

THIRD QUARTER REPORT 2015

Stockholm, October 23, 2015

THIRD QUARTER HIGHLIGHTS	Read more (page)
> Reported sales increased by 3% YoY. Sales, adjusted for comparable units and currency, decreased by -9% due to lower sales in Networks. This was partly offset by sales growth in Professional Services.	3
> The mobile broadband business in North America remained stable QoQ, but at a lower level compared to the same period last year.	3
> Reported sales in Networks declined sequentially impacted by a slowdown of the 4G deployments in Mainland China.	6
> Gross margin declined YoY to 33.9% (35.2%). Excluding restructuring charges, gross margin decreased to 34.5% (35.5%) due to a higher share of Global Services sales.	3
> The global cost and efficiency program is progressing according to plan, contributing to lower cost level YoY.	3
> Operating margin, excluding restructuring charges, improved YoY to 10% (7%). Network Rollout, within Global Services, reached a break-even result.	4
> Cash flow from operating activities was SEK 1.6 (-1.4) b.	9

SEK b.	Q3 2015	Q3 2014	YoY change	Q2 2015	QoQ change	9 months 2015	9 months 2014
Net sales	59.2	57.6	3%	60.7	-2%	173.4	160.0
<i>Sales growth adj. for comparable units and currency</i>	-	-	-9%	-	-2%	-7%	-2%
Gross margin	33.9%	35.2%	-	33.2%	-	34.1%	36.0%
<i>Gross margin excluding restructuring charges</i>	34.5%	35.5%	-	35.1%	-	35.3%	36.2%
Operating income	5.1	3.9	31%	3.6	43%	10.8	10.5
<i>Operating income excluding restructuring charges</i>	6.1	4.2	46%	6.3	-4%	15.1	11.2
Operating margin	8.6%	6.7%	-	5.9%	-	6.2%	6.6%
<i>Operating margin excluding restructuring charges</i>	10.2%	7.2%	-	10.4%	-	8.7%	7.0%
Net income	3.1	2.6	19%	2.1	47%	6.7	7.0
EPS diluted, SEK	0.94	0.81	16%	0.64	47%	1.98	2.25
EPS (Non-IFRS), SEK ¹⁾	1.34	1.11	21%	1.45	-8%	3.56	3.08
Cash flow from operating activities	1.6	-1.4	-	3.1	-49%	-1.3	10.1
Net cash, end of period	-0.2	29.4	-	3.5	-	-0.2	29.4

¹⁾ EPS, diluted, excl. amortizations and write-downs of acquired intangible assets, and restructuring.

CEO COMMENTS

Reported sales increased by 3% YoY. Sales, adjusted for comparable units and currency, decreased by -9%, due to lower sales in Networks. This was partly offset by continued solid sales growth in Professional Services. Profitability improved YoY, with lower operating expenses as a significant contributor.

Business

Sales growth remained strong in India as well as in South East Asia and Oceania compared to the same period last year, while sales declined in North East Asia as well as in Northern Europe and Central Asia.

The mobile broadband business in North America remained stable QoQ, but at a lower level compared to the same period last year.

In the quarter, there was a slowdown of the 4G deployments in Mainland China. We also saw a somewhat slower pace of mobile broadband investments in markets such as Russia, Brazil and parts of the Middle East which had a weak macro development.

Professional Services sales increased by 15% YoY, with double-digit growth in eight out of ten regions, driven by strong performance across the portfolio.

Profitability

Operating income, excluding restructuring charges, increased by 46% YoY with improvements in all segments. The main contributors to the profit improvement were lower operating expenses and a break-even result in Network Rollout. The negative effect of revaluation and realization of currency hedge contracts was lower than a year ago.

Global Services operating margin increased to 9% as an effect of the improved Network Rollout profitability and a solid result in Professional Services. Segment Networks profitability remained stable in the quarter, with an operating margin of 10%, despite lower sales.

Cost and efficiency program

The global cost and efficiency program, with the target to achieve annual net savings of SEK 9 b. during 2017, is progressing according to plan. Since the announcement in November last year, a number of activities have been implemented globally, contributing to lower cost levels.

Cash flow

After a weak first quarter our cash flow from operating activities has now been positive for the last two quarters despite major payouts related to the ongoing cost and efficiency program. Cash flow year to date has been negatively impacted by increased working capital. This was driven by a business mix with a high share of coverage projects in Mainland China and emerging markets.

Targeted growth areas

Our strategic growth initiatives build on a combination of excelling in our core business and establishing leadership in targeted growth areas. We see continued good progress in these areas which had a sales growth of more than 10% YoY.

In targeted growth area TV & Media we made two important customer announcements in North America, confirming our strong position in the fast-growing TV & Media market. In addition, Ericsson signed an agreement to acquire the Nasdaq-listed company Envivio, a global leader in software-based video encoding.

There is an increased customer interest in future network architecture for 5G, virtualization, efficient video delivery and internet of things (IoT). With our ongoing strategic initiatives, we are well positioned to create value for our customers and shareholders in a transforming market.

Hans Vestberg
President and CEO

FINANCIAL HIGHLIGHTS

SEK b.	Q3 2015	Q3 2014	YoY change	Q2 2015	QoQ change	9 months 2015	9 months 2014
Net sales	59.2	57.6	3%	60.7	-2%	173.4	160.0
<i>Of which Networks</i>	28.8	30.0	-4%	31.2	-8%	86.4	83.4
<i>Of which Global Services</i>	27.1	24.5	11%	26.4	3%	77.3	67.9
<i>Of which Support Solutions</i>	3.3	3.1	8%	3.1	6%	9.5	8.6
<i>Of which Modems</i>	-	0.1	-	0.0	-	0.1	0.1
Gross income	20.1	20.3	-1%	20.1	0%	59.2	57.5
Gross margin (%)	33.9%	35.2%	-	33.2%	-	34.1%	36.0%
Research and development expenses	-8.5	-9.3	-8%	-9.9	-14%	-26.9	-26.6
Selling and administrative expenses	-6.4	-6.0	7%	-7.8	-18%	-21.3	-19.0
Other operating income and expenses	0.1	-1.1	-	1.1	-92%	-0.1	-1.3
Operating income	5.1	3.9	31%	3.6	43%	10.8	10.5
Operating margin	8.6%	6.7%	-	5.9%	-	6.2%	6.6%
<i>for Networks</i>	10%	11%	-	8%	-	7%	11%
<i>for Global Services</i>	9%	7%	-	6%	-	7%	6%
<i>for Support Solutions</i>	0%	-4%	-	-8%	-	-2%	-5%
<i>for Modems</i>	-	-	-	-	-	-	-
Financial net	-0.6	-0.1	385%	-0.5	18%	-1.2	-0.5
Taxes	-1.3	-1.1	19%	-0.9	47%	-2.9	-3.0
Net income	3.1	2.6	19%	2.1	47%	6.7	7.0
<i>Restructuring charges</i>	-1.0	-0.3	251%	-2.7	-64%	-4.3	-0.7

Net sales

Reported sales increased by 3% YoY.

Sales, adjusted for comparable units and currency, decreased by -9% mainly due to lower business activity in Japan, Russia and Brazil. This was partly offset by a strong sales growth in India as well as in South East Asia and Oceania.

The mobile broadband business in North America remained stable QoQ, but at a lower level compared to the same period last year.

Professional Services sales increased YoY, driven by strong performance across the portfolio with double-digit growth in eight out of ten regions. Networks sales decreased mainly due to lower business activity in Russia, Japan and the Middle East.

Sequentially, reported sales decreased by -2%. In the quarter there was a slowdown of the 4G deployments in Mainland China. There was also a somewhat slower pace of mobile broadband investments in certain markets such as Russia, Brazil and parts of the Middle East which had a weak macro development.

Reported IPR revenues were stable both YoY and QoQ. The majority of the licenses contracts are in USD and the stronger USD supported the YoY comparison.

Gross margin

Gross margin decreased YoY due to a higher share of Global Services sales and increased restructuring charges. Excluding restructuring charges, gross margin was 34.5% (35.5%).

Sequentially, gross margin increased due to lower restructuring charges. This was partly offset by a higher share of Global Services sales.

Restructuring charges and cost and efficiency program

The global cost and efficiency program is progressing according to plan. The target remains, to achieve annual net savings of SEK 9 b. during 2017 relative to 2014.

Total restructuring charges for full-year 2015 are expected to be approximately SEK 5 b.

Operating expenses

Operating expenses, excluding restructuring charges, decreased to SEK 14.3 (15.2) b. partly driven by the ongoing cost and efficiency program and partly from cost adjustments following lower business volumes.

Restructuring charges impacted operating expenses negatively by SEK 0.6 (0.1) b.

Quarterly sales and reported sales growth year over year



Operating expenses and operating expenses, % of sales



Operating income and operating margin



Other operating income and expenses

Other operating income and expenses improved YoY. The revaluation and realization effects of currency hedge contracts were SEK -0.3 b. This was more than offset by several minor positive items. The effect of currency hedge contracts is to be compared to SEK 0.6 b. in Q2 2015 and SEK -1.3 b. in Q3 2014.

The main part of the currency hedge contract balance is in USD. The SEK has weakened towards the USD between June 30, 2015 (SEK/USD rate 8.24) and Sept 30, 2015 (SEK/USD rate 8.38).

Operating income

Operating income increased YoY due to a lower negative effect of currency hedge contracts, lower operating expenses and a break-even result in Network Rollout. This was partly offset by a decline in Network sales. Operating income increased QoQ driven by lower restructuring charges and lower operating expenses.

Financial net

The negative financial net increased YoY and QoQ, mainly related to effects of foreign currency revaluation. In addition, the lower cash position and lower interest rates have resulted in reduced financial income.

Net income and EPS

Net income and EPS diluted increased YoY following higher operating income. Net income and EPS diluted increased QoQ. EPS (Non-IFRS) were SEK 1.34 (1.11).

Employees

The number of employees on Sept 30, 2015 was 116,240 compared with 117,183 on June 30, 2015. In the quarter, close to 5,000 employees left the company. The decrease was partly offset by recruitments to Global Service Delivery Centers, employees joining through acquisitions and in-sourcing from new managed services contracts. Some of the headcount reduction was related to the global cost and efficiency program. The majority of the earlier announced reductions in Sweden, of approximately 1,700 employees, is expected to be completed by the end of this year. The number of Ericsson's services professionals on Sept 30, 2015 was 65,000 (65,000 June 30, 2015).

MODEMS

The discontinuation of the modems business is now completed.

REGIONAL SALES

SEK b.	Third quarter 2015				Change	
	Networks	Global Services	Support Solutions	Total	YoY	QoQ
North America	6.4	6.9	1.0	14.4	2%	-2%
Latin America	2.5	2.9	0.2	5.6	-5%	11%
Northern Europe and Central Asia	1.4	1.0	0.1	2.5	-20%	-1%
Western and Central Europe	1.4	3.0	0.2	4.5	-2%	-12%
Mediterranean	2.2	3.2	0.2	5.5	5%	-7%
Middle East	2.7	2.6	0.4	5.7	-5%	-12%
Sub-Saharan Africa	1.2	1.3	0.1	2.7	10%	1%
India	2.4	1.1	0.1	3.6	81%	19%
North East Asia	4.1	2.0	0.2	6.3	-10%	-9%
South East Asia and Oceania	2.4	2.2	0.1	4.8	25%	-3%
Other ¹⁾	2.0	0.8	0.8	3.5	4%	4%
Total	28.8	27.1	3.3	59.2	3%	-2%

¹⁾ Region "Other" includes licensing revenues, broadcast services, power modules, mobile broadband modules, Ericsson-LG Enterprise and other businesses.

North America

The mobile broadband business in North America remained stable QoQ. Operators continued to focus on cash flow optimization and consolidation, leading to lower investment levels compared to the same period last year. ICT transformation and professional services developed favorably. In the quarter, two important TV & Media agreements were announced.

Latin America

In the quarter the mobile broadband investment levels in Brazil were reduced somewhat driven mainly by local currency depreciation towards the USD. This was partly offset by continued mobile broadband investments in Mexico. ICT transformation and professional services business developed favorably, mainly in the OSS and BSS domain.

Northern Europe and Central Asia

The mobile broadband business declined in the quarter, due to continued low investment levels in Russia. This was partly offset by coverage investments in Ukraine. In the Nordics, efficiency and ICT transformation were the main drivers of the good development in Professional Services and Support Solutions.

Western and Central Europe

Sales in mobile broadband declined partly due to the completion of some key projects in the quarter. Operators remained focused on network quality and operational efficiency which were the main drivers of the continued strong development in Professional Services.

Mediterranean

Mobile broadband investments in quality and capacity contributed positively to sales. Operator focus on efficiency was the main growth driver in Professional Services.

Middle East

Networks sales declined as a few key mobile broadband coverage projects related to 3G were finalized. Some countries in the region are experiencing slower GDP growth and local currency depreciation towards USD creating a temporary slowdown of mobile broadband investments. Transformation projects in the OSS, BSS and TV domains were the main drivers of the strong development of Professional Services and Support Solutions sales.

Sub-Saharan Africa

Sales growth was driven by a continued positive development of professional services business as operators are focusing on network quality and efficiency. The mobile broadband business was stable.

India

The high level of mobile broadband investments, which started in the beginning of 2015, continued in the quarter with the main driver being mobile data traffic growth. The managed services business developed favorably as operators focus on network optimization and efficiency.

North East Asia

Lower operator investments in Japan continued. In Mainland China there was a slowdown of the 4G deployments. Given the high 4G subscriber penetration in Mainland China, operators see new business opportunities and through the acquisition of Sunrise Technologies Ericsson has strengthened its position to support customers in their transformation.

South East Asia and Oceania

Sales growth was primarily driven by continued mobile broadband coverage projects. Important mobile broadband agreements were announced in Indonesia in the quarter. The managed services business developed favorably as operators focus on network optimization and efficiency.

Other

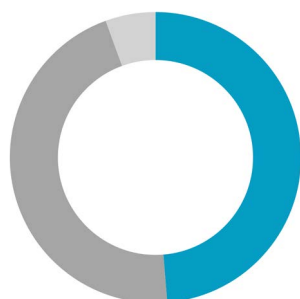
Reported IPR revenues were stable YoY. The majority of the license agreements are in USD and the stronger USD supported the YoY comparison.

Broadcast services sales continued to grow.

SEGMENT RESULTS

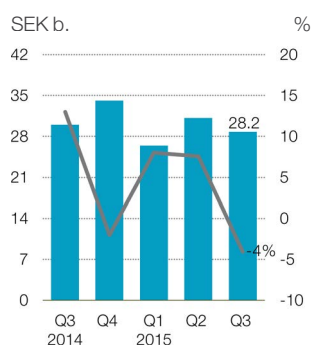
NETWORKS

Segment sales



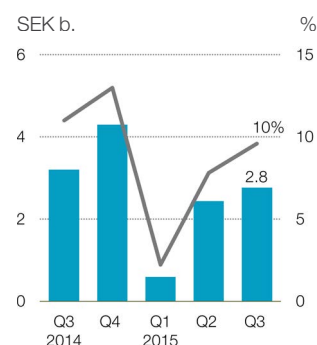
■ Networks
■ Global Services
■ Support Solutions

Quarterly sales and sales growth year over year



■ Quarterly sales
■ Sales growth

Operating income and operating margin



■ Operating income
■ Operating margin

SEK b.	Q3 2015	Q3 2014	YoY change	Q2 2015	QoQ change	9 months 2015	9 months 2014
Net sales	28.8	30.0	-4%	31.2	-8%	86.4	83.4
<i>Sales growth adj. for comparable units and currency</i>	-	-	-15%	-	-6%	-11%	0%
Operating income	2.8	3.2	-13%	2.4	14%	5.8	9.2
<i>Operating income excluding restructuring charges</i>	3.3	3.3	2%	4.3	-22%	8.4	9.5
Operating margin	10%	11%	-	8%	-	7%	11%
<i>Operating margin excluding restructuring charges</i>	12%	11%	-	14%	-	10%	11%
EBITA margin	11%	13%	-	10%	-	9%	13%
<i>Restructuring charges</i>	-0.6	-0.1	-	-1.8	-69%	-2.6	-0.3

Net sales

Reported sales decreased by -4% YoY. Sales, adjusted for comparable units and currency, decreased by -15% YoY. The decline was mainly due to lower sales in the Middle East, North East Asia as well as in Northern Europe and Central Asia. Sales declined in Radio, partly offset by sales growth in Microwave and IP routing.

Sales, adjusted for comparable units and currency, decreased QoQ. In the quarter, there was a slowdown of the 4G deployments in Mainland China. There was also a somewhat slower pace of mobile broadband investments in markets such as Russia, Brazil and parts of the Middle East which had a weak macro development.

Sales in India contributed positively while mobile broadband business in North America remained stable QoQ, but at a lower level compared to the same period last year.

Operating income and margin

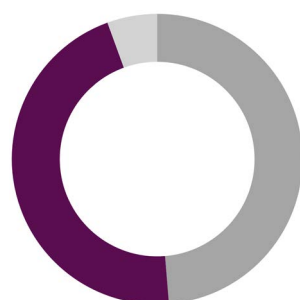
Operating income decreased YoY due to higher restructuring charges and lower sales. Lower operating expenses contributed positively. Operating margin was stable YoY.

Sequentially, operating income and margin improved, mainly due to lower operating expenses and restructuring charges. This was partly offset by lower sales.

In the quarter, the effect of currency hedge contracts was negative at SEK -0.2 (-1.0) b. In Q2 2015 the effect of currency hedge contracts was positive at SEK 0.5 b.

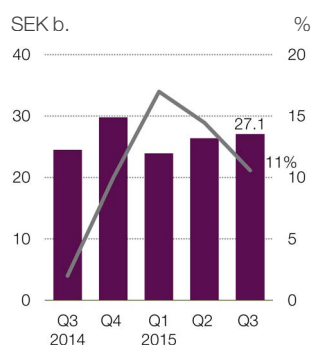
GLOBAL SERVICES

Segment sales



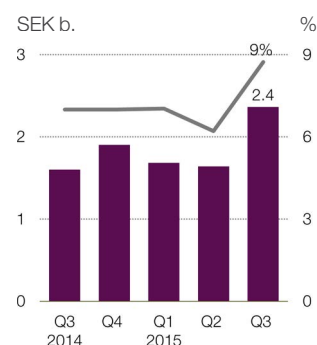
■ Networks
■ Global Services
■ Support Solutions

Quarterly sales and sales growth year over year



■ Quarterly sales
■ Sales growth

Operating income and operating margin



■ Operating income
■ Operating margin

SEK b.	Q3 2015	Q3 2014	YoY change	Q2 2015	QoQ change	9 months 2015	9 months 2014
Net sales	27.1	24.5	11%	26.4	3%	77.3	67.9
Of which Professional Services	20.5	17.8	15%	20.0	3%	58.7	49.4
Of which Managed Services	8.0	7.2	11%	8.2	-2%	23.6	19.4
Of which Network Rollout	6.5	6.7	-2%	6.4	2%	18.7	18.5
Sales growth adj. for comparable units and currency	-	-	-2%	-	2%	-2%	-4%
Operating income	2.4	1.6	47%	1.6	44%	5.7	4.1
Of which Professional Services	2.4	2.1	16%	2.4	-1%	6.9	6.0
Of which Network Rollout	0.0	-0.5	-95%	-0.8	-97%	-1.2	-1.9
Operating margin	9%	7%	-	6%	-	7%	6%
for Professional Services	12%	12%	-	12%	-	12%	12%
for Network Rollout	0%	-7%	-	-12%	-	-6%	-10%
Operating income excluding restructuring charges	2.7	1.7	57%	2.3	17%	7.2	4.4
Operating margin excluding restructuring charges	10%	7%	-	9%	-	9%	6%
EBITA margin	10%	8%	-	7%	-	8%	7%
Restructuring charges	-0.4	-0.1	193%	-0.7	-48%	-1.5	-0.2

Net sales

Reported sales increased by 11% YoY. Sales, adjusted for comparable units and currency, decreased by -2% YoY. Network Rollout sales declined. The positive momentum in Professional Services continued, with double-digit growth in eight out of ten regions, driven by strong performance across the portfolio.

Sales, adjusted for comparable units and currency, increased by 2% QoQ with growth in both Professional Services and Network Rollout.

Operating income and margin

Operating income and margin improved in Global Services YoY. Operating margin, excluding restructuring charges, was 10% (7%), driven by an improved income in Network Rollout and increased sales in Professional Services.

Operating margin in Network Rollout improved YoY, both including and excluding restructuring charges. Network Rollout operating margin, excluding restructuring charges, was 0% (-6%). The work, to restore Network Rollout to a sustainable profitable business, continues.

Operating margin in Professional Services was stable YoY.

The effect of currency hedge contracts YoY was SEK 0.0 (-0.2) b.

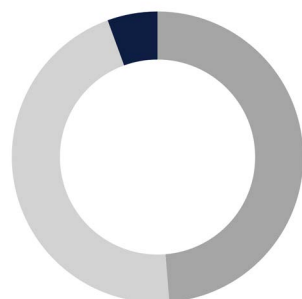
Global Services operating income increased QoQ driven by improved income in Network Rollout and lower restructuring charges. Professional Services margin was flat QoQ.

	Q3 2015	Q2 2015	Q1 2015	Full year 2014
Number of signed Managed Services contracts	18	30	27	71
Number of signed significant consulting & systems integration contracts ¹⁾	16	16	13	56

¹⁾ In the areas of OSS and BSS, IP, Service Delivery Platforms and data center build projects.

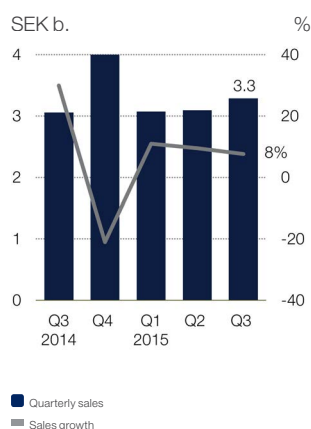
SUPPORT SOLUTIONS

Segment sales



■ Networks
■ Global Services
■ Support Solutions

Quarterly sales and sales growth year over year



Operating income and operating margin



SEK b.	Q3 2015	Q3 2014	YoY change	Q2 2015	QoQ change	9 months 2015	9 months 2014
Net sales	3.3	3.1	8%	3.1	6%	9.5	8.6
<i>Sales growth adj. for comparable units and currency</i>	-	-	-8%	-	7%	-10%	7%
Operating income	0.0	-0.1	-	-0.2	-	-0.2	-0.5
<i>Operating income excluding restructuring charges</i>	0.0	0.0	-	0.0	-	0.1	-0.4
Operating margin	0%	-4%	-	-8%	-	-2%	-5%
<i>Operating margin excluding restructuring charges</i>	1%	-1%	-	-1%	-	1%	-4%
EBITA margin	7%	3%	-	0%	-	6%	1%
<i>Restructuring charges</i>	0.0	-0.1	-52%	-0.2	-81%	-0.3	-0.1

Net sales

Reported sales increased by 8% YoY. Sales, adjusted for comparable units and currency, decreased by -8% YoY. Sales of OSS & BSS continued to show growth while the TV & Media business declined due to lower software licensing sales.

The implementation of the TV & Media strategy showed significant progress in the quarter with two important TV & Media agreements announced in North America. An agreement was also signed, to acquire the Nasdaq-listed company Envivio, a global leader in software-based video encoding. The acquisition is expected to close in the fourth quarter, 2015, subject to customary closing conditions.

Sales, adjusted for comparable units and currency, increased slightly QoQ driven by OSS & BSS business.

Operating income and margin

Operating income and margin improved YoY mainly driven by sales growth in OSS & BSS and lower restructuring charges.

The effect of currency hedge contracts YoY was SEK 0.0 (-0.1) b.

Operating income increased QoQ due to reduced restructuring charges, lower operating expenses and higher sales.

CASH FLOW

SEK b.	Q3 2015	Q3 2014	Q2 2015
Net income reconciled to cash	6.8	5.0	3.4
Changes in operating net assets	-5.2	-6.3	-0.3
Cash flow from operating activities	1.6	-1.4	3.1
Cash flow from investing activities	-0.1	-0.7	7.0
Cash flow from financing activities	-0.3	-1.3	-10.6
Net change in cash and cash equivalents	1.0	-1.0	-2.3
Cash conversion (%)	23%	-27%	90%

Cash flow from operating activities YTD has been negatively impacted by increased working capital. This was driven by a business mix with a high share of coverage projects in Mainland China and emerging markets.

Cash flow from operating activities improved YoY. Sequentially, cash flow from operating activities declined. This was mainly due to increased working capital. In addition provisions decreased in the quarter as a result of payments of SEK 1.1 b related to restructuring charges.

Cash flow from investing activities was negatively impacted by the construction of new ICT centers in Sweden and Canada, however at a slower pace in this quarter. In addition, payouts of SEK -1.0 b. were made mainly related to the acquisition of Sunrise Technologies in China. Higher activity in technology platform development also impacted cash flow from investing activities negatively, with higher capitalized development expenses than a year ago. A decrease in short-term investments of SEK 3.6 b. resulted in a cash flow from investing activities close to zero.

Cash flow from financing activities was negatively impacted by dividends paid by subsidiaries to minority owners of SEK 0.3 b.

Working capital KPIs, number of days	Jan-Sep 2015	Jan-Jun 2015	Jan-Mar 2015	Jan-Dec 2014	Jan-Sep 2014
Sales outstanding (target: <90)	113	112	125	105	111
Inventory (target: <65)	72	74	82	64	69
Payable (target: >60)	55	57	64	56	57

FINANCIAL POSITION

SEK b.	Sep 30 2015	Sep 30 2014	Jun 30 2015
+ Short-term investments	17.6	34.0	20.8
+ Cash and cash equivalents	34.0	32.0	33.0
Gross cash	51.5	66.1	53.8
- Interest bearing liabilities and post-employment benefits	51.8	36.6	50.3
Net cash	-0.2	29.4	3.5
Equity	138.0	143.4	136.7
Total assets	278.4	274.0	278.9
Capital turnover (times)	1.2	1.2	1.3
Return on capital employed (%)	8.0%	8.6%	6.9%
Equity ratio (%)	49.6%	52.3%	49.0%
Return on equity (%)	6.2%	6.9%	5.9%

Gross cash decreased mainly due to the acquisition of Sunrise Technologies and investments in ICT centers, partly offset by positive cash flow from operating activities. Actuarial changes in pension liabilities reduced net cash with an additional SEK 1.5 b.

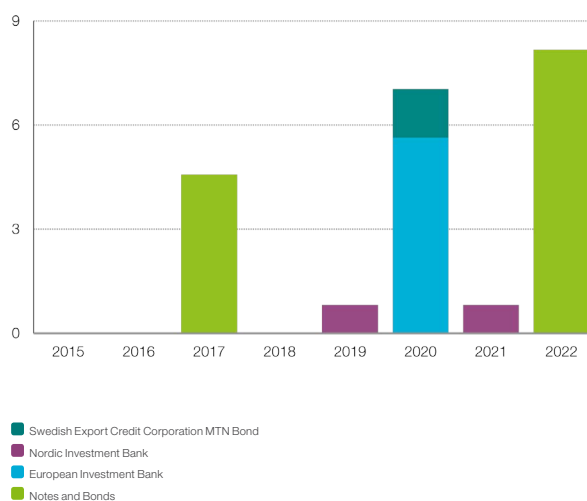
The net cash position, excluding post-employment benefits, was SEK 25.8 b.

In the quarter, Standard & Poor's and Moody's confirmed Ericsson's long-term rating BBB+/Baa1, both with stable outlook.

The average maturity of long-term borrowings as of Sep 30, 2015, was 5.0 years, compared to 6.0 years 12 months earlier.

Debt maturity profile, Parent Company

SEK b.



PARENT COMPANY

Income after financial items was SEK 10.1 (15.8) b. YTD. The decrease was mainly due to lower recognized dividends from subsidiaries than last year.

Major YTD changes in the Parent Company's financial position; decreased cash, cash equivalents and short-term investments of SEK 20.3 b. and decreased current and non-current liabilities to subsidiaries of SEK 2.3 b. At the end of the quarter, cash, cash equivalents and short-term investments amounted to SEK 34.7 (55.0) b.

The Parent Company has recognized dividends from subsidiaries of SEK 0.4 b. in the quarter.

In accordance with the conditions of the long-term variable compensation program (LTV) for Ericsson employees, 3,394,498 shares from treasury stock were sold or distributed to employees in the third quarter. The holding of treasury stock at September 30, 2015, was 53,212,685 Class B shares.

OTHER INFORMATION

Apple litigations

A past global patent license agreement between Ericsson and Apple expired in January 2015 and Apple declined to take a new license on offered FRAND terms. Ericsson negotiated a renewal agreement with Apple for more than two years. During the negotiations, the companies were not able to reach an agreement on licensing of Ericsson's patents that enable Apple's mobile devices to connect with the world and power many of their applications.

On January 12, 2015, Apple initiated litigation with Ericsson by filing a lawsuit in the United States District Court for the Northern District of California, seeking a ruling that Apple does not infringe seven of Ericsson's patents. Two days later, on January 14, 2015, Ericsson filed a complaint in the United States District Court for the Eastern District of Texas requesting a ruling that its proposed global licensing terms with Apple were fair and reasonable.

On February 26, 2015, after Apple refused Ericsson's offer to have a court determine fair licensing terms by which both companies would be bound, Ericsson filed two complaints with the International Trade Commission (ITC) and seven complaints in the United States District Court for the Eastern District of Texas against Apple, asserting infringement of 41 additional Ericsson patents. Ericsson subsequently amended its complaints to assert two additional patents in the US. Ericsson seeks exclusion orders in the ITC proceedings and damages and injunctions in the District Court actions. The hearing in the first ITC action is scheduled for December 2015 and the hearing in the second ITC action is scheduled for January 2016. The district court proceedings are all scheduled for trial between May and October 2016.

On May 8, 2015, Ericsson further announced that it has filed patent infringement suits against Apple in Germany, the United Kingdom and the Netherlands, seeking damages and injunctions. Ericsson has asserted both standard-essential patents related to the 2G and 4G/LTE standards and other patents that are critical to features and functionality of Apple devices, such as the design of semiconductor components, user interface software, location services and applications, as well as the iOS operating system.

Hearings and trials in the various cases are scheduled to begin in December 2015 and continue into 2016. Ericsson expects that the first court rulings will be issued by a German court in the first quarter of 2016.

Adaptix litigations

In 2013, Adaptix Inc. ("Adaptix"), a US company, filed two lawsuits against Ericsson, AT&T, AT&T Mobility and MetroPCS Communications in the US District Court for Eastern District of Texas alleging that certain Ericsson products infringe five US patents purportedly assigned to Adaptix. Adaptix seeks damages and an injunction. The trial is scheduled for February 2016.

On May 20, 2014, Adaptix filed three patent infringement lawsuits against Ericsson, T-Mobile, Verizon and Sprint in the same court regarding three US patents. One of these lawsuits accuses Ericsson's LTE products and Sprint's use thereof of infringement, one accuses Ericsson's LTE products and Verizon's use thereof of infringement, and one accuses Ericsson's LTE products and

T-Mobile's use thereof of infringement. In January 2015, Adaptix filed one more lawsuit in the same court alleging that Ericsson's LTE products, and Sprint and Verizon's use thereof, infringe another U.S. Patent.

In addition to a complaint filed in 2013 with the Tokyo District Court, settled in December 2014, Adaptix filed another lawsuit in Japan in September 2014 alleging that Ericsson's LTE products infringe another Japanese patent. In the lawsuits in Japan, Adaptix is only seeking damages.

Wi-LAN litigations

In 2012, Wi-LAN Inc., a Canadian patent licensing company, filed a complaint against Ericsson in the US District Court for the Southern District of Florida alleging that Ericsson's LTE products infringe three of Wi-LAN's US patents.

In June 2013, Ericsson's motion for summary judgment was granted and in August 2014, the decision was reversed by the United States Court of Appeals for the Federal Circuit.

On May, 22 2015, the Florida Court granted a Motion for Summary Judgment in favor of Ericsson. This matter is currently in appeal.

Ericsson announced agreement to acquire Envivio

On September 10, 2015, Ericsson announced its agreement to acquire Envivio (NASDAQ:ENVI), by means of a tender offer for a price of USD 4.10 per share in cash, or approximately USD 125 million in the aggregate. Envivio is a global leader in software-based video encoding with an installed base of over 400 TV service provider and content owner customers in all markets globally. Envivio generated revenues of USD 43 million in 2014 and is headquartered in San Francisco, CA, US. Envivio was founded in 2000 and has a staff of approximately 200 employees worldwide.

Certain of Envivio's major stockholders, collectively owning approximately 34 % of Envivio's outstanding common stock, have entered into a tender and support agreement with Ericsson committing to tender all of their Envivio shares in the tender offer and to vote in favor of the merger. The acquisition is expected to close in the fourth quarter, 2015, subject to customary closing conditions. The board of directors of Envivio has unanimously agreed to recommend that Envivio's stockholders tender their shares to Ericsson in the tender offer.

On September 21, 2015, a complaint was filed in the Delaware Court of Chancery by a stockholder plaintiff captioned Hollenkamp v. Envivio, Inc. (Envivio), et al., C.A. No. 11528-VCG (Hollenkamp). Hollenkamp is a putative class action on behalf of all of Envivio's stockholders which challenges, and seeks to enjoin, Ericsson's proposed acquisition of Envivio. The complaint alleges that the individual defendants (i.e., Envivio's directors and officers) breached their duties to Envivio's stockholders in approving the proposed acquisition, and that Ericsson - acting in its capacity as a transactional counterparty - aided and abetted the individual defendants' breaches of fiduciary duty.

POST-CLOSING EVENTS

Ericsson intends to acquire software developer Ericpol

On October 15, 2015, Ericsson announced the conclusion of a preliminary share purchase agreement for the acquisition of Ericpol's operations in Poland and Ukraine. Ericpol is a software development company within telecommunications and has been a supplier to Ericsson for over 20 years. Approximately 2,000 employees will join Ericsson. The acquisition is expected to take place during the first quarter of 2016, pending, among other things, customary regulatory approvals.

RISK FACTORS

Ericsson's operational and financial risk factors and uncertainties along with our strategies and tactics to mitigate risk exposures or limit unfavorable outcomes are described in our Annual Report 2014. Compared to the risks described in the Annual Report 2014, no material, new or changed risk factors or uncertainties have been identified in the year.

Risk factors and uncertainties in focus short-term for the Parent Company and the Ericsson Group include:

- > Potential negative effects on operators' willingness to invest in network development due to uncertainty in the financial markets and a weak economic business environment, or reduced consumer telecom spending, or increased pressure on us to provide financing, or delayed auctions of spectrums;
- > Uncertainty regarding the financial stability of suppliers, for example due to lack of financing;
- > Effects on gross margins and/or working capital of the business mix in the Networks segment between capacity sales and new coverage build-outs;
- > Effects on gross margins of the business mix in the Global Services segment including proportion of new network build-outs and share of new managed services deals with initial transition costs;
- > Effects of the ongoing industry consolidation among our customers as well as between our largest competitors, e.g. with postponed investments and intensified price competition as a consequence;
- > Changes in foreign exchange rates, in particular USD;
- > Political unrest or instability in certain markets;
- > Effects on production and sales from restrictions with respect

to timely and adequate supply of materials, components and production capacity and other vital services on competitive terms;

- > No guarantees that specific restructuring or cost-savings initiatives will be sufficient, successful or executed in time to deliver any improvements in short-term earnings.

Ericsson stringently monitors the compliance with all relevant trade regulations and trade embargos applicable to dealings with customers operating in countries where there are trade restrictions or trade restrictions are discussed. Moreover, Ericsson operates globally in accordance with Group policies and directives for business ethics and conduct.

Stockholm, October 23, 2015

Telefonaktiebolaget LM Ericsson

Hans Vestberg, President and CEO

Org. Nr 556016-0680

Date for next report: January 27, 2016

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information (interim report) of Telefonaktiebolaget LM Ericsson (publ.) as of September 30, 2015, and the nine months period then ended. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 23, 2015
PricewaterhouseCoopers AB

Peter Nyllinge
*Authorized Public Accountant
Auditor in Charge*

Bo Hjalmarsson
Authorized Public Accountant

EDITOR'S NOTE

Ericsson invites media, investors and analysts to a press conference at the Ericsson Studio, Grönlandsgången 4, Stockholm, at 09.00 (CET), October 23, 2015. A financial analyst, investor and media conference call will begin at 14.00 (CET).

Live webcast of the press conference and conference call as well as supporting slides will be available at www.ericsson.com/press and www.ericsson.com/investors

Video material will be published during the day on www.ericsson.com/press

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SAFE HARBOR STATEMENT

All statements made or incorporated by reference in this release, other than statements or characterizations of historical facts, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Forward-looking statements can often be identified by words such as "anticipates", "expects", "intends", "plans", "predicts", "believes", "seeks", "estimates", "may", "will", "should", "would", "potential", "continue", and variations or negatives of these words, and include, among others, statements regarding: (i) strategies, outlook and growth prospects; (ii) positioning to deliver future plans and to realize potential for future growth; (iii) liquidity and capital resources and expenditure, and our credit ratings; (iv) growth in demand for our products and services; (v) our joint venture activities; (vi) economic outlook and industry trends; (vii) developments of our markets; (viii) the impact of regulatory initiatives; (ix) research and development expenditures; (x) the strength of our competitors; (xi) future cost savings; (xii) plans to launch new products and services; (xiii) assessments of risks; (xiv) integration of acquired businesses; (xv) compliance with rules and regulations and (xvi) infringements of intellectual property rights of others.

In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These forward-looking statements speak only as of the date hereof and are based upon the information available to us at this time. Such information is subject to change, and we will not necessarily inform you of such changes. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. Important factors that may cause such a difference for Ericsson include, but are not limited to: (i) material adverse changes in the markets in which we operate or in global economic conditions; (ii) increased product and price competition; (iii) reductions in capital expenditure by network operators; (iv) the cost of technological innovation and increased expenditure to improve quality of service; (v) significant changes in market share for our principal products and services; (vi) foreign exchange rate or interest rate fluctuations; and (vii) the successful implementation of our business and operational initiatives.

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

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CONSOLIDATED INCOME STATEMENT

SEK million	Jul-Sep			Jan-Sep		
	2015	2014	Change	2015	2014	Change
Net sales	59,161	57,643	3%	173,352	159,997	8%
Cost of sales	-39,110	-37,362	5%	-114,202	-102,456	11%
Gross income	20,051	20,281	-1%	59,150	57,541	3%
Gross margin (%)	33.9%	35.2%		34.1%	36.0%	
Research and development expenses	-8,540	-9,281	-8%	-26,923	-26,640	1%
Selling and administrative expenses	-6,393	-6,000	7%	-21,289	-18,993	12%
Operating expenses	-14,933	-15,281	-2%	-48,212	-45,633	6%
Other operating income and expenses	80	-1,134		-101	-1,319	
Shares in earnings of JV and associated companies	-121	10		-67	-84	
Operating income	5,077	3,876	31%	10,770	10,505	3%
Financial income	188	429		634	1,098	
Financial expenses	-809	-557		-1,839	-1,634	
Income after financial items	4,456	3,748	19%	9,565	9,969	-4%
Taxes	-1,338	-1,124		-2,870	-2,991	
Net income	3,118	2,624	19%	6,695	6,978	-4%
Net income attributable to:						
Stockholders of the Parent Company	3,080	2,646		6,493	7,345	
Non-controlling interests	38	-22		202	-367	
Other information						
Average number of shares, basic (million)	3,251	3,238		3,247	3,235	
Earnings per share, basic (SEK) ¹⁾	0.95	0.82		2.00	2.27	
Earnings per share, diluted (SEK) ¹⁾	0.94	0.81		1.98	2.25	

¹⁾ Based on Net income attributable to stockholders of the Parent Company.

STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep	
	2015	2014	2015	2014
Net income	3,118	2,624	6,695	6,978
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefits pension plans incl. asset ceiling	-1,113	-441	-5,886	-2,637
Tax on items that will not be reclassified to profit or loss	214	96	1,518	539
Items that may be reclassified to profit or loss				
Cash flow hedges				
Gains/losses arising during the period	0	0	0	0
Reclassification adjustments for gains/losses included in profit or loss	0	0	0	0
Revaluation of other investments in shares and participations				
Fair value remeasurement	60	39	241	39
Changes in cumulative translation adjustments	-1,246	2,656	537	5,676
Share of other comprehensive income on JV and associated companies	237	234	141	362
Tax on items that may be reclassified to profit or loss	0	0	0	0
Total other comprehensive income, net of tax	-1,848	2,584	-3,449	3,979
Total comprehensive income	1,270	5,208	3,246	10,957
Total comprehensive income attributable to:				
Stockholders of the Parent Company	1,255	5,180	3,045	11,212
Non-controlling interest	15	28	201	-255

CONSOLIDATED BALANCE SHEET

SEK million	Sep 30 2015	Jun 30 2015	Dec 31 2014
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	4,660	4,032	3,570
Goodwill	41,524	39,872	38,330
Intellectual property rights, brands and other intangible assets	9,879	10,739	12,534
Property, plant and equipment	15,774	15,309	13,341
Financial assets			
Equity in JV and associated companies	1,214	1,627	2,793
Other investments in shares and participations	936	855	591
Customer finance, non-current	2,020	1,919	1,932
Other financial assets, non-current	4,428	5,010	5,900
Deferred tax assets	13,575	14,054	12,778
	94,010	93,417	91,769
Current assets			
Inventories			
	32,187	32,327	28,175
Trade receivables	74,957	73,932	77,893
Customer finance, current	2,089	2,552	2,289
Other current receivables	23,588	22,919	21,273
Short-term investments	17,597	20,807	31,171
Cash and cash equivalents	33,950	32,962	40,988
	184,368	185,499	201,789
Total assets	278,378	278,916	293,558
EQUITY AND LIABILITIES			
Equity			
Stockholders' equity	137,086	135,565	144,306
Non-controlling interest in equity of subsidiaries	898	1,160	1,003
	137,984	136,725	145,309
Non-current liabilities			
Post-employment benefits	26,011	24,530	20,385
Provisions, non-current	35	139	202
Deferred tax liabilities	2,208	3,010	3,177
Borrowings, non-current	22,900	22,551	21,864
Other non-current liabilities	1,802	1,939	1,797
	52,956	52,169	47,425
Current liabilities			
Provisions, current	4,296	5,215	4,225
Borrowings, current	2,885	3,199	2,281
Trade payables	21,734	22,147	24,473
Other current liabilities	58,523	59,461	69,845
	87,438	90,022	100,824
Total equity and liabilities	278,378	278,916	293,558
<i>Of which interest-bearing liabilities and post-employment benefits</i>	51,796	50,280	44,530
<i>Of which net cash</i>	-249	3,489	27,629
Assets pledged as collateral	2,605	2,608	2,525
Contingent liabilities	768	693	737

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2015	2014	2015	2014	2014
Operating activities					
Net income	3,118	2,624	6,695	6,978	11,143
Adjustments to reconcile net income to cash					
Taxes	51	-388	-3,230	-1,710	-1,235
Earnings/dividends in JV and associated companies	136	-10	163	330	305
Depreciation, amortization and impairment losses	2,425	2,481	7,685	7,255	9,945
Other	1,052	267	2,018	1,220	2,185
	6,782	4,974	13,331	14,073	22,343
Changes in operating net assets					
Inventories	-226	-840	-3,862	-4,127	-2,924
Customer finance, current and non-current	375	-1,101	522	-884	-710
Trade receivables	-1,421	-1,222	4,246	5,843	1,182
Trade payables	-494	-1,519	-3,562	15	1,265
Provisions and post-employment benefits	-302	-18	1,217	-707	-859
Other operating assets and liabilities, net	-3,154	-1,624	-13,154	-4,107	-1,595
	-5,222	-6,324	-14,593	-3,967	-3,641
Cash flow from operating activities	1,560	-1,350	-1,262	10,106	18,702
Investing activities					
Investments in property, plant and equipment	-1,807	-1,415	-6,598	-3,769	-5,322
Sales of property, plant and equipment	59	139	1,209	466	522
Acquisitions/divestments of subsidiaries and other operations, net	-1,028	-286	-1,255	-2,647	-4,394
Product development	-982	-155	-2,119	-537	-1,523
Other investing activities	37	-1,302	-125	-1,859	-3,392
Short-term investments	3,631	2,308	13,708	2,530	6,596
Cash flow from investing activities	-90	-711	4,820	-5,816	-7,513
Cash flow before financing activities	1,470	-2,061	3,558	4,290	11,189
Financing activities					
Dividends paid	-277	-3	-11,337	-9,831	-9,846
Other financing activities	-34	-1,288	1,296	-8,750	-8,379
Cash flow from financing activities	-311	-1,291	-10,041	-18,581	-18,225
Effect of exchange rate changes on cash	-171	2,306	-555	4,238	5,929
Net change in cash and cash equivalents	988	-1,046	-7,038	-10,053	-1,107
Cash and cash equivalents, beginning of period	32,962	33,088	40,988	42,095	42,095
Cash and cash equivalents, end of period	33,950	32,042	33,950	32,042	40,988

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
Opening balance	145,309	141,623	141,623
Total comprehensive income	3,246	10,957	12,709
Sale/repurchase of own shares	126	78	106
Stock purchase plan	641	547	717
Dividends paid	-11,337	-9,831	-9,846
Transactions with non-controlling interests	-1	-	-
Closing balance	137,984	143,374	145,309

CONSOLIDATED INCOME STATEMENT – ISOLATED QUARTERS

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	59,161	60,671	53,520	67,986	57,643	54,849	47,505
Cost of sales	-39,110	-40,536	-34,556	-43,100	-37,362	-34,910	-30,184
Gross income	20,051	20,135	18,964	24,886	20,281	19,939	17,321
Gross margin (%)	33.9%	33.2%	35.4%	36.6%	35.2%	36.4%	36.5%
Research and development expenses	-8,540	-9,896	-8,487	-9,668	-9,281	-9,084	-8,275
Selling and administrative expenses	-6,393	-7,765	-7,131	-8,107	-6,000	-6,541	-6,452
Operating expenses	-14,933	-17,661	-15,618	-17,775	-15,281	-15,625	-14,727
Other operating income and expenses	80	1,059	-1,240	-837	-1,134	-206	21
Shares in earnings of JV and associated companies	-121	27	27	28	10	-109	15
Operating income	5,077	3,560	2,133	6,302	3,876	3,999	2,630
Financial income	188	-238	684	179	429	268	401
Financial expenses	-809	-290	-740	-639	-557	-465	-612
Income after financial items	4,456	3,032	2,077	5,842	3,748	3,802	2,419
Taxes	-1,338	-909	-623	-1,677	-1,124	-1,140	-727
Net income	3,118	2,123	1,454	4,165	2,624	2,662	1,692
Net income attributable to:							
Stockholders of the Parent Company	3,080	2,094	1,319	4,223	2,646	2,579	2,120
Non-controlling interests	38	29	135	-58	-22	83	-428
Other information							
Average number of shares, basic (million)	3,251	3,247	3,244	3,241	3,238	3,235	3,233
Earnings per share, basic (SEK) ¹⁾	0.95	0.64	0.41	1.30	0.82	0.80	0.66
Earnings per share, diluted (SEK) ¹⁾	0.94	0.64	0.40	1.29	0.81	0.79	0.65

¹⁾ Based on Net income attributable to stockholders of the Parent Company.

CONSOLIDATED STATEMENT OF CASH FLOWS – ISOLATED QUARTERS

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating activities							
Net income	3,118	2,123	1,454	4,165	2,624	2,662	1,692
Adjustments to reconcile net income to cash							
Taxes	51	-1,360	-1,921	475	-388	26	-1,348
Earnings/dividends in JV and associated companies	136	49	-22	-25	-10	356	-16
Depreciation, amortization and impairment losses	2,425	2,579	2,681	2,690	2,481	2,414	2,360
Other	1,052	22	944	965	267	404	549
	6,782	3,413	3,136	8,270	4,974	5,862	3,237
Changes in operating net assets							
Inventories	-226	383	-4,019	1,203	-840	-1,188	-2,099
Customer finance, current and non-current	375	405	-258	174	-1,101	-341	558
Trade receivables	-1,421	3,630	2,037	-4,661	-1,222	-892	7,957
Trade payables	-494	-1,400	-1,668	1,250	-1,519	1,644	-110
Provisions and post-employment benefits	-302	1,685	-166	-152	-18	-225	-464
Other operating assets and liabilities, net	-3,154	-5,038	-4,962	2,512	-1,624	-2,806	323
	-5,222	-335	-9,036	326	-6,324	-3,808	6,165
Cash flow from operating activities	1,560	3,078	-5,900	8,596	-1,350	2,054	9,402
Investing activities							
Investments in property, plant and equipment	-1,807	-2,424	-2,367	-1,553	-1,415	-1,320	-1,034
Sales of property, plant and equipment	59	1,075	75	56	139	53	274
Acquisitions/divestments of subsidiaries and other operations, net	-1,028	-169	-58	-1,747	-286	-1,512	-849
Product development	-982	-843	-294	-986	-155	-185	-197
Other investing activities	37	-280	118	-1,533	-1,302	-388	-169
Short-term investments	3,631	9,678	399	4,066	2,308	7,012	-6,790
Cash flow from investing activities	-90	7,037	-2,127	-1,697	-711	3,660	-8,765
Cash flow before financing activities	1,470	10,115	-8,027	6,899	-2,061	5,714	637
Financing activities							
Dividends paid	-277	-11,035	-25	-15	-3	-9,828	-
Other financing activities	-34	431	899	371	-1,288	-2,393	-5,069
Cash flow from financing activities	-311	-10,604	874	356	-1,291	-12,221	-5,069
Effect of exchange rate changes on cash	-171	-1,860	1,476	1,691	2,306	1,499	433
Net change in cash and cash equivalents	988	-2,349	-5,677	8,946	-1,046	-5,008	-3,999
Cash and cash equivalents, beginning of period	32,962	35,311	40,988	32,042	33,088	38,096	42,095
Cash and cash equivalents, end of period	33,950	32,962	35,311	40,988	32,042	33,088	38,096

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2015	2014	2015	2014	2014
Net sales	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross income	-	-	-	-	-
Operating expenses	-135	-232	-615	-783	-1,209
Other operating income and expenses	822	752	2,160	2,075	3,088
Operating income	687	520	1,545	1,292	1,879
Financial net	318	12,344	8,505	14,484	23,684
Income after financial items	1,005	12,864	10,050	15,776	25,563
Transfers to (-) / from untaxed reserves	-	-	-	-	-1,700
Taxes	-155	-237	-366	-498	-263
Net income	850	12,627	9,684	15,278	23,600

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2015	2014	2015	2014	2014
Net income	850	12,627	9,684	15,278	23,600
Revaluation of other investments in shares and participations					
Fair value remeasurement	60	39	241	39	46
Total other comprehensive income, net of tax	60	39	241	39	46
Total comprehensive income	910	12,666	9,925	15,317	23,646

PARENT COMPANY BALANCE SHEET

SEK million	Sep 30 2015	Dec 31 2014
ASSETS		
Fixed assets		
Intangible assets	907	1,193
Tangible assets	453	470
Financial assets	99,277	97,901
	100,637	99,564
Current assets		
Inventories	1	27
Receivables	38,821	24,819
Short-term investments	16,937	30,576
Cash and cash equivalents	17,752	24,443
	73,511	79,865
Total assets	174,148	179,429
STOCKHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity	48,018	48,018
Non-restricted equity	36,904	37,871
	84,922	85,889
Provisions	681	1,471
Non-current liabilities	46,606	45,512
Current liabilities	41,939	46,557
Total stockholders' equity, provisions and liabilities	174,148	179,429
Assets pledged as collateral	605	525
Contingent liabilities	22,767	20,906

ACCOUNTING POLICIES

THE GROUP

This interim report is prepared in accordance with IAS 34. The term "IFRS" used in this document refers to the application of IAS and IFRS as well as interpretations of these standards as issued by IASB's Standards Interpretation Committee (SIC) and IFRS Interpretations Committee (IFRIC). The accounting policies adopted are consistent with those of the annual report for the year ended December 31, 2014, and should be read in conjunction with that annual report.

There is no significant difference between IFRS effective as per September 30, 2015 and IFRS as endorsed by the EU.

Discount rate applied for pension liability calculation in Sweden

The Company has in previous periods estimated the discount rate for the Swedish pension liability based on the interest rates for Swedish covered bonds. Due to the recent development of the deepness of the Swedish covered bond market and the volatility in interest rates, the Company has decided to evaluate this method of estimating the discount rate. The discount rate used for the interim report is 2.25%, which is in line with the interest rates for Swedish government bonds of September 30th, 2015.

NET SALES BY SEGMENT BY QUARTER

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	28,817	31,163	26,436	34,110	30,030	28,964	24,383
Global Services	27,055	26,392	23,901	29,777	24,467	23,059	20,356
<i>Of which Professional Services</i>	20,545	20,001	18,131	21,405	17,794	16,554	15,078
<i>Of which Managed Services</i>	7,976	8,150	7,501	7,741	7,175	6,485	5,754
<i>Of which Network Rollout</i>	6,510	6,391	5,770	8,372	6,673	6,505	5,278
Support Solutions	3,289	3,092	3,074	4,009	3,057	2,824	2,765
Modems	–	24	109	90	89	2	1
Total	59,161	60,671	53,520	67,986	57,643	54,849	47,505

Sequential change, percent	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	–8%	18%	–22%	14%	4%	19%	–30%
Global Services	3%	10%	–20%	22%	6%	13%	–25%
<i>Of which Professional Services</i>	3%	10%	–15%	20%	7%	10%	–20%
<i>Of which Managed Services</i>	–2%	9%	–3%	8%	11%	13%	–12%
<i>Of which Network Rollout</i>	2%	11%	–31%	25%	3%	23%	–37%
Support Solutions	6%	1%	–23%	31%	8%	2%	–46%
Modems	–	–	–	–	–	–	–
Total	–2%	13%	–21%	18%	5%	15%	–29%

Year over year change, percent	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	–4%	8%	8%	–2%	13%	3%	–13%
Global Services	11%	14%	17%	10%	2%	–7%	–5%
<i>Of which Professional Services</i>	15%	21%	20%	14%	10%	–1%	3%
<i>Of which Managed Services</i>	11%	26%	30%	18%	15%	–4%	–2%
<i>Of which Network Rollout</i>	–2%	–2%	9%	0%	–14%	–19%	–23%
Support Solutions	8%	9%	11%	–21%	30%	21%	13%
Modems	–	–	–	–	–	–	–
Total	3%	11%	13%	1%	9%	–1%	–9%

Year to date, SEK million	2015			2014			
	Jan–Sep	Jan–Jun	Jan–Mar	Jan–Dec	Jan–Sep	Jan–Jun	Jan–Mar
Networks	86,416	57,599	26,436	117,487	83,377	53,347	24,383
Global Services	77,348	50,293	23,901	97,659	67,882	43,415	20,356
<i>Of which Professional Services</i>	58,677	38,132	18,131	70,831	49,426	31,632	15,078
<i>Of which Managed Services</i>	23,627	15,651	7,501	27,155	19,414	12,239	5,754
<i>Of which Network Rollout</i>	18,671	12,161	5,770	26,828	18,456	11,783	5,278
Support Solutions	9,455	6,166	3,074	12,655	8,646	5,589	2,765
Modems	133	133	109	182	92	3	1
Total	173,352	114,191	53,520	227,983	159,997	102,354	47,505

Year to date, year over year change, percent	2015			2014			
	Jan–Sep	Jan–Jun	Jan–Mar	Jan–Dec	Jan–Sep	Jan–Jun	Jan–Mar
Networks	4%	8%	8%	0%	1%	–5%	–13%
Global Services	14%	16%	17%	0%	–3%	–6%	–5%
<i>Of which Professional Services</i>	19%	21%	20%	7%	4%	1%	3%
<i>Of which Managed Services</i>	22%	28%	30%	7%	3%	–3%	–2%
<i>Of which Network Rollout</i>	1%	3%	9%	–14%	–19%	–21%	–23%
Support Solutions	9%	10%	11%	3%	21%	17%	13%
Modems	–	–	–	–	–	–	–
Total	8%	12%	13%	0%	0%	–5%	–9%

SALES GROWTH ADJUSTED FOR COMPARABLE UNITS AND CURRENCY

Sequential change, percent	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	-6%	16%	-28%	7%	-2%	16%	-30%
Global Services	2%	10%	-26%	20%	5%	11%	-25%
Support Solutions	7%	-3%	-31%	25%	6%	1%	-45%
Modems	-	-	-	-	-	-	-
Total	-2%	12%	-28%	13%	2%	13%	-28%

Isolated quarter, year over year change, percent	2015			2014			
	Q3	Q2	Q1	Q4 ¹⁾	Q3	Q2	Q1
Networks	-15%	-9%	-9%	-7%	7%	5%	-10%
Global Services	-2%	-2%	-2%	5%	-2%	-8%	-3%
Support Solutions	-8%	-13%	-11%	-5%	10%	5%	4%
Modems	-	-	-	-	-	-	-
Total	-9%	-6%	-6%	-2%	3%	-1%	-7%

Year to date, year over year change, percent	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec ¹⁾	Jan-Sep	Jan-Jun	Jan-Mar
Networks	-11%	-9%	-9%	-3%	0%	-3%	-10%
Global Services	-2%	-2%	-2%	-2%	-4%	-5%	-3%
Support Solutions	-10%	-12%	-11%	-2%	7%	4%	4%
Modems	-	-	-	-	-	-	-
Total	-7%	-6%	-6%	-2%	-2%	-4%	-7%

¹⁾Partly adjusted for the initial IPR payment from Samsung in Q4 2013.

OPERATING INCOME BY SEGMENT BY QUARTER

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	2,764	2,435	590	4,319	3,175	3,574	2,476
Global Services	2,364	1,640	1,681	1,937	1,607	1,487	1,036
<i>Of which Professional Services</i>	2,386	2,403	2,109	2,472	2,059	2,095	1,893
<i>Of which Network Rollout</i>	-22	-763	-428	-535	-452	-608	-857
Support Solutions	-6	-240	82	443	-108	-378	12
Modems	-1	7	0	-85	-739	-456	-745
Unallocated ¹⁾	-44	-282	-220	-312	-59	-228	-149
Total	5,077	3,560	2,133	6,302	3,876	3,999	2,630

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Networks	5,789	3,025	590	13,544	9,225	6,050	2,476
Global Services	5,685	3,321	1,681	6,067	4,130	2,523	1,036
<i>Of which Professional Services</i>	6,898	4,512	2,109	8,519	6,047	3,988	1,893
<i>Of which Network Rollout</i>	-1,213	-1,191	-428	-2,452	-1,917	-1,465	-857
Support Solutions	-164	-158	82	-31	-474	-366	12
Modems	6	7	0	-2,025	-1,940	-1,201	-745
Unallocated ¹⁾	-546	-502	-220	-748	-436	-377	-149
Total	10,770	5,693	2,133	16,807	10,505	6,629	2,630

¹⁾ "Unallocated" consists mainly of costs for corporate staff, non-operational capital gains and losses.

OPERATING MARGIN BY SEGMENT BY QUARTER

As percentage of net sales, isolated quarters	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	10%	8%	2%	13%	11%	12%	10%
Global Services	9%	6%	7%	7%	7%	6%	5%
<i>Of which Professional Services</i>	12%	12%	12%	12%	12%	13%	13%
<i>Of which Network Rollout</i>	0%	-12%	-7%	-6%	-7%	-9%	-16%
Support Solutions	0%	-8%	3%	11%	-4%	-13%	0%
Modems	-	-	-	-	-	-	-
Total	9%	6%	4%	9%	7%	7%	6%

As percentage of net sales, year to date	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Networks	7%	5%	2%	12%	11%	11%	10%
Global Services	7%	7%	7%	6%	6%	6%	5%
<i>Of which Professional Services</i>	12%	12%	12%	12%	12%	13%	13%
<i>Of which Network Rollout</i>	-6%	-10%	-7%	-9%	-10%	-12%	-16%
Support Solutions	-2%	-3%	3%	0%	-5%	-7%	0%
Modems	-	-	-	-	-	-	-
Total	6%	5%	4%	7%	7%	6%	6%

EBITA BY SEGMENT BY QUARTER

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	3,233	3,014	1,218	4,914	3,773	4,156	3,052
Global Services	2,604	1,918	1,952	2,259	1,857	1,731	1,257
<i>Of which Professional Services</i>	2,605	2,635	2,344	2,711	2,254	2,289	2,073
<i>Of which Network Rollout</i>	-1	-717	-392	-452	-397	-558	-816
Support Solutions	226	-4	308	647	95	-196	192
Modems	-1	7	0	-44	-698	-416	-699
Unallocated ¹⁾	-44	-281	-220	-312	-59	-226	-149
Total	6,018	4,654	3,258	7,464	4,968	5,049	3,653

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Networks	7,465	4,232	1,218	15,895	10,981	7,208	3,052
Global Services	6,474	3,870	1,952	7,104	4,845	2,988	1,257
<i>Of which Professional Services</i>	7,584	4,979	2,344	9,327	6,616	4,362	2,073
<i>Of which Network Rollout</i>	-1,110	-1,109	-392	-2,223	-1,771	-1,374	-816
Support Solutions	530	304	308	738	91	-4	192
Modems	6	7	0	-1,857	-1,813	-1,115	-699
Unallocated ¹⁾	-545	-501	-220	-746	-434	-375	-149
Total	13,930	7,912	3,258	21,134	13,670	8,702	3,653

¹⁾ "Unallocated" consists mainly of costs for corporate staff, non-operational capital gains and losses.

EBITA MARGIN BY SEGMENT BY QUARTER

As percentage of net sales, isolated quarters	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	11%	10%	5%	14%	13%	14%	13%
Global Services	10%	7%	8%	8%	8%	8%	6%
<i>Of which Professional Services</i>	13%	13%	13%	13%	13%	14%	14%
<i>Of which Network Rollout</i>	0%	-11%	-7%	-5%	-6%	-9%	-15%
Support Solutions	7%	0%	10%	16%	3%	-7%	7%
Modems	-	-	-	-	-	-	-
Total	10%	8%	6%	11%	9%	9%	8%

As percentage of net sales, year to date	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Networks	9%	7%	5%	14%	13%	14%	13%
Global Services	8%	8%	8%	7%	7%	7%	6%
<i>Of which Professional Services</i>	13%	13%	13%	13%	13%	14%	14%
<i>Of which Network Rollout</i>	-6%	-9%	-7%	-8%	-10%	-12%	-15%
Support Solutions	6%	5%	10%	6%	1%	0%	7%
Modems	-	-	-	-	-	-	-
Total	8%	7%	6%	9%	9%	9%	8%

NET SALES BY REGION BY QUARTER

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
North America	14,355	14,578	12,246	13,082	14,033	15,179	12,215
Latin America	5,610	5,067	4,574	6,564	5,882	5,414	4,710
Northern Europe & Central Asia ^{1) 2)}	2,520	2,556	2,726	4,069	3,151	2,717	2,436
Western & Central Europe ²⁾	4,540	5,131	4,741	6,097	4,646	4,582	4,381
Mediterranean ²⁾	5,470	5,887	4,982	7,513	5,218	5,487	4,785
Middle East	5,728	6,515	4,517	6,865	6,039	4,514	3,859
Sub Saharan Africa	2,691	2,653	2,158	2,603	2,447	1,886	1,813
India	3,629	3,049	3,531	2,362	2,000	1,645	1,695
North East Asia	6,348	6,943	6,030	9,225	7,033	6,406	4,908
South East Asia & Oceania	4,750	4,897	4,259	4,956	3,794	3,662	3,446
Other ^{1) 2)}	3,520	3,395	3,756	4,650	3,400	3,357	3,257
Total	59,161	60,671	53,520	67,986	57,643	54,849	47,505
¹⁾ Of which in Sweden	1,135	598	1,091	1,047	1,090	1,008	999
²⁾ Of which in EU	10,584	11,453	10,904	14,325	10,736	10,320	9,720

Sequential change, percent	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
North America	-2%	19%	-6%	-7%	-8%	24%	-11%
Latin America	11%	11%	-30%	12%	9%	15%	-30%
Northern Europe & Central Asia ^{1) 2)}	-1%	-6%	-33%	29%	16%	12%	-34%
Western & Central Europe ²⁾	-12%	8%	-22%	31%	1%	5%	-16%
Mediterranean ²⁾	-7%	18%	-34%	44%	-5%	15%	-32%
Middle East	-12%	44%	-34%	14%	34%	17%	-35%
Sub Saharan Africa	1%	23%	-17%	6%	30%	4%	-30%
India	19%	-14%	49%	18%	22%	-3%	-14%
North East Asia	-9%	15%	-35%	31%	10%	31%	-43%
South East Asia & Oceania	-3%	15%	-14%	31%	4%	6%	-20%
Other ^{1) 2)}	4%	-10%	-19%	37%	1%	3%	-55%
Total	-2%	13%	-21%	18%	5%	15%	-29%
¹⁾ Of which in Sweden	90%	-45%	4%	-4%	8%	1%	-25%
²⁾ Of which in EU	-8%	5%	-24%	33%	4%	6%	-24%

Year-over-year change, percent	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
North America	2%	-4%	0%	-5%	-3%	-1%	-23%
Latin America	-5%	-6%	-3%	-3%	11%	-3%	8%
Northern Europe & Central Asia ^{1) 2)}	-20%	-6%	12%	11%	7%	0%	7%
Western & Central Europe ²⁾	-2%	12%	8%	17%	6%	1%	1%
Mediterranean ²⁾	5%	7%	4%	6%	-8%	-11%	-9%
Middle East	-5%	44%	17%	16%	38%	13%	22%
Sub Saharan Africa	10%	41%	19%	1%	-9%	-29%	-15%
India	81%	85%	108%	20%	56%	29%	6%
North East Asia	-10%	8%	23%	7%	16%	-4%	-19%
South East Asia & Oceania	25%	34%	24%	16%	5%	-3%	-17%
Other ^{1) 2)}	4%	1%	15%	-35%	55%	23%	12%
Total	3%	11%	13%	1%	9%	-1%	-9%
¹⁾ Of which in Sweden	4%	-41%	9%	-21%	37%	-21%	-2%
²⁾ Of which in EU	-1%	11%	12%	12%	6%	-5%	-1%

NET SALES BY REGION BY QUARTER, CONT.

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
North America	41,179	26,824	12,246	54,509	41,427	27,394	12,215
Latin America	15,251	9,641	4,574	22,570	16,006	10,124	4,710
Northern Europe & Central Asia ¹⁾²⁾	7,802	5,282	2,726	12,373	8,304	5,153	2,436
Western & Central Europe ²⁾	14,412	9,872	4,741	19,706	13,609	8,963	4,381
Mediterranean ²⁾	16,339	10,869	4,982	23,003	15,490	10,272	4,785
Middle East	16,760	11,032	4,517	21,277	14,412	8,373	3,859
Sub Saharan Africa	7,502	4,811	2,158	8,749	6,146	3,699	1,813
India	10,209	6,580	3,531	7,702	5,340	3,340	1,695
North East Asia	19,321	12,973	6,030	27,572	18,347	11,314	4,908
South East Asia & Oceania	13,906	9,156	4,259	15,858	10,902	7,108	3,446
Other ¹⁾²⁾	10,671	7,151	3,756	14,664	10,014	6,614	3,257
Total	173,352	114,191	53,520	227,983	159,997	102,354	47,505
¹⁾ Of which in Sweden	2,824	1,689	1,091	4,144	3,097	2,007	999
²⁾ Of which in EU	32,941	22,357	10,904	45,101	30,776	20,040	9,720

Year to date, year-over-year change, percent	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
North America	-1%	-2%	0%	-8%	-9%	-12%	-23%
Latin America	-5%	-5%	-3%	3%	5%	2%	8%
Northern Europe & Central Asia ¹⁾²⁾	-6%	3%	12%	6%	5%	3%	7%
Western & Central Europe ²⁾	6%	10%	8%	7%	3%	1%	1%
Mediterranean ²⁾	5%	6%	4%	-5%	-9%	-10%	-9%
Middle East	16%	32%	17%	22%	25%	17%	22%
Sub Saharan Africa	22%	30%	19%	-13%	-18%	-23%	-15%
India	91%	97%	108%	25%	28%	16%	6%
North East Asia	5%	15%	23%	1%	-2%	-11%	-19%
South East Asia & Oceania	28%	29%	24%	0%	-5%	-10%	-17%
Other ¹⁾²⁾	7%	8%	15%	-2%	28%	18%	12%
Total	8%	12%	13%	0%	0%	-5%	-9%
¹⁾ Of which in Sweden	-9%	-16%	9%	-6%	0%	-13%	-2%
²⁾ Of which in EU	7%	12%	12%	4%	0%	-3%	-1%

TOP 5 COUNTRIES IN SALES

Country	Q3		Jan-Sep	
	2015	2014	2015	2014
United States	24%	24%	24%	26%
China	7%	6%	8%	6%
India	6%	4%	6%	3%
United Kingdom	3%	3%	3%	3%
Italy	3%	3%	3%	3%

NET SALES BY REGION BY SEGMENT

SEK million	Q3 2015					Jan-Sep 2015				
	Networks	Global Services	Support Solutions	Modems	Total	Networks	Global Services	Support Solutions	Modems	Total
North America	6,427	6,943	985	-	14,355	18,242	20,310	2,627	-	41,179
Latin America	2,510	2,910	190	-	5,610	6,906	7,756	589	-	15,251
Northern Europe & Central Asia	1,419	1,011	90	-	2,520	4,777	2,794	231	-	7,802
Western & Central Europe	1,377	2,978	185	-	4,540	4,917	8,997	498	-	14,412
Mediterranean	2,159	3,153	158	-	5,470	6,477	9,365	497	-	16,339
Middle East	2,683	2,649	396	-	5,728	9,127	6,731	902	-	16,760
Sub Saharan Africa	1,219	1,344	128	-	2,691	3,217	3,764	521	-	7,502
India	2,434	1,083	112	-	3,629	6,365	3,250	594	-	10,209
North East Asia	4,142	2,013	193	-	6,348	12,899	5,975	447	-	19,321
South East Asia & Oceania	2,428	2,221	101	-	4,750	7,361	6,263	282	-	13,906
Other	2,019	750	751	-	3,520	6,128	2,143	2,267	133	10,671
Total	28,817	27,055	3,289	-	59,161	86,416	77,348	9,455	133	173,352
Share of Total	49%	46%	5%	-	100%	50%	45%	5%	-	100%

Sequential change, percent	Q3 2015				
	Networks	Global Services	Support Solutions	Modems	Total
North America	-4%	-2%	16%	-	-2%
Latin America	11%	11%	4%	-	11%
Northern Europe & Central Asia	-8%	7%	34%	-	-1%
Western & Central Europe	-28%	-3%	27%	-	-12%
Mediterranean	-10%	-4%	-18%	-	-7%
Middle East	-34%	23%	23%	-	-12%
Sub Saharan Africa	-2%	7%	-18%	-	1%
India	33%	2%	-29%	-	19%
North East Asia	-14%	3%	-1%	-	-9%
South East Asia & Oceania	-4%	-3%	0%	-	-3%
Other	3%	11%	3%	-	4%
Total	-8%	3%	6%	-	-2%

Year over year change, percent	Q3 2015				
	Networks	Global Services	Support Solutions	Modems	Total
North America	-6%	8%	31%	-	2%
Latin America	-7%	2%	-43%	-	-5%
Northern Europe & Central Asia	-34%	8%	27%	-	-20%
Western & Central Europe	-22%	9%	21%	-	-2%
Mediterranean	3%	7%	-16%	-	5%
Middle East	-28%	31%	29%	-	-5%
Sub Saharan Africa	-1%	19%	52%	-	10%
India	120%	46%	-26%	-	81%
North East Asia	-7%	-12%	-30%	-	-10%
South East Asia & Oceania	19%	32%	46%	-	25%
Other	4%	9%	11%	-	4%
Total	-4%	11%	8%	-	3%

Year over year change, percent	Jan-Sep 2015				
	Networks	Global Services	Support Solutions	Modems	Total
North America	-13%	14%	6%	-	-1%
Latin America	-11%	3%	-19%	-	-5%
Northern Europe & Central Asia	-9%	-2%	29%	-	-6%
Western & Central Europe	-9%	16%	13%	-	6%
Mediterranean	-1%	11%	-10%	-	5%
Middle East	13%	19%	32%	-	16%
Sub Saharan Africa	14%	29%	26%	-	22%
India	121%	51%	93%	-	91%
North East Asia	12%	-6%	-6%	-	5%
South East Asia & Oceania	29%	28%	-1%	-	28%
Other	-3%	43%	9%	-	7%
Total	4%	14%	9%	-	8%

PROVISIONS

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Opening balance	5,354	4,056	4,427	4,567	4,579	4,928	5,362
Additions	695	2,777	915	996	675	430	625
Utilization/Cash out	-1,545	-1,217	-1,204	-794	-648	-642	-977
<i>Of which restructuring</i>	<i>-1,103</i>	<i>-472</i>	<i>-437</i>	<i>-213</i>	<i>-231</i>	<i>-246</i>	<i>-512</i>
Reversal of excess amounts	-168	-161	-236	-420	-132	-298	-88
Reclassification, translation difference and other	-5	-101	154	78	93	161	6
Closing balance	4,331	5,354	4,056	4,427	4,567	4,579	4,928

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Opening balance	4,427	4,427	4,427	5,362	5,362	5,362	5,362
Additions	4,387	3,692	915	2,726	1,730	1,055	625
Utilization/Cash out	-3,966	-2,421	-1,204	-3,061	-2,267	-1,619	-977
<i>Of which restructuring</i>	<i>-2,012</i>	<i>-909</i>	<i>-437</i>	<i>-1,202</i>	<i>-989</i>	<i>-758</i>	<i>-512</i>
Reversal of excess amounts	-565	-397	-236	-938	-518	-386	-88
Reclassification, translation difference and other	48	53	154	338	260	167	6
Closing balance	4,331	5,354	4,056	4,427	4,567	4,579	4,928

INFORMATION ON INVESTMENTS

Investments in assets subject to depreciation, amortization, impairment and write-downs

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Additions							
Property, plant and equipment	1,807	2,424	2,367	1,553	1,415	1,320	1,034
Capitalized development expenses	982	843	294	986	155	185	197
IPR, brands and other intangible assets	10	26	11	1,014	935	621	77
Total	2,799	3,293	2,672	3,553	2,505	2,126	1,308
Depreciation, amortization and impairment losses							
Property, plant and equipment	1,129	1,152	1,214	1,187	1,078	1,048	1,004
Capitalized development expenses	354	333	342	342	311	315	333
IPR, brands and other intangible assets, etc.	942	1,094	1,125	1,161	1,092	1,051	1,023
Total	2,425	2,579	2,681	2,690	2,481	2,414	2,360

RECONCILIATION TABLE, NON-IFRS MEASUREMENTS – CASH CONVERSION

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income	3,118	2,123	1,454	4,165	2,624	2,662	1,692
Net income reconciled to cash	6,782	3,413	3,136	8,270	4,974	5,862	3,237
Cash flow from operating activities	1,560	3,078	-5,900	8,596	-1,350	2,054	9,402
Cash conversion	23.0%	90.2%	-188.1%	103.9%	-27.1%	35.0%	290.5%

NET CASH – END OF PERIOD

SEK million	Sep 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014
Cash and cash equivalents	33,950	32,962	35,311	40,988
+ Short term investments	17,597	20,807	30,776	31,171
- Borrowings, non-current	22,900	22,551	23,496	21,864
- Borrowings, current	2,885	3,199	2,847	2,281
- Post employment benefits	26,011	24,530	24,163	20,385
Net cash, end of period	-249	3,489	15,581	27,629

OTHER INFORMATION

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2015	2014	2015	2014	2014
Number of shares and earnings per share					
Number of shares, end of period (million)	3,305	3,305	3,305	3,305	3,305
Of which class A-shares (million)	262	262	262	262	262
Of which class B-shares (million)	3,043	3,043	3,043	3,043	3,043
Number of treasury shares, end of period (million)	53	66	53	66	63
Number of shares outstanding, basic, end of period (million)	3,252	3,239	3,252	3,239	3,242
Numbers of shares outstanding, diluted, end of period (million)	3,284	3,271	3,284	3,271	3,275
Average number of treasury shares (million)	54	67	58	70	68
Average number of shares outstanding, basic (million)	3,251	3,238	3,247	3,235	3,237
Average number of shares outstanding, diluted (million) ¹⁾	3,283	3,270	3,280	3,268	3,270
Earnings per share, basic (SEK)	0.95	0.82	2.00	2.27	3.57
Earnings per share, diluted (SEK) ¹⁾	0.94	0.81	1.98	2.25	3.54
Earnings per share (Non-IFRS), diluted (SEK) ²⁾	1.13	1.05	2.64	2.94	4.49
Earnings per share (Non-IFRS, excluding restructuring), diluted (SEK) ²⁾	1.34	1.11	3.56	3.08	4.80
Ratios					
Days sales outstanding	-	-	113	111	105
Inventory turnover days	75	68	72	69	64
Payable days	51	55	55	57	56
Equity ratio (%)	-	-	49.6%	52.3%	49.5%
Return on equity (%)	9.0%	7.6%	6.2%	6.9%	8.1%
Return on capital employed (%)	11.2%	9.7%	8.0%	8.6%	9.8%
Capital turnover (times)	1.3	1.3	1.2	1.2	1.2
Cash conversion %	23.0%	-27.1%	-9.5%	71.8%	83.7%
Exchange rates used in the consolidation ³⁾					
SEK/EUR- closing rate	-	-	9.40	9.15	9.47
SEK/USD- closing rate	-	-	8.38	7.27	7.79
Other					
Regional inventory, end of period	18,413	17,094	18,413	17,094	17,142
Export sales from Sweden	26,921	26,871	82,885	79,106	113,734

¹⁾ Potential ordinary shares are not considered when their conversion to ordinary shares would increase earnings per share.

²⁾ Excluding amortizations and write-downs of acquired intangibles.

³⁾ Translation method changed from 2015. Monthly rates used to translate transactions are available on www.ericsson.com/thecompany/investors

NUMBER OF EMPLOYEES

End of period	2015			2014			
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
North America	14,669	14,975	15,156	15,516	15,554	15,306	14,902
Latin America	10,754	10,823	10,970	11,066	10,901	11,179	9,731
Northern Europe & Central Asia ¹⁾	20,953	21,441	21,556	21,633	21,691	21,476	21,484
Western & Central Europe	12,042	12,400	12,575	12,617	12,606	12,624	11,455
Mediterranean	12,748	12,925	13,363	13,387	13,306	12,475	12,253
Middle East	3,634	3,717	3,813	3,858	3,831	3,736	3,749
Sub Saharan Africa	2,306	2,389	2,442	2,406	2,288	2,284	2,094
India	21,343	21,353	21,215	19,971	19,413	18,495	17,991
North East Asia	13,782	13,104	13,488	13,464	13,653	13,448	13,490
South East Asia & Oceania	4,009	4,056	4,128	4,137	4,265	4,359	4,234
Total	116,240	117,183	118,706	118,055	117,508	115,382	111,383
¹⁾ Of which in Sweden	17,242	17,560	17,569	17,580	17,655	17,497	17,545

RESTRUCTURING CHARGES BY FUNCTION

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cost of sales	-351	-1,157	-484	-663	-168	-116	-82
Research and development expenses	-547	-1,118	-51	-113	-92	-80	-19
Selling and administrative expenses	-80	-469	-79	-28	-19	-47	-29
Total	-978	-2,744	-614	-804	-279	-243	-130

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Cost of sales	-1,992	-1,641	-484	-1,029	-366	-198	-82
Research and development expenses	-1,716	-1,169	-51	-304	-191	-99	-19
Selling and administrative expenses	-628	-548	-79	-123	-95	-76	-29
Total	-4,336	-3,358	-614	-1,456	-652	-373	-130

RESTRUCTURING CHARGES BY SEGMENT

Isolated quarters, SEK million	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Networks	-565	-1,842	-173	-142	-80	-128	-93
Global Services	-358	-691	-419	-600	-122	-81	-32
<i>Of which Professional Services</i>	-316	-175	-140	-435	-85	-63	-25
<i>Of which Network Rollout</i>	-42	-516	-279	-165	-37	-18	-7
Support Solutions	-37	-194	-19	-30	-77	-34	-5
Modems	-1	-12	-3	-32	-	-	-
Unallocated	-17	-5	-	-	-	-	-
Total	-978	-2,744	-614	-804	-279	-243	-130

Year to date, SEK million	2015			2014			
	Jan-Sep	Jan-Jun	Jan-Mar	Jan-Dec	Jan-Sep	Jan-Jun	Jan-Mar
Networks	-2,580	-2,015	-173	-443	-301	-221	-93
Global Services	-1,468	-1,110	-419	-835	-235	-113	-32
<i>Of which Professional Services</i>	-631	-315	-140	-608	-173	-88	-25
<i>Of which Network Rollout</i>	-837	-795	-279	-227	-62	-25	-7
Support Solutions	-250	-213	-19	-146	-116	-39	-5
Modems	-16	-15	-3	-32	-	-	-
Unallocated	-22	-5	-	-	-	-	-
Total	-4,336	-3,358	-614	-1,456	-652	-373	-130