

Ericsson posts Q4 loss, but sales up

January 31 2013, by Karl Ritter

Wireless equipment maker Ericsson posted a 6.46 billion kronor (\$1.02 billion) loss in the fourth quarter due to a massive one-time charge, but said Thursday its sales rose 5 percent as mobile operators invested in broadband networks.

Ericsson shares rose 9 percent to 73.10 kronor in Stockholm after the report, which was stronger than many investors had expected, before ending the day up 7.6 percent at 74 kronor.

Stockholm-based Ericsson is the world's top supplier of the infrastructure needed to build mobile broadband networks. Its fourth-quarter loss compared with a net profit of 1.15 billion kronor in the same period in 2011.

But an even bigger loss had been expected after Ericsson announced last month that it would take a 8 billion kronor charge related to semiconductor manufacturer ST-Ericsson. That announcement came after Switzerland-based STMicroelectronics said it wanted out of the joint venture.

Ericsson said its fourth-quarter sales jumped to 66.9 billion kronor, from 63.7 billion kronor a year earlier, driven by investments in mobile broadband networks in North America and Japan.

"Throughout 2012 North America was our strongest market, driven by continued mobile broadband investments and demand for services," CEO Hans Vestberg said. "However, regions such as South East Asia

and Oceania and Sub-Saharan Africa gradually improved during the year."

Ericsson last year pulled out of a joint mobile phone venture with Sony Corp., after struggling to compete with Apple, Samsung and Nokia.

Ericsson's competitors in the network infrastructure business include Alcatel-Lucent of France, China's Huawei and Nokia Siemens Networks, a Finnish-German joint venture.

Copyright 2013 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Ericsson posts Q4 loss, but sales up (2013, January 31) retrieved 19 September 2024 from <https://phys.org/news/2013-01-ericsson-q4-loss-sales.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.