

Ericsson's 1Q profit rises, revenue posts sharp fall

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By dpa

Swedish telecommunications equipment maker Ericsson on Wednesday reported net profit of 1.7 billion kronor (US\$258 million) in the first quarter, up 41% year-on-year.

However, its net sales dropped 9 per cent year-on-year to 47.5 billion kronor. This was mainly due to the completion of two large mobile broadband projects in North America and lower activity in Japan, chief executive Hans Vestberg said.

Sales in China, Latin America and the Middle East only partly offset the decline in revenue.

Shares fell more than 4% in opening trading on the Stockholm bourse.

Vestberg said the group expected business and sales would lift in the second half of the year on the back of "key contracts awarded."

The mainstay networks division accounted for half of Ericsson's sales, totalling 24.4 billion kronor, down 135 year-on-year.

Ericsson said it had about 111,300 employees at the end of the quarter, almost 3,000 fewer than at the end of December.

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