



SECOND QUARTER 2010

23 JULY 2010



HENRY STÉNSON

SENIOR VICE PRESIDENT
COMMUNICATIONS

A decorative graphic on the left side of the slide, composed of numerous circles of varying sizes. The circles are colored in shades of green and blue, arranged in a pattern that suggests movement or data points.

SECOND QUARTER 2010

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

Q2 TRENDS

**Mixed operator
investment
activities also
this quarter**

**Good demand for
mobile broadband**

**Continued focus
on network quality
and efficiency**

**Continued
component
shortage in
industry and
supply chain
constraints**

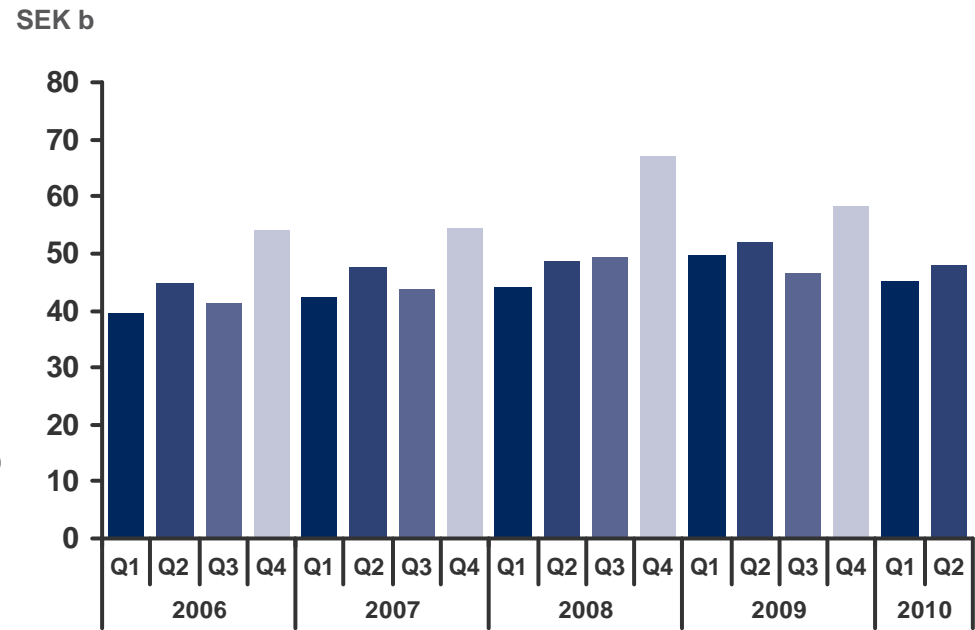
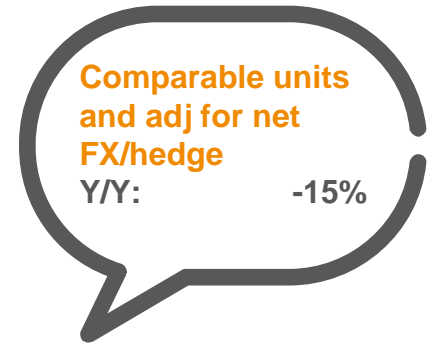
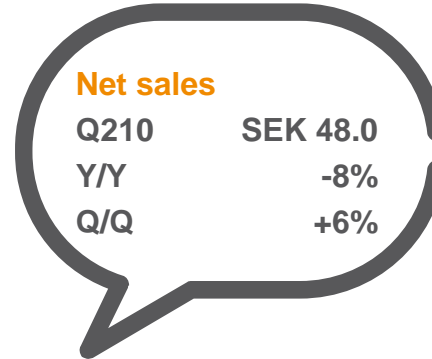
RECENT EVENTS

- › LG-Ericsson in Korea
 - › Acquisition of Nortel's stake completed on June 30
- › Agreements with new industry segments
 - › Sole managed services partner for energy company Endesa
- › Sole managed services partner for China Mobile Hebei
 - › Largest managed services contract in China to date
- › New agreement with Telefónica and Indra
 - › Pre-paid billing solution today serving 100 million subs
- › Leader in LTE
 - › More than 50 LTE trials across the world



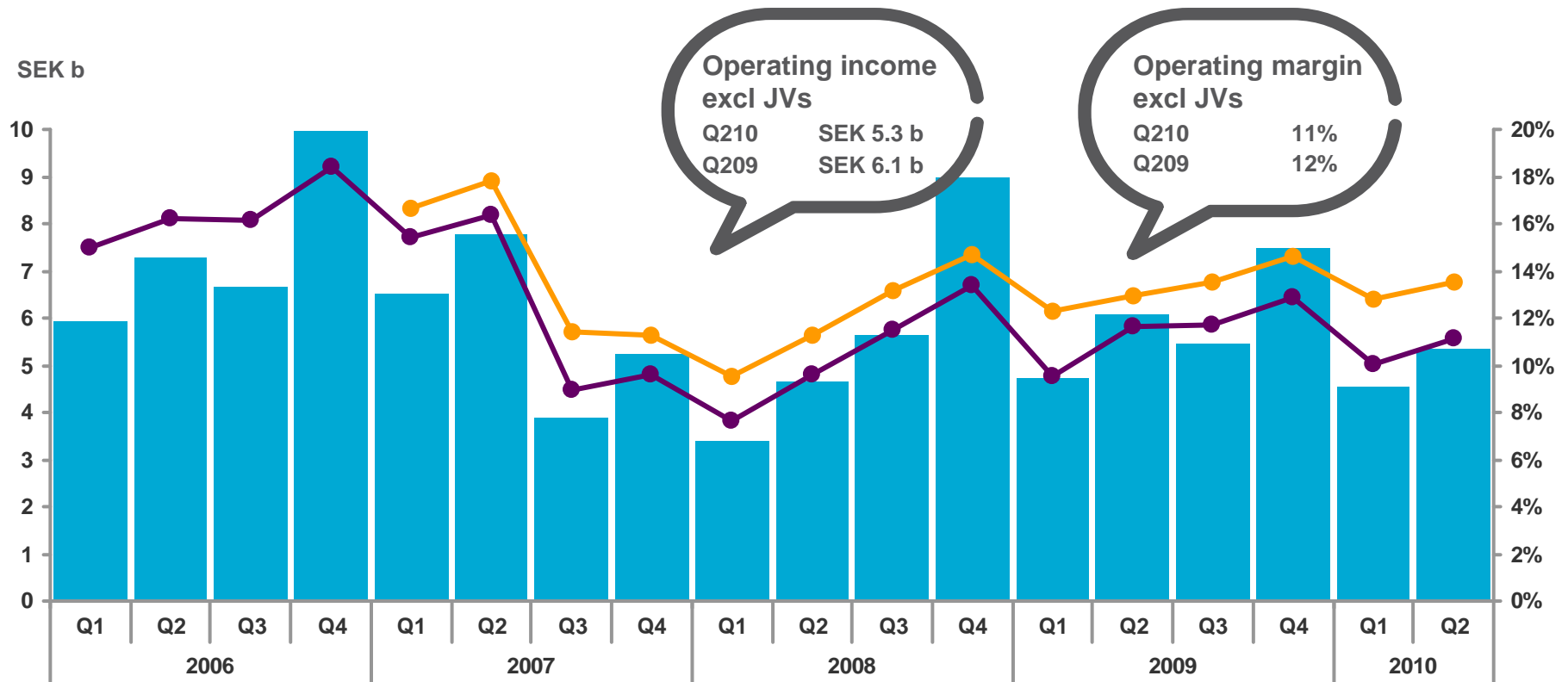
NET SALES

- › Lower sales in Networks and Multimedia
- › Global Services flat with decline in network rollout
 - › Increase in Professional Services 9% constant currencies
 - › Services share 42% of total sales
- › Component shortage and supply chain bottlenecks
 - › Estimated impact SEK 3-4 b



ADJUSTED OPERATING INCOME AND MARGIN

- › Gross margin improved (39%) – business mix and efficiency gains
- › Operating margin slight decrease YoY



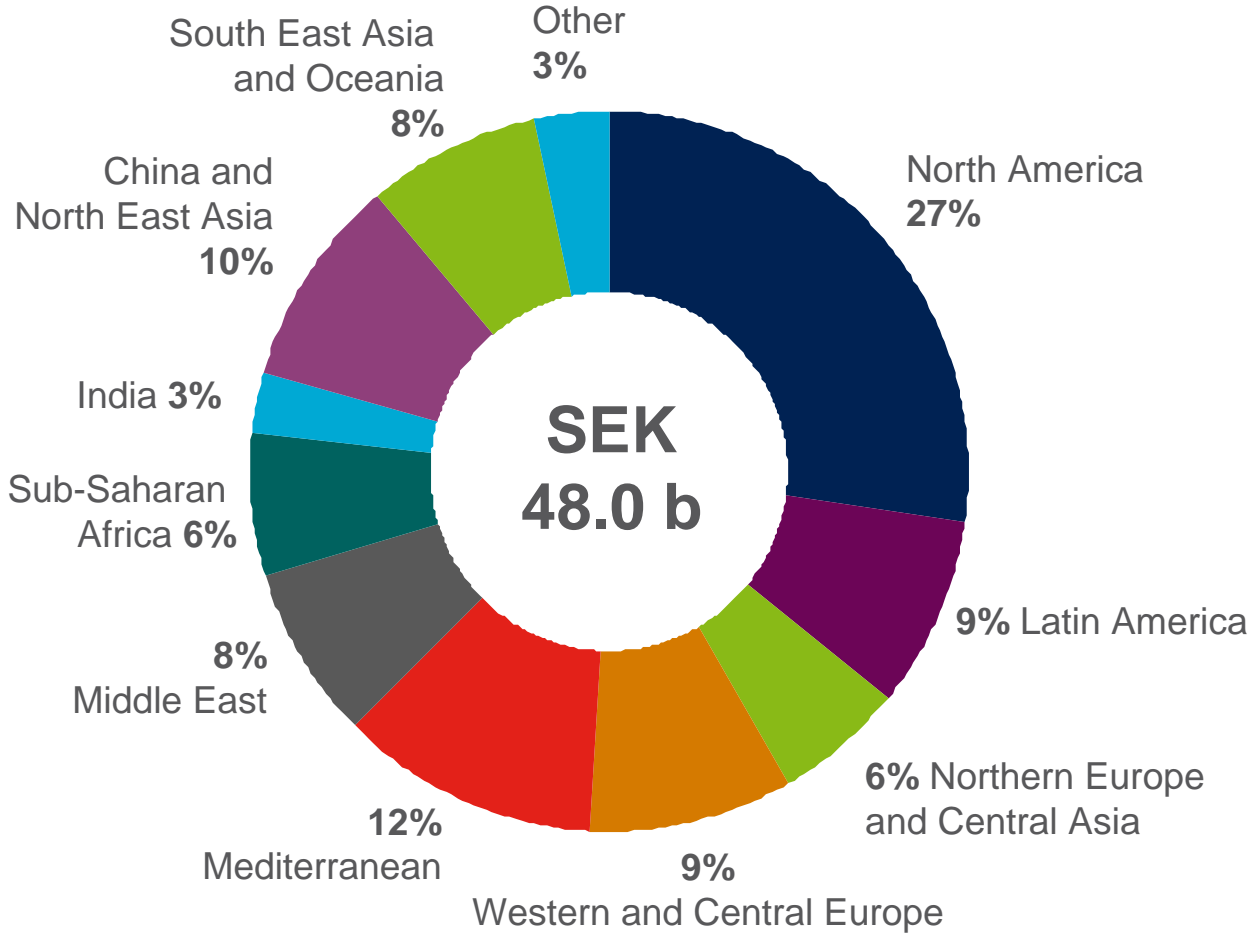
All numbers excl. restructuring charges and JVs
 Excl. capital gain of SEK 0.8 b. for divestment of Symbian shares Q4 2008 and
 SEK 0.8 b for divestment of TEMS Q2 2009

● EBITA margin excl JVs, excl restr
 ● Operating margin, excl JVs, excl restr



REGIONAL COMMENTS

Q2 REGIONAL SALES SPLIT



2010 Q2

REGIONAL SALES COMMENTS

North America

+57% QOQ

- Continued strong data increase
- Volume deliveries of LTE

Mediterranean

+11% QOQ

- Spain and Greece slow
- LTE and network modernization

Latin America

+6% QOQ

- Operator consolidation, LTE trials
- Continued mobile broadband growth

Western and Central Europe

- Large variations across region
- LTE and network modernization

Northern Europe & Central Asia

- Mobile broadband and modernization of fixed networks
- 2G expansions, 3G rollouts in Eastern part

REGIONAL SALES COMMENTS

Middle East

- Generally cautious operators but with variations
- Continued services growth

Sub-Saharan Africa

- Still impacted by economic climate
- Operator consolidation

India

- Investments slow following 3G auctions
- Security clearance process

South East Asia and Oceania

- HSPA upgrades and LTE trials
- Demand for services across region

China and North East Asia

- Timing of 3G/WCDMA roll-out in China
- Increasing interest for LTE
- Mobile broadband rollouts in Japan

INDIA

- › Sales -63% YoY and -41% sequentially
 - › Lead up to the 3G auctions as well as security clearance process
- › Lower volumes mainly affected mobile infrastructure sales
- › Recurring services business maintained good development
- › 3G deployments expected to start in the second half of the year
 - › Highly competitive market



CHINA AND NORTH EAST ASIA

- › Sales -36% YoY and -7% sequentially
- › YoY decline related to timing of 3G/WCDMA roll-out – tough comparison
- › Mainland China operators focus on successful 3G launches
- › LTE on agendas across region
- › Strong mobile broadband in Japan
- › Leading vendor in Korea through acquisition of Nortel's part of LG-Nortel

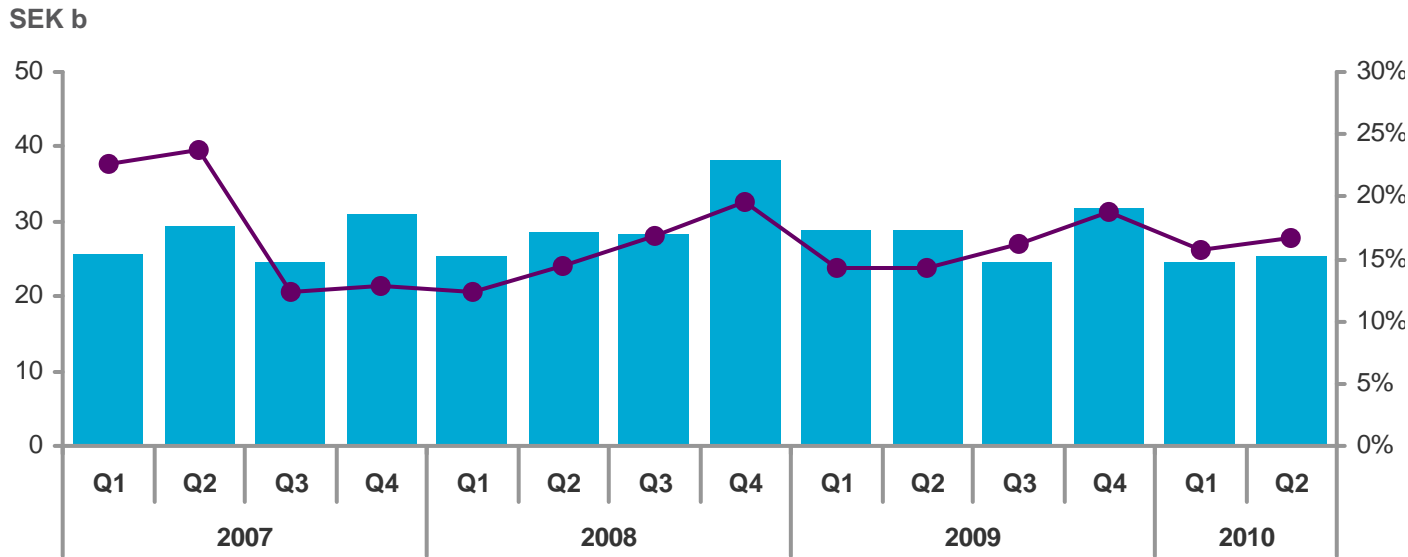




SEGMENTS

NETWORKS

- › Mobile broadband and CDMA developed favorably and partly offset the continued decline in voice related sales
- › Segment sales negatively impacted by continued industry component shortages and supply chain bottlenecks
- › EBITA margin increased YoY due to cost efficiency and business mix despite lower sales



Sales
 Y/Y -12%
 Q/Q +3%

EBITA margin
 Q210 17%
 Q209 14%
 Q110 16%

● Networks EBITA
 ■ Networks sales

All numbers excl. restructuring charges

GLOBAL SERVICES

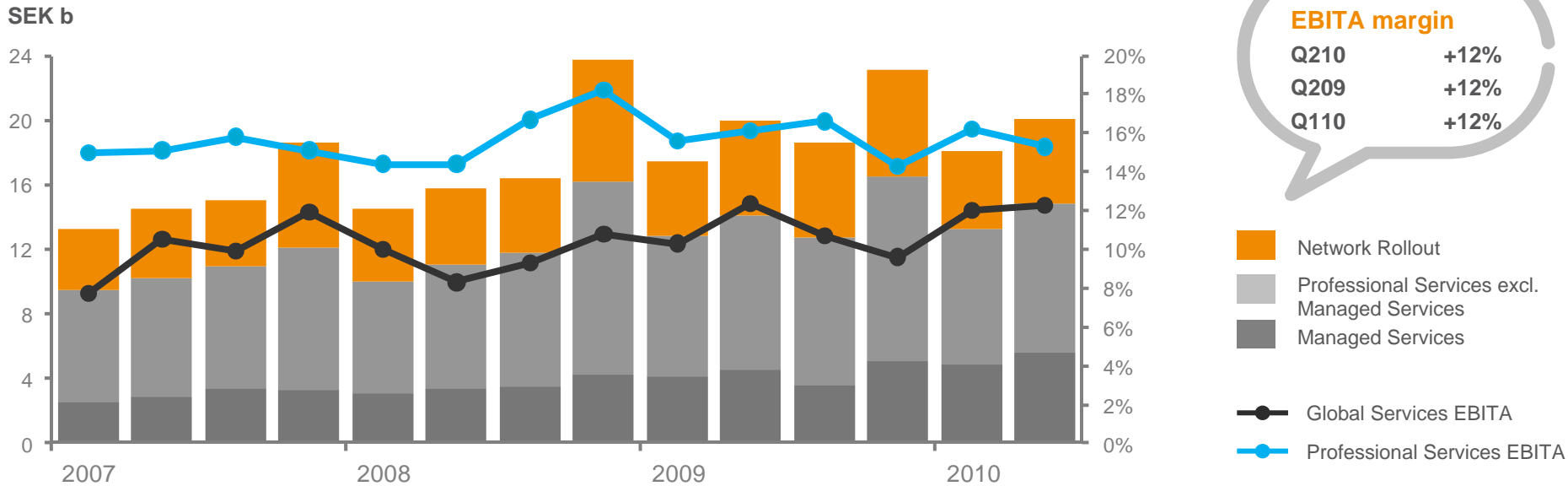
- › Sales affected by decline in network rollout activity
 - › Fewer turnkey projects
- › Good growth in Professional Services up 9% YoY in constant currencies
- › Managed Services up 23% YoY

Sales

Y/Y	+0%
Q/Q	+11%

Global Services EBITA margin

Q210	+12%
Q209	+12%
Q110	+12%



All numbers excl. restructuring charges
 Second quarter 2009 adjusted for divestment of TEMS

GLOBAL SERVICES



>450 m

subscribers in network operations



>750 m

subscribers in managed networks



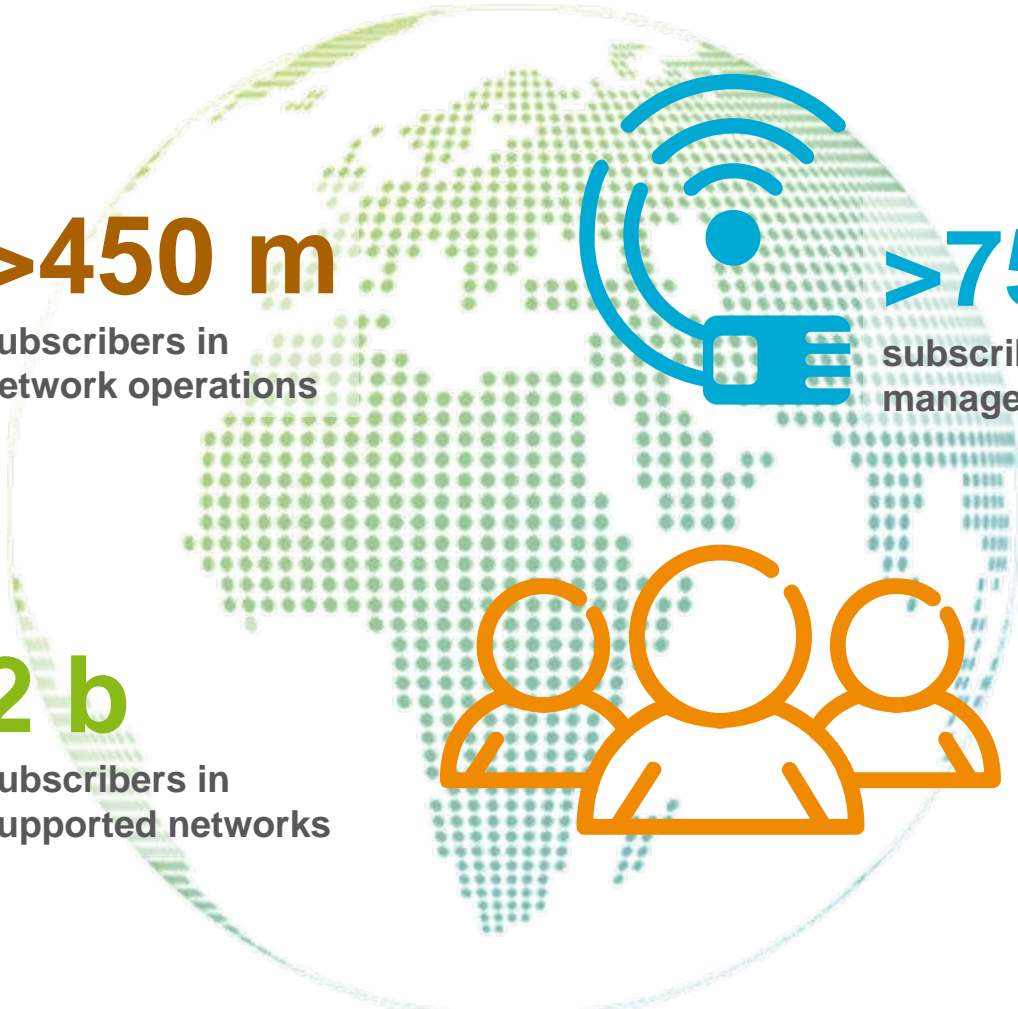
2 b

subscribers in supported networks



>40,000

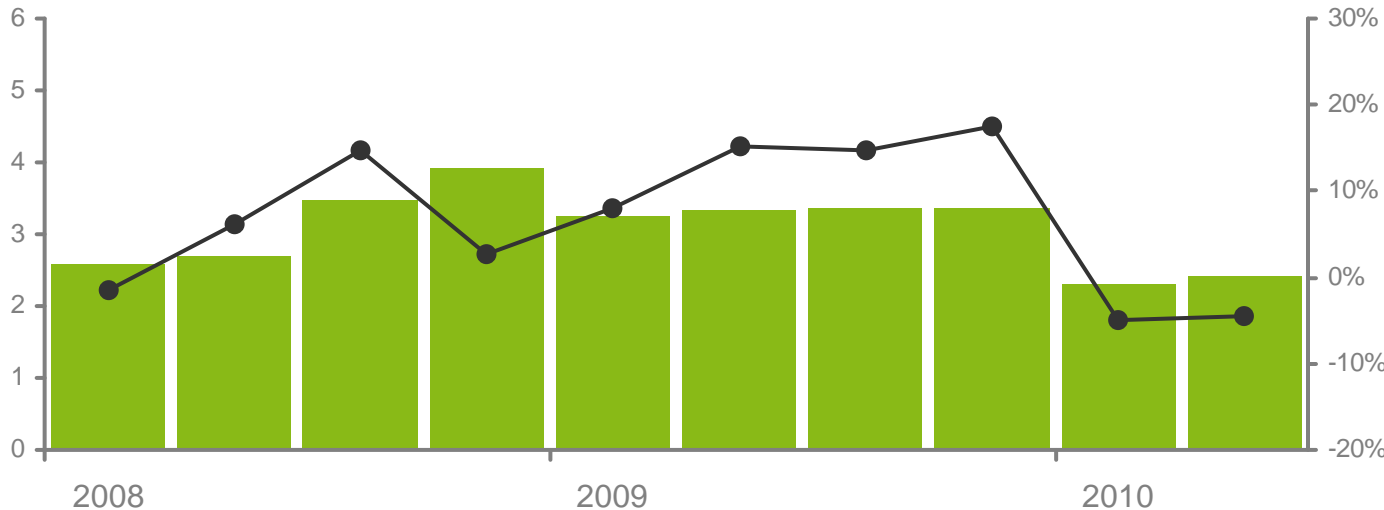
service professionals



MULTIMEDIA

- › Continued weak demand for revenue management solutions in India, Middle East and Sub-Saharan Africa
- › Sales up 5% sequentially, driven by TV and Multimedia Brokering
- › Strengthened position in TV

SEK b



Sales

Y/Y -27%
Q/Q +5%

EBITA margin

Q210 -5%
Q209 +15%
Q110 -5%

—●— Multimedia EBITA
■ Multimedia sales

All numbers excl. 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

JOINT VENTURES Q2



Sony Ericsson



› Sony Ericsson

- › Sales of EUR 1,757 (1,684) m, up 25% sequentially
- › NIBT EUR 63 (-283) m, up from EUR 21 m in Q1
- › Reduced operating expenses
- › Successful new products

› ST-Ericsson

- › Sales of USD 544 (666) m, down -10% sequentially
- › Operating income USD -118 (-165) m
- › Restructuring plans on track

All numbers excl. restructuring charges



JAN FRYKHAMMAR

CFO AND EXECUTIVE VICE PRESIDENT



FINANCIAL OVERVIEW

Q2 FINANCIAL HIGHLIGHTS

- › Improved gross margin due to business mix and efficiency gains
- › Operating margin declined mainly due to lower sales, improved sequentially
- › Continued improvement in share of earnings of JVs
- › Negative cash flow due to increased working capital

SEK b	Second quarter			First quarter	
	2010	2009	Change	2010	Change
Sales	48.0	52.1	-8%	45.1	6%
Gross margin	39%	36%	-	39%	-
Operating income excl JVs	5.3	6.1	-12%	4.5	17%
Share in earnings of JVs	-0.1	-2.0	-	-0.3	-
Net income	2.0	0.8	154%	1.3	59%
EPS, diluted SEK	0.58	0.26	123%	0.39	49%
Cash flow from operations	-2.7	9.1	-	2.3	-

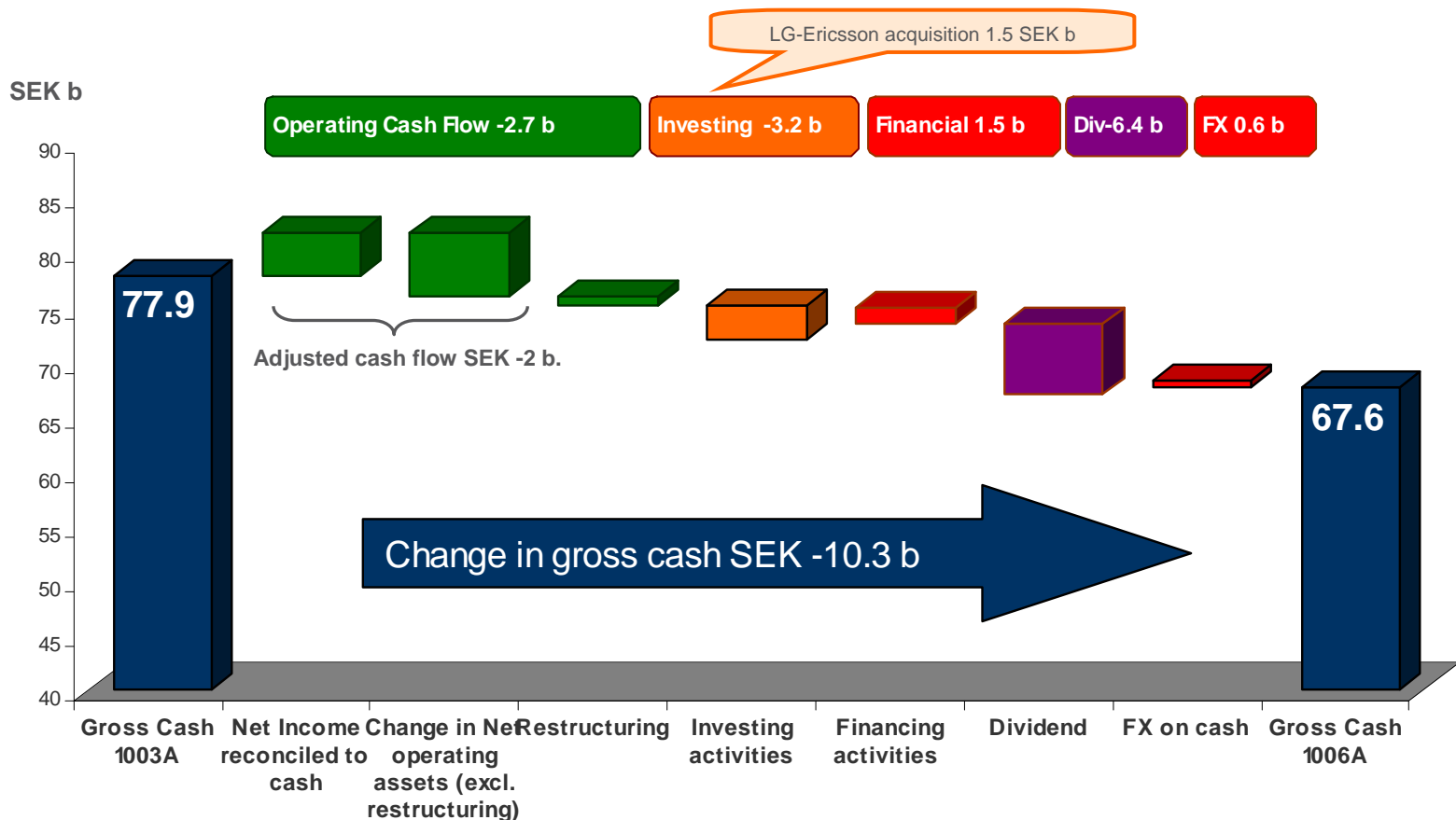
All numbers, excl. EPS and Net income and Cash flow from operations excl. restructuring charges
 Second quarter 2009 excl. capital gain of SEK 0.8 b from divested TEMS services operation

BALANCE SHEET AND RATIOS

- › DSO and inventory impacted by higher proportion of deliveries late in quarter due to component shortage, supply chain bottlenecks, consolidation of LG-Nortel and currency
- › Continued healthy equity ratio

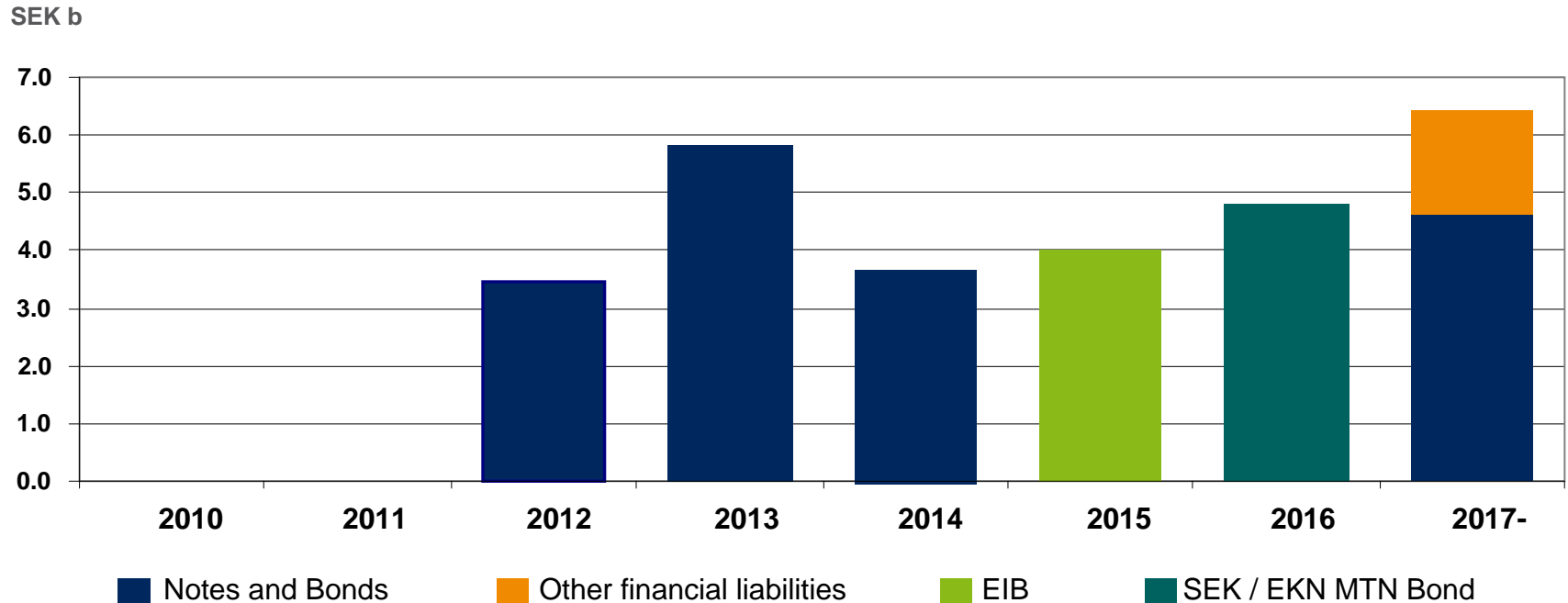
SEK b	Jun 30 2009	Sep 30 2009	Dec 31 2009	Mar 31 2010	Jun 30 2010
Trade receivables	69.4	62.4	66.4	62.7	69.4
Days sales outstanding	121	118	106	117	133
Inventory	29.0	26.8	22.7	24.1	29.4
Inventory days	78	77	68	75	81
Payable days	59	57	57	59	61
Return on capital employed	5%	4%	4%	5%	6%
Equity ratio	51%	52%	52%	53%	51%

CHANGE IN GROSS CASH Q2 2010



[Change in net cash -12.7 b (from 38.5 to 25.8 b)]

DEBT MATURITY PROFILE



Undrawn back-up facility of USD 2 b available
Continued strong payment readiness SEK 79.3 b

COST REDUCTION PROGRAM

- › Original plan announced January 2009
- › Total savings estimated to SEK 15-16 b from mid 2010
- › Total restructuring charges SEK 15.5 b
 - Restructuring charges SEK 2.0 b for Q2 2010
- › Cash outlays also after completion of program in Q2
 - Cash outlays of SEK 4.7 b remain to be done

**Cost and capital efficiency
remain top of agenda**

Please note that not all restructuring charges lead to cash out

FOCUS AREAS

GROW FASTER THAN THE MARKET

BEST IN CLASS MARGINS

STRONG CASH CONVERSION

GROWTH IN JV EARNINGS



SECOND QUARTER 2010

Q & A



ERICSSON