

ERICSSON 

TAKING YOU FORWARD

First

Quarter
Report
2005

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CFO

Group Sales – Q1 2005

(SEK b.)

Region	Q104	Q404	Q105	YoY %
Western Europe	7.9	13.2	10.0	26%
CEMA	7.0	9.9	8.5	20%
North America	4.4	2.8	3.3	-24%
Latin America	2.9	4.5	3.6	24%
Asia Pacific	5.9	9.0	6.1	4%
Total	28.1	39.4	31.5	12%

A truly global company

Financial summary

(SEK b.)

	Q104*	Q404*	Q105	YoY %
Sales	28.1	39.4	31.5	12 %
Gross margin	44.7%	45.6%	48.5%	
Operating margin	14.0%	22.7%	21.0%	
Income after financial items	3.7	8.7	6.7	81%
EBITDA	20.0%	27.1%	25.7%	

A solid start of the year

** Year 2004 has been restated according to IFRS rules*

Systems

(SEK b.)

	Q104*	Q404*	Q105	YoY %
Sales	26.1	36.8	29.0	11%
Operating income	3.5	7.9	6.2	78%
Operating margin	13.4%	21.5%	21.4%	

Systems operating margin still strong

** Year 2004 has been restated according to IFRS rules*

Cash flow analysis Q1 2005

(SEK b.)

	Q105
Cash flow before financial investing activities	-6.5
Add back pension trust	8.3
Adjusted cash flow*	1.8

Solid financial position – SEK 43 b. net cash

**Includes SEK 0.7 b. for cash outlays related to restructuring*

Operating efficiency trends

	Q104	Q404	Q105	Targets
Accounts receivable (SEK b.)	32.8	32.6	34.5	
DSO	102	75	97	<90
Inventories, incl. WiP (SEK b.)	14.4	14.0	18.0	
Inventory turnover	4.9	5.7	4.0	>5.5
Accounts payable (SEK b.)	8.9	11.0	10.8	
Payable days	53	51	61	>45

Operational excellence still in focus

Sony Ericsson



	Q104	Q404	Q105	YoY %
No of units shipped (million)	8.8	12.6	9.4	8%
Sales (EUR m.)	1,338	2,005	1,289	-4%
IBT	97	140	70	-28%
Net income	82	55*	32	-61%
Ericsson share in earnings (SEK b.)	0.5	0.6	0.3	-34%

Increased investments in marketing and R&D

* Q4 2004 Net income includes a negative effect of a valuation allowance on deferred tax assets of EUR 45 m.

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QUESTIONS & ANSWERS

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