
ERICSSON CEO AT AGM: “TRANSFORMATION A NECESSITY TO CAPTURE BUSINESS OPPORTUNITIES”

- Continued progress on Networked Society strategy with focus on market development, growth agenda, transformation and profitability
- Driving ICT transformation with focus on 5G
- Strong commitment to sustainability and corporate responsibility with continuous and measurable improvements in all areas

At the Annual General Meeting of shareholders, Ericsson (NASDAQ:ERIC) President and CEO Hans Vestberg reviewed the company's stable financial performance for 2014 and discussed its Networked Society strategy. Vestberg talked about the change in the business mix, with 66 percent of the company's sales for 2014 coming from services and software - and what requirements are being placed on today's networks in order to capture all the needs from its users.

“Our customers need to innovate in order to grow their revenues; they need to transform their IT systems in order to capture efficiency gains and enhance the user experience; and they need to evolve their networks in order to meet current and coming requirements and the introduction of new services and applications.

“In this transforming industry we need to stay ahead of the curve and lead the change in order to capture the opportunities that this brings for us as an ICT partner”, said Hans Vestberg

Vestberg talked about Ericsson's strategic direction in which the company is set to excel in its core business, where it has market leadership in mobile infrastructure and telecom services, and to build a leading position within targeted areas. The targeted areas in which the company is investing – IP networks, cloud, OSS/BSS, TV & Media, and Industry & Society – showed good progress during 2014 with sales growth above 10%.

FOCUS ON 5G

Ericsson's Chief Marketing and Communications Officer, Helena Norrman, and the Chief Technology Officer, Ulf Ewaldsson, both joined Vestberg on stage to address the company's industry leading product portfolio and the strong initiatives within 5G.

Norrman said: “We have strengthened our offering in order to pave the way for the company's strategic direction, as announced at the Mobile World Congress in Barcelona in March. We are taking the lead towards 5G with the new Ericsson Radio System – providing

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increased capacity and substantially lower energy consumption – and our new networks software release that provides additional functionality and capacity and paves the way towards more cloud-based functionality in the networks.”

Ewaldsson said: “Our success over the years is very much dependent on our technology leadership and last year alone, we spent SEK 36 billion on research and development. We are passionate about developing today’s network and services to new levels to realize the Networked Society.”

Ewaldsson then presented the company’s ‘Inventors of the year’ awards, recognizing employees who have substantially contributed to the company’s leading patent portfolio which today includes 37,000 patents. The 2014 winners were Panagiotis Saltsidis, Business Unit Cloud & IP, Daniel Larsson, Ericsson Research, and Gunnar Mildh, Ericsson Research. The trio contributed with 277 patent applications in 2014.

CORPORATE RESPONSIBILITY

Ericsson published its 22nd Sustainability and Corporate Responsibility Report, summarizing its 2014 performance in the following areas: Responsible Business; Energy, Environment and Climate; and Communication for All.

During 2014, Ericsson further strengthened its approach to human rights and business, broadened its focus on occupational health and safety to be more inclusive of supply chain activities, and enhanced portfolio and operational efforts to reduce environmental impacts associated with energy consumption.

Elaine Weidman-Grunewald, Vice President, Sustainability and Corporate Responsibility, Ericsson, said: “Our ambition to be a responsible and relevant driver of positive change in the Networked Society starts with conducting business responsibly. Each year brings new challenges and opportunities, but sustainability and corporate responsibility have become an integral part of our mindset and identity, and the impact we want to have on the world.”

CONCLUDING REMARKS

Vestberg concluded his presentation with the following remarks:

“We aim to continue to grow faster than the market, improve operating income by monetizing our footprint, building successes in targeted growth areas and by efficiency improvements. The long-term fundamentals in the industry remain attractive and the transformation journey that accelerated during 2014 will continue throughout 2015 and beyond. Going forward, I’m convinced Ericsson has what it takes to generate sustainable value for shareholders and customers and continue to lead and shape the industry.”

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NOTES TO EDITORS

Download high-resolution photos and broadcast-quality video at www.ericsson.com/press

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 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Corporate Communications

Phone: +46 10 719 69 92

E-mail: media.relations@ericsson.com

Ericsson Investor Relations

Phone: +46 10 719 00 00

E-mail: investor.relations@ericsson.com