

T hird **Q** uarter **R** eport

2004



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Safe Harbor Statement

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.

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CARL-HENRIC SVANBERG
President and CEO



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Leveraging market leadership

- **Continued solid performance**
 - Sales up 14% YoY, Operating income SEK 7.2 b.
- **Operational excellence paving the way**
 - Growing market share and solid margins
- **GSM/WCDMA track sales up ~25% YoY**
 - Up >30% YoY, currency adjusted
- **Sony Ericsson success continues**



3G highlights - market

- **WCDMA footprint expands**
 - US deployments in 2005
- **Strong global WCDMA subscription growth**
 - ~30% sequential increase – >10 million users
- **3G expands the market**
 - “Internet in the pocket” – data, entertainment



Well positioned for profitable growth

3G highlights - Ericsson

- **WCDMA rollout continues**
 - Quickly catching up with GSM spending in Western Europe
 - Supplier to >50% of commercially launched WCDMA networks
- **Continued strong demand for EDGE**
 - Supplier to 25 of 35 launched EDGE networks
- **Strengthened leadership – 3G Evolved**
 - HSDPA, speeds up to 14 Mbit/s - ongoing customer field trials



Well positioned for profitable growth

Business highlights

2G and services

- **GSM rollout continues**
 - New subscribers and networks - paving the way for 3G
- **Continued success in high growth markets**
 - 6 new GSM networks, Ericsson Expander a true growth driver
- **Good growth in services**
 - Sales up 16% year-to-date in local currencies
 - Managed services gaining momentum – 30 m. subscribers

Well positioned for profitable growth

Regional Ericsson update

Status year-to-date

- 
- A world map showing the continents in shades of green and brown, with the oceans in light blue. The map is used as a background for the text.
- **Western Europe**
 - Strong growth, 3G rollout, EDGE, GSM enhancements
 - **Central Europe, Middle East and Africa**
 - Good growth, particularly in Eastern Europe
 - **Asia Pacific**
 - Strong subscriber growth and continued rollouts
 - India strong, China prepares for 3G, South East Asia growing
 - **North America**
 - Good market development - temporary slow down due to merger
 - **Latin America**
 - Strongest growing region, Brazil and Mexico in forefront

The new communications landscape

”The triple play” – voice, data, entertainment



Always best connected
Seamless services
Mobile broadband

Increased focus on end-to-end

Convenience

Ease of use, personal, reliable, secure

Consumer

Seamless services

Systems and services regardless of access method

Operator

End-to-end

Across systems, services, devices

Vendor

Telecoms has the winning proposition

- **Mobility crucial part of consumer offering**
 - Broadband goes mobile – mobile goes broadband
- **Telecom grade is a prerequisite**
- **IP Technology with telecom grade**
 - Reliability, security, and cost efficiency



Only a few can deliver end-to-end

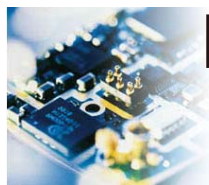
Operators focus on fewer partners with true end-to-end capabilities

Combined strength of



Ericsson
systems and services

Sony Ericsson
handsets



Ericsson Mobile Platforms
core handset technology



Q3 financial highlights

- **Orders booked SEK 29.0 (28.1) b.**
 - Book-to-bill year to date 1.03
- **Sales SEK 31.8 (28.0) b.**
 - Up 14% year to date
- **Gross margin 47.1% (35.9%)**
 - Continued solid performance

Well positioned for profitable growth

Q3 financial highlights (cont.)

- **Income after financials SEK 7.0 (1.1) b.**
 - Operating margin of 22.7%
- **Cash flow bef. financing SEK 5.2 (9.1) b.**
 - Cash flow from operations SEK 6.5 b.
- **Debt free with net cash of SEK 37 b.**
 - Strong financial position

Well positioned for profitable growth

Sony Ericsson Q3 highlights

- **Continued growth**
 - Units up 51%, sales up 29% year-on-year
- **Income before tax EUR 136 m.**
 - Maintaining momentum
- **Product portfolio with leading edge**
 - The first “real” digital camera phone



Market outlook 2004/2005

- 2004 global mobile systems market*
 - Catch up effect has started to abate
- 2005 global mobile systems market*
 - Slight market growth, 2004 catch up effect included
 - Moderate underlying market growth
- Good growth in professional services market*

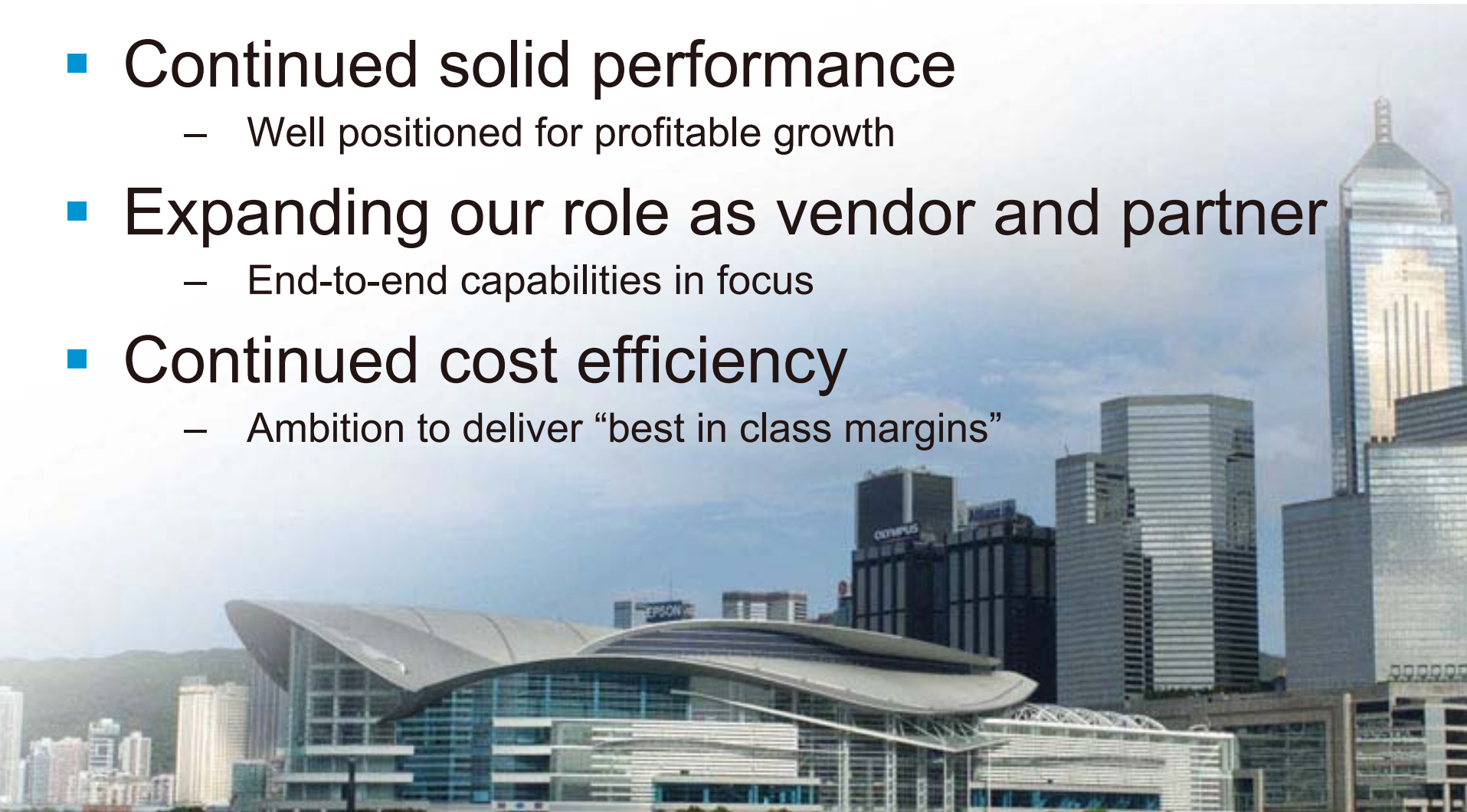
*All estimates are measured in USD and refer to market growth compared to previous year
This slide contains forward looking statements

Well positioned to capture market opportunities



Summary

- **Continued solid performance**
 - Well positioned for profitable growth
- **Expanding our role as vendor and partner**
 - End-to-end capabilities in focus
- **Continued cost efficiency**
 - Ambition to deliver “best in class margins”



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QUESTIONS & ANSWERS



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