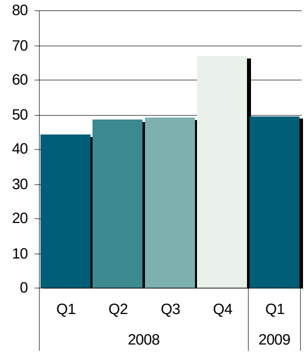
# Ericsson reports first quarter results

- Sales SEK 49.6 (44.2) b, up 5% for comparable units in constant currencies
- Operating income[1)] before joint ventures SEK 4.7 (3.4) b
- Operating margin[1)] before joint ventures 9.5% (7.6%)
- Share in earnings from joint ventures SEK -2.2 (0.9) b
- Income after financial items[1)] SEK 3.3 (4.5) b
- Restructuring charges SEK 0.7 (0.8) b, excluding joint ventures
- Net income SEK 1.8 (2.6) b
- Earnings per share SEK 0.54 (0.83)
- Cash flow[2) 3)] SEK -1.7 (2.8) b, including SEK 1.5 b pension trusts payment

*1) Excluding restructuring charges.*
*2) Excluding cash outlays for restructuring of SEK 1.2 (0.3) b*
*3) Excluding dividend from Sony Ericsson of SEK 0.0 (2.2) b*

## CEO COMMENTS

SALES BY QUARTER 2008 AND 2009 (SEK B)




"We have started the year with good growth ahead of the market and a positive margin trend but with a weaker cash flow," said Carl-Henric Svanberg, President and CEO of Ericsson (NASDAQ:ERIC). "Sales of network infrastructure are stable and the demand for professional services is growing. We have won several strategic contracts during the quarter, including 3G for China Unicom, 4G for Verizon Wireless and managed services for Vodafone UK.

The effects of the global economic recession on the global mobile network market are so far limited. We have seen operators, in a few markets where local currencies have depreciated dramatically, postpone investments. Some operators are also more cautious with longer-term investments in fixed networks, such as rollout of fiber networks. Most operators, however, have healthy financial positions, there is a strong traffic growth and the networks are fairly loaded.

It remains difficult to more precisely predict how operators will act in the current environment. However, investments in wireless networks largely continues, and rollouts of new networks and new technologies accelerate in markets such as the US, China and India. Telecom plays a critical role for growth and development of societies, and fixed and mobile broadband rollouts are now on political agendas in most countries.

Our cost reduction activities are running according to plan, targeting annual savings of SEK 10 b. from the second half of 2010. With our business mix, worldwide presence and early decision to cut costs, we are well positioned to strengthen our leadership in the present turbulent economic environment.

Our joint ventures, Sony Ericsson and ST-Ericsson, are affected by the economic downturn and the dramatic decline in consumer demand for handsets. Extensive programs to reduce costs are ongoing to adjust to the current market environment and restore profitability," concluded Carl-Henric Svanberg.

# FINANCIAL HIGHLIGHTS

## Income statement and cash flow

| | First quarter | | | Fourth quarter | |
|---|---|---|---|---|---|
| SEK b. | 2009 | 2008 | Change | 2008 [1)] | Change |
| Net sales | 49.6 | 44.2 | 12% | 67.0 | -26% |
| Net sales for comparable units | 49.6 | 42.7 | 16% | 65.9 | -25% |
| Gross margin | 36.3% | 38.6% | - | 35.2% | - |
| EBITDA margin before JVs | 12.9% | 12.7% | - | 17.7% | - |
| Operating income before JVs | 4.7 | 3.4 | 40% | 9.8 | -52% |
| Operating margin before JVs | 9.5% | 7.6% | - | 14.6% | - |
| Income after financial items | 3.3 | 4.5 | -25% | 9.5 | -65% |
| Net income | 1.8 | 2.6 | -30% | 4.1 | -44% |
| EPS diluted, SEK | 0.54 | 0.83 | -35% | 1.21 | -55% |
| Adjusted cash flow[2)] | -1.7 | 2.8 | - | 8.0 | - |
| Cash flow from operations | -2.9 | 4.7 | - | 7.0 | - |

*All numbers, excl. EPS and Net income, adjusted for restructuring charges*
*1) Fourth quarter 2008 includes a capital gain of SEK 0.8 b. from divestment of shares in Symbian*
*2) Excluding cash outlays for restructuring of SEK 1.2 (0.3) b. and dividend from Sony Ericsson of SEK 0.0 (2.2) b.*

Sales in the quarter increased 12% year-over-year and 16% for comparable units, i.e. excluding Ericsson Mobile Platforms and PBX operations. Excluding currency exchange rate effects, growth amounted to 5% for comparable units.

In the quarter, gross margin, excluding restructuring charges, was 36.3% (38.6%). The year-over-year decline is mainly due to large initial rollouts of 3G in China, higher sales in India, higher proportion of services sales and the transfer of Ericsson Mobile Platforms. Gross margin improved sequentially due to the business mix and effects of the ongoing cost reduction program.

Operating expenses amounted to SEK 13.6 (14.1) b. in the quarter, excluding restructuring charges. The year-over-year decrease, despite unfavorable currency effects, is primarily a result of ongoing cost reduction activities. Operating expenses as a percentage of sales declined to 27% (32%).

Operating income, excluding joint ventures and restructuring charges, increased by 40% and amounted to SEK 4.7 (3.4) b. in the quarter. Operating margin, excluding joint ventures and restructuring charges, increased to 9.5% (7.6%). Networks, Professional Services and Multimedia showed a positive margin development during the quarter. A weaker SEK affected income positively but hedges partly limited the positive effect.

Ericsson's share in earnings from joint ventures amounted to SEK -2.2 (0.9) b.

Financial net was SEK 0.8 (0.2) b. in the quarter, mainly resulting from positive revaluation of financial investments and lower financial cost due to the decline in interest rates.

Net income amounted to SEK 1.8 (2.6) b. in the quarter and was negatively impacted by the significant drop in the share in earnings from Sony Ericsson.

Adjusted cash flow amounted to SEK -1.7 (2.8) b. excluding cash outlays for restructuring of SEK 1.2 (0.3) b. and dividend from Sony Ericsson of SEK 0.0 (2.2) b. Cash flow in the quarter was negatively affected by seasonality and capitalization of pension trusts of SEK 1.5 b. Current liabilities decreased due to high VAT payments and cash out from provisions.

Trade receivables decreased sequentially due to lower sales. However, days sales outstanding (DSO) increased to 124 (110), due to increased business activity,and high invoicing in the later part of the quarter. There are also some effects from operators optimizing their cash situation in the tougher credit environment.

## Balance sheet and other performance indicators

| SEK b. | Mar 31, 2009 | Dec 31, 2008 |
|---|---|---|
| Net cash | 22.9 | 34.7 |
| Interest-bearing liabilities and post-employment benefits | 41.2 | 40.4 |
| Trade receivables | 75.2 | 75.9 |
| Days sales outstanding | 124 | 106 |
| Inventory | 30.7 | 27.8 |
| Of which market unit work in progress | 18.9 | 16.5 |
| Inventory days | 83 | 68 |
| Payable days | 65 | 55 |
| Customer financing, net | 2.8 | 2.8 |
| Return on capital employed | 7% | 11% |
| Equity ratio | 52% | 50% |

The net cash position decreased sequentially to SEK 22.9 (34.7) b. mainly due to a payment of USD 1.1 b. (SEK 8.4 b.) to establish the 50/50 joint venture ST-Ericsson with STMicroelectronics. Cash, cash equivalents and short-term investments amounted to SEK 64.1 (75.0) b. Of a total debt of SEK 32.2 b., SEK 7.2 b. matures in the next twelve months.

Customer financing remains low at a level of SEK 2.8 (2.8) b.

During the quarter, approximately SEK 3.1 b. of provisions related to warranty and project commitments and other items were utilized, of which SEK 1.2 b. were related to restructuring. Additions of SEK 1.7 b. were made, of which SEK 0.6 b. related to restructuring. Reversals of SEK 0.3 b. were made.

## Cost reductions

The cost reduction program launched in January 2008 was concluded by year-end, with charges of SEK 6.7 b. In January 2009, further cost reductions were announced. The program targets annual savings of SEK 10 b. from second half of 2010, with an equal split between cost of sales and operating expenses. Restructuring charges are estimated to SEK 6-7 b. Restructuring charges related to activities launched in the first quarter amounted to SEK 0.7 b. At the end of the quarter cash outlays of SEK 3.3 b. remains.

As previously announced, we are leveraging synergies between our different technologies, in-house and acquired, and taking advantage of opportunities in the transformation to all-IP broadband networks. We are reducing the number of software platforms and increasing the re-use of hardware.

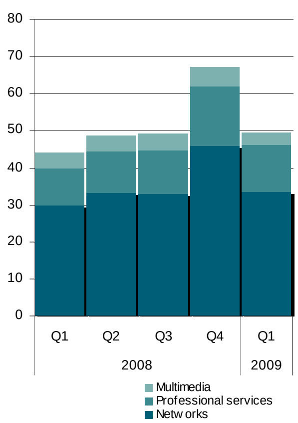
| Restructuring charges, SEK b. | First quarter 2009 | Full year 2008 |
|---|---|---|
| Cost of sales | -0.4 | -2.5 |
| Research and development expenses | -0.3 | -2.7 |
| Selling and administrative expenses | - | -1.5 |
| Total | -0.7 | -6.7 |

# SEGMENT RESULTS

| | First quarter | | | Fourth quarter | |
|---|---|---|---|---|---|
| SEK b. | 2009 | 2008 | Change | 2008 | Change |
| Networks sales | 33.5 | 30.0 | 12% | 45.8 | -27% |
| Of which network rollout | 4.7 | 4.5 | 4% | 7.6 | -38% |
| EBITDA margin | 14% | 15% | - | 17% | - |
| Operating margin | 10% | 9% | - | 14% | - |
| Professional Services sales | 12.8 | 10.0 | 28% | 16.2 | -21% |
| Of which managed services | 4.2 | 3.1 | 34% | 4.3 | -2% |
| EBITDA margin | 17% | 16% | - | 19% | - |
| Operating margin | 15% | 14% | - | 18% | - |
| Multimedia sales[2)] | 3.2 | 2.6 | 25% | 3.9 | -17% |
| EBITDA margin[2)] | 10% | 1% | - | 25%[1)] | - |
| Operating margin[2)] | 2% | -9% | - | 18%[1)] | - |
| Sales from divested and transferred businesses | - | 1.6 | - | 1.1 | - |
| Total sales | 49.6 | 44.2 | 12% | 67.0 | -26% |

*All numbers exclude restructuring charges*
*1) Fourth quarter 2008 includes a capital gain of SEK 0.8 b. from divestment of shares in Symbian*
*2) 2008 and 2009 numbers for Multimedia exclude Ericsson Mobile Platforms and PBX operations.*

SEGMENT SALES BY QUARTER 2008 AND 2009 (SEK B)




## Networks

Networks sales increased by 12% year-over-year, positively impacted by a weaker SEK. Sales, excluding network rollout, were up with especially strong performance in China, India and the US. Sales of network rollout services decreased 38% sequentially, reflecting a lower proportion of turnkey projects. The increase in operating margin was a result of the weaker SEK, business mix and lower costs, despite a negative impact from the ongoing large rollouts in China and India.

Ericsson's technology leadership was confirmed through key contract wins. China Unicom is presently carrying out the world's largest and fastest 3G rollout and Ericsson plays a key role in this. The 3G rollout for BSNL in India has started. The 4G/LTE contract with Verizon Wireless is of major strategic importance.

The growing traffic in the world's broadband networks increases the demand for transmission and packet network upgrades, and sales of Ericsson's SmartEdge routers and MiniLink showed strong growth.

### Professional Services

Professional Services sales increased by 28% year-over-year. Growth in constant currencies amounted to 10%. Managed services continued to grow substantially and were up 34% year-over-year. The growing interest for managed services is driven by operators' increased focus on cost, especially in the current market environment. Operating margin in the quarter reached 15% (14%) due to continued efficiency gains.

During the quarter, five new managed services contracts were signed, including key contracts with T-Mobile and Hutch for their shared network in UK and with Vodafone UK. The total number of subscribers in managed operations is now 275 million, of which 60% are in high-growth markets.

### Multimedia

Multimedia sales increased by 25% year-over-year for comparable units, i.e. excluding divestment of the PBX operations and Ericsson Mobile Platforms. Revenue Management and IPX (multimedia brokering) continued to show good growth. Some cable and satellite operators are postponing TV investments. Operating margin in the quarter for comparable units was 2% (-9%).

### Sony Ericsson

| | First quarter | | | Fourth quarter | |
|---|---|---|---|---|---|
| EUR m. | 2009 | 2008 | Change | 2008 | Change |
| Number of units shipped (m.) | 14.5 | 22.3 | -35% | 24.2 | -40% |
| Average selling price (EUR) | 120 | 121 | -1% | 121 | -1% |
| Net sales | 1,736 | 2,702 | -36% | 2,914 | -40% |
| Gross margin | 8% | 29% | - | 15% | - |
| Operating margin | -21% | 7% | - | -9% | - |
| Income before taxes | -370 | 193 | - | -261 | - |
| Income before taxes, excl restructuring charges | -358 | 193 | - | -133 | - |
| Net income | -293 | 133 | - | -187 | - |

Units shipped in the quarter were 14.5 million, a decrease of 35% year-over-year. Sales in the quarter were EUR 1,736 million, a decrease of 36% year-over-year. Sales decreased primarily as a result of continued weak consumer confidence and de-stocking in the retail and distribution channels. Gross margin declined both year-on-year and sequentially, reflecting a change in the product mix, material write-offs, and exchange rate volatility.

Income before taxes for the quarter, excluding restructuring charges, was a loss of EUR 358 million. The company has extensive operating expenses cost reduction programs of EUR 880 million and cost of sales reduction programs in place with the ambition to restore profitability. As of March 31, 2009, Sony Ericsson retained a strong net cash position of EUR 1.1 billion.

Ericsson's share in Sony Ericsson's income before tax was SEK -2.1 (0.9) b. in the quarter.

ST-Ericsson

| USD m | 2009 Feb-Mar | 2009 Proforma Q1 | 2008 Proforma Q1 |
|---|---|---|---|
| Net sales | 391 | 562 | 862 |
| Operating income before taxes | -98 | - | - |
| Net income | -89 | - | - |

ST-Ericsson was formed on February 2, 2009. By merging STMicroelectronics' wireless business and Ericsson Mobile Platforms, a world leader is created in this industry. The company has leading solutions in 2G, 3G and TD-SCDMA as well as LTE. ST-Ericsson is a major supplier to Nokia, Samsung, Sony Ericsson, LG and others.

ST-Ericsson's sales were significantly affected by the slowdown in the handset market and ongoing de-stocking among operators. A cost adjustment program of USD 250 m. was launched in the fourth quarter 2008, and is under execution. An additional cost reduction program of USD 230 m. has been launched to adapt to current market conditions.

ST-Ericsson is reported in US-GAAP. Ericsson's share of ST-Ericsson's earnings before tax was SEK -0.4 b. Ericsson's share of ST-Ericsson's earnings before tax, adjusted to IFRS, was SEK -0.2 b. The adjustments mainly relates to capitalization of hardware R&D.

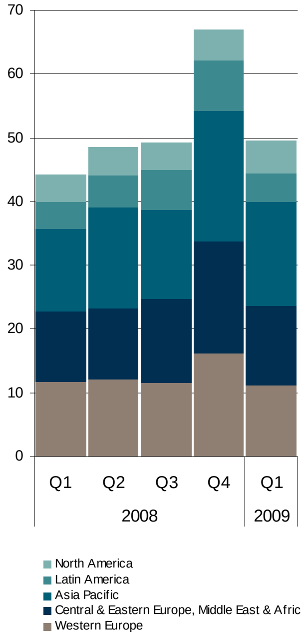
Ericsson Mobile Platforms incurred a loss of SEK -0.5 b. for January, which is added to the result in segment ST-Ericsson. The total loss in the segment is therefore SEK -0.7 b.

# REGIONAL OVERVIEW

| | First quarter | | | Fourth quarter | |
|---|---|---|---|---|---|
| Sales, SEK b. | 2009 | 2008 | Change | 2008 | Change |
| Western Europe | 11.2 | 11.7 | -4% | 16.1 | -31% |
| Central and Eastern Europe, Middle East and Africa | 12.5 | 11.1 | 12% | 17.6 | -29% |
| Asia Pacific | 16.3 | 12.9 | 26% | 20.5 | -21% |
| Latin America | 4.4 | 4.2 | 5% | 7.9 | -44% |
| North America | 5.2 | 4.3 | 21% | 4.9 | 6% |
| **Total** | **49.6** | **44.2** | **12%** | **67.0** | **-26%** |

Western Europe is the region that was affected the most by the divestiture of Ericsson Mobile Platforms and PBX operations. For comparable units the region was up 5% year-over-year. UK and Germany showed positive development driven by good growth in managed services. This was further emphasized by new managed services contracts in UK. Italy showed increasing growth while sales in Spain continue to be weak.

REGIONAL SALES BY QUARTER
2008 AND 2009 (SEK B)




In Central and Eastern Europe, Middle East and Africa, sales increased by 12% year-over-year but with significant variations between countries. Turkey and sub-Sahara showed strong performance, driven by 2G and 3G buildouts, while operators in markets where the financial crisis has hit particularly hard, such as Russia and Ukraine, are postponing investments. Together with operator partners, Ericsson has built coverage in the UN Millennium Villages. This has created a rapid increase in usage of telecom services with positive impacts on people's lives and economic growth.

Asia Pacific sales increased by 26% year-over-year. The mobile broadband rollout in China is the largest ever in the world and is being done in record time. Deliveries are high also to India, Indonesia and Vietnam. The development is strong also in Japan, where operators are building mobile broadband networks and the consumer demand for subscriptions bundled with laptops has quickly created a new market. Operators in Bangladesh and Pakistan are slowing investments due to difficult local business environment.

Latin American sales increased by 5% year-over-year with continued expansions of 2G networks as well as rollout of mobile broadband. Brazil and Mexico showed good development while some countries in the region were slower. In addition, there is a growing demand for managed services across the region.

North American sales increased by 21% year-over-year. The rollout of mobile broadband continues and the underlying growth is good. The contract with Verizon Wireless for a nationwide 4G/LTE network was especially encouraging as Verizon Wireless is a new customer to Ericsson. Revenue from this contract will mainly affect 2010. There is an emerging interest for managed services also in this region.

# MARKET DEVELOPMENT

*Growth rates are based on Ericsson and market estimates.*

The global economic slowdown is affecting all parts of the society. However, we believe that the fundamentals for longer-term positive development for our industry remain solid. The need for telecommunication continues to grow and plays a vital role for the development of a sustainable and prosperous society. Ericsson is well positioned to drive and benefit from this development.

Mobile subscriptions grew by some 181 million in the quarter to a total of 4.16 billion. The number of new WCDMA subscriptions is accelerating and grew by 27 million in the quarter to a total of 319 million. In the twelve-month period ending December 31, 2008, fixed broadband connections grew by 18% year-over-year to close to 400 million, adding nearly 60 million subscribers.

The continued subscription growth creates need for new and expanded mobile networks and corresponding professional services. Although GSM continues to represent a large part of the mobile systems market, the growth of 3G/WCDMA is quickly accelerating. The strong development in emerging markets continues, and although they represent less than one third of global GDP they represent significantly more of the market for mobile network equipment.

Broadband Internet revenues for fixed operators are expected to grow from 20% to more than 30% of total revenues in the next five years. Mobile operators' data revenues, currently at some 20% of total revenues, are expected to grow even faster. In addition to capacity enhancements, operators face the challenge of converting to all-IP broadband networks. This will include increased deployments of broadband access, routing and transmission along with next-generation service delivery and revenue management systems.

There is continued strong growth in services, fueled by operators' desire to reduce operating expenses and improve efficiency in network operation and maintenance. The move toward all-IP and increased network complexity will create further demand for systems integration and consulting.

# PARENT COMPANY INFORMATION

Net sales for the first quarter amounted to SEK 0.2 (2.0) b. and income after financial items was SEK 1.4 (4.4) b. Effective January 1, 2009, license revenues from third parties related to patent licenses will be handled by Ericsson AB, a wholly owned subsidiary. Contracts, earlier reported to Parent Company, are being transferred to Ericsson AB for operational reasons. As a consequence, the Parent Company net sales 2009 will be significantly reduced. The income is also impacted by the reduced dividend from Sony Ericsson of SEK 0.0 (2.2) b.

Major changes in the Parent Company's financial position for the first quarter include investments in the joint venture with STMicroelectronics of SEK 8.4 b., decreased other current receivables of SEK 3.6 b. and decreased cash and bank and short-term investments of SEK 6.5 b. Current and non-current liabilities to subsidiaries decreased by SEK 4.0 b. At the end of the quarter, cash, bank and short-term investments amounted to SEK 52.7 (59.2) b.

In accordance with the conditions of the Stock Purchase Plans and Stock Option Plans for Ericsson employees, 2,107,770 shares from treasury stock were sold or distributed to employees during the first quarter. The holding of treasury stock at March 31, 2009, was 58,958,327 Class B shares.

# OTHER INFORMATION

## New joint venture ST-Ericsson

On February 3, 2009, STMicroelectronics and Ericsson announced the closing of their agreement merging Ericsson Mobile Platforms and STMicroelectronics' wireless business into a 50/50 joint venture. The deal was completed on the terms originally announced on August 20, 2008. Ericsson contributed USD 1.1 b. (SEK 8.4 b.) net, of which USD 0.7 b. was paid to STMicroelectronics.

## Divestment of TEMS branded products business to Ascom

On March 23, 2009, Ericsson announced an agreement to divest its TEMS branded products business, consisting of tools for air interface monitoring and radio network planning, to Ascom. The purchase price is CHF 190 million, excluding net of assets and liabilities. The agreement involves transfer of approximately 300 employees. The transaction is expected to close in June 2009.

## Annual General Meeting

The Annual General Meeting (AGM) decided, as previously announced and in accordance with the proposal by the Board of Directors, on a dividend payment of SEK 1.85 per share for 2008 and with April 27, 2009, as the date of record for dividend. The total dividend payment amounts to SEK 6.0 (8.0) b.

In accordance with the Board of Directors' proposals, the AGM resolved the completion of LTV 2008 (Long Term Variable compensation). The AGM also resolved the implementation of LTV 2009, including directed issue of shares, directed acquisition offer and transfer of shares. In addition, the AGM resolved the transfer of treasury stock for previously decided LTV programs. For more details, see www.ericsson.com/investors.

Assessment of risk environment

Ericsson's operational and financial risk factors and exposures are described under "Risk factors" in our Annual Report 2008.

Risk factors and exposures in focus for the Parent Company and the Ericsson Group for the forthcoming six-month period include:

- potential negative effects due to the present serious turmoil in the financial markets and the weak economic business environment on operators' willingness to invest in network development as well as the financial liabilities of sub suppliers, for example due to lack of borrowing facilities or reduced consumer telecom spending, or increased pressure on us to provide financing;
- unfavorable product mix in the Networks segment, with reduced sales of software, upgrades and extensions and an increased proportion of new network build-outs and break-in contracts, which may result in lower gross margins and/or working capital build-up, which in turn puts pressure on our cash conversion rate;
- a volatile sales pattern in the Multimedia segment or variability in our overall sales seasonality could make it more difficult to forecast future sales;
- effects of the ongoing industry consolidation among the company's customers as well as between our largest competitors, e.g. intensified price competition;
- changes in foreign exchange rates, in particular USD and EUR;
- continued political unrest or instability in certain markets.

Ericsson conducts business in certain countries which are subject to trade restrictions or which are focused on by certain investors. We stringently follow all relevant regulations and trade embargos applicable to us in our dealings with customers operating in such countries. Moreover, Ericsson operates globally in accordance with Group level policies and directives for business ethics and conduct. In no way should our business activities in these countries be construed as supporting a particular political agenda or regime. We have activities in such countries mainly due to that certain customers with multi-country operations put demands on us to support them in all of their markets.

Please refer further to Ericsson's Annual Report 2008, where we describe our risks and uncertainties along with our strategies and tactics to mitigate the risk exposures or limit unfavorable outcomes.

Stockholm, April 30, 2009

Carl-Henric Svanberg
President and CEO
Telefonaktiebolaget LM Ericsson (publ)

Date for next report: July 24, 2009

# AUDITORS' REVIEW REPORT

We have reviewed this report for the period January 1 to March 31, 2009, for Telefonaktiebolaget LM Ericsson (publ). The board of directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Financial Information Performed by the Independent Auditor of the Entity, issued by FAR SRS. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company..

Stockholm, April 30, 2009

PricewaterhouseCoopers AB

Peter Clemedtson
*Authorized Public Accountant*

# EDITOR'S NOTE

To read the complete report with tables, please go to: www.ericsson.com/investors/financial_reports/2009/3month09-en.pdf

Ericsson invites media, investors and analysts to a press conference at the Ericsson headquarters, Torshamnsgatan 23, Stockholm, at 09.00 (CET), April 30.

An analysts, investors and media conference call will begin at 14.00 (CET).

Live webcasts of the press conference and conference call as well as supporting slides will be available at www.ericsson.com/press and www.ericsson.com/investors.

Video material will be made available during the day on www.ericsson.com/broadcast_room

# FOR FURTHER INFORMATION, PLEASE CONTACT

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# Disclosure Pursuant to the Swedish Securities Markets Act

Ericsson discloses the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 07.30 CET, on April 30, 2009.

# Safe Harbor Statement of Ericsson under the US Private Securities Litigation Reform Act of 1995;

All statements made or incorporated by reference in this release, other than statements or characterizations of historical facts, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Forward-looking statements can often be identified by words such as "anticipates", "expects", "intends", "plans", "predicts", "believes", "seeks", "estimates", "may", "will", "should", "would", "potential", "continue", and variations or negatives of these words, and include, among others, statements regarding: (i) strategies, outlook and growth prospects; (ii) positioning to deliver future plans and to realize potential for future growth; (iii) liquidity and capital resources and expenditure, and our credit ratings; (iv) growth in demand for our products and services; (v) our joint venture activities; (vi) economic outlook and industry trends; (vii) developments of our markets; (viii) the impact of regulatory initiatives; (ix) research and development expenditures; (x) the strength of our competitors; (xi) future cost savings; (xii) plans to launch new products and services; (xiii) assessments of risks; (xiv) integration of acquired businesses; (xv) compliance with rules and regulations and (xvi) infringements of intellectual property rights of others.
In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These forward-looking statements speak only as of the date hereof and are based upon the information available to us at this time. Such information is subject to change, and we will not necessarily inform you of such changes. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. Important factors that may cause such a difference for Ericsson include, but are not limited to: (i) material adverse changes in the markets in which we operate or in global economic conditions; (ii) increased product and price competition; (iii) reductions in capital expenditure by network operators; (iv) the cost of technological innovation and increased expenditure to improve quality of service; (v) significant changes in market share for our principal products and services; (vi) foreign exchange rate or interest rate fluctuations; and (vii) the successful implementation of our business and operational initiatives.

# FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

## Consolidated Income Statement

| SEK million | Jan - Mar 2009 | Jan - Mar 2008 | Change | Jan - Dec 2008 |
|---|---|---|---|---|
| Net sales | 49,569 | 44,175 | 12% | 208,930 |
| Cost of sales | -31,957 | -27,356 | 17% | -134,661 |
| **Gross income** | 17,612 | 16,819 | 5% | 74,269 |
| Gross margin % | 35.5% | 38.1% | | 35.5% |
| Research and development expenses | -7,080 | -8,566 | -17% | -33,584 |
| Selling and administrative expenses | -6,863 | -6,106 | 12% | -26,974 |
| **Operating expenses** | -13,943 | -14,672 | -5% | -60,558 |
| Other operating income and expenses | 342 | 439 | -22% | 2,977 |
| **Operating income before shares in earnings of JV and associated companies** | 4,011 | 2,586 | 55% | 16,688 |
| Operating margin % before shares in earnings of JV and associated companies | 8.1% | 5.9% | | 8.0% |
| Shares in earnings of JV and associated companies | -2,236 | 911 | | -436 |
| **Operating income** | 1,775 | 3,497 | -49% | 16,252 |
| Financial income | 1,260 | 665 | | 3,458 |
| Financial expenses | -457 | -473 | | -2,484 |
| **Income after financial items** | 2,578 | 3,689 | -30% | 17,226 |
| Taxes | -745 | -1,070 | | -5,559 |
| **Net income** | 1,833 | 2,619 | -30% | 11,667 |
| Net income attributable to: | | | | |
| - stockholders of the Parent Company | 1,717 | 2,645 | | 11,273 |
| - minority interests | 116 | -26 | | 394 |
| *Other information* | | | | |
| Average number of shares, basic (million) [1)] | 3,187 | 3,181 | | 3,183 |
| Earnings per share, basic (SEK) [1) 2)] | 0.54 | 0.83 | | 3.54 |
| Earnings per share, diluted (SEK) [1) 2)] | 0.54 | 0.83 | | 3.52 |

## Statement of Comprehensive Income

| SEK million | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| **Net income** | 1,833 | 2,619 | 11,667 |
| ***Other comprehensive income items reported directly in equity*** | | | |
| Actuarial gains and losses related to pensions | -1,184 | -802 | -4,015 |
| *Revaluation of other investments in shares and participations* | | | |
| Fair value remeasurement reported in equity | -1 | -6 | -7 |
| *Cash flow hedges* | | | |
| Fair value remeasurement of derivatives reported in equity | -3,847 | 1,161 | -5,080 |
| Transferred to income statement for the period | 4,402 | -228 | 1,192 |
| Changes in cumulative translation adjustments | 3,460 | -3,256 | 8,528 |
| Tax on items reported directly in/or transferred from equity | -156 | -89 | 2,330 |
| **Other comprehensive income** | 2,674 | -3,220 | 2,948 |
| **Total comprehensive income** | 4,507 | -601 | 14,615 |
| Total Comprehensive Income attributable to: | | | |
| - Stockholders of the Parent Company | 4,326 | -533 | 13,988 |
| - Minority interests | 181 | -68 | 627 |

[1)] *A reverse split 1:5 was made in June 2008. Comparative figures are restated accordingly.*

[2)] *Based on Net income attributable to stockholders of the Parent Company*

# Consolidated Balance Sheet

| SEK million | Mar 31 2009 | Dec 31 2008 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible assets | | |
| Capitalized development expenses | 1,449 | 2,782 |
| Goodwill | 26,230 | 24,877 |
| Intellectual property rights, brands and other intangible assets | 20,171 | 20,587 |
| Property, plant and equipment | 10,107 | 9,995 |
| Financial assets | | |
| Equity in JV and associated companies | 16,499 | 7,988 |
| Other investments in shares and participations | 310 | 309 |
| Customer financing, non-current | 991 | 846 |
| Other financial assets, non-current | 4,310 | 4,917 |
| Deferred tax assets | 14,571 | 14,858 |
| | 94,638 | 87,159 |
| **Current assets** | | |
| Inventories | 30,703 | 27,836 |
| Trade receivables | 75,202 | 75,891 |
| Customer financing, current | 1,856 | 1,975 |
| Other current receivables | 16,062 | 17,818 |
| Short-term investments | 39,707 | 37,192 |
| Cash and cash equivalents | 24,348 | 37,813 |
| | 187,878 | 198,525 |
| **Total assets** | 282,516 | 285,684 |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Stockholders' equity | 145,381 | 140,823 |
| Minority interests in equity of subsidiaries | 1,442 | 1,261 |
| | 146,823 | 142,084 |
| **Non-current liabilities** | | |
| Post-employment benefits | 8,941 | 9,873 |
| Provisions, non-current | 452 | 311 |
| Deferred tax liabilities | 2,785 | 2,738 |
| Borrowings, non-current | 25,061 | 24,939 |
| Other non-current liabilities | 1,755 | 1,622 |
| | 38,994 | 39,483 |
| **Current liabilities** | | |
| Provisions, current | 12,140 | 14,039 |
| Borrowings, current | 7,157 | 5,542 |
| Trade payables | 21,888 | 23,504 |
| Other current liabilities | 55,514 | 61,032 |
| | 96,699 | 104,117 |
| **Total equity and liabilities** | 282,516 | 285,684 |
| Of which interest-bearing liabilities and post-employment benefits | 41,159 | 40,354 |
| Net cash | 22,896 | 34,651 |
| Assets pledged as collateral | 430 | 416 |
| Contingent liabilities | 1,012 | 1,080 |

## Consolidated Statement of Cash Flows

| SEK million | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| **Operating activities** | | | |
| Net income | 1,833 | 2,619 | 11,667 |
| Adjustments to reconcile net income to cash | | | |
| Taxes | -628 | -311 | 1,032 |
| Earnings/dividends in JV and associated companies | 1,764 | 1,736 | 4,154 |
| Depreciation, amortization and impairment losses | 1,852 | 2,214 | 8,674 |
| Other | -623 | -589 | 458 |
| Net income affecting cash | 4,198 | 5,669 | 25,985 |
| **Changes in operating net assets** | | | |
| Inventories | -2,362 | -2,912 | -3,927 |
| Customer financing, current and non-current | -1 | 660 | 549 |
| Trade receivables | 1,810 | 2,282 | -11,434 |
| Trade payables | -1,360 | -606 | 4,794 |
| Provisions and post-employment benefits | -3,265 | 571 | 3,830 |
| Other operating assets and liabilities, net | -1,878 | -934 | 4,203 |
| | -7,056 | -939 | -1,985 |
| **Cash flow from operating activities** | -2,858 | 4,730 | 24,000 |
| **Investing activities** | | | |
| Investments in property, plant and equipment | -1,018 | -946 | -4,133 |
| Sales of property, plant and equipment | 25 | 209 | 1,373 |
| Acquisitions/divestments of subsidiaries and other operations, net | -9,491 | 7 | 1,836 |
| Product development | -209 | -333 | -1,409 |
| Other investing activities | -1,417 | 204 | 944 |
| Short-term investments | -424 | 4,059 | -7,155 |
| **Cash flow from investing activities** | -12,534 | 3,200 | -8,544 |
| **Cash flow before financing activities** | -15,392 | 7,930 | 15,456 |
| **Financing activities** | | | |
| Dividends paid | - | -6 | -8,240 |
| Other financing activities | 1,874 | -1,026 | 1,032 |
| **Cash flow from financing activities** | 1,874 | -1,032 | -7,208 |
| Effect of exchange rate changes on cash | 53 | 209 | 1,255 |
| **Net change in cash** | -13,465 | 7,107 | 9,503 |
| **Cash and cash equivalents, beginning of period** | 37,813 | 28,310 | 28,310 |
| **Cash and cash equivalents, end of period** | 24,348 | 35,417 | 37,813 |

## Consolidated Statement of Changes in Equity

| SEK million | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| **Opening balance** | **142,084** | **135,052** | **135,052** |
| Total comprehensive income | 4,507 | -601 | 14,615 |
| Stock issue | - | - | 100 |
| Sale own shares | 22 | 15 | -9 |
| Repurchase of own shares | - | - | - |
| Stock purchase and stock option plans | 210 | 99 | 586 |
| Dividends paid | - | -6 | -8,240 |
| Business combinations | - | - | -20 |
| **Closing balance** | **146,823** | **134,559** | **142,084** |

# Consolidated Income Statement – Isolated Quarters

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Net sales | 49,569 | 67,025 | 49,198 | 48,532 | 44,175 |
| Cost of sales | -31,957 | -44,522 | -31,577 | -31,206 | -27,356 |
| **Gross income** | 17,612 | 22,503 | 17,621 | 17,326 | 16,819 |
| Gross margin % | 35.5% | 33.6% | 35.8% | 35.7% | 38.1% |
| Research and development expenses | -7,080 | -8,227 | -7,859 | -8,932 | -8,566 |
| Selling and administrative expenses | -6,863 | -8,293 | -6,304 | -6,271 | -6,106 |
| **Operating expenses** | -13,943 | -16,520 | -14,163 | -15,203 | -14,672 |
| Other operating income and expenses | 342 | 1,502 | 332 | 704 | 439 |
| **Operating income before shares in earnings of JV and associated companies** | 4,011 | 7,485 | 3,790 | 2,827 | 2,586 |
| Operating margin % before shares in earnings of JV and associated companies | 8.1% | 11.2% | 7.7% | 5.8% | 5.9% |
| Shares in earnings of JV and associated companies | -2,236 | -1,278 | -131 | 62 | 911 |
| **Operating income** | 1,775 | 6,207 | 3,659 | 2,889 | 3,497 |
| Financial income | 1,260 | 1,191 | 1,099 | 503 | 665 |
| Financial expenses | -457 | -882 | -618 | -511 | -473 |
| **Income after financial items** | 2,578 | 6,516 | 4,140 | 2,881 | 3,689 |
| Taxes | -745 | -2,452 | -1,202 | -835 | -1,070 |
| **Net income** | 1,833 | 4,064 | 2,938 | 2,046 | 2,619 |
| Net income attributable to: | | | | | |
| - Stockholders of the Parent Company | 1,717 | 3,885 | 2,842 | 1,901 | 2,645 |
| - Minority interests | 116 | 179 | 96 | 145 | -26 |
| *Other information* | | | | | |
| Average number of shares, basic (million) [1] | 3,187 | 3,185 | 3,184 | 3,183 | 3,181 |
| Earnings per share, basic (SEK) [1] [2] | 0.54 | 1.22 | 0.89 | 0.60 | 0.83 |
| Earnings per share, diluted (SEK) [1] [2] | 0.54 | 1.21 | 0.89 | 0.59 | 0.83 |

[1] *A reversed split 1:5 was made in June 2008. Comparative figures are restated accordingly.*

[2] *Based on Net income attributable to stockholders of the Parent Company.*

# Consolidated Statement of Cash Flows – Isolated Quarters

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Net income | 1,833 | 4,064 | 2,938 | 2,046 | 2,619 |
| Adjustments to reconcile net income to cash | | | | | |
| Taxes | -628 | 1,965 | -343 | -278 | -311 |
| Earnings/dividends in JV and associated companies | 1,764 | 1,550 | 909 | -41 | 1,736 |
| Depreciation, amortization and impairment losses | 1,852 | 2,059 | 1,872 | 2,529 | 2,214 |
| Other | -623 | -379 | 1,257 | 169 | -589 |
| Net income affecting cash | 4,198 | 9,259 | 6,633 | 4,425 | 5,669 |
| **Changes in operating net assets** | | | | | |
| Inventories | -2,362 | 2,768 | -1,878 | -1,906 | -2,912 |
| Customer financing, current and non-current | -1 | -619 | 137 | 371 | 660 |
| Trade receivables | 1,810 | -9,584 | -3,776 | -356 | 2,282 |
| Trade payables | -1,360 | 2,164 | 1,403 | 1,833 | -606 |
| Provisions and post-employment benefits | -3,265 | 672 | 1,620 | 967 | 571 |
| Other operating assets and liabilities, net | -1,878 | 2,303 | -376 | 3,210 | -934 |
| | -7,056 | -2,296 | -2,870 | 4,119 | -939 |
| **Cash flow from operating activities** | -2,858 | 6,963 | 3,763 | 8,544 | 4,730 |
| **Investing activities** | | | | | |
| Investments in property, plant and equipment | -1,018 | -1,297 | -997 | -893 | -946 |
| Sales of property, plant and equipment | 25 | 628 | 428 | 108 | 209 |
| Acquisitions/divestments of subsidiaries and other operations, net | -9,491 | 1,113 | 114 | 602 | 7 |
| Product development | -209 | -393 | -261 | -422 | -333 |
| Other investing activities | -1,417 | 884 | -156 | 12 | 204 |
| Short-term investments | -424 | -5,216 | -4,606 | -1,392 | 4,059 |
| **Cash flow from investing activities** | -12,534 | -4,281 | -5,478 | -1,985 | 3,200 |
| **Cash flow before financing activities** | -15,392 | 2,682 | -1,715 | 6,559 | 7,930 |
| **Financing activities** | | | | | |
| Dividends paid | - | -38 | -188 | -8,008 | -6 |
| Other financing activities | 1,874 | 856 | 4,783 | -3,581 | -1,026 |
| **Cash flow from financing activities** | 1,874 | 818 | 4,595 | -11,589 | -1,032 |
| Effect of exchange rate changes on cash | 53 | 611 | 127 | 308 | 209 |
| **Net change in cash** | -13,465 | 4,111 | 3,007 | -4,722 | 7,107 |
| **Cash and cash equivalents, beginning of period** | 37,813 | 33,702 | 30,695 | 35,417 | 28,310 |
| **Cash and cash equivalents, end of period** | 24,348 | 37,813 | 33,702 | 30,695 | 35,417 |

## Parent Company Income Statement

| SEK million | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| Net sales | 238 | 1,969 | 5,086 |
| Cost of sales | 22 | -376 | -669 |
| **Gross income** | 260 | 1,593 | 4,417 |
| Operating expenses | -713 | -513 | -2,384 |
| Other operating income and expenses | 745 | 629 | 3,065 |
| **Operating income** | 292 | 1,709 | 5,098 |
| Financial net | 1,127 | 2,713 | 14,340 |
| **Income after financial items** | 1,419 | 4,422 | 19,438 |
| Transfers to (-) / from untaxed reserves | - | - | -478 |
| Taxes | -370 | -539 | -1,733 |
| **Net income** | 1,049 | 3,883 | 17,227 |

## Parent Company Balance Sheet

| SEK million | Mar 31 2009 | Dec 31 2008 |
|---|---|---|
| **ASSETS** | | |
| **Fixed assets** | | |
| Intangible assets | 2,508 | 2,604 |
| Tangible assets | 703 | 695 |
| Financial assets | 106,005 | 98,837 |
| | 109,216 | 102,136 |
| **Current assets** | | |
| Inventories | 67 | 80 |
| Receivables | 25,749 | 31,124 |
| Cash, bank and short-term investments | 52,706 | 59,214 |
| | 78,522 | 90,418 |
| **Total assets** | **187,738** | **192,554** |
| **STOCKHOLDERS' EQUITY, PROVISIONS AND LIABILITIES** | | |
| **Equity** | | |
| Restricted equity | 47,724 | 47,724 |
| Non-restricted equity | 42,454 | 41,954 |
| | 90,178 | 89,678 |
| **Untaxed reserves** | 1,817 | 1,817 |
| **Provisions** | 1,020 | 1,059 |
| **Non-current liabilities** | 52,398 | 50,994 |
| **Current liabilities** | 42,325 | 49,006 |
| **Total stockholders' equity, provisions and liabilities** | **187,738** | **192,554** |
| Assets pledged as collateral | 429 | 414 |
| Contingent liabilities | 13,153 | 13,029 |

# Accounting Policies

**The Group**

This interim report is prepared in accordance with IAS 34. The term "IFRS" used in this document refers to the application of IAS and IFRS as well as interpretations of these standards as issued by IASB's Standards Interpretation Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC).

As from January 1, 2009, the Company has applied the following new or amended IFRS:

- IAS 1 (Revised),"Presentation of Financial Statements". The revised standard requires all non-owner changes in equity to be shown in a performance statement. The Company therefore presents two statements, the Income Statement and a Statement of Comprehensive Income.
  Also, to improve the understanding of the Company's financial performance, a new subtotal line has been added in the Income Statement, "Operating income before share in earnings of JV and associated companies". This is to distinguish between operating income from operations consolidated and from shares in earnings of JV and associated companies accounted for using the equity method. In the interim report text, this line item is for simplicity referred to as "Operating income before joint ventures".

- IFRS 8 "Operating Segments". This standard replaces IAS 14 "Segment Reporting" and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting to the Chief Operating Decision Maker (CODM). In Ericsson, the Group Management Team is defined as the CODM function. The new standard has not resulted in any changes of the reportable segments.
  The new joint venture, ST-Ericsson, established in February 2009, is presented as a new reportable segment.
  Segment Phones has been renamed to Sony Ericsson. No other changes have been made in relation to this reported segment.

None of the following new or amended standards and interpretations have had any significant impact on the financial result or position of the Company:

- IFRS 2 (Amendment), "Share-Based Payments". The amended standard deals with vesting conditions and cancellations.
- Revised IAS 23, "Borrowing Costs" and "Improvements to IFRSs", published in May 2008, in relation to IAS 23.
- IAS 32 and IAS 1 (Amendments), "Puttable Financial Instruments" and "Obligations Arising on Liquidation".
- "Improvements to IFRSs", published in May 2008. These are improvements to twentytwo already effective IFRSs.
- IFRIC 12, "Service Concession Arrangements"
- IFRIC 13, "Customer Loyalty Programmes"

The Company has not yet applied the following interpretations and amendments since these are still subject to EU endorsement:

- IFRC15, "Agreements for Construction of Real Estate"
- IFRIC 16, "Hedges of a Net Investment on A Foreign Operation"
- "Amendment to IAS39: Effective Date and Transition"

However, none of the interpretations and amendments is expected to have any significant impact on the Company's financial statements.

*Company amendment of key ratio "Inventory turnover"*

Prior to 2009, this key ratio disclosed the number of times the inventory was turned over per year.
As from January 1, 2009, the inventory turnover key ratio has been amended by the Company to disclose the number of turnover days of inventory.

# Net Sales by Segment by Quarter

Since the segments Sony Ericsson and ST-Ericsson are reported in accordance with the equity method, their sales are not included below. Net sales related to these segments are disclosed under SEGMENT RESULTS on page 4 and following. Net sales related to other segments are set out below.

| | 2009 | 2008 | | | |
|---|---|---|---|---|---|
| **Isolated quarters, SEK million** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| Networks | 33,529 | 45,767 | 33,017 | 33,274 | 29,992 |
| Of which Network rollout | 4,687 | 7,555 | 4,679 | 4,776 | 4,520 |
| Professional Services | 12,799 | 16,199 | 11,750 | 11,018 | 10,011 |
| Of which Managed services | 4,178 | 4,270 | 3,458 | 3,416 | 3,112 |
| Multimedia | 3,241 | 5,059 | 4,431 | 4,240 | 4,172 |
| Of which PBX and Mobile Platforms | - | 1,147 | 951 | 1,532 | 1,586 |
| *Multimedia excluding PBX and Mobile Platforms* | *3,241* | *3,912* | *3,480* | *2,708* | *2,586* |
| **Total** | **49,569** | **67,025** | **49,198** | **48,532** | **44,175** |

| | 2009 | 2008 | | | |
|---|---|---|---|---|---|
| **Sequential change, percent** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| Networks | -27% | 39% | -1% | 11% | -20% |
| Of which Network rollout | -38% | 61% | -2% | 6% | -30% |
| Professional Services | -21% | 38% | 7% | 10% | -17% |
| Of which Managed services | -2% | 23% | 1% | 10% | -6% |
| Multimedia | -36% | 14% | 5% | 2% | -14% |
| Of which PBX and Mobile Platforms | - | 21% | -38% | -3% | - |
| *Multimedia excluding PBX and Mobile Platforms* | *17%* | *12%* | *29%* | *5%* | *-* |
| **Total** | **-26%** | **36%** | **1%** | **10%** | **-19%** |

| | 2009 | 2008 | | | |
|---|---|---|---|---|---|
| **Year over year change, percent** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| Networks | 12% | 22% | 16% | -1% | 2% |
| Of which Network rollout | 4% | 17% | 17% | 11% | 20% |
| Professional Services | 28% | 34% | 7% | 7% | 5% |
| Of which Managed services | 34% | 29% | 3% | 17% | 20% |
| Multimedia | -22% | 4% | 10% | 16% | 24% |
| Of which PBX and Mobile Platforms | - | - | - | - | - |
| *Multimedia excluding PBX and Mobile Platforms* | *25%* | *-* | *-* | *-* | *-* |
| **Total** | **12%** | **23%** | **13%** | **2%** | **5%** |

| | 2009 | 2008 | | | |
|---|---|---|---|---|---|
| **Year to date, SEK million** | **Jan-Mar** | **Jan-Dec** | **Jan-Sep** | **Jan-Jun** | **Jan-Mar** |
| Networks | 33,529 | 142,050 | 96,283 | 63,266 | 29,992 |
| Of which Network rollout | 4,687 | 21,530 | 13,975 | 9,296 | 4,520 |
| Professional Services | 12,799 | 48,978 | 32,779 | 21,029 | 10,011 |
| Of which Managed services | 4,178 | 14,256 | 9,986 | 6,528 | 3,112 |
| Multimedia | 3,241 | 17,902 | 12,843 | 8,412 | 4,172 |
| Of which PBX and Mobile Platforms | - | 5,216 | 4,069 | 3,118 | 1,586 |
| *Multimedia excluding PBX and Mobile Platforms* | *3,241* | *12,686* | *8,774* | *5,294* | *2,586* |
| **Total** | **49,569** | **208,930** | **141,905** | **92,707** | **44,175** |

| **Year to date,** | 2009 | 2008 | | | |
|---|---|---|---|---|---|
| **year over year change, percent** | **Jan-Mar** | **Jan-Dec** | **Jan-Sep** | **Jan-Jun** | **Jan-Mar** |
| Networks | 12% | 10% | 5% | 0% | 2% |
| Of which Network rollout | 4% | 16% | 16% | 15% | 20% |
| Professional Services | 28% | 14% | 7% | 6% | 5% |
| Of which Managed services | 34% | 17% | 13% | 19% | 20% |
| Multimedia | -22% | 13% | 16% | 20% | 24% |
| Of which PBX and Mobile Platforms | - | - | - | - | - |
| *Multimedia excluding PBX and Mobile Platforms* | *25%* | *-* | *-* | *-* | *-* |
| **Total** | **12%** | **11%** | **6%** | **3%** | **5%** |

## Operating Income by Segment by Quarter

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | Q3 | Q2 | Q1 |
|---|---|---|---|---|---|
| Networks | 2,838 | 4,943 | 2,454 | 1,803 | 1,945 |
| Professional Services | 1,749 | 2,226 | 1,509 | 1,337 | 1,274 |
| Multimedia | 44 | 554 | 9 | -172 | -509 |
| *Multimedia excluding PBX and Mobile Platforms* | - | *679* | *179* | *-161* | *-251* |
| Unallocated [1] | -77 | -236 | -171 | -103 | -108 |
| *Subtotal Segments excluding Sony Ericsson and ST-Ericsson* | *4,554* | *7,487* | *3,801* | *2,865* | *2,602* |
| Sony Ericsson | -2,070 | -1,280 | -142 | 24 | 895 |
| ST-Ericsson [2] | -709 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,779* | *-1,280* | *-142* | *24* | *895* |
| **Total** | **1,775** | **6,207** | **3,659** | **2,889** | **3,497** |

| Year to date, SEK million | 2009 Jan-Mar | 2008 Jan-Dec | Jan-Sep | Jan-Jun | Jan-Mar |
|---|---|---|---|---|---|
| Networks | 2,838 | 11,145 | 6,202 | 3,748 | 1,945 |
| Professional Services | 1,749 | 6,346 | 4,120 | 2,611 | 1,274 |
| Multimedia | 44 | -118 | -672 | -681 | -509 |
| *Multimedia excluding PBX and Mobile Platforms* | - | *446* | *-233* | *-412* | *-251* |
| Unallocated [1] | -77 | -618 | -382 | -211 | -108 |
| *Subtotal Segments excluding Sony Ericsson and ST-Ericsson* | *4,554* | *16,755* | *9,268* | *5,467* | *2,602* |
| Sony Ericsson | -2,070 | -503 | 777 | 919 | 895 |
| ST-Ericsson [2] | -709 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,779* | *-503* | *777* | *919* | *895* |
| **Total** | **1,775** | **16,252** | **10,045** | **6,386** | **3,497** |

*[1] "Unallocated" consists mainly of costs for corporate staffs, non-operational capital gains and losses.*

*[2] First quarter 2009 includes the January result, SEK -0.5 b., from the Ericsson Mobile Platforms operations which as from February 1, 2009, are reported in ST-Ericsson.*

## Operating Margin by Segment by Quarter

| As percentage of net sales, isolated quarters | 2009 Q1 | 2008 Q4 | Q3 | Q2 | Q1 |
|---|---|---|---|---|---|
| Networks | 8% | 11% | 7% | 5% | 7% |
| Professional Services | 14% | 14% | 13% | 12% | 13% |
| Multimedia | 1% | 11% | 0% | -4% | -12% |
| *Multimedia excluding PBX and Mobile Platforms* | - | *17%* | *5%* | *-6%* | *-10%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **9%** | **11%** | **8%** | **6%** | **6%** |

| As percentage of net sales, Year to date | 2009 Jan-Mar | 2008 Jan-Dec | Jan-Sep | Jan-Jun | Jan-Mar |
|---|---|---|---|---|---|
| Networks | 8% | 8% | 6% | 6% | 7% |
| Professional Services | 14% | 13% | 13% | 12% | 13% |
| Multimedia | 1% | -1% | -5% | -8% | -12% |
| *Multimedia excluding PBX and Mobile Platforms* | - | *4%* | *-3%* | *-8%* | *-10%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **9%** | **8%** | **7%** | **6%** | **6%** |

## EBITDA by Segment by Quarter

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2[1] | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 4,153 | 6,417 | 3,628 | 3,510 | 3,690 |
| Professional Services | 1,977 | 2,365 | 1,811 | 1,589 | 1,480 |
| Multimedia | 306 | 1,001 | 403 | 400 | -246 |
| *Multimedia excluding PBX and Mobile Platforms* | - | *963* | *425* | *80* | *14* |
| Unallocated [2] | -77 | -236 | -171 | -103 | -108 |
| *Subtotal Segments excluding Sony Ericsson and ST-Ericsson* | *6,359* | *9,547* | *5,671* | *5,396* | *4,816* |
| Sony Ericsson | -2,070 | -1,280 | -142 | 24 | 895 |
| ST-Ericsson [3] | -663 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,733* | *-1,280* | *-142* | *24* | *895* |
| **Total** | **3,626** | **8,267** | **5,529** | **5,420** | **5,711** |

| Year to date, SEK million | 2009 Jan-Mar | 2008 Jan-Dec | 2008 Jan-Sep | 2008 Jan-Jun[1] | 2008 Jan-Mar |
|---|---|---|---|---|---|
| Networks | 4,153 | 17,245 | 10,828 | 7,200 | 3,690 |
| Professional Services | 1,977 | 7,245 | 4,880 | 3,069 | 1,480 |
| Multimedia | 306 | 1,558 | 557 | 154 | -246 |
| *Multimedia excluding PBX & Mobile Platforms* | - | *1,482* | *519* | *94* | *14* |
| Unallocated [2] | -77 | -618 | -382 | -211 | -108 |
| *Subtotal Segments excluding Sony Ericsson and ST-Ericsson* | *6,359* | *25,430* | *15,883* | *10,212* | *4,816* |
| Sony Ericsson | -2,070 | -503 | 777 | 919 | 895 |
| ST-Ericsson [3] | -663 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,733* | *-503* | *777* | *919* | *895* |
| **Total** | **3,626** | **24,927** | **16,660** | **11,131** | **5,711** |

*[1] Second quarter 2008 for Multimedia was affected by SEK 156 m. due to changed allocation of capitalized development expenses.*
*[2] "Unallocated" consists mainly of costs for corporate staffs, non-operational capital gains and losses.*
*[3] First quarter 2009 includes the January result, SEK -0.5 b., from the Ericsson Mobile Platforms operations which as from February 1, 2009, are transferred to and reported in ST-Ericsson.*

## EBITDA Margin by Segment by Quarter

| As percentage of net sales, isolated quarters | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2[1] | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 12% | 14% | 11% | 11% | 12% |
| Professional Services | 15% | 15% | 15% | 14% | 15% |
| Multimedia | 9% | 20% | 9% | 9% | -6% |
| *Multimedia excluding PBX & Mobile Platforms* | - | *25%* | *12%* | *3%* | *1%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **13%** | **14%** | **12%** | **11%** | **11%** |

| As percentage of net sales, Year to date | 2009 Jan-Mar | 2008 Jan-Dec | 2008 Jan-Sep | 2008 Jan-Jun[1] | 2008 Jan-Mar |
|---|---|---|---|---|---|
| Networks | 12% | 12% | 11% | 11% | 12% |
| Professional Services | 15% | 15% | 15% | 15% | 15% |
| Multimedia | 9% | 9% | 4% | 2% | -6% |
| *Multimedia excluding PBX & Mobile Platforms* | - | *12%* | *6%* | *2%* | *1%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **13%** | **12%** | **11%** | **11%** | **11%** |

*[1] Second quarter 2008 for Multimedia was affected by SEK 156 m. due to changed allocation of capitalized development expenses.*

# Net Sales by Market Area by Quarter

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Western Europe [1)] | 11,203 | 16,135 | 11,629 | 12,125 | 11,681 |
| Central & Eastern Europe, Middle East & Africa | 12,485 | 17,635 | 13,069 | 11,253 | 11,123 |
| Asia Pacific | 16,282 | 20,500 | 14,114 | 15,785 | 12,908 |
| Latin America | 4,381 | 7,855 | 6,083 | 4,956 | 4,154 |
| North America | 5,218 | 4,900 | 4,303 | 4,413 | 4,309 |
| **Total [2)]** | **49,569** | **67,025** | **49,198** | **48,532** | **44,175** |
| *[1)] Of which Sweden* | *1,197* | *2,384* | *2,191* | *2,308* | *1,993* |
| *[2)] Of which EU* | *12,604* | *18,371* | *13,059* | *13,427* | *12,744* |

| Sequential change, percent | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Western Europe [1)] | -31% | 39% | -4% | 4% | -24% |
| Central & Eastern Europe, Middle East & Africa | -29% | 35% | 16% | 1% | -22% |
| Asia Pacific | -21% | 45% | -11% | 22% | -6% |
| Latin America | -44% | 29% | 23% | 19% | -38% |
| North America | 6% | 14% | -2% | 2% | 0% |
| **Total [2)]** | **-26%** | **36%** | **1%** | **10%** | **-19%** |
| *[1)] Of which Sweden* | *-50%* | *9%* | *-5%* | *16%* | *-19%* |
| *[2)] Of which EU* | *-31%* | *41%* | *-3%* | *5%* | *-27%* |

| Year-over-year change, percent | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Western Europe [1)] | -4% | 5% | -6% | -3% | -7% |
| Central & Eastern Europe, Middle East & Africa | 12% | 24% | 9% | -2% | 1% |
| Asia Pacific | 26% | 49% | 17% | -5% | 5% |
| Latin America | 5% | 16% | 43% | 21% | 25% |
| North America | 21% | 13% | 44% | 47% | 39% |
| **Total [2)]** | **12%** | **23%** | **13%** | **2%** | **5%** |
| *[1)] Of which Sweden* | *-40%* | *-3%* | *13%* | *12%* | *3%* |
| *[2)] Of which EU* | *-1%* | *5%* | *-4%* | *-4%* | *-8%* |

| Year to date, SEK million | 2009 Jan-Mar | 2008 Jan-Dec | 2008 Jan-Sep | 2008 Jan-Jun | 2008 Jan-Mar |
|---|---|---|---|---|---|
| Western Europe [1)] | 11,203 | 51,570 | 35,435 | 23,806 | 11,681 |
| Central & Eastern Europe, Middle East & Africa | 12,485 | 53,080 | 35,445 | 22,376 | 11,123 |
| Asia Pacific | 16,282 | 63,307 | 42,807 | 28,693 | 12,908 |
| Latin America | 4,381 | 23,048 | 15,193 | 9,110 | 4,154 |
| North America | 5,218 | 17,925 | 13,025 | 8,722 | 4,309 |
| **Total [2)]** | **49,569** | **208,930** | **141,905** | **92,707** | **44,175** |
| *[1)] Of which Sweden* | *1,197* | *8,876* | *6,492* | *4,301* | *1,993* |
| *[2)] Of which EU* | *12,604* | *57,601* | *39,230* | *26,171* | *12,744* |

| Year to date, year-over-year change, percent | 2009 Jan-Mar | 2008 Jan-Dec | 2008 Jan-Sep | 2008 Jan-Jun | 2008 Jan-Mar |
|---|---|---|---|---|---|
| Western Europe [1)] | -4% | -2% | -5% | -5% | -7% |
| Central & Eastern Europe, Middle East & Africa | 12% | 9% | 3% | 0% | 1% |
| Asia Pacific | 26% | 16% | 5% | -1% | 5% |
| Latin America | 5% | 25% | 31% | 23% | 25% |
| North America | 21% | 34% | 43% | 43% | 39% |
| **Total [2)]** | **12%** | **11%** | **6%** | **3%** | **5%** |
| *[1)] Of which Sweden* | *-40%* | *6%* | *9%* | *8%* | *3%* |
| *[2)] Of which EU* | *-1%* | *-2%* | *-5%* | *-6%* | *-8%* |

## External Net Sales by Market Area by Segment

Since the segments Sony Ericsson and ST-Ericsson are reported in accordance with the equity method, their sales are not included below. Net sales related to these segments are disclosed under SEGMENT RESULTS on page 4 and following. Net sales related to other segments are set out below.

| **Isolated quarter, SEK million** | | **Professional** | | |
|---|---|---|---|---|
| **Q1 2009** | **Networks** | **Services** | **Multimedia** | **Total** |
| Western Europe | 5,752 | 4,828 | 623 | **11,203** |
| Central & Eastern Europe, Middle East & Africa | 8,632 | 2,718 | 1,135 | **12,485** |
| Asia Pacific | 12,743 | 2,728 | 811 | **16,282** |
| Latin America | 2,736 | 1,433 | 212 | **4,381** |
| North America | 3,666 | 1,092 | 460 | **5,218** |
| **Total** | **33,529** | **12,799** | **3,241** | **49,569** |
| Share of Total | 68% | 26% | 6% | 100% |

| **Year to date, SEK million** | | **Professional** | | |
|---|---|---|---|---|
| **Jan-Mar 2009** | **Networks** | **Services** | **Multimedia** | **Total** |
| Western Europe | 5,752 | 4,828 | 623 | **11,203** |
| Central & Eastern Europe, Middle East & Africa | 8,632 | 2,718 | 1,135 | **12,485** |
| Asia Pacific | 12,743 | 2,728 | 811 | **16,282** |
| Latin America | 2,736 | 1,433 | 212 | **4,381** |
| North America | 3,666 | 1,092 | 460 | **5,218** |
| **Total** | **33,529** | **12,799** | **3,241** | **49,569** |
| Share of Total | 68% | 26% | 6% | 100% |

## Top 15 Markets in Sales

| **Market** | **Jan - Mar 2009** | **Jan - Mar 2008** |
|---|---|---|
| United States | 9% | 6% |
| India | 8% | 6% |
| China | 7% | 7% |
| Italy | 5% | 5% |
| Japan | 5% | 3% |
| Indonesia | 4% | 4% |
| Brazil | 3% | 3% |
| Spain | 3% | 5% |
| United Kingdom | 3% | 3% |
| Nigeria | 3% | 3% |
| Germany | 2% | 3% |
| Sweden | 2% | 5% |
| Australia | 2% | 2% |
| Canada | 2% | 4% |
| Egypt | 2% | 2% |

## Provisions

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| **Opening balance** | **14,350** | **12,995** | **11,106** | **10,056** | **9,726** |
| Additions | 1,672 | 3,800 | 3,418 | 2,724 | 2,019 |
| Utilization/Cash out | -3,052 | -2,321 | -1,595 | -1,343 | -781 |
| *of which restructuring* | *-1,179* | *-956* | *-303* | *-196* | *-301* |
| Reversal of excess amounts | -287 | -832 | -117 | -244 | -622 |
| Reclassification, translation difference and other | -91 | 708 | 183 | -87 | -286 |
| **Closing balance** | **12,592** | **14,350** | **12,995** | **11,106** | **10,056** |

| Year to date, SEK million | 2009 Jan-Mar | 2008 Jan-Dec | 2008 Jan-Sep | 2008 Jan-Jun | 2008 Jan-Mar |
|---|---|---|---|---|---|
| **Opening balance** | **14,350** | **9,726** | **9,726** | **9,726** | **9,726** |
| Additions | 1,672 | 11,961 | 8,161 | 4,743 | 2,019 |
| Utilization/Cash out | -3,052 | -6,040 | -3,719 | -2,124 | -781 |
| *of which restructuring* | *-1,179* | *-1,756* | *-800* | *-497* | *-301* |
| Reversal of excess amounts | -287 | -1,815 | -983 | -866 | -622 |
| Reclassification, translation difference and other | -91 | 518 | -190 | -373 | -286 |
| **Closing balance** | **12,592** | **14,350** | **12,995** | **11,106** | **10,056** |

## Number of Employees

| End of period | 2009 Mar 31 | 2008 Dec 31 | 2008 Sep 30 | 2008 Jun 30 | 2008 Mar 31 |
|---|---|---|---|---|---|
| Western Europe [1)] | 38,550 | 41,600 | 41,800 | 42,000 | 42,100 |
| Central & Eastern Europe, Middle East & Africa | 9,550 | 8,000 | 7,650 | 7,300 | 7,000 |
| Asia Pacific | 15,350 | 15,150 | 14,800 | 14,400 | 14,150 |
| Latin America | 8,000 | 8,250 | 7,450 | 6,600 | 6,250 |
| North America | 5,450 | 5,750 | 5,650 | 5,500 | 5,500 |
| **Total** | **76,900** | **78,750** | **77,350** | **75,800** | **75,000** |
| *[1)] Of which Sweden* | *18,800* | *20,150* | *20,250* | *20,250* | *20,200* |

## Information on investments in assets subject to depreciation, amortization and impairment

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| *Additions* | | | | | |
| Property, plant and equipment | 1,018 | 1,297 | 997 | 893 | 946 |
| Capitalized development expenses | 209 | 393 | 261 | 422 | 333 |
| IPR, brands and other intangible assets | 7 | 20 | - | - | - |
| **Total** | **1,234** | **1,710** | **1,258** | **1,315** | **1,279** |
| *Depreciation, amortization and impairment losses* | | | | | |
| Property, plant and equipment | 817 | 901 | 787 | 713 | 704 |
| Capitalized development expenses | 202 | 286 | 279 | 1,034 | 689 |
| IPR, brands and other intangible assets | 833 | 871 | 806 | 781 | 821 |
| **Total** | **1,852** | **2,058** | **1,872** | **2,528** | **2,214** |

# Other Information

| | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| **Number of shares and earnings per share** [1] | | | |
| Number of shares, end of period (million) | 3,246 | 3,226 | 3,246 |
| of which A-shares (million) | 262 | 262 | 262 |
| of which B-shares (million) | 2,984 | 2,964 | 2,984 |
| Number of treasury shares, end of period (million) | 59 | 45 | 61 |
| Number of shares outstanding, basic, end of period (million) | 3,187 | 3,182 | 3,185 |
| Numbers of shares outstanding, diluted, end of period (million) | 3,207 | 3,197 | 3,205 |
| Average number of treasury shares (million) | 60 | 46 | 52 |
| Average number of shares outstanding, basic (million) | 3,187 | 3,181 | 3,183 |
| Average number of shares outstanding, diluted (million)[2] | 3,206 | 3,197 | 3,202 |
| Earnings per share, basic (SEK) | 0.54 | 0.83 | 3.54 |
| Earnings per share, diluted (SEK)[2] | 0.54 | 0.83 | 3.52 |

[1] *A reverse split 1:5 was made in June 2008. Comparative figures are restated accordingly.*

[2] *Potential ordinary shares are not considered when their conversion to ordinary shares would increase earnings per share.*

| | Jan - Mar 2009 | Jan - Mar 2008 | Jan - Dec 2008 |
|---|---|---|---|
| **Ratios** | | | |
| Days Sales Outstanding | 124 | 110 | 106 |
| Inventory turnover days | 83 | 78 | 68 |
| Payable days | 65 | 57 | 55 |
| Equity ratio, percent | 52.0% | 56.0% | 49.7% |
| Return on equity, percent | 4.8% | 7.9% | 8.2% |
| Return on capital employed, percent | 6.6% | 9.9% | 11.3% |
| Capital turnover (times) | 1.1 | 1.1 | 1.2 |
| Payment readiness, end of period | 73,353 | 67,992 | 84,917 |
| Payment readiness, as percentage of sales | 37.0% | 38.5% | 40.6% |
| **Exchange rates used in the consolidation** | | | |
| SEK / EUR - average rate | 11.01 | 9.43 | 9.67 |
| - closing rate | 10.97 | 9.40 | 10.95 |
| SEK / USD - average rate | 8.34 | 6.23 | 6.61 |
| - closing rate | 8.23 | 5.95 | 7.73 |
| **Other** | | | |
| Export sales from Sweden | 22,316 | 26,055 | 109,254 |

# Ericsson Planning Assumptions for Year 2009

**Research and development expenses**

We estimate R&D expenses for the full year 2009 to be at around SEK 27-28 b. The estimate includes amortizations/write-downs of intangible assets related to major acquisitions previously made and excludes Ericsson Mobile Platforms and restructuring charges. However, currency effects may cause this to change.

**Capital expenditures**

Excluding acquisitions, the capital expenditures in relation to sales are not expected to be significantly different in 2009, remaining at roughly two percent of sales.

**Utilization of provisions**

The expected utilization of provisions for year 2009 is stated in Note C 18 in the Annual Report 2008.

## Consolidated Operating Income excl. Restructuring Charges

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Net sales | 49,569 | 67,025 | 49,198 | 48,532 | 44,175 |
| Cost of sales | -31,585 | -43,410 | -31,001 | -30,595 | -27,115 |
| **Gross income** | 17,984 | 23,615 | 18,197 | 17,937 | 17,060 |
| Gross margin % | 36.3% | 35.2% | 37.0% | 37.0% | 38.6% |
| Research and development expenses | -6,802 | -7,539 | -7,527 | -7,839 | -8,031 |
| Selling and administrative expenses | -6,809 | -7,803 | -5,359 | -6,148 | -6,092 |
| **Operating expenses** | -13,611 | -15,342 | -12,886 | -13,987 | -14,123 |
| Other operating income and expenses | 342 | 1,502 | 332 | 704 | 439 |
| **Operating income before share in earnings of JV and associated companies** | 4,715 | 9,774 | 5,643 | 4,654 | 3,377 |
| Operating margin % before share in earnings of JV and associated companies | 9.5% | 14.6% | 11.5% | 9.6% | 7.6% |
| Share in earnings of JV and associated companies | -2,170 | -597 | 34 | 62 | 911 |
| **Operating income** | 2,545 | 9,177 | 5,677 | 4,716 | 4,288 |
| Earnings per share, basic (SEK) excl. JV's and ass. comp | 1.21 | 2.17 | 1.37 | 0.99 | 0.80 |
| Earnings per share, diluted (SEK)[1] excl. JV's and ass. comp | 1.20 | 2.15 | 1.36 | 0.99 | 0.80 |

[1] *Potential ordinary shares are not considered when their conversion to ordinary shares would increase earnings per share.*

## Restructuring Charges by Function

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Cost of sales | -371 | -1,112 | -576 | -611 | -241 |
| Research and development expenses | -278 | -688 | -332 | -1,093 | -535 |
| Selling and administrative expenses | -53 | -490 | -945 | -123 | -14 |
| *Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson* | *-702* | *-2,290* | *-1,853* | *-1,827* | *-790* |
| Share in Sony Ericsson charges | -66 | -681 | -165 | - | - |
| Share in ST-Ericsson charges | -2 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-68* | *-681* | *-165* | *-* | *-* |
| **Total** | **-770** | **-2,971** | **-2,018** | **-1,827** | **-790** |

## Restructuring Charges by Segment

| SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | -517 | -1,590 | -1,330 | -1,519 | -692 |
| Professional Services | -175 | -640 | -374 | -170 | -88 |
| Multimedia | -10 | -48 | -141 | -138 | -10 |
| *Multimedia excluding PBX & Mobile Platforms* | *-* | *-26* | *-* | *-* | *-* |
| Unallocated | - | -12 | -8 | - | - |
| *Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson* | *-702* | *-2,290* | *-1,853* | *-1,827* | *-790* |
| Sony Ericsson | -66 | -681 | -165 | - | - |
| ST-Ericsson | -2 | | | | |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-68* | *-681* | *-165* | *-* | *-* |
| **Total** | **-770** | **-2,971** | **-2,018** | **-1,827** | **-790** |

## Operating Income by Segment excl. Restructuring Charges

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 3,355 | 6,532 | 3,785 | 3,322 | 2,637 |
| Professional Services | 1,924 | 2,867 | 1,882 | 1,507 | 1,362 |
| Multimedia | 54 | 602 | 150 | -34 | -498 |
| *Multimedia excluding PBX & Mobile Platforms* | - | *705* | *320* | *-23* | *-240* |
| Unallocated [1)] | -77 | -224 | -163 | -103 | -108 |
| *Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson* | *5,256* | *9,777* | *5,654* | *4,692* | *3,393* |
| Sony Ericsson | -2,004 | -599 | 23 | 24 | 895 |
| ST-Ericsson [2)] | -707 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,711* | *-599* | *23* | *24* | *895* |
| **Total** | **2,545** | **9,178** | **5,677** | **4,716** | **4,288** |

*[1)] "Unallocated" consists mainly of costs for corporate staffs, non-operational capital gains and losses.*

*[2)] First quarter 2009 includes the January result, SEK -0.5 b., from the Ericsson Mobile Platforms operations which as from February 1, 2009, are reported in ST-Ericsson.*

## Operating Margin by Segment excl. Restructuring Charges

| As percentage of net sales, isolated quarters | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 10% | 14% | 11% | 10% | 9% |
| Professional Services | 15% | 18% | 16% | 14% | 14% |
| Multimedia | 2% | 12% | 3% | -1% | -12% |
| *Multimedia excluding PBX & Mobile Platforms* | - | *18%* | *9%* | *-1%* | *-9%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **11%** | **15%** | **11%** | **10%** | **8%** |

## EBITDA by Segment excl. Restructuring Charges

| Isolated quarters, SEK million | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 4,670 | 8,006 | 4,961 | 5,027 | 4,383 |
| Professional Services | 2,152 | 3,006 | 2,185 | 1,758 | 1,568 |
| Multimedia | 316 | 1,049 | 543 | 539 | -235 |
| *Multimedia excluding PBX & Mobile Platforms* | - | *988* | *565* | *219* | *25* |
| Unallocated [1)] | -77 | -224 | -163 | -103 | -108 |
| *Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson* | *7,061* | *11,837* | *7,526* | *7,221* | *5,608* |
| Sony Ericsson | -2,004 | -599 | 23 | 24 | 895 |
| ST-Ericsson [2)] | -661 | - | - | - | - |
| *Subtotal Sony Ericsson and ST-Ericsson* | *-2,665* | *-599* | *23* | *24* | *895* |
| **Total** | **4,396** | **11,238** | **7,549** | **7,245** | **6,503** |

*[1)] "Unallocated" consists mainly of costs for corporate staffs, non-operational capital gains and losses.*

*[2)] First quarter 2009 includes the January result, SEK -0.5 b., from the Ericsson Mobile Platforms operations which as from February 1, 2009, are transferred to and reported in ST-Ericsson.*

## EBITDA Margin by Segment excl. Restructuring Charges

| As percentage of net sales, isolated quarters | 2009 Q1 | 2008 Q4 | 2008 Q3 | 2008 Q2 | 2008 Q1 |
|---|---|---|---|---|---|
| Networks | 14% | 17% | 15% | 15% | 15% |
| Professional Services | 17% | 19% | 19% | 16% | 16% |
| Multimedia | 10% | 21% | 12% | 13% | -6% |
| *Multimedia excluding PBX & Mobile Platforms* | - | *25%* | *16%* | *8%* | *1%* |
| **Subtotal excluding Sony Ericsson and ST-Ericsson** | **14%** | **18%** | **15%** | **15%** | **13%** |