
ERICSSON TO CLOSE DOWN TELECOM CABLE MANUFACTURING

- Primarily impacts operations in Hudiksvall and Stockholm in Sweden; notice of reduction of 318 positions in Hudiksvall
- Union negotiations initiated; expected to be completed during the third quarter 2013. No individual notice of termination will be given before August
- Ericsson initiates the closure of its development and production of cables

Ericsson (NASDAQ: ERIC) today initiated union negotiations to close down its telecom cables operation within business unit Networks.

As the market for copper cable has declined and the market for fiber cable has grown over the last years, the production has shifted towards Asia, where the majority of the business volumes for fiber cable are found. In Europe there is more production than demand for both copper and fiber cables.

Tomas Qvist, head of Special Products in business unit Networks, and head of Human Resources for Ericsson in Sweden, says: "It is a tough message to bring to our colleagues in the telecom cable operations in Hudiksvall and Stockholm today. The decision is based on the fact that Ericsson's production of telecom cables is small from a global perspective, and that we also have a small market share. There is overproduction on the cable market in Europe. Unfortunately, our production has not been operating at full capacity for a long time and has struggled with profitability."

The announcement primarily impacts the operations in Hudiksvall and Stockholm. A notice of reduction of 318 positions in Hudiksvall is given, and a dialog with the unions in Stockholm for how to close down 36 positions in Stockholm is initiated.

Net sales for telecom cables operations in 2012 amounted to approximately SEK 1 billion.

The current best estimate is that today's announcement will generate restructuring charges of about SEK 0.5 billion. With the current time plan, approximately half will impact of business unit Networks' operating income in the second quarter 2013. The rest will impact Networks' operating income in the third quarter 2013.

Ericsson invites members of the press today, May 21, at 4 pm CET to Kabelvägen 1 in Hudiksvall. Tomas Qvist will be available to answer questions.

PRESS RELEASE

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Today's information does not impact the process for the divestment of the power cables operations to NKT Cables announced on May 3, 2013.

NOTES TO EDITORS

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Our offering comprises services, software and infrastructure within Information and Communications Technology for telecom operators and other industries. Today 40 percent of the world's mobile traffic goes through Ericsson networks and we support customers' networks servicing more than 2.5 billion subscriptions.

We are more than 110,000 people working with customers in more than 180 countries. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2012 the company's net sales were SEK 227.8 billion (USD 33.8 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

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