

GLOSSARY

2G

First digital generation of mobile systems, includes GSM, TDMA, PDC and cdmaOne.

3G

3rd generation mobile system, includes WCDMA/HSPA, EDGE, CDMA2000 and TD-SCDMA.

4G

See LTE.

All-IP

A single, common IP infrastructure that can handle all network services, including fixed and mobile communications, for voice and data services and also video services such as TV.

ATM

(Asynchronous Transfer Mode) A communication standard for transmission and management of high-speed packet-switched networks.

Backhaul

Transmission between radio base stations and the core network.

Broadband

Data speeds that are high enough to allow transmission of multimedia services with good quality.

Capex

Capital expenditure.

CDMA

(Code division multiple access) The cdmaOne (2G) and CDMA2000 (3G) mobile communication standards are both based on CDMA.

DSL access

Digital Subscriber Line technologies for broadband multimedia communications in fixed line networks. Examples: IP-DSL, ADSL and VDSL.

EDGE

A 3G mobile standard, developed as an enhancement of GSM. Enables the transmission of data at speeds up to 250 kbps.

Emerging market

Defined as a country that has a GNP per capita index below the World Bank average and a mobile subscription penetration below 60 percent.

Evo RAN

A Radio Access Network (RAN) solution to run GSM, WCDMA and LTE as a single network.

Exabyte

= billion gigabytes.

FTTx

Fiber-To-The-x, e.g. FTTH (Fiber-to-the-home) refers to fiber optic broadband connections to individual homes.

GDP

Gross domestic product the total annual cost of all finished goods and services produced within a country.

GPON

(Gigabit Passive Optical Network) Used for fiber-optic communication to the home (FTTH).

GPRS

(General Packet Radio Service) A packet-switched technology (2.5G) that enables GSM networks to handle mobile data communications at rates up to 115 kbps.

HSPA

(High Speed Packet Access) Enhancement of 3G/WCDMA that enables mobile broadband. A subscriber can download files to a 3G mobile device at speeds of several Mbps.

ICT

Information and Communication Technology.

IMS

(IP Multimedia Subsystem) A standard for offering voice and multimedia services over mobile and fixed networks using internet technology (IP).

IP

(Internet Protocol) Defines how information travels between network elements across the internet.

IPTV

(IP Television) A technology that delivers digital television via fixed broadband access.

IPX

(Internet Payment eXchange) The global payment and messaging delivery solution for SMS, MMS, Web and WAP.

JV

(Joint venture) A business enterprise in which two or more companies enter a partnership.

LTE

(Long-Term Evolution) The next evolutionary step of mobile technology beyond HSPA, allowing data rates above 100 Mbps.

Managed services

Management of operator networks and/or hosting of their services.

Opex

Operating expenses.

PBX

(Private Branch eXchange) A telephone exchange that serves a particular business or office.

Packet switching

A method of switching data in a network where individual packets are accepted by the network and delivered to their destinations. The method is used by the Internet and replaces traditional circuit switching.

Penetration

The number of subscriptions divided by the population in a geographical area.

Softswitch

A software-based system for handling call management functionality. Integrates IP-telephony and the legacy circuit-switched part of the network.

TDM

Time division multiplexing, legacy technology for circuit switching.

Telecom grade

99.999 percent availability; performance requirement on telecom networks.

VoIP

Voice over IP, same as IP telephony.

WCDMA

(Wideband Code Division Multiple Access) A 3G mobile communication standard. WCDMA builds on the same core network infrastructure as GSM.

WDM

(Wavelength division multiplexing) Uses multiple light wavelengths to increase the transmission capacity of fiber cables for optical networks.

FINANCIAL TERMINOLOGY

Capital employed

Total assets less non-interest-bearing provisions and liabilities.

Capital turnover

Net sales divided by average Capital employed.

Cash conversion

Cash flow from operating activities divided by net income reconciled to cash – expressed in percent.

Cash dividends per share

Dividends paid divided by average number of shares, basic.

Compound annual growth rate (CAGR)

The year-over-year growth rate over a specified period of time.

Days sales outstanding (DSO)

Trade receivables balance at quarter end divided by Net Sales in the quarter and multiplied by 90 days. If the amount of trade receivables is larger than last quarter's sales, the excess amount is divided by Net Sales in the previous quarter and multiplied by 90 days, and total days outstanding (DSO) are the 90 days of the most current quarter plus the additional days from the previous quarter.

Earnings per share

Basic earnings per share; profit or loss attributable to stockholders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share; the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

EBITDA margin

Earnings Before Interest, Taxes, Depreciation and Amortization, as a percentage of Net Sales.

Equity ratio

Equity, expressed as a percentage of total assets.

Gross Cash

Gross cash consists, in addition to cash and cash equivalents plus short-term cash investments less interest-bearing liabilities and post-employment benefits, also of short-term investments held for cash management purposes.

Inventory turnover days (ITO-days)

365 divided by inventory turnover, calculated as total adjusted cost of sales divided by the average inventories for the year (net of advances from customers).

Net cash

Cash and cash equivalents plus short-term cash investments less interest-bearing liabilities and post-employment benefits.

Payable days

The average balance of Trade payables at the beginning and at the end of the year divided by Cost of sales for the year, and multiplied by 365 days.

Payment readiness

Cash and cash equivalents and short-term investments less short-term borrowings plus long-term unused credit commitments. Payment readiness is also shown as a percentage of Net Sales.

Return on capital employed

The total of Operating income plus Financial income as a percentage of average capital employed (based on the amounts at January 1 and December 31).

Return on equity

Net income attributable to stockholders of the Parent Company as a percentage of average Stockholders' equity (based on the amounts at January 1 and December 31).

Stockholders' equity per share

Stockholders' equity divided by the number of shares outstanding at end of period, basic.

Trade receivables turnover

Net sales divided by average Trade receivables.

Value at Risk (VaR)

A statistical method that expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time.

Working capital

Current assets less current non-interest-bearing provisions and liabilities.

EXCHANGE RATES

	EXCHANGE RATES USED IN THE CONSOLIDATION	
	Jan-Dec	
	2009	2008
SEK/EUR		
Average rate	10.63	9.67
Closing rate	10.30	10.95
SEK/USD		
Average rate	7.63	6.61
Closing rate	7.18	7.73

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