



THIRD QUARTER 2011

20 OCTOBER 2011



HELENA NORRMAN

SENIOR VICE PRESIDENT
COMMUNICATIONS



THIRD QUARTER 2011

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.



HANS VESTBERG

PRESIDENT AND CEO

JAN FRYKHAMMAR

CFO AND EXECUTIVE VICE PRESIDENT



3Q HIGHLIGHTS

Mobile broadband the market driver

Close to 900 million mobile broadband subscriptions, +60% YoY
Smartphones, new devices, tiered pricing
Solid industry fundamentals

Outsourcing high on operators' agendas

Operator focus on outsourcing of operations to reduce opex

IPR's in focus

Industry built on shared technologies
FRAND the driving principle
Ericsson largest portfolio in industry – 27,000 patents

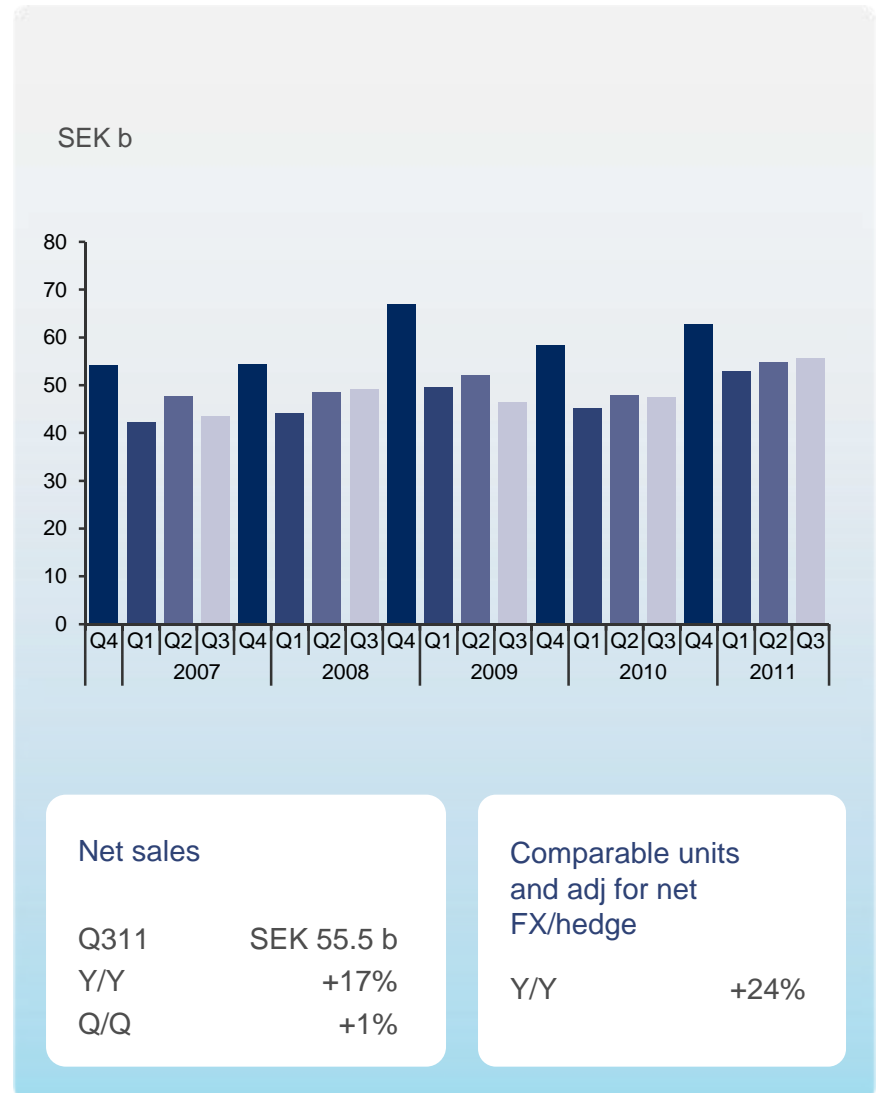
Effects of economic environment uncertain

With economic uncertainties in parts of the world, we cannot exclude somewhat more cautious short-term operator spending



NET SALES

- › Sales +17% YoY
 - Organic, FX adjusted +24%
- › Continued strong demand for mobile broadband
 - Networks +25% YoY
- › Strong services development
 - Global Services +7% YoY





PROFITABILITY

› Net income +6% YoY

- Positive impact from higher volumes

› Net income +18% QoQ

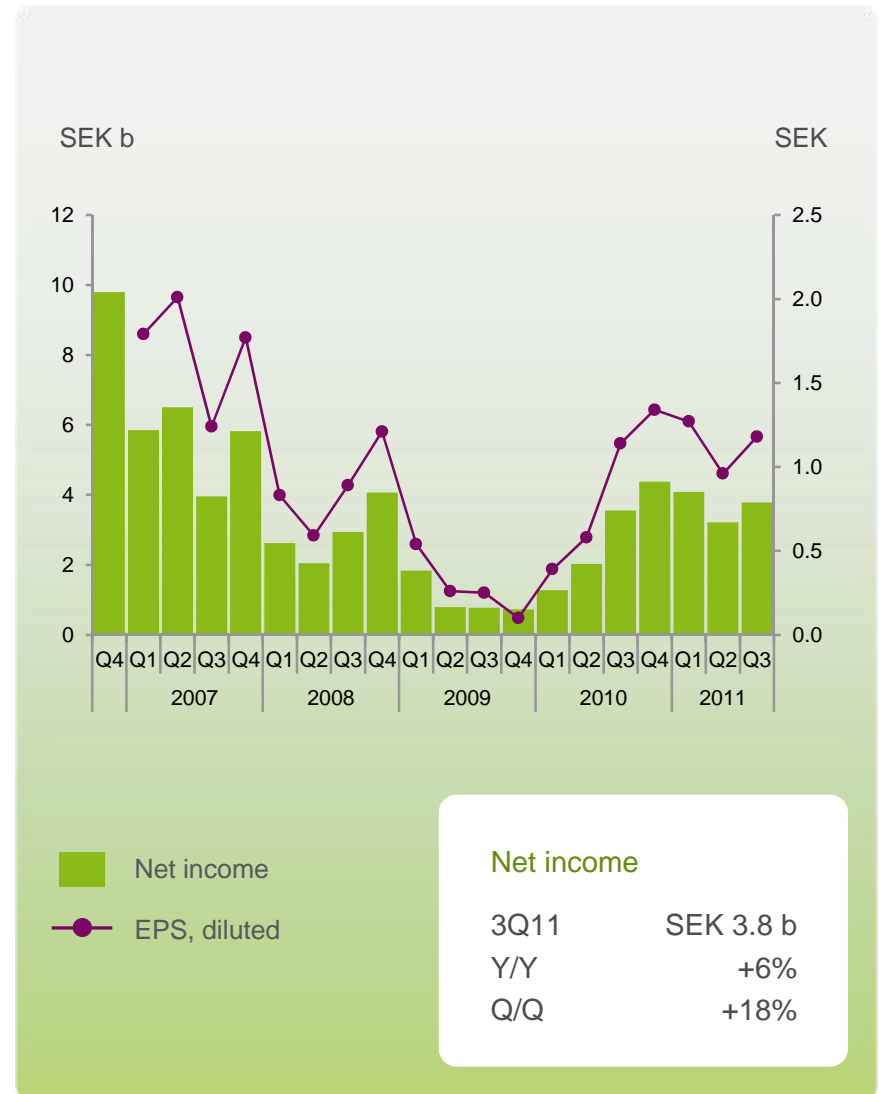
- Positive impact from improved operating margin
- Less restructuring

› EPS, diluted +4% YoY

- SEK 1.18 (1.14)

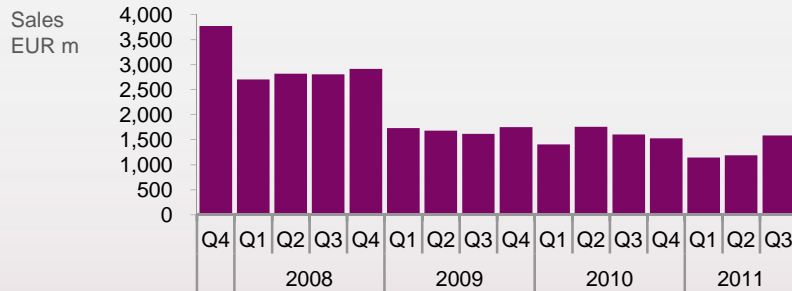
› Non-IFRS EPS +1% YoY

- SEK 1.44 (1.42)





3Q JOINT VENTURES

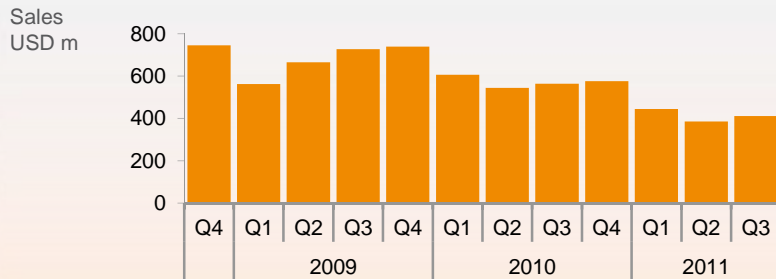


Sony Ericsson

Sales up +33% QoQ

Average selling price up +8% YoY

Android-based smartphones represented >80% of Q3 sales



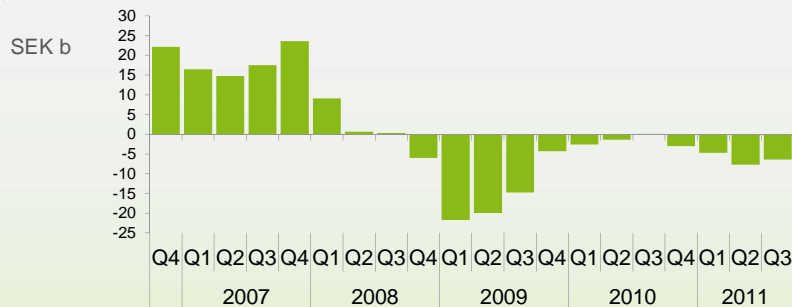
ST-Ericsson

Sales up +7% QoQ

Revenues from new products continued to grow - offsetting the continuous decline in sale of legacy products

Financial performance continues to be challenging

New product portfolio represented >50% of Q3 sales



Ericsson share in JV earnings

SEK -0.6 (0.0) b

Sony Ericsson SEK 0.1 (0.3) b

ST-Ericsson SEK -0.7 (-0.3) b

All numbers except 2011 excludes restructuring charges



NETWORKS

> Continued high sales in mobile broadband

- Incl. packet core, IP routers and microwave based backhaul
- All effects from earthquake in Japan on supply chain have been eliminated - normal lead times

> +25% YoY

- Negatively impacted by strong SEK
- Positively impacted by increased CDMA sales in North America

> -3% QoQ

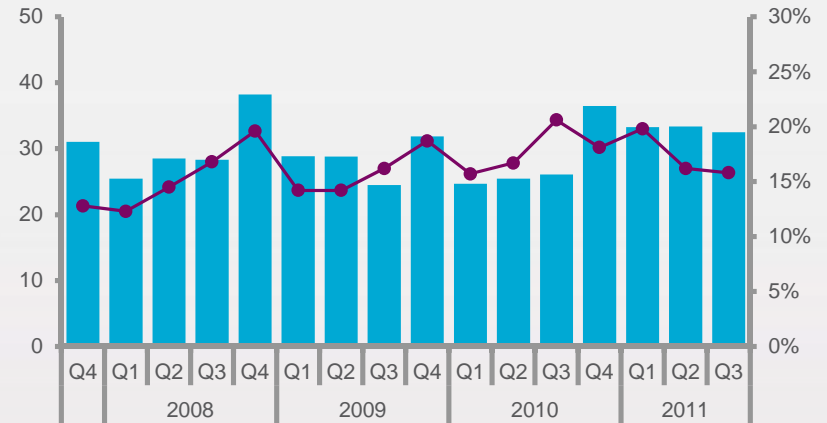
- Negatively impacted by decreased CDMA sales in North America

> EBITA margin decreased to 16% (21%) YoY and was flat sequentially

> Can't exclude somewhat more cautious short-term operator spending

- With economic uncertainties in parts of the world, we cannot exclude somewhat more cautious short-term operator spending

SEK b

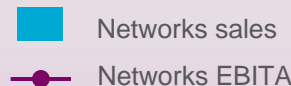


EBITA margin

3Q11	16%
3Q10	21%
2Q11	16%

Sales

3Q11	SEK 32.5 b
Y/Y	+25%
Q/Q	-3%





GLOBAL SERVICES

› Professional Services sales +13% YoY in local currencies

- Managed Services +8% YoY currency adjusted
- 14 new managed services contracts of which 6 expansions or extensions
- 4 significant systems integrations contracts in OSS/BSS, Service Delivery Platform and data center projects

› Network Rollout sales +7% YoY, +3% QoQ

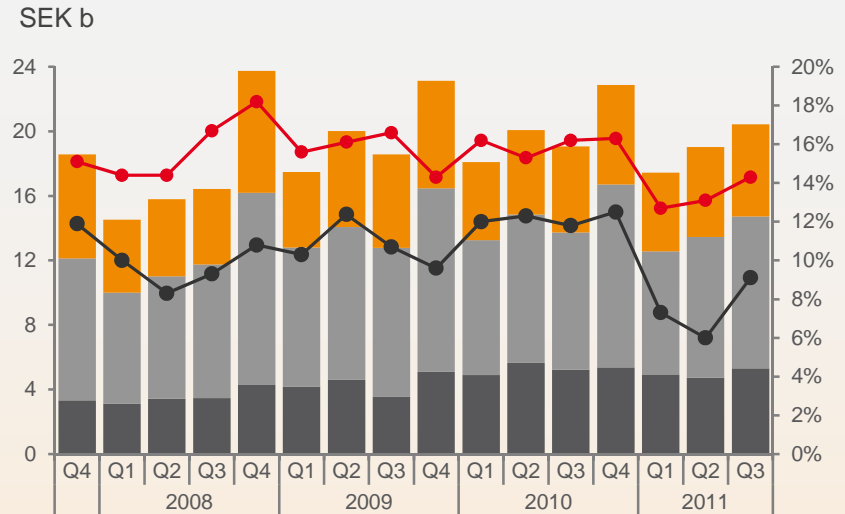
- Driven by continued high volumes of network modernization

› EBITA margin increased +3%-points QoQ

- Positively impacted by increased volumes and improved Network Rollout margins
- Still loss in Network Rollout network modernization and finalization of 3G rollouts in India,
- Impact from restructuring charges 1%-point in the quarter

› 53,000 services professionals

*Numbers 2011 include restructuring charges, numbers 2007-2010 exclude restructuring charges
Second quarter 2009 adjusted for divestment of TEMS*

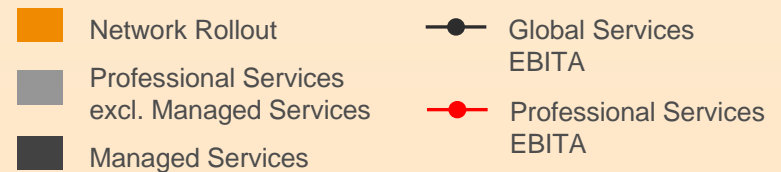


Global Services EBITA margin

3Q11	9%
3Q10	12%
2Q11	6%

Global Services sales

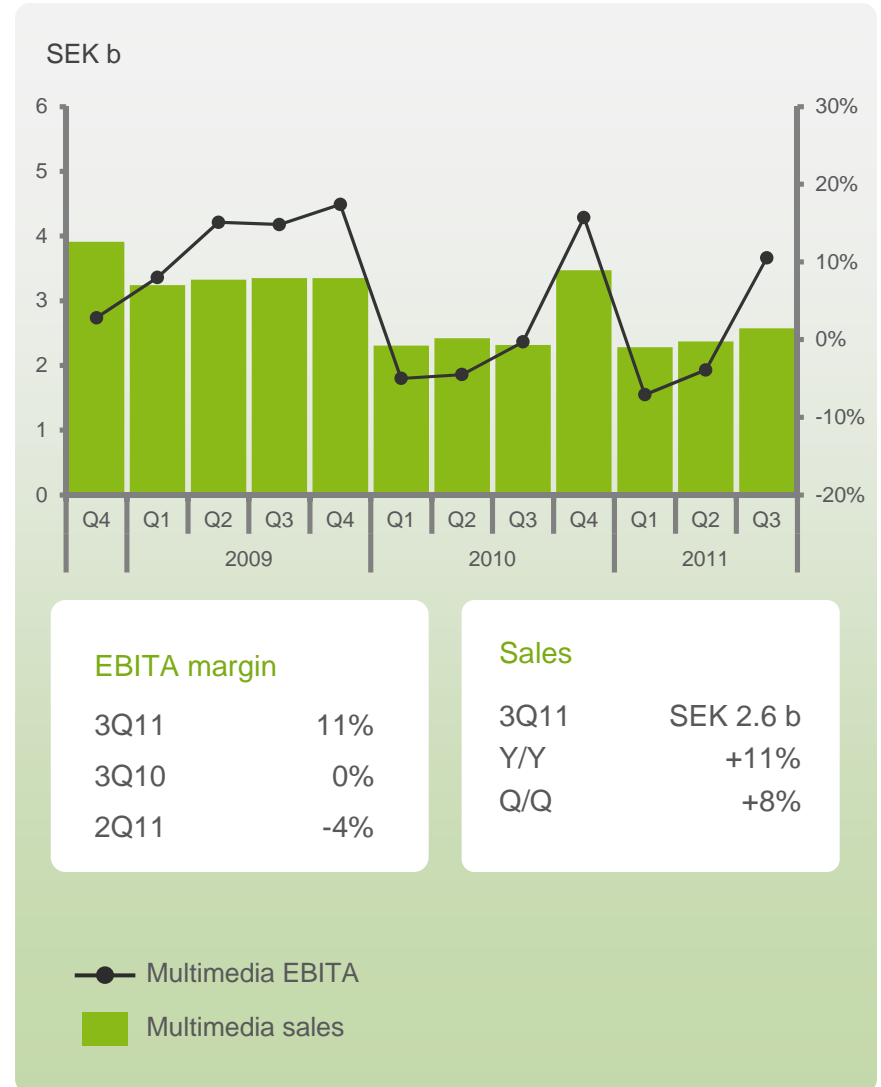
3Q11	SEK 20.4 b
Y/Y	+7%
Q/Q	+7%





MULTIMEDIA

- › Back to profit
- › Revenue management developed favorably YoY
- › TV solutions improved QoQ
 - Several IPTV contract wins in the quarter
- › EBITA margin improved to +11% (0%) YoY
 - Increased volumes and efficiency program resulted in lower operating expenses



Numbers 2011 include restructuring charges, numbers 2008-2010 exclude restructuring charges and adjusted for divestment of mobile platforms and PBX business in 2008. Fourth quarter 2008 excl. capital gain of SEK 0.8 b for divestment of Symbian shares.



REGIONAL SALES

North America

3Q11 SEK 12.1b
Y/Y -6%
Q/Q -2%

- Slower networks business after period of high operator investments
- CDMA declined QoQ
- Good services and OSS/BSS development

Latin America

3Q11 SEK 6.0 b
Y/Y +64%
Q/Q +22%

- Growth across all segments
- Broadband coverage expansions

Northern Europe & Central Asia

3Q11 SEK 3.5 b
Y/Y +49%
Q/Q -23%

- Slower infrastructure and rollout sales sequentially, mainly Russia

Western and Central Europe

3Q11 SEK 4.6 b
Y/Y +7%
Q/Q +6%

- Increased network modernization and managed services sales
- Momentum for managed services and network sharing

Mediterranean

3Q11 SEK 5.2 b
Y/Y +4%
Q/Q -6%

- Network modernization projects across the region
- Spain and Greece impacted by macro instability

Middle East

3Q11 SEK 3.7 b
Y/Y +34%
Q/Q +3%

- Positive mobile broadband and managed services sales development
- Easy Y/Y comparison due to supply constraints in 2010
- Political unrest

Sub-Saharan Africa

3Q11 SEK 2.5 b
Y/Y +40%
Q/Q +14%

- Sales increase driven by 3G coverage rollouts and multimedia

India

3Q11 SEK 2.3 b
Y/Y +7%
Q/Q -19%

- Slower 3G investments
- First TD-LTE deal in India won

China and North East Asia

3Q11 SEK 9.7 b
Y/Y +39%
Q/Q +7%

- Growth across all segments
- Capacity investments in Japan
- First phase of TD-LTE trials with China Mobile finalized
- 2G expansions in China
- LTE deployment with several operators in Korea

South East Asia and Oceania

3Q11 SEK 3.7 b
Y/Y -3%
Q/Q +23%

- Telstra LTE project in deployment



JAN FRYKHAMMAR

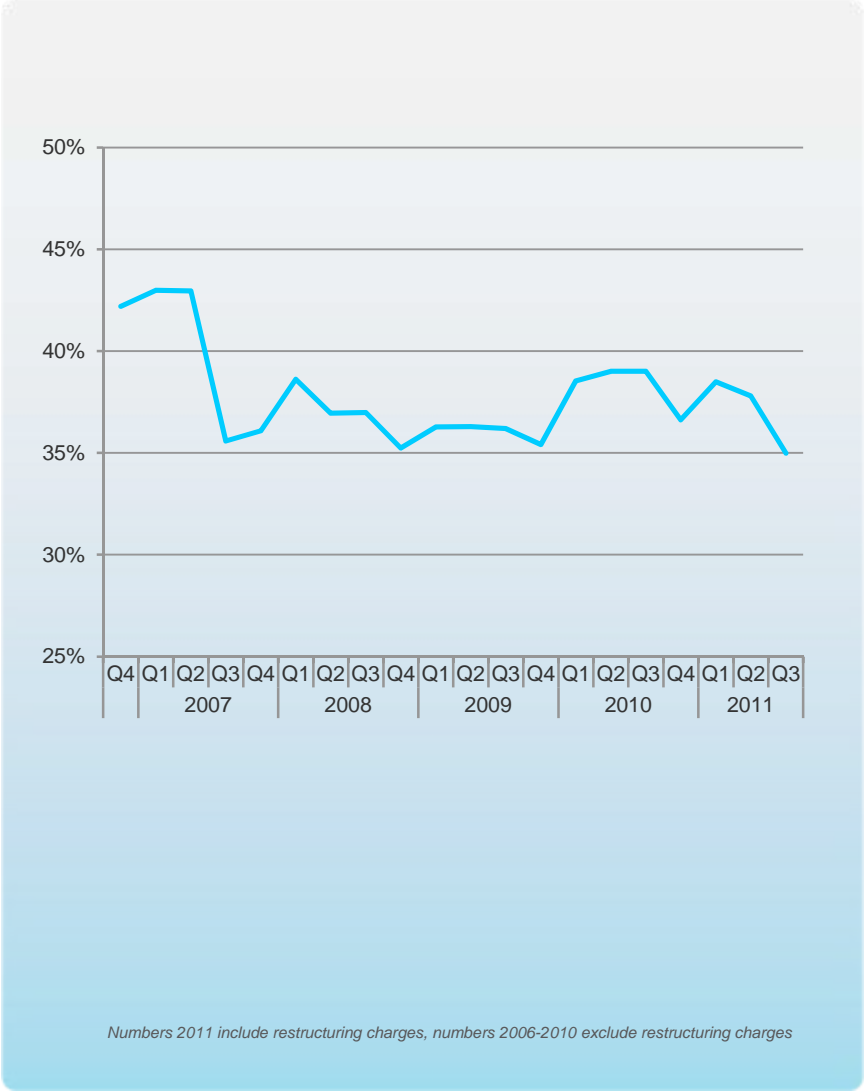
CFO AND EXECUTIVE VICE PRESIDENT



PROFITABILITY 3Q

› Gross margin 35.0% (39.0%)

- Down sequentially from 37.8%
- Higher proportion of coverage projects
- Accelerating network modernization projects in Europe
- Increased share of services business
- Network modernization projects in Europe, with their lower margins, will continue to accelerate in the fourth quarter. Average project duration 18-24 months

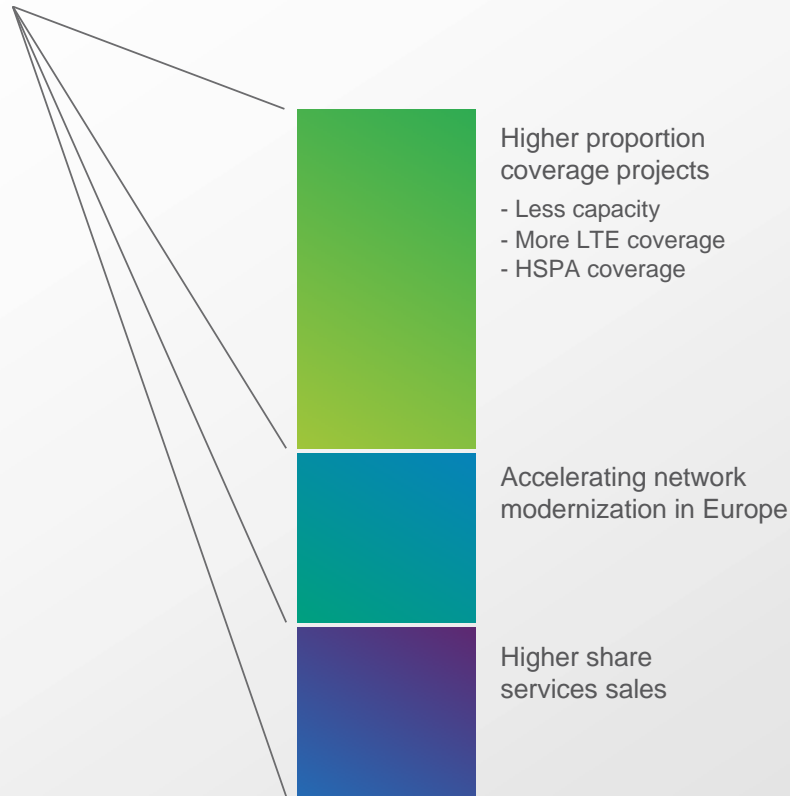




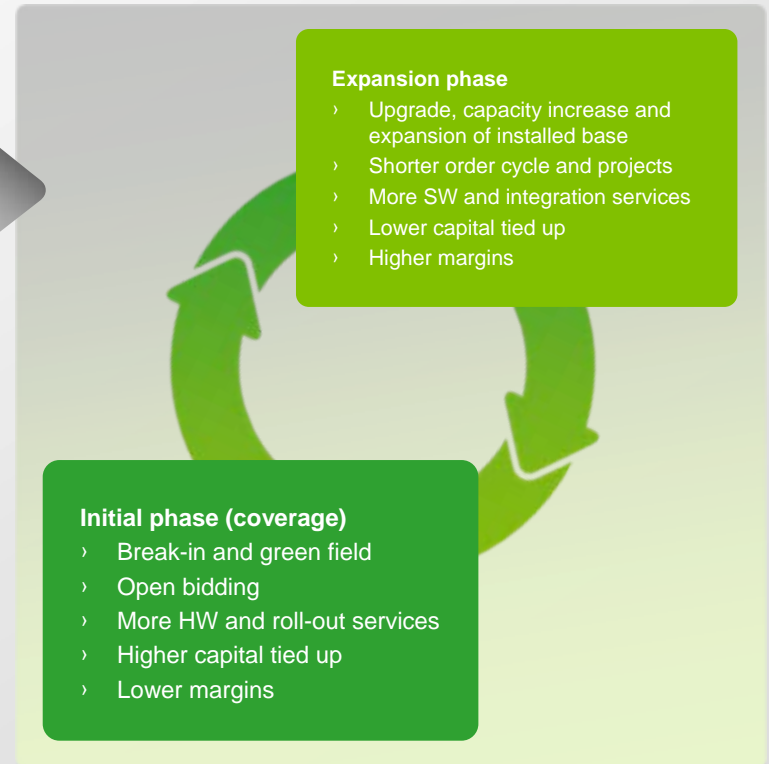
BUSINESS MIX SHIFT

Gross margin 37.8%
2Q 2011

Gross margin 35.0%
3Q 2011



Business Mix





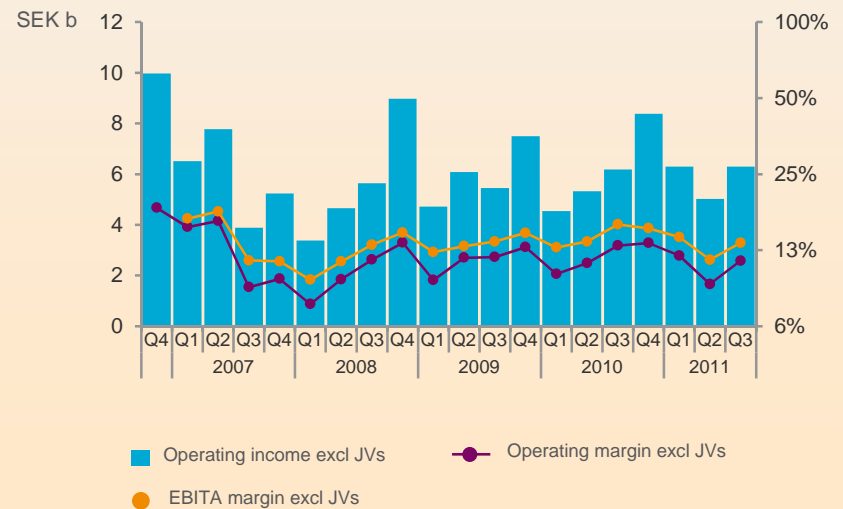
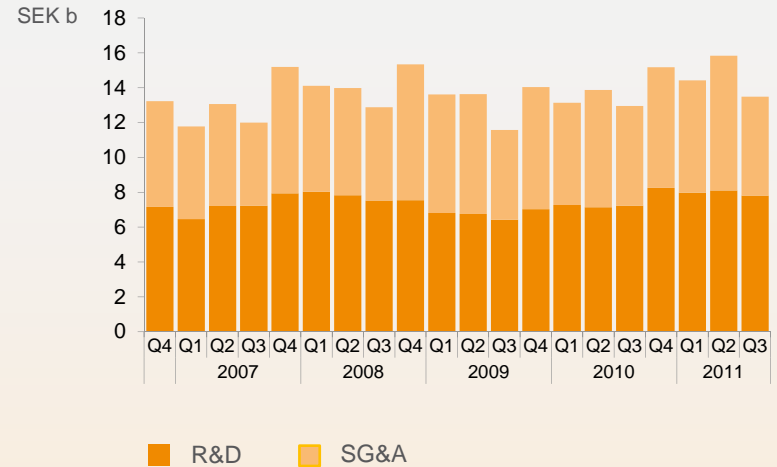
PROFITABILITY 3Q

› Operating expenses SEK 13.5 (13.0) b

- R&D +8% YoY due to higher planned investments in radio such as TD-LTE and IP as well as the acquired LG-Ericsson operations
- SG&A flat YoY at SEK 5.7 (5.7) b
- SG&A is typically lower in the third quarter
- SG&A/sales down -2% points YoY to 10%

› Operating margin excl JVs 11.3% (13.0%)

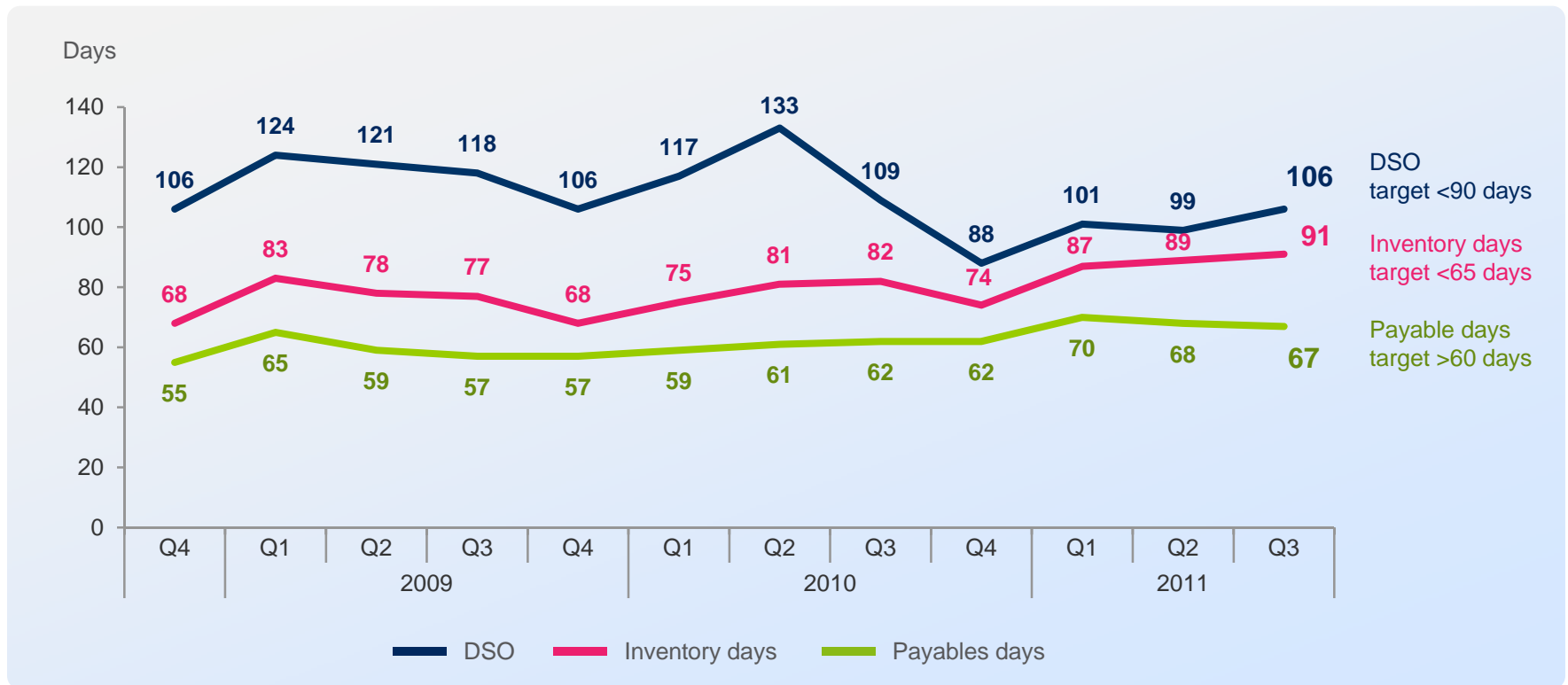
- Flat sequentially excl. restructuring in 2Q 2011





BALANCE SHEET RATIOS

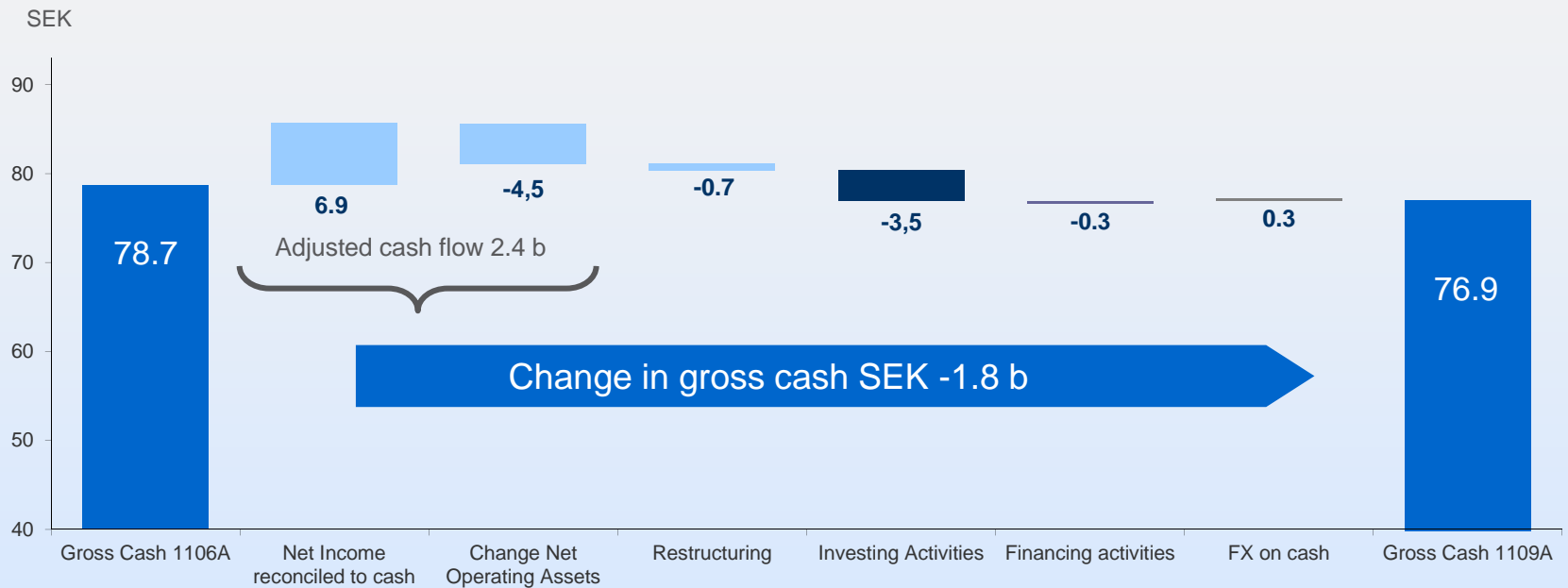
- › Trade receivables increased QoQ to SEK 65.6 (60.2) b
- › DSO 106, up 7 days QoQ, negative impact from weaker SEK and higher share of projects
- › Inventory increased also this quarter, SEK 38.6 (35.1) b
- › Good progress in normalizing supply chain, however, remaining effects from mitigating activities taken in conjunction to the events in Japan. Also impacted by weaker SEK and higher share of projects





CHANGE IN GROSS CASH Q3 2011

Operating Cash Flow 1.6 b	Investing (excl short term investments) -3.5 b	Financing -0.3 b	FX on cash 0.3 b
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Change in net cash SEK -7.2 b (from 42.6 to 35.4 b)

Gross cash is defined as cash, cash equivalents and short term investments. Cash, as presented in the balance sheet, includes cash, cash equivalents and short term investments of a maturity less than three months. Due to different treatment of cash in the above table and relating foreign currency impact, the investing cash flow amount in the above table differs from that in other presentations of cash flows.

PERFORMANCE TARGETS

Long Term Ambition

GROW FASTER THAN THE MARKET

BEST IN CLASS MARGINS

STRONG CASH CONVERSION

GROWTH IN JV EARNINGS

Executive Performance Stock Plan

- › Net sales growth in SEK
 - 4-10% CAGR 2010-2013
- › Operating income growth, including JVs and restructuring
 - 5-15% CAGR 2010-2013
 - › Base year 2010, excl restructuring
- › Cash conversion
 - Above 70%, annually

The board of Directors will consider the impact of larger acquisitions, divestitures, the creation of joint ventures and any other significant capital event on the three targets on a case by case basis

SUMMARY

Growth levers

Continue to invest in areas of portfolio momentum

Mobile broadband

Managed Services

OSS/BSS

Market share gain

Performance year-to-date reaffirms strengthened global market share

Acquisitions & Partnering

Telcordia

Proactively managing uncertainties

Technology shift coincides with macro economic uncertainties

Important to stay close to customers

Carefully monitor leading indicators

Contingency plans in place





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ERICSSON



Q&A