

WIRELESS GIANT ERICSSON TO CUT 5000 JOBS



Ericsson's fourth quarter profits dropped 31%. Citing weakened handset sales and costs associated with restructuring, the Stockholm-based manufacturer announced it would layoff 5000 of its workers. The company saw its net profits drop from roughly 870 million dollars to about 465 million and a dramatic drop in sales also saw its joint venture with Japan's Sony, SonyEricsson, post a loss of 243 million dollars. Despite an almost 50% decrease in overall revenue in 2008 compared to 2007, Ericsson managed to post better than expected results and, due in part to the weakening value of the Kroner, saw its stock price increase by 11% at the opening of the European market this morning. The company said that it had released the data a week earlier than it had planned to because they believed that the results were above most expectations. Though Carl Svanberg, the company's CEO, stated that he was proud of the solid performance, he was also ready with a warning that given the global economic downturn it would be much harder to predict performance over the coming months. He also stated that this kind of situation makes it difficult to foresee the actions of the operators (meaning the cellular service providers). Ericsson is the global leader in mobile broadband infrastructure. The company claimed a need to increase the scope of its savings program amid the financial crisis and that also means the cutting back of its work force. Ericsson will cut approximately 6% of its 79,000 employees and is confident that spending nearly one billion dollars on restructuring will yield an annual savings of about a billion and a half dollars. Svanberg said he plans for the company to be steadfastly aware of its customers' needs and that the cutbacks are, of course, due to the uncertainty of the marketplace. Keep track of what's happening at <http://www.employmentcrossing.com> And check in on our free, 7-day trial at <https://www.employmentcrossing.com/lcsignin.php?refid=1500>