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India Market Situation & Ericsson India capabilities

Safe Harbor

This presentation contains forward looking statements.
Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business.
Please read our earnings reports and our most recent annual report for a better understanding of these risks and uncertainties.

Agenda

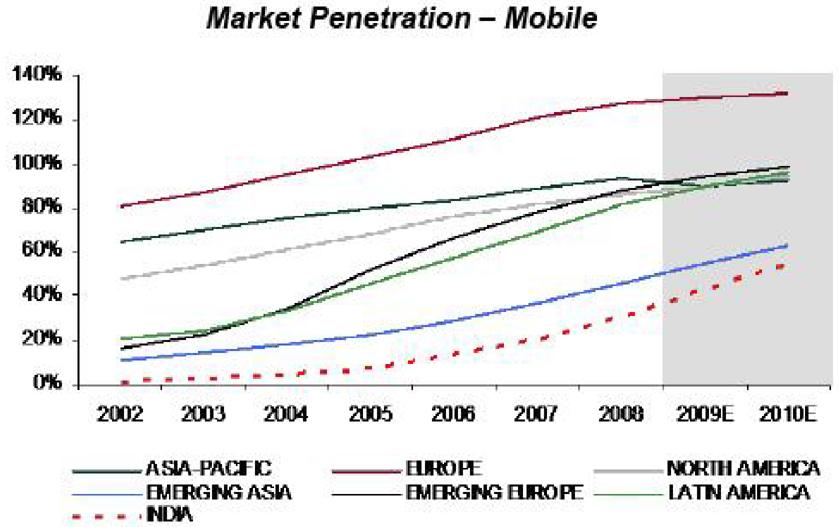
- India Market Situation & Operator Challenges
- Ericsson’s Role in Addressing those Challenges
- Ericsson in India & way forward

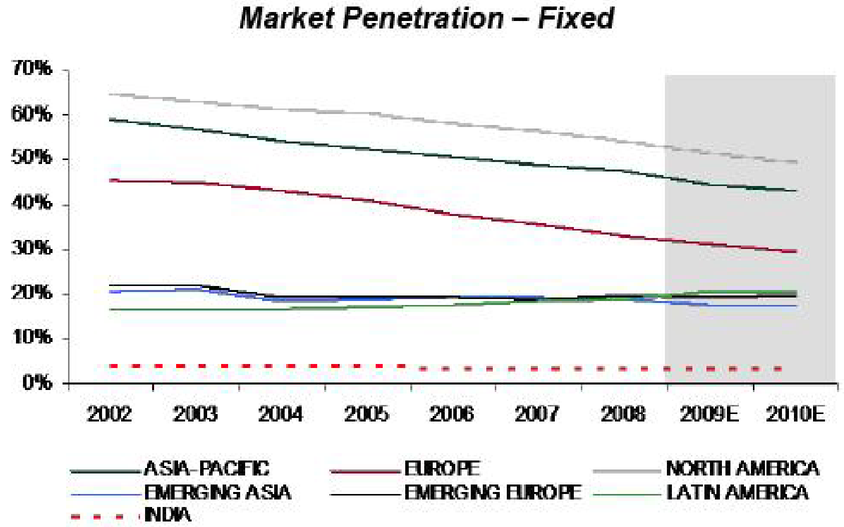
India Market

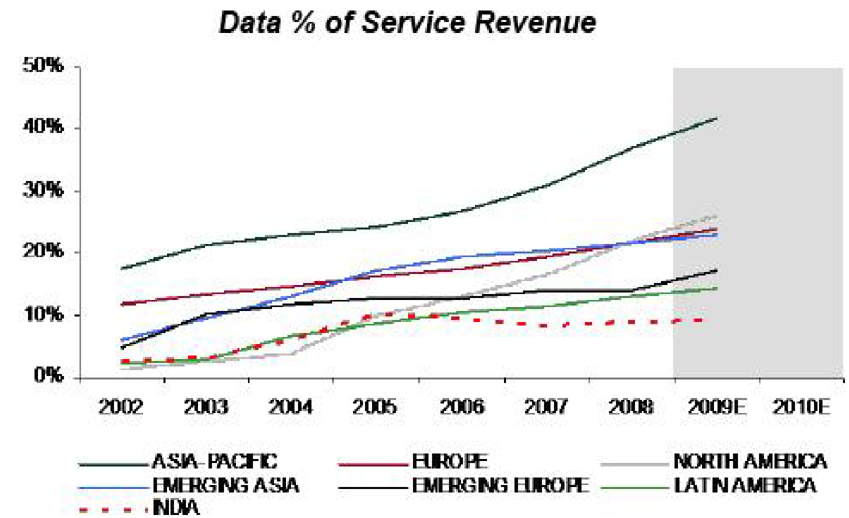
- Overall economic growth of >7%
- Stable political environment
- Stock market index up 100% in last 6-7 months
  - But Telecom companies stocks being pressured due to tariff wars
- Security is a major concern in multiple domains
- Telecom market fairly fragmented (10-12 operators in circles)
- Wireless subscriber additions continue at rapid rate
- MNP & 3G Auction next major telecom events

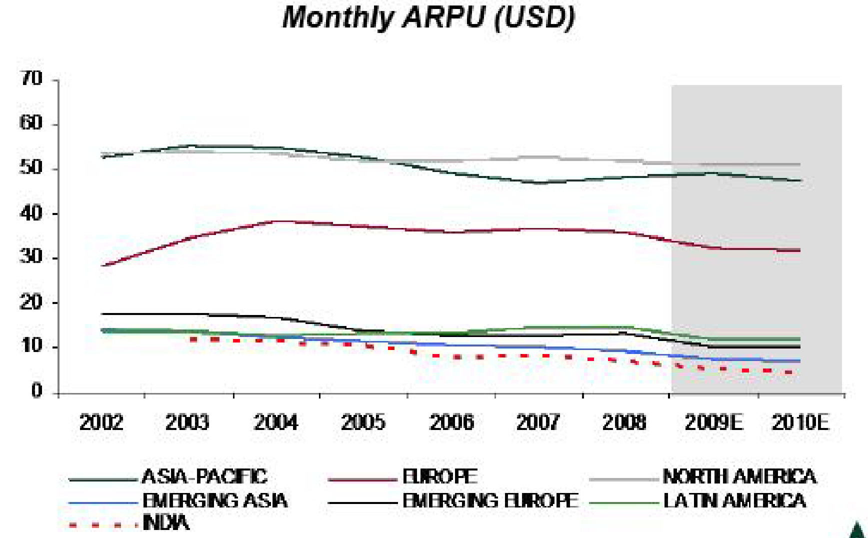
Long term political stability likely to drive economic growth & attract attention from foreign investors

India Market Snapshot









Significant headroom for growth

Significant Foreign Players In Market

Existing Players	
• Bharti	32% Singtel
• Idea	20% TMI
• Aircel	74% Maxis
• Essar	58% Vodafone[1]
• Tata	26% Docomo; Virgin
• Reliance	

New Players	
• Shyam	74% Systema
• Uninor	60%[2] Telenor
• Swan	50% Etisalat
• Loop	Essar Group
• ByCell	74% ByCell
• S-Tel	49% Batelco
• Datacom	Not yet committed

Major Foreign operators in India already

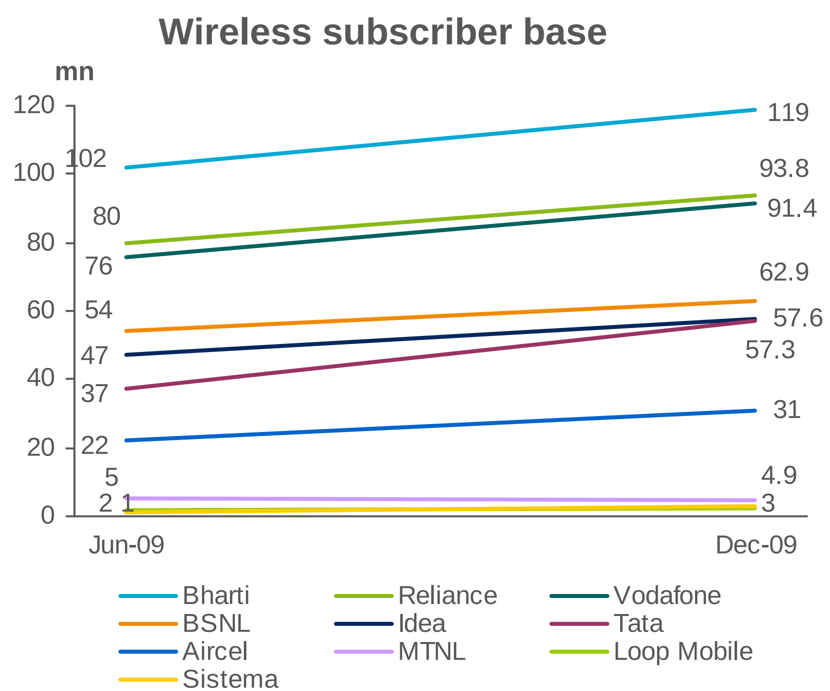
Note: 1. Has economic interest in 9% held by minority shareholders (Asim Ghosh, Analjit Singh and IDFC); 2. Current holding, expected to increase to 67% with final investment in next few months

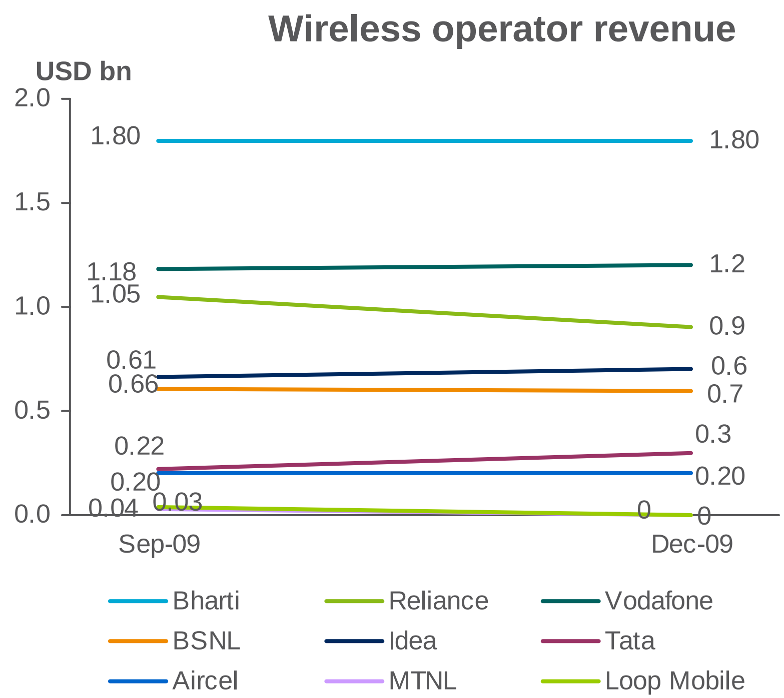
Hyper competition

Operator	Net Subscribers Additions, % Share (Jan – Dec 2008)	Net Subscribers Additions, % Share (Jan – Dec 2009)	Subscribers (Dec'09, mn)	Net Subs Addition (Dec'09, mn)
Bharti	30.5 (27%)	33.2 (19%)	118.9	2.85
Reliance GSM + CDMA	20.4 (18%)	32.5 (18%)	93.8	2.81
Vodafone	21.2 (19%)	30.4 (17%)	91.4	2.79
BSNL + MTNL	10.4 (9%)	17.3 (10%)	67.8	2.16
Idea[1]	13.1 (12%)	19.7 (11%)	57.6	1.71
Tata GSM + CDMA	10.0 (9%)	25.6 (14%)	57.3	3.34
Aircel	6.6 (6%)	14.9 (8%)	31.0	1.67
Unitech	NA	1.2 (1%)	1.2	1.21
Etisalat[2]	NA	NA	NA	NA
STel	NA	0.1 (0.1%)	0.1	0.14

Many operators; Buoyant growth

Near Term Market Reality



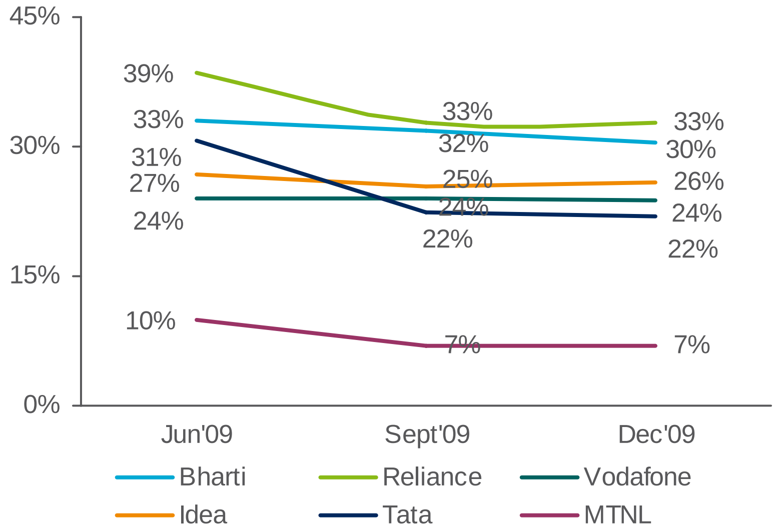


	QE Jun – 09	QE Sept – 09	% Change
Subscriber Base (mn)	427.3	471.7	10.40%
Gross Revenue (USD bn)	8.7	8.6	-0.75%

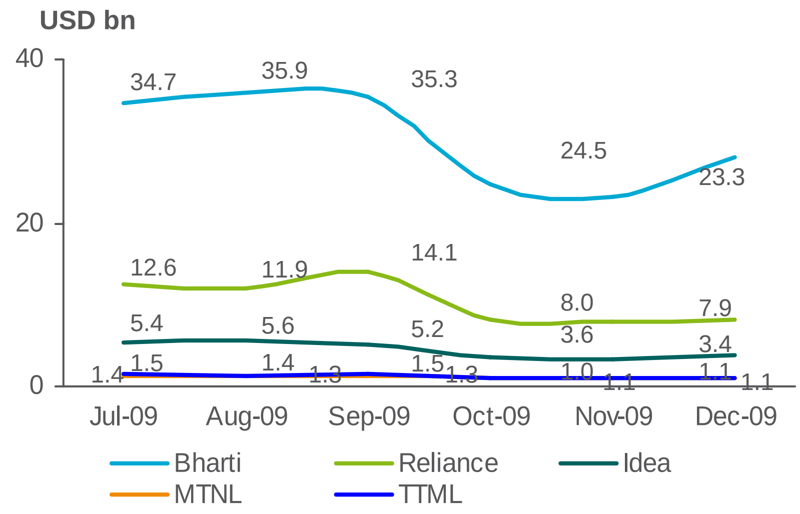
Hyper-competition impacting operator margins

Operator Status

Telecom Operators EBITDA Margin



Telecom Operators Market Cap



- 25% erosion in M-cap since aggressive tariffs introduction (Sep’09)
- Existing operators cautious and focus on key markets only
- New players aggressively rolling out networks

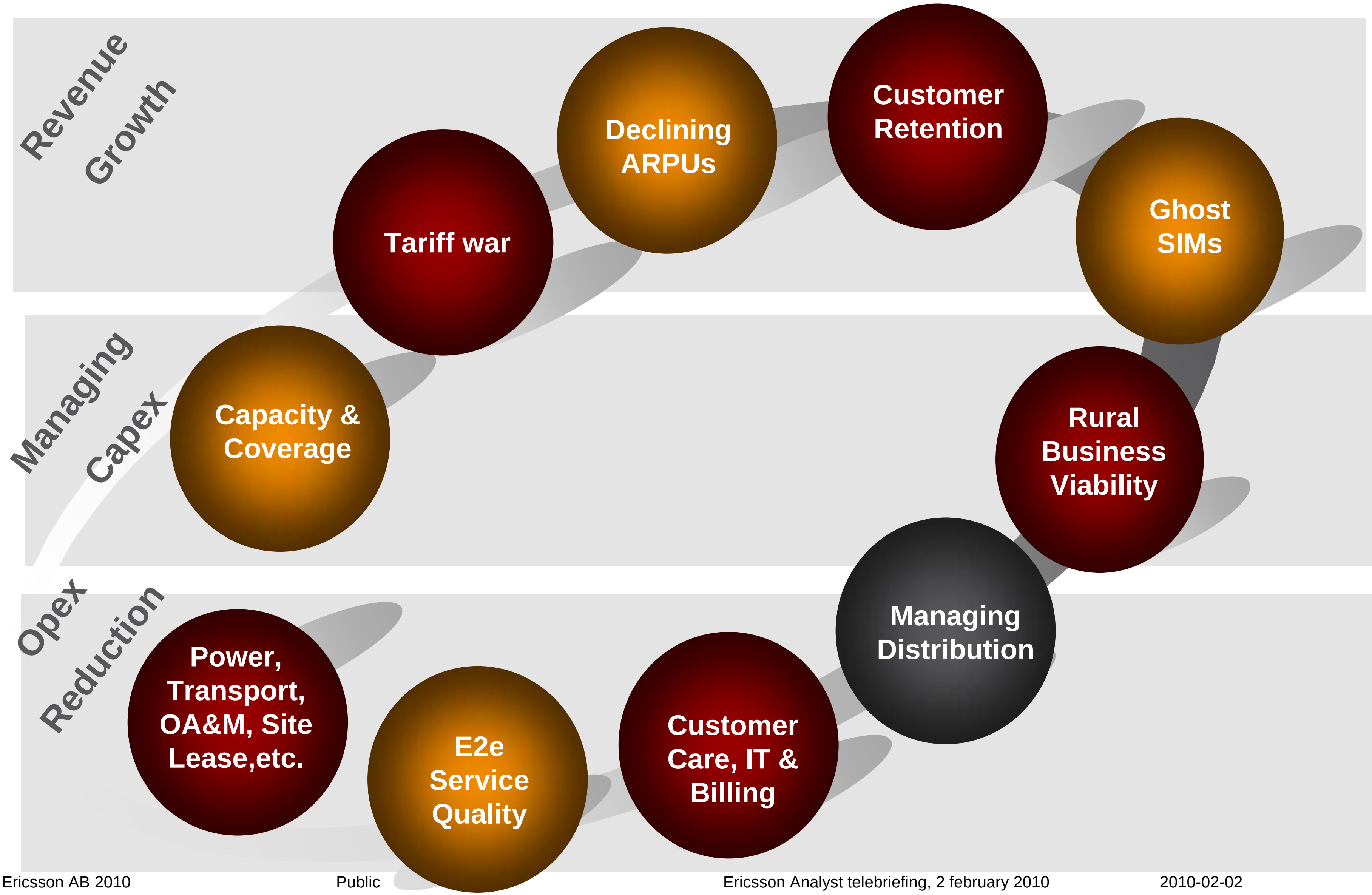
Over-capacity likely in urban; rural coverage deferral

Note: 1. Reliance & MTNL EBITDA for Dec 09 has been considered same as Sept 09

Latest 3G & BWA auction update

- 3G auctions likely to slip further to the next Fiscal (Aug-Sep)
  - Defense vacating spectrum in a phased manner, in lieu of optical network to be put up by BSNL for them
- No. of slots available for bidding would most likely be 3
- 2 slots for 2.3Ghz BWA auction for sure
  - Reserve price for 20MHz TDD spectrum is half of 3G 10 MHz spectrum

Operator Challenges



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› Ericsson's Role in Addressing those Challenges

› Ericsson in India & way forward

Revenue growth

Revenue Related

- Enhancing Revenue :
  - Largest Pan-India prepaid footprint : 150M subscribers
    - Implementing converged billing solutions
  - Developing multimedia solutions to drive VAS revenues
    - Social media portal, adv-insertion solutions, location finder, etc.
  - Hosted solutions such as PRBT
  - Consulting capability to support multiple areas
    - Revenue assurance, consumer behavior, etc.
  - Working on 3G ecosystem (exploring vertical solutions with colleges, hospitals, etc.)

Managing CAPEX

Capacity & Coverage

- Coverage & Capacity
  - Features & functionality that offers network coverage to ensure less sites
  - Features that handle additional capacity
- Technology that lowers overall site costs
  - Clear & defined technology roadmap that are both backwards and forwards compatible (2G, 3G, LTE)
  - Active & Passive sharing concepts
  - Zero footprint products (no leased space needed)
  - High capacity & energy efficient core network nodes (blade architecture)

Reducing opex

Power, Transport, OA&M, etc.

- Power
  - Innovative power solutions like Blue Battery (*1/5th recharge time)*
  - 15% lower power per BTS per year through
    - *Energy efficient RBS family & BTS Power saving*
  - Reduced site cooling requirement
- High bandwidth uWave & fiber transport solutions
- MVMS capabilities that uses:
  - Tools, process, and people to manage complexity & quality
  - Shared resources between operators to lower cost

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ERICSSON IN india

Ericsson: trusted partner

Over 100 years in india

- Vast knowledge of the Indian market
- Market leader in wireless infrastructure space
- Best in class network rollout capability
- Pioneers of managed services concept
- Geared for PRESENT & FUTURE
  - *Speed, efficiency and competence*
- Credible stakeholder in the Indian Telecom space
- Committed to India
  - Local manufacturing, R&D and Service Delivery

Ericsson in india

building blocks for future growth

- **Local Supply & Manufacturing**
  - First MNC to manufacture GSM BTS in India
  - *RDC capability upto* 8500 BTS/month
  - Global supply of MSC, BSC, Mini link, BTS (indoor & outdoor) & 3G BTS
- **Research & Development**
  - Two local R&D centers in Gurgaon & Chennai (400+ employees)
  - Broad capability covering Prepaid systems, Multimediation, wholesale settlement & consumer information management etc
- **Global Service Capability**
  - GSDC; 7 agreements across 20 countries
  - Multi Country, Multi Customer, Multi Vendor, Multi Technology Capabilities
  - Delivery within robust SDMM L2 Framework
  - Handling 2G & 3G N/ws; RBT Hosting; MUSE Hosting; IPX Gateway etc
- **Local Competence Development**
  - Job rotation; International assignments; Management development programs; Strong focus on training; High HCI index

Industry Recognitions

- **Best Telecom Vendor/Best Managed Capacity Vendor**
  – CMAI Business World
- **Largest Wireless Vendor/Largest Overall Telecom Vendor**
  – Voice & Data (2007 & 2008)
- **Best Telecom Vendor** – Bharti
- **Best Telecom Partner** – Indus

Despite aggressive competition, we continue to be recognized as a market leader enabling customer success

Way forward

› Continue to build on current strong domestic position
› Leverage Ericsson India capabilities for global customers
  - Expand local manufacturing & R&D, Global Services Delivery Centre
› Leverage global leadership in 3G with auction winners
› Expand managed services with current & new customers
› Extend into new areas of telecom spend like Government, Media,etc.
› Work closely with domestic institutions such colleges, hospitals, government, etc. to build a strong eco-system that can leverage the benefits of technology
› Be the most preferred employer in Indian Telecom space

Ericsson : Empowering People & Society

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