

## Ericsson reports positive cash flow and extends market share in mobile systems

- *Earlier than expected savings through rapid implementation of Efficiency Program*
- *Leadership in 2G and 3G mobile systems extended, GSM sales up 17% year to date*
- *Adjusted income before taxes declined to SEK -5.8 b.; Latin America sales dropped sharply, as indicated in early September*
- *Momentum for sustainable profitability: target over 5% operating margin full year 2002*

SEK b.	Third quarter			Nine months		
	2001	2000	Change	2001	2000	Change
<b>Orders</b>	<b>44.9</b>	<b>68.7</b>	<b>-35%</b>	<b>181.5</b>	<b>212.9</b>	<b>-15%</b>
- Systems	35.3	49.7	-29%	148.6	153.2	-3%
- Phones	7.4	14.1	-47%	22.2	42.1	-47%
- Other operations	4.1	7.7	-46%	17.9	27.7	-35%
<b>Sales</b>	<b>54.6</b>	<b>67.3</b>	<b>-19%</b>	<b>173.3</b>	<b>191.5</b>	<b>-9%</b>
- Systems	43.0	48.1	-11%	137.8	133.4	3%
- Phones	8.3	14.3	-42%	23.6	42.5	-45%
- Other operations	5.5	8.1	-32%	19.7	25.9	-24%
<b>Adjusted Operating Income<sup>1)</sup></b>	<b>-5.2</b>	<b>4.7</b>		<b>-13.8</b>	<b>18.3</b>	
- Systems	0.2	8.1		2.6	23.4	
- Phones	-4.2	-4.0		-14.6	-5.5	
- Other operations	-0.8	0.5		-0.8	1.6	
- Unallocated	-0.4	0.1		-1.0	-1.2	
<b>Adjusted Operating Margin<sup>1)</sup></b>	<b>-10%</b>	<b>7%</b>		<b>-8%</b>	<b>10%</b>	
- Systems	1%	17%		2%	18%	
- Phones	-51%	-28%		-62%	-13%	
- Other operations	-15%	6%		-4%	6%	
<b>Adjusted Income Before Taxes<sup>1)</sup></b>	<b>-5.8</b>	<b>4.1</b>		<b>-16.0</b>	<b>16.8</b>	
<b>Net Income</b>	<b>-4.0</b>	<b>4.4</b>		<b>-17.8</b>	<b>18.8</b>	
<b>Earnings per share, diluted (SEK)</b>	<b>-0.50</b>	<b>0.55</b>		<b>-2.25</b>	<b>2.37</b>	
<b>Earnings per share, diluted per U.S. GAAP (SEK)</b>	<b>-0.71</b>	<b>0.49</b>		<b>-2.45</b>	<b>2.29</b>	
<b>Cash flow before financing activities</b>	<b>1.2</b>	<b>-6.2</b>		<b>-12.3</b>	<b>-5.2</b>	
<b>Number of employees</b>				<b>92,949</b>	<b>103,394</b>	

<sup>1)</sup> Adjusted for:

- Capital gain, Juniper	-	-	5.5	-
- Non-operational capital gains	0.2	1.4	0.2	6.2
- Pension refund	-	-	-	1.1
- Restructuring charges	-	-	-15.0	-

## **OPERATIONAL RESULTS**

In the third quarter, orders and sales were affected primarily by the drop in Latin America and by lower systems sales and reduced phone volumes. Even with these reductions, our sales performance in Mobile Systems is still the strongest in the industry.

Adjusted income before taxes, excluding non-operational items, was SEK -5.8 b. This decrease reflects lower income in Systems, largely related to Multi-Service Networks, and reduced income in Other Operations related to lower sales of Microelectronics.

## **CEO COMMENTS**

“With 17% sales growth so far this year we have once again outpaced all competitors in GSM systems and at the same time demonstrated fast progress in adapting our organization and costs to the difficult market conditions,” says Kurt Hellström, President and CEO of Ericsson.

“Cash flow was positive for the second consecutive quarter with improvements in inventories. We have a strong cash position and expect continued cash flow improvement.”

“The Efficiency Program is ahead of schedule with SEK 2.5 b. in savings this quarter and estimated savings of SEK 7 b. for the full year. With this momentum, our objective is to achieve over 5% operating margin for the full year 2002, as we continuously adjust our capacity and discontinue lower priority products and activities.”

“We are regaining strength in mobile phones and have launched several new phones including five GPRS models. The T39 is a bestseller and we have received strong interest in the T68 with color screen, which we have just started shipping. The restructuring of our mobile phone business is nearly completed. The Sony Ericsson Mobile Communications joint venture was launched as scheduled on October 1.”

“We are also very positive about the technology licensing business retained by Ericsson. We will continue to invest in this area to become a leading supplier of core technology to mobile phone manufacturers.”

“Despite the effects of the current slowdown on our recent financial results, the underlying demand drivers of our business remain strong. With the top position in GSM and 3G we have clearly extended our lead in mobile systems even further.”

“The substantial cost savings of our Efficiency Program were overshadowed by excess capacity costs and pricing pressure. The rapidly dropping sales volumes in Latin America during the third quarter emphasize the difficulty in forecasting under such changing conditions.”

“In these challenging times, our customers rely more than ever on our ability to deliver better solutions faster. With our dedicated people, strong cash position, premier customer base and technological lead, I am confident that we will deliver on our customers’ expectations better than any competitor.”

## **OPERATIONAL REVIEW**

### **Systems**

With the benefits of the Efficiency Program we maintained a 1% operating margin in Systems. Although this margin is not satisfactory, it has held up well compared to our peers.

Orders and sales declined sharply in Latin America. Sales in China, Middle East and Africa remained strong.

### **Mobile Systems**

We continued our leadership in Mobile Systems, with GSM sales up 17% year to date, despite a 6% decline in the third quarter. Total Mobile Systems sales decreased 8%, but are still up 3% year-to-date in a market that is expected to be flat this year.

In the third quarter, orders were down 23%. The main decrease was in TDMA and PDC, but GSM orders also declined. The impact from 3G orders was lower than in the previous two quarters, as most agreements for the first phase of network deployments have already been booked. Our leadership in 3G remains unquestioned with an estimated 40% market share in terms of projected UMTS sales.

### **Multi-Service Networks**

During the first six months of the year, Multi-Service Networks sales increased 23% due to very strong demand in Latin America. In the third quarter, however, sales decreased 21%, abruptly reversing the trend in this region.

As a consequence of the lower sales and margins, the product portfolio is under review, with home communication products already discontinued and the ADSL and broadband access strategies being revisited.

Sales of our ENGINE solution in general continued to develop favorably with seven new agreements in the quarter. ENGINE is our solution for operators to convert existing circuit-switched networks into packet-switched multi-service networks or build entirely new networks.

### **Mobile Phones**

Sales were sequentially flat with unit volumes decreasing from 7.7 to 7.2 million which was partially offset by higher average selling prices. This resulted in somewhat improved financial performance compared to last quarter.

With the formation of the Sony Ericsson Mobile Communications joint venture the restructuring of our mobile phone business is nearly complete. The new company began operations as planned on October 1 with the transfer of 2,700 employees from Ericsson and the launch of a new mobile phone brand. Fifty percent of the results from the joint company will be reported as part of "Share in earnings of associated companies" starting in the fourth quarter.

The mobile phones activities retained by Ericsson, which include the licensing businesses for mobile technology platforms and Bluetooth as well as our manufacturing in China, will be further optimized. These activities will be reported as part of Other Operations starting in the fourth quarter.

## **Other Operations**

Adjusted operating income for Other Operations declined primarily due to lower sales and volumes for Microelectronics, but also lower results from Cables and Defense. Microelectronics has high fixed costs. Income is therefore very volume sensitive to the general downturn in demand from Ericsson as well as third parties for components for mobile phones and systems.

## **Efficiency Program**

Our Efficiency Program has gained full momentum and implementation is ahead of schedule for the SEK 20 b. in yearly savings from 2002. This year, the program will provide around SEK 7 b. in savings, compared with the SEK 5.5 b. previously planned.

During the third quarter, we reached the following milestones in the Efficiency Program:

- The number of employees was reduced by 5,500, bringing the total reduction so far this year to 6,800 of the 10,000 planned for the Efficiency Program.
- A new streamlined organization was created with fewer market units, concentrated R&D and supply units, fewer management layers and a Chief Operating Officer function.

In addition to the Efficiency Program, other measures such as outsourcing and divestitures have reduced the workforce further. In total, the number of employees has been reduced from 107,200 in March to 92,900 by the end of September 2001. With the transfer of 2,700 employees to Sony Ericsson Mobile Communications and other reductions during October, our total headcount is today below 90,000.

The total number of consultants and temporary workers has been reduced by 7,700 during the last six months.

## **FINANCIAL REVIEW**

### **INCOME**

Gross margin declined in the quarter due to excess capacity costs, price pressure and the sharp sales and volume decline in Multi-Service Networks and Microelectronics. Operating margin declined from -7% in the second quarter to -10% in the third quarter, as reductions in operating expenses only partially offset the lower gross margin. Effects of foreign currency exchange rates, compared to the rates one year ago, were SEK 0.5 b., with SEK -0.7 b. in Phones.

Restructuring reserves of SEK 3.2 b. were utilized, of which approximately SEK 2.5 b. had a negative cash flow impact. With the SEK 2.5 b. savings benefit from the Efficiency Program, the cash flow impact of restructuring actions was neutral.

Financial net and minority interests improved somewhat in the quarter, mainly related to favorable foreign currency effects. Taxes are calculated at the expected annual average rate of 30%.

Earnings per share (EPS) diluted were SEK -0.50 in the quarter and SEK -2.25 (2.37) year to date.

EPS diluted according to US GAAP year-to-date was SEK -2.45 (2.29). Positive effects of capitalization of software development costs were lower than last year, due to reduced R&D costs, more conservative capitalization, additional write downs from product portfolio reviews and continued depreciation on previously capitalized items. A negative effect of around SEK -0.25 related to timing differences of restructuring charges impacted the third quarter, as the recognition of some charges in the second quarter under Swedish GAAP were postponed to the third quarter according to US GAAP.

## **CASH FLOW**

Cash flow before financing activities was positive in the third quarter by SEK 1.2 b. Receivables were reduced by SEK 5 b. mainly due to lower sales. Inventory was reduced by SEK 2.4 b. through better turnover. Payments from Flextronics for components were SEK 4 b. as planned. As previously mentioned the Efficiency Program was cash flow neutral. Cash flow contribution from divestitures of real estate was SEK 0.6 b., with further divestitures planned for the fourth quarter.

## **BALANCE SHEET AND FINANCING**

The equity ratio was stable at 32%, even with the net loss in the quarter, due to lower levels of assets (i.e. reduced receivables and inventory).

The Payment Readiness (cash plus temporary investments and long-term committed credit facilities less short-term interest-bearing liabilities) was improved, without changing the equity ratio. This was accomplished through a positive operating cash flow and by establishing an additional USD 600 m. in long-term committed credit facilities which now amount to USD 1.6 b..

To further strengthen payment readiness, borrowing under our Euro Medium Term Note Program (EMTN) and long-term bank loans were increased by SEK 3.7 b. during the quarter. As a result, our payment readiness is now 20% of sales, compared to our normal target level of 7-10%. We believe that this is favorable in the prevailing uncertain environment. To enlarge access to long-term liquidity, a EUR 400 m. loan agreement was signed with the European Investment Bank on October 8.

With the positive cash flow, net debt (including pensions and similar commitments) decreased from SEK 33.3 b. to SEK 31.0 b. The refinancing of short-term debt continued during the third quarter and the maturity profile of the interest-bearing liabilities has now been substantially extended. Under the current financial market conditions, we strive to decrease the refinancing risk and free up capacity in our short-term borrowing programs.

## **CUSTOMER FINANCING**

Our customer financing exposure decreased by approximately SEK 1 b. in the quarter to SEK 21.9 b., with repayments and credits sold outpacing additional lending. Brazil and the U.S. are still the markets with the largest exposures.

## MARKET VIEW

Our global forecast of 25-35% mobile subscriber growth this year remains, with 920-950 million subscribers by year-end. We expect about as many new subscribers will be added in 2002 as in 2001. Our long-term forecast remains unchanged with 1.6 b. mobile subscribers anticipated by year-end 2005.

The number of mobile phones sold-through (units purchased by end users) this year will be around 400 million, which is the low end of our previous estimates. In 2002, we expect some growth in unit volume with a larger proportion of replacement phones, driven by new phones with GPRS, Bluetooth, color screens and multimedia messaging capabilities.

As we indicated in early September when we updated our outlook for this year, the slowdown for telecommunications systems accelerated during the third quarter. We now anticipate that the difficult market conditions will persist well into next year, particularly in Latin America. Operators are prioritizing profitability and cash flow over subscriber growth by lowering mobile phone subsidies and postponing network expansion.

We believe that growth in the mobile systems market this year will be more or less flat. In September we estimated flat to modest market growth for 2002. We now estimate the range to be flat to down 10%.

Our market view is based on discussions with our customers. Our assumptions are a market downturn lasting well into next year, significant net subscriber additions with continued increasing usage per subscriber, gradual build up of GPRS traffic over the next 12 to 18 months, and increased deployment of 3G systems during 2002.

## OUTLOOK

In our second quarter report we refrained from giving specific guidance for the third quarter and the full year.

For the fourth quarter, we expect net sales of approximately SEK 55b. excluding the parts of the mobile phones operations that were transferred to Sony Ericsson Mobile Communications. Mobile systems sales are expected to decrease 10% compared with the fourth quarter last year.

We will benefit from the Efficiency Program savings, but with continued price pressure, under-utilization of capacity and increased provisions for customer financing risks in Latin America, we anticipate a pre-tax loss somewhat smaller than in the third quarter 2001. This estimate includes fifty percent of the results from Sony Ericsson Mobile Communications but excludes non-operational items.

For 2002, we expect sales at least in line with the market development of flat to down 10%. However, we plan to achieve an operating margin greater than 5% for the full year, even with sales declining as much as 10%. This target includes fifty percent of the results from Sony Ericsson Mobile Communications but excludes non-operational items.

Our operational planning is cautious and based on the lower end of our sales estimate. We will identify and implement any necessary cost reductions on an ongoing basis in pace with our sales development.

## Parent company information

The parent company business mainly consists of corporate management and holding company functions as well as 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 quarter were SEK 4.1 b. and income before taxes was SEK 10.2 b. Major changes in the company's financial position were:

- Increased investments in subsidiaries, SEK 26 b.
- Increased short- and long-term loans to subsidiaries, SEK 18 b.

These investments and loans were financed primarily through increased internal borrowing of SEK 18 b. and increased long-term external borrowing of SEK 27 b. At September 30, cash and short-term cash investments amounted to SEK 27 b. (26 b.).

## Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports. The same accounting principles have been used as in our latest annual report. The following optional recommendations are not yet implemented: RR 1:00, 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, October 26, 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: January 25, 2002

A glossary of all technical terms is available at: <http://www.ericsson.com/about> and in the annual report.

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**ERICSSON**  
**CONSOLIDATED INCOME STATEMENT**

SEK million	July-Sep			Jan-Sep			Jan-Dec**
	2001	2000	Change	2001	2000	Change	2000
Net sales	54,589	67,342	-19%	173,301	191,460	-9%	273,569
Cost of sales	-40,070	-43,313	-7%	-122,907	-117,279	5%	-172,892
Restructuring costs	0	0		-5 000	0		-7 500
<b>Gross margin</b>	<b>14,519</b>	<b>24,029</b>	<b>-40%</b>	<b>45,394</b>	<b>74,181</b>	<b>-39%</b>	<b>93,177</b>
Gross margin as percentage of net sales	26.6%	35.7%		26.2%	38.7%		34.1%
Research and development and other technical expenses	-10,555	-9,830	7%	-33,564	-28,463	18%	-41,421
Selling expenses	-6,513	-7,657	-15%	-22,308	-23,366	-5%	-34,706
Administrative expenses	-2,845	-2,728	4%	-9,634	-9,057	6%	-13,311
Restructuring costs	0	0		-10 000	0		- 500
<b>Operating expenses</b>	<b>-19,913</b>	<b>-20,215</b>	<b>-1%</b>	<b>-75,506</b>	<b>-60,886</b>	<b>24%</b>	<b>-89,938</b>
Operating expenses as percentage of net sales	36.5%	30.0%		43.6%	31.8%		32.9%
Other operating revenues	273	2 252		6,960	12,066		27,652
Share in earnings of associated companies	46	80		- 52	157		274
<b>Operating income<sup>1)</sup></b>	<b>-5,075</b>	<b>6,146</b>	<b>-183%</b>	<b>-23,204</b>	<b>25,518</b>	<b>-191%</b>	<b>31,165</b>
Operating margin as percentage of net sales	-9.3%	9.1%		-13.4%	13.3%		11.4%
Financial income	782	956	-18%	2,259	2,209	2%	2,929
Financial expenses	-1,041	-1,434	-27%	-3,630	-3,135	16%	-4,449
<b>Income after financial items</b>	<b>-5,334</b>	<b>5,668</b>	<b>-194%</b>	<b>-24,575</b>	<b>24,592</b>	<b>-200%</b>	<b>29,645</b>
Minority interest in income before taxes	- 323	- 190	70%	- 803	- 493	63%	- 953
<b>Income before taxes</b>	<b>-5,657</b>	<b>5,478</b>	<b>-203%</b>	<b>-25,378</b>	<b>24,099</b>	<b>-205%</b>	<b>28,692</b>
<b>Taxes</b>	<b>1,698</b>	<b>-1,110</b>	<b>-253%</b>	<b>7,614</b>	<b>-5,331</b>	<b>-243%</b>	<b>-7,674</b>
<b>Net income</b>	<b>-3,959</b>	<b>4,368</b>	<b>-191%</b>	<b>-17,764</b>	<b>18,768</b>	<b>-195%</b>	<b>21,018</b>
Earnings per share, basic (SEK)	-0.50	0.55		-2.25	2.38		2.67
Earnings per share, diluted (SEK)	-0.50	0.55		-2.25	2.37		2.65
<sup>1)</sup> Of which items affecting comparability							
Non-operational capital gains/losses, net	165	1,426		168	6,164		5,933
Capital gain, Juniper	0	0		5,453	0		15,383
Pension refund	0	0		0	1,100		1,100
Restructuring costs	0	0		-15,000	0		-8,000
Total	165	1,426		-9,379	7,264		14,416
Adjusted operating income	-5,240	4,720		-13,825	18,254		16,749
Adjusted operating margin	-9.6%	7.0%		-8.0%	9.5%		6.1%
Adjusted income before taxes	-5,822	4,052		-15,999	16,835		14,276

<sup>\*\*) Proforma restated</sup>

**ERICSSON**  
**CONSOLIDATED BALANCE SHEET**

SEK million	Sep 30 2001	June 30 2001	Dec 31 2000	Sep 30 2000
<b>Fixed assets</b>				
Intangible assets	13,203	13,644	12,833	12,568
Tangible assets	23,012	24,383	22,378	23,814
Financial assets				
Equity in associated companies	2,625	2,635	2,790	2,869
Other investments	3,139	3,049	2,484	2,490
Long-term customer financing	5,889	3,233	6,364	7,588
Other long-term receivables	13,911	7,429	3,657	3,440
<b>Total fixed assets</b>	<b>61,779</b>	<b>54,373</b>	<b>50,506</b>	<b>52,769</b>
<b>Current assets</b>				
Inventories	28,248	31,975	43,933	48,361
Receivables				
Accounts receivable - trade and short-term customer financing	63,697	71,927	76,240	68,794
Other receivables	45,008	53,510	44,029	44,831
Short-term cash investments, cash and bank	39,969	36,235	35,606	23,753
<b>Total current assets</b>	<b>176,922</b>	<b>193,647</b>	<b>199,808</b>	<b>185,739</b>
<b>Total assets</b>	<b>238,701</b>	<b>248,020</b>	<b>250,314</b>	<b>238,508</b>
<b>Stockholders' equity</b>	<b>72,387</b>	<b>76,626</b>	<b>91,686</b>	<b>89,926</b>
<b>Minority interest in equity of consolidated subsidiaries</b>	<b>3,437</b>	<b>3,481</b>	<b>2,764</b>	<b>2,433</b>
<b>Provisions</b>	<b>34,749</b>	<b>35,116</b>	<b>27,650</b>	<b>26,770</b>
<b>Long-term liabilities</b>	<b>51,541</b>	<b>47,462</b>	<b>22,294</b>	<b>22,512</b>
<b>Current liabilities</b>	<b>76,587</b>	<b>85,335</b>	<b>105,920</b>	<b>96,867</b>
<b>Total stockholders' equity, provisions and liabilities</b>	<b>238,701</b>	<b>248,020</b>	<b>250,314</b>	<b>238,508</b>
Of which interest-bearing provisions and liabilities	70,940	69,581	46,563	41,444
Assets pledged as collateral	267	132	435	-
Contingent liabilities	12,796	15,810	11,184	-

**ERICSSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

SEK million	July-Sep		Jan-Sep		Jan-Dec
	2001	2000	2001	2000	2000
Net income and adjustments to reconcile net income to cash	-5,385	4,216	-16,534	15,445	23,684
Changes in operating assets, net	8,655	-10,381	1,536	-26,208	-34,532
<b>Cash flow from operating activities</b>	<b>3,270</b>	<b>-6,165</b>	<b>-14,998</b>	<b>-10,763</b>	<b>-10,848</b>
Acquisitions/sales of other investments, net	85	1 661	8 585	11 189	22 643
Other investing activities	-2,189	-1,710	-5,855	-5,601	-5,399
<b>Cash flow from investing activities</b>	<b>-2,104</b>	<b>- 49</b>	<b>2,730</b>	<b>5,588</b>	<b>17,244</b>
<b>Cash flow before financing activities</b>	<b>1,166</b>	<b>-6,214</b>	<b>-12,268</b>	<b>-5,175</b>	<b>6,396</b>
Dividends paid	- 267	- 4	-4,365	-4,070	-4,179
Other financing activities	3,171	1,952	20,859	3,646	3,943
<b>Cash flow from financing activities</b>	<b>2,904</b>	<b>1,948</b>	<b>16,494</b>	<b>- 424</b>	<b>- 236</b>
Effect of exchange rate changes on cash	- 336	376	137	344	438
<b>Net change in cash</b>	<b>3,734</b>	<b>-3,890</b>	<b>4,363</b>	<b>-5,255</b>	<b>6,598</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>36,235</b>	<b>27,643</b>	<b>35,606</b>	<b>29,008</b>	<b>29,008</b>
<b>Cash and cash equivalents, end of period</b>	<b>39,969</b>	<b>23,753</b>	<b>39,969</b>	<b>23,753</b>	<b>35,606</b>

**CHANGES IN STOCKHOLDERS' EQUITY**

	Jan-Sep	Jan-June	Jan-Dec	Jan-Sep
	2001	2001	2000	2000
<b>Opening balance</b>	<b>91,686</b>	<b>91,686</b>	<b>69,176</b>	<b>69,176</b>
Stock issue	155	155	-	-
Conversion of debentures	10	9	1,915	1,902
Repurchase of own stock	-156	-156	-386	-386
Dividends paid	-4,007	-4,063	-3,919	-3,919
Gains on sale of own options and convertible debentures	-	-	2,018	2,010
Changes in cumulative translation adjustments	2,117	2,452	1,975	2,476
Net income	-17,764	-13,805	21,018	18,771
Other changes	346	348	-111	-104
<b>Closing balance</b>	<b>72,387</b>	<b>76,626</b>	<b>91,686</b>	<b>89,926</b>

**ERICSSON**  
**OTHER INFORMATION**

SEK million	<b>Jan-Sep 2001</b>	<b>Jan-June 2001</b>	<b>Jan-Sep 2000</b>
<b><u>Number of shares and earnings per share</u></b>			
Number of shares outstanding, basic, end of period (million)	8,065	8,065	7,910
Number of shares outstanding, diluted, end of period (million)	8,149	8,153	7,999
Number of treasury shares, end of period (million)	157	157	2
Average number of shares, basic (million)	7,909	7,909	7,869
Average number of shares, diluted (million)	7,909**	7,909**	7,993
Earnings per share, basic (SEK)	-2.25	-1.75	2.38
Earnings per share, diluted (SEK)*	-2.25	-1.75	2.37
Earnings per share, diluted, per U.S. GAAP (SEK)	-2.45	-1.74	2.29
<b><u>Ratios</u></b>			
Equity ratio, percent	31.8	32.3	38.7
Capital turnover (times)	1,6	1,6	2,0
Accounts receivable turnover (times)	3,4	3,3	3,9
Inventory turnover (times)	4,5	4,4	4,2
Return on equity, percent	-28.9	-32.8	31.5
Return on capital employed, percent	-19.4	-22.9	29.1
<b><u>Other</u></b>			
Research and development and other technical expenses (including costs related to customer orders)	34,284	23,454	29,403
- As percentage of Net Sales	19.8	19.7	15.4
Additions to tangible fixed assets	7,699	6,062	8,480
- Of which in Sweden	2,702	2,162	3,635
Total depreciation on tangible and intangible assets	5,771	3,593	5,841
- Of which goodwill	741	483	459
Orders booked	181,547	136,665	212,866
Export from Sweden	90,250	63,673	114,357
Net debt	30,032	33,347	20,124

**\* Calculation of earnings per share, diluted**

Net income			18,768
Interest on convertible debentures, net after tax	Not applicable	Not applicable	153
Adjusted net income	See below **	See below **	18,921
Average number of shares, diluted (million)			7,993
Earnings per share, diluted (SEK)			2.37

\*\* Potential ordinary shares are not dilutive when their conversion to ordinary shares would increase earnings per share.

<b>Three-year summary</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Net sales	273,569	215,403	184,438
Operating income	31,165	17,590	19,273
Earnings per share, fully diluted (SEK)	2.65	1.54	1.67
Return on equity, percent	26.1	18.3	22.5
Return on capital employed, percent	26.5	19.0	24.9
Equity ratio, percent	37.7	35.2	38.9
Number of employees	105,129	103,290	103,667

**ORDERS BOOKED BY SEGMENT BY QUARTER**

(SEK m.)

2000 PROFORMA RESTATED

Year to date	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
<b>Systems</b>	57,944	103,503	153,219	213,164	62,583	113,286	148,561
<i>of which Mobile Systems</i>	48,471	85,757	125,738	175,609	52,625	94,841	125,430
<i>Multi-Service Networks</i>	9,473	17,746	27,481	37,555	9,958	18,445	23,131
<b>Phones</b>	14,562	27,988	42,113	56,937	7,178	14,813	22,234
<b>Other operations</b>	11,266	19,991	27,665	35,751	8,239	13,764	17,902
<b>Less: Intersegment sales</b>	-4,298	-7,287	-10,131	-13,508	-2,501	-5,198	-7,150
<b>Total</b>	<b>79,474</b>	<b>144,195</b>	<b>212,866</b>	<b>292,344</b>	<b>75,499</b>	<b>136,665</b>	<b>181,547</b>

Change	0103	0106	0109
<b>Systems</b>	8%	9%	-3%
<i>of which Mobile Systems</i>	9%	11%	0%
<i>Multi-Service Networks</i>	5%	4%	-16%
<b>Phones</b>	-51%	-47%	-47%
<b>Other operations</b>	-27%	-31%	-35%
<b>Less: Intersegment sales</b>	-42%	-29%	-29%
<b>Total</b>	<b>-5%</b>	<b>-5%</b>	<b>-15%</b>

Isolated quarters	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Systems</b>	57,944	45,559	49,716	59,945	62,583	50,703	35,275
<i>of which Mobile Systems</i>	48,471	37,286	39,981	49,871	52,625	42,216	30,589
<i>Multi-Service Networks</i>	9,473	8,273	9,735	10,074	9,958	8,487	4,686
<b>Phones</b>	14,562	13,426	14,125	14,824	7,178	7,635	7,421
<b>Other operations</b>	11,266	8,725	7,674	8,086	8,239	5,525	4,138
<b>Less: Intersegment sales</b>	-4,298	-2,989	-2,844	-3,377	-2,501	-2,697	-1,952
<b>Total</b>	<b>79,474</b>	<b>64,721</b>	<b>68,671</b>	<b>79,478</b>	<b>75,499</b>	<b>61,166</b>	<b>44,882</b>

Change	Q1	Q2	Q3
<b>Systems</b>	8%	11%	-29%
<i>of which Mobile Systems</i>	9%	13%	-23%
<i>Multi-Service Networks</i>	5%	3%	-52%
<b>Phones</b>	-51%	-43%	-47%
<b>Other operations</b>	-27%	-37%	-46%
<b>Less: Intersegment sales</b>	-42%	-10%	-31%
<b>Total</b>	<b>-5%</b>	<b>-5%</b>	<b>-35%</b>

## NET SALES BY SEGMENT BY QUARTER

(SEK m.)

2000 PROFORMA RESTATED

Year to date	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
<b>Systems</b>	38,910	85,343	133,440	194,747	44,127	94,843	137,798
<i>of which Mobile Systems</i>	32,481	70,336	109,061	158,083	35,336	76,356	111,923
<i>Multi-Service Networks</i>	6,429	15,004	24,379	36,664	8,791	18,487	25,875
<b>Phones</b>	14,794	28,145	42,473	56,279	7,170	15,317	23,567
<b>Other operations</b>	9,297	17,801	25,888	35,927	7,249	14,162	19,671
<b>Less: Intersegment sales</b>	-3,916	-7,171	-10,341	-13,384	-2,614	-5,610	-7,735
<b>Total</b>	<b>59,085</b>	<b>124,118</b>	<b>191,460</b>	<b>273,569</b>	<b>55,932</b>	<b>118,712</b>	<b>173,301</b>

Change	0103	0106	0109
<b>Systems</b>	13%	11%	3%
<i>of which Mobile Systems</i>	9%	9%	3%
<i>Multi-Service Networks</i>	37%	23%	6%
<b>Phones</b>	-52%	-46%	-45%
<b>Other operations</b>	-22%	-20%	-24%
<b>Less: Intersegment sales</b>	-33%	-22%	-25%
<b>Total</b>	<b>-5%</b>	<b>-4%</b>	<b>-9%</b>

Isolated quarters	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Systems</b>	38,910	46,433	48,097	61,307	44,127	50,716	42,955
<i>of which Mobile Systems</i>	32,481	37,858	38,722	49,022	35,336	41,020	35,567
<i>Multi-Service Networks</i>	6,429	8,575	9,375	12,285	8,791	9,696	7,388
<b>Phones</b>	14,794	13,351	14,328	13,806	7,170	8,147	8,250
<b>Other operations</b>	9,297	8,504	8,087	10,039	7,249	6,913	5,509
<b>Less: Intersegment sales</b>	-3,916	-3,255	-3,170	-3,043	-2,614	-2,996	-2,125
<b>Total</b>	<b>59,085</b>	<b>65,033</b>	<b>67,342</b>	<b>82,109</b>	<b>55,932</b>	<b>62,780</b>	<b>54,589</b>

Change	Q1	Q2	Q3
<b>Systems</b>	13%	9%	-11%
<i>of which Mobile Systems</i>	9%	8%	-8%
<i>Multi-Service Networks</i>	37%	13%	-21%
<b>Phones</b>	-52%	-39%	-42%
<b>Other operations</b>	-22%	-19%	-32%
<b>Less: Intersegment sales</b>	-33%	-8%	-33%
<b>Total</b>	<b>-5%</b>	<b>-3%</b>	<b>-19%</b>

## ADJUSTED OPERATING INCOME AND OPERATING MARGIN BY SEGMENT BY QUARTER

(SEK m.)

2000 RESTATED FOR COMPARABILITY

Year to date	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
<b>Systems</b>	5,641	15,280	23,392	32,641	1,808	2,382	2,620
<b>Phones</b>	569	-1,544	-5,517	-15,613	-5,722	-10,350	-14,559
<b>Other operations</b>	578	1,058	1,550	1,579	-118	25	-817
<b>Unallocated*</b>	-413	-1,260	-1,171	-1,858	-331	-642	-1,069
<b>Total</b>	<b>6,375</b>	<b>13,534</b>	<b>18,254</b>	<b>16,749</b>	<b>-4,363</b>	<b>-8,585</b>	<b>-13,825</b>

Items affecting comparability:

- Non-operational capital gains/losses, net	-	4,738	6,164	5,933	42	3	168
- Capital gain Juniper Networks	-	-	-	15,383	5,453	5,453	5,453
- Pension refund	-	1,100	1,100	1,100	-	-	-
- Restructuring costs	-	-	-	-8,000	-	-15,000	-15,000

As percentage of Net Sales	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
<b>Systems</b>	14%	18%	18%	17%	4%	3%	2%
<b>Phones</b>	4%	-5%	-13%	-28%	-80%	-68%	-62%
<b>Other operations</b>	6%	6%	6%	4%	-2%	0%	-4%
<b>Total</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>6%</b>	<b>-8%</b>	<b>-7%</b>	<b>-8%</b>

Isolated quarters	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Systems</b>	5,641	9,639	8,112	9,249	1,808	574	238
<b>Phones</b>	569	-2,113	-3,973	-10,096	-5,722	-4,628	-4,209
<b>Other operations</b>	578	480	492	29	-118	143	-842
<b>Unallocated*</b>	-413	-847	89	-687	-331	-311	-427
<b>Total</b>	<b>6,375</b>	<b>7,159</b>	<b>4,720</b>	<b>-1,505</b>	<b>-4,363</b>	<b>-4,222</b>	<b>-5,240</b>

Items affecting comparability:

- Non-operational capital gains/losses, net	-	4,738	1,426	-231	42	-39	165
- Capital gain Juniper Networks	-	-	-	15,383	5,453	-	-
- Pension refund	-	1,100	-	-	-	-	-
- Restructuring costs	-	-	-	-8,000	-	-15,000	-

As percentage of Net Sales	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Systems</b>	14%	21%	17%	15%	4%	1%	1%
<b>Phones</b>	4%	-16%	-28%	-73%	-80%	-57%	-51%
<b>Other operations</b>	6%	6%	6%	0%	-2%	2%	-15%
<b>Total</b>	<b>11%</b>	<b>11%</b>	<b>7%</b>	<b>-2%</b>	<b>-8%</b>	<b>-7%</b>	<b>-10%</b>

\* "Unallocated" consists mainly of costs for corporate staffs, certain goodwill amortization and non-operational gains and losses

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

Year to date	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
Western Europe*	25,048	50,870	71,807	105,684	29,042	47,697	60,895
Central- and Eastern Europe, Middle East & Africa	17,388	24,503	32,104	40,972	11,273	17,606	29,548
North America	9,148	19,082	27,326	37,977	7,320	13,183	19,954
Latin America	9,695	19,312	33,053	44,959	12,638	22,723	26,989
Asia Pacific	18,195	30,428	48,576	62,752	15,226	35,456	44,161
<b>Total</b>	<b>79,474</b>	<b>144,195</b>	<b>212,866</b>	<b>292,344</b>	<b>75,499</b>	<b>136,665</b>	<b>181,547</b>
* Of which Sweden	2,924	6,010	7,983	9,876	1,998	5,135	6,294
* Of which EU	23,261	47,523	67,194	99,951	27,565	45,356	57,855

Change	0103	0106	0109
Western Europe*	16%	-6%	-15%
Central- and Eastern Europe, Middle East & Africa	-35%	-28%	-8%
North America	-20%	-31%	-27%
Latin America	30%	18%	-18%
Asia Pacific	-16%	17%	-9%
<b>Total</b>	<b>-5%</b>	<b>-5%</b>	<b>-15%</b>
* Of which Sweden	-32%	-15%	-21%
* Of which EU	19%	-5%	-14%

Isolated quarters	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Western Europe*	25,048	25,822	20,937	33,877	29,042	18,655	13,198
Central- and Eastern Europe, Middle East & Africa	17,388	7,115	7,601	8,868	11,273	6,333	11,942
North America	9,148	9,934	8,244	10,651	7,320	5,863	6,771
Latin America	9,695	9,617	13,741	11,906	12,638	10,085	4,266
Asia Pacific	18,195	12,233	18,148	14,176	15,226	20,230	8,705
<b>Total</b>	<b>79,474</b>	<b>64,721</b>	<b>68,671</b>	<b>79,478</b>	<b>75,499</b>	<b>61,166</b>	<b>44,882</b>
* Of which Sweden	2,924	3,086	1,972	1,893	1,998	3,137	1,159
* Of which EU	23,261	24,262	19,671	32,757	27,565	17,791	12,499

Change	Q1	Q2	Q3
Western Europe*	16%	-28%	-37%
Central- and Eastern Europe, Middle East & Africa	-35%	-11%	57%
North America	-20%	-41%	-18%
Latin America	30%	5%	-69%
Asia Pacific	-16%	65%	-52%
<b>Total</b>	<b>-5%</b>	<b>-5%</b>	<b>-35%</b>
* Of which Sweden	-32%	2%	-41%
* Of which EU	19%	-27%	-36%



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

Year to date	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
Western Europe*	23,578	47,011	70,090	100,234	18,024	37,154	53,568
Central- and Eastern Europe, Middle East & Africa	7,323	16,799	25,850	37,701	8,187	17,315	25,555
North America	8,549	19,263	27,704	35,193	7,186	14,961	23,131
Latin America	7,781	17,334	28,953	44,118	8,467	18,482	24,836
Asia Pacific	11,854	23,711	38,863	56,323	14,068	30,800	46,211
<b>Total</b>	<b>59,085</b>	<b>124,118</b>	<b>191,460</b>	<b>273,569</b>	<b>55,932</b>	<b>118,712</b>	<b>173,301</b>
* Of which Sweden	2,380	4,371	6,704	8,732	1,628	3,518	5,022
* Of which EU	22,052	44,031	65,754	94,293	17,046	35,020	50,650

Change	0103	0106	0109
Western Europe*	-24%	-21%	-24%
Central- and Eastern Europe, Middle East & Africa	12%	3%	-1%
North America	-16%	-22%	-17%
Latin America	9%	7%	-14%
Asia Pacific	19%	30%	19%
<b>Total</b>	<b>-5%</b>	<b>-4%</b>	<b>-9%</b>
* Of which Sweden	-32%	-20%	-25%
* Of which EU	-23%	-20%	-23%

Isolated quarters	2000				2001		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Western Europe*	23,578	23,433	23,079	30,144	18,024	19,130	16,414
Central- and Eastern Europe, Middle East & Africa	7,323	9,476	9,051	11,851	8,187	9,128	8,240
North America	8,549	10,714	8,441	7,489	7,186	7,775	8,170
Latin America	7,781	9,553	11,619	15,165	8,467	10,015	6,354
Asia Pacific	11,854	11,857	15,152	17,460	14,068	16,732	15,411
<b>Total</b>	<b>59,085</b>	<b>65,033</b>	<b>67,342</b>	<b>82,109</b>	<b>55,932</b>	<b>62,780</b>	<b>54,589</b>
* Of which Sweden	2,380	1,991	2,333	2,028	1,628	1,890	1,504
* Of which EU	22,052	21,980	21,723	28,539	17,046	17,974	15,630

Change	Q1	Q2	Q3
Western Europe*	-24%	-18%	-29%
Central- and Eastern Europe, Middle East & Africa	12%	-4%	-9%
North America	-16%	-27%	-3%
Latin America	9%	5%	-45%
Asia Pacific	19%	41%	2%
<b>Total</b>	<b>-5%</b>	<b>-3%</b>	<b>-19%</b>
* Of which Sweden	-32%	-5%	-36%
* Of which EU	-23%	-18%	-28%

**EXTERNAL ORDERS BOOKED BY MARKET AREA AND SEGMENT**

(SEK m.)

<b>Year to date 2001</b>	<b>Systems</b>	<b>Phones</b>	<b>Other</b>	<b>Total</b>	<b>Share of Total</b>
Western Europe	44,528	7,506	8,861	60,895	34%
Central- and Eastern Europe, Middle East & Africa	26,845	1,842	861	29,548	16%
North America	15,025	5,123	- 194	19,954	11%
Latin America	23,840	2,257	892	26,989	15%
Asia Pacific	37,994	4,834	1,333	44,161	24%
<b>Total</b>	<b>148,232</b>	<b>21,562</b>	<b>11,753</b>	<b>181,547</b>	<b>100%</b>
<b>Share of Total</b>	<b>82%</b>	<b>12%</b>	<b>6%</b>	<b>100%</b>	

<b>Change compared to last year (%)</b>	<b>Systems</b>	<b>Phones</b>	<b>Other</b>	<b>Total</b>
Western Europe	6%	-54%	-35%	-15%
Central- and Eastern Europe, Middle East & Africa	-1%	-64%	N/A	-8%
North America	-9%	-42%	-110%	-27%
Latin America	-14%	-43%	-32%	-18%
Asia Pacific	-2%	-40%	-22%	-9%
<b>Total</b>	<b>-3%</b>	<b>-49%</b>	<b>-36%</b>	<b>-15%</b>

**EXTERNAL NET SALES BY MARKET AREA AND SEGMENT**

(SEK m.)

<b>Year to date 2001</b>	<b>Systems</b>	<b>Phones</b>	<b>Other</b>	<b>Total</b>	<b>Share of Total</b>
Western Europe	37,804	7,465	8,299	53,568	31%
Central- and Eastern Europe, Middle East & Africa	22,395	2,017	1,143	25,555	15%
North America	16,073	6,147	911	23,131	13%
Latin America	21,514	2,428	894	24,836	14%
Asia Pacific	39,650	5,017	1,544	46,211	27%
<b>Total</b>	<b>137,436</b>	<b>23,074</b>	<b>12,791</b>	<b>173,301</b>	<b>100%</b>
<b>Share of Total</b>	<b>79%</b>	<b>13%</b>	<b>8%</b>	<b>100%</b>	

<b>Change compared to last year (%)</b>	<b>Systems</b>	<b>Phones</b>	<b>Other</b>	<b>Total</b>
Western Europe	-8%	-58%	-24%	-24%
Central- and Eastern Europe, Middle East & Africa	15%	-60%	-11%	-1%
North America	-14%	-19%	-34%	-17%
Latin America	-9%	-34%	-43%	-14%
Asia Pacific	35%	-37%	9%	19%
<b>Total</b>	<b>4%</b>	<b>-45%</b>	<b>-23%</b>	<b>-9%</b>

## TOP 10 MARKETS IN ORDERS AND SALES

Year to date 2001

Top 10 Markets Orders		Top 10 Markets Sales	
	Share of Total Orders		Share of Total Sales
China	12%	China	13%
United States	10%	United States	12%
Mexico	6%	United Kingdom	6%
Italy	6%	Brazil	5%
Brazil	5%	Italy	5%
Spain	5%	Mexico	5%
Germany	5%	Japan	4%
United Kingdom	5%	Spain	4%
Japan	4%	Turkey	3%
Sweden	3%	Sweden	3%

## NUMBER OF EMPLOYEES BY SEGMENT BY QUARTER

	2000				2001		
	0003	0006	0009	0012	0103	0106	0109
<b>Systems</b>	64,836	66,207	68,571	71,102	75,081	76,636	71,392
<b>Phones</b>	17,290	17,710	18,137	16,840	14,461	7,837	6,439
<b>Other operations</b>	19,167	16,324	15,602	16,059	16,453	14,005	13,774
<b>Unallocated</b>	1,030	1,076	1,084	1,128	1,264	1,343	1,344
<b>Total</b>	<b>102,323</b>	<b>101,317</b>	<b>103,394</b>	<b>105,129</b>	<b>107,259</b>	<b>99,821</b>	<b>92,949</b>
<b>Change</b>					<b>0103</b>	<b>0106</b>	<b>0109</b>
<b>Systems</b>					16%	16%	4%
<b>Phones</b>					-16%	-56%	-65%
<b>Other operations</b>					-14%	-14%	-12%
<b>Unallocated</b>					23%	25%	24%
<b>Total</b>					<b>5%</b>	<b>-1%</b>	<b>-10%</b>

**ERICSSON PROFORMA RESTATED  
CONSOLIDATED INCOME STATEMENT <sup>\*)</sup>**

Reflecting mobile phones business transferred to  
Sony Ericsson Mobile Communications reported in  
accordance with the equity method

SEK million	2001			2000	2001			2000
	Jan-Mar	Jan-June	Jan-Sep	Jan-Dec	Q1	Q2	Q3	Q4
Net sales	49,760	105,295	152,299	221,586	49,760	55,535	47,004	69,147
Cost of sales	-29,341	-64,746	-95,475	-120,617	-29,341	-35,405	-30,729	-37,823
Restructuring costs	0	-2,600	-2,600	0	0	-2,600	0	0
<b>Gross margin</b>	<b>20,419</b>	<b>37,949</b>	<b>54,224</b>	<b>100,969</b>	<b>20,419</b>	<b>17,530</b>	<b>16,275</b>	<b>31,324</b>
Gross margin as percentage of net sales	41.0%	36.0%	35.6%	45.6%	41.0%	31.6%	34.6%	45.3%
Research and development and other technical expenses	-9,507	-20,968	-30,717	-34,949	-9,507	-11,461	-9,749	-11,227
Selling expenses	-7,249	-13,503	-19,049	-26,072	-7,249	-6,254	-5,546	-8,319
Administrative expenses	-2,804	-5,731	-8,225	-12,004	-2,804	-2,927	-2,494	-3,901
Restructuring costs	0	-8 500	-8 500	0	0	-8 500	0	0
<b>Operating expenses</b>	<b>-19,560</b>	<b>-48,702</b>	<b>-66,491</b>	<b>-73,025</b>	<b>-19,560</b>	<b>-29,142</b>	<b>-17,789</b>	<b>-23,447</b>
Operating expenses as percentage of net sales	39.3%	46.3%	43.7%	33.0%	39.3%	52.5%	37.8%	33.9%
Other operating revenues	5,858	<b>6,586</b>	<b>6,962</b>	<b>27,132</b>	5,858	<b>728</b>	376	<b>15,496</b>
Share in earnings of associated companies	-5,585	<b>-10,062</b>	<b>-13,999</b>	<b>-15,911</b>	-5,585	<b>-4,477</b>	-3,937	<b>-9,726</b>
Restructuring costs, phones	0	-3,900	-3,900	-8,000	0	-3,900	0	-8,000
<b>Operating income <sup>**) </sup></b>	<b>1,132</b>	<b>-18,129</b>	<b>-23,204</b>	<b>31,165</b>	<b>1,132</b>	<b>-19,261</b>	<b>-5,075</b>	<b>5,647</b>
Operating margin as percentage of net sales	2.3%	-17.2%	-15.2%	14.1%	2.3%	-34.7%	-10.8%	8.2%
Financial income	1,041	1,477	2,259	2,929	1,041	436	782	720
Financial expenses	-1,372	-2,589	-3,630	-4,449	-1,372	-1,217	-1,041	-1,314
<b>Income after financial items</b>	<b>801</b>	<b>-19,241</b>	<b>-24,575</b>	<b>29,645</b>	<b>801</b>	<b>-20,042</b>	<b>-5,334</b>	<b>5,053</b>
Minority interest in income before taxes	- 195	- 480	- 803	- 953	- 195	- 285	- 323	- 460
<b>Income before taxes</b>	<b>606</b>	<b>-19,721</b>	<b>-25,378</b>	<b>28,692</b>	<b>606</b>	<b>-20,327</b>	<b>-5,657</b>	<b>4,593</b>
<b>Taxes</b>	<b>- 182</b>	<b>5,916</b>	<b>7,614</b>	<b>-7,674</b>	<b>- 182</b>	<b>6,098</b>	<b>1,698</b>	<b>-2,343</b>
<b>Net income</b>	<b>424</b>	<b>-13,805</b>	<b>-17,764</b>	<b>21,018</b>	<b>424</b>	<b>-14,229</b>	<b>-3,959</b>	<b>2,250</b>
**) Of which items affecting comparability								
Non-operational capital gains/losses, net	42	3	168	5,933	42	-39	165	-231
Capital gain, Juniper	5,453	5,453	5,453	15,383	5,453	-	-	15,383
Pension refund	-	-	-	1,100	-	-	-	-
Restructuring costs	-	-15,000	-15,000	-8,000	-	-15,000	-	-8,000
<b>Total</b>	<b>5,495</b>	<b>-9 544</b>	<b>-9,379</b>	<b>14,416</b>	<b>5,495</b>	<b>-15,039</b>	<b>165</b>	<b>7,152</b>
Adjusted operating income	-4,363	-8,585	-13,825	16,749	-4,363	-4,222	-5,240	-1,505
Adjusted operating margin	-8.8%	-8.2%	-9.1%	7.6%	-8.8%	-7.6%	-11.1%	-2.2%
Adjusted income before taxes	-4,889	-10,177	-15,999	14,276	-4,889	-5,288	-5,822	-2,559

\*) Revised version November 5, 2001. Changes marked with bold italics.

Note:

- Ericsson results only, i.e. no additions to reflect any parts of Sony being included in the joint venture and shared
- Total results are unchanged, i.e. we have not assumed Sony picking up part of our historic losses in phones
- Results are only reformatted to reflect that
  - results of the parts of Ericsson transferred to Sony Ericsson are included entirely in "Share in Earnings of Associated companies"
  - remaining parts of Consumer products remain as previously reported in the income statement