

PARENT COMPANY INCOME STATEMENT

Years ended December 31, SEK million	Notes	2009 ¹⁾	2008	2007
Net sales ¹⁾	P2	300	5,086	3,236
Cost of sales		-21	-669	-368
Gross income		279	4,417	2,868
Selling expenses		-1,399	-1,113	-632
Administrative expenses		-1,738	-1,271	-719
Operating expenses		-3,137	-2,384	-1,351
Other operating income and expenses	P3	2,977	3,065	2,723
Operating income		119	5,098	4,240
Financial income	P4	9,358	24,131	13,747
Financial expenses	P4	-1,396	-9,791	-3,262
Income after financial items		8,081	19,438	14,725
Transfers to (-)/from untaxed reserves				
Changes in depreciation in excess of plan	P15	417	-251	-448
Changes in other untaxed reserves	P15	485	-227	183
		902	-478	-265
Taxes	P5	-804	-1,733	-1,315
Net income		8,179	17,227	13,145

¹⁾ Effective January 1, 2009, the right to all license revenues from third parties was transferred to Ericsson AB, a wholly owned subsidiary.

PARENT COMPANY BALANCE SHEET

December 31, SEK million	Notes	2009	2008 ¹⁾
ASSETS			
Fixed assets			
Intangible assets	P6	2,219	2,604
Tangible assets	P7, P26	527	695
Financial assets			
Investments			
Subsidiaries	P8, P9	75,540	74,571
Joint ventures and associated companies	P8, P9	13,066	4,466
Other investments	P8	10	11
Receivables from subsidiaries	P8, P12	10,316	15,781
Customer finance, non-current	P8, P11	846	910
Deferred tax assets	P5	387	68
Other financial assets, non-current	P8	1,179	3,030
		104,090	102,136
Current assets			
Inventories	P10	61	80
Receivables			
Trade receivables	P11	42	576
Customer finance, current	P11	590	835
Receivables from subsidiaries	P12	20,035	24,676
Current income taxes		360	351
Other current receivables	P13	2,677	4,686
Short-term investments ¹⁾	P19	53,926	37,166
Cash and cash equivalents ¹⁾	P19	8,477	22,048
		86,168	90,418
TOTAL ASSETS		190,258	192,554

¹⁾ Cash and cash equivalents and Short-term investments for 2008 have been restated to reflect the transfer of highly liquid monetary short-term investments, with a remaining maturity of three months or less, from Short-term investments to Cash and cash equivalents.

PARENT COMPANY BALANCE SHEET (CONTINUED)

December 31, SEK million	Notes	2009	2008
STOCKHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
<u>Stockholders' equity</u>	P14		
Capital stock		16,367	16,232
Revaluation reserve		20	20
Statutory reserve		31,472	31,472
Restricted equity		47,859	47,724
Retained earnings		33,774	24,727
Net income		8,179	17,227
Non-restricted equity		41,953	41,954
		89,812	89,678
<u>Untaxed reserves</u>	P15	915	1,817
<u>Provisions</u>			
Pensions	P16	372	403
Other provisions	P17	697	656
		1,069	1,059
<u>Non-current liabilities</u>			
Notes and bond loans	P18	23,801	18,941
Liabilities to credit institutions	P18	4,000	4,000
Liabilities to subsidiaries	P12	28,966	27,866
Other non-current liabilities		244	187
		57,011	50,994
<u>Current liabilities</u>			
Current maturities of long-term borrowings	P18	–	3,732
Trade payables	P21	335	605
Liabilities to subsidiaries	P12	39,135	35,266
Other current liabilities	P20	1,981	9,403
		41,451	49,006
<u>TOTAL STOCKHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</u>		190,258	192,554
Assets pledged as collateral	P22	550	414
Contingent liabilities	P23	13,072	13,029

PARENT COMPANY STATEMENT OF CASH FLOWS

Years ended December 31, SEK million	Notes	2009	2008	2007
Operating activities				
Net income		8,179	17,227	13,145
Adjustments to reconcile net income to cash	P24	-3,831	5,146	-891
		4,348	22,373	12,254
Changes in operating net assets				
Inventories		20	4	7
Customer finance, current and non-current		193	-478	1,041
Trade receivables		261	-464	-155
Trade payables		-132	16	-34
Provisions and pensions		-4	-49	-442
Other operating assets and liabilities, net		-685	2,252	978
Cash flow from operating activities		4,001	23,654	13,649
Investing activities				
Investments in tangible assets		-124	-388	-262
Sales of tangible assets		109	8	6
Investments in intangible assets		-	-	-579
Investments in shares and other investments		-11,015	-305	-35,918
Divestments of shares and other investments		1,134	2,122	6,189
Lending, net		6,663	1,541	3,839
Other investing activities		-9	31	-19
Short-term investments		-14,436	-6,760	5,487
Cash flow from investing activities		-17,678	-3,751	-21,257
Cash flow before financing activities		-13,677	19,903	-7,608
Financing activities				
Changes in current liabilities to subsidiaries		4,755	-470	2,417
Proceeds from new borrowings		11,532	4,000	11,050
Repayment of borrowings		-8,910	-3,119	-
Sale of own shares and options exercised		68	89	64
Dividends paid		-5,897	-7,954	-7,943
Settled contributions from/to (-)subsidiaries		-1,363	-7,582	-3,324
Other financing activities		-	-7	-
Cash flow from financing activities		185	-15,043	2,264
Effect from remeasurement in cash		-79	629	228
Net change in cash and cash equivalents		-13,571	5,489	-5,116
Cash and cash equivalents, beginning of period		22,048	16,559	21,675
Cash and cash equivalents, end of period	P19	8,477	22,048	16,559
<p>From 2008, the effect from remeasurement in cash and other adjustments to reconcile net income to cash have been included, and 2007 has been restated accordingly. From 2009, Short-term investments with remaining maturity greater than three months have been moved to Investing activities from cash and short-term investments, and 2008 and 2007 have been restated accordingly.</p>				

PARENT COMPANY STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

December 31, SEK million	Notes	2009	2008
Opening balance	P14	89,678	82,849
Stock issue		135	100
Sale of own shares		75	88
Stock Purchase and Stock Option Plans		139	36
Repurchase of own shares		-135	-100
Contributions from/to (-) subsidiaries		-2,403	-4,288
Tax on contributions		610	1,155
Dividends paid		-5,897	-7,954
Revaluation of other investments in shares			
Transferred to income statement at sale, net of taxes		-	-4
Cash flow hedges			
Gains arising during the period		612	773
Amounts transferred to initial carrying amount of hedged items		-1,385	-
Tax on cash flow items reported directly in/or transferred from equity		204	-204
Net income		8,179	17,227
Closing balance		89,812	89,678

For further information, see Note P14 "Stockholders' Equity".