



HANS VESTBERG

PRESIDENT AND CEO



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- 2 STRATEGY UPDATE
- 3 MARKET OUTLOOK



1 MARKET DEVELOPMENT

TRENDS IN TELECOM

Going mobile: video, cloud services, internet and M2M

More connected devices and affordable smartphones

Tiered pricing and new business models for mobile broadband

Modernization of networks, OSS/BSS and operations

Focus on high performance broadband networks



High traffic smartphone subscriptions
as % of total subscriptions



Average data traffic
MB per subscription per month



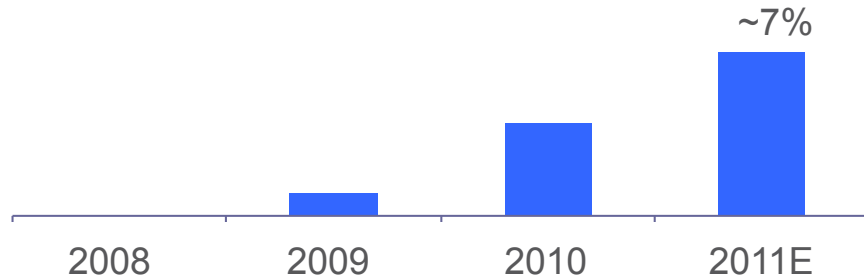
Mobile broadband subscriptions as % of total subscriptions



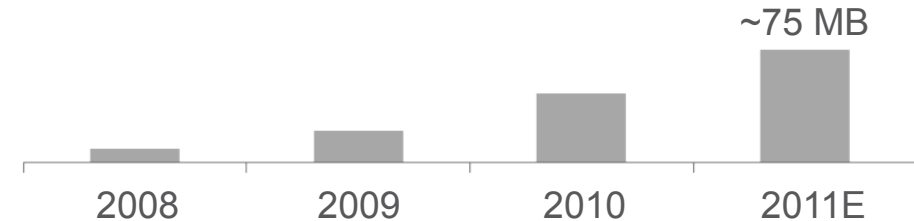
Share of operator total RAN investments
GSM, WCDMA/HSPA, LTE, CDMA, TDSCDMA

GLOBAL TRENDS – WORLD AVERAGES

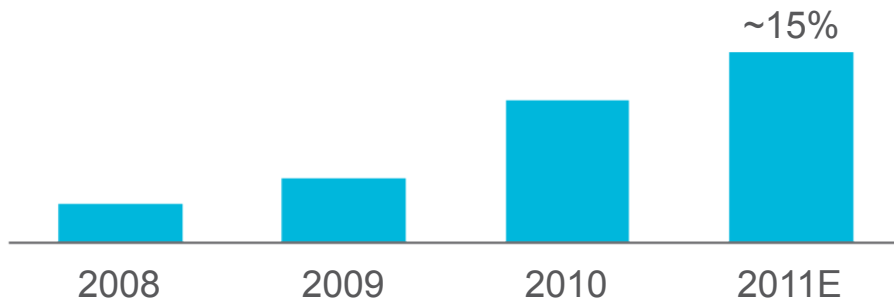
High traffic smartphone subscriptions
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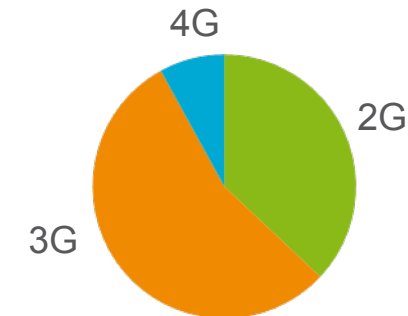
Average data traffic
MB per subscription per month



Mobile broadband (MBB) adoption
subscriptions as % of total subscriptions



Share of operator total RAN investments
GSM, WCDMA/HSPA, LTE, CDMA, TDSCDMA (2011E)

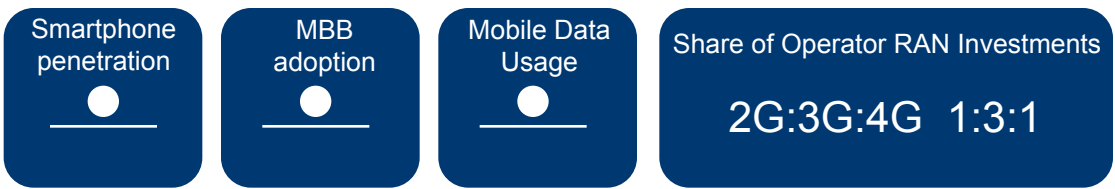


Source: Ericsson

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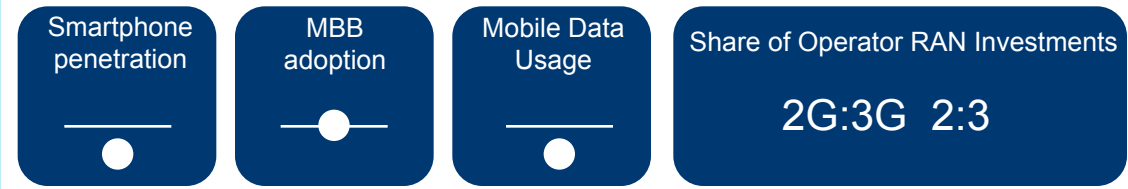
NORTH AMERICA

- › Most advanced region in MBB uptake
 - Smartphone penetration highest in the world
 - Tiered pricing, usage caps and WiFi offload
 - Most operators with LTE deployments on-going—four commercial launches to date
- › Adjacent opportunities—operator examples
 - More than half of net adds related to wholesale and connected devices
 - Alternative business models (e.g., MVNO, wholesale)
 - Investments in cloud services
- › Slow down in networks investments in Q2-Q3

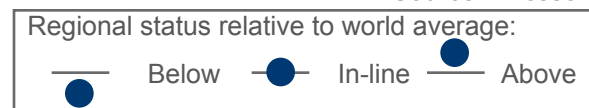


LATIN AMERICA

- › Continuous push for mobile broadband from operators, regulators and governments
 - Mainly driven by 3G services
 - First LTE contracts announced in 4Q
 - Data revenues growing from low base
- › Smartphone penetration still low—expected to grow as handsets become more affordable
- › OSS/BSS transformation projects in the region
- › Some activity in network sharing and outsourcing



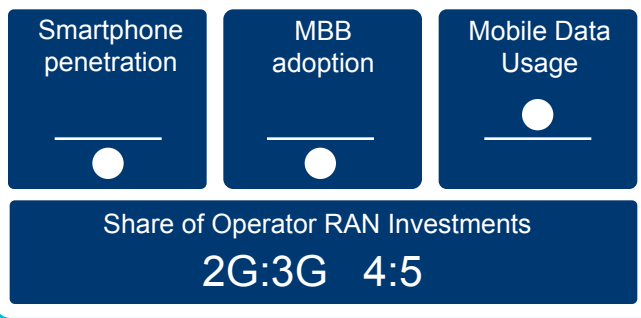
Source: Ericsson



EUROPE

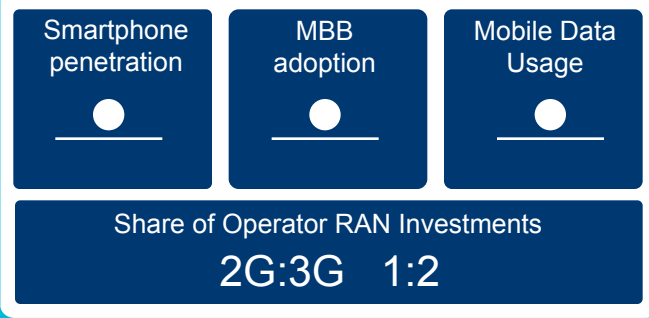
NORTHERN EUROPE AND CENTRAL ASIA

- › Large variation in MBB uptake across the region
 - Smartphone shipments is +60% in some markets
 - 7 LTE networks launched commercially in the Nordics
 - 3G deployments in Russia and Central Asia
- › Focus on efficiency and quality
 - Outsourcing high on agenda
 - Operator and network consolidation very visible



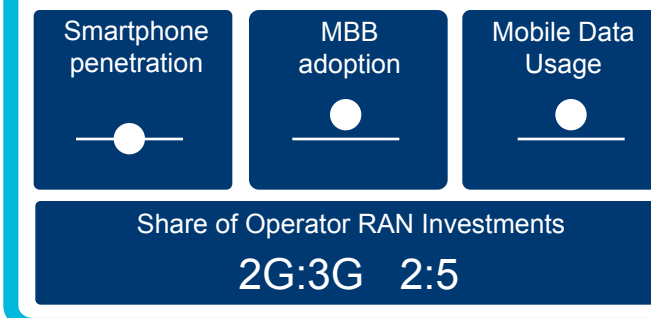
WESTERN AND CENTRAL EUROPE

- › Network modernization accelerating across the region
 - Commercial LTE networks mainly in Germany
- › High level of MBB penetration
 - Smartphone shipments over 50% with some operators
 - Data share of revenues over 40% in some cases
- › Focus on network sharing, outsourcing and new services



MEDITERRANEAN

- › Partially affected by political unrest and weak economies
- › Mixed uptake of mobile broadband in the region
 - Tiered pricing starting to develop
 - LTE auctions concluded across several markets
- › Operators modernizing networks as well as partnering



Source: Ericsson



MIDDLE EAST AND AFRICA

SUB-SAHARAN AFRICA

- › Mobile penetration continues to increase rapidly
- › More operators investing in 3G networks
 - Several new 3G networks launched
- › Inflation and competition driving efficiency
 - Focus on power consumption reduction
 - Increased interest in outsourcing
- › Low smartphone penetration due to lack of affordable handset models
- › Harmonization of policy frameworks to increase data take-up is in focus

Smartphone penetration



MBB adoption



Mobile Data Usage



Share of Operator RAN Investments

2G:3G 2:1

MIDDLE EAST

- › Political unrest still affecting growth in the region
 - Major operators postponing investments
 - Delays in license auctions
- › Mobile broadband starting to happen
 - Lower penetration rates than other parts of the world
 - Smartphone pick-up very slow in the region
 - Affordability key to increase uptake
 - LTE started in few parts of the region

Smartphone penetration



MBB adoption



Mobile Data Usage



Share of Operator RAN Investments

2G:3G 2:3

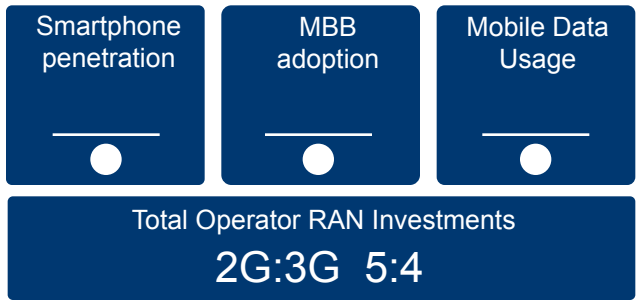
Source: Ericsson



ASIA PACIFIC

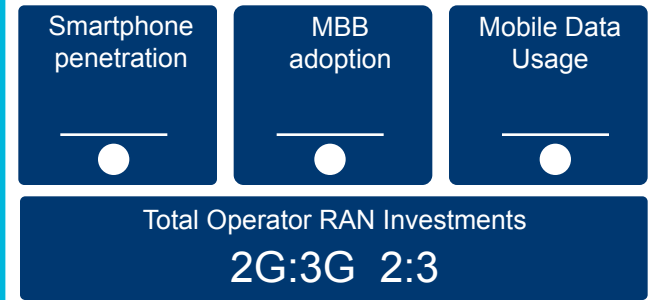
INDIA

- › Early days for MBB
 - 3G rollout at temporary peak
 - TD-LTE contract
 - Dual SIM for data
- › Competitive environment driving outsourcing and network sharing
- › Regulatory environment evolving



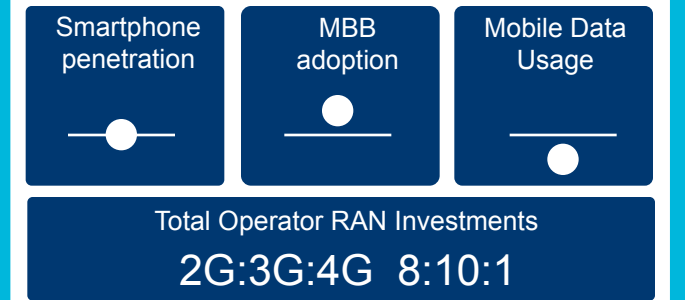
SOUTH EAST ASIA AND OCEANIA

- › Mixed regional trends
 - Advanced markets high on smartphones and data—LTE starting to emerge
 - In some markets 3G and smartphone up fast from low base
 - 3G auctions in other markets
 - Operators looking into replacing old equipment with multi-standard radio base stations

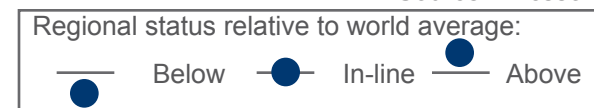


CHINA AND NORTH EAST ASIA

- › Mixed regional trends
- › China
 - Continue growth in mobile subs (952 million subs, of which over 100 million 3G)
 - Large scale TD-LTE trial
- › Japan and Korea
 - Three live LTE networks
 - High adoption of smartphones and rapid data traffic growth

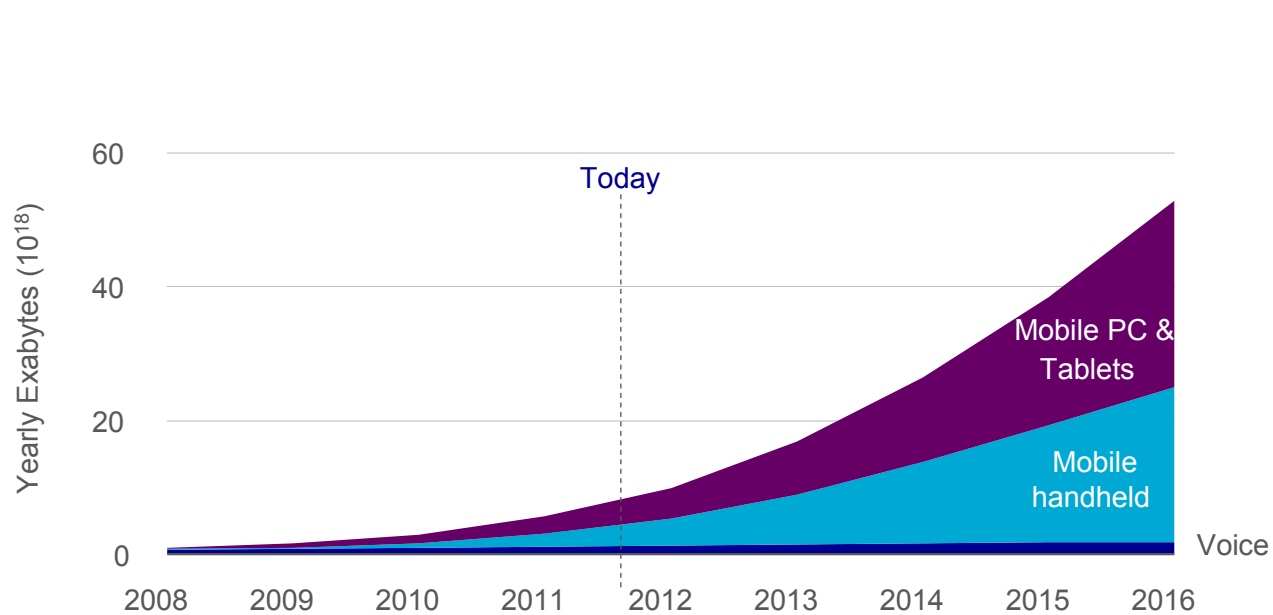


Source: Ericsson

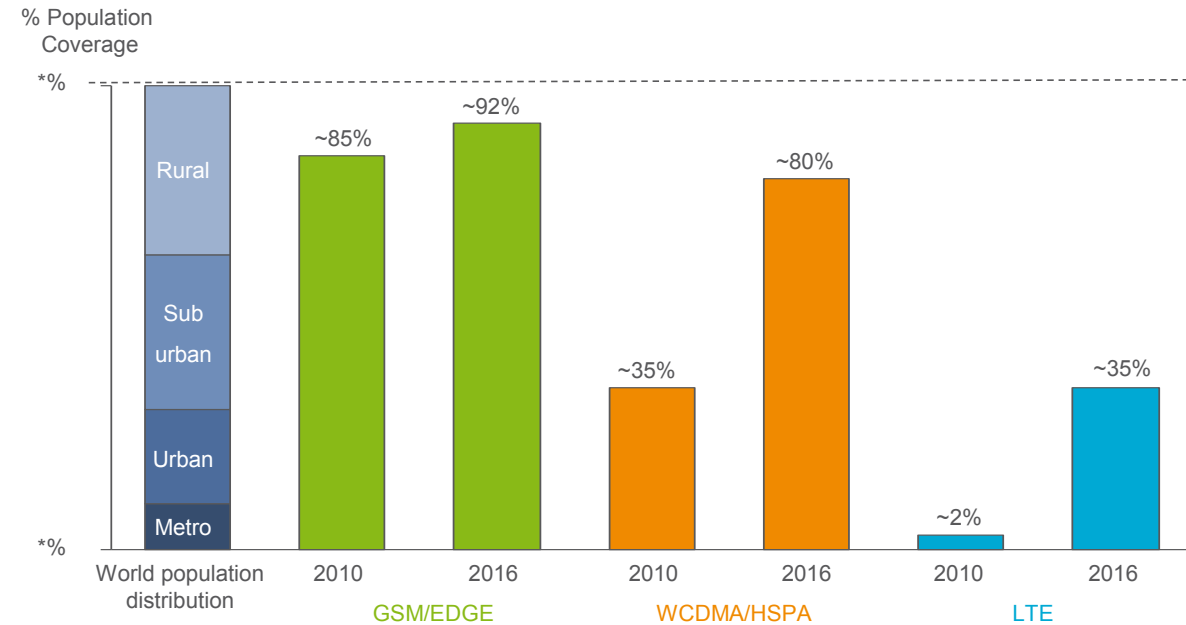


SUMMARY REGIONAL DEVELOPMENTS

TRAFFIC IN MOBILE ACCESS NETWORKS



STRONG GROWTH IN NETWORK BUILD-OUT



Source: Ericsson

Fundamentals in place – major coverage build out of mobile broadband ahead



2 STRATEGY UPDATE

BROAD INDUSTRY PRESENCE MAY 2011

OUR MARKET



OUR CUSTOMERS



OUR BUSINESSES



OUR STRUCTURE



OUR ASSETS



BROAD INDUSTRY PRESENCE NOV 2011

OUR MARKET



OUR CUSTOMERS



OUR BUSINESSES



OUR STRUCTURE



OUR ASSETS



CAPTURING VALUE FROM THE NETWORKED SOCIETY



Rationale for divestment

- › From making phones to realizing vision of 50 b connected devices
- › Leveraging combination of assets throughout the Ericsson Group
- › Shifting industry dynamics – declining synergies in combining network and handset operations

IPRs

Increased focus on Patents and Licensing

- › Realizing the vision of 50 b connected devices
- › Monetizing the whole patent portfolio
- › Building on our technology leadership and R&D investments

GROWTH LEVERS PROGRESS 2011 YTD



Portfolio momentum



Market share gain



M&A and partnering

› Mobile broadband

- MBB subscribers to reach 900 m in 2011 (~50% growth YoY)
- Driving broad portfolio (e.g., RAN, IP router, packet core, microwave and global services portfolio)

› Managed services

- 54 contracts in 2010
- 47 contracts by 3Q11 YTD

› OSS/BSS

- More than 15 significant projects in OSS/BSS, service delivery platforms and data center

› Build market presence

- Large markets
- Large cities

› Win share in technology shift

- LTE and Network modernization
- RBS 6000 in almost all deliveries

› Increase share of operator CAPEX and OPEX

- Network-driven
- Services-driven

› Consolidate market position

- Nortel assets (GDNT, patents)

› Fill portfolio gaps

- Telcordia (on-going, on plan)

› New growth areas

- M2M (Telenor Connexion platform)
- Public safety (Motorola)
- Mobile cloud accelerator (Akamai)

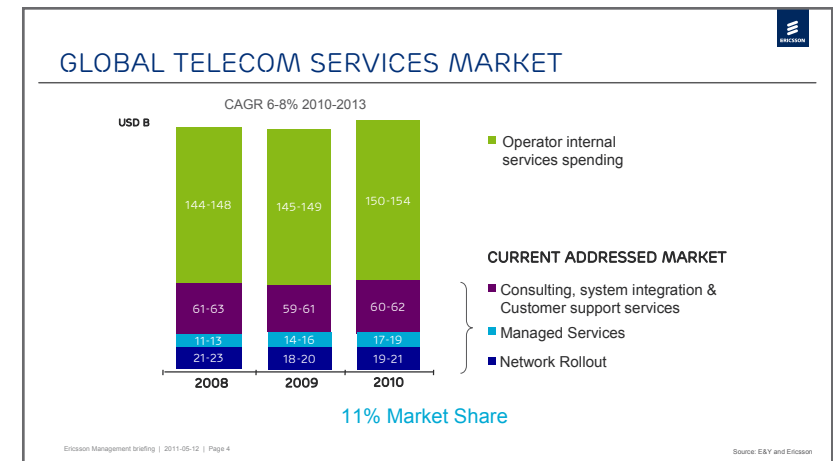
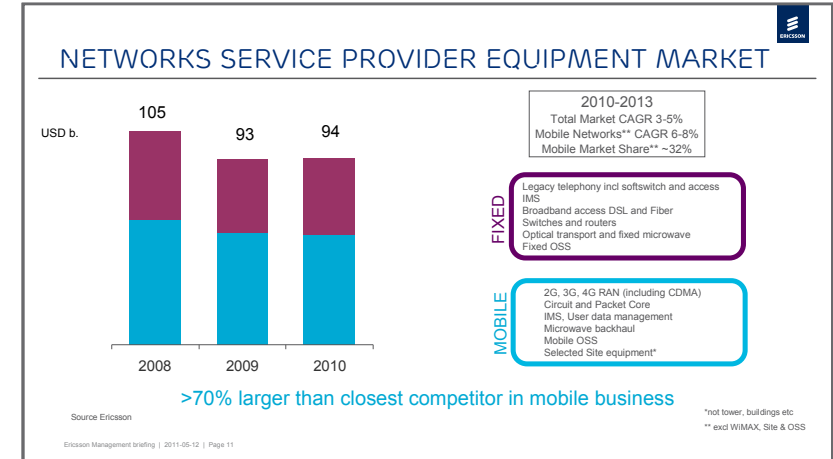
› Divestments

- Ericsson Federal Inc.
- Sony Ericsson (announced)

3 MARKET OUTLOOK

MARKET OUTLOOK REMAINS SINCE MANAGEMENT BRIEFING MAY 12, 2011

- › Network service provider equipment market
 - USD 94 b. in 2010, CAGR 3-5% 2010-2013
 - Mobile networks equipment market
 - › CAGR 6-8% 2010-2013
- › Telecom services market
 - USD 96-102 b. in 2010, CAGR 6-8% 2010-2013
- › OSS/BSS market
 - USD 35 b. in 2010, CAGR 6-8% 2010-2013
 - › Software, systems integration, consulting
- › May 2011 market outlook may be impacted by worsening of global economic environment
- › We can not exclude somewhat more cautious short-term operator spending



Source: Ericsson

Growth rates varying between 2010-2013 — Strong growth for Networks in 2011 as forecasted

PERFORMANCE TARGETS 2011

LONG TERM AMBITION

Grow faster than the market

Best in class margins

Strong cash conversion

Growth in JV earnings


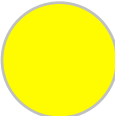

EXECUTIVE PERFORMANCE STOCK PLAN

- › Net sales growth in SEK, organic
 - 4-10% CAGR 2010-2013
- › Operating income growth, including JVs and restructuring, base year 2010 excl. restructuring
 - 5-15% CAGR 2010-2013
- › Cash conversion
 - Above 70%, annually

Targets revised yearly and approved by Annual General Meeting. Targets for 2012 will be communicated in the AGM invitation.

The Board of Directors will consider the impact of larger acquisitions, divestitures, the creation of joint ventures and any other significant capital event on the three targets on a case by case basis

PERFORMANCE 2010-2011YTD

LONG TERM AMBITION	2010	2011YTD		EXECUTIVE PERFORMANCE STOCK PLAN (2010-2013)
Grow faster than the market	203 -2%	163 +16%		4-10%
Operating income growth - Best in class margins - Growth in JV earnings	23.7* +28%	15.7 +1%		5-15%
Strong cash conversion	112%	25%		>70%

*2010 excluding restructuring charges.

SUMMARY

Industry fundamentals remain strong

Focus on leveraging our combined competitive assets

Executing on growth strategy, building on portfolio momentum

Improving performance with clear targets



ERICSSON