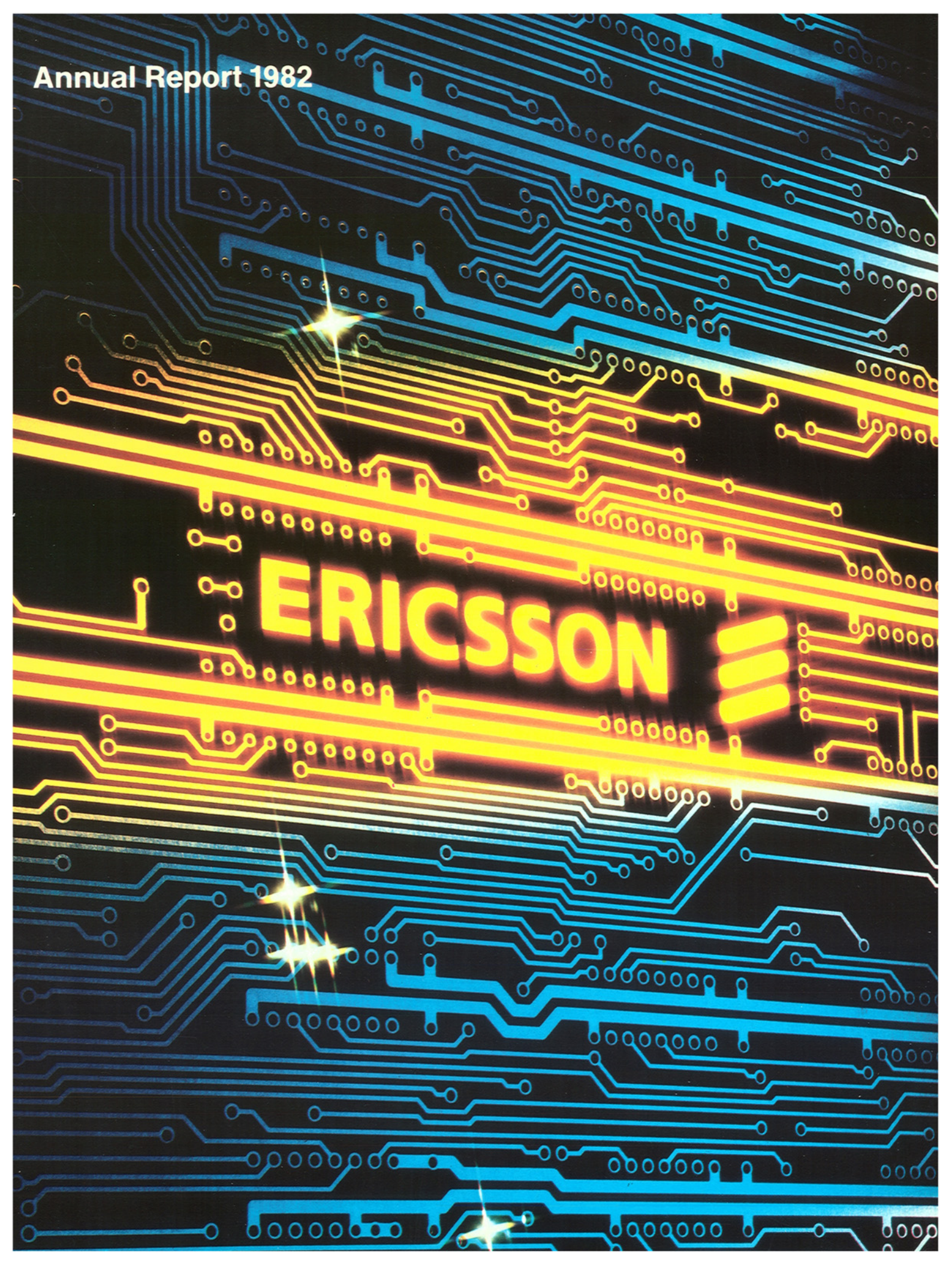


Annual Report 1982

ERICSSON 





MARCUS WALLENBERG

Dr. Marcus Wallenberg passed away on September 13, 1982. How much he meant to Swedish industry has been described extensively by colleagues, associates and the mass media. His long relationship with LM Ericsson was of immeasurable importance.

Marcus Wallenberg came to LM Ericsson in 1932, when he was given the assignment of rescuing the Company from the very severe crisis that had developed following the Krueger crash. He joined the Company's board of directors as vice chairman in 1933 and thereafter followed the Company actively for 50 years.

Marcus Wallenberg's vision with respect to financial planning and technological programs is responsible for the position of market leadership that LM Ericsson enjoys today.

The Company's operations are widely dispersed geographically and Ericsson is dependent for its success on contacts with authorities, banks and industries in many countries. Marcus Wallenberg's many personal contacts have been invaluable, both in creating openings into new markets and in strengthening the Company's position in established markets. Even after he resigned as chairman of the board in 1977, he was always most willing to assist with his counsel in the difficult competitive situations that have characterized recent years.

We remember our honorary chairman with deep gratitude.

LM Ericsson Telephone Company

ANNUAL REPORT 1982

IMPORTANT EVENTS DURING 1982

□ An agreement was reached with AB Electrolux covering Ericsson's acquisition of Facit AB's operations. Their typewriters, calculators, microcomputers and office furniture constitute a logical supplement to our product program for office automation. Facit's international sales organization will be a valuable reinforcement of our distribution network. The takeover occurred January 1, 1983.

□ Important contracts for telephone exchanges were signed for deliveries to Korea, Malaysia, Thailand and the United States. The Republic of Korea is a new market for the Group, while the transaction in the U.S. represents a breakthrough into an important market sector for Ericsson. Our AXE technology was decisive in obtaining all these contracts.

□ Ericsson Information Systems AB, established on January 1, 1982, has gained notable sales successes with large orders for Alfaskop systems, bank terminal systems and the new MD 110 digital subscriber exchange.

□ The Ericsson Group has received substantial orders for electronics for the new Swedish JAS military aircraft. The orders are important also because they contribute to our maintaining advanced high-technology competence.

□ A contract for a network construction project was received in Iraq. Similar large projects are currently being carried out in Libya and Saudi Arabia.

□ Our investments in research and product development increased to SEK 1,638 m. We maintained our lead with AXE technology, as demonstrated by the fact that we were the first company in the world outside the U.S. to install fully digital local exchanges.

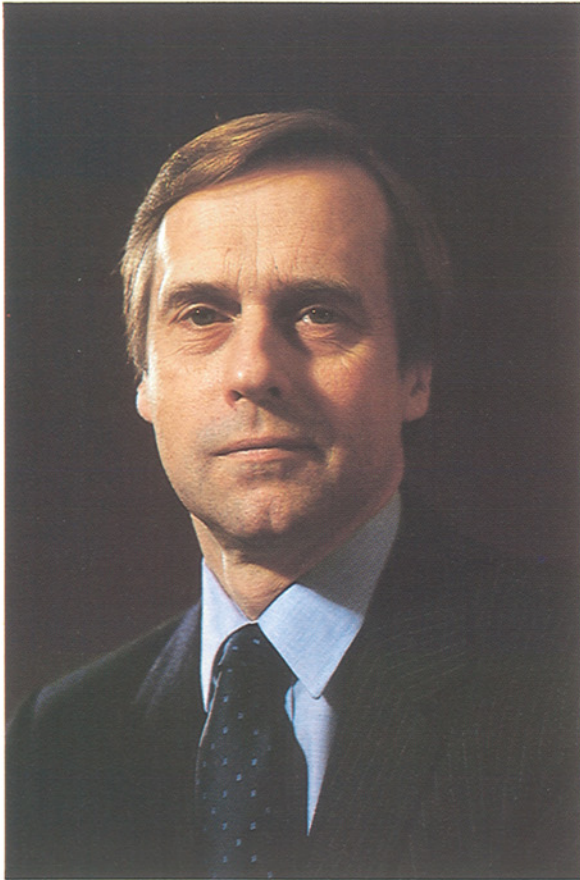
HIGHLIGHTS OF GROUP OPERATING RESULTS

	1982 SEK m.	1981 SEK m.	Change, percent
Net sales	19,567	16,194	21
Order bookings	22,534	20,989	7
Order backlog at year-end	20,991	17,701	19
Group income before special adjustments and taxes	1,337	1,192	
Adjusted net income, SEK per share	16:84	16:73	
Dividend per share, SEK*	7:50	6:50	

* For 1982, proposed by the Board of Directors

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The Rate of Growth is Increasing

With our AXE system, we have taken a lead in the development of telecommunications. We expect to be able to maintain this leadership position for a long time to come. One result of this leadership is that our share of the world market has grown during the past decade. We believe that we will be able to further increase it during the remainder of the 1980s.

During the past year we received a strategically important order – the first stage is valued at SEK 300 million – in the Republic of Korea, a market in which we had not been present earlier. We also re-entered Malaysia and Thailand, markets in which our position had been threatened by Japanese competitors.

The success of the AXE system is important, not least because it has given us the financial capacity to support strong technical development parallel with operations in the traditional telecommunications field. With Ericsson Information Systems, we are entering a market where there is very strong growth but which is still not overwhelming in size; the segment in which we are competing is less than SEK 100 billion. The growth is naturally attracting many companies. With no disrespect for our competitors, we believe we have possibilities of captur-

ing a far from insignificant and – within a few years – profitable portion of the market for information systems.

This confidence is based on the fact that a subscriber exchange is an important element in most of the systems that our Information Systems Business Area will supply. In this field, we continue to exploit our AXE technology while at the same time applying strong efforts to the further development of other system components. Through the acquisitions of Datasaab and Facit, we have also strengthened our marketing channels and have supplemented our product program.

AXE has also given us an opportunity to break into the market for mobile telephone systems. We already have a substantial share of the world market and intend to continue to be one of the world's largest suppliers.

Our costs today, if we take the average for the countries in which we operate, are comparable to those of most of our competitors. The decisive factor will be how successful we are in coordinating our personnel and material resources in the many countries in which, for marketing reasons, we have located our operations.

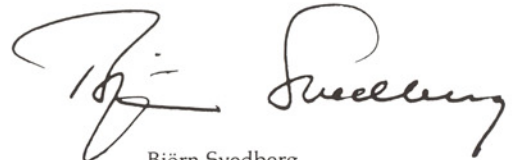
We are incurring large financial expenses as a result of currency devaluations in countries where we have not been able to arrange local financing, but in which we deem it strategic, from a marketing standpoint, to maintain our position. The devaluation of the Swedish krona is certainly causing us large exchange losses on loans in foreign currency, but this is balanced by increased competitiveness, assuming that wage and salary agreements in Sweden, as well as inflation in general, can be held in check.

We are developing our operations with a long-term perspective. Without such an approach, we would not have been able to plan and carry out the difficult transition to advanced electronics in our principal product areas. It is important to emphasize this in examining the financial results of our operations. Our return on stockholders' equity last year was 10 percent, which is not satisfactory in a year when interest rates on long-term loans were around 14 percent. But we see good possibilities to improve this return and we do not believe that radical action of a short-term character is justified as a means of increasing the yield. The benefits that this would entail would not balance the risks of losing the technological lead we have. With the introduction of fully digital AXE systems, which were installed in six countries during 1982, we have demonstrated that we can maintain this lead.

Parallel with our investments in technical development, one of our most important tasks is planning for the financing of the very substantial expansion we anticipate during the next five years. We estimate that our sales will double by 1987. Although, based on current estimates, our internal

financing will more than double, compared with the 1978–1982 five-year period, it is likely that we will also utilize the market for long-term borrowing – internationally and in Sweden – and again turn to the market for risk capital.

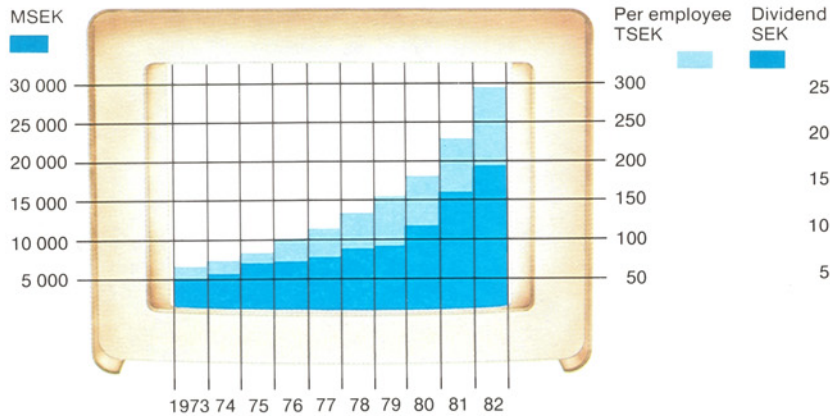
Stable dividend growth, when it can be supported by well-consolidated accounts, constitutes an important element in our confidence, as demonstrated by the increases in dividends in recent years. If current forecasts are realized, there will be scope, in this connection, for exceeding the international rate of inflation by an even wider margin.



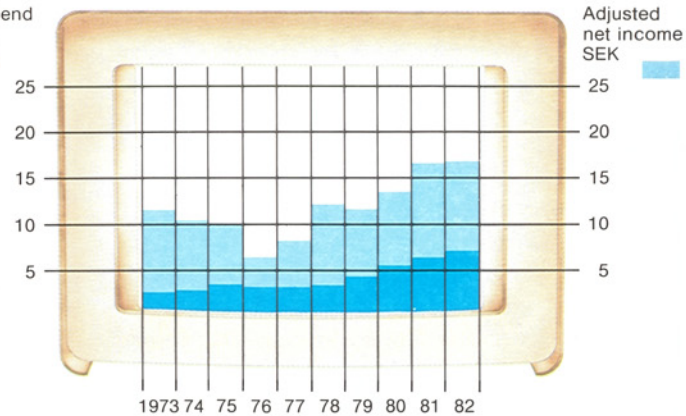
Björn Svedberg
President and Chief Executive Officer

The Ericsson Group – Financial Summary

Sales



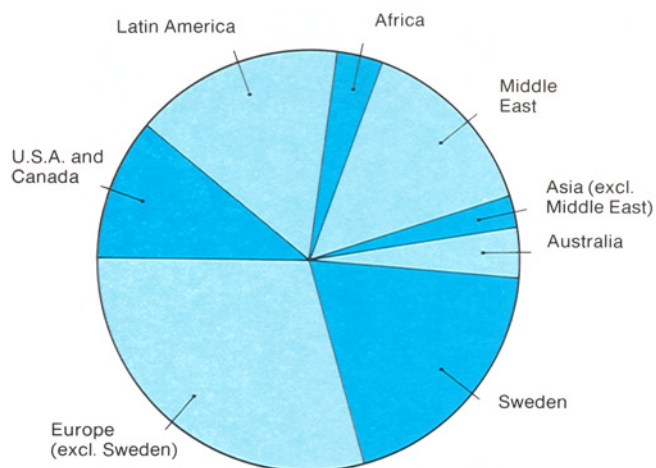
Earning and dividend per share



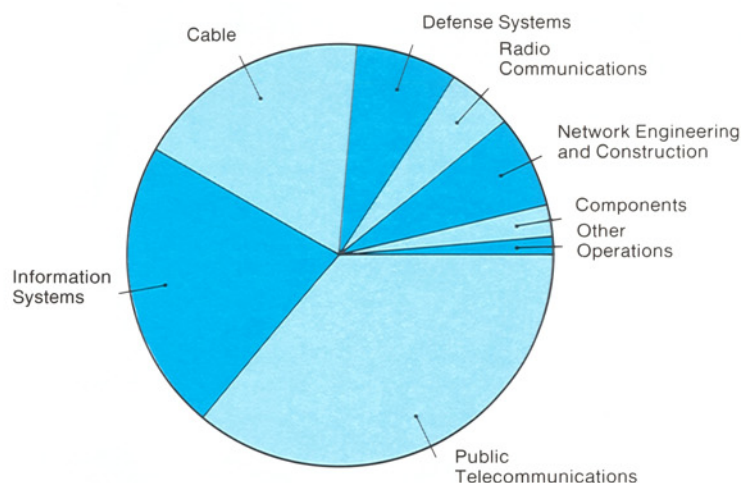
SEK amounts in millions except per share figures

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Net sales	19,567	16,194	12,174	9,329	9,021	7,833	7,312	7,240	5,988	5,212
Earnings before depreciation	3,131	2,819	1,604	1,085	1,447	1,207	1,300	1,185	1,154	1,118
Earnings before financial income/expense	2,371	2,198	1,195	741	1,118	904	1,010	952	927	917
Financial income/expense (net)	-1,114	-810	-186	-84	-274	-253	-394	-199	-80	-69
Foreign exchange translation differences	-397	-324	-121	+4	-189	-131	-211	-80	-93	+5
Share in net income of associated companies	155	106	47	125	66	33	2	58	64	31
Minority interest in earnings before special adjustments and taxes	+321	+22	-	-	-	-	-	-	-	-
Group income before special adjustments and taxes	1,337	1,192	935	786	721	533	407	731	818	884
Adjusted net income Per share	16:84	16:73	13:57	11:43	12:23	8:23	6:49	10:22	10:70	11:41
Dividend Per share	7:50	6:50	5:67	4:67	3:67	3:33	3:33	3:68	3:04	2:79
Backlog of orders	20,991	17,701	11,914	10,147	10,586	8,565	7,522	9,162	7,701	6,795
Number of employees	66,300	69,900	65,900	59,500	65,100	66,400	71,100	84,100	80,600	75,600

Overall geographic distribution of sales



Group sales by Business Areas



SEK amounts in millions except per share figures

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Net working capital	7,263	6,885	6,322	5,195	4,741	4,366	4,032	4,372	3,428	3,291
Net property, plant and equipment	5,596	4,783	3,833	1,840	1,989	2,095	2,015	1,822	1,542	1,350
Long-term debt	5,455	4,667	3,544	2,625	2,620	2,478	2,461	2,746	1,826	1,781
Special reserves	3,637	3,251	3,233	1,915	1,554	1,558	1,580	1,672	1,403	1,176
Minority interest	865	933	966	393	408	384	346	410	403	442
Stockholders' equity	3,973	3,654	3,010	2,947	2,869	2,677	2,594	2,121	2,044	1,920
Capital expenditure for property, plant and equipment	1,662	1,275	718	508	501	548	586	657	502	391
Current ratio	1.7	1.9	2.1	2.3	2.1	2.1	2.2	2.1	2.0	2.1
Return on equity (percent)	9.9	11.0	10.4	9.2	11.3	7.6	6.7	7.7	8.5	10.3
Solidity I (percent)	26.1	28.4	31.6	33.2	31.8	32.0	33.4	29.3	33.1	33.6
Solidity II (percent)	33.3	35.8	40.7	40.5	37.8	38.6	40.5	36.6	40.4	40.3
Debt-equity ratio	1.5	1.4	1.2	1.1	1.1	1.3	1.2	1.4	1.0	0.9

Definitions to The Ericsson Group – Financial Summary is given on page 40 under Notes to the Financial Statements.

Technology

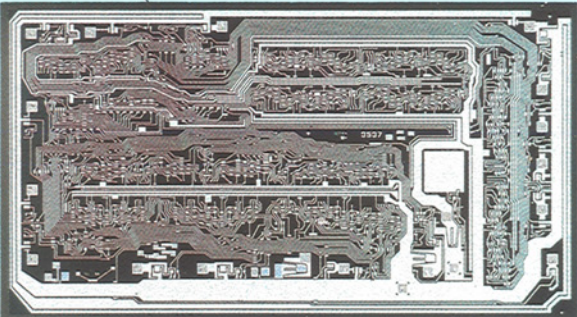
Ericsson's success has been based, to a great degree, on solid technical knowledge and it is important that this be further developed and maintained at a high level. The Group's technical strength is based substantially on applied research and firmly established know-how in product and system development. Investments in technology in 1982 amounted to SEK 1.6 billion, or 8 percent of Group sales, a figure that is considered representative of the expenditures that will continue to be made during the next few years.

Notable examples of technical areas that are important to the Group today include the following:

- Optotechnology, which deals with the development of glass fiber and optical fiber cable and related terminal equipment based on laser technology.
- Component technology, in which we are working with processes for the design and production of user-specific microcomponents in advanced semiconductor technology.
- Advanced systems for radio communications, featuring "secure" transmission of signals.
- Software technology.

The success of the AXE system in the international market has continued. Continued development of the system is proceeding on schedule and, in this regard, an important step was taken during the year with the installation of a number of fully digital local telephone exchanges. Since AXE is now being mass-produced at the same time that the system is continuously being refined and modernized technically, AXE still maintains a lead of several years over the products of Ericsson's main competitors.

Thinking silicon



The illustrations in this year's Annual Report have been selected to symbolize how electronics today characterize large sectors of Ericsson Group operations. The caption suggests how today's engineers, to an ever greater degree, are seeking solutions to their design problems in electronics.

As patterns for the illustrations, our designer has chosen parts of microcircuits produced by AB RIFA, magnified 200 to 600 times by means of an electron beam microscope.

The pictures above show an actual-size microcircuit (inside circle) and the same circuit enlarged 15 times.

Business Areas

The Ericsson Group has been built upon common technology and a common marketing organization. The Group's competence and long experience in the telecommunications field provides the base for the broadening of its product and market areas in recent years. Telecommunications technology is a part of information technology: methods and equipment for handling information in the form of speech, data, text and pictures. The changes that have been made within Ericsson thus do not involve diversification, but rather a logical development and determined utilization of the Company's inherent strength.

A new Group structure was developed during the past year. The objective is to improve the Group's ability to adapt smoothly to changed requirements from markets and the surrounding world, and to create a more flexible operating organization.

In brief, the reorganization means that a number of "Business Areas" have been created and that Group management has transferred operational responsibility to the managers of these areas, giving Group management greater scope for developing the common technology and the long-term strategies.

The following eight business areas were established:

PUBLIC TELECOMMUNICATIONS

Telephone, data and telex exchanges; transmission equipment.

INFORMATION SYSTEMS

Systems and products for office automation and telecommunications in business and industry. Alarm and monitoring systems.

CABLE

Power and telecommunications cable. Optical fiber cable.

DEFENSE SYSTEMS

Defense electronics, military telecommunications for strategic and tactical networks.

RADIO COMMUNICATIONS

Microwave systems, mobile radio, mobile (cellular) telephony, personal paging systems.

NETWORK ENGINEERING AND CONSTRUCTION

Network material, signaling systems for railways, street and highway signals, planning and construction of networks for public and industrial telecommunications.

COMPONENTS

Electronic components and power equipment.

OTHER OPERATIONS

The new organization became effective January 1, 1983.

The Business Areas and their operations are presented on the following pages.

Continued Market Growth during the 1980s



OVE ERICSSON

The need for increased telecommunications is rising at a rapid rate throughout the world. Apart from the long recognized connection between increased production in a country and the need for expanded telecommunications service, more rapid urbanization has created substantially greater requirements. There is also an increasing need in telephone networks for data connections and other services in addition to transmission of voice signals.

As a result, the market has grown in volume at a rate of 7 percent annually over a long period. Compared with the growth in many other markets, this is a high rate of increase and it has also been a stable one. However, in the face of a persistent recession, rising interest rates and financing problems in many telecommunications administrations, this growth has diminished during the past five-year period, but not below the 6 percent level. With improvement in the world economy we anticipate that the former growth rate will be reestablished.

Regionally, the market is expanding relatively more rapidly in Asia, in certain areas of Latin America and in Europe, while the Nordic countries and North America show lower market growth due to the fact that their networks are well developed.

AXE HAS INCREASED ERICSSON'S SHARE OF MARKET

With the introduction of our AXE system on the world market, followed by a large number of system selections in our favor, the Group's share of the world telephone exchange market has grown from under 10 percent at the beginning of the 1970s to approximately 13 percent today. Saudi Arabia's extremely strong expansion of its telecommunications facilities, beginning in 1978, has been an important factor in this growth. During 1982 the first fully digital local exchange in Europe was inaugurated in Finland, representing a break-

through for an important product group. Later in the year exchanges of this type were also installed in Sweden, Ireland, Saudi Arabia, the United Arab Emirates and Mexico.

The AXE system has been introduced in more than 40 countries and none of our competitors have nearly the same widespread acceptance for their modern systems.

The AXE system is Ericsson's most important means of competition. However, credit terms are often decisive in competitive bidding. In certain markets we are highly dependent on insurance provided by the Swedish Export Credits Guarantee Board and on adherence to the OECD regulations covering uniform minimum interest rates in the countries from which our competitors operate.

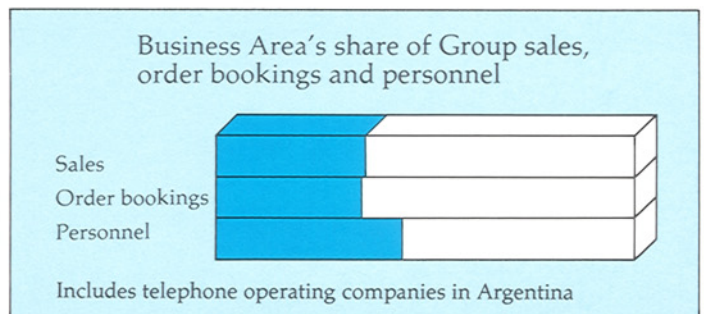
Our competitors on the international market are European, American and Japanese companies. Each of the largest of these — and in this connection the Japanese units are regarded as a single group — is about the same size as we are in our Business Area. However, we believe that our foremost competitors are behind us in technical development and have no product that is fully competitive with AXE.

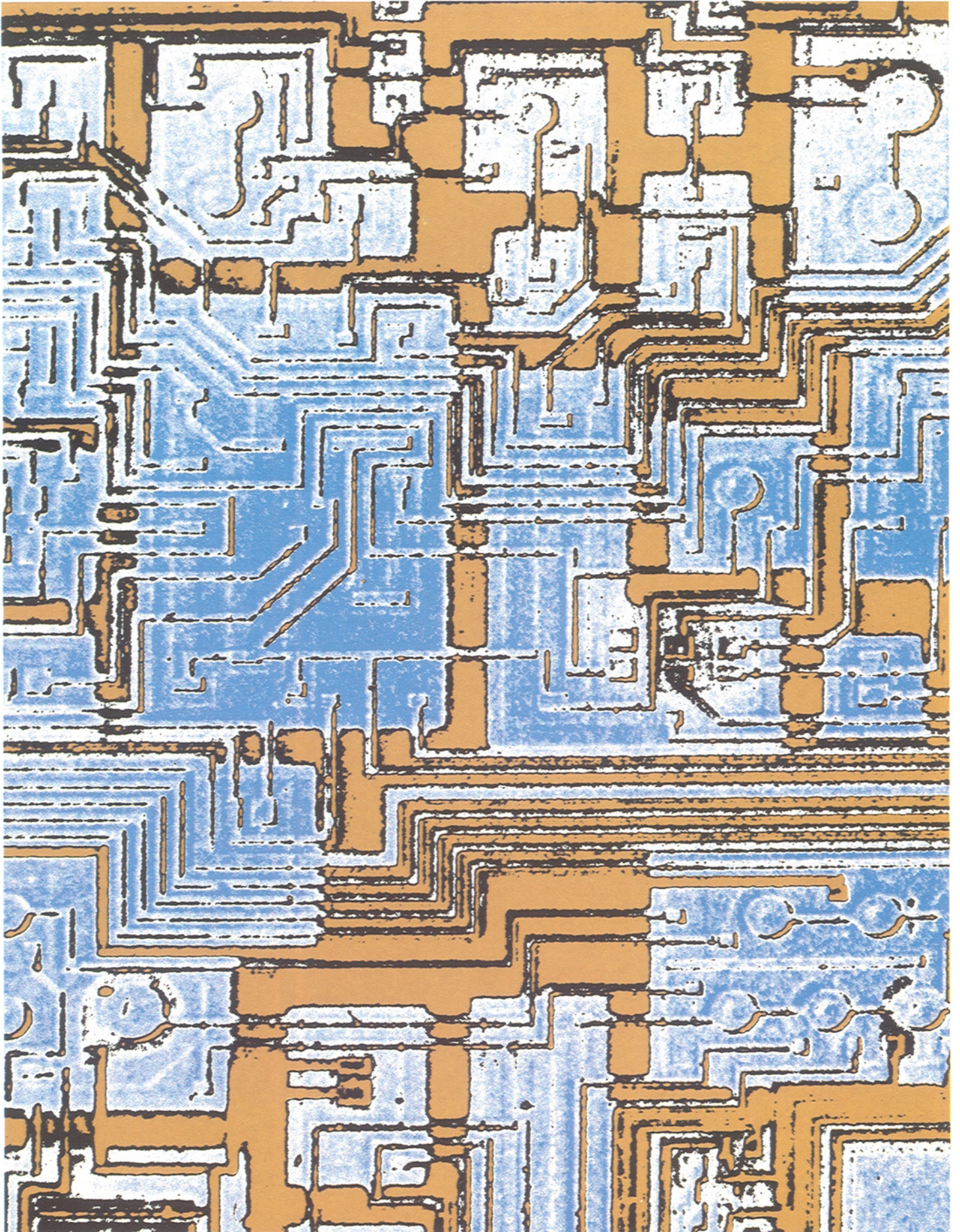
The Japanese suppliers, by virtue of intensive marketing, combined in certain instances with "unrealistic" sales terms, have won a number of bidding competitions. However, they have not increased their market shares to the same degree as in such other industries as automobiles and home electronics.

ADDITIONAL VOLUME BOOSTS REVENUES
Sales in the Public Telecommunications Business Area have risen nearly 15 percent annually during the past five years. Inflation and gains in volume have been approximately equal contributing factors. The many selections of Ericsson systems during the latter part of the 1970s have resulted in gains in market shares in the more recent period. It is expected that there will be fewer new selections of systems during the next few years.

Growth in the transmission equipment field has contributed strongly to the increased volume.

PRIORITY FOR DEVELOPMENT EXPENSES
Very substantial investments in development work —





as well as the conversion to the production of electronic systems — have characterized the most recent five-year period. Development costs represent 11 percent of sales. While some of these costs can be deferred in a period of limited profitability, we believe it is proper from a long-term viewpoint to maintain these expenditures as a means of retaining the AXE system's lead.

Electronic production is running smoothly in the Swedish factories. The transition from electro-mechanical manufacturing has required large investments. Rapid conversion to the production of electronic systems is now under way in our foreign plants.

Production in countries outside Sweden is increasing. We are thereby able to hold, or increase, our market shares, but we are gaining no direct cost advantages since production is being fragmented and we are manufacturing in shorter series. The transfer of technology no longer involves only traditional production but also product development and production of software.

HIGHER PROFITS ANTICIPATED

We foresee a relatively strong continuing increase in volume. Combined with inflation, this will result in sharp nominal increases in sales and a need for larger amounts of working capital.

Ninety-five percent of the Business Area's sales are outside Sweden. Exchange differences, which do not reflect our efficiency and competitiveness, occasionally have a strong impact on earnings. Assuming reasonably stable exchange rates and world trade without rising barriers, we anticipate a continuing increase in earnings during the next five years. Profitability currently meets Group requirements and it is anticipated that it can be maintained at this level.

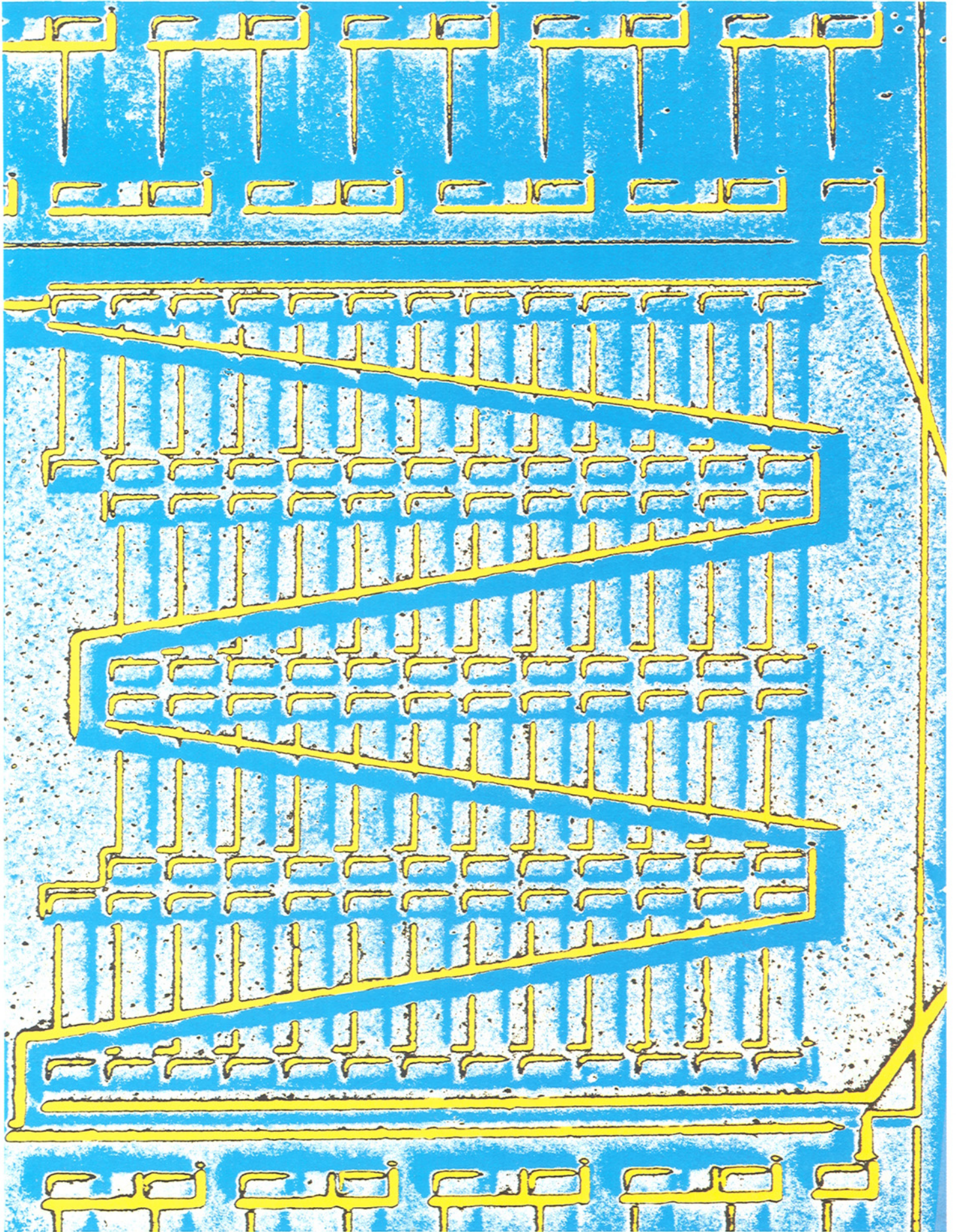
We are strongly entrenched in the world market and consider our present structure well adapted to our operations. The most important strategic measures during the years immediately ahead will be designed to assure an increased share of the market in order to cover our development costs in the future. During the foreseeable future the AXE system will be competitive and no major investment in development of a new system will be required.

Programs in other such Ericsson Group Business Areas as Components and Radio Communications (mobile telephony) are also creating new opportunities in the market served by Public Telecommunications.

AXE MARKETS

Thousands of lines, delivered and on order, up to and including 1982. (Includes licensees.)

<i>Market</i>	<i>Lines</i>
Sweden	960
France	900
Saudi Arabia	640
Denmark	410
Colombia	400
Venezuela	290
Republic of Korea	280
The Netherlands	250
Brazil	250
Kuwait	250
Australia	230
Finland	200
Mexico	190
Ireland	180
Spain	160
Malaysia	150
Yugoslavia	150
Thailand	140
Other markets	550
Total	6,580



New Growth Market



HAKAN LEDIN

The possibility of transmitting digital information – and not merely speech – in telecommunications networks has created a base for transmitting data information in these networks, thereby making integrated systems possible. Ericsson has developed such systems in digital versions of the AXE system. With its recently introduced MD 110 subscriber exchange (PABX), opportunities have developed to link telecommunications and data systems within companies.

The Information Systems Business Area deals with products – for handling speech, data, text and pictures – that constitute parts of integrated systems. These include subscriber exchanges, small computers and terminal systems for banks and offices.

Defining the product area in broad terms, the world market amounts to SEK 200 billion. However, the area in which we are competing is estimated to be between SEK 75 billion and SEK 100 billion. A doubling of demand is expected during the coming five-year period. Nearly half of the world market is in the United States, slightly more than one fourth in Europe, and about one tenth in Japan.

The strong market growth has attracted companies in various categories. They include manufacturers of large computers and companies in telecommunications. Firms which are active in the office equipment field also want a share of the growing market for information technology. In addition, there are companies in other branches of industry that want to use available capital resources to diversify into this growth area.

Ericsson has decided to invest strongly in information systems. By giving the Business Area substantial development resources and independent management, it has created conditions for rapidly achieving growth that is in line with market needs. Our products are fully adaptable to large computers made by various manufacturers, a factor which improves our business opportunities and facilitates our establishment in the market.

The operations of Ericsson's Parent Company in the fields of subscriber exchanges and telephone instruments have been transferred to our Business Area. We have also acquired Datasaab and Facit, which – taken as a whole – gives us a stable base for marketing.

Through the company acquisitions we have, from the start, attained a well-established position in the Nordic markets. We also have enough sales volume in several European countries – the UK, Germany and The Netherlands – to be able to conduct a profitable service operation, which constitutes an important competitive factor. Substantial investments are planned in Italy, France and Spain, with the objective of creating a stable base for the Business Area throughout Europe.

Because of its size, the United States is a primary market for us and an important base for monitoring commercial and technical trends. The Business Area is operating there through Anaconda-Ericsson. There are already good possibilities for the sale of such key products as bank terminals and the new digital subscriber exchange.

MAJOR COMPETITORS

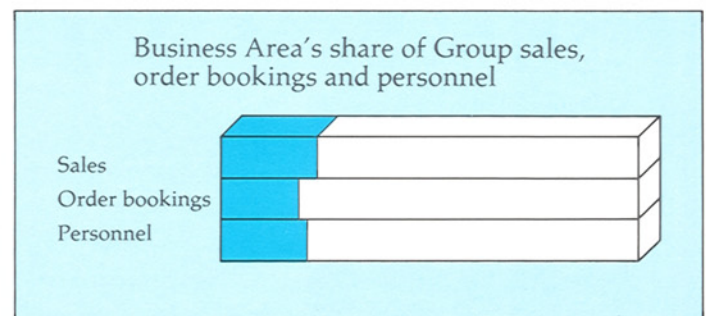
Our share of the world market is relatively small and the geographical pattern is uneven. We have substantial shares of markets in the Nordic countries (30 per cent) and in some European countries. Our strategy is to develop products that will cover a number of related customer needs. The knowledge we thereby acquire will provide competence that can be exploited over a broader market area.

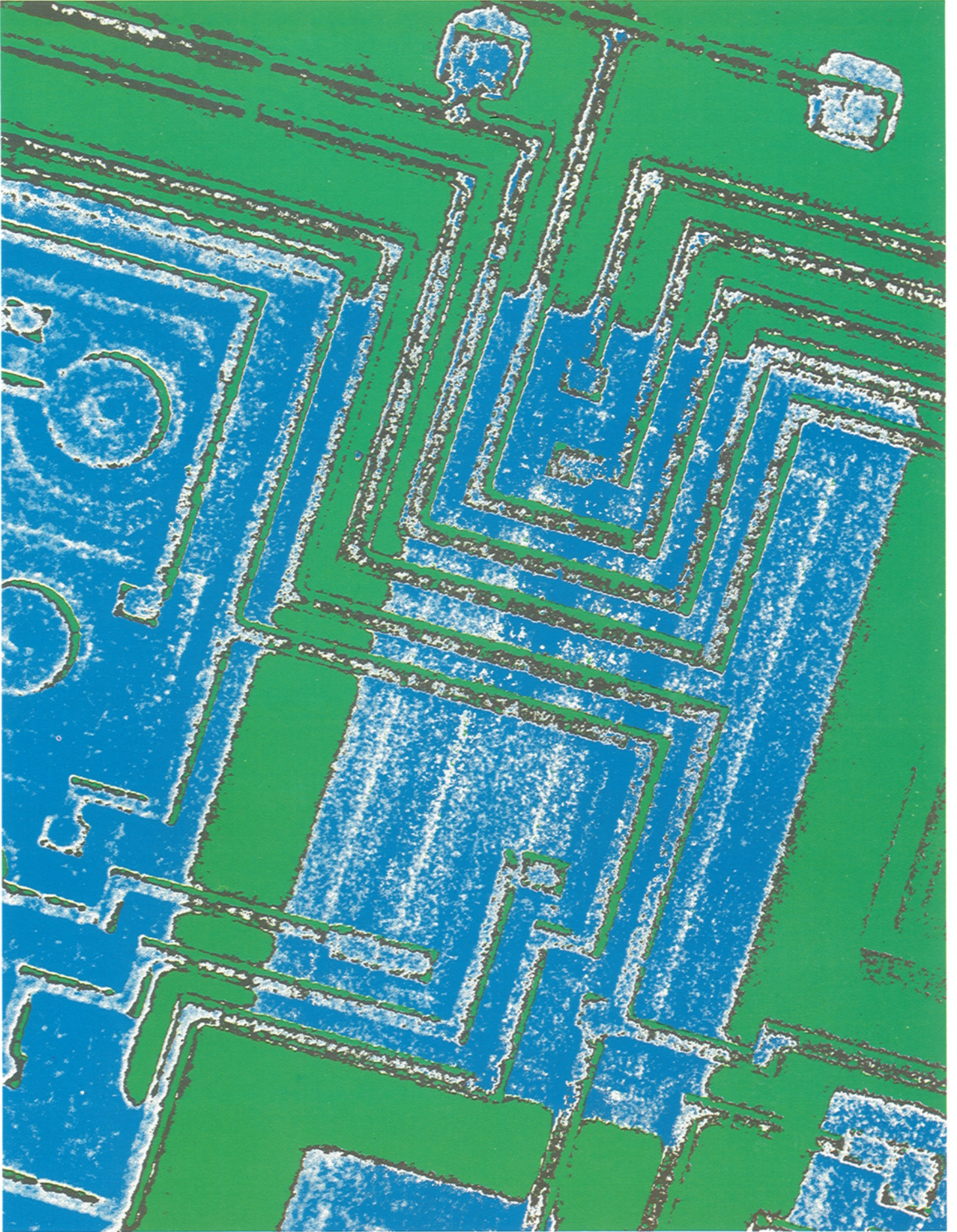
IBM, as a result of its great technical skill and worldwide marketing organization, is the dominant supplier and strongest competitor. Subscriber exchanges play an important role in integrated office information systems. IBM has not yet introduced a competitive exchange system of this type.

Our other competitors come from various locations. The most important are Xerox, Fujitsu, Honeywell, Nippon Electric, NCR, Burroughs, Univac, Hewlett-Packard, Olivetti, DEC, Wang and Northern Telecom. Our competitive position is based on our extensive knowledge and experience in telecommunications and systems engineering.

SALES OBJECTIVE

Sales in the Information Systems Business Area





amounted to SEK 4.4 billion in 1982. The objective is to double this volume by 1987.

PRIORITY FOR DEVELOPMENT EXPENSES

Substantial investments will be made in the Information Systems Business Area. Costs will be characterized by expenditures for marketing and product development. Corporate targets call for the Business Area to show a profit by 1984.

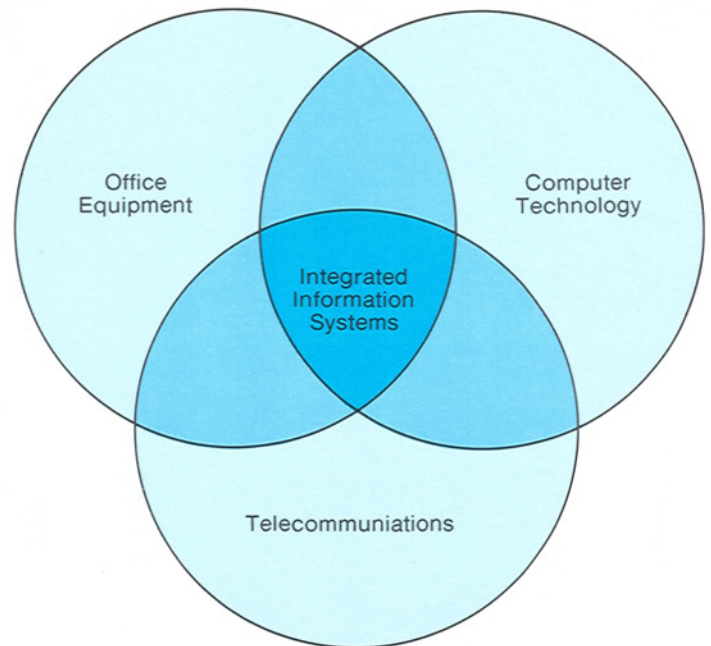
The need for working capital is increasing but the Group's financing plans foresee that this will not impose any restraints.

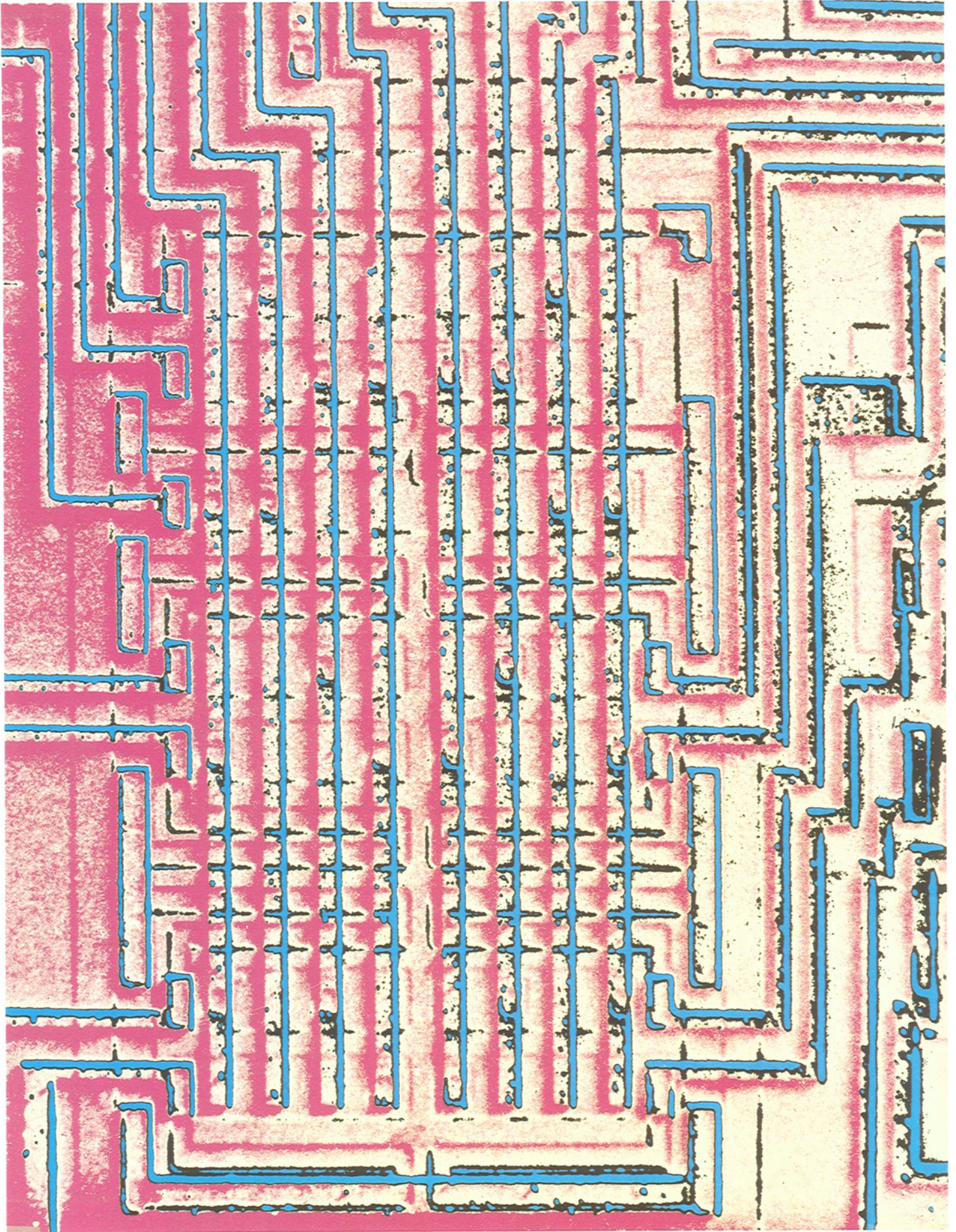
NEW PRODUCTS REDUCES SENSITIVITY TO ECONOMIC CYCLES

The year 1982 represented a breakthrough for the Business Area. We were able to further develop such established products as Alfaskop terminals while receiving orders for complete systems such as the terminal systems for Scandinavian Airlines System's (SAS) worldwide office network, a contract valued at approximately SEK 200 m.

There will be a number of important product introductions during 1983. We expect that our expanded product line and stronger marketing organization will result in continued growth in spite of a continuing recession.

During the next five years the introduction of personal computers will provide increased growth and a changed structure throughout the industry. The prospects for our subscriber exchanges are also favored by the fact that the greater part of all information in companies and other organizations is handled via telephone exchanges — our strongest product area from a competitive standpoint.





Large Market with Limited Growth



JAN STENBERG

The world market for electrical cable and wire amounts to SEK 200 billion annually and is growing slowly. The general expansion of society's infrastructure determines demand, which thus develops slowly in industrialized countries with low population growth. In contrast, there is a substantial growth potential in countries where additional electrification projects and expansion of telecommunications networks are in progress. Demand within a country varies according to its general economic conditions.

In all the more developed countries, most of the cable requirements are met through domestic production. Cables are often heavy and bulky and thus less suitable for export.

Cable and wire are parts of a total telecommunications network. It is therefore natural that Ericsson has been active in this area for more than 50 years and that the majority of our cable and wire sales are for telecommunications purposes. Most of the Group's competitors also have their own cable companies, which — like Ericsson — make both power and telecommunications cables. Products for the transmission of energy account for 80 percent of the world market for cable and wire, while 20 percent involves cables for telecommunications purposes.

The Group has interests in cable manufacturing companies in Sweden, Norway, Ireland, the United States, Mexico, Colombia, Brazil, Argentina and Iran — countries which in aggregate account for one fourth of the world market. Consolidated sales of the Cable Business Area, which also includes an electrical wholesaling operation and the manufacture of cable accessories, amounted in 1982 to SEK 3.5 billion, equal to one fifth of Ericsson Group sales.

COMPETITORS AMONG LARGE COMPANIES

Our sales position is among the ten largest cable enterprises in the world. This group also includes Western Electric, Pirelli, Furukawa and the British BICC.

Other important competitors are Siemens, Philips, ITT and Sumitomo. In Sweden the primary competitors are ASEA Kabel and IKO, an ITT company.

Ericsson's cable companies hold between 15- and 50-percent market shares in their respective countries. In Sweden, however, through Sieverts Kabelverk, we have 70 percent of the market for telecommunications cable. The market share in the U.S. is less than 15 percent.

PRICE TREND AND PROFITABILITY

Costs of materials, primarily copper and aluminum, account for about half of our total costs. The Group has, in general, succeeded in raising its prices to match cost increases. Costs as a whole have risen 10 percent annually during the most recent five-year period.

Profitability of the Business Area has traditionally met Group requirements and has thereby supported the large development expenditures within Ericsson for such projects as the AXE system. Operations in 1982 were, however, seriously affected in a negative manner by the weak economic conditions in the U.S. and the deterioration of currencies in Latin America.

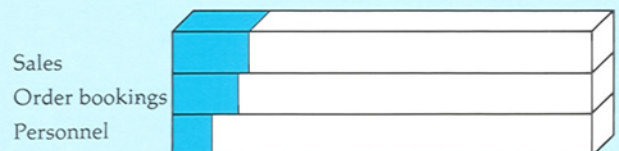
GROWTH ANTICIPATED

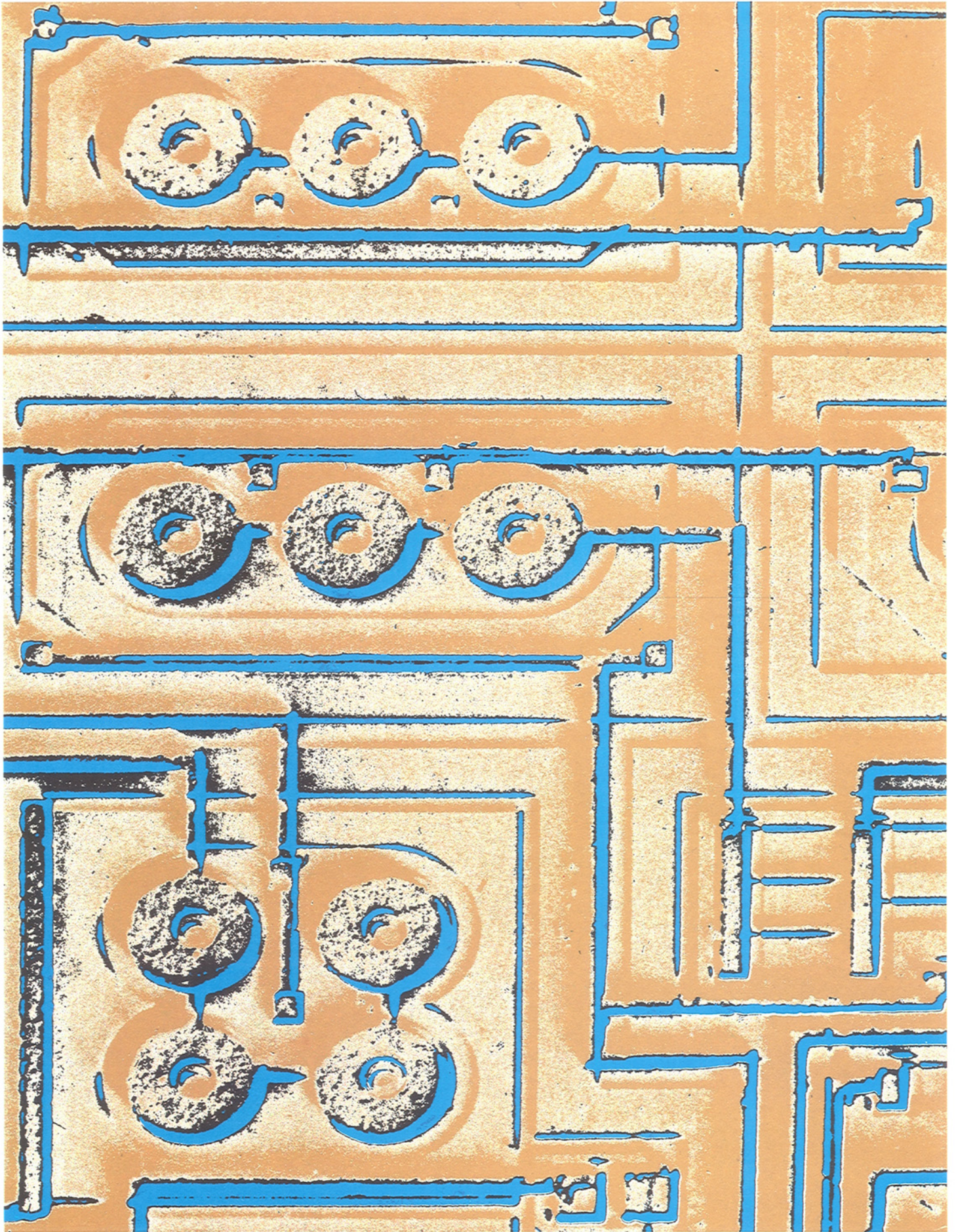
Prospects for the immediate future depend substantially on the trend of the general economy. An upturn will have a favorable impact on volume and productivity without requiring major investments in production equipment.

Important changes are taking place in our American operations to restore profitability there.

Long-term, the oil crises and environmental considerations have increased interest in electricity as a form of distributing energy. In the telecommunications area, glass-fiber cable for optical transmission of signals is beginning to gain ground and is replacing traditional cables with metal conductors. This is causing demand for new products and systems, for which we are carrying out comprehensive development work. Expansion of telecommunications networks, including those for data transmission and cable TV, as well as other applications, provide a base for future growth in volume.

Business Area's share of Group sales, order bookings and personnel





Success in a High-Technology Market



ULF JOHANSSON

The most important product groups in the Defense Systems Business Area are defense electronics, comprising radar, laser and infrared systems for reconnaissance and range-finding, countermeasure systems, interactive computer systems (for use in flight control, for example), as well as systems and equipment for military radio and telecommunications operations. In the latter product group, in particular, technology from other Ericsson Business Areas is used to a great extent.

The market is difficult to define precisely. In Sweden, annual purchases of defense materiel amount to SEK 7 billion, of which procurement in our product area accounts for nearly SEK 2 billion. The market has been constant, in terms of volume, for the past five years. Competition is based mainly on custom-designing systems to meet buyers' requirements, as well as on initial cost and the lowest operating cost during the life of the systems.

Our exports have been facilitated because our largest customer, the Swedish Defense Materiel Administration has in certain cases been able to accept modifications that make it possible for us to achieve production in longer series. Our largest international customers are in Western Europe, the Middle East and Southeast Asia.

NO PRINCIPAL COMPETITORS

We face competition for each order but cannot say that we have any overall principal competitors. We are not in direct competition with large military products companies with their often full-coverage, broad product lines. Instead, we have achieved successes through advanced technological development within limited fields, and within the framework of Ericsson's areas of technology. Our products and systems are not characterized by the advantages of large-scale production or by marketing. Our largest competitors in Sweden are the Philips Group (PEAB) and SATT. Our

share of total Swedish purchases of defense materiel is 8 percent and has increased during the past five years.

EXPORTS INCREASE SALES

Sales in 1982 amounted to SEK 1.5 billion and have risen at a rate of 25 percent annually during the past five-year period. Exports from Sweden have doubled during the same period, amounting last year to SEK 500 m. An important factor in this connection has been the penetration of foreign markets with mobile radar and radio systems.

Development work ordered and financed by customers represents one fifth of our sales. This makes it possible to use Ericsson's nondefense technology in the defense area as well as to develop nonmilitary applications of defense products.

Earnings reflect orderly increases in recent years and meet the Group's requirements.

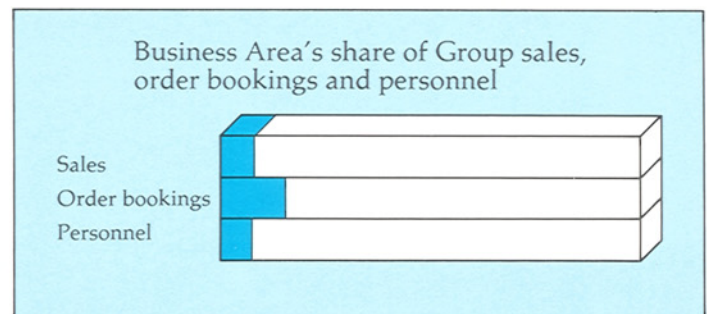
DEVELOPMENT COSTS ACCELERATE

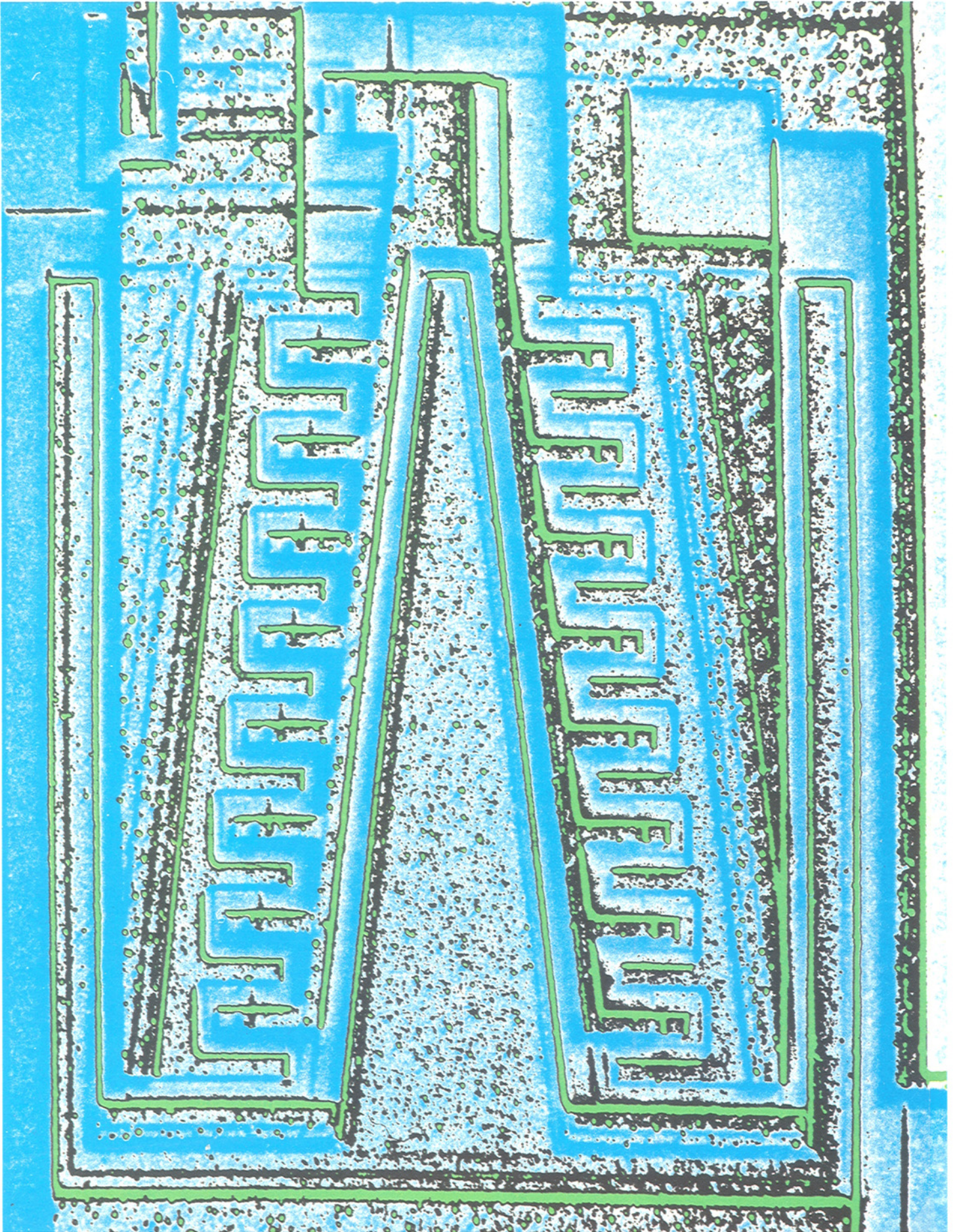
Costs have increased 25 percent annually during the most recent five-year period. The most important factor here is the accelerating rise in the cost of developing new technologies and products. One tenth of Ericsson's total volume of development work is attributable to the Defense Systems Business Area. The buildup of foreign markets has also involved substantial costs.

CONTINUED GROWTH FORESEEN

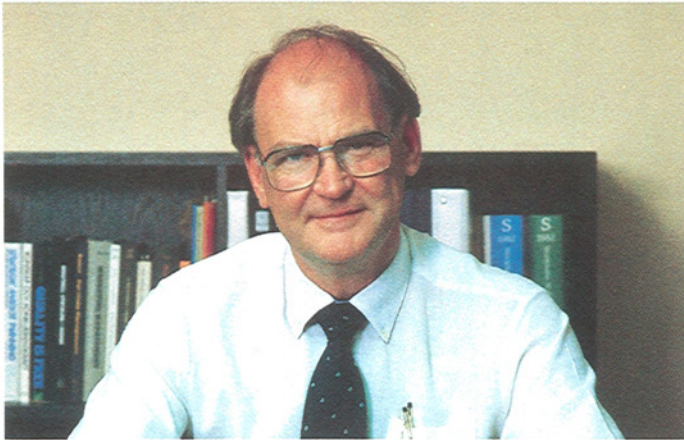
We have a larger percentage of the orders placed by the Swedish Defense Materiel Administration for the new JAS (fighter-attack-reconnaissance) military aircraft than for its predecessors, the Viggen and Draken aircraft. The dimensions of present contracts are in the range of SEK 2 billion. This gives us an important contribution to continuing growth of the Business Area during the remainder of the 1980s.

Airborne radar is so precisely designed for each type of aircraft that it is difficult to export separately. On the other hand, we anticipate that new markets can be established for other defense electronics and for telecommunications and radio communications intended for military purposes. The percentage of our exports is expected to increase during the present decade.





Strong Growth of the Markets



ÅKE LUNDQVIST

During 1982 the Radio Communications Business Area comprised products and systems for advanced civil wireless communication in the following fields: mobile radio, mobile telephony and personal paging.

On January 1, 1983 SRA Communications became a wholly owned subsidiary of LM Ericsson and its name was changed to Ericsson Radio Systems AB. The company's 1982 operations in the area of defense systems and products are described in the section on Defense Systems.

The Radio Communications Business Area's traditional program covers mobile radio, with a world market estimated at between SEK 10 billion and SEK 15 billion. The rate of expansion in this field is declining but remains between 5 and 10 percent annually, calculated in volume. Parts of our product program owe their market strength to civil modifications of products and systems developed by the Defense Systems Business Area.

Mobile telephony, which differs from mobile radio in that a subscriber has direct access to the public telephone network, is our fastest-growing product field. The world market is expanding very rapidly – with forecasts of increases of between 20 and 25 percent annually – and was of the magnitude of several billion Swedish kronor in 1982.

We have received contracts to participate in the development of nationwide mobile telephone networks for the Nordic telecommunications administrations, as well as for The Netherlands, Spain and Saudi Arabia (in association with Philips in the latter country). These orders total one billion Swedish kronor.

The market for local personal paging systems is also expanding rapidly. Since the acquisition of NIRA, a Dutch company, we have a substantial share of the European market.

AXE OFFERS COMPETITIVE ADVANTAGES

In mobile radio Motorola, an American company, has

about 40 percent of the world market and 60 percent of the business in North America. General Electric (U.S.) and Philips of The Netherlands also compete in the world market.

We have a relatively small portion of the world market but are the largest supplier in the Nordic countries. We are also among the largest in the Middle East. The most important competitor in Sweden is Storno, a subsidiary of General Electric.

Motorola is also our foremost competitor in the field of mobile telephony but access to Ericsson's AXE technology is giving us a distinct competitive advantage. Our share of the world market in this sector is substantial. Our competitors include Japanese companies as well as Bell in the U.S. We hold our own well against the Japanese in the world market as a result of our concentration on sophisticated system approaches.

The most important competitors in the area of personal paging systems are Multitone, Hasler/Tateco and Philips.

VERY RAPID INCREASE IN SALES

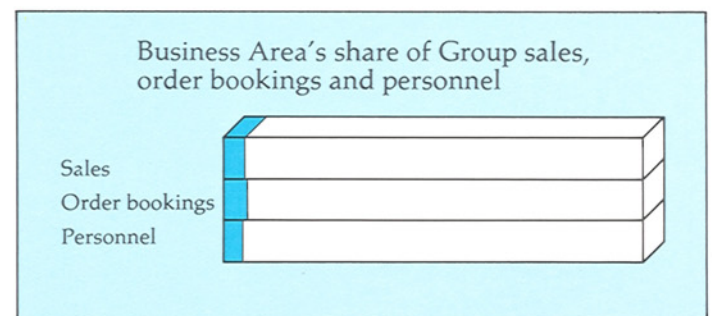
Sales of the Radio Communications Business Area have risen at a very rapid rate in recent years – an average of 30 percent annually during the most recent five-year period – with most of the increase attributable to volume increases. Current plans call for strong expansion of the Business Area.

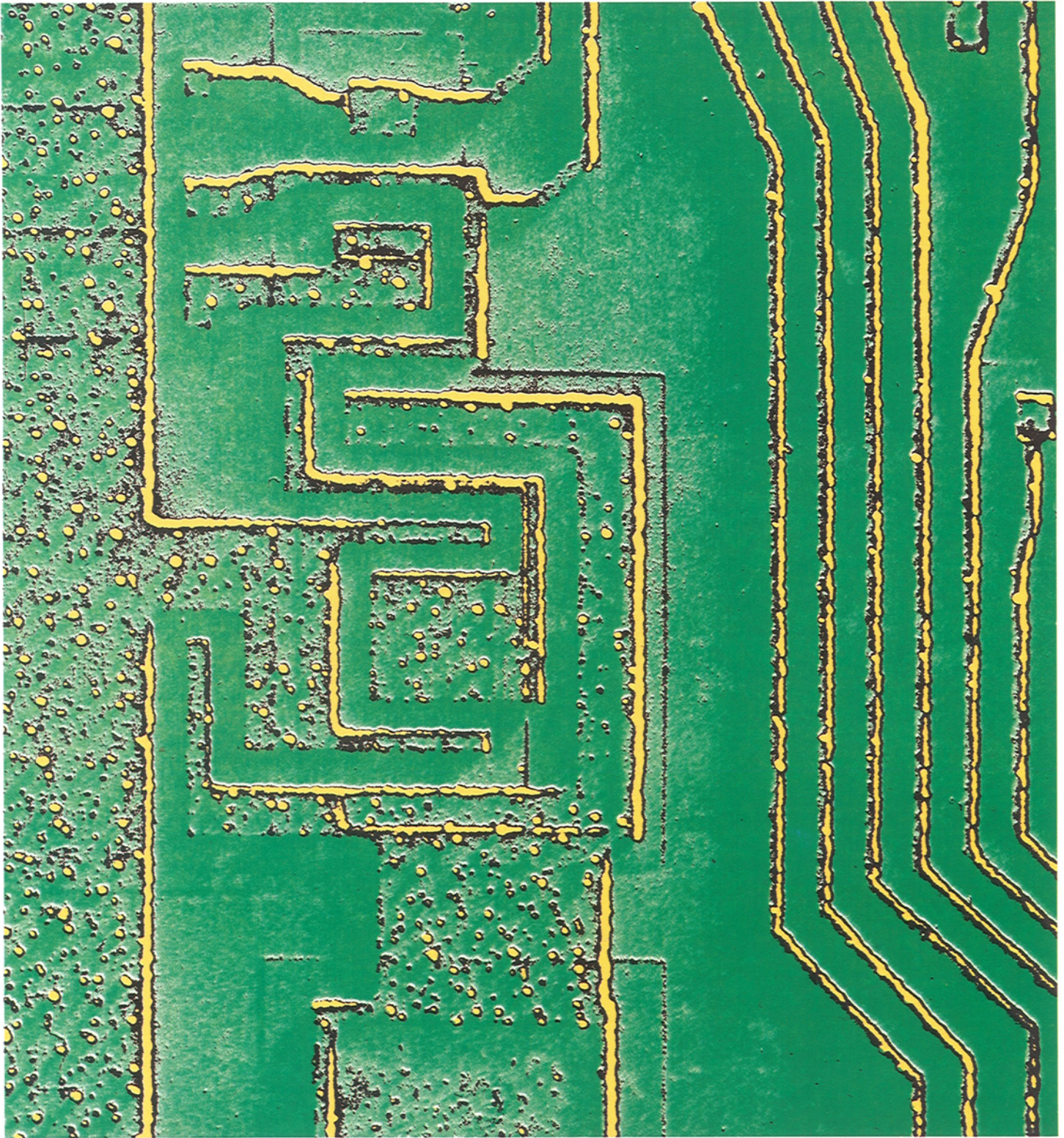
MAJOR INVESTMENTS IN MARKETING

Our expansion requires large investments for product development and marketing. Development costs in recent years have amounted to more than 10 percent of sales. It is expected that this percentage can be reduced as sales increase. Costs of establishing newly developed products in the market continue to be high while the investments in production, despite strong expansion, are expected to continue to be less than SEK 50 m. annually during the next three years.

FUTURE PROSPECTS

In the mobile telephony sector, we judge that through AXE, we have a technological lead over competing central switches. In both mobile telephony and per-





sonal paging, the market for large-volume products is also rising sharply. We intend to achieve the benefits of large-scale manufacturing through automated production in long series. Our technology and our knowledge of the market are strengthening our position relative to most of our competitors. Success in penetrating the American market will be important for our future growth.

Continuing good growth, but at a slower pace, is ex-

pected in the field of mobile radio. Special applications will be important for us.

Personal paging systems constitute an area in which we see opportunities to substantially increase our market coverage in Europe.

We expect to reach our established profitability targets within a few years. It is anticipated that it will be possible to finance expansion within the framework of the Business Area's own operations.

Large but Difficult Market to Reach



BJÖRN LINTON

The Network Engineering and Construction Business Area supplies turnkey network projects for telephone administrations and other customers – as well as complete telecommunications networks, including exchanges and transmission equipment, for customers other than telecommunications administrations and military organizations. The operations include engineering, project management and project administration, as well as construction work. The Business Area also includes Ericsson's systems and products for railway and street signaling.

Network engineering and construction has been carried out during the greater part of the Group's history and has at times represented a substantial percentage of its business. Network construction projects are currently under way in Libya, Saudi Arabia, Iraq and Italy. A number of telecommunications administrations in other countries are also using our network material.

The world market is very large but is not accessible to us in most industrialized countries since the administrations themselves take care of expansions of local networks.

The market for railway signaling equipment is highly fragmented, due to the fact that each administration's system has special national features. We are active in the Nordic countries, Italy, Spain, Pakistan, Bangladesh, Taiwan and Australia.

We market street signaling equipment in the Nordic countries and Australia.

LARGE BY INTERNATIONAL STANDARDS

Network engineering and construction is a field which requires substantial systems know-how and well-developed resources for project management and administration. Our competition comes from telecommunications companies and certain cable companies. In cases where the customer assumes responsibility for engineering and project management, we also meet

competition from local contractors. Because they lack adequate facilities of their own, our customers have increasingly awarded orders for complete projects.

In the countries where we operate, the principal competitors we meet are Siemens, the Japanese telecommunications companies and Philips, as well as local contractors. Excluding the home markets of our competitors, the Business Area is one of the largest organizations in the international network construction market.

The most important competition for our railway signaling equipment comes from Siemens and Westinghouse, both much larger than we are in this market.

NEW MARKETS OFFER STRONG GROWTH

During the most recent three-year period our sales of network construction projects have increased 150 percent for the portion of the operations that are administered from Sweden. For the portion administered from Italy, the increase has been 50 percent. Total invoicing currently amounts to SEK 1.14 billion.

Sales in the railway sector are rising at a rate of 15 percent per year and amounted in 1982 to SEK 300 m. Sales of street signaling equipment totaled SEK 40 m.

PROFITABILITY PICTURE

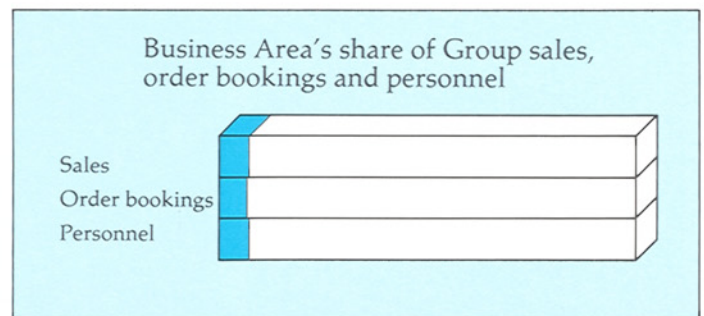
Network engineering and construction is a highly labor-intensive operation. Profitability is achieved through efficient utilization of manpower and sound project management. Experiments are being conducted with prefabrication as a means of rationalizing operations.

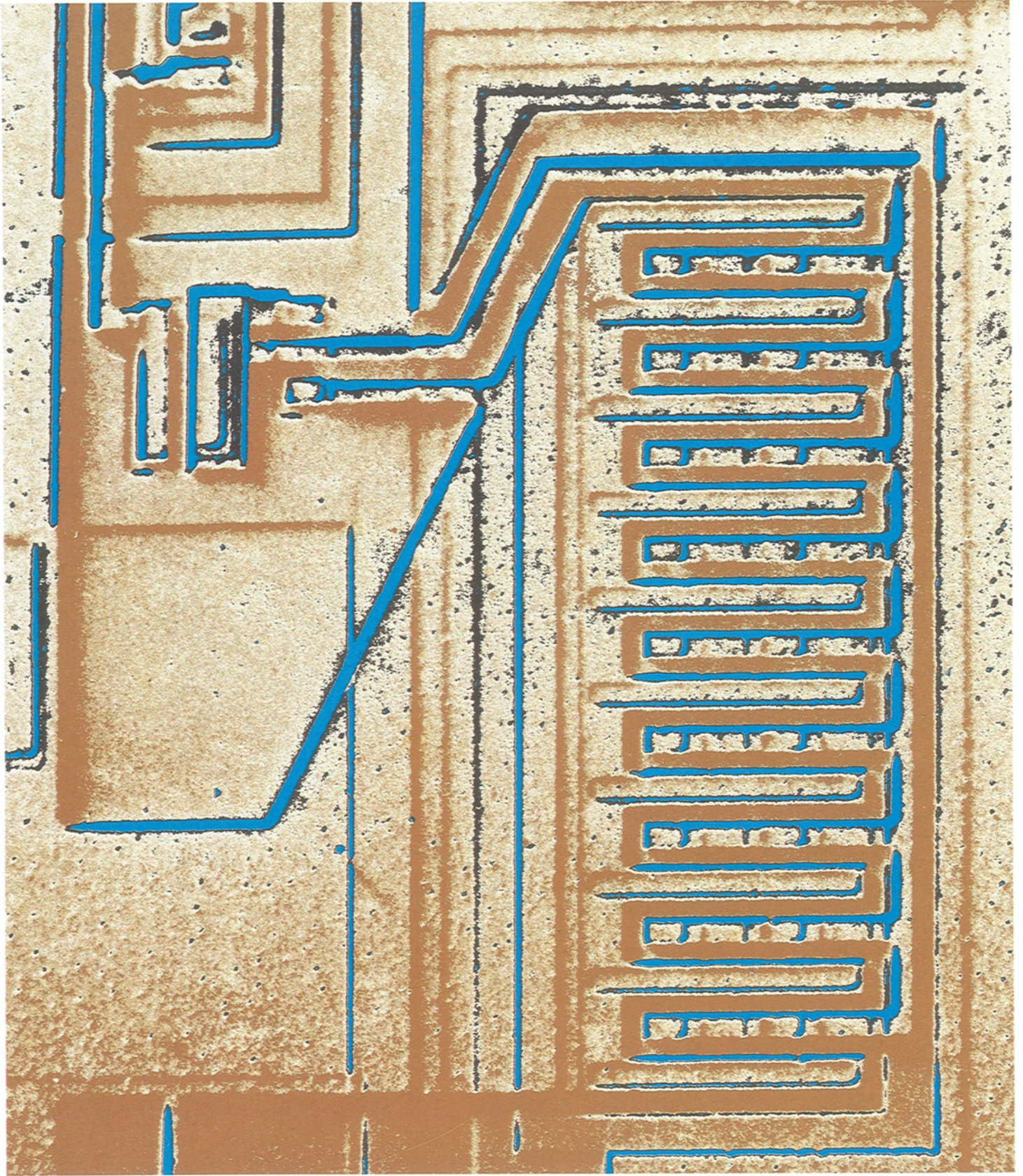
Investments in product development have been intensified in the railway sector in recent years. Development costs in the Swedish segment have amounted to 20 percent of sales, but are now expected to decline, relatively speaking, since most of the development work on an electronic product program has been completed.

Profitability is good in the network construction sector, but weak in the railway field.

EQUIPPED FOR THE FUTURE

It is anticipated that network construction will continue to expand through the gaining of new markets in the Far East and Latin America. There is also a





large growth potential for us in a new market: private networks for companies with widely dispersed operations, as is the case in the energy field.

Our railway signaling program is new and highly

competitive for prospective customers who are seeking systems incorporating electronics; but reductions in administration budgets have slowed its expansion in recent years.

Microcircuits: Market of the Future



STIG LARSSON

The principal operations of the Components Business Area involve microcircuits, hybrid circuits and capacitors. The Area is also responsible for maintaining the Group's high level of knowledge in this technical area, which is strategically important for growth in a number of Ericsson's Business Areas. Total sales in 1982 amounted to SEK 700 m., of which SEK 470 m. represented sales to external customers.

RIFA AB, the company which constitutes the base for the Business Area, is the leader in Sweden in the field of microcircuits. This business, initiated as a result of the special requirements for Ericsson products, concentrates on special circuit designs, among which those for telecommunications applications represent an important sector. Sales amount to SEK 100 m., equal to half of the Swedish market for special circuits.

We also develop and manufacture hybrid circuits, used primarily in electronic products with high quality requirements. Sales total SEK 100 m., giving us a substantial market share in Sweden. Growth continues to be strong.

Other important products include capacitors for use in all types of electric products. These components are made in Sweden, France and Australia. The total market in Sweden amounts to SEK 500 m., of which we have a 30-percent share. Growth has slackened in recent years but still amounts to 5 percent annually, calculated in volume. Rifa has 10 percent of the French and Australian markets.

The Components Business Area also includes power equipment, with sales of SEK 180 m. The power field is considered to have a good growth potential.

MANY COMPETITORS

There is hard competition in the field of standard microcircuits from such companies as Texas Instruments, Motorola, Intel and Hitachi. Because of the price competition, we have not become involved in

this area. In our special field, custom-designed circuits, we face primarily Siemens (West Germany), Philips (Holland), Plessey (U.K.), Thomson (France) and SGS (Italy). American and Japanese companies have found it difficult to break into our special area in the European market.

In Sweden, Asea Hafo (microcircuits) and Saab (hybrid circuits) also have manufacturing operations in RIFA's product area. Technical development in the field is moving very rapidly. To be competitive, it is important to achieve volume that is high enough to warrant continuing investments in development work.

Increasingly higher government subsidies to producers of microcircuits in England, West Germany, Italy and France are hampering competition with companies in these countries.

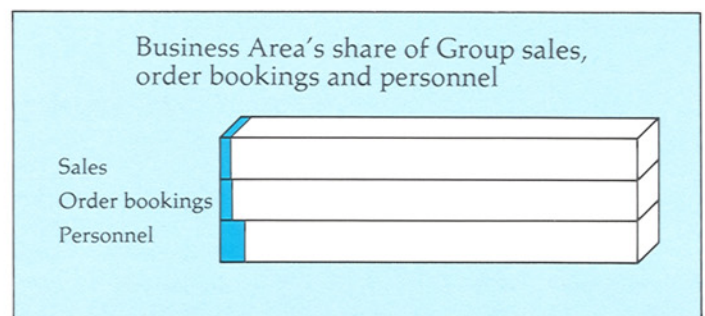
REVENUES RISING RAPIDLY

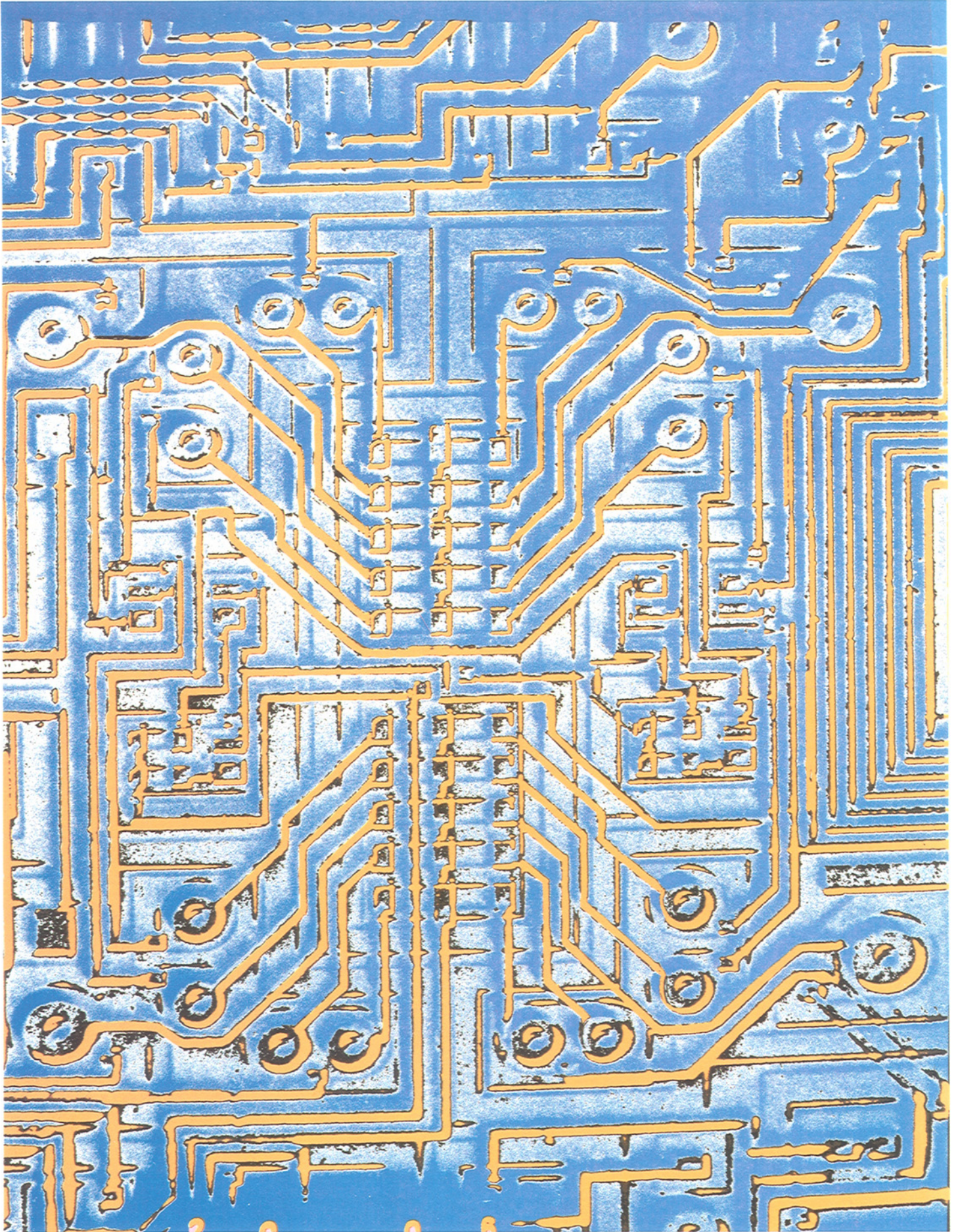
Sales have risen an average of 17 percent annually during the most recent five-year period. Of this figure, volume increases account for 11 percentage units and price increases for 6. We expect increased sales growth over the next few years, with most of the gain coming in new product areas.

PRIORITY FOR DEVELOPMENT EXPENSES

Substantial amounts are being invested in technological development. These investments are larger than the Components Business Area itself requires, and are justified by the Group's desire to be in the front ranks in this field. As a consequence, the Business Area has shown a loss for a number of years. Operating results have improved gradually, however.

Per-unit production costs have decreased as a result of investments in rational production methods. The full benefits of this will be achieved in connection with a continuing strong increase in volume, when our highly modern plant for microcircuits and hybrid circuits is utilized.





Board of Directors' Report

GROUP OPERATING RESULTS

Ericsson Group sales amounted to SEK 19,567 million, an increase of SEK 3,373 million, or 21 percent. Sales include telephone operating company revenues of SEK 420 m. in 1982, compared with SEK 610 m. in 1981.

Group income before special adjustments and taxes was SEK 1,337 m. in 1982, as against SEK 1,192 m. in the previous year. Share of net losses before special adjustments and taxes attributable to minority interests was SEK 321 million as compared with SEK 22 million in the preceding year.

Included in other operating revenue is a gain on the sale of real estate made by Sieverts Kabelverk AB.

The deep recession in the United States, with stagnating or declining investment, resulted in a sharp deterioration in the results of the cable operations of Anaconda-Ericsson. The information systems activities which are conducted in the U.S. were also affected by the recession.

Income from operations in Mexico declined sharply, as a result of significant exchange losses arising from the major devaluation of the Mexican peso and the lower level of business activity as a consequence of the country's acute currency problems.

Improvements in income were noted in a number of markets — for example Brazil, Australia and The Netherlands — in which there had been problems earlier. SRA Communications also reported a substantial improvement in income.

FINANCING

Group assets increased by SEK 3,585 million, to SEK 25,481 m. Only a small part of the increase was attributable to newly acquired companies. Capital turnover improved and the ratio of capital employed to sales declined from 1.35 to 1.30. Inventories represented 34 percent of sales, compared with 39 percent in 1981, and trade receivables

amounted to 35 percent of sales, unchanged from the preceding year. The increase in trade receivables was contained since it was possible to use the Swedish system for export credit financing for direct customer financing of a number of large export projects.

Financing needs during the year were largely met with external commercial and financial capital. The Group's pension liabilities rose by SEK 59 m. (1981: SEK 329 m.). The remainder took the form of local and international bank loans. Borrowing is, to the greatest extent possible, arranged in local currencies. When international loans in foreign currencies have been raised by companies in countries whose currencies are weak, forward covering of exchange rates has been arranged when this is possible. Such arrangements were made in Argentina and Venezuela. In Mexico, a lending operation was effected during the year whereby an external loan of USD 20 m. was made available to the Central Bank of Mexico. The Central Bank, in turn, loaned an equivalent amount in Mexican pesos to one of the Group companies in Mexico.

The ratio of equity/total assets for the Group declined slightly. In calculating this ratio, half of the untaxed reserves is often treated as a latent tax liability, while the remainder is regarded as stockholders' equity. Applying this method, the equity/assets ratio (solidity) decreased from 28.4 percent to 26.1 percent. From a financial point of view, the latent tax liability can be ignored as there is no reason to assume that special reserves will be subjected to tax within the near future. Excluding deferred tax liabilities, the ratio is 33.3 (35.8) percent. The equity/assets ratio was affected favorably by the payment of SEK 266 m. by minority stockholders in connection with new issues of shares. Revaluations of fixed assets in Sweden increased stockholders' equity by SEK 171 m.

Foreign exchange translation differences occurred mainly as a result of the significant devalua-

tions of currencies in Argentina, Brazil and Mexico, as well as through the increased international value of the U.S. dollar. The devaluation of the Swedish krona in October, 1982, did not have an appreciable effect on earnings for the year. This can be explained by the fact that the negative effects of the devaluation have been mitigated through partly deferring exchange losses on Parent Company foreign currency debt as in prior years. The positive effects, in the form of improved competitiveness, the increased value of orders in hand and of long-term receivables, will be realized gradually.

CAPITAL EXPENDITURES

Group investments in property, plant and equipment amounted to SEK 1,697 m. (SEK 1,653 m.). Investments in 1981 included SEK 378 m. in respect of companies acquired in that year. The comparable figure for 1982 was only SEK 35 m.

Of new investments totaling SEK 1,662 m. (SEK 1,275 m.), Swedish companies accounted for SEK 932 m. (SEK 572 m.) and companies outside Sweden for SEK 730 m. (SEK 703 m.).

The Parent Company's investments in Sweden increased by SEK 101 m., to SEK 399 m., while investments in Ericsson Information Systems' operations in Sweden rose by SEK 68 m., to SEK 205 m. Capital expenditures by SRA Communications were also sharply higher.

PRODUCTION

The rationalization of design and production technology within the Parent Company continued. When compared with 1981, an unchanged level of output was achieved with a significantly reduced labor force. Other Swedish manufacturing companies and virtually all the foreign units reduced their production personnel. At the same time, total output was maintained at former levels.

Despite sharp fluctuations in foreign exchange rates, it was possible to keep purchase prices for metals, plastics and components at the same levels as a year earlier. The devaluation of the Swedish krona and the impact of an expected economic recovery is anticipated to increase procurement costs during 1983.

During 1982 SRA Communications AB substantially increased its deliveries and the number of persons employed in production.

In order to adapt production capacity to anticipated requirements, plants were closed in Sweden, Ecuador, Spain and the United States.

TECHNOLOGY

Costs of non-customer related research and development amounted in 1982 to SEK 1,638 m., equal to 8 percent of sales, and represented an increase of 22 percent over comparable costs in 1981. More than 4,900 persons were engaged in this function,

200 more than in the preceding year. The sharpest increases in technical investments were related to information systems, mobile radio and digital public telephone exchanges.

PERSONNEL

	1982-12-31	1981-12-31
Sweden		
Parent Company	18,580	19,740
Other companies	12,550	11,290
	<hr/> 31,130	<hr/> 31,030
Europe, excluding Sweden	18,850	19,830
North America	3,430	4,160
Latin America	10,360	11,990
Other countries	2,530	2,850
	<hr/>	<hr/>
Total	66,300	69,860

Supplementary information on the average number of employees and on wages, salaries and other remuneration is presented in the notes to the financial statements.

Adjustment to the change to electronic technology resulted in a successively reduced need for personnel in factories and in installation projects. The weak economy also contributed to the reduced personnel requirement.

There will be further reductions of personnel in the Swedish factories during 1983. This will occur as the result of terminations under agreements reached during 1982, and through voluntary early retirement.

In Italy, some personnel was released during the year to adapt the workforce to the reduced need arising as the result of the introduction of new technology.

In a plant in Finland, a four-day week was in effect from the beginning of May until year-end for all categories of employees.

Major investments in training are required to assure our position of technical leadership and expenditures for this purpose thus continue to be high. More than a thousand foreign students were trained in the Swedish companies. The Group's Swedish and foreign companies both conducted comprehensive technical programs and other types of training for their personnel.

Advanced theoretical and practical training is conducted on a continuing basis for international marketing personnel in programs handled jointly by Swedish and foreign Group companies.

CHANGES WITHIN THE GROUP

As part of the reorganization of commercial operations within the Group, the Parent Company acquired the minority interest in SRA Communications AB which had been held by General Electric Company p.l.c. of England. In the beginning of 1983 the Parent Company's units for defense elec-

tronics were merged with SRA Communications AB to form Ericsson Radio Systems AB.

Anaconda-Ericsson Inc. acquired the shares of the American company Datasab Systems Inc. Anaconda-Ericsson Inc.'s three former subsidiaries were merged with the parent company.

Ericsson-Programatic AB began operations and acquired businesses in Finland, Mexico and Norway.

A branch office was opened in Korea to administer the large project acquired with the signing of AXE contracts.

At year-end, agreements were reached between Sieverts Kabelverk AB (SKV) and ASEA Kabel on restructuring of the ownership of companies previously owned on a 50-50 basis. BOFA Kabel AB is becoming a wholly owned subsidiary of SKV. ASEA Kabel will have a 75 percent interest in Bjurhagens Fabriker AB and will acquire all the shares of AB ELGE-verken. Kabeldon AB and Töcksfors Verkstads AB will continue to be owned on a 50-50 basis.

At year-end an agreement was also concluded with AB Electrolux on the acquisition, in principle effective January 1, 1983, of the Facit companies operations within the Electrolux Group. Facit's products will supplement Ericsson Information Systems' program and strengthen the latter's marketing organization.

During the year the Parent Company increased, to 40 percent, its holding in AB ID-Kort, a Swedish company.

PARENT COMPANY

Exports accounted for 77 percent (79%) of the Parent Company's sales totaling SEK 6,598 m. (SEK 5,829).

30 percent (33%) of invoicing by the Parent Company was to consolidated companies and 37 percent (32%) of the Parent Company's total procurement of goods and services came from such companies.

After special adjustments and taxes, the Parent Company reported net income of SEK 251 m. (SEK 215 m.).

PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS IN THE PARENT COMPANY

In addition to a General reserve of SEK 100 m., the sum of SEK 352,039,000 is available for disposition by the stockholders at the Annual General Meeting. The Board of Directors and the President propose that these unappropriated earnings be appropriated as follows:

To	stockholders duly registered on the record day, a dividend of SEK 7.50 per share	245,120,000
To	be retained in the business	106,919,000
		<hr/>
		SEK 352,039,000

Stockholm, March, 1983

HANS WERTHÉN JAN WALLANDER PETER WALLENGER
ÅKE ANDERSSON LENNART DAHLSTRÖM LARS-OLOF EKEBERG
PAUL KVAMME PER LINDBERG SVEN OLVING
BJÖRN SVEDBERG

President

Consolidated Income Statement

Millions of SEK

		1982	1981
Net sales		19,566.7	16,193.8
Cost of products and services sold		10,527.5	8,522.5
		<u>9,039.2</u>	<u>7,671.3</u>
Other operating revenue		614.5	477.8
		<u>9,653.7</u>	<u>8,149.1</u>
Selling, administrative, research and development expenses		6,523.6	5,329.9
Uniform group depreciation	Note 1	759.6	621.0
		<u>2,370.5</u>	<u>2,198.2</u>
Financial income	Note 2	839.4	605.9
Financial expense	Note 2	1,953.1	1,415.8
		<u>1,256.8</u>	<u>1,388.3</u>
Foreign exchange translation differences		<u>-396.8</u>	<u>-324.2</u>
Income before share in net income of associated companies		860.0	1,064.1
Share in net income of associated companies		155.4	106.0
		<u>1,015.4</u>	<u>1,170.1</u>
Income before special adjustments and taxes			
Minority interest in income before special adjustments and taxes		<u>+321.1</u>	<u>+22.0</u>
Group income before special adjustments and taxes		1,336.5	1,192.1
Special adjustments	Note 3	501.7	334.3
Income before taxes		834.8	857.8
Taxes on income		508.5	488.0
Minority interest in taxes		<u>+33.2</u>	<u>+59.5</u>
Net income		359.5	429.3

Consolidated Balance Sheet at December 31, 1982

Millions of SEK

ASSETS			1982	1981
Current assets	Cash		2,797.3	2,322.6
	Notes and accounts receivable—trade (less provision for doubtful accounts, 1982: 90.7 1981: 74.2)	Note 5	6,223.0	4,989.1
	Inventories (less advance and progress payments, 1982: 1,322.1 1981: 1,201.0)	Note 6	6,635.3	6,289.6
	Other current assets	Note 7	1,383.7	958.3
			<u>17,039.3</u>	<u>14,559.6</u>
Restricted bank deposits		Note 3	54.3	74.3
Receivable for convertible debentures			—	223.2
Long-term assets	Notes and accounts receivable—trade	Note 5	698.5	684.1
	Other investments	Note 8	168.9	18.1
	Other long-term assets		883.6	503.1
			<u>1,751.0</u>	<u>1,205.3</u>
Investments in associated companies	Investments	Note 8	763.4	737.7
	Accounts receivable		256.8	293.6
			<u>1,020.2</u>	<u>1,031.3</u>
Investment in technical development projects			20.0	20.0
Property, plant and equipment		Note 9		
	Cost		8,778.0	7,487.0
	Less—Accumulated uniform group depreciation		3,664.8	3,116.7
			<u>5,113.2</u>	<u>4,370.3</u>
	Revaluation, net of uniform group depreciation		482.5	412.2
			<u>5,595.7</u>	<u>4,782.5</u>
Assets pledged to secure indebtedness			1982 2,774.7	1981 2,695.1
		Note 14		
			TOTAL ASSETS	
			25,480.5	21,896.2

LIABILITIES AND STOCKHOLDERS' EQUITY

		1982	1981
Current liabilities			
Bank loans		2,149.9	1,680.2
Accounts payable—trade		1,362.7	1,065.7
Advances from customers		1,656.6	1,655.1
Accrued income and other taxes		387.7	238.9
Other current liabilities	Note 10	4,219.3	3,034.5
		<u>9,776.2</u>	<u>7,674.4</u>
Long-term debt			
Debentures (<i>net of unrealized exchange differences, 1982: 150.1 1981: 62.2</i>)	Note 11	874.1	1,134.0
Other long-term liabilities		4,355.6	3,309.8
		<u>5,229.7</u>	<u>4,443.8</u>
Pension and similar provisions		1,774.9	1,716.2
Convertible debentures	Note 11	225.2	223.2
Special reserves	Note 3		
Special reserve for accounts receivable and investments outside Sweden		728.6	549.5
Special inventory reserve		1,896.1	1,652.0
Reserve for future investments		147.7	104.6
Compulsory investment reserve		7.9	40.9
Reserve for environmental improvements		—	1.4
Accumulated depreciation in excess of uniform group depreciation	Note 9	856.2	902.6
		<u>3,636.5</u>	<u>3,251.0</u>
Minority interest in stockholders' equity		865.4	933.4
Stockholders' equity	Note 13		
Restricted			
Capital stock		1,634.1	1,089.4
Reserves not available for distribution		1,479.3	1,791.0
		<u>3,113.4</u>	<u>2,880.4</u>
Unappropriated earnings			
Retained earnings		499.7	344.5
Net income for the year		359.5	429.3
		<u>859.2</u>	<u>773.8</u>
		<u>3,972.6</u>	<u>3,654.2</u>
Contingent liabilities			
		1,552.8	1,106.2
	Note 14		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		25,480.5	21,896.2

Source and Application of Funds

Millions of SEK

		Consolidated		Parent Company		
		1982	1981	1982	1981	
Source of funds	Net income	359.5	429.3	251.2	215.0	
	Minority interest in net income	(307.6)	(49.3)	—	—	
	Uniform group depreciation	759.6	621.0	205.7	164.0	
	Depreciation in excess of uniform group depreciation	23.1	83.4	11.0	75.8	
	Gains (net) on sale of property, plant and equipment	(130.0)	—	—	—	
	Pension and similar provisions	58.7	328.7	139.4	98.1	
	Special adjustments, net	431.9	218.7	393.7	(79.0)	
	Contributions to Group companies*	—	—	80.2	201.7	
		<u>1,195.2</u>	<u>1,631.8</u>	<u>1,081.2</u>	<u>675.6</u>	
	Sale of stock	5.6	6.2	—	—	
	Sale of property, plant and equipment	370.2	193.6	9.7	9.5	
	Increase in long-term debt	787.9	1,122.9	—	162.7	
	Share in equity of companies previously equitized, now consolidated	11.7	165.0	—	—	
	Additional capital contributed by minority stockholders	234.9	36.7	—	—	
	Other items	—	8.0	—	—	
		<u>1,410.3</u>	<u>1,532.4</u>	<u>9.7</u>	<u>172.2</u>	
		<u>2,605.5</u>	<u>3,164.2</u>	<u>1,090.9</u>	<u>847.8</u>	
	Application of funds	Additions to property, plant and equipment	1,697.0	1,653.3	399.3	297.9
		Investment in stock**	193.8	103.6	420.7	195.1
		Increase in long-term assets	358.1	399.0	7.7	406.9
Increase (decrease) in restricted bank deposits		(20.0)	17.2	(3.7)	5.4	
Decrease in long-term debt		—	—	240.9	—	
Transfer of pension provisions and special reserves		—	—	0.7	32.1	
Dividend paid		221.9	204.8	212.4	185.2	
		<u>2,450.8</u>	<u>2,377.9</u>	<u>1,278.0</u>	<u>1,122.6</u>	
Increase (decrease) in working capital		<u>154.7</u>	<u>786.3</u>	<u>(187.1)</u>	<u>(274.8)</u>	
Increase (decrease) in cash		474.7	(239.3)	482.8	(491.9)	
Increase in inventories		345.7	1,436.0	281.1	58.8	
Increase in notes and accounts receivable and other current assets		1,436.1	1,692.9	161.7	752.9	
(Increase) in current liabilities		(2,101.8)	(2,103.3)	(1,112.7)	(594.6)	
		<u>154.7</u>	<u>786.3</u>	<u>(187.1)</u>	<u>(274.8)</u>	

* Contributions to Group companies not affecting working capital

** Group amount for 1982 includes net equity income of 123.3 (1981:78.8)

Parent Company Income Statement

Millions of SEK

		1982	1981
Net sales		6,598.0	5,828.8
Cost of products and services sold		<u>3,239.8</u>	<u>2,966.9</u>
		3,358.2	2,861.9
Other operating revenue		<u>446.7</u>	<u>497.1</u>
		3,804.9	3,359.0
Selling, administrative, research and development expenses		2,060.6	2,036.4
Uniform group depreciation	Note 1	<u>205.7</u>	<u>164.0</u>
		1,538.6	1,158.6
Financial income	Note 2	522.4	496.0
Financial expense	Note 2	<u>658.5</u>	<u>542.5</u>
Income before special adjustments and taxes		1,402.5	1,112.1
Special adjustments	Note 3		
Transfer to special reserve for accounts receivable		158.9	-
Transfer to special inventory reserve		200.0	-
Transfer from other reserves	Note 3	34.8	(79.0)
Depreciation in excess of uniform group depreciation	Note 1	11.0	75.8
Contributions to Group companies		<u>406.3</u>	<u>585.0</u>
		811.0	581.8
Income before taxes		<u>591.5</u>	<u>530.3</u>
Taxes on income		<u>340.3</u>	<u>315.3</u>
Net income		251.2	215.0

Parent Company Balance Sheet at December 31, 1982

Millions of SEK

ASSETS			1982	1981
Current assets	Cash		2,078.0	1,595.2
	Notes and accounts receivable—trade			
	Subsidiary companies	Note 5	637.4	837.9
	Other (less provision for doubtful accounts, 1982: 17.7 1981: 17.7)	Note 5	1,966.8	1,441.6
	Inventories (less advance and progress payments, 1982: 184.7 1981: 203.3)	Note 6	2,129.8	1,848.7
	Other current assets	Note 7	446.4	386.2
			<u>7,258.4</u>	<u>6,109.6</u>
Restricted bank deposits		Note 3	32.3	36.0
Receivable for convertible debentures			—	223.2
Long-term assets	Notes and accounts receivable—trade			
	Subsidiary companies	Note 5	74.2	87.0
	Other	Note 5	402.8	388.6
	Other investments	Note 8	27.6	6.5
	Other long-term assets		55.8	59.7
			<u>560.4</u>	<u>541.8</u>
Investments in subsidiary and associated companies	Investments	Note 8		
	Subsidiary companies		1,812.9	1,419.9
	Associated companies		176.2	169.6
	Accounts receivable			
	Subsidiary companies		291.3	256.5
	Associated companies		3.0	52.8
			<u>2,283.4</u>	<u>1,898.8</u>
Investment in technical development projects			20.0	20.0
Property, plant and equipment		Note 9		
	Cost		2,395.7	2,060.2
	Less—Accumulated uniform group depreciation		<u>1,035.0</u>	<u>890.5</u>
			1,360.7	1,169.7
	Revaluation, net of uniform group depreciation		<u>354.7</u>	<u>306.5</u>
			1,715.4	1,476.2
Assets pledged to secure indebtedness			1,081.9	1,066.4
		Note 14		
			TOTAL ASSETS	11,869.9
				10,305.6

LIABILITIES AND STOCKHOLDERS' EQUITY			1982	1981
Current liabilities	Bank loans		66.9	7.3
	Accounts payable—trade		337.1	245.1
	Advances from customers		795.1	905.0
	Accrued income and other taxes		137.6	18.8
	Accounts payable to subsidiary companies		719.0	207.7
	Other current liabilities	Note 10	1,937.6	1,496.7
			<u>3,993.3</u>	<u>2,880.6</u>
Long-term debt	Debentures (<i>net of unrealized exchange differences, 1982: 150.1 1981: 62.2</i>)	Note 11	874.1	1,134.0
	Long-term payables to subsidiary companies		178.9	64.5
	Other long-term liabilities		612.4	654.9
			<u>1,665.4</u>	<u>1,853.4</u>
Provision for pensions		Note 12	912.1	773.3
Convertible debentures		Note 11	225.2	223.2
Special reserves		Note 3		
	Special reserve for accounts receivable		591.1	432.2
	Special inventory reserve		1,375.6	1,175.6
	Reserve for future investments		102.1	65.8
	Compulsory investment reserve		6.4	6.4
	Reserve for environmental improvements		—	1.4
	Accumulated depreciation in excess of uniform group depreciation	Note 9	356.8	365.6
			<u>2,432.0</u>	<u>2,047.0</u>
Stockholders' equity		Note 13		
	Restricted			
	Capital stock		1,634.1	1,089.4
	Reserves not available for distribution		480.7	480.7
	Revaluation reserve		75.0	540.0
			<u>2,189.8</u>	<u>2,110.1</u>
	Unappropriated earnings			
	General reserve		100.0	97.3
	Retained earnings		100.9	105.7
	Net income for the year		251.2	215.0
			<u>452.1</u>	<u>418.0</u>
			<u>2,641.9</u>	<u>2,528.1</u>
Contingent liabilities		Note 14		
			1,200.4	671.2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			11,869.9	10,305.6

Notes to the Financial Statements

(All amounts in millions of SEK)

GENERAL

In this Annual Report, the Company has given due consideration to the recommendations given in the "Declaration and Decisions on International Investment and Multinational Enterprises" of the Organization for Economic Co-operation and Development (OECD). The Group also follows the guidelines relative to multinational companies and the labor market developed by the International Labor Organization (ILO), the United Nations organization dealing with labor matters.

Generally, the same prices established for sales to external customers are applied in intra-Group sales, except that consideration is given to the absence of certain costs in transactions between Group companies.

ACCOUNTING PRINCIPLES

Principles of consolidation

The consolidated accounts have been prepared in accordance with the purchase method, whereby equity capital of the Group includes only the Group's portion of the equity capital in subsidiaries and associated companies arising after their acquisition. The difference between acquired equity capital and acquisition cost, after adjustments, if any, to the value of acquired assets or liabilities, is treated as goodwill or negative goodwill on consolidation and is amortized over a ten-year period. The negative goodwill which originated from the acquisition of interest in Anaconda-Ericsson will be reversed to cover R & D and start-up costs during 1981-1983 for the Communications Division of that company and the remainder will be credited to income in equal portions over seven years starting in 1984.

The consolidated financial statements include the Parent Company and all subsidiaries.

Associated companies in which the Group owns between 20 and 50 percent of the voting rights are shown in the accounts in accordance with the equity method of accounting. This means that the investments are shown as the Group's share of the companies' equity after adjustments for unrealized intercompany profits and unamortized goodwill or negative goodwill. In computing the equity of associated companies, reserves arising from special appropriations are added back to equity after provision for deferred tax. Income from associated companies is adjusted for foreign exchange translation differences, determined according to the Group's principles.

Companies acquired during the year are shown as if they had been part of the Group for the full year. That portion of income pertaining to the period prior to the date of acquisition is included in "Minority interest".

Translation of amounts in foreign currency

In translating the financial statements of foreign subsidiaries and associated companies, property, plant and equipment and depreciation thereon, are translated at exchange rates at date of acquisition. In those cases where there have been revaluations of property in foreign subsidiaries, the assets have in certain instances been translated at year-end exchange rates (see Note 9). Other assets and liabilities have been translated at year-end exchange rates.

Parent Company receivables in foreign currencies – principally US dollars – which fall due during 1983 have been translated at year-end exchange rates, while those which fall due in 1984 and later years have, as in prior years, been translated at historical exchange rates.

Parent Company loans in foreign currencies which fall due for repayment in 1983 have been stated at year-end exchange rates. Loan instalments covered by forward exchange contracts have been stated at the commitment rate. For loans falling due in 1984 and later years, a plan has been prepared for the amortization of unrealized exchange differences, based on year-end exchange rates and the maturities of the loans. The loans are shown at year-end exchange rates, less the unamortized exchange differences in accordance with the amortization plan.

The unamortized portion of unrealized exchange differences on debenture loans amounts to SEK 150.1 m. and on other long-term loans to SEK 15.5 m. The deferred exchange gains on Parent Company receivables which fall due in 1984 and subsequent years amount to SEK 189.7 m.

Since the Company's B shares were quoted at a price of SEK 336 per share on December 31, 1982, it is likely that the convertible bond loan in the amount of USD 40 m. will be converted rather than redeemed and the loan has accordingly been booked at the investment rate.

Taxes

The Parent Company shows under "Taxes" its Swedish taxes attributable to operations during the year and foreign taxes paid during the year. Other Group companies show tax costs incurred during the year.

Note 1

	Group		Parent Company	
	1982	1981	1982	1981
Depreciation				
<i>Uniform group depreciation</i>				
Land improvements	2.0	2.0	0.8	0.8
Buildings	62.1	48.2	25.0	14.2
Telephone plant	28.4	23.6	–	–
Machinery and equipment	648.0	527.5	167.1	137.5
Revaluations	19.1	19.7	12.8	11.5
	<u>759.6</u>	<u>621.0</u>	<u>205.7</u>	<u>164.0</u>
<i>Book depreciation</i>				
Land improvements	1.5	3.6	0.4	0.9
Buildings	98.1	88.5	29.4	42.3
Telephone plant	28.9	21.3	–	–
Machinery and equipment	664.9	587.1	174.1	185.1
Revaluations	19.1	19.7	12.8	11.5
	<u>812.5</u>	<u>720.2</u>	<u>216.7</u>	<u>239.8</u>
Reversal of depreciation in excess of Uniform group depreciation relating to assets sold	(29.8)	(15.8)		
Total book depreciation	<u>782.7</u>	<u>704.4</u>		
<i>Depreciation in excess of uniform group depreciation</i>	23.1	83.4	11.0	75.8
<i>Reserves utilized</i>				
Investment reserve	42.5	53.3	13.8	46.8
Compulsory investment reserve	13.6	63.8	–	41.1
Reserve for environmental improvements	–	4.9	–	4.9
	<u>56.1</u>	<u>122.0</u>	<u>13.8</u>	<u>92.8</u>
allocated to				
Land improvements	0.9	2.4	–	0.6
Buildings	40.5	35.1	13.8	34.3
Machinery and equipment	14.7	84.5	–	57.9
	<u>56.1</u>	<u>122.0</u>	<u>13.8</u>	<u>92.8</u>

Note 2

	Group		Parent Company	
	1982	1981	1982	1981
Financial income				
Dividends from subsidiaries	–	–	73.4	127.2
Dividends from other companies	6.9	5.1	25.6	20.2
Interest income	832.5	600.8	419.7	348.6
Other financial income	–	–	3.7	–
	<u>839.4</u>	<u>605.9</u>	<u>522.4</u>	<u>496.0</u>
Financial expense				
Interest expense	1,342.6	1,067.8	306.3	269.9
Interest portion of provision for pensions	138.2	115.5	82.5	75.6
Realized and unrealized ^a exchange differences, net	408.2	208.8	257.8	185.5
Other financial expense	64.1	23.7	11.9	11.5
	<u>1,953.1</u>	<u>1,415.8</u>	<u>658.5</u>	<u>542.5</u>

"Dividends from subsidiaries" include advance payments of dividends in the amount of SEK 25.2 (75.0) m.

^a Pertains to Swedish companies. Unrealized exchange losses of foreign subsidiaries, net of translation gains (1982) or translation losses (1981) are shown as "Foreign exchange translation differences".

Note 3

The following provides additional information on the Special adjustments, Restricted bank deposits and Special reserves shown in the financial statements.

The Special reserve for receivables and investments outside Sweden consists principally of write-downs of receivables in the Parent Company which are deductible for tax purposes and which, upon recovery, are taxed at the then current rate.

In accordance with Swedish tax regulations, appropriations to inventory reserves are, within specified limits, deductible for tax purposes. In principle, the inventory reserve may amount to 60 percent of the value of inventory, calculated in accordance with the first-in, first-out (FIFO) method. To the extent that the inventory reserve is released, it becomes taxable income.

Swedish corporations have the right to transfer up to half of the year's profit to a reserve for future investments. Appropriations to the reserve are deductible for tax purposes but 50 percent of the amount transferred must be deposited in a non-interest-bearing account with the Bank of Sweden. The employees must be consulted before application is made to utilize the reserve. Upon obtaining permission of the authorities, the reserve may be utilized and the proportional amount placed on deposit may be withdrawn. When the approved investments in fixed assets have been completed, the cost of such assets, to the extent covered by funds from the investment reserve, may be written down by a corresponding transfer from the reserve. As a result of this initial write-down, normal depreciation of the assets is eliminated and taxable income is increased proportionally during the normal depreciation period of the assets. Investment reserves may also be utilized for technical and scientific research and employee training.

In 1974 regulations were adopted in Sweden requiring compulsory appropriation to a reserve for environmental improvements of a certain percentage of income before taxes for that year. An amount equal to the entire appropriation was required to be deposited in a non-interest-bearing account with the Bank of Sweden.

In 1980 legislation was adopted in Sweden for a compulsory deposit on a non-interest-bearing account with the Bank of Sweden of 25 percent of a company's profit for 1980, calculated in the same manner as the appropriation to the reserve for future investments. A corresponding amount was appropriated to a compulsory investment reserve and was deductible for tax purposes. The employees must be given the opportunity to comment on any application to utilize the reserve. Permission is granted for the same purposes as those applicable to the reserve for future investments.

Special adjustments

	Group	
	1982	1981
Transfer to/from reserve for receivables and investments in foreign countries	179.0	(5.8)
Transfer to inventory reserve	244.1	295.7
Transfer to/from bank accounts reserves	8.8	(71.2)
Depreciation in excess of planned (Note 1)	23.1	83.4
Minority interest in special adjustments	+46.7	+32.2
Group shares of special adjustments	501.7	334.3

Changes in investment reserves

	Group		Parent Company	
	1982	1981	1982	1981
<i>Transfers to reserves</i>				
Reserve for future investments	87.2	51.4	50.0	50.2
Compulsory investment reserve	—	1.8	—	—
	87.2	53.2	50.0	50.2
<i>Transfers from reserves</i>				
Reserve for future investments	44.1	53.3	13.8	46.8
Compulsory investment reserve, investments	13.5	63.8	—	41.1
Compulsory investment reserve, expenses charged against the reserve	—	0.3	—	—
Compulsory investment reserve, transferred to taxable income (Parent Company: transferred to subsidiaries)	19.4	0.5	—	35.0
Reserve for environmental improvements, investments	—	4.9	—	4.9
Reserve for environmental improvements, expenses charged against the reserve	—	1.6	—	1.4
Reserve for environmental improvements, transferred to taxable income	1.4	—	1.4	—
	78.4	124.4	15.2	129.2
Net transfers	8.8	(71.2)	34.8	(79.0)

Restricted bank deposits

Reserve for future investments	47.9	38.4	32.3	17.1
Compulsory investment reserve	1.9	34.6	—	17.6
Reserve for environmental improvements	—	1.3	—	1.3
Other bank deposits	4.5	—	—	—
	54.3	74.3	32.3	36.0

Note 4

	Group	
	1982	1981
Adjusted net income		
Reported net income	359.5	429.3
Special adjustments		
Transfers to reserves, net	431.8	218.7
Depreciation in excess of uniform group depreciation	23.1	83.4
	814.4	731.4
Less		
Taxes on transfers to reserves, calculated individually	248.9	124.9
50 percent tax on depreciation in excess of uniform group depreciation	11.5	41.7
Minority interest in net effect of special adjustments and taxes	3.5	17.7
	550.5	547.1
Adjusted net income per share	16.84	16.73

Adjusted net income per share changes only insignificantly when the effect of a full conversion of the Parent Company's loan is taken into account. At December 31, 1982, no part of the loan had been converted.

Note 5

	Group		Parent Company	
	1982	1981	1982	1981
Short-term notes and accounts receivabletrade				
Subsidiaries				
Accounts receivable			533.8	804.1
Notes receivable			103.6	33.8
			637.4	837.9
Other				
Accounts receivable	6,081.5	4,775.2	1,920.8	1,387.7
Notes receivable	141.5	213.9	46.0	53.9
	6,223.0	4,989.1	1,966.8	1,441.6
Long-term notes and accounts receivabletrade				
Subsidiaries				
Accounts receivable			0.1	0.7
Notes receivable			74.1	86.3
			74.2	87.0
Other				
Accounts receivable	625.2	632.3	357.7	336.8
Notes receivable	73.3	51.8	45.1	51.8
	698.5	684.1	402.8	388.6

Note 6

Inventories are stated at standard cost, which approximates cost on a first-in, first-out (FIFO) basis. Write-downs have been made in cases where the sales value of goods, after deduction of estimated selling costs, is lower than historical cost.

Intra-Group profits that were not realized through the sale of goods to customers outside the Group have been eliminated, even in respect of associated companies.

Income from major contracts are accounted for in accordance with the "percentage of completion" method. If costs required to complete such contracts are estimated to exceed remaining revenues, provision is made for estimated losses.

Note 7

Other current assets

	Group		Parent Company	
	1982	1981	1982	1981
Prepaid expenses and accrued income	287.4	331.0	163.8	163.1
Advances to suppliers	151.4	115.1	38.3	20.6
Other receivables	944.9	512.2	244.3	202.5
	1,383.7	958.3	446.4	386.2

Investments in shares and participations at December 31, 1982

			Percent- age of ownership		Par value in millions	Carrying value in MSEK
Subsidiaries						
Sweden						
	Shares directly owned by Parent Company					
I	AutoTank AB (ATK)	Sweden	100	SEK	1.7	7.3
I	Ericsson Information Systems AB (EIS)	Sweden	91	SEK	325.8	298.7
I	LM Ericsson Telemateriel AB (LMS)	Sweden	100	SEK	30.0	29.9
I	AB Rifa (RIF)	Sweden	100	SEK	58.0	48.9
I	Sievert Kabelverk AB (SKV)	Sweden	100	SEK	140.0	140.0
I	SRA Communications AB (SRA)	Sweden	100	SEK	47.3	145.1
V	ELLEMTEL Utvecklings AB (EUA)	Sweden	50	SEK	5.0	6.0
	Other	Sweden		SEK		58.7
Europe						
I	Dansk Signal Industri A/S (DSI)	Denmark	100	DKK	10.0	7.4
I	LM Ericsson A/S (LMD)	Denmark	100	DKK	60.0	38.9
I	Oy LM Ericsson Ab (LMF)	Finland	100	FIM	35.0	44.2
I	Ericsson Belgium sa/nv (ERB)	Belgium	99*	BEF	14.9	3.6
I	Production Control (Ericsson) Ltd. (PCE)	United Kingdom	100	GBP	2.2	19.4
I	RIFA S.A. (RFF)	France	100	FRF	13.0	13.3
I	LM Ericsson Ltd. (LMI)	Ireland	100	IEP	1.9	13.8
I	Ericsson Telefoonmaatschappij bv (ETM)	The Netherlands	100	NLG	20.0	32.8
I	Industrias de Telecomunicación S.A. (Intelsa) (ITS)	Spain	50*	ESP	1,000.0	62.6
I	LM Ericsson S.A. (LES)	Spain	100	ESP	323.0	20.8
I	Ericsson Centrum GmbH (CEH)	Germany	100	DEM	6.0	11.1
IV	Swedish Ericsson Company Ltd. (SEL)	United Kingdom	100	GBP	3.3	34.7
IV	SETEMER S.p.A. (STM)	Italy	51	ITL	11,000.1	28.2
	Other					4.6
U.S.A.						
I	Anaconda-Ericsson Inc. (AEC)	U.S.A.	50	USD	140.0	522.3
Latin America						
II	Cia Argentina de Teléfonos S.A. (CAT)	Argentina	78	ARP	494,637.6	10.6
II	Cia Entrerriana de Teléfonos S.A. (CET)	Argentina	86	ARP	89,512.2	8.5
I	Cia Ericsson S.A.C.I. (CEA)	Argentina	100	ARP	23,400.0	2.6
I	Ericsson de Colombia S.A. (EDC)	Colombia	69*	COP	83.3	10.6
I	Teleindustria Ericsson S.A. (TIM)	Mexico	60	MXP	417.0	55.2
I	Cia Anónima Ericsson (CEV)	Venezuela	100	VEB	10.0	10.1
	Other					18.6
Other countries						
I	Ericsson Telecommunications Sdn Bhd (ECM)	Malaysia	70	MYR	2.1	3.8
IV	Teleric Pty. Ltd. (TLA)	Australia	100	AUD	20.0	99.3
	Other					1.3
					Total	1,812.9
Associated companies						
I	A/S Elektrisk Bureau (EBN)	Norway	25	NOK	26.1	36.2
I	Ericsson do Brasil Comércio e Indústria S.A. (EDB)	Brazil	64**	BRC	5,353.2	123.5
	Other					16.5
					Total	176.2
Other companies						
					Total	27.6

Subsidiaries						
Sweden						
	Shares indirectly owned by Parent Company					
I	Bofa Kabel AB (BOF)	Sweden	100			
I	Ericsson Information Systems Sverige AB (EIV)	Sweden	91			
I	Svenska Elgrossist AB, SELGA (SEG)	Sweden	67			
I	Sonab Communications AB (SON)	Sweden	100			
I	AB Essve Produkter (SVP)	Sweden	100			
I	Thorsman & Co AB (TCN)	Sweden	100			
Europe						
I	Ericsson Information Systems A/S (EIK)	Denmark	91			
I	Ericsson Information Systems A/S (EIO)	Norway	91			
I	Ericsson Information Systems GmbH (EIA)	Austria	91			
I	Ericsson Information Systems sa/nv (EIB)	Belgium	91			
I	Thorsman & Co (UK) Ltd. (TCE)	United Kingdom	100			
I	Ericsson Information Systems S.A. (EIF)	France	91			
I	A.R.E. S.p.A. (ARE)	Italy	33			
I	FATME S.p.A. (FAT)	Italy	51			
I	FIAR S.p.A. (FI)	Italy	51			
I	Nira Italia S.R.L. (NI)	Italy	55			
I	Scarfini S.p.A. (SCI)	Italy	51			
I	SIELTE S.p.A. (SEI)	Italy	51			
I	Ericsson Information Systems bv (EIN)	The Netherlands	91			
I	Ericsson Information Systems GmbH (EID)	Germany	91			
North America						
I	Datsaab Systems Inc. (DSU)	U.S.A.	50			
I	Ericsson Programatic Inc. (EPU)	U.S.A.	31			
I	Anaconda-Ericsson Communications Inc. (LMC)	Canada	50			
Latin America						
I	Industrias Eléctricas de Quilmes S.A. (IEQ)	Argentina	50			
I	Fios e Cabos Plásticos do Brasil S.A. (FCB)	Brazil	46			
I	Fábricas Colombianas de Materiales Eléctricos Facomec S.A. (FAC)	Colombia	48			
I	Telemontaje S.A. de C.V. (TMM)	Mexico	60			
Other countries						
I	LM Ericsson Pty. Ltd. (EPA)	Australia	100			
Associated companies						
I	Bjurhagens Fabrikers AB (BFA)	Sweden	50			
I	AB Elektrokoppar (EKS)	Sweden	25			
I	Kabeldon AB (KDA)	Sweden	50			
I	Oy DAVA Ab (DVF)	Finland	33			
I	A/S Telesystemer (ATN)	Norway	25			
I	A/S Norsk Kabelfabrik (NKD)	Norway	25			
I	Thorn Ericsson Telecommunications Ltd. (SEE)	United Kingdom	49			
I	Latinoamericana de Cables S.A. de C.V. (LCM)	Mexico	24			
I	Pirelli Ericsson Cables Ltd. (PEA)	Australia	50			

Key to functions of companies

I	Manufacturing and distributing companies	* Through holdings in subsidiaries, the Group owns 100% of ERB, 51% of ITS and 75% of EDC.
II	Telephone operating companies	** The voting shares total 26%.
III	Real estate companies	
IV	Holding and other non-operating companies	The above list of shares and participations is an extract from that prepared in accordance with the Swedish Companies Act. A complete listing may be obtained upon request to Group Headquarters.
V	Development companies	

Note 8

Details of certain shares and participations owned directly and indirectly by the Parent Company are presented on page 38. A complete listing of shares and participations, prepared in accordance with the Swedish Companies Act and filed with the Swedish Patent and Registration Office, may be obtained upon request to Group Headquarters.

Note 9

Depreciation based on the historical cost of assets is applied uniformly throughout the Group.

In prior years, revaluations of property were effected in several foreign subsidiaries and are included in Revaluation under the Group heading in the table below. Both uniform group depreciation and book depreciation are provided for at a rate of 5 percent per year.

During the year properties were written up as follows: In the Parent Company by SEK 75 m., in Sieverts Kabelverk AB by SEK 50 m., in SRA Communications AB by 50 m. (of which SEK 14.2 m. was credited to minority interest) and in Thorsman & Co AB by SEK 10.5 m. SEK 69.5 m. of the Group's share of the amount by which the assets were written up, SEK 171.3 m., was appropriated from accumulated depreciation in excess of Uniform group depreciation.

	Group		Parent Company	
	1982	1981	1982	1981
<i>Cost</i>				
Land	152.6	167.5	28.3	31.0
Land improvements	55.8	54.4	20.9	20.8
Buildings	2,062.3	1,932.8	622.9	587.1
Telephone plant	760.2	638.6	—	—
Machinery and equipment	5,259.6	4,362.6	1,564.9	1,321.5
Construction in progress	487.5	331.1	158.7	99.8
	<u>8,778.0</u>	<u>7,487.0</u>	<u>2,395.7</u>	<u>2,060.2</u>
<i>Accumulated uniform group depreciation</i>				
Land improvements	14.7	12.9	6.9	6.1
Buildings	456.0	410.6	187.2	162.0
Telephone plant	248.3	216.9	—	—
Machinery and equipment	2,945.8	2,476.3	840.9	722.4
	<u>3,664.8</u>	<u>3,116.7</u>	<u>1,035.0</u>	<u>890.5</u>
Net value	<u>5,113.2</u>	<u>4,370.3</u>	<u>1,360.7</u>	<u>1,169.7</u>
<i>Revaluations</i>				
Land	161.4	166.4	151.5	151.5
Buildings	511.1	438.3	343.8	282.8
	<u>672.5</u>	<u>604.7</u>	<u>495.3</u>	<u>434.3</u>
Less: Accumulated depreciation, buildings	<u>190.0</u>	<u>192.5</u>	<u>140.6</u>	<u>127.8</u>
	<u>482.5</u>	<u>412.2</u>	<u>354.7</u>	<u>306.5</u>
<i>Accumulated book depreciation</i>				
Land improvements	38.5	37.7	15.4	15.1
Buildings	872.3*	870.8*	223.5*	208.1*
Telephone plant	233.9	203.2	—	—
Machinery and equipment	3,376.3	2,907.6	1,152.9	1,032.9
	<u>4,521.0</u>	<u>4,019.3</u>	<u>1,391.8</u>	<u>1,256.1</u>
Net book value	<u>4,739.5</u>	<u>3,879.9</u>	<u>1,358.6</u>	<u>1,110.6</u>
<i>Accumulated depreciation in excess of uniform group depreciation</i>	<u>856.2</u>	<u>902.6</u>	<u>356.8</u>	<u>365.6</u>

* after utilization of excess depreciation on buildings of SEK 358.9 (289.4) m. and SEK 303.4 (289.4) m. respectively to be allocated to the Revaluation Reserve.

Tax assessment values

Parent Company: land and land improvements, SEK 186.7m., buildings, SEK 610.6 m. Other Swedish companies: land and land improvements, SEK 87.2 m., buildings, SEK 478.7 m.

Note 10

Other current liabilities

	Group		Parent Company	
	1982	1981	1982	1981
Accrued expenses and prepaid income	1,657.0	1,360.1	740.8	567.1
Current portion of long-term debt	870.3	567.2	452.5	341.5
Other	<u>1,692.0</u>	<u>1,107.2</u>	<u>744.3</u>	<u>588.1</u>
	<u>4,219.3</u>	<u>3,034.5</u>	<u>1,937.6</u>	<u>1,496.7</u>

Note 11

Debentures

Parent Company

6 ½ % Debentures of 1966 due 1984–1986 USD 3.6	26.3
6 ½ % Debentures of 1968 due 1984–1988 SEK 28.3	28.3
9 ¼ % Debentures of 1970 due 1984–1985 USD 8.0	58.1
7 ½ % Debentures of 1971 due 1984–1991 SEK 43.1	43.1
6 ¾ % Debentures of 1972 due 1984–1987 DEM 40.0	123.2
7 ¼ % Debentures of 1972 due 1984–1992 SEK 46.5	46.5
9 ¼ % Debentures of 1975 due 1984–1990 SEK 46.8	46.8
9 ¼ % Debentures of 1976 due 1984–1991 SEK 53.5	53.5
9 ¼ % Debentures of 1976 due 1984–1991 USD 27.5	201.0
8 ½ % Debentures of 1977 due 1984–1989 USD 22.0	160.8
9 ¾ % Debentures of 1977 due 1984–1992 SEK 60.1	60.1
13.0 % Debentures of 1978 due 1984–1993 SEK 66.5	66.5
10.0 % Debentures of 1979 due 1984–1994 SEK 110.0	110.0
	<u>1,024.2</u>

Less: Unrealized exchange differences to be amortized in future years

–150.1
874.1

Convertible bond loan

USD 40 million 1981/97, convertible at the price SEK 150, calculated at the following rate: USD 1.00=SEK 5.57875

225.2

The following year-end exchange rates have been used in the consolidated accounts: SEK 7.31 = USD 1.00 and SEK 3.08 = DEM 1.00.

The due dates of the above loans (excl. the convertible bond loan) are as follows, by type of currency:

	SEK	USD	DEM
1983 (shown as short-term)	19.3	38.4	—
1984	49.6	6.1	10.0
1985	50.5	9.5	10.0
1986	51.5	3.8	10.0
1987	52.5	2.6	10.0
1988	53.7	2.6	—
1989 and later	<u>196.6</u>	<u>36.5</u>	<u>—</u>
	<u>473.7</u>	<u>99.5</u>	<u>40.0</u>

Note 12

The provision for pensions in the Parent Company includes an obligation in the amount of SEK 841.8 m. (SEK 745.8 m.) in accordance with an agreement with the Pension Registration Institute (PRI).

Note 13

Capital stock of the Parent Company

3,728,515 Class A shares, par value SEK 50 each	186.4
28,954,231 Class B shares, par value SEK 50 each	1,447.7
<u>32,682,746</u>	<u>1,634.1</u>

All shares carry equal rights to participation in the net assets and profits of the Company. Class A shares are entitled to cast one vote and Class B shares are entitled to cast 1/1,000th of a vote at stockholders' meetings.

Changes in equity

Group	Restricted equity Capital stock	Legal reserves	Unrestricted equity	Total
January 1, 1982	1,089.4	1,791.0	773.8	3,654.2
Appropriations to legal reserves	—	57.0	–57.0	—
Stock dividend	544.7	–540.0	–4.7	—
Parent Company dividend	—	—	–212.4	–212.4
Revaluation reserve	—	171.3	—	171.3
Net income for 1982	—	—	359.5	359.5
December 31, 1982	<u>1,634.1</u>	<u>1,479.3</u>	<u>859.2</u>	<u>3,972.6</u>

Of the Group's unappropriated earnings, SEK 60 m. will be transferred to legal reserves in accordance with proposals of the respective companies' boards of directors. In evaluating the Group's financial position, it should be noted that profits in the Group's foreign companies may in certain cases be subject to tax when transferred to Sweden and that, in some instances, such transfers of profits may be limited by currency restrictions.

Parent Company	Restricted equity Capital stock	Legal reserves	Unrestricted equity	Total
January 1, 1982	1,089.4	1,020.7	418.0	2,528.1
Stock dividend	544.7	–540.0	–4.7	—
Dividend	—	—	–212.4	–212.4
Revaluation reserve	—	75.0	—	75.0
Net income for 1982	—	—	251.2	251.2
December 31, 1982	<u>1,634.1</u>	<u>555.7</u>	<u>452.1</u>	<u>2,641.9</u>

Note 14

Assets pledged

	Group		Parent Company	
	1982	1981	1982	1981
Real estate mortgages	1,323.0	1,291.8	387.9	361.9
Chattel mortgages	923.7	895.3	460.0	460.0
Shares	236.7	237.5	233.9	233.9
Trade receivables	267.2	254.8	—	8.5
Restricted bank deposits	24.1	15.7	0.1	2.1
	<u>2,774.7</u>	<u>2,695.1</u>	<u>1,081.9</u>	<u>1,066.4</u>

Contingent liabilities

Discounted bills	72.3	45.6	—	—
Sureties	1,480.5	1,060.6	1,200.4	671.2
	<u>1,552.8</u>	<u>1,106.2</u>	<u>1,200.4</u>	<u>671.2</u>

Of the sureties assumed by the Parent Company, SEK 806.8 m. (372.4 m.) pertained to subsidiaries.

SUPPLEMENTARY INFORMATION REQUIRED UNDER THE SWEDISH COMPANIES ACT

Average number of employees and remuneration

	Group		Parent Company	
	Average number of employees	Salaries, wages and fees	Average number of employees	Salaries, wages and fees
Sweden	29,363	2,652.3	17,571	1,506.4
Other countries	<u>38,276</u>	<u>3,045.5</u>	<u>1,636</u>	<u>170.8</u>
	<u>67,639</u>	<u>5,697.8</u>	<u>19,207</u>	<u>1,677.2</u>

To Board of Directors, President and Executive Vice Presidents

3.8

Salaries, wages and remuneration in foreign currency have been translated to Swedish kronor at average exchange rates for the year.

A detailed table showing the average number of employees and the amounts of salaries, wages and remuneration, prepared in accordance with the requirements of the Swedish Companies Act, is filed with the Swedish Patent and Registration Office. The table is available upon request to the Parent Company's Headquarters.

Special loans and commitments by the Parent Company

Loans totaling SEK 0.02 m. have been made to board members and managing directors within the Group.

Pledges of assets totaling SEK 0.1 m. and guarantees totaling SEK 0.1 m. have been made as security for loans obtained by board members and managing directors in Group companies.

Loans totaling SEK 16.2 m. have been made to a total of 3,374 employees for the purchase of shares in LM Ericsson's Share Saving Fund. Pledges of assets totaling SEK 19.6 m. have been made as security for loans obtained by Group employees for the purchase of housing.

Definitions of terms used in "Financial Summary" on pages 4–5

Earnings before financial income/expense. Pertains to earnings after uniform group depreciation in the years 1980 through 1982; pertains to earnings after book depreciation in other years.

Financial income/expense. Financial expense includes realized foreign exchange losses (net) and unrealized foreign exchange losses (net) in Swedish companies.

Foreign exchange translation differences (net). Include unrealized foreign exchange losses (net) in foreign subsidiaries.

Minority interest in earnings before special adjustments and taxes. This income item is shown only for the years 1981 and 1982. In prior years earnings in companies with minority stockholders represented only a relatively small part of Group earnings.

Adjusted net income per share. The method of calculation is described in Note 4. Figures reflect stock dividends and new issues of shares during the period.

Dividend per share. Reflects stock dividends and new issues of shares during the period.

Net property, plant and equipment. Uniform group depreciation was applied in the years 1980 through 1982. Book depreciation was applied in other years.

Current ratio. Current assets divided by current liabilities.

Return on equity. Defined as Adjusted net income as a percentage of average adjusted stockholders' equity. Adjusted stockholders' equity is stockholders' equity as shown in the balance sheet, plus 50 percent of Special reserves.

Solidity I. Defined as (Stockholders' equity plus 50 percent of Special reserves plus Minority interest in stockholders' equity) divided by (Total assets) and multiplied by 100.

Solidity II. Defined as (Stockholders' equity plus Special reserves plus Minority interest in stockholders' equity) divided by (Total assets) and multiplied by 100.

Debt-equity ratio. Defined as (Total interest-bearing liabilities) divided by (Stockholders' equity plus 50 percent of Special reserves plus Minority interest in stockholders' equity).

Audit Report

TELEFONAKTIEBOLAGET LM ERICSSON

We have examined the annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the President for the year 1982 in accordance with generally accepted auditing standards.

The annual report and the consolidated financial statements present the financial position, the results of operations and changes in financial positions of the Company and of the Group in accordance with good accounting practice in Sweden, as described in the notes to the financial statements, and comply with the Swedish Companies Act.

The separate statement of loans, pledged assets and guarantees called for by the Swedish Companies Act has been prepared.

We recommend

- that* the Company's statement of income and balance sheet be adopted,
- that* the Group's statement of income and balance sheet be adopted,
- that* the unappropriated earnings be dealt with in accordance with the proposal in the administration report, and
- that* the Board of Directors and the President be discharged from responsibility for their administration in respect of the year 1982.

Stockholm, March 28, 1983

David Jones
Chartered Accountant
Price Waterhouse

Nils-Axel Frisk

Jörgen Eskilson
Swedish Authorized Public Accountant
Price Waterhouse

Annual General Meeting

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Stockholm Fair, Mässvägen 1, Älvsjö at 4.00 p.m. Friday April 29, 1983.

Shareholders intending to participate in the Annual General Meeting must be entered as shareholders in the share register kept by Värdepapperscentralen VPC AB (Securities Register Centre) not later than April 19, 1983. Shareholders whose shares are registered in the name of an agent must reregister the shares temporarily in their own names in order to participate in the meeting.

In addition to the above-mentioned requirements, shareholders shall give notice of attendance to the Headquarters of Telefonaktiebolaget LM Ericsson, S-126 25 Stockholm, between 10.00 a.m. and 4.00 p.m. daily, not later than Monday, April 25, 1983 at 4.00 p.m.

DIVIDEND

The Board of Directors has proposed May 3, 1983 as the record day for payment of dividends. Provided this proposal is approved, the dividend is expected to be paid by Värdepapperscentralen VPC AB on May 11, 1983.

Dividends on shares for which certificates have been issued under the former system will not be paid until the exchange of certificates and the entry in the share register kept by Värdepapperscentralen VPC AB have been made.

Shareholders who have changed their names or mailing addresses should as soon as possible notify Värdepapperscentralen VPC AB, Box 7444, S-103 91 Stockholm, Sweden.

Board of Directors

Honorary Chairman

MARCUS WALLENBERG[†]
Dr.h.c

Members

HANS WERTHÉN
Chairman
Chairman of the Boards of the Federation
of Swedish Industries,
AB Electrolux and Gränges AB

JAN WALLANDER
Deputy Chairman
Chairman of the Boards of Svenska
Handelsbanken and Dagens
Nyheter AB

PETER WALLENBERG
Deputy Chairman
Chairman of the Boards of Atlas Copco AB,
SKF AB, AB Investor and Förvaltnings AB
Providentia

ÅKE ANDERSSON
Employee representative

LENNART DAHLSTRÖM
Former President of the National
Pension Insurance Fund
Chairman of the Boards of Iggesund
Bruk AB

LARS-OLOF EKEBERG
Former Head of Department of the
National Board of Occupational Safety
and Health

PAUL KVAMME
Employee representative

PER LINDBERG
President of Industrivärden AB
Chairman of the Boards of PLM AB
and Gunnebo AB

SVEN OLVING
President of Chalmers University of
Technology
Chairman of the Board of Volvofinans AB

BJÖRN SVEDBERG
President and Chief Executive Officer

Deputy Members

TORSTEN BENGTSON
Employee representative

HÅKAN LEDIN
Executive Vice President

HANS LINDQVIST
Employee representative

ARNE MOHLIN
Executive Vice President

FRITZ STAFFAS
Executive Vice President

JAN STENBERG
Executive Vice President

[†] Deceased September 13, 1982

Auditors

Statutory Auditors

DAVID JONES
Chartered Accountant,
Price Waterhouse

NILS-AXEL FRISK
Executive Vice President (Finance),
Swedish Staff Pension Fund

JÖRGEN ESKILSON
Authorized Public Accountant,
Price Waterhouse

Deputy Auditors

OLOF HEROLF
Authorized Public Accountant,
Price Waterhouse

KARL-AXEL LINDEROTH
President, Swedish Staff Pension
Fund

KARL-GUNNAR SJÖQUIST
Authorized Public Accountant,
Price Waterhouse



FRITZ STAFFAS

BJÖRN SVEDBERG

ARNE MOHLIN

HÅKAN LEDIN

JAN STENBERG

Group Management

Group Executive Committee

BJÖRN SVEDBERG
Chief Executive Officer
President Telefonaktiebolaget LM Ericsson

HÅKAN LEDIN
Executive Vice President
Business Area Information Systems
President Ericsson Information Systems AB and Facit AB

ARNE MOHLIN
Executive Vice President
Production
Business Area Other Operations

FRITZ STAFFAS
Executive Vice President
Finance and Control

JAN STENBERG
Executive Vice President
General Counsel
Business Area Cable
President Sieverts Kabelverk AB

LARS EDMARK
Senior Vice President
Markets

OVE ERICSSON
Senior Vice President
Business Area Public Telecommunications

ULF JOHANSSON
Senior Vice President
Business Area Defence Systems

NILS HOLMGREN
Senior Vice President
Auditing

BO LANDIN
Senior Vice President
Markets

STIG LARSSON
Business Area Components
President AB RIFA

GÖSTA LINDBERG
Senior Vice President
Technology and Development

BJÖRN LINTON
Senior Vice President
Business Area Network Engineering and Construction

ÅKE LUNDQVIST
Business Area Radio Communications
President Ericsson Radio Systems AB

KARL-AXEL LUNELL
Senior Vice President
Licensing and Patents

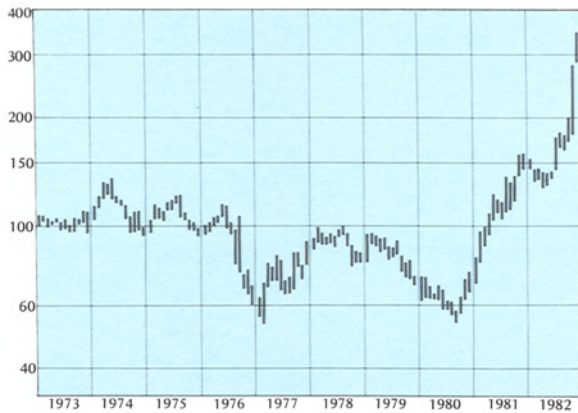
JOHN MEURLING
Vice President
Corporate Relations

HANS SUND
Executive Vice President
Subsidiaries

NILS SVENSSON
Senior Vice President
Personnel

LM Ericsson Share Data

TREND OF B SHARE PRICES ON STOCKHOLM STOCK EXCHANGE



Source: Svenska Handelsbanken

DIVIDEND GROWTH

Average increase per year, percent:

Period	Dividend	Inflation
1973-1982	11.4	10.0
1978-1982	17.6	10.3
1973-1977	5.6	9.6

Inflation data: Statistics Sweden (Swedish Central Statistical Bureau) consumer price index.

CHANGE IN CAPITAL STOCK

	Number of shares	Capital stock
1973 January 1	12,304,094	615,204,700
1973 1-for-4 stock dividend	3,076,023	153,801,150
1976 1-for-4 stock dividend	3,845,029	192,251,450
1-for-6 new issue, SEK 75	2,563,352	128,167,600
1982 1-for-2 stock dividend	10,894,248	544,712,400
1982 December 31	32,682,746	1,634,137,300

STOCKHOLDERS

The number of stockholders registered by Värdepapperscentralen VPC AB (Securities Register Center) in February 1983 was approximately 69,600.

Largest stockholders in LM Ericsson, December 31, 1982

	Number of shares	Voting rights %	Rank	Share of capital %	Rank
AB Industrivärden	1,190,000	22.4	1	3.6	3
Förvaltnings AB Providentia	530,000	14.1	2	1.6	8
AB Investor	480,000	12.8	3	1.5	10
Knut and Alice Wallenberg Foundation	520,626	5.5	4	1.6	9
Svenska Handelsbanken Pension Foundation	187,772	5.0	5	0.6	
National Pension Insurance Fund, Fourth Fund Board	1,222,049	3.9	6	3.7	2
Stockholms Enskilda Bank Pension Foundation	136,673	3.6	7	0.4	
Svenska Handelsbanken Staff Pension Association	136,497	3.6	8	0.4	
Octogonen Foundation	72,246	1.9	9	0.2	
Swedish Staff Pension Fund (SPP)	1,879,874	1.5	10	5.8	1
Skandia Liv and Skandia Sak (Insurance)	1,039,132	—		3.2	4
Skandinaviska Enskilda Banken's share investment funds	874,450	0.2		2.7	5
Trygg-Hansa (Insurance)	712,125	—		2.2	6
Arbetsmarknadsförsäkringar (AFA, AMF) (Insurance)	596,800	—		1.8	7

Distribution of shares (February 1983)

Size of holding	Shareholders Number	Shareholders %	Shares Number	Shares %	Number of shares per shareholder
1- 500	65,390	94.0	8,914,000	27.3	140
501- 1000	2,500	3.6	1,732,000	5.3	690
1001- 2000	1,040	1.5	1,443,000	4.4	1,390
2001- 5000	444	0.6	1,384,000	4.2	3,120
5001-20 000	126	0.2	1,207,000	3.7	9,580
More than 20 000	100	0.1	18,003,000	55.1	180,000
	app. 69,600	100.0	32,682,746	100.0	470

STOCK EXCHANGE TRADING

"A" and "B" shares are listed on the Stockholm Stock Exchange. "B" shares are listed on the exchanges in Düsseldorf, Frankfurt am Main, Geneva, Hamburg, London, Oslo and Paris.

Reference banks for shareholders residing outside Sweden:
France: Crédit Lyonnais, Banque Nationale de Paris, Banque de Neufilze, Schlumberger, Mallet, Banque de Paris Bas.

Switzerland: Pictet & Cie, Swiss Bank Corporation and Union Bank of Switzerland.

United Kingdom: S.G. Warburg & Co. Ltd.

U.S.A.: Citibank, N.A.

West Germany: Deutsche Bank AG and Westdeutsche Landesbank Girozentrale.

Turnover of LM Ericsson shares on Stockholm Stock Exchange.

Year	Number	MSEK
1982	4,819,513	1,181.8
1981	3,746,179	628.9
1980	2,213,049	211.3
1979	793,064	97.2
1978	694,528	93.7
1977	1,137,442	122.6

Source: Stockholm Stock Exchange

In 1981 and 1982 exports and reimports of LM Ericsson shares were as follows (MSEK):

	Exports	Reim-ports	Net
1982	1,390.0	487.0	903.0
of which, in fourth quarter	1,022.1	302.4	719.7
1981	372.3	212.1	160.2

Source: Swedish Bank Inspection Board

The Ericsson Group

Subsidiaries, Associated Companies, Regional and Technical Offices

ALGERIA

Telefonaktiebolaget LM Ericsson
Bureaux Techniques d'Algérie
El Djazair
Gunnar Forsgren

ARGENTINA

Compañía Ericsson S.A.C.I.
Buenos Aires
Rolf Rydén

Compañía Argentina de
Teléfonos S.A.
Buenos Aires
Anders Nyberg

Compañía Entrerriana de
Teléfonos S.A.
Buenos Aires
Anders Nyberg

Industrias Eléctricas de
Quilmes S.A.
Quilmes
Fereydoun Kia

AUSTRALIA

DML Engineering Pty. Ltd.
Sydney
Geoff J. Donnan

LM Ericsson Pty. Ltd.
Broadmeadows
Lars Estberger

Pirelli Ericsson Cables Ltd.
Campbelltown
Warren Greentree

Rifa Pty. Ltd.
Preston
Phil Phillips

AUSTRIA

Ericsson Information Systems
Ges.m.b.H.
Vienna
Philippe Monheim

Facit-Addo Büromaschinen
Vertriebsgesellschaft mbH
Vienna
Magnus Stenberg

Nira Ges.m.b.H.
Salzburg
J.M. Broggi

BELGIUM

Ericsson Information Systems
NV/SA
Brussels
Göran Schlyter

Facit S.A.
Brussels
Georges Heneffe

N.V. Nira Communications
Systems
Wevelgem

BOLIVIA

Ericsson de Bolivia
Telecomunicaciones S.A.
La Paz
Bengt Linder

BRAZIL

Ericsson do Brasil Comércio
e Indústria S.A.
São Paulo
Sérgio Monteiro de Carvalho

Facit S.A.
São Paulo
Lars Jarnryd

Fios e Cabos Plásticos
do Brasil S.A.
Rio de Janeiro
Jan Andersson

CANADA

Anaconda-Ericsson Communi-
cations Inc.
Toronto
Brian Durance

CHILE

Compañía Ericsson de Chile S.A.
Santiago
Jan Hartzell

COLOMBIA

Ericsson de Colombia S.A.
Bogotá
Stig Johansson

Fábricas Colombianas de Mate-
riales Eléctricos Facomec S.A.
Cali
Kaj Nielsen

COSTA RICA

Ericsson de Costa Rica S.A.
San José
Gerardo Valverde

DENMARK

Dansk Signal Industri A/S
Copenhagen
Adolf Wiuff

Facit A/S
Lyngby
Erik Aa Larsen

LM Ericsson A/S
Copenhagen
Asbjørn Dehlie

Ericsson Information Systems A/S
Copenhagen
Steen Bundgaard

LM Ericsson Radio A/S
Tåstrup
Staffan Junel

Brdr B&E Hansen A/S
Copenhagen
Per Grøntved Svendsen

Orbit Microdata A/S
Glostrup
Hans Erik Hansen

GNT AUTOMATIC A/S
Copenhagen
Per Baatrup

Thorsman & Co ApS
Ishøj
Kurt Jensen

ECUADOR

ILECT - Instalaciones Eléctricas
y Telefónicas Ecuatorianas S.A.
Quito
Patricio Ortega

Teléfonos Ericsson C.A.
Quito
Kjell Björk

EGYPT

Telefonaktiebolaget LM Ericsson
Egypt Branch
Cairo
Lennart Nilsson

EL SALVADOR

Telefonaktiebolaget LM Ericsson
Sucursal El Salvador
San Salvador
Helmut Feige

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Ericsson Programatic Oy
Helsinki
Rolf Saxen

Oy DAVA Ab
Esbo
Anders Kranck

Oy Facit Ab
Helsinki
Bo-Eric Wiberg

Oy LM Ericsson Ab
Jorvas
Yngve Ollus

Oy Sonab Ab
Esbo
Tor Grönholm

Oy Thorsman & Co Ab
Helsinki
Peter Ahlberg

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Ericsson Information Systems S.A.
Vélizy - Villacoublay
Louis Lacombe

Facit S.A.
Colombes
Stellan Horwitz

Nira S.A.
Paris
Julien Rubinstein

RIFA S.A.
Boulogne Sur Mer
Claude de Peyron

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Ericsson (Hellas) Telecommuni-
cations Equipment S.A.
Athens
Lars Christofferson

GUATEMALA

Ericsson de Guatemala S.A.
Guatemala City
Stig Sandmark

HAITI

LM Ericsson
Bureau Technique d'Haiti
Port-au-Prince
Jörgen Bodal

HONG KONG

LM Ericsson International AB,
East Asia
Hongkong
Hans Augustinsson

INDIA

Ericsson India Ltd.
New Delhi
Satish C. Sood

Facit Asia Ltd
Madras
Gösta Rundberg

IRAN

Simco Ericsson Ltd.
(Private Joint Stock Company)
Tehran
Parvis Hurfar

IRAQ

Telefonaktiebolaget LM Ericsson
Iraq Branch
Baghdad
Anders Töpffer

IRELAND

LM Ericsson Ltd.
Athlone
Vincent Daly

Ericsson Programatic
Ireland Ltd.
Dublin
Peter Kühne

Thorsman Ireland Ltd.
Drogheda
Åke Vikander

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Facit Data Products S.p.A.
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<p>Scarfini S.p.A. Rome Pietro Carli</p> <p>Sicurmatica S.p.A. Rome Arturo Gatta</p> <p>SIELTE, S.p.A. Rome Pietro Paci</p> <p>Tel. Ca-Telecomunicazioni Calabrese S.p.A. Cosenza Aurelio Amici</p>	<p>NETHERLANDS</p> <p>Ericsson Information Systems BV The Hague Robert Corduwener</p> <p>Ericsson Telefoonmaatschappij BV Rijen Clas-Ivar Schultz</p> <p>Facit-Addo BV Amsterdam J.B. Engström</p> <p>Nira International BV Emmen Nicolas R. de Graaf</p> <p>Nira Nederland BV Utrecht Chris Berger</p> <p>Nira Productie Nederland BV Emmen Cornelis de Graaf</p>	<p>PAKISTAN</p> <p>Telefonaktiebolaget LM Ericsson Technical Office Karachi Ragnar Johansen</p>	<p>AB Elektrokoppar Helsingborg Nils Mölstad</p> <p>ELLEMTEL Utvecklings AB Stockholm Sten-Olof Johansson</p> <p>Erisoft AB Luleå Sture Johansson</p> <p>Ericsson Information Systems AB Stockholm Håkan Ledin</p> <p>Ericsson Information Systems Sverige AB Stockholm Jan Rudberg</p> <p>LM Ericsson Programatic AB Stockholm Lars Irstad</p> <p>LM Ericsson Telemateriel AB Stockholm Per-Olof Åkerberg</p> <p>AB Essve Produkter Stockholm Leif Almstedt</p> <p>Facit AB Åtvidaberg Håkan Ledin</p> <p>Addo Försäljnings AB Åtvidaberg Lennart Gustavsson</p> <p>Aktiebolaget LM Ericsson Finans Stockholm Fritz Staffas</p> <p>AB ID-kort Solna Karl Erik Svensson</p> <p>Industrigruppen JAS AB Stockholm Harald Schröder</p> <p>Kabeldon AB Alingsås Sören Bååth</p> <p>Mellansvenska Elektriska AB Stockholm Valter Nyström</p> <p>E-P Data AB Karlskrona Urban Jansson</p> <p>AB RIFA Stockholm Stig Larsson</p> <p>Sieverts Kabelverk AB Stockholm Jan Stenberg</p> <p>Sonab Communications AB Gävle Åke Lundqvist</p> <p>Ericsson Radio Systems AB Stockholm Åke Lundqvist</p> <p>Svenska Elektroengros AB Stockholm Göran Landin</p> <p>Svenska Elgrossist AB SELGA Stockholm Anders Lindström</p> <p>Thorsman & Co AB Nyköping Jan Cedwall</p>
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Facit-Addo Ltd.
Rochester
J.A. James

LDR Systems Ltd.
London
John Diver

Production Control (Ericsson) Ltd.
Brighton
Duncan MacDougall

Recordacall Ltd.
Horsham
Maurice Adams

Thorn Ericsson Telecommunica-
tions Ltd.
Horsham
Duncan MacDougall

Thorsman & Co (UK) Ltd.
Chorley
William F. Bewley

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Albert H. Leader

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Wire and Cable Division
Greenwich, Connecticut
Walter J. Plate

Anaconda-Ericsson Inc.
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Garden Grove, California
Johan Siberg

DMR Associates Inc
Dallas, Texas

The Ericsson Corporation
New York, N.Y.
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Miami, Florida
Rodrigo Montealegre

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Richardson, Texas
Tom Martinsson

Tasvir Corporation
Santa Clara, California
Shyamal Ray

Vertimag Systems
Minneapolis, Minnesota
Clark E. Johnson, Jr.

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Augusto D. Bazzi

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Kaarst
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Thorsman & Co GmbH
Lüdenscheid
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