

Forward-Looking Statements

This Annual Report includes “forward-looking statements”, including statements reflecting management’s current views relating to the growth of the market, future market conditions, future events and expected operational and financial performance. The words “believe”, “expect”, “anticipate”, “intend”, “may”, “could”, “plan”, “estimate”, “will”, “should”, “could”, “aim”, “target”, “might” or, in each case, their negative, and similar words are intended to help identify forward-looking statements. Forward-looking statements may be found throughout this document, but in particular in the sections captioned “Board of Directors’ Report” and “Information on the Company”, and include statements regarding:

- our goals, strategies and operational or financial performance expectations;
- development of corporate governance standards, stock market regulations and related legislation
- the growth of the markets in which we operate;
- our liquidity, capital resources, capital expenditures and our credit ratings and the development in the capital markets, affecting our industry;
- the expected demand for our existing as well as new products and services;
- the expected operational or financial performance of our Sony Ericsson and ST Ericsson joint ventures and other strategic cooperation activities;
- technology and industry trends including regulatory and standardization environment, competition and our customer structure; and
- our plans for new products and services including research and development expenditures.

Although we believe that the expectations reflected in these and other forward-looking statements are reasonable, we cannot assure you that these expectations will materialize. Because forward-looking statements are based on assumptions, judgments and estimates, and are subject to risks and uncertainties, actual results could differ materially from those described or implied herein. Important factors that could affect whether and to what extent any of our forward-looking statements materialize include, but are not limited to:

- our ability to respond to changes in the telecommunications market and other general market conditions in a cost effective and timely manner;
- developments in the political, economic or regulatory environment affecting the markets in which we operate, including trade embargos, changes in tax rates, changes in patent protection regulations, allegations of health risks from

electromagnetic fields, cost of radio licenses for our customers, allocation of radio frequencies for different purposes and results of standardization activities within telecommunications;

- the effectiveness of our strategies and their execution, including partnerships, acquisitions and divestitures;
- financial risks, including changes in foreign exchange rates or interest rates, lack of liquidity or access to financing, changes in tax liabilities, credit risks in relation to counterparties, customer defaults under significant customer finance arrangements and risks of confiscation of assets in foreign countries;
- the impact of the consolidation in the industry, and the resulting (i) reduction in the number of customers, and adverse consequences of a loss of, or significant decline in, our business with a major customer; (ii) increased strength of a competitor or the establishment of new competitors;
- the impact of changes in product demand, price erosion, competition from existing or new competitors or new technologies or alliances between vendors of different types of technology and the risk that our products and services may not sell at the rates or levels we anticipate;
- the product mix of our sales;
- our ability to develop commercially viable products, systems and services, to acquire licenses of necessary technology, to protect our intellectual property rights through patents and trademarks and to license them to others and defend them against infringement, and results of patent litigation;
- supply constraints, including component or production capacity shortages, suppliers’ abilities to cost effectively deliver quality products on time and in sufficient volumes, and risks related to concentration of proprietary or outsourced production in a single facility or sole source situations with a single vendor; and
- our ability to successfully manage operators’ networks to their satisfaction with satisfactory margins;
- our ability to maintain a strong brand and good reputation and to be acknowledged for good corporate governance practices;
- our ability to recruit and retain qualified management and other key employees.

Certain of these risks and uncertainties are described further in “Risk Factors”. We undertake no obligation to publicly update or revise any forward-looking statements included in this Annual Report, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation.