

Third Quarter Report

2006

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.

Third Quarter Report

2009

CARL-HENRIC SVANBERG

President and CEO

Quarter in short

- Continued positive business momentum
 - Vivo, Warid, Bharti, Claro, Polkomtel, T-Com, TOT, MiTV, etc
- Strong Sony Ericsson performance
 - Record results on 5th anniversary
- Significant mobile broadband demand across the world
 - Often only way to broadband connectivity and internet



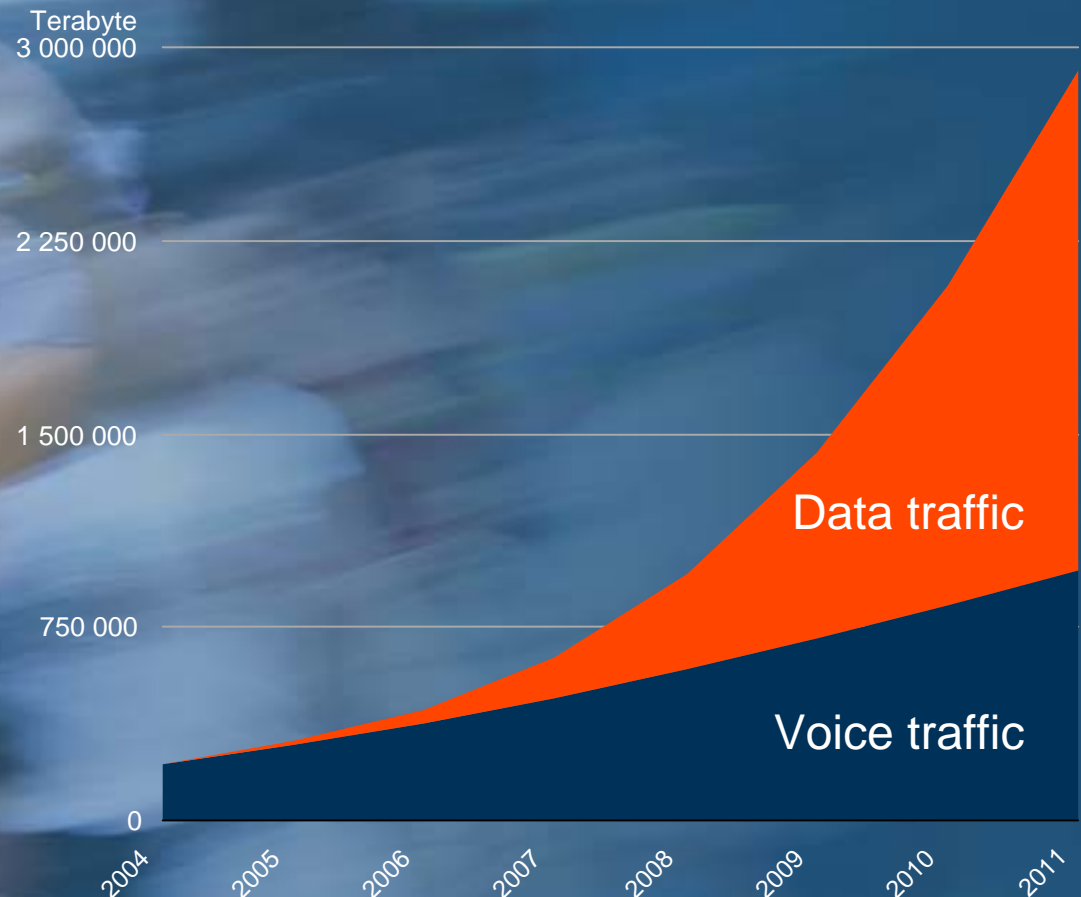
Mobile broadband

- Enables mobile multimedia
 - Music, mobile TV, mobile office and other multimedia applications
- Ericsson leads the HSPA rollout
 - 30 commercially launched
 - 8 new contracts announced in the quarter
 - Contracts in all continents
- Record fast rollout for Telstra in Australia
 - 98% of population coverage in 10 months, 3.6 Mbps

*– "Where do I begin! This network is fantastic. To give you geeks perspective, I've tried everything I could to see its limits...And there are none!...It's like having a PC plugged into the net in my pocket"
(Telstra user, October 7, 2006)*

Mobile data traffic growing

Traffic in mobile networks

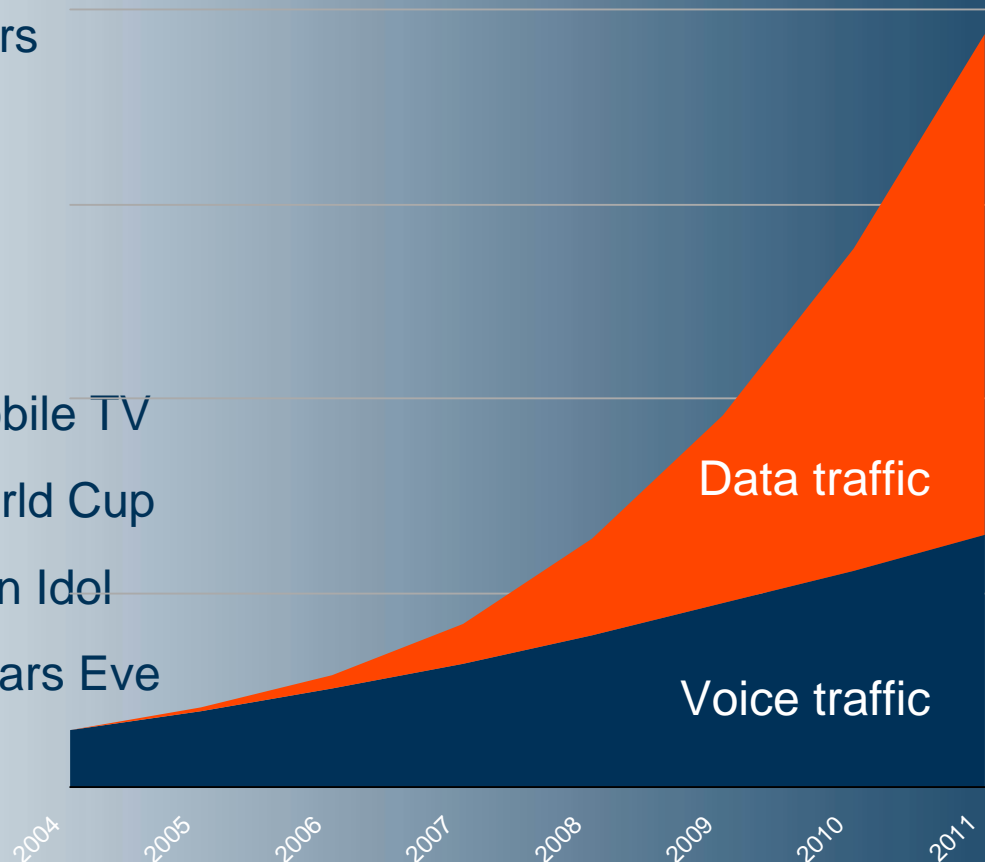


Mobile data traffic growing

Total revenues passed USD 100 b. in 2005

- 3G subscribers
 - 50 times data higher usage than 2G
 - Doubled data usage last two years
 - 20 times higher with flat fee
- 27% of UK 3G users download 4 songs/month
- > 100 operators have launched mobile TV
- \$ 300 m. mobile TV revenue at World Cup
- 41.5 m interactive SMS in American Idol
- China Mobile 3 b. SMS on New Years Eve

Traffic in mobile networks



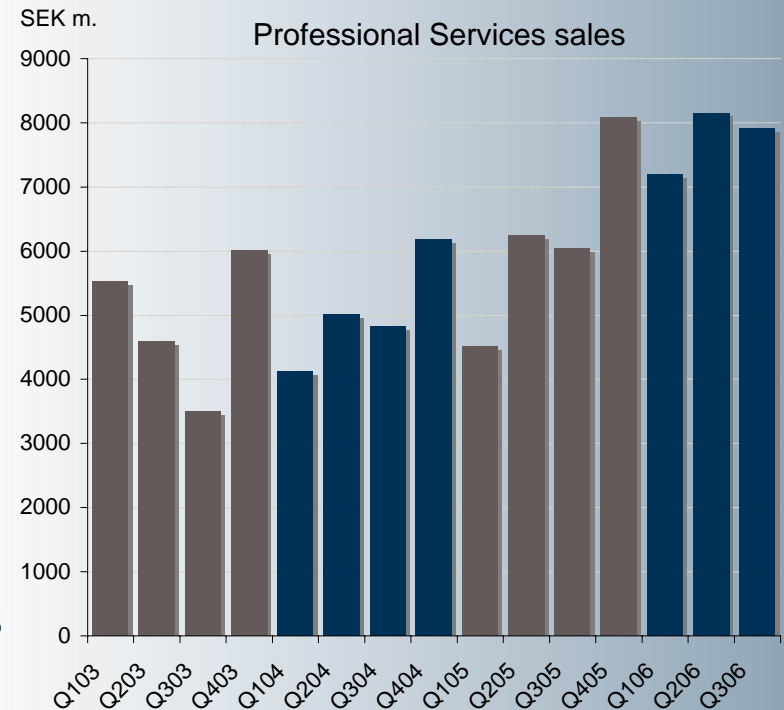
Source: Experiences so far from early market of mobile data usage, Informa Telecoms & Media, Telephia

Leader in services

Combination of networks and services key to success

Professional services

- Largest global force in the industry
 - 23,000 employees plus partners
 - 140 countries
- Doubled sales in four years
 - Over 2/3 of sales recurring
 - 80 m subs. in managed networks
- Strong Q3 growth
 - Up 31% in Q3, up 39% year-to-date
 - 21 new managed services contracts



Q3 financial highlights

Sales

- Sales SEK 40.8 (36.2) b. in quarter
 - Up 12% year-over-year
 - Cingular 2G inventory adjustments

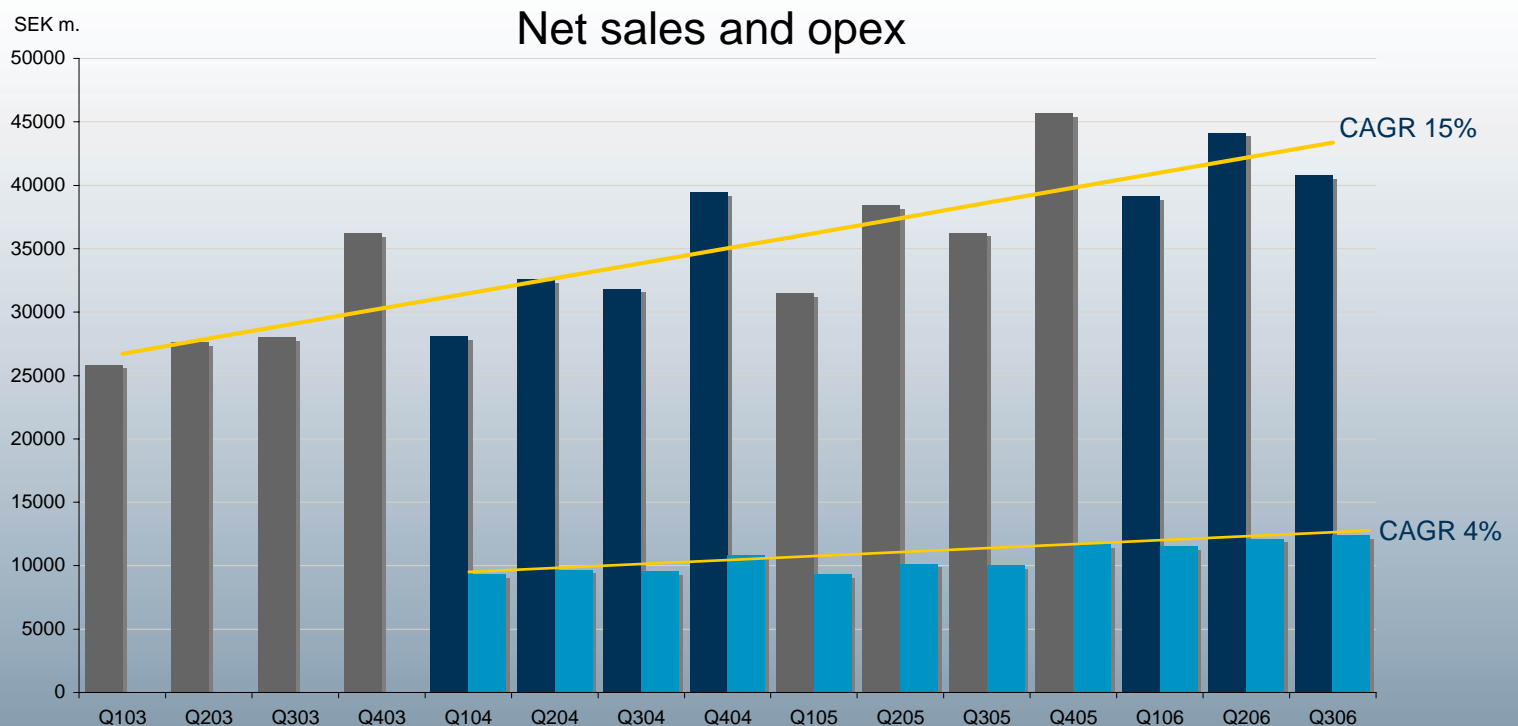
- Sales SEK 124.1 (106.2) b. year-to-date
 - Up 17% year-to-date
 - Large projects, market share, Marconi, Services



Steady sales growth 2003-2006

With tight cost control

- Sales CAGR 15% since 2003
- Opex CAGR 4% since 2004



Q3 financial highlights

Margins

- **Gross margin 41.8% (45.2%)***
 - Stable sequentially on lower sales
 - Marconi added sales and strong services growth
- **Operating margin 21.5%, (21.6%)**
 - Up 2.8% sequentially
 - Strong Sony Ericsson and tight cost control

* Excluding restructuring charges of SEK 1.7 b.

Q3 financial highlights

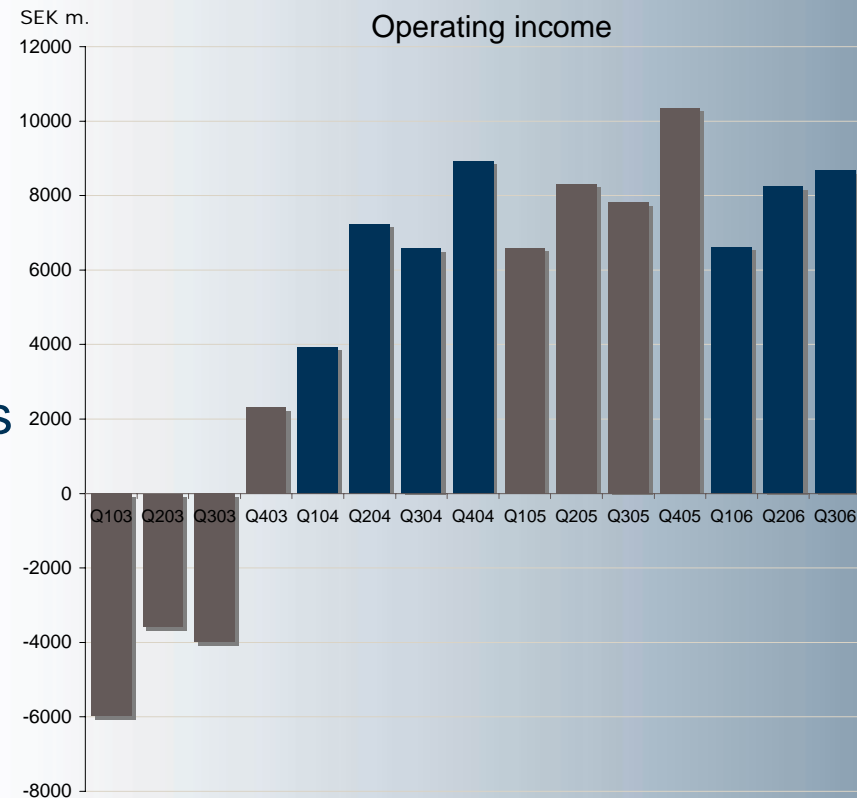
Operating margin

- Best in class margins
- Short-term effects 1H 2006 from Marconi and services
- Restructuring effects underway
- Stronger contribution from Sony Ericsson



Q3 financial highlights*

- Oper. income SEK 8.8 (7.8) b.
 - Restructuring SEK 2.9 b.
 - Capital gain of SEK 3.0 b.
- Cash flow SEK 6.6 (-1.1) b.
 - Working capital up from large rollouts in high growth markets
 - Net cash of SEK 34.1 b.
- EPS SEK 0.39 (0.34)



Regional update, Q3 2006

- Ericsson sales (BSEK) and growth (%) year-over-year

- Operator focus on total cost of ownership and outsourcing
- Increased focus on HSPA and new services
- Growth driven by services and transmission

Western Europe

11.4 b. +19%

North America

Latin America



Central & Eastern Europe,
Middle East & Africa

Asia Pacific

Increased operator competition will drive development

Regional update, Q3 2006

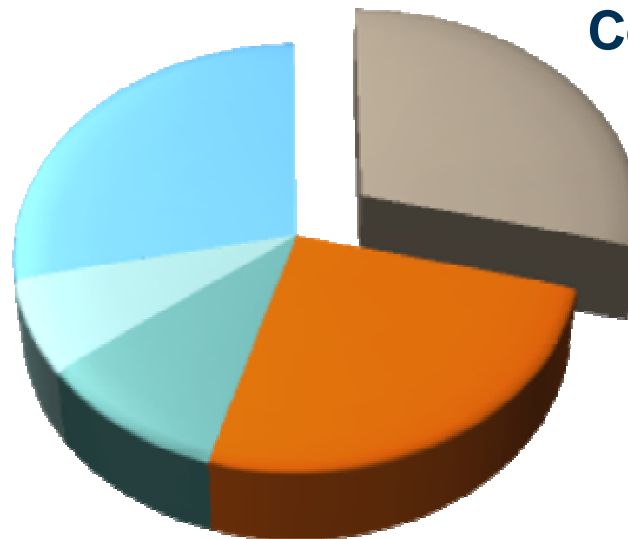
- Ericsson sales (BSEK) and growth (%) year-over-year

- High activity throughout the region
- Network rollouts continues
- Increased focus on HSPA – Ericsson in 12 networks

Western Europe
11.4 b. +19%

North America

Latin America



**Central & Eastern Europe,
Middle East & Africa**
11.7 b. +24%

Asia Pacific

Mobile broadband often only way to internet access

Regional update, Q3 2006

- Ericsson sales (BSEK) and growth (%) year-over-year

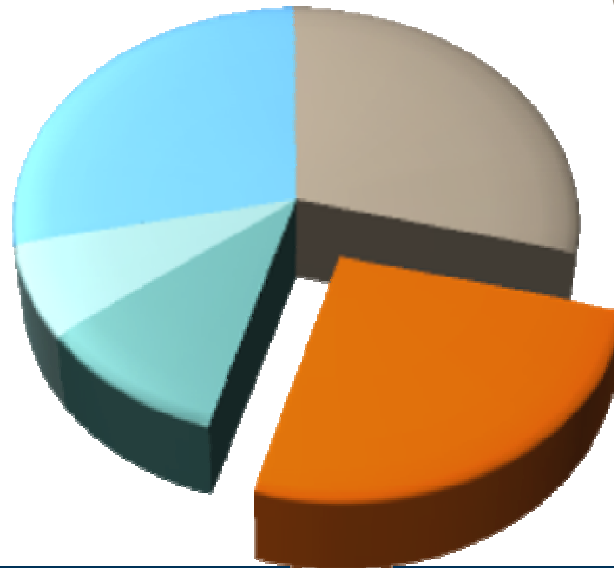
- Strong growth and yet strong potential
- High activity in Bangladesh, India, Indonesia, Japan
- Telstra HSPA network launched after record fast rollout

Western Europe
11.4 b. +19%

Central & Eastern Europe,
Middle East & Africa
11.7 b. +24%

North America

Latin America



Asia Pacific
10.6 b. +38%

Dynamic region with continued opportunities

Regional update, Q3 2006

- Ericsson sales (BSEK) and growth (%) year-over-year

- Down year-over-year but up sequentially
- The Vivo migration to GSM at full speed
- Accelerating focus on WCDMA/HSPA

Western Europe
11.4 b. +19%

Central & Eastern Europe,
Middle East & Africa
11.7 b. +24%

North America

Latin America
4.2 b. -18%



Asia Pacific

10.6 b. +38%

Temporary consolidation - obvious coverage and capacity needs

Regional update, Q3 2006

- Ericsson sales (BSEK) and growth (%) year-over-year

- Fiber-to-the-home and triple play in focus
- Cingular now at 110 launched markets and 55 cities
- Continued 2G inventory adjustments

Western Europe

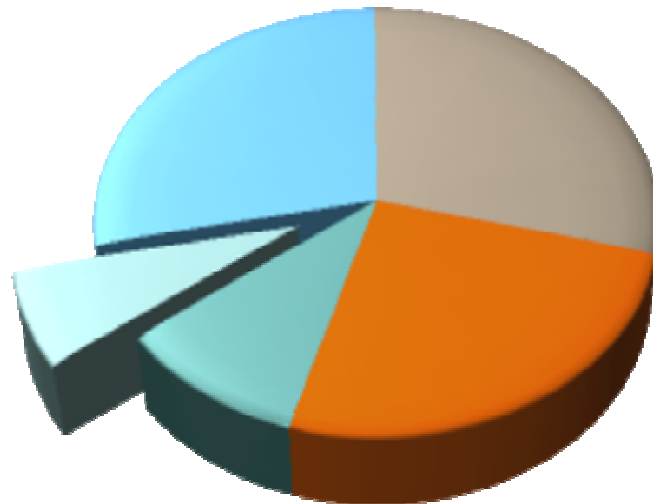
11.4 b. +19%

North America

2.9 b. - 36%

Latin America

4.2 b. -18%



Central & Eastern Europe,
Middle East & Africa

11.7 b. +24%

Asia Pacific

10.6 b. +38%

Spectrum auctions completed – opens opportunities

Marconi update

- Successful streamlining of operations
 - Run rate passed breakeven - full savings effect from Q406
- Supply chain savings on plan
 - Full effects by Q4 2007
- Strong growth in transmission
 - Doubling of production capacity to meet demand
 - Telstra optical network order of USD 230 m.

Marconi SEK 2.2 b. restructuring charge

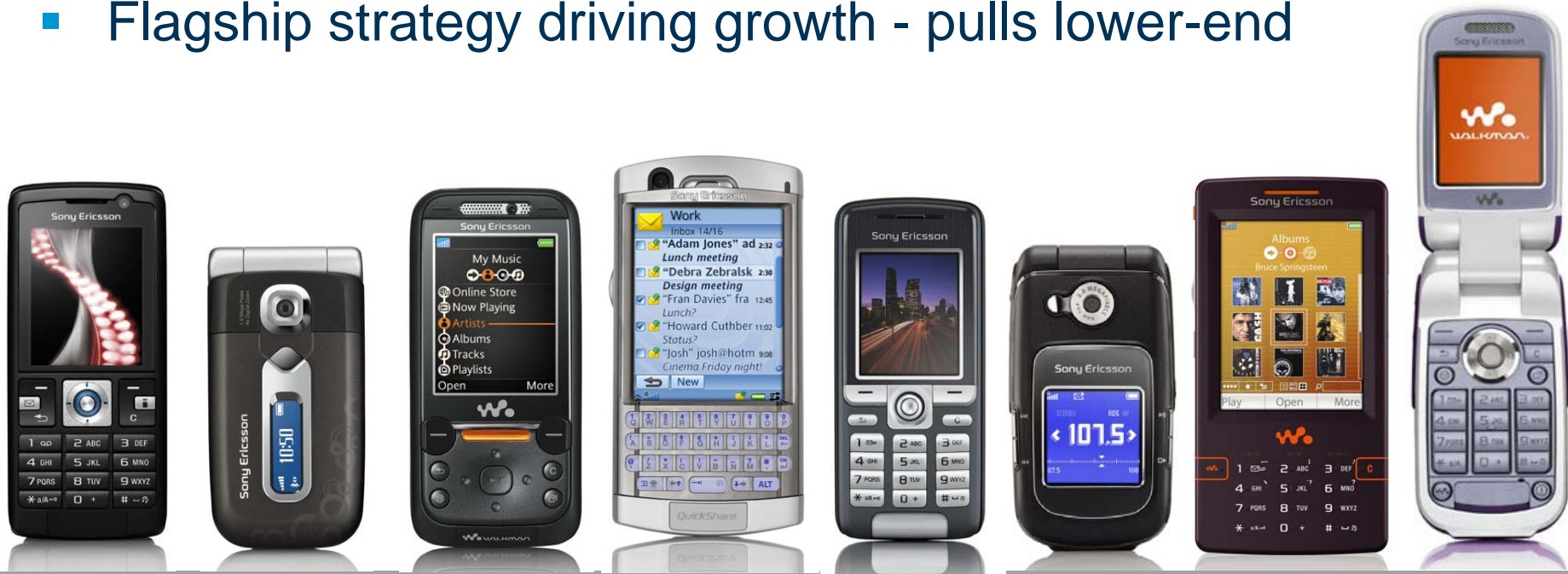
Item	Charge	Savings/year from Q4
Staff reduction 1,600	1.4	1.4
IS/IT and facilities	0.8	0.8*

*SEK 0 cash flow effect going forward as rents and IS/IT contracts were prepaid at closing

Sony Ericsson Q3 highlights

An unusually strong quarter

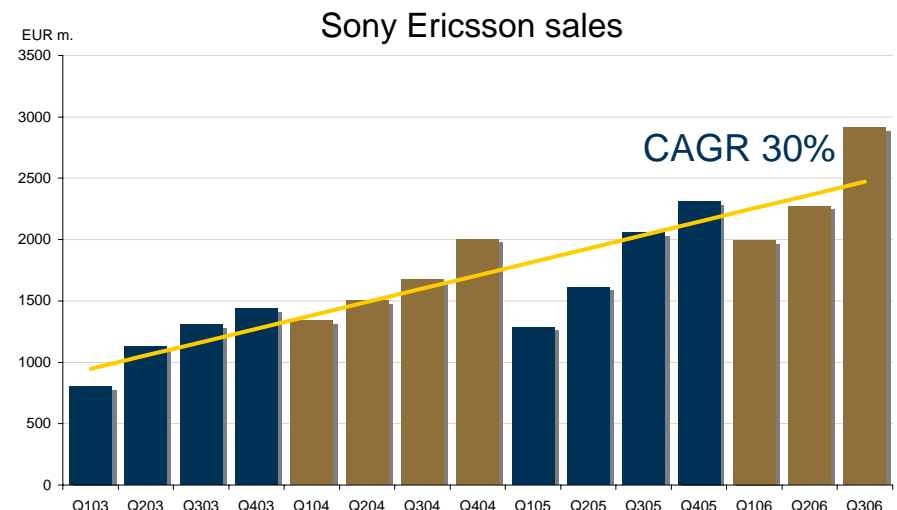
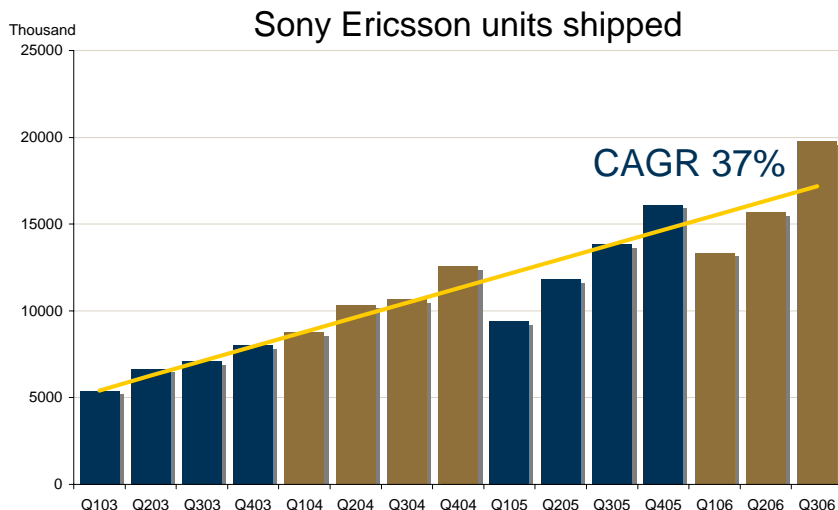
- Record results celebrates fifth anniversary
 - Q3 pre tax profit of EUR 433 m - year-to-date EUR 796 m
- Steadily growing market share
- Successful launches - Cyber-shot, Walkman etc.
- Flagship strategy driving growth - pulls lower-end



Sony Ericsson Q3 highlights

An unusually strong quarter

- Record results celebrates fifth anniversary
 - Q3 pre tax profit of EUR 433 m - year-to-date EUR 796 m
- Steadily growing market share
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- Flagship strategy driving growth - pulls lower-end



Market outlook 2006

- The GSM/WCDMA track within the global mobile systems market to show moderate growth*
- Addressable market for professional services to show good growth*

Well positioned to capture market opportunities

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

Market outlook 2007

Early estimate

- The GSM/WCDMA track within the global mobile systems market will show moderate growth similar to 2006*
- Addressable market for professional services to show good growth*

Well positioned to capture market opportunities

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Q & A