

C.M.D.N.Y.

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Financial summary

(SEK b.)

	Q105	Q405	Q106	YoY %
Sales	31.5	45.7	39.2	24%
Gross margin	48.5%	44.2%	43.3%	
Adj. Operating income	6.6	10.4	7.0*	6%
Operating income	6.6	10.4	6.6	
Operating margin	21.0%	22.7%	16.9%	
Income after financial items	6.7	10.1	6.7	
Adj. EPS	0.29	0.54	0.31*	6%
EPS	0.29	0.54	0.29	

*Excl. Marconi intangible amortization of SEK 0.4 b.

Marconi effect

	Q1 06	Marconi Operations Q1 06	Marconi Amortization Q1 06	Ericsson excl. Marconi Q106	Ericsson Q105	YoY%
Sales	39.2	2.9		36.3	31.5	15%
Operating Income	6.6	-0.2	-0.4	7.2	6.6	9%
Operating Margin	16.9%			19.9%	21.0%	

Financial performance

(SEK b.)

	Q105	Q405	Q106	YoY %
Net income	4.6	8.5	4.6	-1%
Adj. income to cash	2.2	2.7	3.3	49%
Income to cash	6.8	11.3	7.8	15%
Working capital	-12.6	3.8	-5.4	-60%
Cash flow from operating activities	-5.8	15.1	2.4	
Investing activities	-0.7	-1.6	-18.5	
Adj. Cash flow bef. fin. investing activities	1.8*	13.5	1.5**	146%
Cash flow bef. fin. investing activities	-6.5	13.5	-16.1	
Net cash	41.4	50.6	33.7	-19%
Equity ratio (%)	45.6%	49.0%	50.2%	

*Excl. pension trust SEK 8.3 b.

**Excl. Marconi acquisition SEK 17.6 b.

Operating efficiency trends

	Q105	Q405	Q106	Targets
Accounts receivable (SEK b.)	34.5	41.2	44.8	
DSO	97	81	101	<90
Inventories, incl. CWIP (SEK b.)	18.0	19.2	23.5	
Inventory turnover	4.0	5.2	4.2	>5.5
Accounts payable (SEK b.)	10.8	12.6	14.4	
Payable days	61	52	52	>45

Operational excellence remains in focus

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