



FIRST QUARTER 2011

27 APRIL 2011



HENRY STÉNSON

SENIOR VICE PRESIDENT
COMMUNICATIONS

A decorative graphic on the left side of the slide consists of several clusters of colored dots in shades of green, blue, and purple, arranged in a pattern that suggests movement or data points.

FIRST 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

1Q IN SUMMARY

Sales SEK 53.0 (45.1) b

- Strong sales of mobile broadband

Net income SEK 4.1 (1.3) b

- Increased volumes, improved profitability in Networks

Adjusted cash flow SEK -2.1 (3.0) b

- Higher level of work in progress in regions, continued ramp up of production

NET SALES

› Sales +17% YoY

- Growth in five out of ten regions
- 25% organic growth, currency adjusted

› Networks +35%

- Strong sales of mobile broadband
- GSM/EDGE capacity expansions in China

› Global Services -4%

- FX impact
- Professional Services +3% currency adjusted

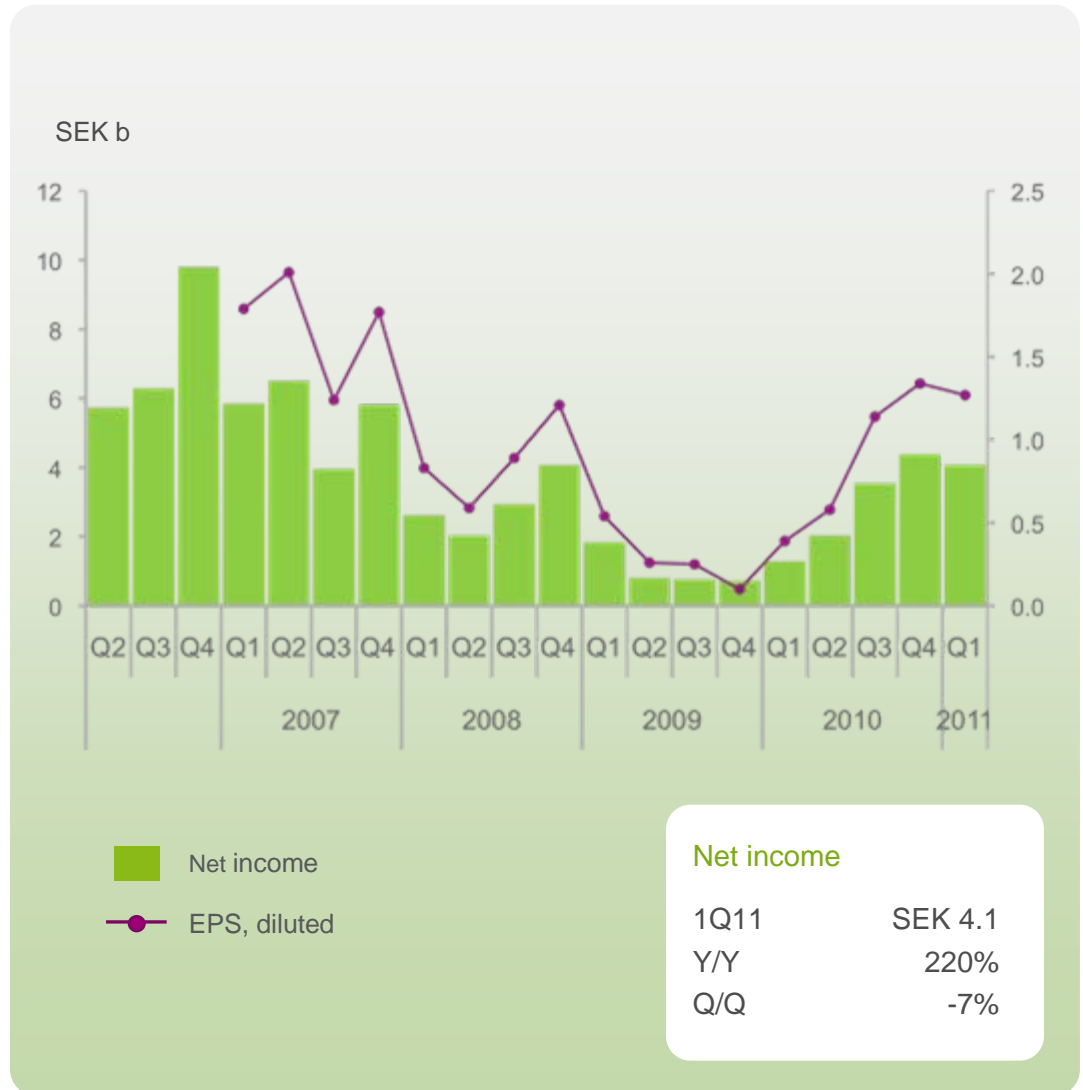
› Multimedia -1%

- Good sales of revenue management and IPX



PROFITABILITY

- › Higher volumes and increased profitability in Networks
- › Partly impacted by network modernization projects
- › Less restructuring



REGIONAL SALES

North America

1Q11 SEK 13.2 b
Y/Y +39%
Q/Q -6%+

- Capacity expansions and upgrades
- LTE devices in 2011

Latin America

1Q11 SEK 4.0 b
Y/Y +1%
Q/Q -34%

- Mobile broadband and rural expansions

Northern Europe & Central Asia

1Q11 SEK 3.4 b
Y/Y +46%
Q/Q -30%

- Russia strong
- Capacity expansions in 2G and 3G

Western and Central Europe

1Q11 SEK 4.8 b
Y/Y -8%
Q/Q -19%

- Cautious operator spending
- Preparations for network modernization

Mediterranean

1Q11 SEK 4.8 b
Y/Y -5%
Q/Q -31%

- Unrest in North Africa
- Greece, Portugal, Spain still weak

Middle East

1Q11 SEK 3.1 b
Y/Y -22%
Q/Q -34%

- Political unrest
- Mobile broadband volumes on par with 2G

Sub-Saharan Africa

1Q11 SEK 2.2 b
Y/Y -9%
Q/Q +9%

- 2G expansions
- Weak quarter for services

India

1Q11 SEK 3.2 b
Y/Y +38%
Q/Q +11%

- 3G deployments
- Easy comparison

China and North East Asia

1Q11 SEK 8.6 b
Y/Y +74%
Q/Q -9%

- Mobile broadband growth in Japan
- 2G expansions in China
- Added sales from LG-Ericsson

South East Asia and Oceania

1Q11 SEK 3.1 b
Y/Y -12%
Q/Q -21%

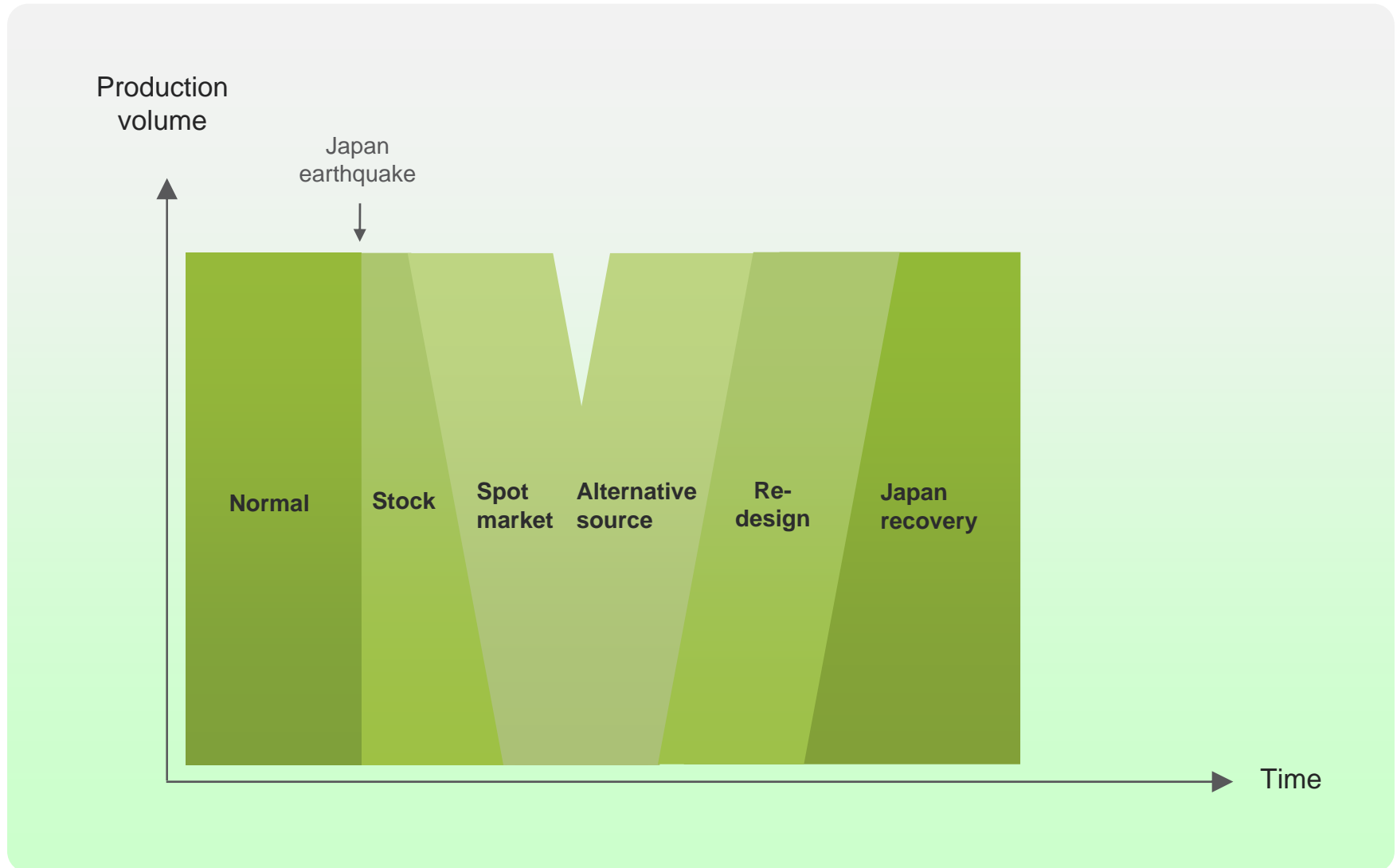
- Drop in 2G sales
- Tiered pricing not yet introduced

JAPAN AND GLOBAL SUPPLY CHAIN

- › No impact on sales in Q1
- › Our global component supply chain partly dependent on Japan
 - Delays in delivery of certain products estimated
- › Mitigating activities initiated immediately
 - Finding and integrating alternative components
 - Increase volumes with second source suppliers
- › Best estimate is to deliver majority of delayed volumes before end of third quarter
 - Also depends on Japan's overall recovery

This slide contains forward looking statements

MITIGATING ACTIONS JAPAN





SEGMENTS

NETWORKS

› +35% YoY

- High sales of RBS 6000, packet-core, IP-routers, microwave backhaul
- GSM and CDMA showed good growth
- GSM/EDGE in China as fall back for mobile broadband
- LG-Ericsson performed well

› Margins

- Positive volume effects
- Business mix – expansions and upgrades
- Efficiency gains

› Network modernization projects in Europe

- Market share increase so far ~3 percentage points in combined 2G/3G market

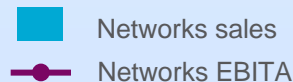


EBITA margin

1Q11	20%
1Q10	16%
4Q10	18%

Sales

1Q11	SEK 33.2 b
Y/Y	+35%
Q/Q	-9%



Numbers 2011 include restructuring charges, numbers 2007-2010 exclude restructuring charges

GLOBAL SERVICES

› Professional Services sales +3% YoY in local currencies

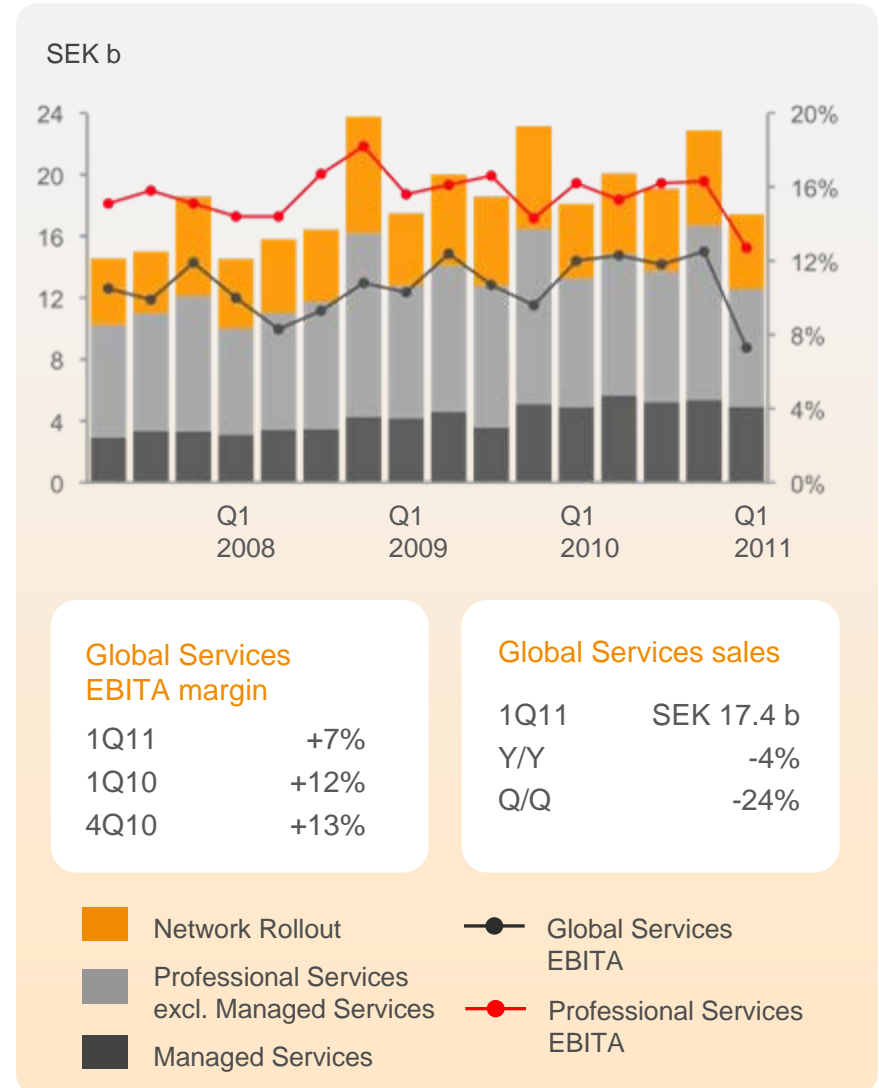
- Managed Services +11% YoY currency adjusted
- 9 new managed services contracts of which 5 extensions or expansions
- Low level of integration projects

› Network Rollout sales flat YoY

- Delayed project implementations due to earlier component shortage

› Margin

- Global Services EBITA down due to loss in Network Rollout
- Professional Services EBITA down due to lower proportion product near systems integration business and restructuring



Numbers 2011 include restructuring charges, numbers 2007-2010 exclude restructuring charges

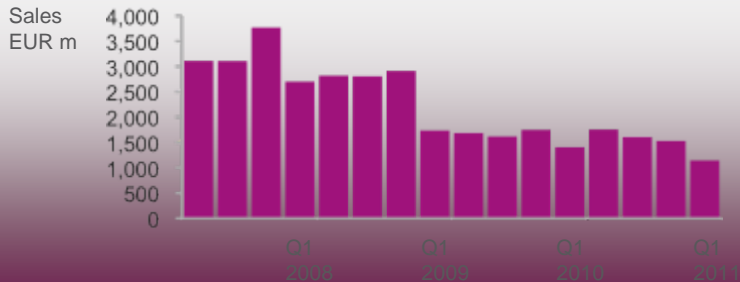
MULTIMEDIA

- › Good sales of multimedia brokering (IPX) and revenue management
- › Sales for TV solutions weaker
- › EBITA negative due to lower volumes and product mix
 - Partly offset by lower operating expenses



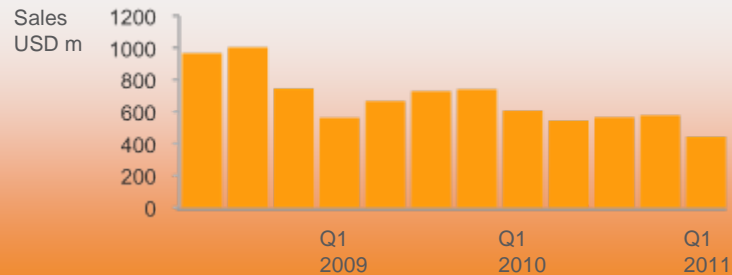
Numbers 2011 include restructuring charges, numbers 2008-2010 exclude restructuring charges and adjusted for divestment of mobile platforms and PBX business in 2008. Fourth quarter 2008 excl. capital gain of SEK 0.8 b for divestment of Symbian shares.

1Q JOINT VENTURES



Sony Ericsson

Fifth consecutive quarter of profit with high ASP
 Good market response to new portfolio



ST-Ericsson

Shift from legacy to new products
 Additional actions to improve internal efficiencies
 Ericsson committed to support in execution of new portfolio



Ericsson share in JV earnings

SEK -0.5 (-0.3) b

Sony Ericsson SEK 0.1 (0.1) b

ST-Ericsson SEK -0.6 (-0.4) b

Numbers 2006-2010 exclude restructuring charges



JAN FRYKHAMMAR

CFO AND EXECUTIVE VICE PRESIDENT

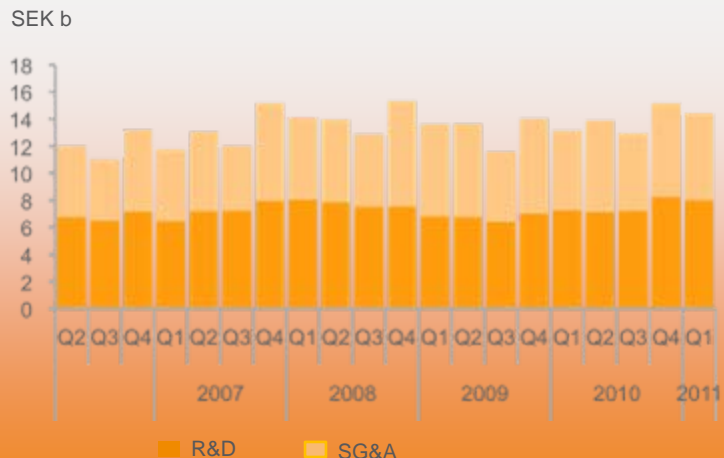
PROFITABILITY 1Q



Gross margin: 38.5% (38.5%)

Positive: strong Networks sales, business mix with expansions and upgrades, efficiency gains, one-off IPR sale of SEK 0.3 b

Negative: High 3G volumes in India, network modernization projects partly materialized



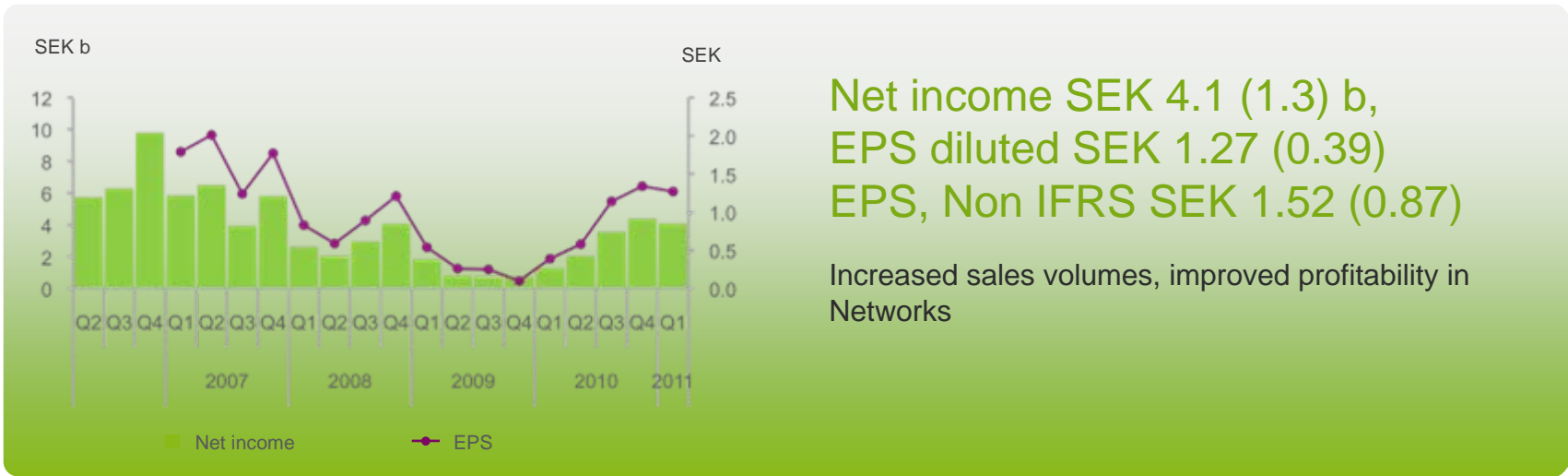
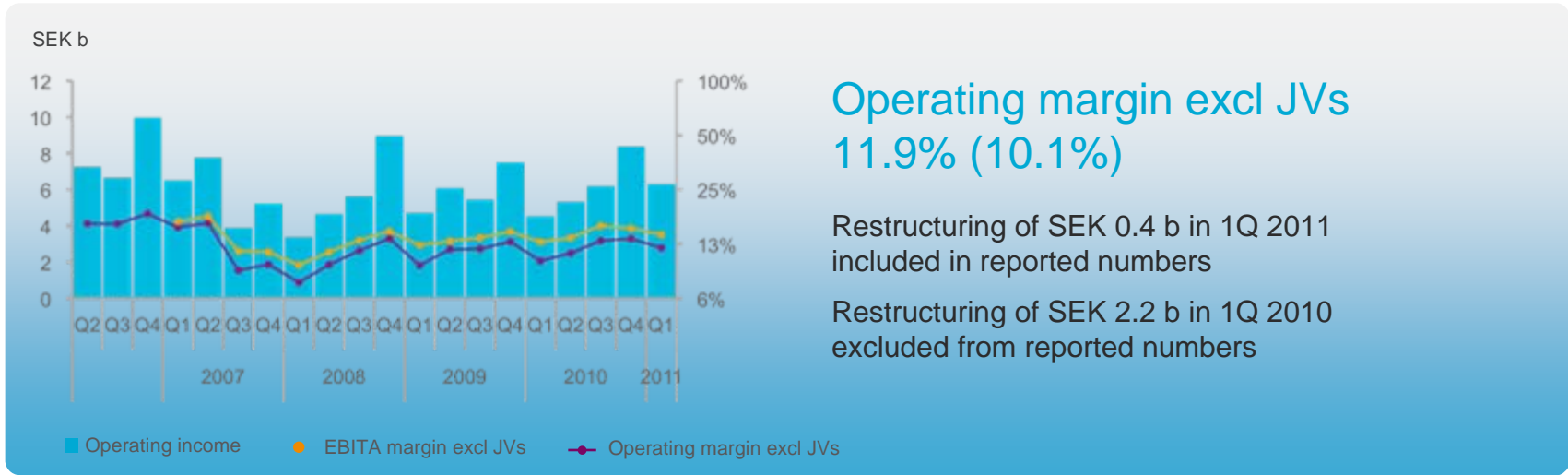
Operating expenses SEK 14.4 (13.1) b

R&D +10% due to planned higher investments primarily in IP and radio such as TD-LTE as well as acquired LG-Ericsson

SG&A +10% due to acquired LG-Ericsson and LTE trials

Numbers 2011 include restructuring charges, numbers 2006-2010 exclude restructuring charges

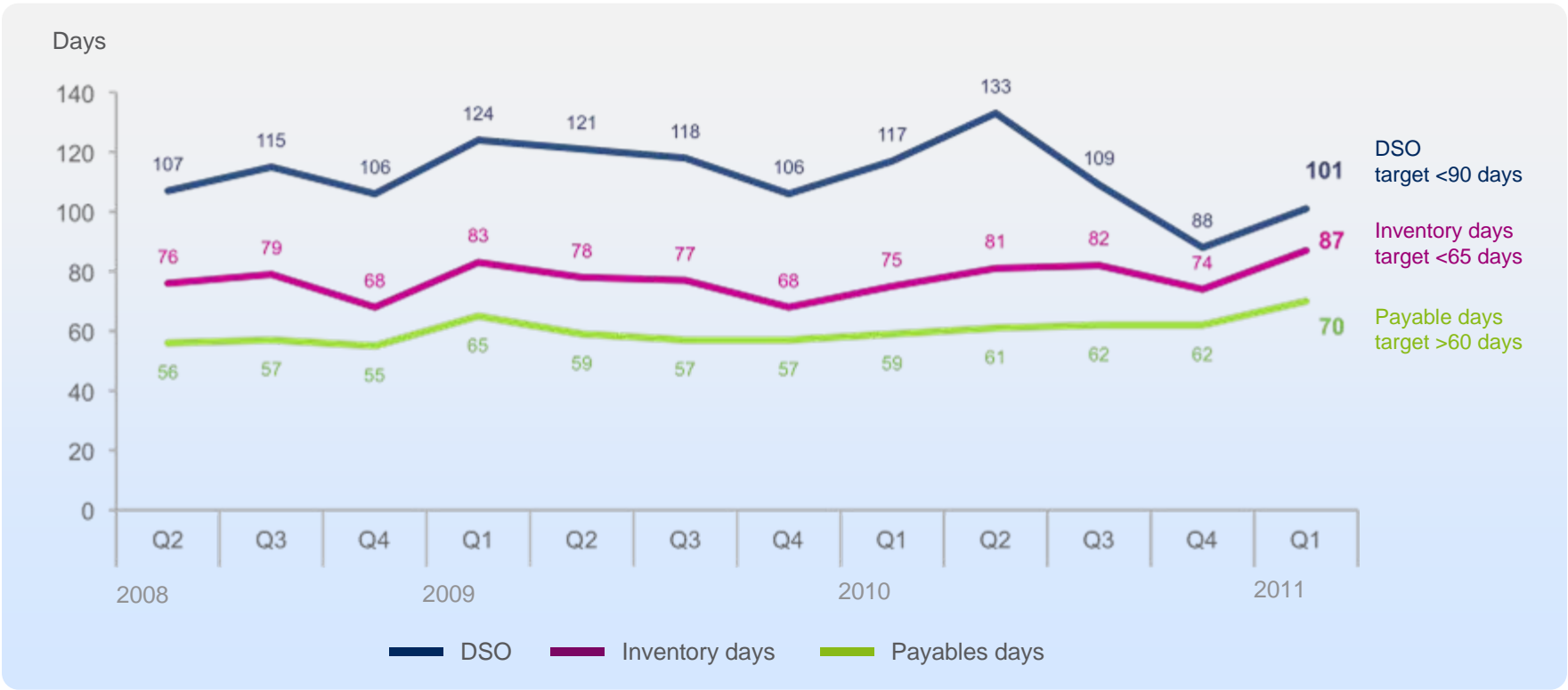
PROFITABILITY 1Q



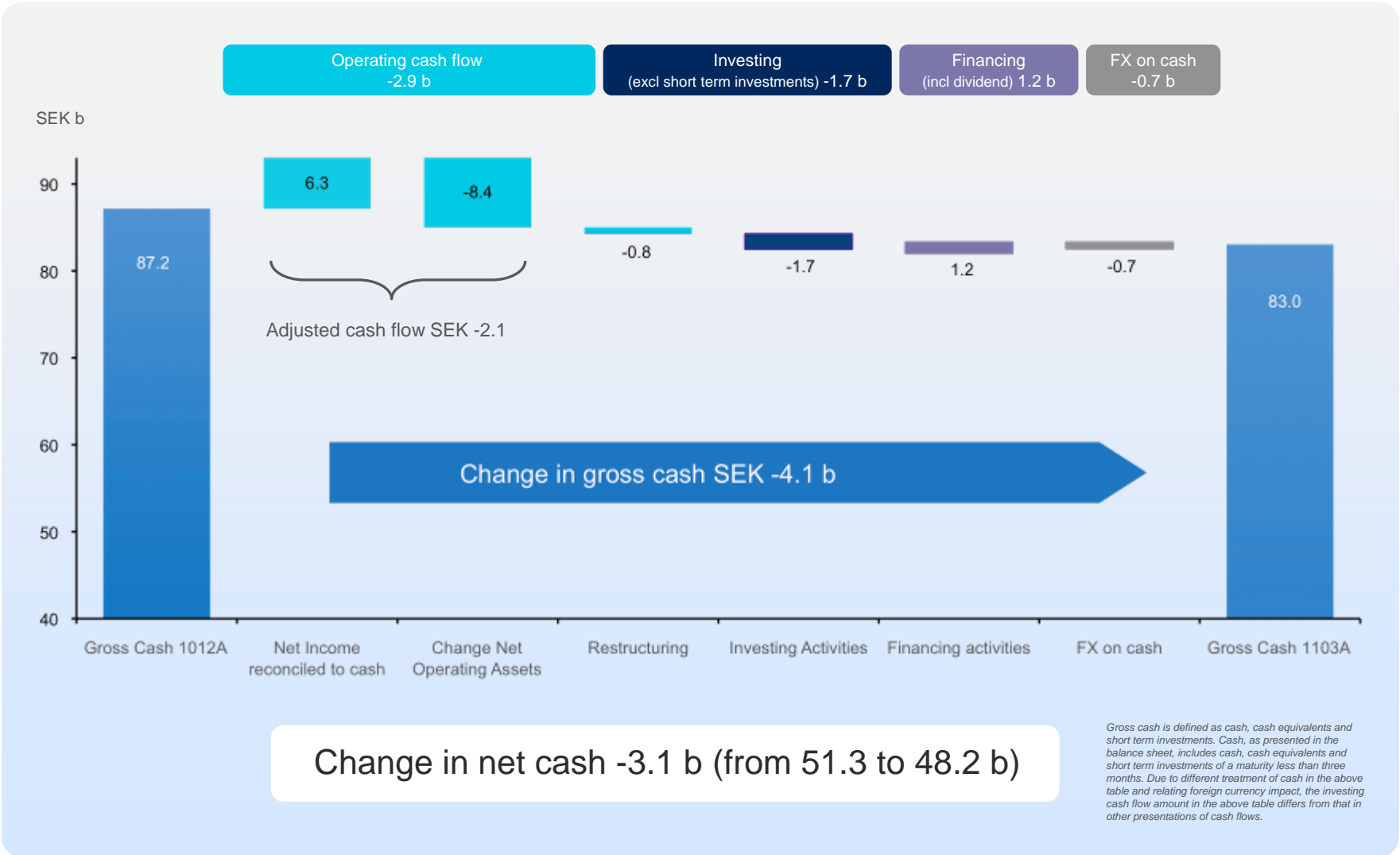
Numbers 2011 include restructuring charges, numbers 2006-2010 exclude restructuring charges, excl. EPS and Net income

BALANCE SHEET RATIOS

- › DSO decreased year-over-year due to higher sales and strong collections
- › Inventory days increased due to higher level of work in progress in regions and continued ramp up of production
- › Capital efficiency remains top of agenda



CHANGE IN GROSS CASH 1Q 2011





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ERICSSON