MAGNUS MANDERSSON

HEAD OF GLOBAL SERVICES AND EXECUTIVE VICE PRESIDENT

1 TELECOM MARKET TRENDS

2 OUR SERVICES BUSINESS

3 EXTENDING OUR COMPETITIVE ADVANTAGE

GLOBAL MARKET TRENDS
WITH IMPACT ON TELECOM SERVICES

Market Trends

- Mobile Broadband
- New revenues and cost competitiveness
- Consolidation and simplification

Telecom Services Opportunities

Mobile Broadband

Network Modernization and Optimization

Proactive Support

Managed Services

Operational and process consulting

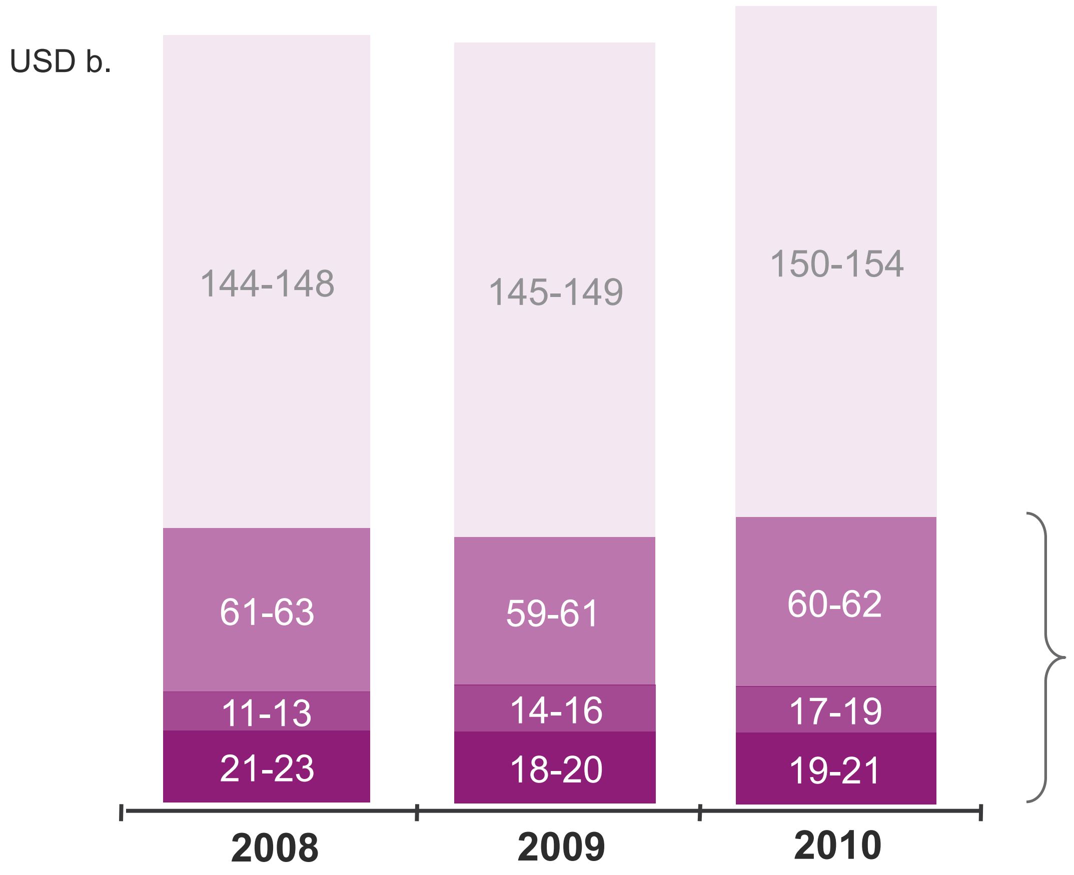
Network performance

OSS/BSS Transformation

Introduce and optimize new services

End user experience

TELECOM SERVICES MARKET



- Operator internal services spending

Current addressed market

CAGR 6-8% 2010-2013
(Market outlook from Management Briefing May 2011 remains)

- Consulting, system integration and customer support services
- Managed services
- Network rollout

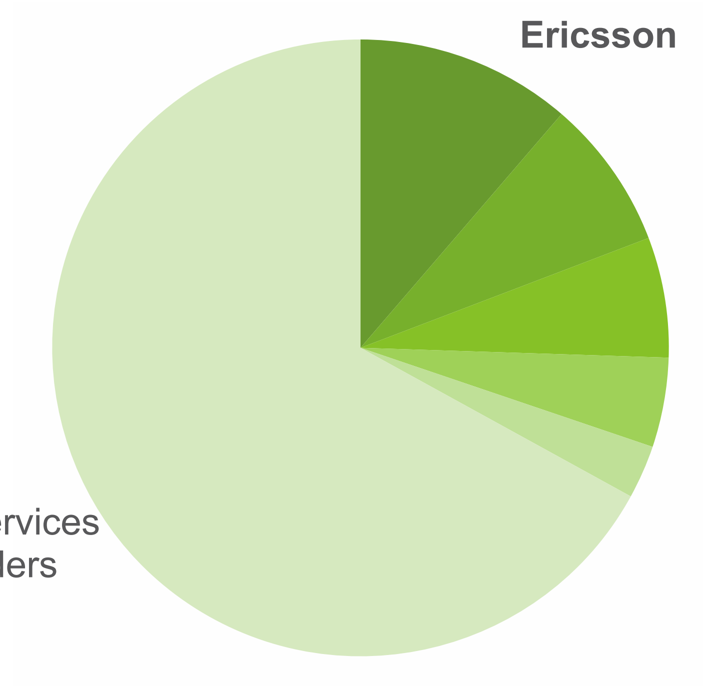
Ericsson more than 11% market share

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

Source: E&Y and Ericsson

TELECOM SERVICES LANDSCAPE

Telecom Services Market Share 2010



Source: Company annual reports, Ernst & Young estimates, Ericsson estimates (excl. operator internal spend).

Characteristics

- Fragmented market - many smaller local suppliers
- Partnerships - global and local suppliers
- Centralized customer procurement focus on global suppliers
- Ericsson market leader with 11% market share
  - 40% larger than closest competitor

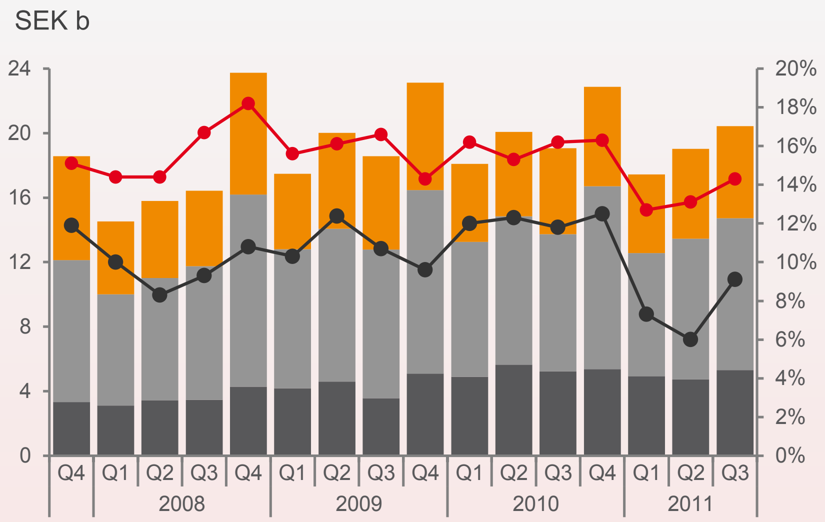
Ericsson

- Industrialization creates global economies of scale
- Optimized mix of global expertise and local competence
- Local presence enables reliable local partnerships
- Best practice tools, methods and processes
- Business foundation built on profound telecom competence
- Growth opportunities – 2/3 local services providers

Ericsson undisputed market leader

2 OUR SERVICES BUSINESS

GLOBAL SERVICES FINANCIALS 3Q 2011



Global Services EBITA margin

3Q11	9%
3Q10	12%
2Q11	6%

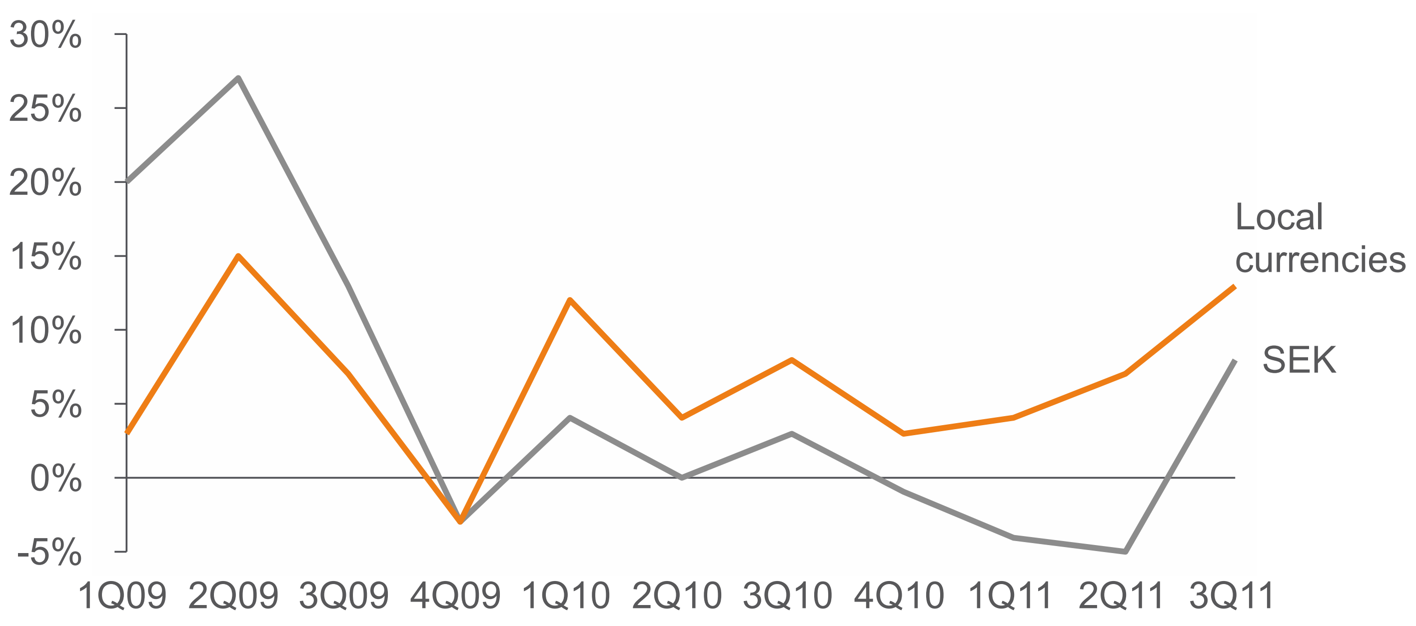
Global Services sales

3Q11	SEK 20.4 b
Y/Y	+7%
Q/Q	+7%

Network Rollout
Professional Services excl. Managed Services
Managed Services
Global Services EBITA
Professional Services EBITA

- Professional Services sales +13% YoY in local currencies
  - Managed Services +8% YoY currency adjusted
  - 14 new managed services contracts of which 6 expansions or extensions
  - 4 significant systems integration contracts in OSS/BSS, service delivery platform and data center projects
- Network Rollout sales +7% YoY, +3% QoQ
  - Driven by continued high volumes of network modernization
- EBITA margin increased +3%-points QoQ
  - Positively impacted by increased volumes and improved Network Rollout margins
  - Continued loss in Network Rollout network modernization and finalization of 3G rollouts in India
  - Impact from restructuring charges 1%-point in the quarter

GLOBAL SERVICES
YOY SALES GROWTH IN LOCAL CURRENCIES

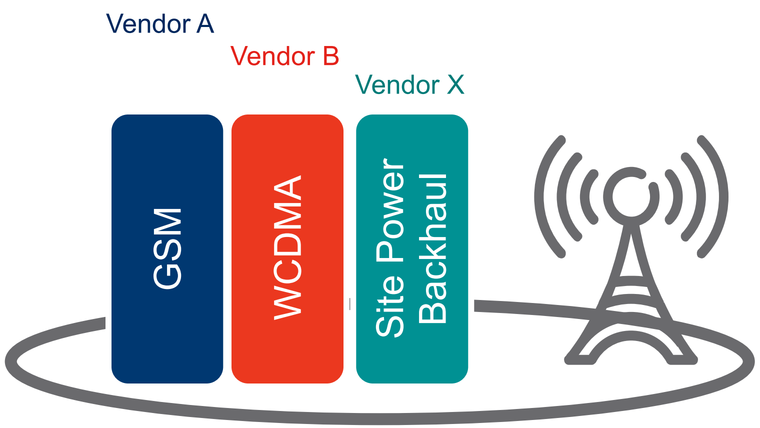


- YoY sales growth in Global Services in seven consecutive quarters
  - Economic slowdown had temporary impact on growth in 2009
- Stable growth
  - About 2/3 of Professional Services revenues are recurring

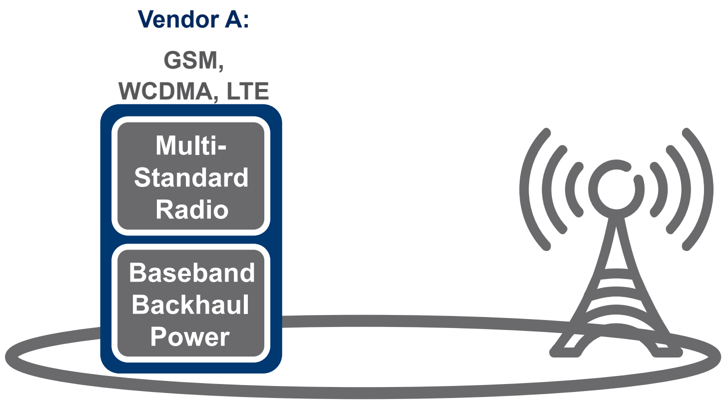
Strong underlying services business

2 OUR SERVICES BUSINESS

NETWORK MODERNIZATION PROJECTS



- Operators wanting a cost efficient multi-standard radio network (LTE-ready)
- More in urban areas due to capacity and network efficiency requirements
- Large projects - timely delivery, and project management skills critical
- Greater complexity on 3PP including e.g. antennas, power, remote radio heads



European modernization project generally 18-24 months

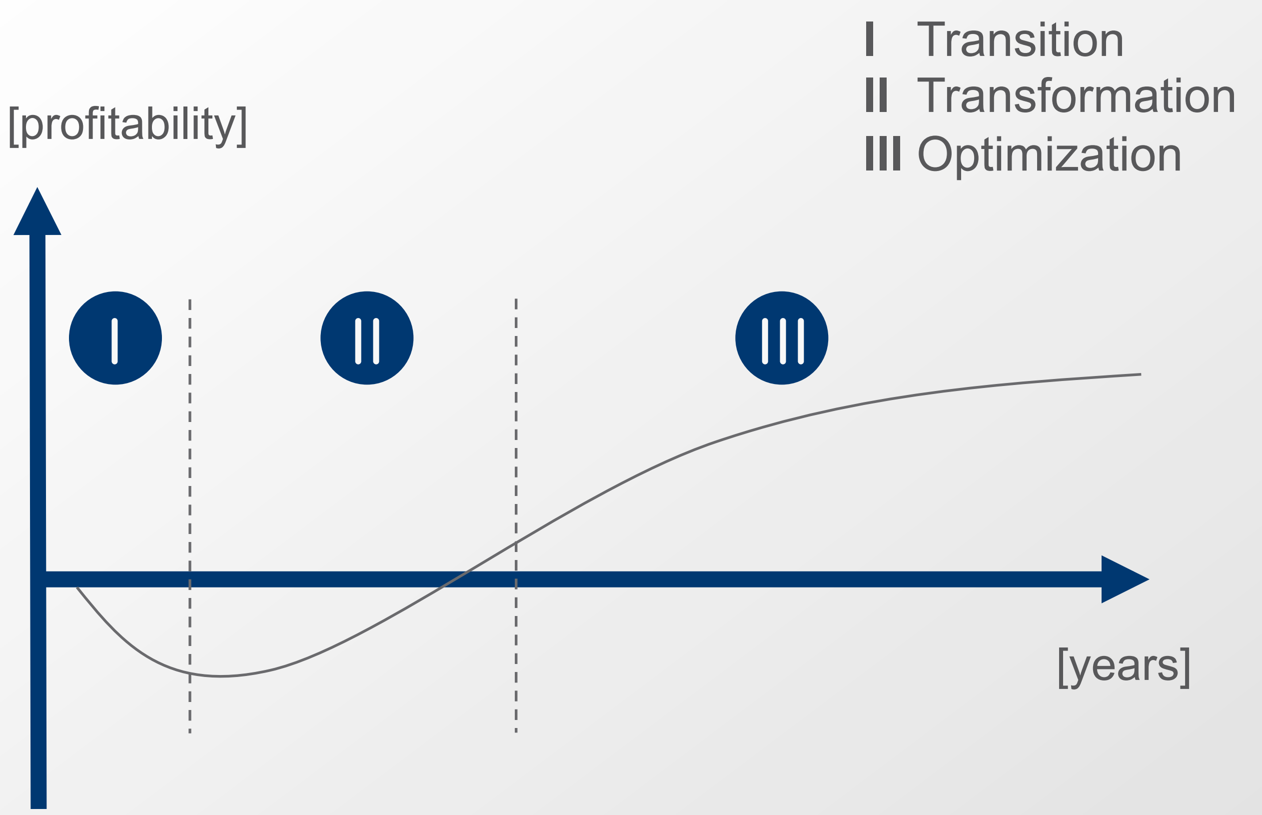
NETWORK MODERNIZATION PROJECTS

BEFORE AND AFTER

Before

After

MANAGED SERVICES



Example of a Managed Services deal

Characteristics
- Long term contracts, 5-7 years
- Contract split in fixed and variables (variable normally a smaller part)
- Invoicing based on KPIs and projects
- Multi-vendor capabilities
- Portfolio range from field services to IT

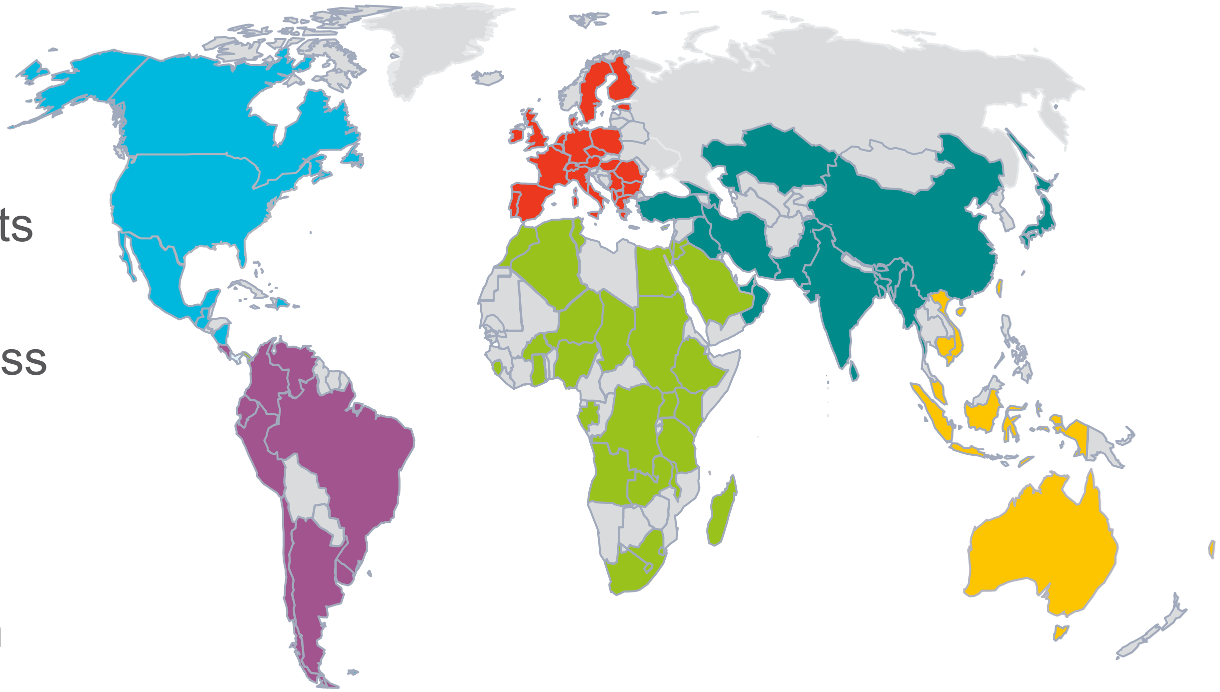
Our focus in a Managed Services deal
- Transition and Transformation project
- Implement Tools/Methods/Process
- Optimize global and local delivery
- Governance
  Customer = Performance
  Internal = Performance and Financials

Volume and financial strength critical to grow in Managed Services

WORLD'S LARGEST NETWORK OPERATIONS PROVIDER

- **Pioneer and leader in Managed Services**
  - More than 15 years of experience
  - Supporting operators in 100 countries
  - Managing operator networks with >850 m subs
  - Delivering on >300 managed services commitments
  - 20,000+ employees transferred from operators
  - We defined the telecom Managed Services business
- **Optimized global and local delivery**
  - Multi-vendor and multi-technology
  - Industrialized Managed Services Delivery Platform
    - utilized by more than 20,000 users

Ericsson publically announced Managed Services contracts, until August 2011



Optimized for cost and quality - scalable to allow for growth

OSS/BSS & BUSINESS TRANSFORMATION MARKET

Operator challenge

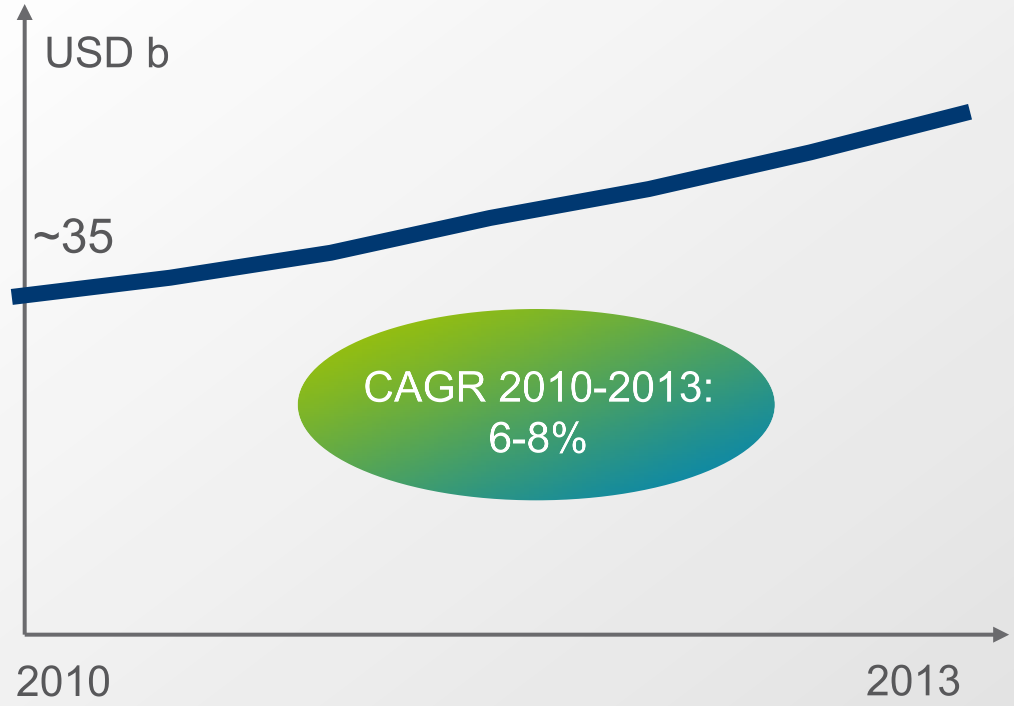
End-user experience
- Network performance

Business Innovation
- Generate more value

Business Efficiency
- Consolidation

Operators spend ~20% of total external spend on OSS/BSS and Business Transformation

Market size



Excluding Managed Services and outsourced operations
(Market outlook from announcement of Telcordia acquisition June 2011)

Consulting and Systems Integration typically ~2/3 of an OSS/BSS transformation

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

CONSULTING & SYSTEMS INTEGRATION

Customers’ business transformation

- Based on Ericsson OSS/BSS-products
- Based on third-party products

Competitive advantage

- Strong execution capabilities combining business and technology skills
- Global Scale
- 12,000 Consulting & SI professionals
- 1,300 projects/year (6-36 month projects)

Ericsson leads OSS/BSS and Business Transformation

ERICSSON

3 EXTENDING OUR COMPETITIVE ADVANTAGE

DRIVERS FOR PROFITABILITY AND QUALITY

Competence in delivery organization

Build capabilities supporting business requirements

Standardization of services

Deliver same services in the same way to drive quality

Tools harmonization

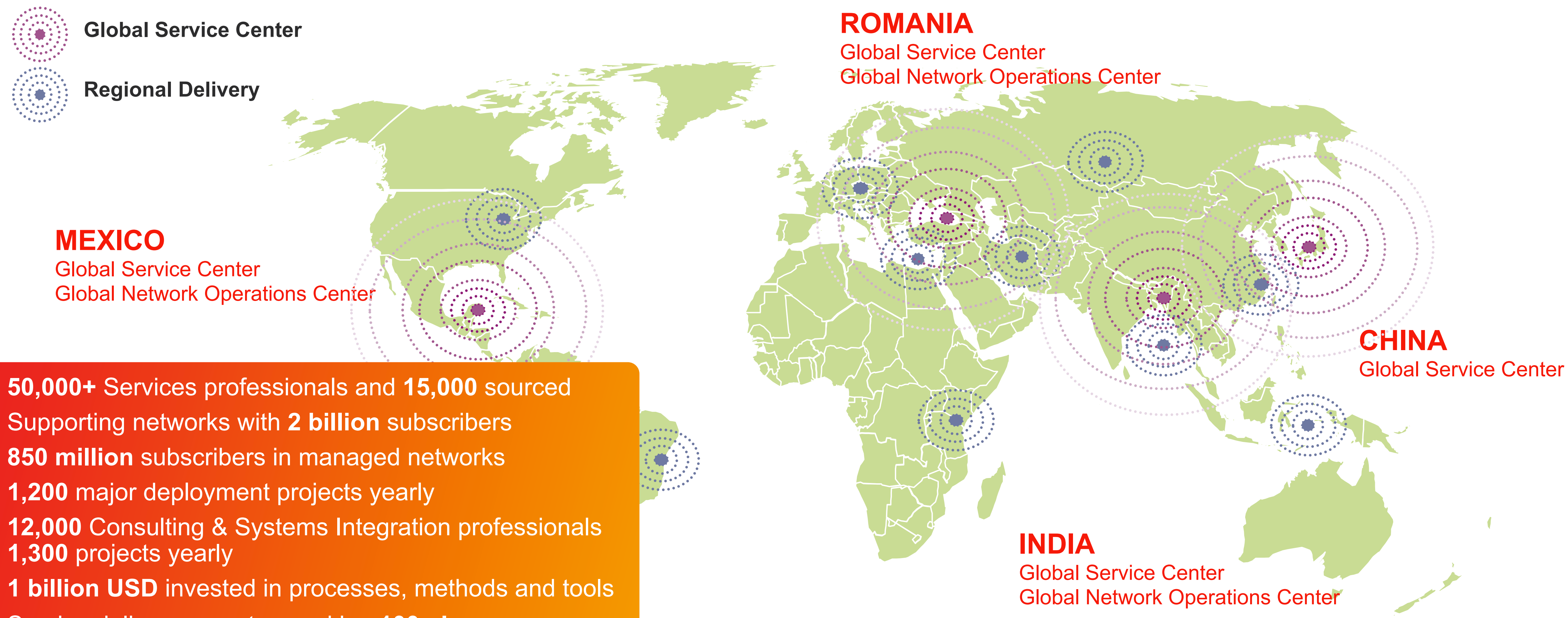
Develop standard services tools for efficient delivery

Centralization of deliveries

Remote deliveries from four Global Service Centers
Today, ~40% can be delivered remotely

Continuously evolved service delivery model

GLOBAL DELIVERY AND LOCAL RELATIONSHIPS



- **50,000+** Services professionals and **15,000** sourced
- Supporting networks with **2 billion** subscribers
- **850 million** subscribers in managed networks
- **1,200** major deployment projects yearly
- **12,000** Consulting & Systems Integration professionals **1,300** projects yearly
- **1 billion USD** invested in processes, methods and tools
- Service delivery experts speaking **100+ languages**

4 Global Service Centers, 10 Regional Centers, 180 countries

GLOBAL SERVICES KEY TAKEAWAYS

Market Trends

Mobile Broadband

New revenues & cost competitiveness

Consolidation & simplification

Big and growing Telecom Services market

Mobile Broadband, Managed Services & OSS/BSS

Ericsson pioneer, innovator and #1 in Telecom Services

Innovation, Competence and Cost Control

Strong underlying business - unique foundation to extend services leadership

ERICSSON