



FOURTH QUARTER 2011

25 JANUARY 2012



HELENA NORRMAN

SENIOR VICE PRESIDENT
COMMUNICATIONS



FOURTH QUARTER 2011

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

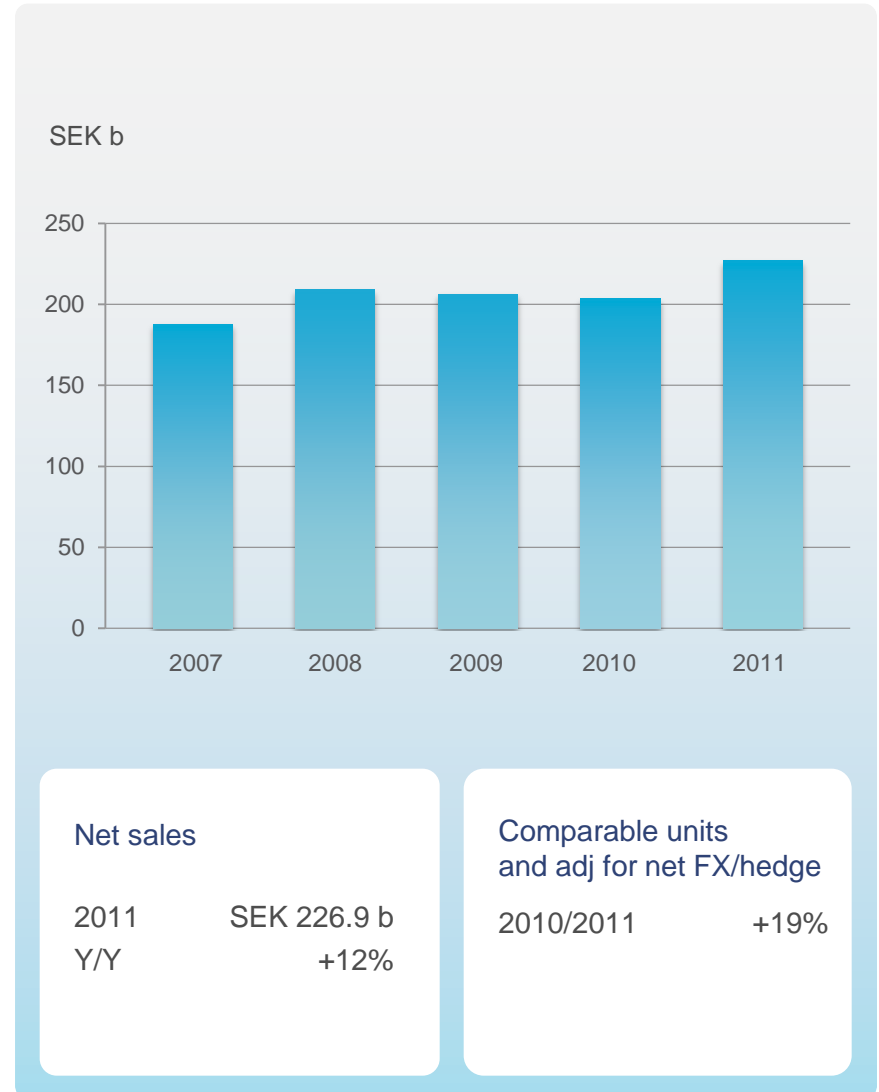
PRESIDENT AND CEO

JAN FRYKHAMMAR

CFO AND EXECUTIVE VICE PRESIDENT

ERICSSON IN 2011

- › Year of mobile broadband
 - Subscription growth
 - New devices etc
- › Networks +17% full year but ended weaker
- › Global Services sales picked up 2H - +5% full year
- › All regions grew in local currency
- › Strategic decision to grow market share
- › Business mix shift
- › Strong financial position





On the customer agenda in 4Q

Effects of economic uncertainty

Increased operator cautiousness during the quarter due to uncertainties such as economic development and political unrest in certain countries

Tiered pricing and mobile broadband growth

Monetizing mobile broadband opportunity

OSS/BSS

Transformation of operator business and support systems to meet new requirements

Operational efficiencies

Operator focus on outsourcing of operations to reduce opex

NET SALES 4Q

› Network sales slowed down

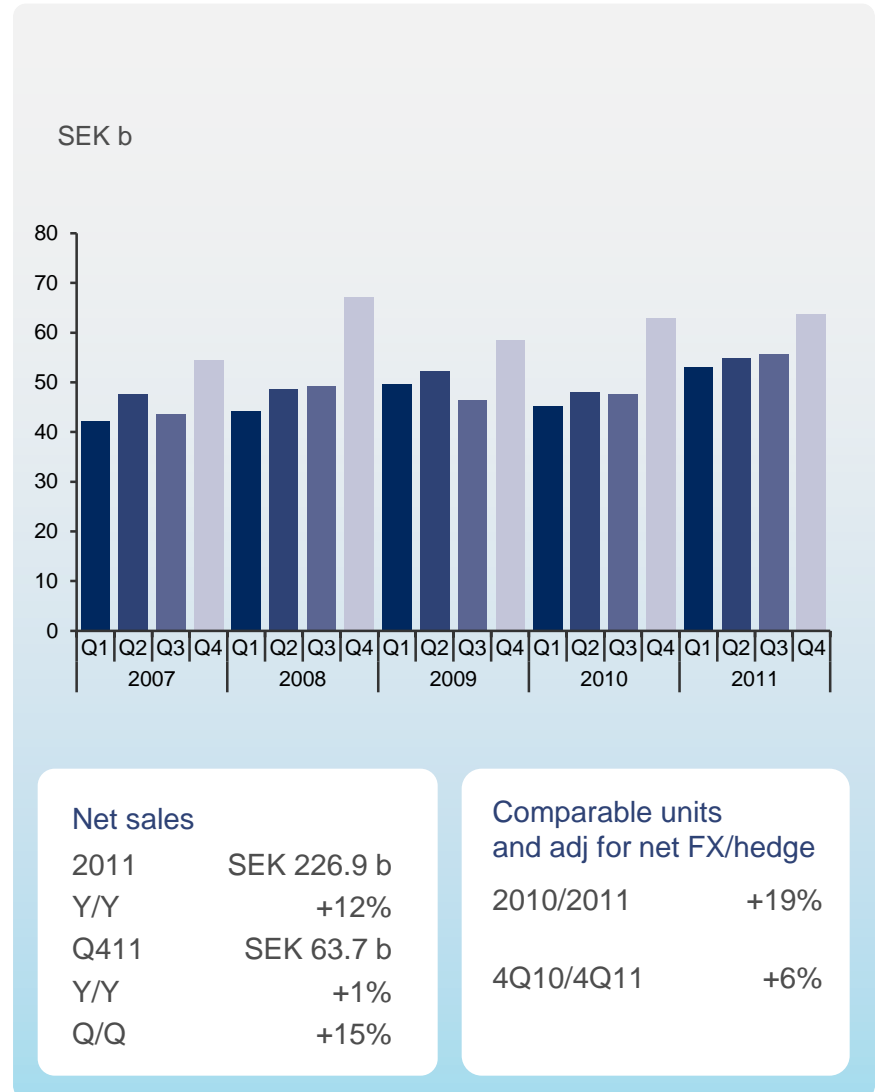
- Trend from 3Q continued in North America and Russia
- Macro economic and political uncertainties - operators more cautious with spending
- Network sales +2% Q/Q, -9% YoY

› Strong Global Services sales

- High level of coverage project activity
- Network rollout +56% Q/Q, +44% YoY
- Consulting and systems integration strong quarter Q/Q – OSS/BSS, service delivery platforms, data center build
- Global Services sales +32% sequentially, +18% YoY

› Multimedia more normal quarter

- Multimedia sales +33% Q/Q, -2% YoY



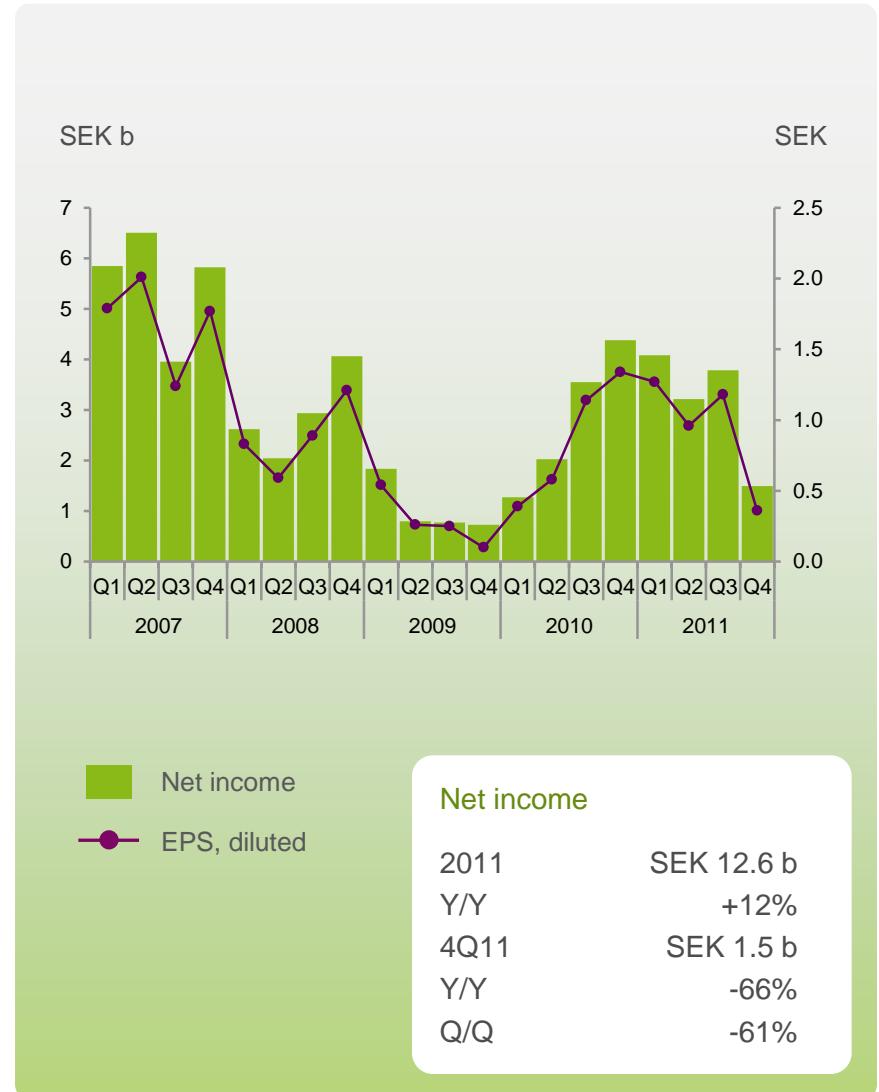
PROFITABILITY 4Q11

> Gross margin decline

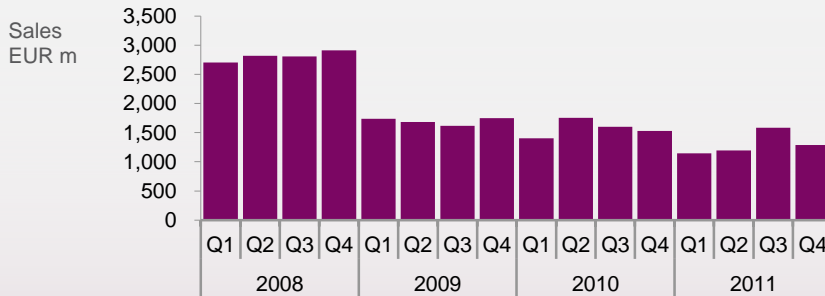
- Continued business mix trend
- More coverage and network modernization projects
- All-time-high Global Services share of 42%

> Net income decline

- Lower network volumes
- Lower gross margin
- JV losses
- Full year increase SEK +1.3 b Y/Y



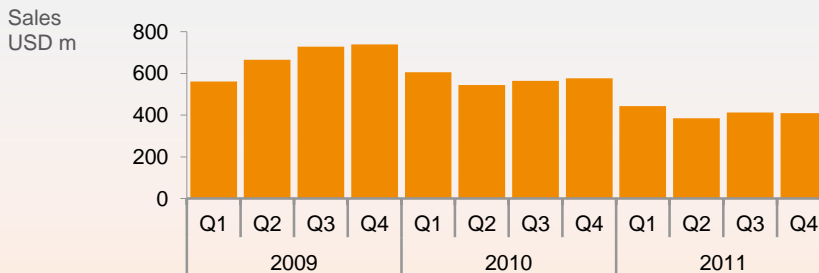
4Q JOINT VENTURES



Sony Ericsson

Closing of deal with Sony expected late January to February

Agreed cash consideration of EUR 1.05 b. for Ericsson's 50% share in Sony Ericsson will not be impacted by 2011 year's result



ST-Ericsson

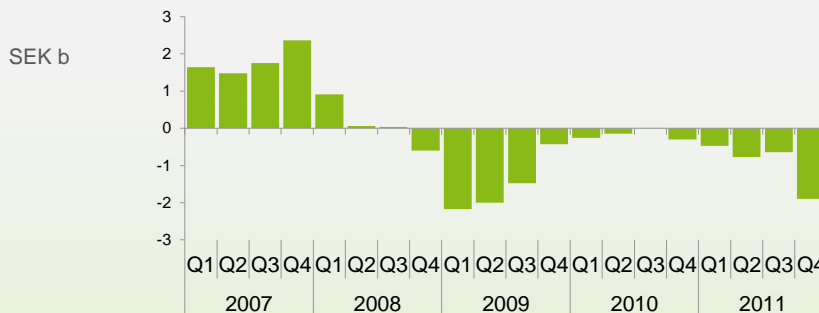
Not yet at adequate level of sales

Reviewing the strategy

Will take longer to improve financial performance

May be required to take an impairment charge

We stay committed together with STMicroelectronics



Ericsson share in JV earnings

Q4: SEK -1.9 (-0.3) b
 Sony Ericsson SEK -1.1 (0.2) b
 ST-Ericsson SEK -0.8 (-0.4) b

2011: SEK -3.8 (-0.7) b
 Sony Ericsson SEK -1.2 (0.9) b
 ST-Ericsson SEK -2.7 (-1.5) b

All numbers except 2011 excludes restructuring charges

NETWORKS

› Strengthened market share in 2011

- Executed on strategy
- Strong contribution from new generation portfolio

› Mixed regional development in 4Q

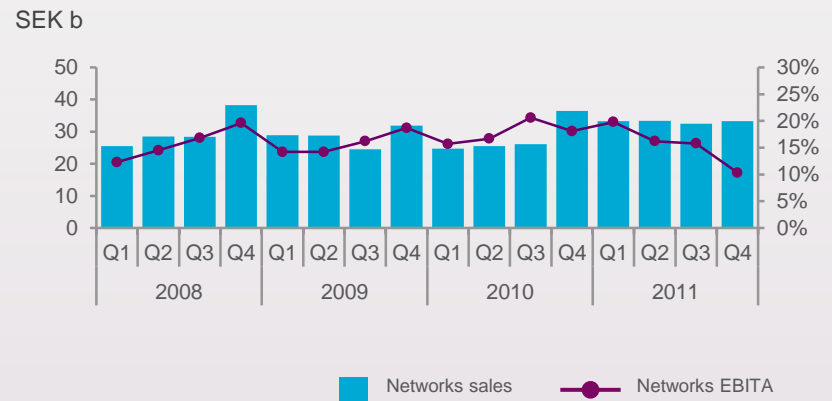
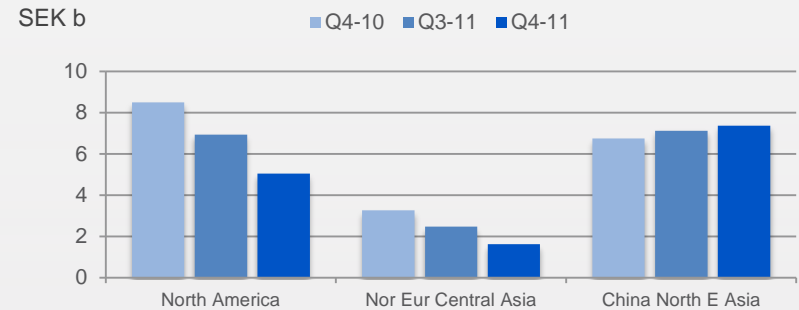
- North America -27% QoQ: impacted by operator consolidation, technology shift from CDMA to LTE as well as a slower pace after period of high operator investments in network capacity
- Started to see expected decline in CDMA
- Impacted by lower volumes in Russia
- Initial 3G rollouts in India peaked 1H11
- 2G sales normalized in China
- Shift to LTE coverage in Korea

› EBITA margin decreased to 10% (18%) YoY

- Lower volumes as well as higher degree of network coverage and modernization projects in Europe
- More coverage vs capacity – trend continues short-term
- Planned R&D investments to accelerate technology leadership

› Networks in 2012

- Operators expected to continue to be cautious with spending short-term
- Rapid CDMA transition to LTE



EBITA margin

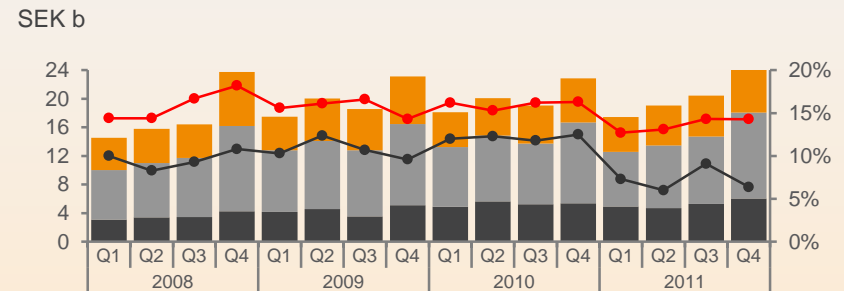
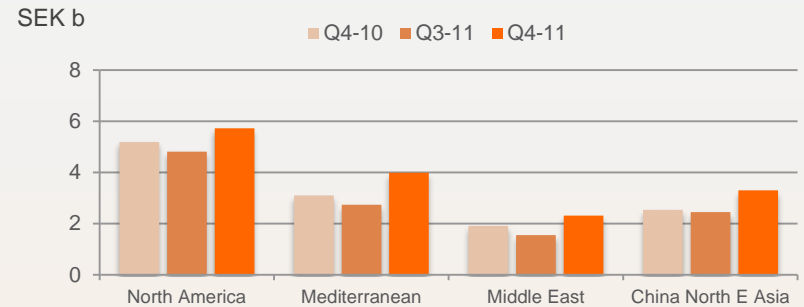
4Q11	10%
4Q10	18%
3Q11	16%

Sales

2011	SEK 132.4 b
Y/Y	+17%
4Q11	SEK 33.3 b
Y/Y	-9%
Q/Q	+2%

GLOBAL SERVICES

- › Growth in all regions except India Q/Q
 - North America: Market share gains and high level of project execution
 - Europe: Network modernization and systems integration
 - Japan: High level of project completions
 - Network Rollout up +44% Y/Y
- › 70 (54) managed services contracts in 2011
- › 56,000 services professionals
- › EBITA margin 6% (13%) 4Q
 - Flat margin in Professional Services
 - Decreased due to loss in Network Rollout
 - Impact from restructuring charges 2%-point in the quarter
- › Global Services in 2012
 - In a weaker economic environment, operators focus on increased operational efficiencies
 - Continue to transform service delivery organization
 - Network rollout – high activity level due to modernization and coverage projects



Global Services EBITA margin		Sales	
4Q11	6%	2011	SEK 83.9 b
4Q10	13%	Y/Y	+5%
3Q11	9%	4Q11	SEK 27.0 b
		Y/Y	+18%
		Q/Q	+32%

Numbers 2011 include restructuring charges, numbers 2007-2010 exclude restructuring charges
Second quarter 2009 adjusted for divestment of TEMS

MULTIMEDIA

› Sales flat in 2011

- Revenue management (pre-paid) impacted by political unrest in Middle East and weak development in India
- TV business developed well

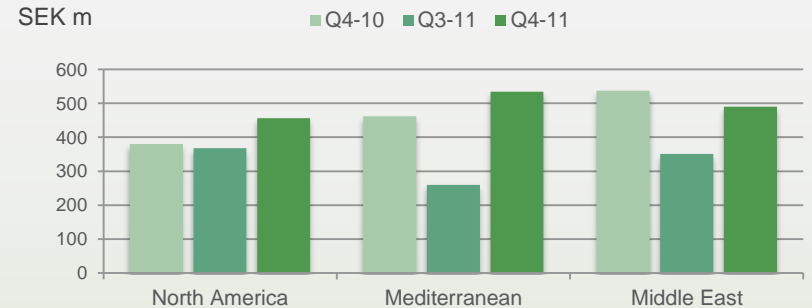
› All regions up Q/Q except Sub-Saharan Africa

› EBITA margin 6% (16%) 4Q

- Efficiency measures top of agenda to improve profitability
- Lower sales in revenue management

› Multimedia in 2012

- Integration of Telcordia
- Strategy reviewed – implementation under way



EBITA margin	
4Q11	6%
4Q10	16%
3Q11	11%

Sales	
2011	SEK 10.6 b
Y/Y	+1%
4Q11	SEK 3.4 b
Y/Y	-2%
Q/Q	+33%

Numbers 2011 include restructuring charges, numbers 2008-2010 exclude 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.

Q4 REGIONAL SALES

North America

	2011	SEK 48.8 b
› Networks slowdown after period of high investments	Y/Y	-1%
	4Q11	SEK 11.2 b
› Positive services development	Y/Y	-20%
› CDMA sales declined	Q/Q	-7%

Latin America

	2011	SEK 22.0 b
› Services developed favorably due to project completions	Y/Y	+23%
	4Q11	SEK 7.0 b
› For the full year all segments grew	Y/Y	+16%
	Q/Q	+17%

Northern Europe and Central Asia

	2011	SEK 15.2 b
	Y/Y	+25%
	4Q11	SEK 3.8 b
› Slower infrastructure sales, mainly Russia	Y/Y	-22%
› Strong growth in services due to project completions	Q/Q	+7%

Western and Central Europe

	2011	SEK 19.0 b
	Y/Y	-4%
	4Q11	SEK 5.3 b
› All segments grew sequentially	Y/Y	-11%
› Rollout of modernization projects	Q/Q	+14%
› Momentum for managed services		

Mediterranean

	2011	SEK 23.8 b
› Networks market share gains, growth due to modernization	Y/Y	+5%
	4Q11	SEK 8.2 b
› Services grew based on roll-out and systems integration	Y/Y	+19%
	Q/Q	+58%
› Growth in multimedia sales		

Middle East

	2011	SEK 15.5 b
› Strong growth across all segments	Y/Y	+2%
	4Q11	SEK 5.2 b
› Still an impact from political unrest	Y/Y	+12%
	Q/Q	+42%

Sub-Saharan Africa

	2011	SEK 10.2 b
› Sales increase driven by 3G coverage rollouts	Y/Y	+11%
	4Q11	SEK 3.2 b
	Y/Y	+59%
	Q/Q	+28%

India

	2011	SEK 9.8 b
› Slow 3G investments	Y/Y	+13%
	4Q11	SEK 1.5 b
› Positive managed services development	Y/Y	-46%
	Q/Q	-33%

China and North East Asia

	2011	SEK 38.2 b
	Y/Y	+47%
	4Q11	SEK 10.9 b
› 2G sales normalized in China	Y/Y	+15%
› Shift to LTE coverage sales in Korea	Q/Q	+13%
› High level of project completions in Japan		
› Strong growth in services		

South East Asia and Oceania

	2011	SEK 13.9 b
	Y/Y	-7%
	4Q11	SEK 4.0 b
› Mobile broad band sales increase driven by Australia and Thailand	Y/Y	+2%
	Q/Q	+8%

Other

	2011	SEK 10.6 b
› Strong IPR sales	Y/Y	+41%
	4Q11	SEK 3.3 b
› Mobile broadband modules phased out	Y/Y	+57%
	Q/Q	+49%

All comments refer to sequential development



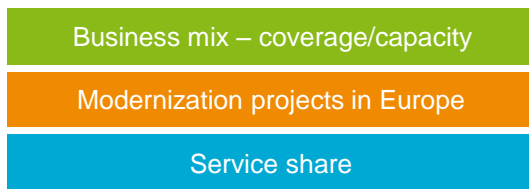
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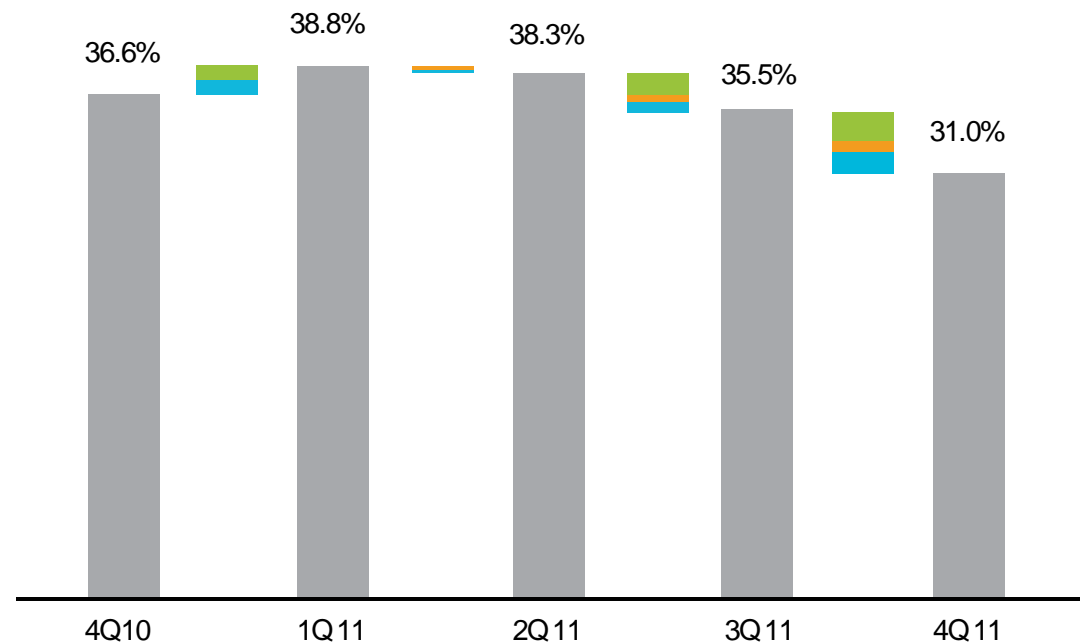
BUSINESS MIX KEY TO GROSS MARGIN DYNAMICS

DRIVERS IMPACTING GROSS MARGIN DEVELOPMENT

Drivers



- All modernization projects that we have won have started 4Q11 with full impact on gross margin.
- Impact is expected to prevail a couple of more quarters.
- Business mix expected to prevail short-term.



This slide contains forward-looking statements. Actual result may be materially different.

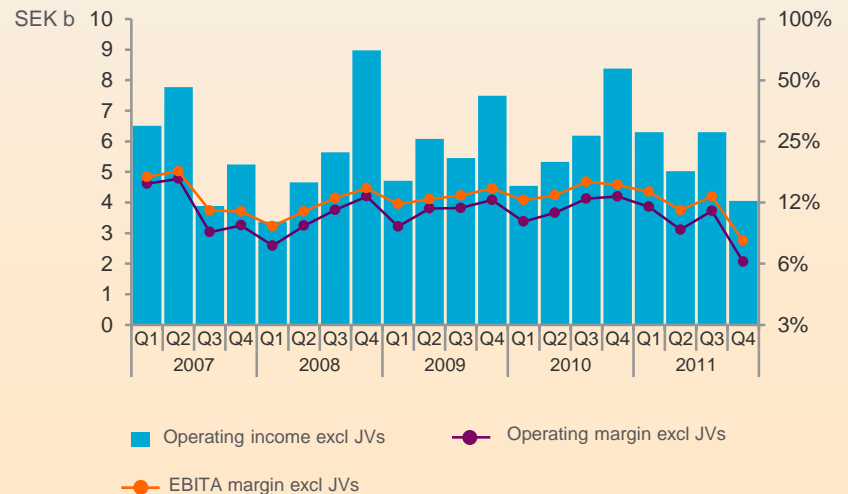
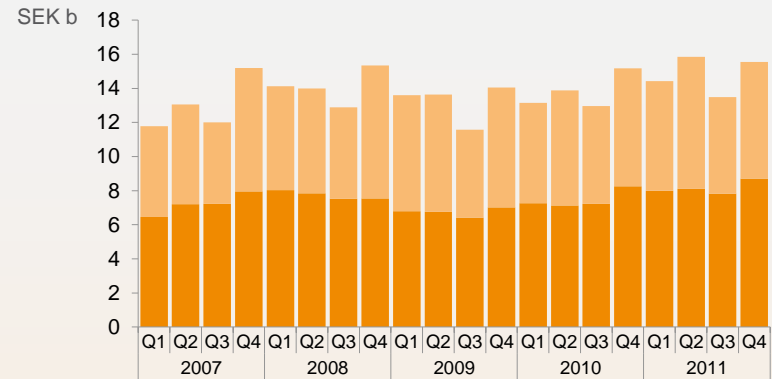
Gross margin excluding restructuring

P/L COMMENTS

- › Operating expenses SEK 59.3 (55.2) b FY11
 - Restructuring charges of SEK 3.5 b in 2010 numbers
- › R&D SEK 32.6 (29.9) b FY11
 - Investments in radio, IP and LG-Ericsson impacted FY11
 - R&D/sales 14.4% (14.7%)
- › Sales, general & administration (SG&A)
 - FY11 SG&A/sales 11.8% (12.4%), 4Q11 10.7% (11.0%)
- › Operating margin (excl. JVs) 9.6% (12.0%) FY11
- › Operating margin (excl. JVs) 6.4% (13.4%) 4Q11
 - Decline due to lower gross margin

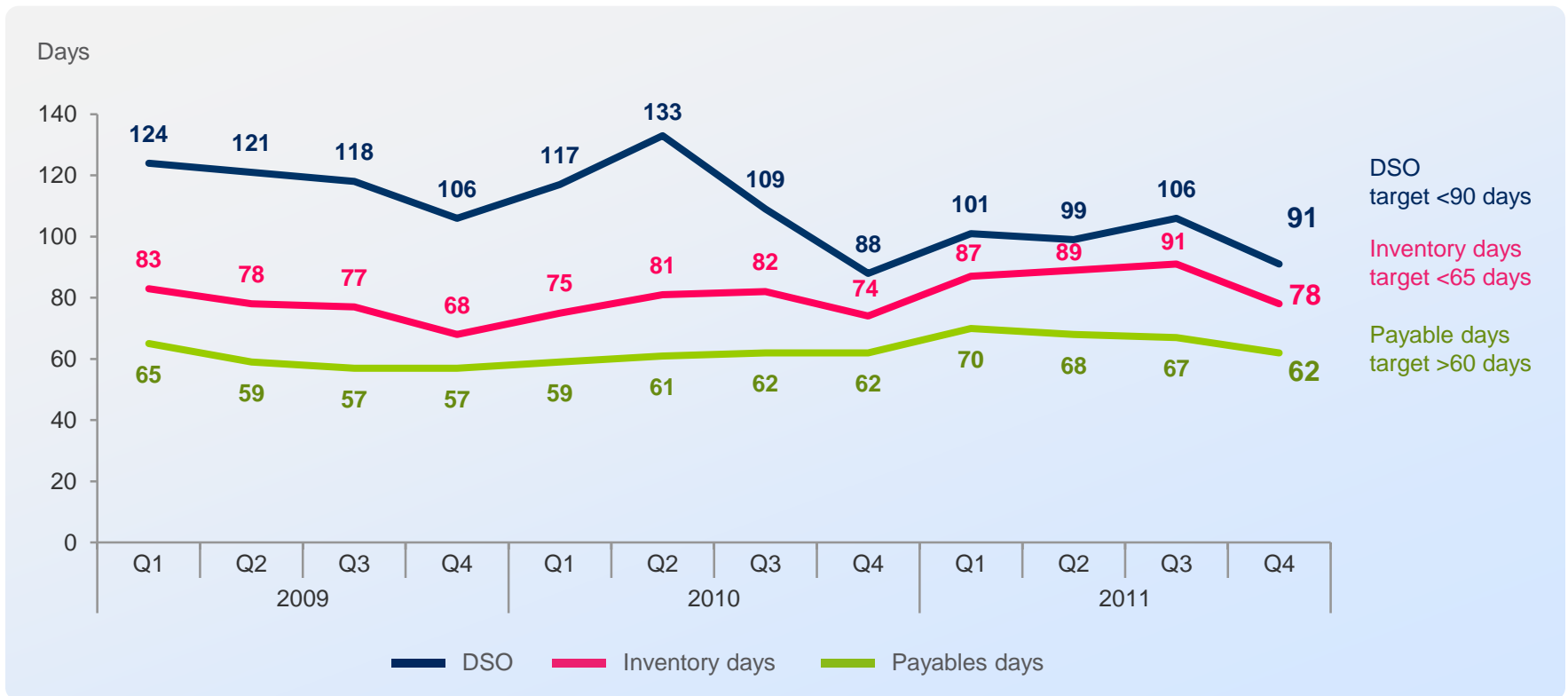
2012

- › R&D expenses estimated to SEK 29-31 b, incl restructuring and depreciations of acquired intangible assets (Telcordia related R&D included)
- › Restructuring charges ~SEK 4 b
 - Main part of activities in 1H12

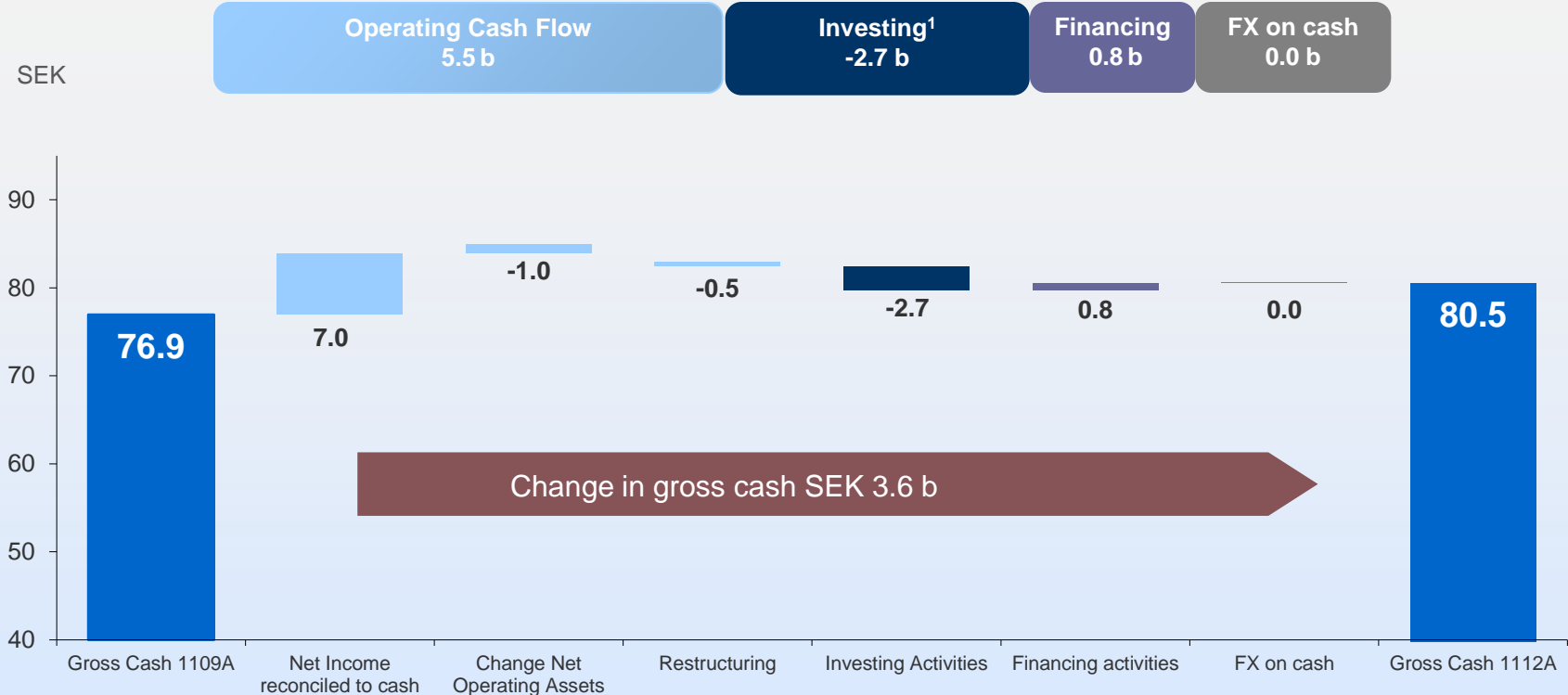


BALANCE SHEET COMMENTS

- › Trade receivables decreased Q/Q to SEK 64.5 (65.6) b
 - Increased YoY due to higher sales volumes
 - DSO 91, down 15 days Q/Q
- › Customer financing
 - SEK 4.2 b., decreased slightly in 2011
- › Inventory decreased Q/Q to SEK 33.1 (38.6) b.
 - Earlier higher inventory level due to Japan earthquake was reduced in 4Q
 - Decrease in regional inventory share
- › Main part of reduction of provisions in 2011 due to utilization of restructuring provisions



CASH FLOW 4Q11

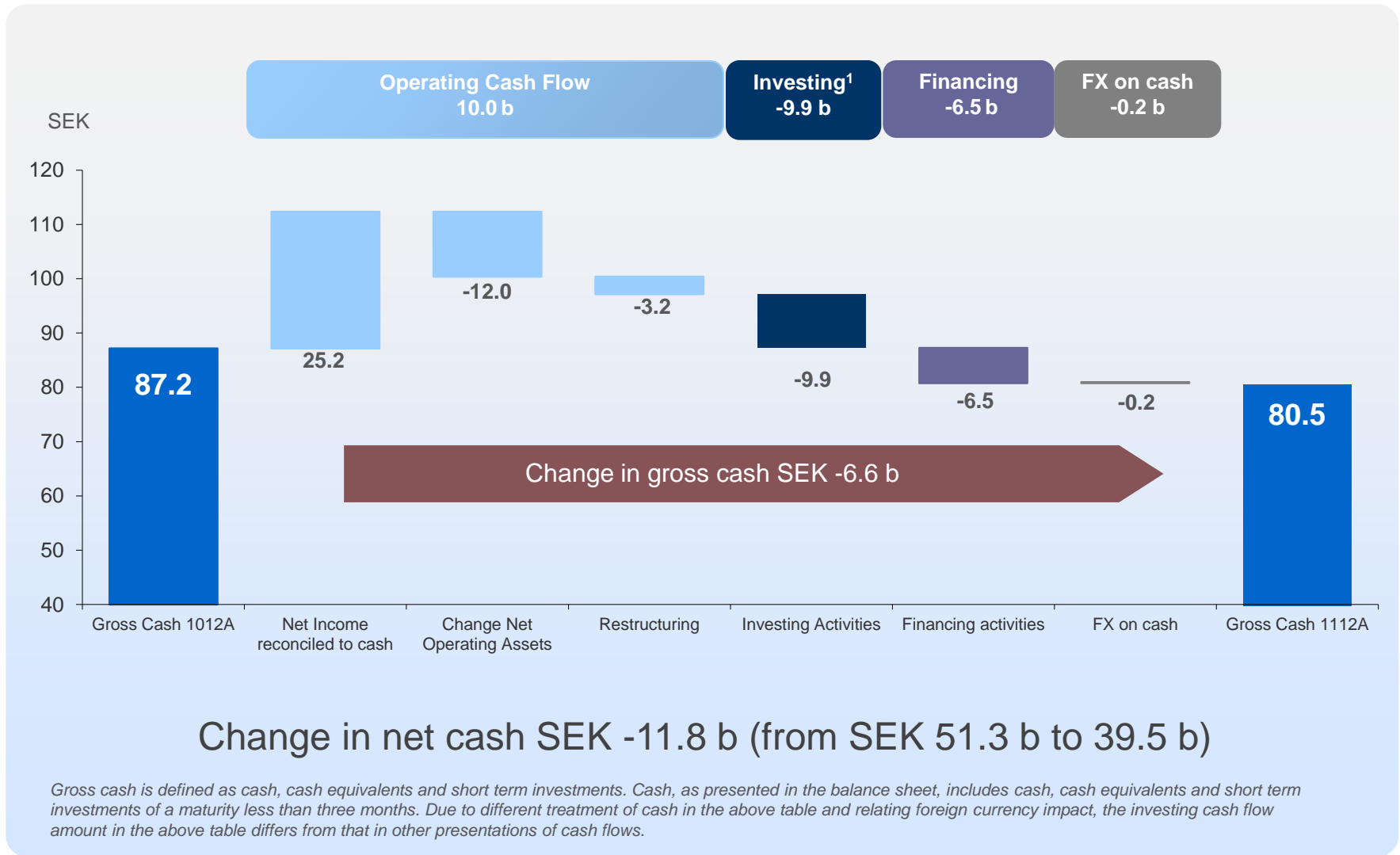


Change in net cash SEK +4.1 b (from SEK 35.4 b to 39.5 b)

Gross cash is defined as cash, cash equivalents and short term investments. Cash, as presented in the balance sheet, includes cash, cash equivalents and short term investments of a maturity less than three months. Due to different treatment of cash in the above table and relating foreign currency impact, the investing cash flow amount in the above table differs from that in other presentations of cash flows.

¹ Excluding Short term investments

ACTUAL CASH FLOW 2011



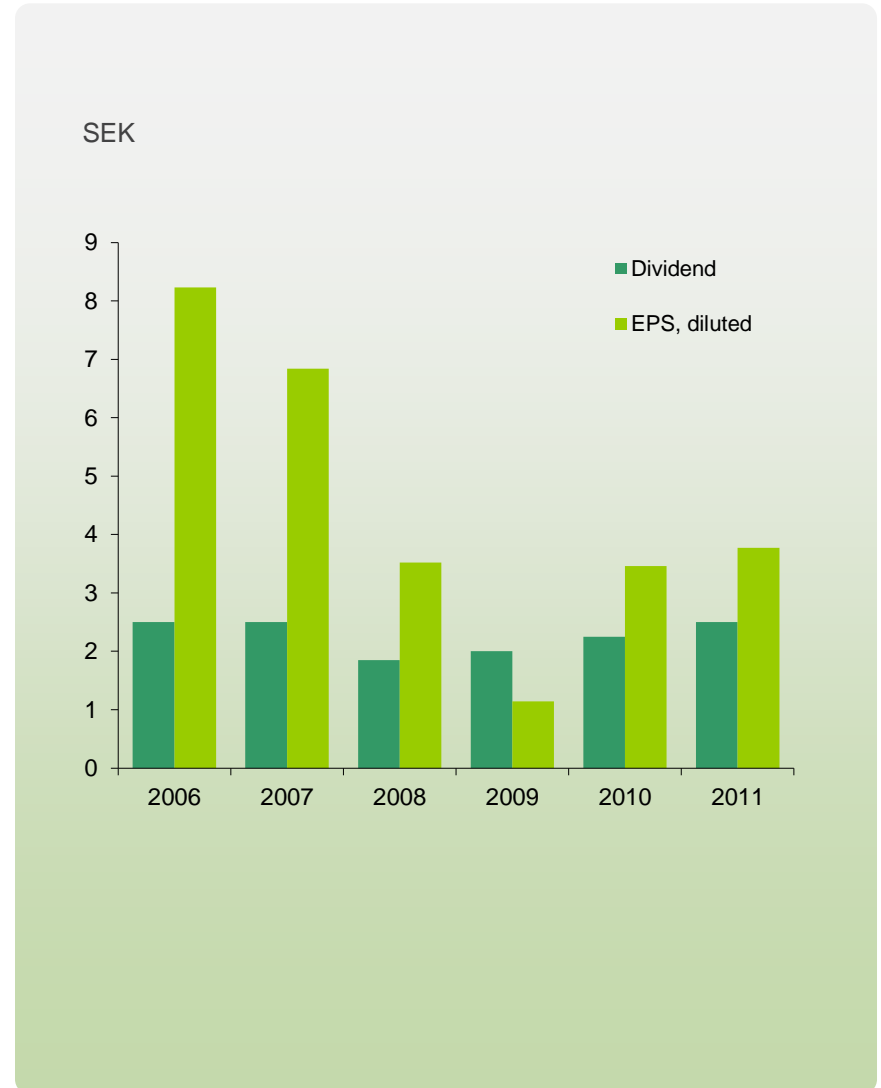
¹ Excluding Short term investments

PROPOSED DIVIDEND

- › SEK 2.50 (2.25) per share
- › In total ~SEK 8.2 (7.4) b.

- › May 8, 2012, record day for payment

- › The proposed dividend is reflecting 2011 year's earnings and balance sheet structure, as well as coming years' business plans and expected economic development.



PERFORMANCE TARGETS

Long Term Ambition

GROW FASTER THAN THE MARKET

BEST IN CLASS MARGINS

STRONG CASH CONVERSION

GROWTH IN JV EARNINGS

Executive Performance Stock Plan

- › Net sales growth in SEK
 - 4-10% CAGR 2010-2013
- › Operating income growth, including JVs and restructuring
 - 5-15% CAGR 2010-2013
 - › Base year 2010, excl restructuring
- › Cash conversion
 - Above 70%, annually
- › Target not reached 2011

Focus going forward

- › Capitalize on market share gains
- › Execute on areas on portfolio momentum
 - Mobile Broadband
 - Managed Services
 - OSS/BSS
- › Efficiency and cost reductions
 - Service delivery transformation
 - Product portfolio consolidation
- › Leverage technology and services leadership





Q&A



ERICSSON