
ERICSSON CEO STRESSES IMPORTANCE OF TRANSFORMATION AT SHAREHOLDER MEETING

- New industry paradigm requires Ericsson to continuously transform to stay relevant
- Vestberg says financial results for 2013 were solid, and focus on profitability is starting to pay off
- Ericsson outlines its continued commitment to responsible business practices, including its robust anti-corruption program

At its Annual General Meeting of Shareholders, Ericsson (NASDAQ:ERIC) reviewed healthy financial results for 2013 and outlined its vision to hold its leadership position in the rapidly-developing Networked Society. President and CEO Hans Vestberg told shareholders he intended to deliver strong earnings and value by driving transformation “across all industries and within our own company”.

Vestberg compared Ericsson from 1999 to 2013, showing how the company’s sales split across hardware, services, and software has changed dramatically. Today’s more agile networks demand more software for faster upgrade and more intelligent services to consumers. Since 1999, Ericsson has transformed its sales from 73 percent hardware and 27 percent software and services, to the current level of 34 percent hardware, 43 percent services and 23 percent software. In 1999, there were more than 103,000 employees of which 43,500 were based in Sweden. Today there are more than 114,000 but only about 17,858 are based in Sweden.

Responsible business and technology as a force for good came into focus, with a short presentation by Elaine Weidman-Grunewald, Vice President of Sustainability and Corporate Responsibility. She summarized the company’s progress in three areas: conducting business responsibly; energy, environment and climate change; and Communications for All.

She emphasized Ericsson’s zero tolerance for corruption and said: “Over the past decade we have worked diligently to increase the robustness of our programs around anti-corruption. We put great emphasis in ensuring that employees and leaders are aware of this and some 85,000 employees have completed our anti-corruption training program in 2013.”

The company’s annual Sustainability and Corporate Responsibility report was published today and can be [accessed here](#) >>

PRESS RELEASE

APRIL 11, 2014



During the CEO address to shareholders at AGM, Vestberg offered a summary of Ericsson's financial performance for 2013. "It was a strong year," he said. "We grew 5 percent which was better than our addressable market. We improved our operating margin and generated a solid operating cash flow, which gives Ericsson a strong balance sheet to capture the opportunities that lie ahead."

Vestberg named the company's strategic priorities in order to create the Networked Society. He said: "Industries and companies are using broadband on an industrial scale to improve processes. People are using connected devices, to help them be healthier and stay closer to loved ones. It is our job to build the foundation to make all that possible."

Business highlights from the year included deals with Volvo Cars, Maersk Line and E.ON, all using mobility, broadband and cloud to offer real-time services to their customers.

2013 also featured results in the IPR licensing agreement with Samsung, which ended the patent-related legal disputes between the companies and shows the benefits of sharing technology on fair, reasonable and non-discriminatory (FRAND) terms. Vestberg pointed out strategic decisions such as acquisitions of Mediaroom and the intention to acquire Red Bee Media in order to fill portfolio gaps and build capabilities in the areas of OSS/BSS and TV and Media. He also invited Johan Wibergh, Head of Business Unit Networks, to show shareholders the Ericsson Radio Dot System and talk about that launch as a game-changer for indoor coverage.

Vestberg concluded: "We are committed to our strategic framework to excel in our core business, establish leadership in targeted areas, and expand business in new areas in order to deliver the best value to our employees, our customers, and our shareholders."

NOTES TO EDITORS

A video with President and CEO's remarks and photos will be available at www.ericsson.com/press after the meeting is closed..

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, businesses and societies 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 more than 110,000 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.

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Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2013 were SEK 227.4 billion (USD 34.9 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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