

ERICSSON 

TAKING YOU FORWARD

以爱立信 以信致远

Ericsson- The main driver in an all-communicating world

Carl-Henric Svanberg

President and CEO



The vision

The prime driver in an all
communicating world



The Asian market

A market that represents
every aspect of today's new
telecommunications world



Regional Ericsson update, Q2 2005

- sales (BSEK) and growth (%) year-over-year

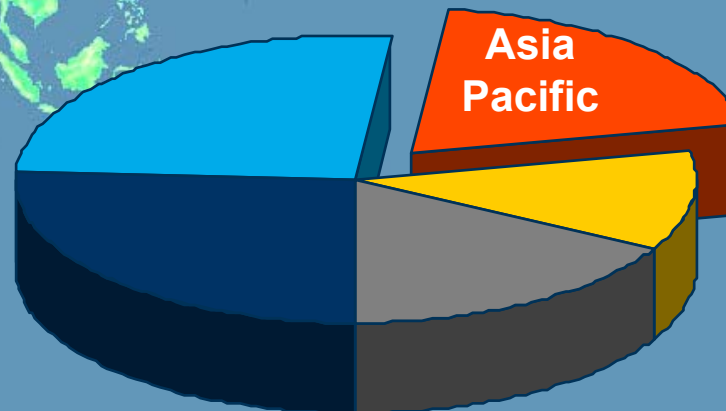
Western
Europe
9.9 b. +7%

Central Europe,
Middle East & Africa
10.0 b. +27%

Asia
Pacific
7.7 b. +8%

- Investments in new networks – Expander a driver
- 3G rollout and trials throughout region
- Steady subscriber and traffic growth in China

North
America
6.5 b. +31%



Latin
America
4.4 b. +28%

Q2 financial highlights

- **Sales SEK 38.4 (32.6) b.**
 - Up 18% year-over-year – 20% in constant currencies
- **Gross margin 45.9% (47.8%)**
 - Operational excellence in constant focus
- **Income after financials SEK 8.5 (7.3) b.**
 - Operating margin of 21.6%
- **Cash flow from operations SEK 5.4 (4.3) b.**
 - ITO improving, DSO on target

Responsiveness – Technology leadership - Operational excellence

China – The most dynamic market

- 113 years of presence
- Business started in 1892 with 2000 telephone sets
- 5 million new users per month
- Still the market with the largest potential
- A world center for telecom industry in manufacturing, R&D and supply



A growth industry

- 300 million mobile subscribers adds, nearly a million a day
- Towards 2 billion consumers already this year
- Still only 30% of mobile penetration



Current status in the industry

- **Second wave 3G**
 - Clear user focus
 - HSDPA makes the difference
- **Continued good GSM momentum**
 - Expansion in emerging markets / strong subscribers growth
 - Communication accelerates economic development
- **All-IP opens new opportunities**
 - Fixed and mobile convergence – Triple Play
 - Convenience-driven
 - Telecom-grade IP technology
- **Managed services to strengthen business focus**
 - Support, system integration, hosting, network operation

Mobile Broadband

- New services like music and TV are demanding more bandwidth
- HSDPA/HSUPA – the natural step in WCDMA
- Enabler for the mobile triple play

The emerging media channel

- A growing channel for music and entertainment
- Mobile TV already launched in all markets
- Handset development shows the way



Ericsson key strengths

- Technology leadership
- Global presence and customer relationship
- Operational excellence

True industry leadership

Technology leadership

- Expanding GSM to new areas
- HSDPA/HSUPA enables mobile triple play
- Next generation networks and IMS
- Ericsson Mobile Platforms

End-to-end capabilities - a key differentiator

Global presence and customer relationship

- 130 years – 140 countries
– a unique position
- Never left a market – never left a customer
- Balanced market portfolio

Well positioned for future growth

Operational excellence

- Simplicity, clarity and responsibility
- Faster – smarter – inspiring
- Responsiveness

In time – In less time – all the time

Partners for progress

- Our commitment to China
 - A Strong, well-established local organization
 - A world-class base in China for R&D, sourcing and supply for both global and local markets
 - Social responsibility
 - Sustainable development
- Further develop Ericsson's leading position in China



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