

First

Quarter
Report
2005

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Pia Gideon

Vice President, Market and External Relations,
Ericsson Communications

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

Industry entering new phase

- Second wave 3G building momentum
 - New regions - HSDPA, enhanced capabilities
- Good GSM momentum
 - Continued growth in emerging markets
- Services business concept enhanced
 - H3G, Italy – our largest contract to date - milestone in industry
- All-IP enables convergence and drives efficiency
 - IMS crucial to secure telecom grade

Market and business highlights

Q1 2005

- Continued solid financial development
 - Customer focus, technology leadership, operational excellence
- Strengthened market position
 - Mobile infrastructure market share increase of 2-3 %-points
- Strategic achievements
 - Technology leadership, HSDPA, 11 Mbs

Strengthened market position

Regional Ericsson update, Q1 2005

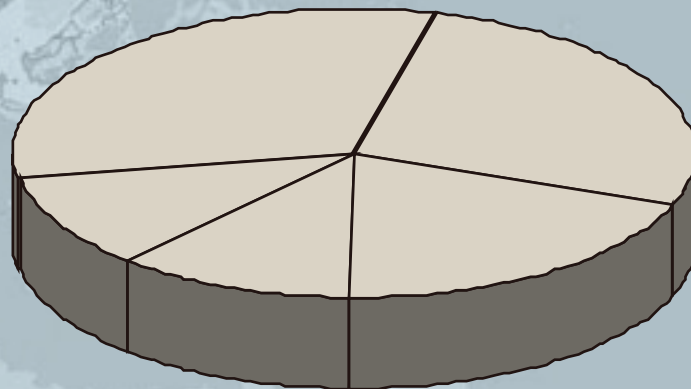
Western
Europe

Central Europe,
Middle East &
Africa

Asia
Pacific

A true global company

North
America



Latin
America

Regional Ericsson update, Q1 2005

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

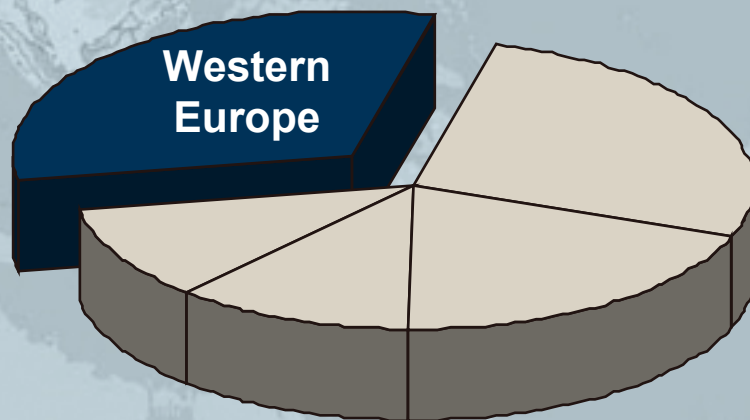
**Western
Europe**
10.0 b. +26%

Central Europe,
Middle East &
Africa

Asia
Pacific

- Growing operator confidence and 3G momentum
- Increasing minutes of use in most markets
- Increased focus on fixed/mobile convergence

North
America



Latin
America

Regional Ericsson update, Q1 2005

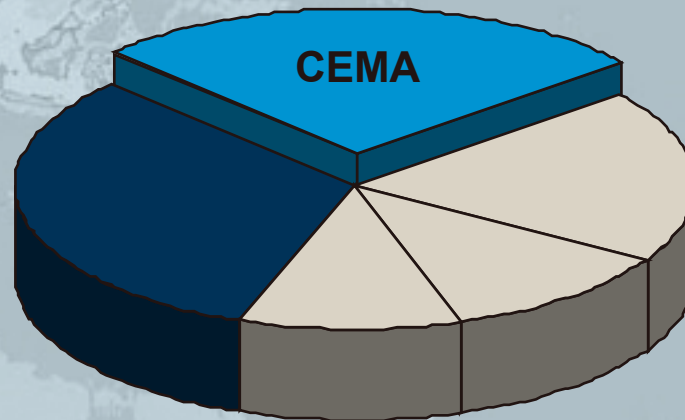
- sales (BSEK) and growth (%) year-over-year

**Western
Europe**
10.0 b. +26%

**Central Europe,
Middle East & Africa**
8.5 b. +20%

Asia
Pacific

- Strong subscriber growth and network expansions
- EDGE upgrades of 2G networks
- Growing interest for 3G – first contracts awarded



North
America

Latin
America

Regional Ericsson update, Q1 2005 -

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

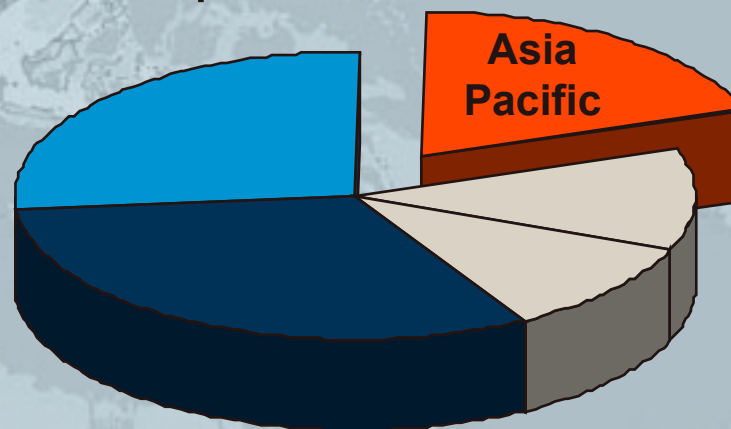
**Western
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10.0 b. +26%

**Central Europe,
Middle East & Africa**
8.5 b. +20%

**Asia
Pacific**
6.1 b. +4%

- China slow start, positive outlook, upcoming telecom reform
- 3G trials and evaluations in India
- New 3G license in Japan to be awarded by year end

North
America



Latin
America

Regional Ericsson update, Q1 2005 - sales (BSEK) and growth (%) year-over-year

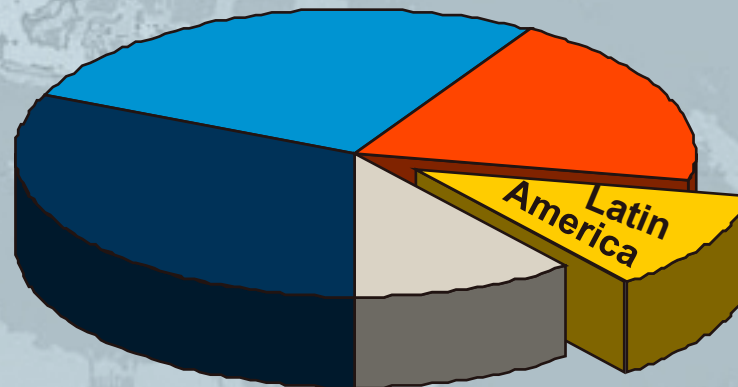
Western Europe
10.0 b. +26%

Central Europe, Middle East & Africa
8.5 b. +20%

Asia Pacific
6.1 b. +4%

- Continued good growth and outlook
- GSM fastest growing standard

North America



Latin America
3.6 b. +24%

Regional Ericsson update, Q1 2005 - sales (BSEK) and growth (%) year-over-year

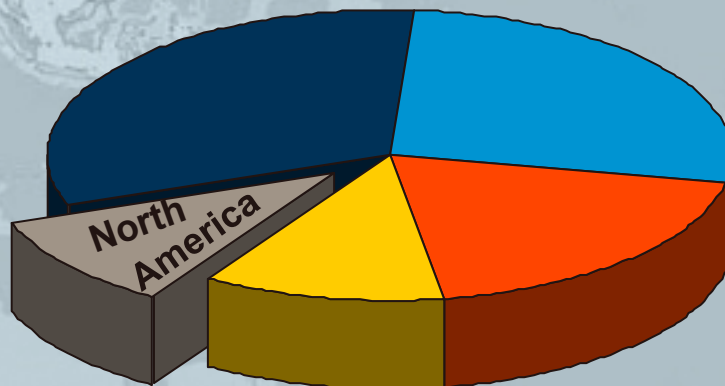
Western Europe
10.0 b. +26%

Central Europe, Middle East & Africa
8.5 b. +20%

Asia Pacific
6.1 b. +4%

- Cingular roll out on track – main deliveries starting in Q4
- Increased operator interest in fixed/mobile convergence
- Continued operator consolidation

North America
3.3 b. -24%



Latin America
3.6 b. +24%

Q1 financial highlights

- Sales SEK 31.5 (28.1) b.
 - Up 12% year-over-year – 17% in constant currencies
- Gross margin 48.5% (44.7%)
 - Operational excellence and favorable mix
- Income after financials SEK 6.7 (3.7) b.
 - Operating margin of 21.0% - increased R&D in selected areas

Operational excellence

Q1 financial highlights (cont.)

- Cash flow from operations SEK 1.8 (2.9) b.
 - Increased work in progress from higher activity level
- Debt free with net cash of SEK 43.1 b.
 - Strong financial position, equity ratio of 46.5%
- Return to investment grade
 - Positive company performance and industry outlook

Operational excellence

Sony Ericsson Q1 highlights

- Softer first quarter
 - Distributor de-stocking in Europe
- Income before tax EUR 70 (97) million
 - Maintained margins, investments in marketing and R&D
- Exciting portfolio going forward
 - Big interest for Sony Ericsson Walkman



Market outlook 2005

- Global mobile systems market to show slight growth*
 - 2004 strong growth year following pent up demand
- Good growth in professional services*

Well positioned to capture market opportunities

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

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QUESTIONS & ANSWERS

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