

---

## NEXT STEP IN GLOBAL COST AND EFFICIENCY PROGRAM

- Cost and efficiency program announced in November, 2014, now moving into next phase with activities worldwide
- 2015 activities will mainly target structural improvements in R&D, Service Delivery and Supply globally
- Includes both headcount reductions as well as savings in external costs across operations globally

Ericsson continues to execute on strategy to excel in core areas: Radio, Core and Transmission and Telecom Services, to fund growth in the targeted areas: IP networks, Cloud, TV & Media, OSS & BSS and Industry & Society. The pace of change is increasing in the industry, accelerated further by industries converging. The pace of change is also accelerating in Ericsson (NASDAQ:ERIC) as the company transforms to ensure leadership in the ICT industry.

As announced at Ericsson's Capital Markets Day on November 13, 2014, accelerated efficiency measures will start in 2015 and run through 2017 globally. In 2015, the cost and efficiency program activities will mainly target structural improvements in R&D, Service Delivery and Supply globally to secure highly efficient, effective and industry-leading operations to support growth. The establishment of the three global ICT centers with a common test and development strategy and methodology for R&D is part of the long-term structural improvements and efficiencies.

The program includes both headcount reductions as well as savings in external costs across the company's operations globally. Today, Ericsson is announcing that 2,200 positions in Sweden, mainly in R&D and Supply, are subject to notice.

There will also be efficiencies in sales, general and administration, as well as reductions in external cost, for example related to the number of consultants and consolidation of IT portfolio.

The program targets savings of approximately SEK 9 b. with full effect during 2017. This is a long-term initiative with an ambition to reduce operating expenses and cost of sales across all Ericsson's operations, units and functions already in 2015 in order to fund growth in targeted growth areas. As previously communicated, annual restructuring normally generates charges of approximately SEK 2 b. In addition, the cost and efficiency program will generate approximately SEK 3-4 b. in restructuring charges in 2015-2017.

NEWS RELEASE  
MARCH 11, 2015



---

Progress updates on the program will be included in Ericsson's earnings reports.

#### NOTES TO EDITORS

Download high-resolution photos and broadcast-quality video at [www.ericsson.com/press](http://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.*

[www.ericsson.com](http://www.ericsson.com)

[www.ericsson.com/news](http://www.ericsson.com/news)

[www.twitter.com/ericssonpress](https://www.twitter.com/ericssonpress)

[www.facebook.com/ericsson](https://www.facebook.com/ericsson)

[www.youtube.com/ericsson](https://www.youtube.com/ericsson)

FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Corporate Communications

Phone: +46 10 719 69 92

E-mail: [media.relations@ericsson.com](mailto:media.relations@ericsson.com)

Ericsson Investor Relations

Phone: +46 10 719 00 00

E-mail: [investor.relations@ericsson.com](mailto:investor.relations@ericsson.com)