
GLOBAL SERVICES – TRANSFORMING INDUSTRIES WITH ICT EXPERTISE

People and competence are at the heart of Ericsson’s services business: 66,000 professionals in 180 countries speaking more than 100 languages. Ericsson is the world’s largest telecom services provider, supporting operators in creating competitive, attractive and appealing offerings for consumers. Ericsson’s services portfolio includes state-of-the-art expertise in consulting, systems integration, managed services, network deployment and integration, learning and support services.

Most of our customers are operators, but we also work with other adjacent industries such as TV and media, public safety and utilities. Our technology leadership, business understanding and extensive experience of managing telecom-grade, carrier-class projects and multivendor networks, make Ericsson the market leader in telecom services. We combine local capabilities with global expertise. That means we base our competence and delivery resources close to our customers, while our global processes, methods and tools allow us to move our competences anywhere in the world, making the most of global learning and knowledge-sharing.

Ericsson’s strength in telecom services has a strong correlation with our technology leadership, R&D achievements and long tradition of innovation. Based on our deep understanding of consumer needs – and with future evolution in mind – we are driving the development of technology and finding new business models for our customers. Our consumer and business understanding is based on long-lasting relationships with leading operators worldwide, as well as our own extensive consumer and enterprise research.

Ericsson Global Services focuses on supporting operators in growing their businesses by:

- improving net subscriber revenue;
- becoming more operationally efficient;
- evolving their networks to meet current and future consumer demands.

Ericsson’s ability to support operators in driving traffic, revenue growth and offering benefits to consumers is built on unique and extensive consulting competence. Ericsson and the operator team up to realize growth potential by identifying market drivers and finding new, attractive consumer services. This is done from both the business and the technology perspectives. Respect, trust and long-term relationships are essential when it comes to partnering with our customers.

Operators face the challenge of launching new and attractive services, while keeping spending under control. Operators are increasingly considering outsourcing as a flexible way to meet these challenges. Ericsson's comprehensive offering in managed services ranges from designing, building, operating and managing day-to-day operations of a customer's network, including end-user services and business support systems, to hosting service-layer solutions, as well as providing network coverage and capacity on demand.

As the industry leader in managed services, we have proven our capabilities in managing and operating many operator networks worldwide, including multivendor and multi-technology environments.

As networks and business models become more complex, Ericsson supports operators in creating an efficient environment for consumer service delivery through market-leading network and systems integration expertise. Common challenges faced by operators today are network evolution toward all-IP, cost and operational efficiency demands, environmental sustainability and business growth. Ericsson has the end-to-end solutions and the skills required to meet the challenges of technology and business transformation.

Our technology and services leadership, telecom business understanding and experience, allow Ericsson to partner with our customers and take on the prime integrator role as the single point of contact in complex multivendor integration and deployment projects.

Ericsson's services portfolio includes expertise in consulting, systems integration, managed services, network deployment and integration, education and support services. We have personnel with extensive experience as business consultants, project managers, network designers, integration experts, solution architects, solution support experts, product development experts and training experts. Ericsson has in-sourced about 35,000 skilled employees from operators and has acquired a number of companies in the consulting and systems integration field.

Ericsson is the leader in the telecom services industry. Our long-term global experience and work in 180 countries, always in close cooperation with R&D, provides us with the capability to meet the challenges of an evolving communications world.

LARGEST TELECOM SERVICES COMPANY IN THE WORLD

Our 66,000 services professionals work in 180 countries (approximately 25,000 of whom are based in our Global Service Centers in China, Romania, Mexico and India) and speak more than 100 languages. In addition, we have access to more than 20,000 sourced resources. Ericsson provides managed services for networks that serve more than 1 billion subscribers worldwide. Today more than 40 percent of the world's mobile traffic goes through Ericsson networks and we support customers' networks servicing more than 2.5 billion subscribers.

More than 1,000 of our most senior experts work in a virtual organization called the Global Competence Domains (GCD), which supports customer engagements and deliveries in the regions. The GCD has expertise in areas such as operations support systems; business support systems; Internet Protocol, broadband and core networks; consulting; radio access networks; and media and applications.

GLOBAL SERVICES

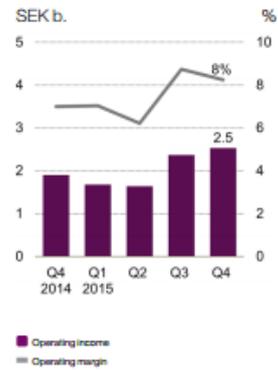
Segment sales



Quarterly sales and sales growth year over year



Operating income and operating margin



SEK b.	Q4 2015	Q4 2014	YoY change	Q3 2015	QoQ change	Full year 2015	Full year 2014
Net sales	30.7	29.8	3%	27.1	13%	108.0	97.7
Of which Professional Services	23.1	21.4	8%	20.5	12%	81.7	70.8
Of which Managed Services	8.2	7.7	6%	8.0	3%	31.8	27.2
Of which Network Rollout	7.6	8.4	-9%	6.5	17%	26.3	26.8
Sales growth adj. for comparable units and currency	-	-	-4%	-	17%	-2%	-2%
Operating income	2.5	1.9	31%	2.4	7%	8.2	6.1
Of which Professional Services	2.7	2.5	10%	2.4	14%	9.6	8.5
Of which Network Rollout	-0.2	-0.5	-66%	0.0	-	-1.4	-2.5
Operating margin	8%	7%	-	9%	-	8%	6%
for Professional Services	12%	12%	-	12%	-	12%	12%
for Network Rollout	-2%	-6%	-	0%	-	-5%	-9%
Operating income excluding restructuring charges	2.7	2.5	8%	2.7	1%	9.9	6.9
Operating margin excluding restructuring charges	9%	9%	-	10%	-	9%	7%
EBITA margin	9%	8%	-	10%	-	9%	7%
Restructuring charges	-0.2	-0.6	-65%	-0.4	-41%	-1.7	-0.8

Quarterly sales

- Global Services sales in Q4 2015 were SEK 30.7 billion, of which SEK 7.6 billion was for Network Rollout and SEK 23.1 billion for Professional Services, including SEK 8.2 billion for Managed Services.
- Global Services sales in Q3 2015 were SEK 27.1 billion, of which SEK 6.5 billion was for Network Rollout and SEK 20.5 billion for Professional Services, including SEK 8.0 billion for Managed Services.

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- Global Services sales in Q2 2015 were SEK 26.4 billion, of which SEK 6.4 billion was for Network Rollout and SEK 20 billion for Professional Services, including SEK 8.2 billion for Managed Services.
 - Global Services sales in Q1 2015 were SEK 23.9 billion, of which SEK 5.8 billion was for Network Rollout and SEK 18.1 billion for Professional Services, including SEK 7.5 billion for Managed Services.
 - Global Services sales in Q4 2014 were SEK 29.8 billion, of which SEK 8.4 billion was for Network Rollout and SEK 21.4 billion for Professional Services, including SEK 7.7 billion for Managed Services.
 - Global Services sales in Q3 2014 were SEK 24.5 billion, of which SEK 6.7 billion was for Network Rollout and SEK 17.8 billion for Professional Services, including SEK 7.2 billion for Managed Services.
 - Global Services sales in Q2 2014 were SEK 23.1 billion, of which SEK 6.5 billion was for Network Rollout and SEK 16.6 billion for Professional Services, including SEK 6.5 billion for Managed Services.
 - Global Services sales in Q1 2014 were SEK 20.4 billion, of which SEK 5.3 billion was for Network Rollout and SEK 15.1 billion for Professional Services, including SEK 5.8 billion for Managed Services.
 - Global Services sales in Q4 2013 were SEK 27.2 billion, of which SEK 8.4 billion was for Network Rollout and SEK 18.8 billion for Professional Services, including SEK 6.6 billion for Managed Services.
 - Global Services sales in Q3 2013 were SEK 24.0 billion, of which SEK 7.7 billion was for Network Rollout and SEK 16.2 billion for Professional Services, including SEK 6.3 billion for Managed Services.
 - Global Services sales in Q2 2013 were SEK 24.09 billion, of which SEK 8.1 billion was for Network Rollout and SEK 16.8 billion for Professional Services, including SEK 6.8 billion for Managed Services.
 - Global Services sales in Q1 2013 were SEK 21.5 billion, of which SEK 6.8 billion was for Network Rollout and SEK 14.6 billion for Professional Services, including SEK 5.9 billion for Managed Services.

Full-year sales

- Global Services sales in 2015 were SEK 108.0 billion, of which SEK 26.3 billion was for Network Rollout and SEK 81.7 billion for Professional Services, including SEK 31.8 billion for Managed Services.
- Global Services sales in 2014 were SEK 97.7 billion, of which SEK 26.8 billion was for Network Rollout and SEK 70.8 billion for Professional Services, including SEK 27.2 billion for Managed Services.

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- Global Services sales in 2013 were SEK 97.4 billion, of which SEK 31.0 billion was for Network Rollout and SEK 66.4 billion for Professional Services, including SEK 25.5 billion for Managed Services.
 - Global Services sales in 2012 were SEK 97.0 billion, of which SEK 30.0 billion was for Network Rollout and SEK 67.1 billion for Professional Services, including SEK 25.2 billion for Managed Services.
 - Global Services sales in 2011 were SEK 83.9 billion, of which SEK 25.1 billion was for Network Rollout and SEK 58.8 billion for Professional Services, including SEK 21.0 billion for Managed Services.

ACQUISITIONS

- In Q1 2016, Ericsson acquired FYI Television, the premier entertainment metadata and rich media content supplier based in Grand Prairie, Texas. The acquisition strengthened Ericsson's already industry-leading position in broadcast and media services. FYI Television accumulates and distributes TV entertainment content and linear scheduling data from over 9,000 TV networks daily, aggregating the information into customized formats for various digital, media, content, analytics and print clients for use on their connected devices such as tablets, phones, desktops, internet portals and gaming consoles.
- In Q3 2015, Ericsson announced its intention to acquire Icon Americas, a Guatemala-based consulting and systems integration company. Icon Americas specializes in providing application development and maintenance (ADM) services – specifically in the area of billing and charging – to leading telecom operators. Approximately 250 employees and consultants are expected to join Ericsson.
- In Q1 2015, Ericsson acquired the assets of TimelessMIND, a Canada-based consulting and systems integration company specializing in operations and business support systems. Approximately 30 employees and consultants – based in Canada and India – joined Ericsson as a result. Ericsson also signed a definitive agreement to acquire the telecom business of Sunrise Technology, a provider of IT services in the operations and business support systems domain. The unit acquired by Ericsson has a strong track record of delivering complex IT solutions to leading operators in China. Approximately 1,000 employees – almost all of whom are based in Guangzhou – joined Ericsson.
- In Q4 2014, Ericsson acquired Ambient Corporation, a US-based award-winning provider of smart grid communications technology for utilities. Ambient's innovative platform enables utilities to deploy and integrate multiple smart grid applications and technologies, in parallel on a single communications infrastructure. The acquisition increases Ericsson's ability to help utilities maximize their investments in smart grids.
- In Q3 2014, Ericsson extended its billing leadership beyond telecom into key markets including transport and utilities by acquiring US-based MetraTech Corp., a provider of metadata-based billing, commerce and settlement solutions. Ericsson also announced

its intention to acquire GEOSS, an operations support systems (OSS) consulting company based in Germany.

- In Q2 2014, Ericsson acquired Red Bee Media, a world-leading media services company headquartered in the UK, to strengthen its broadcast and media services capabilities. Ericsson gained 1,500 highly skilled employees, as well as media services and operations facilities in the UK, France, Germany, Spain and Australia.
- In Q3 2013, Ericsson acquired Thailand-based TeleOSS Consulting to strengthen its systems integration capabilities for OSS in South East Asia and Oceania. About 50 services professionals will join Ericsson. Ericsson also acquired Telcocell to strengthen its systems integration capabilities for OSS in Canada. About 200 services professionals will join Ericsson.
- In Q2 2013, Ericsson acquired Devoteam Telecom & Media operations in France to strengthen its consulting and systems integration capabilities. 400 skilled, France-based IT services professionals joined Ericsson.
- In Q2 2012, Ericsson acquired the broadcast services division of Technicolor, adding broadcast and TV competences and capabilities. As a result, Ericsson gained around 900 highly skilled professionals and playout operations located in France, UK and the Netherlands.
- In Q2 2012, Ericsson acquired BelAir, a Canadian vendor, to add Wi-Fi capabilities to our heterogeneous portfolio. Around 120 employees joined Ericsson in April 2012.
- In Q2 2011, Ericsson acquired Telcordia, a leader in the OSS/BSS field, adding systems integration and consulting competence and capabilities. Two thousand six hundred employees joined Ericsson.
- In Q2 2011, Ericsson acquired French company Tridge, providing services in consulting and systems integration for business support systems. Thirty employees joined Ericsson.
- In Q4 2010, Ericsson acquired US/Spain-based company Optimi, providing products and services for network planning optimization and management. Two hundred employees joined Ericsson.
- In Q3 2010, Ericsson acquired certain assets of inCode's strategy and technology group, a US-based strategic business and consulting services provider in telecommunications. Forty-five employees joined Ericsson.
- In Q1 2010, Ericsson acquired Pride, a leading Italian consulting and systems integration company. One thousand employees joined Ericsson.
- During 2009, Ericsson acquired Bizitek, the leading Turkish systems integrator of business support systems. One hundred sixteen employees joined Ericsson.
- At the end of 2007, Ericsson acquired HyC Group, a leading Spanish company in TV consultancy and systems integration, further strengthening Ericsson's position in the

services and multimedia domains as a systems integrator of IPTV solutions. One hundred ten employees joined Ericsson.

- During 2005, Ericsson acquired systems integration companies Teleca OSS (Sweden) and TUSC (Australia). One hundred twenty employees joined Ericsson – 40 from Teleca OSS and 80 from TUSC.
- During 2004, Ericsson made the strategic acquisitions of Audilog (France), which specializes in systems integration in the network management area, and telecom services provider Enditel (Spain).

INDUSTRY LEADER IN MANAGED SERVICES

- Ericsson has the telecom industry's most comprehensive managed services offering. It ranges from designing, building, operating and managing day-to-day operations of a customer's network, including end-user services and business-support systems, to hosting service-layer solutions, as well as providing network coverage and capacity on demand.
- We have more than 15 years' experience in managing multivendor, multi-technology networks for operators globally.
- In all current managed services contracts, Ericsson provides managed services for networks that together serve more than 1 billion subscribers worldwide.
- Since the start of managed services, more than 35,000 employees transferred through managed services deals.

MANAGED SERVICES CONTRACTS

- In total in 2015, Ericsson signed 101 managed services contracts (of which 46 were extensions/expansions).
- In Q4 2015, Ericsson signed 26 managed services contracts (of which 16 were extensions and expansions).
- In Q3 2015, Ericsson signed 18 managed services contracts (of which seven were extensions and expansions).
- In Q2 2015, Ericsson signed 30 managed services contracts (of which 22 were extensions and expansions).
- In Q1 2015, Ericsson signed 27 managed services contracts (of which 16 were extensions and expansions).
- In total in 2014, Ericsson signed 71 managed services contracts (of which 33 were extensions/expansions).

PRESS BACKGROUNDER

FEBRUARY, 2016



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- In Q4 2014, Ericsson signed 17 managed services contracts (of which 10 were extensions and expansions).
 - In Q3 2014, Ericsson signed 17 managed services contracts (of which 11 were extensions and expansions).
 - In Q2 2014, Ericsson signed 21 managed services contracts (of which eight were extensions/expansions).
 - In Q1 2014, Ericsson signed 16 managed services contracts (of which four were extensions/expansions).
 - In total in 2013, Ericsson signed 84 managed services contracts (of which 31 were extensions/expansions).
 - In Q4 2013, Ericsson signed 25 managed services contracts (of which 10 were extensions/expansions).
 - In Q3 2013, Ericsson signed 19 managed services contracts (of which eight were extensions/expansions).
 - In Q2 2013, Ericsson signed 19 managed services contracts (of which five were extensions/expansions).
 - In Q1 2013, Ericsson signed 21 managed services contracts (of which eight were extensions/expansions).
 - In total in 2012, Ericsson signed 52 managed services contracts (of which 19 were extensions/expansions).
 - In total in 2011, Ericsson signed 70 managed services contracts (of which 32 were extensions/expansions).
 - In total in 2010, Ericsson signed 54 managed services contracts (of which 26 were extensions/expansions).
 - In Q4 2011, Ericsson announced the expansion of the managed services partnership with Bharti in India. Ericsson operates, maintains and provides services across 70 percent of Bharti Airtel's network in India.
 - In Q3 2011, Ericsson announced its first managed services contract in the Slovak Republic with Slovak Telecom and the first managed services for LTE contract, with Open Mobile, in Latin America.
 - In Q3 2011, Ericsson announced the world's biggest IPTV upgrade deal for Chunghwa Telecom in Taiwan.
 - In Q2 2011, Ericsson announced its first managed services contract in France with Omea Telecom for Virgin Mobile.

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- In Q1 2011, Ericsson made the first public announcements for managed services contracts in Japan with EMOBILE and in Thailand with DTAC.
 - In Q1 2011, Ericsson announced the first media broadcast managed services deal in Asia with MediaCorp.
 - In 2010, Ericsson announced the first managed services contract for an LTE network with TDC in Denmark.
 - In 2010, Ericsson announced the largest managed services agreement at the time in China, with China Mobile, covering field maintenance of 22,000 sites over three years.
 - In 2009, contracts with Sprint in the US and with Zain in Nigeria were announced, both breakthrough contracts on their respective continents.
 - In 2009, Ericsson announced the first major managed services contract with a broadcaster; a 10-year strategic partnership with Sweden's TV4 Group for the operations of its nationwide playout services.
 - In 2007, Ericsson signed a multivendor spare-parts management contract with Vodafone, one of the largest of its kind at the time.
 - In 2005, Ericsson announced two major contracts for managed services with 3 Italy and 3 UK.

INDUSTRY LEADER IN DESIGN, DEPLOYMENT AND INTEGRATION, AND SUPPORT OF MOBILE NETWORKS

- Each year, Ericsson manages more than 1,400 major projects for network build, expansion or migration for all major standards of mobile and fixed networks worldwide. On average, 100 of these are large, complex turnkey projects.
- We have completed turnkey deployments of networks for 275 customers in 180 countries during the past two decades.
- Ericsson is the world leader in 3G network design and technology consulting, with more than 300 completed 3G projects in radio network tuning and optimization, network design, network strategy consulting and network security consulting.
- We have more than 15 years' experience from more than 1,100 multivendor interface integrations for about 190 operators worldwide.
- In 2009, Ericsson conducted the world's largest live network upgrade in record time for Vodafone Essar in India. 10,500 sites were replaced in 13 months.
- 24/7 support of networks with more than 2.5 billion subscribers.
- Ericsson handles spare part assets and logistics in 250 spare parts management service (SPMS) contracts globally.

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- Ericsson has more than 40 proactive support and preventive system maintenance contracts delivered globally.

INDUSTRY LEADER IN CONSULTING AND SYSTEMS INTEGRATION

- Ericsson offers a full consulting services portfolio that is divided into four consulting disciplines: strategy consulting, operational consulting, competence consulting and technology consulting.
- Our comprehensive offering in learning services ranges from training programs and learning solutions to managed learning.
- Ericsson's systems integration expertise covers multimedia services and service networks, core network and technology transformation, IP Multimedia Subsystem (IMS), telecom management, and satellite communications.
- Our 17,000 consultants and systems integrators deliver more than 1,500 projects in multivendor and multi-technology environments to operators, enterprises, and national security and public safety organizations every year.
- Ericsson has integrated more than 80 IMS solutions for commercial deployment, 47 of which are in live operation, for both fixed and mobile operators.
- In the service network domain, Ericsson has integrated more than 40 Ericsson SDP and 60 Ericsson Drutt MSDP globally, integrated messaging solutions for more than 230 customers, integrated more than 40 video calling solutions, 90 commercial mobile-TV solutions, 100 device-management solutions and 95 mobile-positioning systems and solutions.
- In the telecom management domain, Ericsson has integrated more than 500 OSS and network management solutions and more than 800 real-time charging, pre-paid, billing, mediation, activation and settlement solutions.
- We have extensive experience in multivendor integration and testing of terminals and networks. We perform more than 650 terminal-verification projects with more than 40 customers per year and multivendor network verification projects for more than 190 operators per year.
- Ericsson has world-class consultants with extensive competence and experience in supporting operator service launches, marketing strategy, pricing strategy and consumer services creation.
- Ericsson has extensive experience with more than 300,000 student days per year on a global scale.

CONSULTING AND SYSTEMS INTEGRATION CONTRACTS

- In total in 2015, Ericsson signed 56 new significant contracts (of which 27 were for OSS/BSS).
- In Q4 2015, Ericsson signed 21 new significant contracts (of which 13 were for OSS/BSS).
- In Q3 2015, Ericsson signed 16 new significant contracts (of which eight were for OSS/BSS).
- In Q2 2015, Ericsson signed 16 new significant contracts (of which 6 were for OSS/BSS).
- In Q1 2015, Ericsson signed 13 new significant contracts (of which 8 were for OSS/BSS).
- In total in 2014, Ericsson signed 56 new significant contracts (of which 27 were for OSS/BSS).
- In Q4 2014, Ericsson signed 22 new significant contracts (of which 13 were for OSS/BSS).
- In Q3 2014, Ericsson signed 13 new significant contracts (of which six were for OSS/BSS).
- In Q2 2014, Ericsson signed 12 new significant contracts (of which six were for OSS/BSS).
- In Q1 2014, Ericsson signed nine new significant contracts (of which two were for OSS/BSS).
- In total in 2013, Ericsson signed 31 new significant contracts (of which 15 were for OSS/BSS).
- In Q4 2013, Ericsson signed nine new significant contracts (of which two were for OSS/BSS).
- In Q3 2013, Ericsson signed six new significant contracts (of which three were for OSS/BSS).
- In Q2 2013, Ericsson signed eight new significant contracts (of which four were for OSS/BSS).
- In Q1 2013, Ericsson signed eight new significant contracts (of which six were for OSS/BSS).
- In total in 2012, Ericsson signed 24 new significant contracts (of which 20 were for OSS/BSS).

PRESS BACKGROUNDER

FEBRUARY, 2016



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- In total in 2011, Ericsson signed 34 new significant contracts for OSS/BSS, SDP and data center build (of which 26 were for OSS/BSS).
 - In total in 2010, Ericsson signed 13 revenue assurance contracts.
 - In 2010, Ericsson announced a seven-year services business agreement with Telefónica Group and Spanish IT company Indra, to deliver pre-paid services to more than 20 of the Telefónica Group operations worldwide.
 - In 2009, Ericsson signed more than 10 revenue assurance contracts.
 - In 2008, Ericsson signed a prime integrator revenue assurance contract with Telefónica across Latin America. Under the agreement, Ericsson provides consulting and systems integration services for Telefónica's fixed and mobile operations, allowing Telefónica to improve control of its revenue streams.

PRESS BACKGROUNDER

FEBRUARY, 2016



NOTES TO EDITORS

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Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, business and society to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2015 were SEK 246.9 billion (USD 29.4 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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