

# CONSOLIDATED INCOME STATEMENT

Years ended December 31, SEK million	Notes	2009	2008	2007
Net sales	C3, C4	206,477	208,930	187,780
Cost of sales		-136,278	-134,661	-114,059
<b>Gross income</b>		<b>70,199</b>	<b>74,269</b>	<b>73,721</b>
Gross margin %		34.0%	35.5%	39.3%
Research and development expenses		-33,055	-33,584	-28,842
Selling and administrative expenses		-26,908	-26,974	-23,199
<b>Operating expenses</b>		<b>-59,963</b>	<b>-60,558</b>	<b>-52,041</b>
Other operating income and expenses	C6	3,082	2,977	1,734
<b>Operating income before shares in earnings of joint ventures and associated companies</b>		<b>13,318</b>	<b>16,688</b>	<b>23,414</b>
Operating margin before shares in earnings of joint ventures and associated companies (%)		6.5%	8.0%	12.5%
Share in earnings of joint ventures and associated companies	C12	-7,400	-436	7,232
<b>Operating income</b>		<b>5,918</b>	<b>16,252</b>	<b>30,646</b>
Financial income	C7	1,874	3,458	1,778
Financial expenses	C7	-1,549	-2,484	-1,695
<b>Income after financial items</b>		<b>6,243</b>	<b>17,226</b>	<b>30,729</b>
Taxes	C8	-2,116	-5,559	-8,594
<b>Net income</b>		<b>4,127</b>	<b>11,667</b>	<b>22,135</b>
Net income attributable to:				
Stockholders of the Parent Company		3,672	11,273	21,836
Minority interest		455	394	299
<b>Other information</b>				
Average number of shares, basic (million) <sup>1)</sup>	C9	3,190	3,183	3,178
Earnings per share attributable to stockholders of the Parent Company, basic (SEK) <sup>1)2)</sup>	C9	1.15	3.54	6.87
Earnings per share attributable to stockholders of the Parent Company, diluted (SEK) <sup>1)2)</sup>	C9	1.14	3.52	6.84

<sup>1)</sup> A reverse split 1:5 was made in June 2008. Comparative figures are restated accordingly.

<sup>2)</sup> Based on Net income attributable to stockholders of the Parent Company.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Years ended December 31, SEK million	Notes	2009	2008	2007
<b>Net income</b>		<b>4,127</b>	<b>11,667</b>	<b>22,135</b>
<b>Other comprehensive income</b>				
Actuarial gains and losses, and the effect of the asset ceiling, related to pensions	C16	-605	-4,015	1,208
Revaluation of other investments in shares and participations				
Fair value remeasurement	C16	-2	-7	2
Cash Flow hedges				
Gains/losses arising during the period	C16	672	-5,080	584
Reclassification adjustments for gains/losses included in profit or loss	C16	3,850	1,192	-1,390
Adjustments for amounts transferred to initial carrying amount of hedged items	C16	-1,029	-	-
Changes in cumulative translation adjustments	C16	-1,361	8,528	-797
Tax on items relating to components of OCI	C16	-1,040	2,330	-73
<b>Total other comprehensive income</b>		<b>485</b>	<b>2,948</b>	<b>-466</b>
<b>Total comprehensive income</b>		<b>4,612</b>	<b>14,615</b>	<b>21,669</b>
Total Comprehensive Income attributable to:				
Stockholders of the Parent Company		4,211	13,988	21,371
Minority interest		401	627	298

# CONSOLIDATED BALANCE SHEET

December 31, SEK million	Notes	2009	2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	C10		
Capitalized development expenses		2,079	2,782
Goodwill		27,375	24,877
Intellectual property rights, brands and other intangible assets		18,739	20,587
Property, plant and equipment	C11, C26, C27	9,606	9,995
Financial assets			
Equity in joint ventures and associated companies	C12	11,578	7,988
Other investments in shares and participations	C12	256	309
Customer finance, non-current	C12	830	846
Other financial assets, non-current	C12	2,577	4,917
Deferred tax assets	C8	14,327	14,858
		<b>87,367</b>	<b>87,159</b>
<b>Current assets</b>			
Inventories	C13	22,718	27,836
Trade receivables	C14	66,410	75,891
Customer finance, current	C14	1,444	1,975
Other current receivables	C15	15,146	17,818
Short-term investments	C20	53,926	37,192
Cash and cash equivalents	C25	22,798	37,813
		<b>182,442</b>	<b>198,525</b>
<b>Total assets</b>		<b>269,809</b>	<b>285,684</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stockholders' equity	C16	139,870	140,823
Minority interest in equity of subsidiaries	C16	1,157	1,261
		<b>141,027</b>	<b>142,084</b>
<b>Non-current liabilities</b>			
Post-employment benefits	C17	8,533	9,873
Provisions, non-current	C18	461	311
Deferred tax liabilities	C8	2,270	2,738
Borrowings, non-current	C19, C20	29,996	24,939
Other non-current liabilities		2,035	1,622
		<b>43,295</b>	<b>39,483</b>
<b>Current liabilities</b>			
Provisions, current	C18	11,970	14,039
Borrowings, current	C19, C20	2,124	5,542
Trade payables	C22	18,864	23,504
Other current liabilities	C21	52,529	61,032
		<b>85,487</b>	<b>104,117</b>
<b>Total equity and liabilities <sup>1)</sup></b>		<b>269,809</b>	<b>285,684</b>

<sup>1)</sup> Of which interest-bearing liabilities and post-employment benefits SEK 40,653 million (SEK 40,354 million in 2008).

# CONSOLIDATED STATEMENT OF CASH FLOWS

January–December, SEK million	Notes	2009	2008	2007
<b>Operating activities</b>				
Net income		4,127	11,667	22,135
Adjustments to reconcile net income to cash	C25	16,856	14,318	7,172
		20,983	25,985	29,307
<b>Changes in operating net assets</b>				
Inventories		5,207	-3,927	-445
Customer finance, current and non-current		598	549	365
Trade receivables		7,668	-11,434	-7,467
Trade payables		-3,522	4,794	-1,558
Provisions and post-employment benefits		-2,950	3,830	-4,401
Other operating assets and liabilities, net		-3,508	4,203	3,409
		3,493	-1,985	-10,097
<b>Cash flow from operating activities</b>		<b>24,476</b>	<b>24,000</b>	<b>19,210</b>
<b>Investing activities</b>				
Investments in property, plant and equipment	C11	-4,006	-4,133	-4,319
Sales of property, plant and equipment		534	1,373	152
Acquisitions of subsidiaries and other operations	C25, C26	-19,321	-74	-26,292
Divestments of subsidiaries and other operations	C25, C26	1,239	1,910	84
Product development	C10	-1,443	-1,409	-1,053
Other investing activities		2,606	944	396
Short-term investments		-17,071	-7,155	3,499
<b>Cash flow from investing activities</b>		<b>-37,462</b>	<b>-8,544</b>	<b>-27,533</b>
<b>Cash flow before financing activities</b>		<b>-12,986</b>	<b>15,456</b>	<b>-8,323</b>
<b>Financing activities</b>				
Proceeds from issuance of borrowings		14,153	5,245	15,587
Repayment of borrowings		-9,804	-4,216	-1,291
Sale of own stock and options exercised		69	3	94
Dividends paid		-6,318	-8,240	-8,132
Other financing activities		199	-	-
<b>Cash flow from financing activities</b>		<b>-1,701</b>	<b>-7,208</b>	<b>6,258</b>
Effect of exchange rate changes on cash		-328	1,255	406
<b>Net change in cash</b>		<b>-15,015</b>	<b>9,503</b>	<b>-1,659</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>37,813</b>	<b>28,310</b>	<b>29,969</b>
<b>Cash and cash equivalents, end of period</b>	C25	<b>22,798</b>	<b>37,813</b>	<b>28,310</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital stock	Additional paid in capital	Revaluation of other investments in shares and participations	Cash flow hedges	Cumulative translation adjustments	Retained earnings	Stockholders' equity	Minority interests	Total equity
<b>January 1, 2009</b>	16,232	24,731	-1	-2,356	2,124	100,093	140,823	1,261	142,084
Total comprehensive income	-	-	-3	2,434	-1,461	3,241	4,211	401	4,612
<b>Transactions with owners</b>									
Stock issue	135	-	-	-	-	-	135	-	135
Sale of own shares	-	-	-	-	-	75	75	-	75
Repurchase of own shares	-	-	-	-	-	-135	-135	-	-135
Stock Purchase and Stock Option Plans	-	-	-	-	-	658	658	-	658
Dividends paid	-	-	-	-	-	-5,897	-5,897	-421	-6,318
Business combinations	-	-	-	-	-	-	-	-84	-84
<b>December 31, 2009</b>	<b>16,367</b>	<b>24,731</b>	<b>-4</b>	<b>78</b>	<b>663</b>	<b>98,035</b>	<b>139,870</b>	<b>1,157</b>	<b>141,027</b>
<b>January 1, 2008</b>	16,132	24,731	5	307	-6,345	99,282	134,112	940	135,052
Total comprehensive income	-	-	-6	-2,663	8,469	8,188	13,988	627	14,615
<b>Transactions with owners</b>									
Stock issue	100	-	-	-	-	-	100	-	100
Sale of own shares	-	-	-	-	-	88	88	-	88
Repurchase of own shares	-	-	-	-	-	-100	-100	-	-100
Stock Purchase and Stock Option Plans	-	-	-	-	-	589	589	-	589
Dividends paid	-	-	-	-	-	-7,954	-7,954	-286	-8,240
Business combinations	-	-	-	-	-	-	-	-20	-20
<b>December 31, 2008</b>	<b>16,232</b>	<b>24,731</b>	<b>-1</b>	<b>-2,356</b>	<b>2,124</b>	<b>100,093</b>	<b>140,823</b>	<b>1,261</b>	<b>142,084</b>
<b>January 1, 2007</b>	16,132	24,731	3	877	-5,569	83,939	120,113	782	120,895
Total comprehensive income	-	-	2	-570	-776	22,715	21,371	298	21,669
<b>Transactions with owners</b>									
Sale of own shares	-	-	-	-	-	62	62	-	62
Stock Purchase and Stock Option Plans	-	-	-	-	-	509	509	-	509
Dividends paid	-	-	-	-	-	-7,943	-7,943	-189	-8,132
Business combinations	-	-	-	-	-	-	-	49	49
<b>December 31, 2007</b>	<b>16,132</b>	<b>24,731</b>	<b>5</b>	<b>307</b>	<b>-6,345</b>	<b>99,282</b>	<b>134,112</b>	<b>940</b>	<b>135,052</b>