	Billion	5.3	~6.0	13%	3.3	4.0	4.6	5.3	~6.0	~6.7
Net additions	Million	207	~180	-11%	620	660	640	700	~700	~700
Mobile broadband ¹⁾	Million	610	~970	59%	125	220	360	610	~970	~1,400
Net additions	Million	74	~93	27%	70	90	150	250	~360	~450

¹⁾ Mobile broadband includes handset, tablets and mobile PC for the following technologies: HSPA, LTE, CDMA2000 EV-DO, TD-SCDMA and WiMax

Note: Due to continuous improvements in reported data from operators, subscriptions figure from Q311 has changed compared to last report, affecting comparison of net additions.

Industry development

GSM network coverage has reached more than 85% of the world's population and more than 45% of the population has the possibility to access WCDMA/HSPA networks. Both technologies will continue to expand its footprint going forward and in five years time, WCDMA/HSPA is expected to have the same coverage as GSM has today. Further buildout of HSPA coverage will be driven by the availability of affordable smartphones, as well as the surge in mobile broadband services, applications and faster speeds. More than 70% of the commercial HSPA networks have been upgraded, at least partly, to a peak speed of 7.2 Mbps or above. Following a strong wave of upgrades to 42 Mbps, more than 10% of the networks now have that speed. Several major operators have started LTE deployments but in terms of population coverage, LTE only covers a few percentages today. In five years time, it is expected that LTE will have roughly the same population coverage as WCDMA/HSPA has today. In terms of global operator investments, WCDMA/HSPA will remain the leading mobile access technology for many years to come.

Yearly WCDMA/HSPA radio access network investments passed GSM investments in 2009, eight years after the 3G introduction in Western Europe. Co-existence of GSM, WCDMA/HSPA, CDMA2000 and 4G/LTE and increasing number of frequency bands pave the way for investments in multi-standard solutions and networks modernization.

In addition to radio investments, the strong growth in mobile and fixed broadband drives need for higher capacity in areas such as backhaul, aggregation, transport, and routing based on IP and Ethernet technologies.

With operators' focus on increased network quality and efficiency, the ability to deal with high data volumes while maintaining telecom grade service levels is key. This enables operators to provide premium quality and differentiating offerings to the end users. Recognizing that quality of service is becoming more important, some operators now differentiate by deploying superior networks emphasizing end user experience and quality. This also drives demand for services targeting the operational efficiency of operators, such as consulting, including network optimization, systems integration and managed services.

End user trends

Global mobile penetration is 85% and total mobile subscriptions are around 6 billion. The number of subscribers/users is likely around 4.1 billion, representing 60% of the world's population. Around 75% of the subscriptions, or 4.5 billion, are GSM while only 15% are WCDMA/HSPA subscriptions. Year-over-year growth was roughly 13%. India and China accounted for approximately 35% of the estimated 180 million net additions during the fourth quarter. Bangladesh, Brazil and Indonesia follow in terms of net addition. There is continued strong momentum for uptake of smartphones in all regions; approximately 30% of all handsets sold in 2011 were smartphones, compared to around 20% for 2010. However, out of the installed base of subscriptions worldwide only around 10% use smartphones, which means that there is a big room for further uptake.

Global fixed broadband subscriptions grew by 17 million to reach 577 million by the end of the third quarter 2011. Massive deployments of DSL and FTTH/B (fiber to the home/building) in China alone accounts for around 50% of fixed broadband additions. DSL still represents more than 60% of all fixed broadband subscriptions globally but FTTH/B have caught up with DSL in net additions.

Tiered pricing for mobile broadband is now a reality, as many operators today have evolved beyond flat-rate unlimited data models and introduced segmented price plans, such as volume-, time- or speed-based plans. Segmented data price plans intend to attract a wide variety of data users and differentiate the offering, in order to maximize data revenues and to grow total service revenues.

Traffic load and traffic pattern differ significant between networks and countries, with higher than average usage in e.g. North America. It is worth mentioning that North America also has much higher voice minutes per user compared with other regions, possibly due to their different tariff structures. An average world mobile PC user currently generates about 2 Gbyte per month, while a high traffic smartphone generates approximately 500 Mbyte per month and the usage has been increasing over time. Going forward, the strong uptake of tablets will further stimulate traffic growth. For all device types, measurements show that video streaming and web browsing are the applications that generate the largest share of the traffic. The amount of traffic generated over WiFi varies between different types of devices.

PARENT COMPANY INFORMATION

Income after financial items was SEK 4.4 (6.8) b, including group contribution to subsidiaries of SEK 2.0 b. A write-down of investments in subsidiaries of SEK 1.3 b. was made during the quarter.

Major changes in the Parent Company's financial position for the year include; decreased cash, cash equivalents and short-term investments of SEK 12.7 b., increased current and non-current receivables from subsidiaries of SEK 2.7 b. and decreased current liabilities to subsidiaries of SEK 7.8 b. At the end of the quarter, cash, cash equivalents and short-term investments amounted to SEK 58.9 (71.6) b. Guarantees to Sony Ericsson Mobile Communications AB are reported as contingent liabilities and amounted to SEK 2.0 (1.1) b. By the end of the quarter ST-Ericsson had utilized USD 400 million of a short-term credit facility.

In accordance with the conditions of the long-term variable compensation program (LTV) for Ericsson employees, 3,034,363 shares from treasury stock were sold or distributed to employees during the fourth quarter. The holding of treasury stock at December 31, 2011, was 62,846,503 Class B shares.

DIVIDEND PROPOSAL

The Board of Directors will propose to the Annual General Meeting a dividend of SEK 2.50 (2.25) per share, representing some SEK 8.2 (7.4) b., and May 8, 2012, as record day for payment of dividend. The dividend is reflecting 2011 year's earnings and balance sheet structure, as well as coming years' business plans and expected economic development.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders will be held on May 3, 2012, 15.00 (CET) at Kistamässan in Kista, Stockholm, Sweden.

ANNUAL REPORT

The annual report will be made available on our website www.ericsson.com and at the Ericsson headquarters, Torshamnsgatan 23, Stockholm, around mid-March.

OTHER INFORMATION

Sony to acquire Ericsson's 50% share of Sony Ericsson

On October 27, 2011, it was announced that Sony Corporation will acquire Ericsson's 50% stake in Sony Ericsson Mobile Communications, making the mobile handset business a wholly-owned subsidiary of Sony. As part of the transaction, Ericsson will receive a cash consideration of EUR 1.05 b. The transaction also provides Sony with a broad IP cross-licensing agreement and ownership of five essential patent families. Sony and Ericsson will also create a wireless connectivity initiative to drive connectivity across multiple platforms. The transaction is expected to close in late January to February, subject to customary closing conditions, including regulatory approvals.

Changes in Ericsson's Executive Leadership Team

On October 28, 2011, Ericsson announced that Magnus Mandersson was appointed Executive Vice President. In parallel to the appointment, which was effective November 1, 2011, Mandersson retained his previous role as Head of Business Unit Global Services and as member of the Executive Leadership Team.

On December 12, 2011, Ericsson announced that Håkan Eriksson, will take on a new role as Head of Ericsson in Australia, New Zealand and Fiji, effective February 1, 2012, at which time he will also leave Ericsson's Executive Leadership Team.

On December 14, 2011, Ericsson announced that Cesare Avenia, Chief Brand Officer, would step down and leave the Ericsson Leadership Team as of December 21, 2011. No replacement as Chief Brand Officer will be recruited.

POST-CLOSING EVENTS

Closing of Telcordia acquisition

On January 12, 2012, Ericsson announced that it had completed the acquisition of Telcordia, a global leader in the development of mobile, broadband and enterprise communications software and services, for USD 1.15 billion in an all cash transaction, on a cash and debt-free basis. The acquisition is expected to be accretive to Ericsson's earnings per share within twelve months. Telcordia is fully consolidated by Ericsson and its approximately 2,600 skilled employees have joined Ericsson.

Telcordia is headquartered in Piscataway, New Jersey, and generated revenues of USD 739 million during the last fiscal year ended January 31, 2011. Telcordia will be managed by business unit Multimedia but sales and results will be split between segments Multimedia and Global Services pending portfolio mix.

Appointment of new Chief Technology Officer

On January 20, 2012, Ericsson announced the appointment of Ulf Ewaldsson as Senior Vice President, Chief Technology Officer, Head of Group Function Technology and Portfolio Management. The appointment is effective from February 1, 2012, at which date Ewaldsson will also join the Ericsson Executive Leadership Team. Ewaldsson is currently Head of Product Area Radio within Ericsson's Business Unit Networks and a member of Ericsson's research board.

Assessment of risk environment

Ericsson's operational and financial risk factors and uncertainties along with our strategies and tactics to mitigate risk exposures or limit unfavorable outcomes are described in our Annual Report 2010. Compared to the risks described in the Annual Report 2010, no material new or changed risk factors or uncertainties have been identified in the quarter.

Risk factors and uncertainties in focus during the forthcoming nine-month period for the Parent Company and the Ericsson Group include:

- Potential negative effects on operators' willingness to invest in network development due to a increased uncertainty in the financial markets and a weak economic business environment as well as uncertainty regarding the financial stability of suppliers, for example due to lack of financing, or reduced consumer telecom spending, or increased pressure on us to provide financing;
- Effects on gross margins and/or working capital of the product mix in the Networks segment between sales of software, upgrades and extensions as well as break-in contracts;
- Effects on gross margins of the product mix in the Global Services segment including proportion of new network build-outs and share of new managed services deals with initial transition costs;
- A continued volatile sales pattern in the Multimedia segment or variability in our overall sales seasonality could make it more difficult to forecast future sales;
- Effects of the ongoing industry consolidation among our customers as well as between our largest competitors, e.g. with postponed investments and intensified price competition as a consequence;
- Results and capital needs of our two major joint ventures Sony Ericsson and ST-Ericsson;
- Changes in foreign exchange rates, in particular USD and EUR;
- Political unrest or instability in certain markets;
- Effects on production and sales from restrictions with respect to timely and adequate supply of materials, components and production capacity and other vital services on competitive terms;
- Natural disasters, effecting production, supply and transportation.

Ericsson conducts business in certain countries which are subject to trade restrictions or which are focused on by certain investors. We stringently follow all relevant regulations and trade embargos applicable to us in our dealings with customers operating in such countries. Moreover, Ericsson operates globally in accordance with Group level policies and directives for business ethics and conduct. In no way should our business activities in these countries be construed as supporting a particular political agenda or regime.

Stockholm, January 25, 2012

Telefonaktiebolaget LM Ericsson (publ)

Org. Nr. 556016-0680

Board of Directors

Date for next report: April 25, 2012

AUDITORS' REVIEW REPORT

We have reviewed this report for the period January 1, 2011, to December 31, 2011, for Telefonaktiebolaget LM Ericsson (publ). The board of directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this financial information based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, January 25, 2012

PricewaterhouseCoopers AB

Peter Nyllinge

Authorised Public Accountant

EDITOR'S NOTE

To read the complete report with tables, please go to:

www.ericsson.com/res/investors/docs/q-reports/2011/12month11-en.pdf

Ericsson invites media, investors and analysts to a press conference at the Ericsson Studio, Grönlandsgången 4, Stockholm, at 09.00 (CET), January 25, 2012. An analysts, investors and media conference call will begin at 14.00 (CET).

Live webcast of the press conference and conference call as well as supporting slides will be available at

www.ericsson.com/press and www.ericsson.com/investors

Video material will be published during the day on www.ericsson.com/broadcast_room

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Disclosure Pursuant to the Swedish Securities Markets Act

Ericsson discloses the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 07.30 CET, on January 25, 2012.

Safe Harbor Statement of Ericsson under the US Private Securities Litigation Reform Act of 1995;

All statements made or incorporated by reference in this release, other than statements or characterizations of historical facts, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Forward-looking statements can often be identified by words such as "anticipates", "expects", "intends", "plans", "predicts", "believes", "seeks", "estimates", "may", "will", "should", "would", "potential", "continue", and variations or negatives of these words, and include, among others, statements regarding: (i) strategies, outlook and growth prospects; (ii) positioning to deliver future plans and to realize potential for future growth; (iii) liquidity and capital resources and expenditure, and our credit ratings; (iv) growth in demand for our products and services; (v) our joint venture activities; (vi) economic outlook and industry trends; (vii) developments of our markets; (viii) the impact of regulatory initiatives; (ix) research and development expenditures; (x) the strength of our competitors; (xi) future cost savings; (xii) plans to launch new products and services; (xiii) assessments of risks; (xiv) integration of acquired businesses; (xv) compliance with rules and regulations and (xvi) infringements of intellectual property rights of others.

In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These forward-looking statements speak only as of the date hereof and are based upon the information available to us at this time. Such information is subject to change, and we will not necessarily inform you of such changes. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. Important factors that may cause such a difference for Ericsson include, but are not limited to: (i) material adverse changes in the markets in which we operate or in global economic conditions; (ii) increased product and price competition; (iii) reductions in capital expenditure by network operators; (iv) the cost of technological innovation and increased expenditure to improve quality of service; (v) significant changes in market share for our principal products and services; (vi) foreign exchange rate or interest rate fluctuations; and (vii) the successful implementation of our business and operational initiatives.

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Financial statements	Page
Consolidated income statement and statement of comprehensive income	16
Consolidated balance sheet	17
Consolidated statement of cash flows	18
Consolidated statement of changes in equity	19
Consolidated income statement - isolated quarters	20
Consolidated statement of cash flows - isolated quarters	21
Parent Company income statement	22
Statement of comprehensive income	22
Parent Company balance sheet	22

Additional information	Page
Accounting policies	23
Net sales by segment by quarter	24
Operating income by segment by quarter	25
Operating margin by segment by quarter	25
EBITA by segment by quarter	26
EBITA margin by segment by quarter	26
Net sales by region by quarter	27
Net sales by region by quarter (cont.)	28
External net sales by region by segment	29
Top 5 countries in sales	29
Provisions	30
Number of employees	30
Information on investments in assets subject to depreciation, amortization and impairment	30
Other information	31
Ericsson planning assumptions for year 2012	31
Consolidated operating income, excluding restructuring charges	32
Restructuring charges by function	32
Restructuring charges by segment	32
Operating income by segment, excluding restructuring charges	33
Operating margin by segment, excluding restructuring charges	33
EBITA by segment, excluding restructuring charges	33
EBITA margin by segment, excluding restructuring charges	33

Consolidated Income Statement

SEK million	Oct - Dec			Jan - Dec		
	2010	2011	Change	2010	2011	Change
Net sales	62,783	63,667	1%	203,348	226,921	12%
Cost of sales	-40,995	-44,463	8%	-129,094	-147,200	14%
Gross income	21,788	19,204	-12%	74,254	79,721	7%
Gross margin (%)	34.7%	30.2%		36.5%	35.1%	
Research and development expenses	-8,592	-8,715	1%	-31,558	-32,638	3%
Selling and administrative expenses	-7,131	-6,837	-4%	-27,072	-26,683	-1%
Operating expenses	-15,723	-15,552	-1%	-58,630	-59,321	1%
Other operating income and expenses	581	403	-31%	2,003	1,278	-36%
Operating income before shares in earnings of JV and associated companies	6,646	4,055	-39%	17,627	21,678	23%
Operating margin before shares in earnings of JV and associated companies (%)	10.6%	6.4%		8.7%	9.6%	
Shares in earnings of JV and associated companies	-402	-1,899	372%	-1,172	-3,778	222%
Operating income	6,244	2,156	-65%	16,455	17,900	9%
Financial income	131	405	209%	1,047	2,882	175%
Financial expenses	-383	-732	91%	-1,719	-2,661	55%
Income after financial items	5,992	1,829	-69%	15,783	18,121	15%
Taxes	-1,611	-338		-4,548	-5,552	
Net income	4,381	1,491	-66%	11,235	12,569	12%
Net income attributable to:						
- Stockholders of the Parent Company	4,324	1,154		11,146	12,194	
- Non-controlling interests	57	337		89	375	
Other information						
Average number of shares, basic (million)	3,200	3,209		3,197	3,206	
Earnings per share, basic (SEK) ¹⁾	1.35	0.36		3.49	3.80	
Earnings per share, diluted (SEK) ¹⁾	1.34	0.36		3.46	3.77	

Statement of Comprehensive Income

SEK million	Oct - Dec		Jan - Dec	
	2010	2011	2010	2011
Net income	4,381	1,491	11,235	12,569
Other comprehensive income				
Actuarial gains and losses, and the effect of the asset ceiling, related to pensions	3,991	211	3,892	-6,963
Revaluation of other investments in shares and participations				
Fair value remeasurement	-1	1	7	-
Cash flow hedges				
Gains/losses arising during the period	-706	116	966	996
Reclassification adjustments for gains/losses included in profit or loss	-641	355	-238	-2,028
Adjustments for amounts transferred to initial carrying amount of hedged items	-	-	-136	-
Changes in cumulative translation adjustments	659	-538	-3,259	-964
Share of other comprehensive income on JV and associated companies	368	-85	-434	-262
Tax on items relating to components of other comprehensive income	-576	95	-1,120	2,158
Total other comprehensive income	3,094	155	-322	-7,063
Total comprehensive income	7,475	1,646	10,913	5,506
Total comprehensive income attributable to:				
Stockholders of the Parent Company	7,372	1,282	10,814	5,081
Non-controlling interests	103	364	99	425

¹⁾ Based on Net income attributable to stockholders of the Parent Company

Consolidated Balance Sheet

SEK million	Dec 31 2010	Sep 30 2011	Dec 31 2011
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	3,010	3,230	3,523
Goodwill	27,151	27,708	27,438
Intellectual property rights, brands and other intangible assets	16,658	13,871	13,083
Property, plant and equipment	9,434	11,310	10,788
Financial assets			
Equity in JV and associated companies	9,803	7,818	5,965
Other investments in shares and participations	219	2,151	2,199
Customer financing, non-current	1,281	1,465	1,400
Other financial assets, non-current	3,079	4,013	4,117
Deferred tax assets	12,737	14,360	13,020
	83,372	85,926	81,533
Current assets			
Inventories	29,897	38,625	33,070
Trade receivables	61,127	65,558	64,522
Customer financing, current	3,123	3,110	2,845
Other current receivables	17,146	18,629	17,837
Short-term investments	56,286	40,680	41,866 ¹⁾
Cash and cash equivalents	30,864	36,262	38,676
	198,443	202,864	198,816
Total assets	281,815	288,790	280,349
EQUITY AND LIABILITIES			
Equity			
Stockholders' equity	145,106	141,772	143,105
Non-controlling interest in equity of subsidiaries	1,679	1,732	2,165
	146,785	143,504	145,270
Non-current liabilities			
Post-employment benefits	5,092	10,749	10,016
Provisions, non-current	353	320	280
Deferred tax liabilities	2,571	2,600	2,250
Borrowings, non-current	26,955	24,204	23,256
Other non-current liabilities	3,296	2,325	2,248
	38,267	40,198	38,050
Current liabilities			
Provisions, current	9,391	7,745	5,985
Borrowings, current	3,808	6,545	7,765
Trade payables	24,959	25,327	25,309
Other current liabilities	58,605	65,471	57,970
	96,763	105,088	97,029
Total equity and liabilities	281,815	288,790	280,349
<i>Of which interest-bearing liabilities and post-employment benefits</i>	<i>35,855</i>	<i>41,498</i>	<i>41,037</i>
<i>Of which net cash</i>	<i>51,295</i>	<i>35,444</i>	<i>39,505</i>
Assets pledged as collateral	658	464	452
Contingent liabilities	875	803	609

¹⁾ Including loan to ST- Ericsson of SEK 2,759 million.

Consolidated Statement of Cash Flows

SEK million	Oct - Dec		Jan - Dec	
	2010	2011	2010	2011
Operating activities				
Net income	4,381	1,491	11,235	12,569
Adjustments to reconcile net income to cash				
Taxes	1,303	752	351	1,994
Earnings/dividends in JV and associated companies	676	1,817	1,476	3,710
Depreciation, amortization and impairment losses	2,246	2,428	9,953	9,036
Other	2,352	472	710	-2,127
Net income affecting cash	10,958	6,960	23,725	25,182
Changes in operating net assets				
Inventories	773	5,208	-7,917	-3,243
Customer financing, current and non-current	-882	290	-2,125	74
Trade receivables	-3,175	565	4,406	-1,700
Trade payables	4,194	246	5,964	-1,648
Provisions and post-employment benefits	-743	-2,278	-2,739	-5,695
Other operating assets and liabilities, net	4,052	-5,524	5,269	-2,988
	4,219	-1,493	2,858	-15,200
Cash flow from operating activities	15,177	5,467	26,583	9,982
Investing activities				
Investments in property, plant and equipment	-984	-1,524	-3,686	-4,994
Sales of property, plant and equipment	15	172	124	386
Acquisitions/divestments of subsidiaries and other operations, net	-325	-235	-2,832	-3,128
Product development	-325	-560	-1,644	-1,515
Other investing activities	-710	-210	-1,487	-900
Short-term investments	-1,753	-1,533	-3,016	14,692
Cash flow from investing activities	-4,082	-3,890	-12,541	4,541
Cash flow before financing activities	11,095	1,577	14,042	14,523
Financing activities				
Dividends paid	-38	-5	-6,677	-7,455
Other financing activities	-1,631	828	1,007	961
Cash flow from financing activities	-1,669	823	-5,670	-6,494
Effect of exchange rate changes on cash	241	14	-306	-217
Net change in cash	9,667	2,414	8,066	7,812
Cash and cash equivalents, beginning of period	21,197	36,262	22,798	30,864
Cash and cash equivalents, end of period	30,864	38,676	30,864	38,676

Consolidated Statement of Changes in Equity

SEK million	Jan - Dec 2010	Jan - Dec 2011
Opening balance	141,027	146,785
Total comprehensive income	10,913	5,506
Sale/Repurchase of own shares	52	92
Stock purchase	762	413
Dividends paid	-6,677	-7,455
Transactions with non-controlling interests	708	-71
Closing balance	146,785	145,270

Consolidated Income Statement – Isolated Quarters

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	45,112	47,972	47,481	62,783	52,966	54,770	55,518	63,667
Cost of sales	-28,527	-30,235	-29,337	-40,995	-32,578	-34,064	-36,095	-44,463
Gross income	16,585	17,737	18,144	21,788	20,388	20,706	19,423	19,204
Gross margin (%)	36.8%	37.0%	38.2%	34.7%	38.5%	37.8%	35.0%	30.2%
Research and development expenses	-7,526	-7,751	-7,689	-8,592	-7,991	-8,108	-7,824	-8,715
Selling and administrative expenses	-7,008	-7,158	-5,775	-7,131	-6,441	-7,741	-5,664	-6,837
Operating expenses	-14,534	-14,909	-13,464	-15,723	-14,432	-15,849	-13,488	-15,552
Other operating income and expenses	302	500	620	581	343	166	366	403
Operating income before shares in earnings of JV and associated companies	2,353	3,328	5,300	6,646	6,299	5,023	6,301	4,055
Operating margin before shares in earnings of JV and associated companies (%)	5.2%	6.9%	11.2%	10.6%	11.9%	9.2%	11.3%	6.4%
Shares in earnings of JV and associated companies	-372	-308	-90	-402	-468	-771	-640	-1,899
Operating income	1,981	3,020	5,210	6,244	5,831	4,252	5,661	2,156
Financial income	278	470	168	131	302	977	1,198	405
Financial expenses	-438	-596	-302	-383	-306	-636	-987	-732
Income after financial items	1,821	2,894	5,076	5,992	5,827	4,593	5,872	1,829
Taxes	-547	-867	-1,523	-1,611	-1,747	-1,377	-2,090	-338
Net income	1,274	2,027	3,553	4,381	4,080	3,216	3,782	1,491
Net income attributable to:								
- Stockholders of the Parent Company	1,264	1,881	3,677	4,324	4,103	3,116	3,821	1,154
- Non-controlling interests	10	146	-124	57	-23	100	-39	337
Other information								
Average number of shares, basic (million)	3,195	3,196	3,198	3,200	3,202	3,204	3,207	3,209
Earnings per share, basic (SEK) ¹⁾	0.40	0.59	1.15	1.35	1.28	0.97	1.19	0.36
Earnings per share, diluted (SEK) ¹⁾	0.39	0.58	1.14	1.34	1.27	0.96	1.18	0.36

¹⁾ Based on Net income attributable to stockholders of the Parent Company.

Consolidated Statement of Cash Flows – Isolated Quarters

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating activities								
Net income	1,274	2,027	3,553	4,381	4,080	3,216	3,782	1,491
Adjustments to reconcile net income to cash								
Taxes	-166	-560	-226	1,303	721	-29	550	752
Earnings/dividends in JV and associated companies	313	364	123	676	452	783	658	1,817
Depreciation, amortization and impairment losses	3,133	2,304	2,270	2,246	2,209	2,172	2,227	2,428
Other	-435	-260	-947	2,352	-1,201	-1,107	-291	472
Net income affecting cash	4,119	3,875	4,773	10,958	6,261	5,035	6,926	6,960
Changes in operating net assets								
Inventories	-1,465	-3,462	-3,763	773	-3,462	-2,370	-2,619	5,208
Customer financing, current and non-current	-598	-208	-437	-882	196	195	-607	290
Trade receivables	3,954	-3,816	7,443	-3,175	-1,610	2,114	-2,769	565
Trade payables	-955	1,433	1,292	4,194	-255	-834	-805	246
Provisions and post-employment benefits	-1,058	788	-1,726	-743	-752	-485	-2,180	-2,278
Other operating assets and liabilities, net	-1,703	-1,317	4,237	4,052	-3,284	2,126	3,694	-5,524
	-1,825	-6,582	7,046	4,219	-9,167	746	-5,286	-1,493
Cash flow from operating activities	2,294	-2,707	11,819	15,177	-2,906	5,781	1,640	5,467
Investing activities								
Investments in property, plant and equipment	-659	-1,016	-1,027	-984	-980	-1,196	-1,294	-1,524
Sales of property, plant and equipment	47	45	17	15	97	58	59	172
Acquisitions/divestments of subsidiaries and other operations, net	-1,080	-868	-559	-325	-455	-507	-1,931	-235
Product development	-278	-724	-317	-325	-269	-429	-257	-560
Other investing activities	1,859	-1,819	-817	-710	179	-100	-769	-210
Short-term investments	-3,844	5,949	-3,368	-1,753	3,706	3,196	9,323	-1,533
Cash flow from investing activities	-3,955	1,567	-6,071	-4,082	2,278	1,022	5,131	-3,890
Cash flow before financing activities	-1,661	-1,140	5,748	11,095	-628	6,803	6,771	1,577
Financing activities								
Dividends paid	-	-6,401	-238	-38	-	-7,209	-241	-5
Other financing activities	-56	1,529	1,165	-1,631	1,240	-1,097	-10	828
Cash flow from financing activities	-56	-4,872	927	-1,669	1,240	-8,306	-251	823
Effect of exchange rate changes on cash	-42	583	-1,088	241	-720	211	278	14
Net change in cash	-1,759	-5,429	5,587	9,667	-108	-1,292	6,798	2,414
Cash and cash equivalents, beginning of period	22,798	21,039	15,610	21,197	30,864	30,756	29,464	36,262
Cash and cash equivalents, end of period	21,039	15,610	21,197	30,864	30,756	29,464	36,262	38,676

Parent Company Income Statement

SEK million	Oct - Dec		Jan - Dec	
	2010	2011	2010	2011
Net sales	7	-	33	-
Cost of sales	-12	-	-29	-
Gross income	-5	-	4	-
Operating expenses	-490	-670	-2,956	-2,121
Other operating income and expenses	771	1,099	3,118	3,184
Operating income	276	429	166	1,063
Financial net	614	-2,107	6,645	3,328
Income after financial items	890	-1,678	6,811	4,391
Transfers to (-) / from untaxed reserves	-100	339	-100	339
Taxes	-35	449	-117	-103
Net income	755	-890	6,594	4,627

Statement of Comprehensive Income

SEK million	Oct - Dec		Jan - Dec	
	2010	2011	2010	2011
Net income	755	-890	6,594	4,627
Cash flow hedges				
Gains/losses arising during the period	-	203	136	203
Adjustments for amounts transferred to initial carrying amount of hedged items	-	-	-136	-
Tax on items reported directly in or transferred from equity	-	-	-	-
Other comprehensive income		203	-	203
Total comprehensive income	755	-687	6,594	4,830

Parent Company Balance Sheet

SEK million	Dec 31	Dec 31
	2010	2011
ASSETS		
Fixed assets		
Intangible assets	1,046	1,088
Tangible assets	527	491
Financial assets	99,013	103,663
	100,586	105,242
Current assets		
Inventories	57	61
Receivables	21,554	20,568
Short-term investments	56,148	41,611 ¹⁾
Cash and cash equivalents	15,439	17,288
	93,198	79,528
Total assets	193,784	184,770
STOCKHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity	47,859	47,859
Non-restricted equity	42,974	40,720
	90,833	88,579
Untaxed reserves	1,015	676
Provisions	960	651
Non-current liabilities	52,842	48,373
Current liabilities	48,134	46,491
Total stockholders' equity, provisions and liabilities	193,784	184,770
Assets pledged as collateral	658	452
Contingent liabilities	13,783	18,518

¹⁾ Including loan to ST- Ericsson of SEK 2,759 million.

Accounting Policies

The Group

This interim report is prepared in accordance with IAS 34. The term "IFRS" used in this document refers to the application of IAS and IFRS as well as interpretations of these standards as issued by IASB's Standards Interpretation Committee (SIC) and IFRS Interpretations Committee, (IFRIC). The accounting policies adopted are consistent with those of the annual report for the year ended December 31, 2010, and should be read in conjunction with that annual report.

As from January 1, 2011, the Company has applied the following new or amended IFRSs and IFRICs:

- Improvements to IFRSs (Issued by IASB in May 2010)
- IFRIC 14, amendment, the limit on a defined benefit asset, minimum funding requirements and their interaction (November 26, 2009)
- IFRIC 19, Extinguishing financial liabilities with equity instruments (November 26, 2009)
- IAS 24, revised, Related party disclosures (November 4, 2009)
- IAS 32, amendment, Classification of Rights Issues (October 8, 2009)

None of the new or amended standards and interpretations has had any significant impact on the financial result or position of the Company. There is no difference between IFRS effective as per December 31, 2011 and IFRS as endorsed by the EU.

Net Sales by Segment by Quarter

Since the segments Sony Ericsson and ST-Ericsson are reported in accordance with the equity method, their sales are not included below. Net sales related to these segments are disclosed under SEGMENT RESULTS. Net sales related to other segments are set out below.

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	24,704	25,472	26,087	36,445	33,249	33,360	32,506	33,280
Global Services	18,098	20,080	19,076	22,869	17,435	19,036	20,438	26,975
Of which Professional Services	13,251	14,838	13,736	16,704	12,571	13,463	14,719	18,081
Of which Managed Services	4,888	5,642	5,227	5,361	4,924	4,724	5,304	6,046
Of which Network Rollout	4,847	5,242	5,340	6,165	4,864	5,573	5,719	8,894
Multimedia	2,310	2,420	2,318	3,469	2,282	2,374	2,574	3,412
Total	45,112	47,972	47,481	62,783	52,966	54,770	55,518	63,667

Sequential change, percent	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	-22%	3%	2%	40%	-9%	0%	-3%	2%
Global Services	-22%	11%	-5%	20%	-24%	9%	7%	32%
Of which Professional Services	-20%	12%	-7%	22%	-25%	7%	9%	23%
Of which Managed Services	-4%	15%	-7%	3%	-8%	-4%	12%	14%
Of which Network Rollout	-27%	8%	2%	15%	-21%	15%	3%	56%
Multimedia	-31%	5%	-4%	50%	-34%	4%	8%	33%
Total	-23%	6%	-1%	32%	-16%	3%	1%	15%

Year over year change, percent	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	-14%	-12%	6%	14%	35%	31%	25%	-9%
Global Services	3%	0%	3%	-1%	-4%	-5%	7%	18%
Of which Professional Services	4%	5%	7%	1%	-5%	-9%	7%	8%
Of which Managed Services	17%	23%	46%	5%	1%	-16%	1%	13%
Of which Network Rollout	3%	-12%	-8%	-8%	0%	6%	7%	44%
Multimedia	-29%	-27%	-31%	3%	-1%	-2%	11%	-2%
Total	-9%	-8%	2%	8%	17%	14%	17%	1%

Year to date, SEK million	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	24,704	50,176	76,263	112,708	33,249	66,609	99,115	132,395
Global Services	18,098	38,178	57,254	80,123	17,435	36,471	56,909	83,884
Of which Professional Services	13,251	28,089	41,825	58,529	12,571	26,034	40,753	58,834
Of which Managed Services	4,888	10,530	15,757	21,118	4,924	9,648	14,952	20,998
Of which Network Rollout	4,847	10,089	15,429	21,594	4,864	10,437	16,156	25,050
Multimedia	2,310	4,730	7,048	10,517	2,282	4,656	7,230	10,642
Total	45,112	93,084	140,565	203,348	52,966	107,736	163,254	226,921

Year to date, year over year change, percent	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	-14%	-13%	-7%	-1%	35%	33%	30%	17%
Global Services	3%	2%	2%	1%	-4%	-4%	-1%	5%
Of which Professional Services	4%	5%	5%	4%	-5%	-7%	-3%	1%
Of which Managed Services	17%	20%	28%	21%	1%	-8%	-5%	-1%
Of which Network Rollout	3%	-5%	-6%	-7%	0%	3%	5%	16%
Multimedia	-29%	-28%	-29%	-21%	-1%	-2%	3%	1%
Total	-9%	-8%	-5%	-2%	17%	16%	16%	12%

Operating Income by Segment by Quarter

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	1,540	2,507	3,717	4,717	5,744	4,599	4,277	2,675
Global Services	1,325	1,377	1,891	1,920	1,146	1,030	1,757	1,611
Of which Professional Services	1,419	1,331	1,925	1,875	1,486	1,661	2,023	2,498
Of which Network Rollout	-94	46	-34	45	-340	-631	-266	-887
Multimedia	-335	-479	-187	358	-338	-267	90	11
Unallocated ¹⁾	-158	-128	-109	-410	-228	-204	164	-233
Subtotal Segments excluding Sony Ericsson and ST-Ericsson	2,372	3,277	5,312	6,585	6,324	5,158	6,288	4,064
Sony Ericsson	76	134	290	164	71	-208	75	-1,137
ST-Ericsson	-467	-391	-392	-505	-564	-698	-702	-771
Subtotal Sony Ericsson and ST-Ericsson	-391	-257	-102	-341	-493	-906	-627	-1,908
Total	1,981	3,020	5,210	6,244	5,831	4,252	5,661	2,156

Year to date, SEK million	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	1,540	4,047	7,764	12,481	5,744	10,343	14,620	17,295
Global Services	1,325	2,702	4,593	6,513	1,146	2,176	3,933	5,544
Of which Professional Services	1,419	2,750	4,675	6,550	1,486	3,147	5,170	7,668
Of which Network Rollout	-94	-48	-82	-37	-340	-971	-1,237	-2,124
Multimedia	-335	-814	-1,001	-643	-338	-605	-515	-504
Unallocated ¹⁾	-158	-286	-395	-805	-228	-432	-268	-501
Subtotal Segments excluding Sony Ericsson and ST-Ericsson	2,372	5,649	10,961	17,546	6,324	11,482	17,770	21,834
Sony Ericsson	76	210	500	664	71	-137	-62	-1,199
ST-Ericsson	-467	-858	-1,250	-1,755	-564	-1,262	-1,964	-2,735
Subtotal Sony Ericsson and ST-Ericsson	-391	-648	-750	-1,091	-493	-1,399	-2,026	-3,934
Total	1,981	5,001	10,211	16,455	5,831	10,083	15,744	17,900

Operating Margin by Segment by Quarter

As percentage of net sales, isolated quarters	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	6%	10%	14%	13%	17%	14%	13%	8%
Global Services	7%	7%	10%	8%	7%	5%	9%	6%
Of which Professional Services	11%	9%	14%	11%	12%	12%	14%	14%
Of which Network Rollout	-2%	1%	-1%	1%	-7%	-11%	-5%	-10%
Multimedia	-15%	-20%	-8%	10%	-15%	-11%	3%	0%
Subtotal excluding Sony Ericsson and ST-Ericsson	5%	7%	11%	10%	12%	9%	11%	6%

As percentage of net sales, Year to date	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	6%	8%	10%	11%	17%	16%	15%	13%
Global Services	7%	7%	8%	8%	7%	6%	7%	7%
Of which Professional Services	11%	10%	11%	11%	12%	12%	13%	13%
Of which Network Rollout	-2%	0%	-1%	0%	-7%	-9%	-8%	-8%
Multimedia	-15%	-17%	-14%	-6%	-15%	-13%	-7%	-5%
Subtotal excluding Sony Ericsson and ST-Ericsson	5%	6%	8%	9%	12%	11%	11%	10%

¹⁾ "Unallocated" consists mainly of costs for corporate staff, non-operational capital gains and losses.

EBITA by Segment by Quarter

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	3,052	3,355	4,774	5,597	6,571	5,417	5,123	3,437
Global Services	1,770	1,523	1,954	2,117	1,278	1,150	1,867	1,720
Of which Professional Services	1,764	1,449	1,980	2,018	1,597	1,760	2,111	2,583
Of which Network Rollout	6	74	-26	99	-319	-610	-244	-863
Multimedia	-123	-262	-7	538	-163	-93	270	195
Unallocated ¹⁾	-158	-127	-108	-408	-226	-204	165	-203
Subtotal Segments excluding Sony Ericsson and ST-Ericsson	4,541	4,489	6,613	7,844	7,460	6,270	7,425	5,149
Sony Ericsson	76	134	290	164	71	-208	75	-1,137
ST-Ericsson	-467	-391	-392	-505	-564	-698	-702	-771
Subtotal Sony Ericsson and ST-Ericsson	-391	-257	-102	-341	-493	-906	-627	-1,908
Total	4,150	4,232	6,511	7,503	6,967	5,364	6,798	3,241

Year to date, SEK million	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	3,052	6,407	11,181	16,778	6,571	11,988	17,111	20,548
Global Services	1,770	3,293	5,247	7,364	1,278	2,428	4,295	6,015
Of which Professional Services	1,764	3,213	5,193	7,211	1,597	3,357	5,468	8,051
Of which Network Rollout	6	80	54	153	-319	-929	-1,173	-2,036
Multimedia	-123	-385	-392	146	-163	-256	14	209
Unallocated ¹⁾	-158	-285	-393	-801	-226	-430	-265	-468
Subtotal Segments excluding Sony Ericsson and ST-Ericsson	4,541	9,030	15,643	23,487	7,460	13,730	21,155	26,304
Sony Ericsson	76	210	500	664	71	-137	-62	-1,199
ST-Ericsson	-467	-858	-1,250	-1,755	-564	-1,262	-1,964	-2,735
Subtotal Sony Ericsson and ST-Ericsson	-391	-648	-750	-1,091	-493	-1,399	-2,026	-3,934
Total	4,150	8,382	14,893	22,396	6,967	12,331	19,129	22,370

EBITA Margin by Segment by Quarter

As percentage of net sales, isolated quarters	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	12%	13%	18%	15%	20%	16%	16%	10%
Global Services	10%	8%	10%	9%	7%	6%	9%	6%
Of which Professional Services	13%	10%	14%	12%	13%	13%	14%	14%
Of which Network Rollout	0%	1%	-1%	2%	-7%	-11%	-4%	-10%
Multimedia	-5%	-11%	0%	15%	-7%	-4%	11%	6%
Subtotal excluding Sony Ericsson and ST-Ericsson	10%	9%	14%	12%	14%	11%	13%	8%

As percentage of net sales, Year to date	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Networks	12%	13%	15%	15%	20%	18%	17%	16%
Global Services	10%	9%	9%	9%	7%	7%	8%	7%
Of which Professional Services	13%	11%	12%	12%	13%	13%	13%	14%
Of which Network Rollout	0%	1%	0%	1%	-7%	-9%	-7%	-8%
Multimedia	-5%	-8%	-6%	1%	-7%	-6%	0%	2%
Subtotal excluding Sony Ericsson and ST-Ericsson	10%	10%	11%	12%	14%	13%	13%	12%

¹⁾ "Unallocated" consists mainly of costs for corporate staff, non-operational capital gains and losses.

Net Sales by Region by Quarter

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North America	9,498	13,050	12,861	14,064	13,162	12,324	12,096	11,203
Latin America	3,964	4,200	3,667	6,051	4,015	4,927	6,012	7,028
Northern Europe & Central Asia ^{1) 2)}	2,300	2,679	2,363	4,829	3,365	4,552	3,527	3,781
Western & Central Europe ²⁾	5,235	4,414	4,302	5,917	4,806	4,342	4,612	5,270
Mediterranean ²⁾	5,060	5,630	5,020	6,918	4,799	5,543	5,225	8,240
Middle East	3,948	3,796	2,721	4,634	3,070	3,546	3,650	5,195
Sub Saharan Africa	2,418	2,951	1,795	2,030	2,212	2,214	2,519	3,218
India	2,303	1,351	2,129	2,843	3,169	2,798	2,273	1,522
China & North East Asia	4,950	4,607	6,940	9,468	8,633	9,025	9,662	10,889
South East Asia & Oceania	3,517	3,643	3,822	3,920	3,108	3,033	3,720	4,009
Other ^{1) 2)}	1,919	1,651	1,861	2,109	2,627	2,466	2,222	3,312
Total	45,112	47,972	47,481	62,783	52,966	54,770	55,518	63,667
¹⁾ Of which Sweden	1,047	996	1,023	1,171	927	1,103	944	908
²⁾ Of which EU	11,065	10,384	9,664	12,594	10,020	10,317	10,195	13,428

Sequential change, percent	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North America	1%	37%	-1%	9%	-6%	-6%	-2%	-7%
Latin America	-32%	6%	-13%	65%	-34%	23%	22%	17%
Northern Europe & Central Asia ^{1) 2)}	-34%	16%	-12%	104%	-30%	35%	-23%	7%
Western & Central Europe ²⁾	-15%	-16%	-3%	38%	-19%	-10%	6%	14%
Mediterranean ²⁾	-28%	11%	-11%	38%	-31%	16%	-6%	58%
Middle East	-22%	-4%	-28%	70%	-34%	16%	3%	42%
Sub Saharan Africa	-37%	22%	-39%	13%	9%	0%	14%	28%
India	-33%	-41%	58%	34%	11%	-12%	-19%	-33%
China & North East Asia	-33%	-7%	51%	36%	-9%	5%	7%	13%
South East Asia & Oceania	-32%	4%	5%	3%	-21%	-2%	23%	8%
Other ^{1) 2)}	30%	-14%	13%	13%	25%	-6%	-10%	49%
Total	-23%	6%	-1%	32%	-16%	3%	1%	15%
¹⁾ Of which Sweden	43%	-5%	3%	14%	-21%	19%	-14%	-4%
²⁾ Of which EU	-15%	-6%	-7%	30%	-20%	3%	-1%	32%

Year-over-year change, percent	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North America	99%	128%	223%	49%	39%	-6%	-6%	-20%
Latin America	-9%	-12%	-27%	3%	1%	17%	64%	16%
Northern Europe & Central Asia ^{1) 2)}	-20%	-7%	-13%	38%	46%	70%	49%	-22%
Western & Central Europe ²⁾	-3%	-19%	-22%	-4%	-8%	-2%	7%	-11%
Mediterranean ²⁾	-17%	-17%	-3%	-2%	-5%	-2%	4%	19%
Middle East	0%	-20%	-40%	-8%	-22%	-7%	34%	12%
Sub Saharan Africa	-48%	-19%	-44%	-47%	-9%	-25%	40%	59%
India	-43%	-63%	-49%	-17%	38%	107%	7%	-46%
China & North East Asia	-15%	-36%	24%	28%	74%	96%	39%	15%
South East Asia & Oceania	-32%	-36%	-20%	-24%	-12%	-17%	-3%	2%
Other ^{1) 2)}	-19%	3%	1%	43%	37%	49%	19%	57%
Total	-9%	-8%	2%	8%	17%	14%	17%	1%
¹⁾ Of which Sweden	-13%	-9%	-5%	60%	-11%	11%	-8%	-22%
²⁾ Of which EU	-12%	-18%	-12%	-4%	-9%	-1%	5%	7%

Net Sales by Region by Quarter (cont.)

Year to date, SEK million	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
North America	9,498	22,548	35,409	49,473	13,162	25,486	37,582	48,785
Latin America	3,964	8,164	11,831	17,882	4,015	8,942	14,954	21,982
Northern Europe & Central Asia ^{1) 2)}	2,300	4,979	7,342	12,171	3,365	7,917	11,444	15,225
Western & Central Europe ²⁾	5,235	9,649	13,951	19,868	4,806	9,148	13,760	19,030
Mediterranean ²⁾	5,060	10,690	15,710	22,628	4,799	10,342	15,567	23,807
Middle East	3,948	7,744	10,465	15,099	3,070	6,616	10,266	15,461
Sub Saharan Africa	2,418	5,369	7,164	9,194	2,212	4,426	6,945	10,163
India	2,303	3,654	5,783	8,626	3,169	5,967	8,240	9,762
China & North East Asia	4,950	9,557	16,497	25,965	8,633	17,658	27,320	38,209
South East Asia & Oceania	3,517	7,160	10,982	14,902	3,108	6,141	9,861	13,870
Other ^{1) 2)}	1,919	3,570	5,431	7,540	2,627	5,093	7,315	10,627
Total	45,112	93,084	140,565	203,348	52,966	107,736	163,254	226,921
¹⁾ Of which Sweden	1,047	2,043	3,066	4,237	927	2,030	2,974	3,882
²⁾ Of which EU	11,065	21,449	31,113	43,707	10,020	20,337	30,532	43,960

Year to date, year-over-year change, percent	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
North America	99%	115%	145%	107%	39%	13%	6%	-1%
Latin America	-9%	-11%	-16%	-11%	1%	10%	26%	23%
Northern Europe & Central Asia ^{1) 2)}	-20%	-14%	-13%	2%	46%	59%	56%	25%
Western & Central Europe ²⁾	-3%	-11%	-15%	-12%	-8%	-5%	-1%	-4%
Mediterranean ²⁾	-17%	-17%	-13%	-10%	-5%	-3%	-1%	5%
Middle East	0%	-11%	-21%	-17%	-22%	-15%	-2%	2%
Sub Saharan Africa	-48%	-35%	-38%	-40%	-9%	-18%	-3%	11%
India	-43%	-52%	-51%	-43%	38%	63%	42%	13%
China & North East Asia	-15%	-26%	-11%	0%	74%	85%	66%	47%
South East Asia & Oceania	-32%	-34%	-30%	-29%	-12%	-14%	-10%	-7%
Other ^{1) 2)}	-19%	-10%	-6%	4%	37%	43%	35%	41%
Total	-9%	-8%	-5%	-2%	17%	16%	16%	12%
¹⁾ Of which Sweden	-13%	-11%	-9%	3%	-11%	-1%	-3%	-8%
²⁾ Of which EU	-12%	-15%	-14%	-11%	-9%	-5%	-2%	1%

External Net Sales by Region by Segment

Since the segments Sony Ericsson and ST-Ericsson are reported in accordance with the equity method, their sales are not included below. Net sales related to these segments are disclosed under SEGMENT RESULTS. Net sales related to other segments are set out below.

Isolated quarter, SEK million		Global			
Q4 2011	Networks	Services	Multimedia	Total	
North America	5,027	5,719	457	11,203	
Latin America	3,277	3,431	320	7,028	
Northern Europe & Central Asia	1,605	2,046	130	3,781	
Western & Central Europe	2,133	2,847	290	5,270	
Mediterranean	3,722	3,983	535	8,240	
Middle East	2,395	2,309	491	5,195	
Sub Saharan Africa	1,918	1,067	233	3,218	
India	648	810	64	1,522	
China & North East Asia	7,360	3,297	232	10,889	
South East Asia & Oceania	2,186	1,611	212	4,009	
Other	3,009	-145	448	3,312	
Total	33,280	26,975	3,412	63,667	
Share of Total	52%	43%	5%	100%	

Year to date, SEK million		Global			
Jan - Dec 2011	Networks	Services	Multimedia	Total	
North America	28,889	18,551	1,345	48,785	
Latin America	11,504	9,483	995	21,982	
Northern Europe & Central Asia	9,673	5,045	507	15,225	
Western & Central Europe	7,764	10,296	970	19,030	
Mediterranean	10,691	11,779	1,337	23,807	
Middle East	7,441	6,836	1,184	15,461	
Sub Saharan Africa	5,851	3,440	872	10,163	
India	6,078	3,145	539	9,762	
China & North East Asia	27,799	9,893	517	38,209	
South East Asia & Oceania	7,571	5,581	718	13,870	
Other	9,134	-165	1,658	10,627	
Total	132,395	83,884	10,642	226,921	
Share of Total	58%	37%	5%	100%	

Top 5 Countries in Sales

Country	Q4	Q4	Jan - Dec	Jan - Dec
	2010	2011	2010	2011
United States	20%	17%	23%	21%
China	9%	10%	7%	8%
Japan	4%	5%	5%	6%
India	5%	2%	4%	4%
Italy	4%	5%	4%	4%

Provisions

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Opening balance	12,431	12,064	13,061	10,937	9,744	9,529	9,335	8,065
Additions	1,777	2,416	803	1,718	1,304	2,032	633	838
Utilization/Cash out	-1,565	-1,498	-1,722	-2,369	-1,091	-1,908	-1,464	-1,524
<i>Of which restructuring</i>	-677	-701	-911	-973	-762	-1,220	-747	-494
Reversal of excess amounts	-498	-346	-417	-593	-88	-451	-556	-824
Reclassification, translation difference and other	-81	425	-788	51	-340	133	117	-290
Closing balance	12,064	13,061	10,937	9,744	9,529	9,335	8,065	6,265

Year to date, SEK million	2010				2011			
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Opening balance	12,431	12,431	12,431	12,431	9,744	9,744	9,744	9,744
Additions	1,777	4,193	4,996	6,714	1,304	3,336	3,969	4,807
Utilization/Cash out	-1,565	-3,063	-4,785	-7,154	-1,091	-2,999	-4,463	-5,987
<i>Of which restructuring</i>	-677	-1,378	-2,289	-3,262	-762	-1,982	-2,729	-3,223
Reversal of excess amounts	-498	-844	-1,261	-1,854	-88	-539	-1,095	-1,919
Reclassification, translation difference and other	-81	344	-444	-393	-340	-207	-90	-380
Closing balance	12,064	13,061	10,937	9,744	9,529	9,335	8,065	6,265

Number of Employees

End of period	2010				2011			
	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
North America	13,450	13,857	13,430	13,498	13,531	14,553	14,782	14,801
Latin America	6,134	6,150	6,353	7,181	7,394	9,875	10,315	11,191
Northern Europe & Central Asia ¹⁾	21,813	21,806	21,550	21,425	21,339	21,451	21,083	20,987
Western & Central Europe	11,418	11,174	10,690	10,818	10,629	10,518	10,601	10,806
Mediterranean	10,884	10,857	10,815	10,795	10,907	11,069	11,521	11,645
Middle East	3,598	3,568	3,553	3,982	4,057	4,160	4,304	4,336
Sub Saharan Africa	2,044	1,944	1,662	1,626	1,644	1,637	1,891	2,283
India	4,726	5,408	6,086	6,710	7,448	8,563	9,672	11,535
China & North East Asia	7,400	7,668	9,223	9,807	10,111	11,601	12,313	12,567
South East Asia & Oceania	5,070	4,981	4,698	4,419	4,486	4,502	4,408	4,374
Total	86,537	87,413	88,060	90,261	91,546	97,929	100,890	104,525
¹⁾ <i>Of which Sweden</i>	18,082	18,070	17,942	17,848	17,771	17,930	17,588	17,500

Information on investments in assets subject to depreciation, amortization, impairment and write-downs

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Additions								
Property, plant and equipment	659	1,016	1,027	984	980	1,196	1,294	1,524
Capitalized development expenses	278	724	317	325	269	429	257	560
IPR, brands and other intangible assets	622	521	2,490	715	359	29	488	312
Total	1,559	2,261	3,834	2,024	1,608	1,654	2,039	2,396
Depreciation, amortization and impairment losses								
Property, plant and equipment	796	901	798	801	841	821	827	1,057
Capitalized development expenses	168	192	171	185	232	240	263	267
IPR, brands and other intangible assets, etc. ¹⁾	2,169	1,211	1,301	1,260	1,136	1,111	1,137	1,104
Total	3,133	2,304	2,270	2,246	2,209	2,172	2,227	2,428
¹⁾ <i>Of which restructuring costs</i>	945	-	14	-	-	-	-	-

Other Information

	Oct - Dec		Jan - Dec	
	2010	2011	2010	2011
Number of shares and earnings per share				
Number of shares, end of period (million)	3,273	3,273	3,273	3,273
<i>Of which class A-shares (million)</i>	262	262	262	262
<i>Of which class B-shares (million)</i>	3,011	3,011	3,011	3,011
Number of treasury shares, end of period (million)	73	63	73	63
Number of shares outstanding, basic, end of period (million)	3,200	3,211	3,200	3,211
Numbers of shares outstanding, diluted, end of period (million)	3,229	3,238	3,229	3,238
Average number of treasury shares (million)	74	64	76	68
Average number of shares outstanding, basic (million)	3,200	3,209	3,197	3,206
Average number of shares outstanding, diluted (million) ¹⁾	3,228	3,237	3,226	3,233
Earnings per share, basic (SEK)	1.35	0.36	3.49	3.80
Earnings per share, diluted (SEK) ¹⁾	1.34	0.36	3.46	3.77
Earnings per share (Non-IFRS), diluted (SEK) ²⁾	1.65	0.55	4.80	4.72

¹⁾ Potential ordinary shares are not considered when their conversion to ordinary shares would increase earnings per share.

²⁾ Excluding amortizations and write-downs of acquired intangibles.

Ratios

Days sales outstanding	-	-	88	91
Inventory turnover days	67	74	74	78
Payable days	51	52	62	62
Equity ratio (%)	-	-	52.1%	51.8%
Return on equity (%)	12.2%	3.2%	7.8%	8.5%
Return on capital employed (%)	14.1%	5.5%	9.6%	11.3%
Capital turnover (times)	1.4	1.4	1.1	1.2
Payment readiness, end of period	-	-	96,951	86,570
Payment readiness, as percentage of sales	-	-	47.7%	38.1%

Exchange rates used in the consolidation

SEK/EUR - average rate	-	-	9.56	9.02
- closing rate	-	-	9.02	8.92
SEK/USD - average rate	-	-	7.20	6.48
- closing rate	-	-	6.80	6.90

Other

Export sales from Sweden	32,055	25,060	100,070	116,507
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Ericsson Planning Assumptions for Year 2012

Research and development expenses

We estimate R&D expenses for the full year 2012 to be at around SEK 29-31 b. The estimate includes amortizations/write-downs of intangible assets related to major acquisitions previously made. However, currency effects may cause this to change.

Capital expenditures

Excluding acquisitions, the capital expenditures in relation to sales are not expected to be significantly different in 2012, remaining at roughly two percent of sales.

Utilization of provisions

The expected utilization of provisions for year 2012 will be stated in the Annual Report 2011.

Consolidated Operating Income excl. Restructuring Charges

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	45,112	47,972	47,481	62,783	52,966	54,770	55,518	63,667
Cost of sales	-27,727	-29,258	-28,960	-39,795	-32,393	-33,807	-35,812	-43,957
Gross income	17,385	18,714	18,521	22,988	20,573	20,963	19,706	19,710
Gross margin (%)	38.5%	39.0%	39.0%	36.6%	38.8%	38.3%	35.5%	31.0%
Research and development expenses	-7,265	-7,133	-7,221	-8,257	-7,811	-7,900	-7,709	-8,657
Selling and administrative expenses	-5,881	-6,752	-5,731	-6,930	-6,433	-6,505	-5,686	-6,667
Operating expenses	-13,146	-13,885	-12,952	-15,187	-14,244	-14,405	-13,395	-15,324
Other operating income and expenses	302	500	620	581	343	166	366	403
Operating income before share in earnings of JV and associated companies	4,541	5,329	6,189	8,382	6,672	6,724	6,677	4,789
Operating margin before share in earnings of JV and associated companies (%)	10.1%	11.1%	13.0%	13.4%	12.6%	12.3%	12.0%	7.5%
Share in earnings of JV and associated companies	-260	-142	3	-304	-453	-694	-623	-1,449
Operating income	4,281	5,187	6,192	8,078	6,219	6,030	6,054	3,340
Earnings per share (Non-IFRS), diluted (SEK) ¹⁾	1.38	1.33	1.64	2.06	1.61	1.61	1.52	0.81

¹⁾ Excluding restructuring, amortizations and write-downs of acquired intangibles.

Restructuring Charges by Function

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cost of sales	-800	-977	-377	-1,200	-185	-257	-283	-506
Research and development expenses	-261	-619	-468	-334	-180	-208	-115	-58
Selling and administrative expenses	-1,127	-404	-44	-203	-8	-1,236	22	-170
<i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i>	<i>-2,188</i>	<i>-2,000</i>	<i>-889</i>	<i>-1,737</i>	<i>-373</i>	<i>-1,701</i>	<i>-376</i>	<i>-734</i>
Share in Sony Ericsson charges	-15	-147	-27	-12	-	-	-	-419
Share in ST-Ericsson charges	-97	-19	-66	-86	-15	-77	-17	-31
<i>Subtotal Sony Ericsson and ST-Ericsson</i>	<i>-112</i>	<i>-166</i>	<i>-93</i>	<i>-98</i>	<i>-15</i>	<i>-77</i>	<i>-17</i>	<i>-450</i>
Total	-2,300	-2,166	-982	-1,835	-388	-1,778	-393	-1,184

Restructuring Charges by Segment

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	-1,450	-885	-593	-987	-205	-1,039	-121	-235
Global Services	-680	-954	-295	-746	-166	-487	-254	-456
<i>Of which Professional Services</i>	<i>-588</i>	<i>-830</i>	<i>-246</i>	<i>-702</i>	<i>-145</i>	<i>-361</i>	<i>-225</i>	<i>-264</i>
<i>Of which Network Rollout</i>	<i>-92</i>	<i>-124</i>	<i>-49</i>	<i>-44</i>	<i>-21</i>	<i>-126</i>	<i>-29</i>	<i>-192</i>
Multimedia	-45	-153	-1	-8	-2	-119	-6	-16
Unallocated	-13	-8	-	4	-	-56	5	-27
<i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i>	<i>-2,188</i>	<i>-2,000</i>	<i>-889</i>	<i>-1,737</i>	<i>-373</i>	<i>-1,701</i>	<i>-376</i>	<i>-734</i>
Sony Ericsson	-15	-147	-27	-12	-	-	-	-419
ST-Ericsson	-97	-19	-66	-86	-15	-77	-17	-31
<i>Subtotal Sony Ericsson and ST-Ericsson</i>	<i>-112</i>	<i>-166</i>	<i>-93</i>	<i>-98</i>	<i>-15</i>	<i>-77</i>	<i>-17</i>	<i>-450</i>
Total	-2,300	-2,166	-982	-1,835	-388	-1,778	-393	-1,184

Operating Income by Segment excl. Restructuring Charges

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	2,990	3,392	4,310	5,703	5,949	5,638	4,398	2,910
Global Services	2,005	2,331	2,186	2,666	1,312	1,517	2,011	2,067
Of which Professional Services	2,007	2,161	2,171	2,577	1,631	2,022	2,248	2,762
Of which Network Rollout	-2	170	15	89	-319	-505	-237	-695
Multimedia	-290	-326	-186	366	-336	-148	96	27
Unallocated ¹⁾	-145	-119	-109	-414	-228	-148	159	-206
<i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i>	<i>4,560</i>	<i>5,278</i>	<i>6,201</i>	<i>8,321</i>	<i>6,697</i>	<i>6,859</i>	<i>6,664</i>	<i>4,798</i>
Sony Ericsson	91	281	317	176	71	-208	75	-718
ST-Ericsson	-370	-372	-326	-419	-549	-621	-685	-740
<i>Subtotal Sony Ericsson and ST-Ericsson</i>	<i>-279</i>	<i>-91</i>	<i>-9</i>	<i>-243</i>	<i>-478</i>	<i>-829</i>	<i>-610</i>	<i>-1,458</i>
Total	4,281	5,187	6,192	8,078	6,219	6,030	6,054	3,340

Operating Margin by Segment excl. Restructuring Charges

As percentage of net sales, isolated quarters	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	12%	13%	17%	16%	18%	17%	14%	9%
Global Services	11%	12%	11%	12%	8%	8%	10%	8%
Of which Professional Services	15%	15%	16%	15%	13%	15%	15%	15%
Of which Network Rollout	0%	3%	0%	1%	-7%	-9%	-4%	-8%
Multimedia	-13%	-13%	-8%	11%	-15%	-6%	4%	1%
Subtotal excluding Sony Ericsson and ST-Ericsson	10%	11%	13%	13%	13%	13%	12%	8%

EBITA by Segment excl. Restructuring Charges

Isolated quarters, SEK million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	3,869	4,240	5,367	6,583	6,776	6,456	5,244	3,672
Global Services	2,176	2,477	2,249	2,863	1,444	1,637	2,121	2,176
Of which Professional Services	2,150	2,276	2,226	2,720	1,742	2,121	2,336	2,847
Of which Network Rollout	26	201	23	143	-298	-484	-215	-671
Multimedia	-116	-109	-6	546	-161	26	276	211
Unallocated ¹⁾	-145	-119	-108	-412	-226	-148	160	-176
<i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i>	<i>5,784</i>	<i>6,489</i>	<i>7,502</i>	<i>9,580</i>	<i>7,833</i>	<i>7,971</i>	<i>7,801</i>	<i>5,883</i>
Sony Ericsson	91	281	317	176	71	-208	75	-718
ST-Ericsson	-370	-372	-326	-419	-549	-621	-685	-740
<i>Subtotal Sony Ericsson and ST-Ericsson</i>	<i>-279</i>	<i>-91</i>	<i>-9</i>	<i>-243</i>	<i>-478</i>	<i>-829</i>	<i>-610</i>	<i>-1,458</i>
Total	5,505	6,398	7,493	9,337	7,355	7,142	7,191	4,425

EBITA Margin by Segment excl. Restructuring Charges

As percentage of net sales, isolated quarters	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Networks	16%	17%	21%	18%	20%	19%	16%	11%
Global Services	12%	12%	12%	13%	8%	9%	10%	8%
Of which Professional Services	16%	15%	16%	16%	14%	16%	16%	16%
Of which Network Rollout	1%	4%	0%	2%	-6%	-9%	-4%	-8%
Multimedia	-5%	-5%	0%	16%	-7%	1%	11%	6%
Subtotal excluding Sony Ericsson and ST-Ericsson	13%	14%	16%	15%	15%	15%	14%	9%

¹⁾ "Unallocated" consists mainly of costs for corporate staffs, non-operational capital gains and losses.