

Ericsson reports first quarter results in line with revised outlook from March 12

- *Income before taxes of SEK 0.6 b.; slower market growth in telecommunications*
- *GSM and ENGINE sales up more than 30%; overall sales down 4% for comparable units due to drop in mobile phones*
- *Additional efficiency program immediately implemented to improve cash flow and restore profitability*
- *Outlook: Q2 income before taxes will not improve compared with Q1*; unknown duration and magnitude of market slowdown prevents full-year guidance*

* Excluding restructuring charges and non-operational capital gains

	Three months		
(SEK b.)	2001	2000	% Change
Orders	75.5	79.5	-5%
Sales	55.9	59.1	-5%
Operating income	1.1	6.4	-82%
Adjusted Operating income 1)	-4.4	6.4	
Operating margin 1)	-8%	11%	
Income before taxes	0.6	6.1	-90%
Adjusted income before taxes 1)	-4.9	6.1	
EPS (SEK)	0.06	0.54	-89%
EPS U.S. GAAP (SEK)	-0.29	0.63	
Cash flow before financing activities	-17.7	-6.2	
1) Adjusted for capital gain from sales of Juniper shares	5.5		

Operational results

Orders for systems grew 8%, driven by 3G and Multi-Service Networks, while developments in mobile phones caused an overall order decline of 5% (4% for comparable units).

With sales down 5% (4% for comparable units) and an adjusted income before taxes of SEK -4.9 b., our first quarter financial performance was in line with our revised guidance on March 12. The adjusted operating margin declined to -8% (11%). These results reflect further weakening of the mobile phones business and a reduced operating margin for systems.

Negative cash flow was primarily attributable to operating losses in mobile phones and slower customer payments.

CEO COMMENTS

“A general economic downturn and an abruptly slower telecom sector are affecting our customers as well as us. Many operators are postponing their investments, which has resulted in an overall reduction of sales,” said Kurt Hellström, President and CEO of Ericsson.

“Even in this slowing business environment we have increased mobile systems sales by 9%. In GSM, sales were up over 30% and continued to outpace the market, while TDMA and PDC sales were affected by declining demand.”

“With no signs of a short-term turnaround, we are adjusting to these challenging circumstances by reducing our cost base by more than SEK 20 b. Improving cash flow will be given highest priority. We are strengthening the core systems business, delivering on commitments to customers, and ensuring that we remain in the pole position when the market starts growing again.”

“A weaker market has contributed to the further deterioration of our mobile phone business. As a result, we are limiting the scope of our phone operations to the essential parts that also support our systems business. This will give us a business that is smaller, more manageable, and has lower risk.”

“While this year will be challenging, we remain confident in our long-term strategy. We are well positioned to provide the technical solutions that will bring the next generation of mobile communications to the world,” Kurt Hellström said. “There should be no doubt about the strong demand for 3G. It is driven by the need for increased voice and data capacity, along with the emergence of the Mobile Internet. We anticipate a strong subscriber take-up of GPRS during the second half of this year, followed by a similar take-up of volume 3G services during 2003.”

SUMMARY

Mobile Systems – strong growth in GSM; accelerated progress in 3G

In 3G, we have announced 26 WCDMA supply agreements so far, a number of which are now firm commercial contracts. We have been shipping 3G products since the fourth quarter of last year. Regarding GPRS, 68 network upgrades have been ordered from us, with 55 implemented and several already taken into commercial service.

TDMA operators in the Americas plan to use GSM/GPRS as the upgrade-path to 3G. Of the 5 operators that have already announced their plans, we have been selected as a supplier by all of them and as the sole supplier in most cases. While this trend, along with the economic slowdown, has led to lower sales of TDMA, we expect to benefit once volume shipments of GSM/GPRS to these operators begin. A similar situation exists in Japan, where the operators have reduced their investments in PDC as they transition to 3G.

The substantial demand for customer financing for the build out of 3G networks continues. The capital markets are still fairly cautious about financing operators' investments in 3G. In the present business climate, we will be more prudent than ever regarding customer financing. We maintain our approach to provide customer financing on a highly selective basis, mainly for bridging purposes. During the quarter, our credit exposure to customer financing remained at about the same level as in the fourth quarter.

Multi-Service Networks – 37% sales growth fueled by ENGINE

Multi-Service Networks continues to develop positively with sales up 37%, spearheaded by increased customer demand for ENGINE. During the quarter, we were awarded 12 new ENGINE contracts, including a ground-breaking agreement with WorldCom for networks in the U.S., Latin America and Europe. ENGINE is our solution for converting telecom networks from circuit-switched narrowband to packet-switched multi-service broadband, supporting high-speed data, voice and Internet. Since introducing this solution to wireline operators in 1999, we have been awarded a total of 51 commercial contracts.

Mobile phones – further streamlining to increase focus and reduce risk

Overstocked distribution channels and lower subsidies from operators caused slower growth in the mobile phone industry during the quarter. The continuing oversupply situation has led to significantly lower average sales prices, lower unit volumes, and higher losses in our mobile phones business than we anticipated. Our unit volume shipments are down 41% from 10.5 million to 6.2 million units, with sales down 52% resulting in an operating loss of SEK 5.7 b.

A new business strategy for selling mobile platform technology has been established, with a new business unit to provide solutions to the global market. Bluetooth licensing activities were established in a similar way late last year.

The Back-to-Profit program announced last year is underway, including the outsourcing of the production of mobile phones. The Flextronics outsourcing contract is in place with transfer of operations in progress. These measures are still expected to reduce our costs in the order of SEK 15 b. annually, starting 2002.

In light of the current market situation, we are further streamlining our phone operations, bringing the number of employees to less than 5,000 by the end of this year. This will give us a smaller, more manageable mobile phone business with lower risk. Product design, R&D, marketing and sales of strategic products will be the main focus, with the rest of the operations (e.g. supply, production and distribution) effectively outsourced.

These new actions will deliver additional savings of SEK 3 b. over and above the SEK 15 b. savings earmarked for the original back to profits program.

Efficiency Program in response to economic slowdown

In addition to the ongoing streamlining activities in the Division Consumer Products, we are also streamlining our world-wide operations with the objective of saving more than SEK 20 b. per year, beginning 2002.

A task force has been established to oversee the implementation of the following measures by the end of this year:

- Reduction of selling, general, and administrative (SG&A) expenses across all business divisions and corporate functions. Target savings of SEK 8 b.
- Substantially reduced activities in selected markets, resulting in fewer offices, consultants, and employees. Target savings of SEK 5 b.
- Central control over information technology, with company-wide priorities and decreased expenditures. Target savings of SEK 2 b.

- Concentration of R&D activities, including related administrative resources, through consolidation of the number of R&D locations. Target savings of SEK 5 b.

This efficiency program could affect as many as 10,000 employees, more than half outside of Sweden. The above actions mean a substantial reduction in the number of consultants from today's level of 15,000, in some areas by over 50%. Wherever possible, consultants shall be replaced with employees.

Restructuring provisions for the efficiency program and the extended Back to Profits program will be taken as a one-time charge in the second quarter 2001, and are estimated to be approximately SEK 15 b.

Our market view – uncertain short-term development; confident in long-term growth

The growth in mobile communications continues, but at a slower pace for the time being. We expect the world market for mobile network infrastructure to grow 5% to 15% this year, down from 20% to 25% last year. This lower growth and broader range reflects the uncertainties in the economy, the timing of investments associated with the migration from TDMA to GSM/GPRS in the Americas, and lower spending for PDC in Japan, in anticipation of the 3G roll-out.

Our long-term outlook for the industry remains optimistic. We maintain our forecast for mobile subscriber growth of 25% to 35% leading to between 920 and 950 million mobile subscribers by end 2001. Based on this growth rate, the industry remains on track to exceed one billion mobile subscribers during the first half of 2002.

In line with the recent estimates of our peers, we now expect the 2001 mobile phone market to reach between 430-480 million units. Our revised 2001 forecast includes 20-25 million GPRS phones. The overall value of the mobile phone market is expected to be about the same as last year, with moderate unit growth and 10%-20% industry-wide price erosion.

The market for 3G is just starting, and we expect operator spending on 3G systems, phones, and applications to exceed US\$ 50 b. annually from 2003.

OUTLOOK

For the second quarter 2001, we see a lower growth rate in systems sales and lower phone sales compared with the second quarter of last year. Income before taxes will not improve compared with the first quarter of 2001.

The unknown duration and magnitude of the current market situation and its effects on our development prevent us from providing an outlook for the full year. However, our objective is to restore an operating margin of 10% as soon as possible, but not in 2001. This assumes that there is no further deterioration in market conditions.

FINANCIAL REVIEW

(All amounts in SEK b. unless otherwise noted)

Orders, Sales, and Income

The 5% decrease in orders was primarily due to a 51% drop in mobile phones, offset somewhat by an 8% increase in systems orders. In Western Europe, the order increase was mainly driven by 3G, while orders in Latin America increased as a result of higher demand for Multi-Service Networks. A sharp decline in Japanese and U.S demand (PDC and TDMA) contributed to the lower order development this year. This compares to an extraordinarily strong order intake in China and Turkey during the first quarter of last year.

Segment	Orders booked		Net Sales		Adjusted Operating Income	Adjusted Operating Margin %		Employees
	SEK b.	% Chg	SEK b.	% Chg	SEK b.	This year	Last year	
Systems	62.6	8%	44.1	13%	1.8	4%	14%	75,081
Mobile Phones	7.2	-51%	7.2	-52%	-5.7	-80%	4%	14,461
Other operations	8.2	-27%	7.2	-22%	-0.1	-2%	6%	16,289
Eliminations/ Unallocated	-2.5		-2.6		-0.3			1,428
Total	75.5	-5%	55.9	-5%	-4.4	-8%	11%	107,259
Adjustments:								
Cap gain Juniper					5.5			
Non-op. items					-			
Operating income					1.1			

Mobile Systems sales were up 9% despite delayed investments for capacity build-out in specific markets. In the Americas, the transition from TDMA to GSM has brought TDMA investments to a virtual halt, while the GSM build-out has not yet started. In Western Europe, some operators have delayed their 2G investments to conserve resources for 3G build-out. Similarly, Japanese operators have reduced their investments in 2G PDC as they transition to 3G. In China we experienced particularly strong growth in systems sales as the economy continues to improve. With the current growth rate, we expect China to become our largest market again.

The operating margin in the systems business declined from 14% last year to 4%. This unfavorable development is due to reduced sales growth and resulting excess capacity costs along with investments in 3G. The efficiency program is aimed at restoring a competitive level of profitability.

Sales of mobile phones declined to SEK 7.2 b. caused by lower volumes and a decreased average selling price. Operating income for phones was SEK -5.7 b. as a result of lower sales, price pressures, and a decrease in gross margins. No additional restructuring charges were taken in the quarter.

Sales and operating margins in Other Operations were also unfavorable, with the exception of Cables, where the market continued to be strong.

The effect on income of changed currency exchange rates compared to the same period last year was insignificant in total, but was negative for mobile phones with SEK -0.8 b.

Operating income of SEK 1.1 b. includes a net capital gain of SEK 5.5 b. from sales of our remaining holding in Juniper Networks Inc. Non-operational gains were not material. Financial net was negative by SEK -0.3 b., reflecting a lower cash position.

Balance sheet and cash flow

Cash flow before financing activities was negative SEK -17.7 b., including the positive effect from the sale of shares in Juniper. Slower customer payments reduced our accounts receivable turnover sharply. Unanticipated lower customer demand also caused an increase in inventory.

Even in an uncertain economic environment we are implementing forceful measures to maintain a strong balance sheet. Specifically, we are initiating working capital improvements through more focused management of receivables and payment terms. Continued conservative offering of customer project financing, selective capital spending and continued divestment and outsourcing of non-core activities will also help to improve cash flow. The equity ratio at the end of the period increased to 38.7%, which is sufficient to support additional borrowing. New debt financing of SEK 4.5 b. has been arranged in April.

In March, Ericsson entered an agreement with Apax Partners Fund to sell its Enterprise sales and service operations for SEK 4.7 b. We expect to close the transaction in the second quarter.

At the Annual General Meeting in March, a stock incentive program for employees was approved. The program includes a stock option plan and a stock purchase plan. The program will be implemented during the year, starting with the stock option plan in the second quarter.

Parent Company information

The parent company business mainly consists of corporate management and holding company functions but also includes activities performed on a commission basis by Ericsson Treasury Services AB and Ericsson Credit AB regarding internal banking and customer credit management.

Net sales for the period was SEK 17 million and income before taxes was SEK 604 million. Current assets increased by SEK 7 billion and short-term and long-term loans to subsidiaries increased by SEK 8 b. Cash and short-term cash investments were reduced by SEK 16 b. No changes in treasury stock holdings were made in the period. The Annual General Meeting approved the dividend proposal from the Board of Directors of SEK 0.50 per share, in total SEK 3.9 b., to be paid out in April, 2001.

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20, Interim reports. The same accounting principles have been used as in our latest annual report. The following recommendations were optional and are not yet implemented: RR1: 00, RR 15, RR 16, RR 17 and RR 19. For US GAAP purposes, FAS 133 "Accounting for derivative instruments and hedging activities" is adopted from January 1, 2001.

Stockholm, April 20, 2001

Kurt Hellström
President and CEO

(Unaudited)

Uncertainties in the Future.

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

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

Date for next report: July 20, 2001

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CONSOLIDATED INCOME STATEMENT (unaudited)

SEK millions	Jan-March 2001	Jan-March 2000	Changes in %	Jan-Dec 2000
Net sales	55,932	59,085	-5%	273,569
Cost of sales	-38,355	-34,674	11%	-180,392
Gross margin	17,577	24,411	-28%	93,177
Gross margin as percentage of net sales	31.4%	41.3%		34.1%
Research and development and other technical expenses	-10,571	-7,986	32%	-41,921
Selling expenses	-8,398	-7,769	8%	-34,706
Administrative expenses	-3,307	-2,874	15%	-13,311
Operating expenses	-22,276	-18,629	20%	-89,938
Operating expenses as percentage of net sales	39.8%	31.5%		32.9%
Other operating revenues	5,904	610		27,652
Share in earnings of associated companies	- 73	- 17		274
Operating income	1,132	6,375	-82%	31,165
Operating margin as percentage of net sales	2.0%	10.8%		11.4%
Financial income	1,041	777	34%	2,929
Financial expenses	-1,372	- 957	43%	-4,449
Income after financial items	801	6,195	-87%	29,645
Minority interest in income before taxes	- 195	- 129	51%	- 953
Income before taxes ¹⁾	606	6,066	-90%	28,692
Taxes	-182	-1,820	-90%	-7,674
Net income ¹⁾	424	4,246	-90%	21,018
¹⁾ Of which capital gains/losses, net of minority	5,711	1,396		25,229
Earnings per share, basic (SEK)	0.05	0.54		2.67
Earnings per share, fully diluted (SEK)	0.06	0.54		2.65

The average rate for conversion from US dollars to SEK was 9.7915 for income statement items

CONSOLIDATED BALANCE SHEET

SEK millions	March 31 2001	Dec 31 2000	March 31 2000
Fixed assets			
Intangible assets	13,425	12,833	10,545
Tangible assets	23,590	22,378	25,056
Financial assets			
Equity in associated companies	2,796	2,790	2,706
Other investments	2,893	2,484	1,675
Long-term customer financing	4,016	6,364	7,541
Other long-term receivables	6,064	3,657	3,520
Total fixed assets	52,784	50,506	51,043
Current assets			
Inventories	48,521	43,933	34,764
Receivables			
Accounts receivable - trade and short-term customer financing	76,108	76,240	66,422
Other receivables	51,827	44,029	32,778
Short-term cash investments, cash and bank	20,878	35,606	23,787
Total current assets	197,334	199,808	157,751
Total assets	250,118	250,314	208,794
Stockholders' equity	93,645	91,686	74,037
Minority interest in equity of consolidated subsidiaries	3,047	2,764	2,234
Provisions	26,565	27,650	24,058
Long-term liabilities	20,812	22,294	22,756
Current liabilities	106,049	105,920	85,709
Total stockholders' equity, provisions and liabilities 1)	250,118	250,314	208,794
1) Of which interest-bearing provisions and liabilities	52,593	46,563	40,514
The closing rate for conversion from US dollars to SEK was 10.3210 for balance sheet items			
Assets pledged as collateral	234	435	-
Contingent liabilities	12,320	11,184	-

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK millions	Jan-March 2001	Jan-March 2000
Cash flow from operating activities	-19,978	-5,829
Investments	2,255	-332
Cash flow before financing activities	-17,723	-6,161
Financing	3,612	1,002
Effect of exchange rate changes on cash	-617	-62
Net change in cash	-14,728	-5,221
Cash and cash equivalent, beginning of period	35,606	29,008
Cash and cash equivalent, end of period	20,878	23,787

CHANGES IN STOCKHOLDERS' EQUITY

SEK millions	Jan-March 2001	Jan-March 2000
Opening balance	91,686	69,176
Conversion of debentures	8	350
Capital discount	-	-20
Gains on sale of own options and convertible debentures	-	310
Revaluation of fixed assets	52	-
Changes in cumulative translation adjustments	1,475	-25
Net income	424	4,246
Closing balance	93,645	74,037

TREND OF OPERATIONS IN BRIEF

SEK millions	Jan-March 2001	Jan-March 2000	Changes in %
Net sales	55,932	59,085	-5%
Operating margin as percentage of net sales	2.0%	10.8%	
Income before taxes	606	6,066	-90%
Net income	424	4,246	-90%
Number of shares outstanding, end of period (millions)	7,910	7,844	1%
Number of treasury shares (millions)	1.8	-	
Average number of shares (millions)	7,908	7,830	
Average number of shares, fully diluted (millions)	7,985	8,016	-1%
Earnings per share, basic (SEK)	0.05	0.54	-93%
Earnings per share, fully diluted (SEK)	0.06	0.54	-89%
Earnings per share, fully diluted, in accordance with U.S. GAAP (SEK), before effect of changed accounting principles (SEK)	-0.29	0.63	
Equity ratio	38.7%	36.5%	
Cash flow before financing activities	-17,723	-6,161	
Research and development and other technical expenses (including costs related to customer orders)	11,155	8,268	35%
-As percentage of Net Sales	20%	14%	
Additions to tangible fixed assets	2,797	2,458	14%
- Of which in Sweden	1,023	1,141	-10%
Total depreciation on tangible and intangible assets	2,283	2,011	14%
- Of which goodwill	226	155	46%
Number of employees, end of period	107,259	102,323	5%
Orders booked	75,499	79,474	-5%
Capital turnover (turns per year)	1.5	2.0	
Accounts receivable (turns per year)	3.0	3.7	
Inventory turnover (turns per year)	3.3	4.6	
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Calculation of earnings per share, fully diluted			
Net income	424	4,246	
Interest on convertible debentures, net after tax	44	66	
Adjusted net income	468	4,312	
Average number of shares, fully diluted (millions)	7,985	8,016	
Earnings per share, fully diluted (SEK)	0.06	0.54	

NET SALES BY SEGMENT BY QUARTER

(SEK m.)

Year-to-date	2000				2001	%
	0003A	0006A	0009A	0012A	0103A	Change 0103A
Systems	38,910	85,343	133,430	194,683	44,127	13%
<i>of which Mobile Systems</i>	32,481	70,339	109,061	158,083	35,336	9%
<i>Multi-Service Networks</i>	6,429	15,004	24,369	36,600	8,791	37%
Phones	14,794	28,145	42,483	56,343	7,170	-52%
Other operations	9,297	17,801	25,888	35,927	7,249	-22%
Less : Intersegment sales	-3,916	-7,171	-10,341	-13,384	-2,614	-33%
Total	59,085	124,118	191,460	273,569	55,932	-5%

Isolated quarters	2000				2001	%
	Q1	Q2	Q3	Q4	Q1	Change Q1
Systems	38,910	46,433	48,087	61,253	44,127	13%
<i>of which Mobile Systems</i>	32,481	37,858	38,722	49,022	35,336	9%
<i>Multi-Service Networks</i>	6,429	8,575	9,365	12,231	8,791	37%
Phones	14,794	13,351	14,338	13,860	7,170	-52%
Other operations	9,297	8,504	8,087	10,039	7,249	-22%
Less : Intersegment sales	-3,916	-3,255	-3,170	-3,043	-2,614	-33%
Total	59,085	65,033	67,342	82,109	55,932	-5%

ORDERS BOOKED BY SEGMENT BY QUARTER

(SEK m.)

Year-to-date	2000				2001	%
	0003A	0006A	0009A	0012A	0103A	Change 0103A
Systems	57,944	103,503	153,209	213,100	62,583	8%
<i>of which Mobile Systems</i>	48,471	85,757	125,738	175,609	52,625	9%
<i>Multi-Service Networks</i>	9,473	17,746	27,471	37,491	9,958	5%
Phones	14,562	27,988	42,123	57,001	7,178	-51%
Other operations	11,266	19,991	27,665	35,751	8,239	-27%
Less : Intersegment sales	-4,298	-7,287	-10,131	-13,508	-2,501	-42%
Total	79,474	144,195	212,866	292,344	75,499	-5%

Isolated quarters	2000				2001	%
	Q1	Q2	Q3	Q4	Q1	Change Q1
Systems	57,944	45,559	49,706	59,891	62,583	8%
<i>of which Mobile Systems</i>	48,471	37,286	39,981	49,871	52,625	9%
<i>Multi-Service Networks</i>	9,473	8,273	9,725	10,020	9,958	5%
Phones	14,562	13,426	14,135	14,878	7,178	-51%
Other operations	11,266	8,725	7,674	8,086	8,239	-27%
Less : Intersegment sales	-4,298	-2,989	-2,844	-3,377	-2,501	-42%
Total	79,474	64,721	68,671	79,478	75,499	-5%

NET SALES BY MARKET AREA BY QUARTER
 (SEK m.)

Year-to-date	2000				2001	% Change
	0003A	0006A	0009A	0012A	0103A	0103A
Western Europe*	23,578	47,011	70,090	100,234	18,024	-24%
Central and Eastern Europe, Middle East & Africa	7,323	16,799	25,850	37,701	8,187	12%
North America	8,549	19,263	27,704	35,193	7,186	-16%
Latin America	7,781	17,334	28,953	44,118	8,467	9%
Asia Pacific	11,854	23,711	38,863	56,323	14,068	19%
Total	59,085	124,118	191,460	273,569	55,932	-5%
* Of which Sweden	2,380	4,371	6,704	8,732	1,628	-32%
* Of which EU	22,052	44,031	65,754	94,293	17,046	-23%

Isolated quarters

	2000				2001	% Change
	Q1	Q2	Q3	Q4	Q1	Q1
Western Europe*	23,578	23,433	23,079	30,144	18,024	-24%
Central and Eastern Europe, Middle East & Africa	7,323	9,476	9,051	11,851	8,187	12%
North America	8,549	10,714	8,441	7,489	7,186	-16%
Latin America	7,781	9,553	11,619	15,165	8,467	9%
Asia Pacific	11,854	11,857	15,152	17,460	14,068	19%
Total	59,085	65,033	67,342	82,109	55,932	-5%
* Of which Sweden	2,380	1,991	2,333	2,028	1,628	-32%
* Of which EU	22,052	21,980	21,723	28,539	17,046	-23%

ORDERS BOOKED BY MARKET AREA BY QUARTER
 (SEK m.)

Year-to-date	2000				2001	% Change
	0003A	0006A	0009A	0012A	0103A	0103A
Western Europe*	25,048	50,870	71,807	105,684	29,042	16%
Central and Eastern Europe, Middle East & Africa	17,388	24,503	32,104	40,972	11,273	-35%
North America	9,148	19,082	27,326	37,977	7,320	-20%
Latin America	9,695	19,312	33,053	44,959	12,638	30%
Asia Pacific	18,195	30,428	48,576	62,752	15,226	-16%
Total	79,474	144,195	212,866	292,344	75,499	-5%
* Of which Sweden	2,924	6,010	7,983	9,876	1,998	-32%
* Of which EU	23,261	47,523	67,194	99,951	27,565	19%

Isolated quarters

	2000				2001	% Change
	Q1	Q2	Q3	Q4	Q1	Q1
Western Europe*	25,048	25,822	20,937	33,877	29,042	16%
Central and Eastern Europe, Middle East & Africa	17,388	7,115	7,601	8,868	11,273	-35%
North America	9,148	9,934	8,244	10,651	7,320	-20%
Latin America	9,695	9,617	13,741	11,906	12,638	30%
Asia Pacific	18,195	12,233	18,148	14,176	15,226	-16%
Total	79,474	64,721	68,671	79,478	75,499	-5%
* Of which Sweden	2,924	3,086	1,972	1,893	1,998	-32%
* Of which EU	23,261	24,262	19,671	32,757	27,565	19%

0103A - NET SALES BY MARKET AREA AND SEGMENTS

(SEK m.)

0103A EXTERNAL NET SALES - YTD

Market Area	Systems	Phones	Other	Total	% of Total	% Change
WE	12,616	2,269	3,139	18,024	32%	-24%
CEEMA	7,244	585	358	8,187	15%	12%
North America	5,035	1,658	493	7,186	13%	-16%
Latin America	7,319	761	387	8,467	15%	9%
Asia Pacific	11,743	1,771	554	14,068	25%	19%
Total	43,957	7,044	4,931	55,932	100%	-5%

0103A % OF MARKET AREA BY SEGMENT NET SALES

Market Area	Systems	Phones	Other	% of Total
WE	70%	13%	17%	100%
CEEMA	89%	7%	4%	100%
North America	70%	23%	7%	100%
Latin America	86%	9%	5%	100%
Asia Pacific	83%	13%	4%	100%

0103A % OF SEGMENT NET SALES BY MARKET AREA

Market Area	Systems	Phones	Other	% of Total
WE	29%	32%	64%	32%
CEEMA	16%	8%	7%	15%
North America	11%	24%	10%	13%
Latin America	17%	11%	8%	15%
Asia Pacific	27%	25%	11%	25%
Total	100%	100%	100%	100%

0103A % CHANGE IN EXTERNAL NET SALES - YTD

Market Area	Systems	Phones	Other	Total
WE	2%	-69%	-18%	-24%
CEEMA	34%	-61%	-13%	12%
North America	-12%	-30%	1%	-16%
Latin America	18%	-26%	-30%	9%
Asia Pacific	32%	-28%	14%	19%
Total	14%	-52%	-14%	-5%

0103A - ORDERS BOOKED BY MARKET AREA AND SEGMENTS

(SEK m.)

0103A ORDERS BOOKED EXTERNAL - YTD

Market Area	Systems	Phones	Other	Total	% of Total	% Change
WE	21,905	2,401	4,736	29,042	38%	16%
CEEMA	10,389	585	299	11,273	15%	-35%
North America	5,944	1,129	247	7,320	10%	-20%
Latin America	11,208	1,057	373	12,638	17%	30%
Asia Pacific	12,920	1,836	470	15,226	20%	-16%
Total	62,366	7,008	6,125	75,499	100%	-5%

0103A % OF MARKET AREA BY SEGMENTS ORDERS BOOKED

Market Area	Systems	Phones	Other	% of Total
WE	76%	8%	16%	100%
CEEMA	92%	5%	3%	100%
North America	81%	16%	3%	100%
Latin America	89%	8%	3%	100%
Asia Pacific	85%	12%	3%	100%

0103A % OF SEGMENTS ORDERS BOOKED BY MARKET AREA

Market Area	Systems	Phones	Other	% of Total
WE	35%	34%	77%	38%
CEEMA	17%	9%	5%	15%
North America	9%	16%	4%	10%
Latin America	18%	15%	6%	17%
Asia Pacific	21%	26%	8%	20%
Total	100%	100%	100%	100%

0103A % CHANGE IN EXTERNAL ORDERS BOOKED - YTD

Market Area	Systems	Phones	Other	%
WE	74%	-65%	-15%	16%
CEEMA	-32%	-64%	-30%	-35%
North America	-6%	-52%	-48%	-20%
Latin America	38%	2%	-31%	30%
Asia Pacific	-15%	-26%	-16%	-16%
Total	8%	-51%	-19%	-5%

TOP 10 Markets in Orders and Sales

Top 10 Markets Sales	% of Total Sales	Top 10 Markets Orders Booked	% of Total Orders
United States	11%	Germany	9%
China	11%	China	8%
Brazil	7%	United States	8%
United Kingdom	6%	Spain	7%
Italy	5%	Brazil	7%
Mexico	4%	Turkey	6%
Japan	4%	Mexico	6%
Spain	4%	United Kingdom	5%
Germany	3%	Italy	5%
Sweden	3%	Japan	4%