



C.M.D.N.Y.

Capital Markets Day New York
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ERICSSON LEADERSHIP IN SERVICES



Ericsson – driving a successful services strategy

Ericsson Global Services		
Network Rollout	Professional Services	
Network rollout	Network design Education Customer support	Managed services Systems integration Business & technology consulting
Provide services in Ericsson's end-to-end solutions		Expand the services scope and add further value

Leveraging global experience and technology leadership

Global Services – people dimension

- 21,000 employees in over 140 countries
 - 15,000 close to customers
 - 6,000 in Global Service Delivery Centers
- Additionally 10,000 – 12,000 resources from partners handled on a daily basis
- Global knowledge sharing
- Global best practices
 - Tools, methods, processes



30,000 people - largest telecom service organization

Global Services

Business characteristics

Professional Services


- Recurring revenues more than 2/3
 - Customer support 1-2 years (normally extended)
 - Managed services 3-7 years
- Good capital turnover – significantly higher than infrastructure
 - Payments not connected to acceptance
 - Substantial portion quarterly payments in advance
- Attractive margins in all services areas
 - Initially lower margins in large managed services contracts until synergies are realized

Network Rollout

- Closely linked with infrastructure sales
- Crucial for end2end solutions
- Increased focus on turn-key solutions

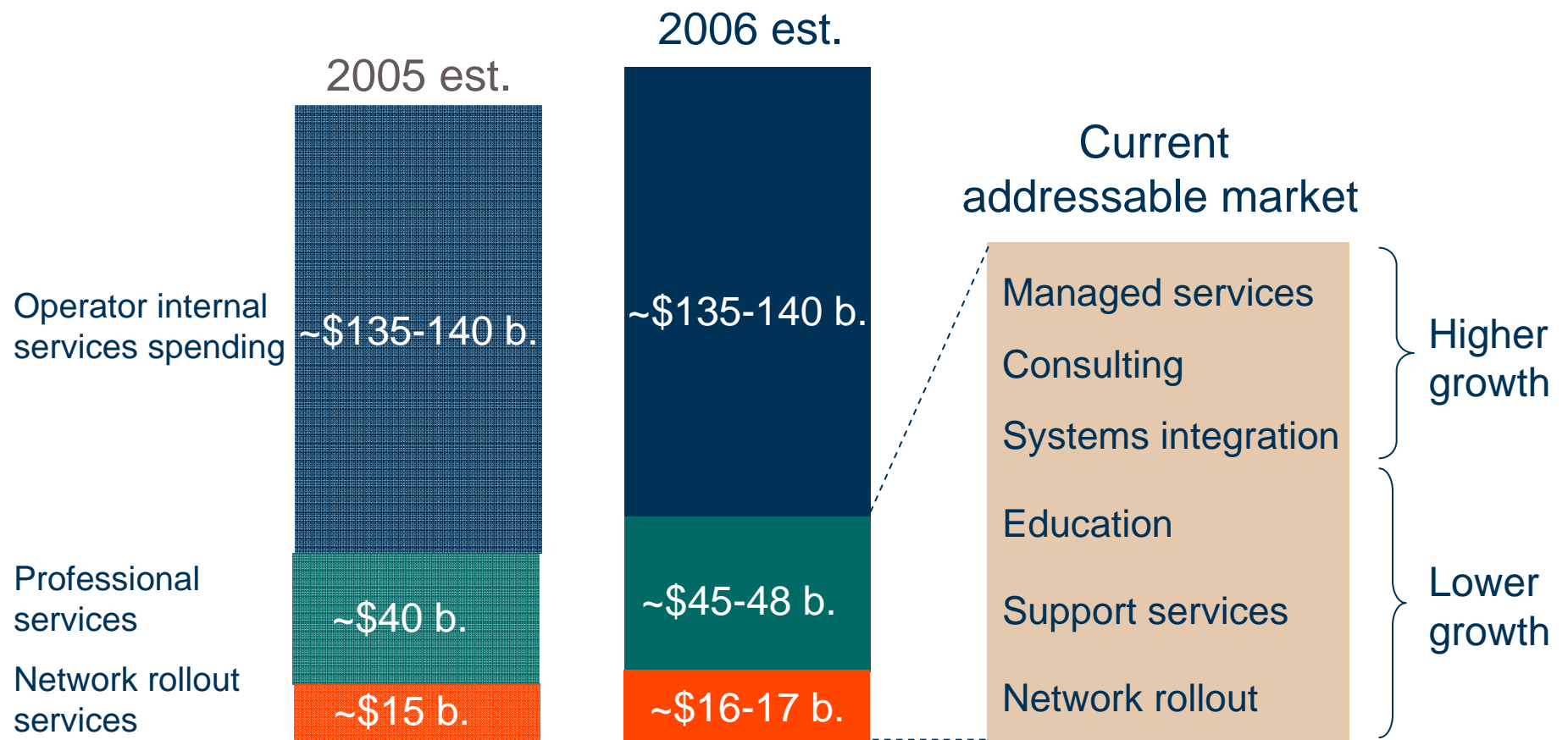
Telecom services market

- Continued good growth in Professional Services
- Deep understanding of services market
 - Several years of experience in following operator OPEX
 - Independent study confirms market estimates (Ernst & Young)



*E&Y study disclaimer: The market study referred to has been prepared by Ernst&Young AB and Ernst&Young LLP, the member firms of Ernst & Young Global Limited located and organized in Sweden and the United Kingdom, respectively. The accuracy of the information provided by the market survey participants has been assumed to be correct. None of the aforementioned Ernst & Young Global AB or Ernst & Young LLP or any other member firms of Ernst & Young Global Limited shall be responsible for any loss arising from any action taken or not taken by anyone using the information in the market study.

Telecom services market 2006



Source: Ericsson, March 2006

Continued good growth in Professional Services

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

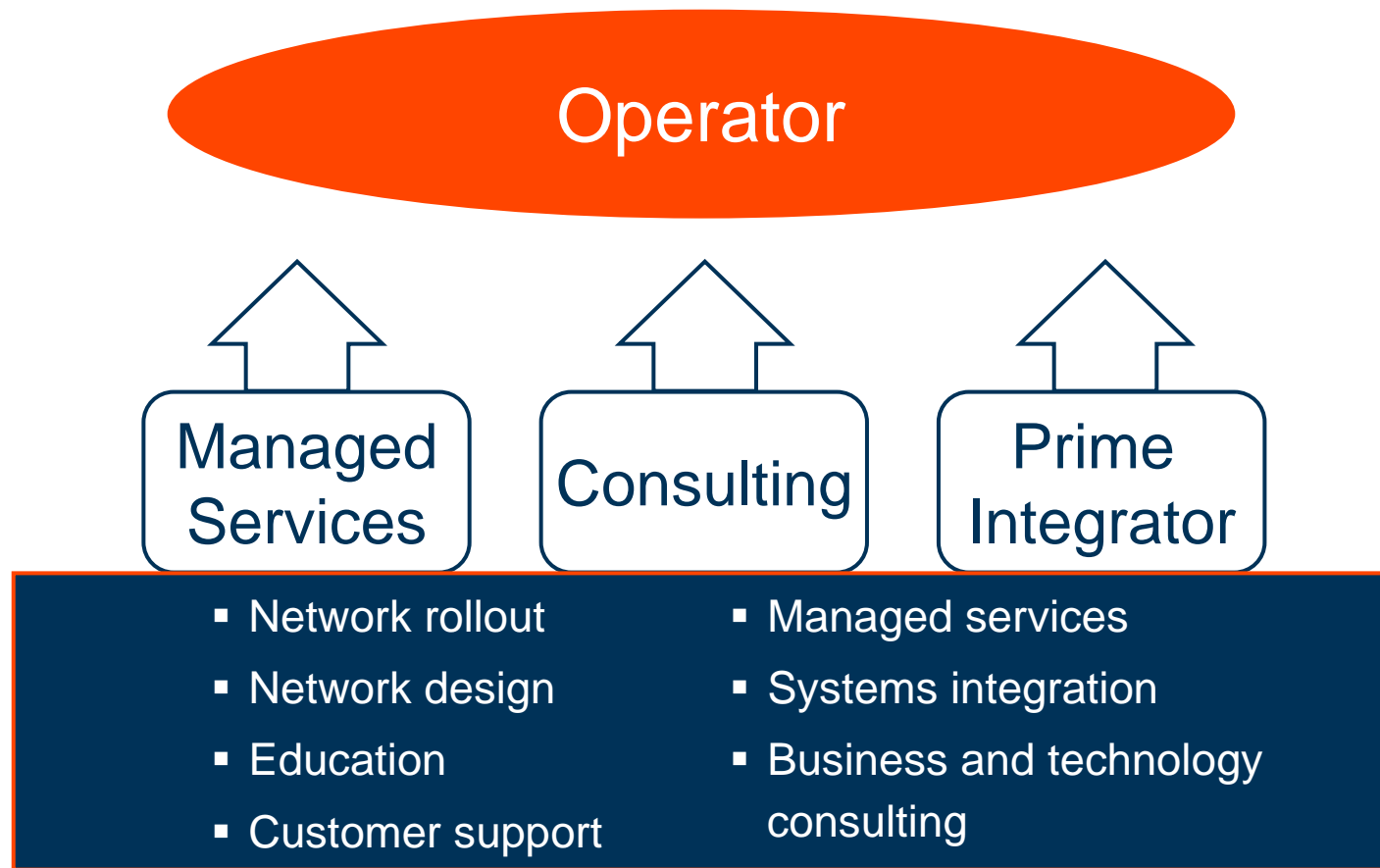
Operator reality driving telecom services

- Moves focus forward - seeking new growth areas
- Increased business and technology complexity
- Total cost of ownership
 - Cost and OPEX reduction
 - Looking for fewer vendors



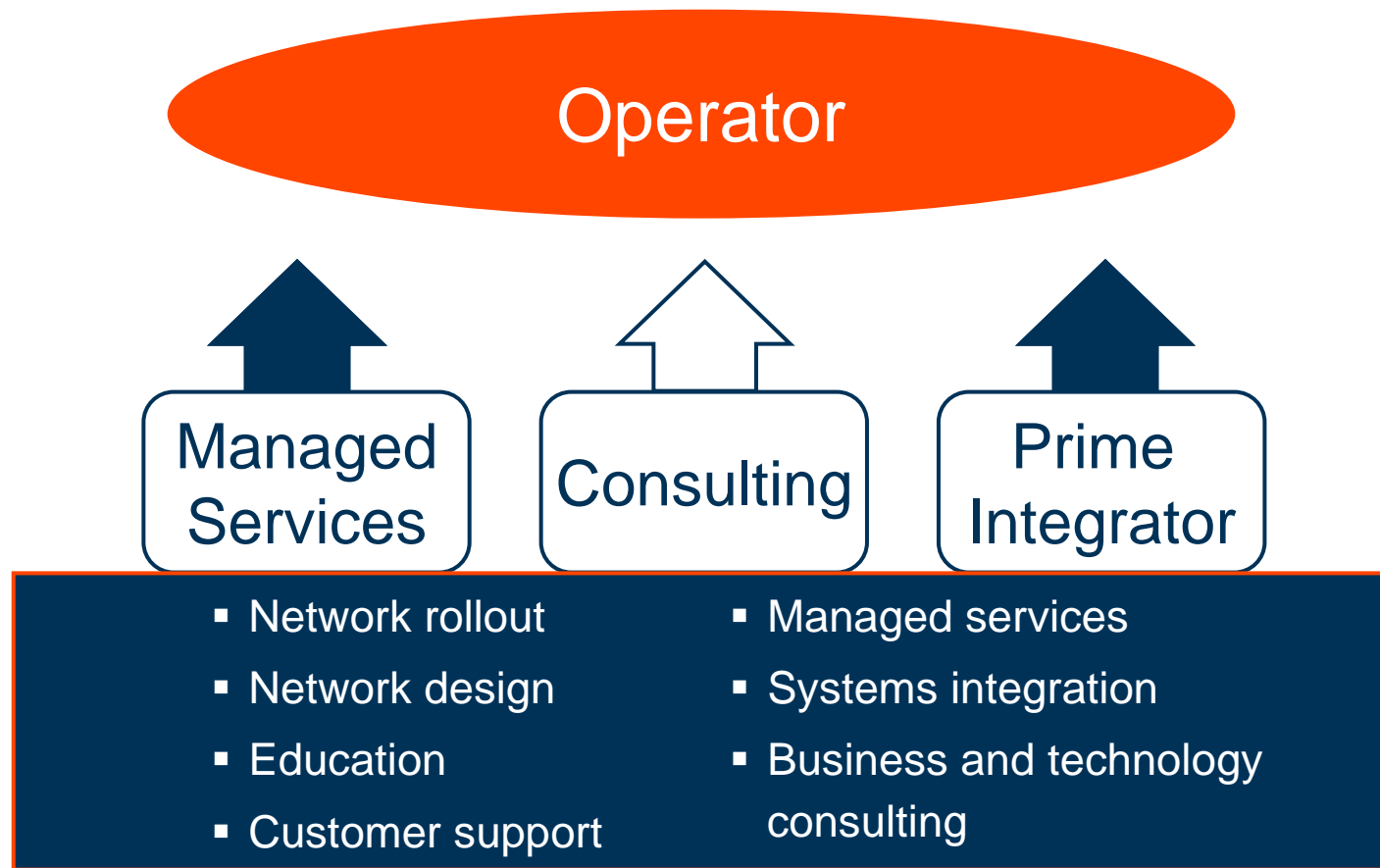
Ericsson's services portfolio - meeting operators' needs

Ericsson the business partner



Global best practices - tools, methods and processes

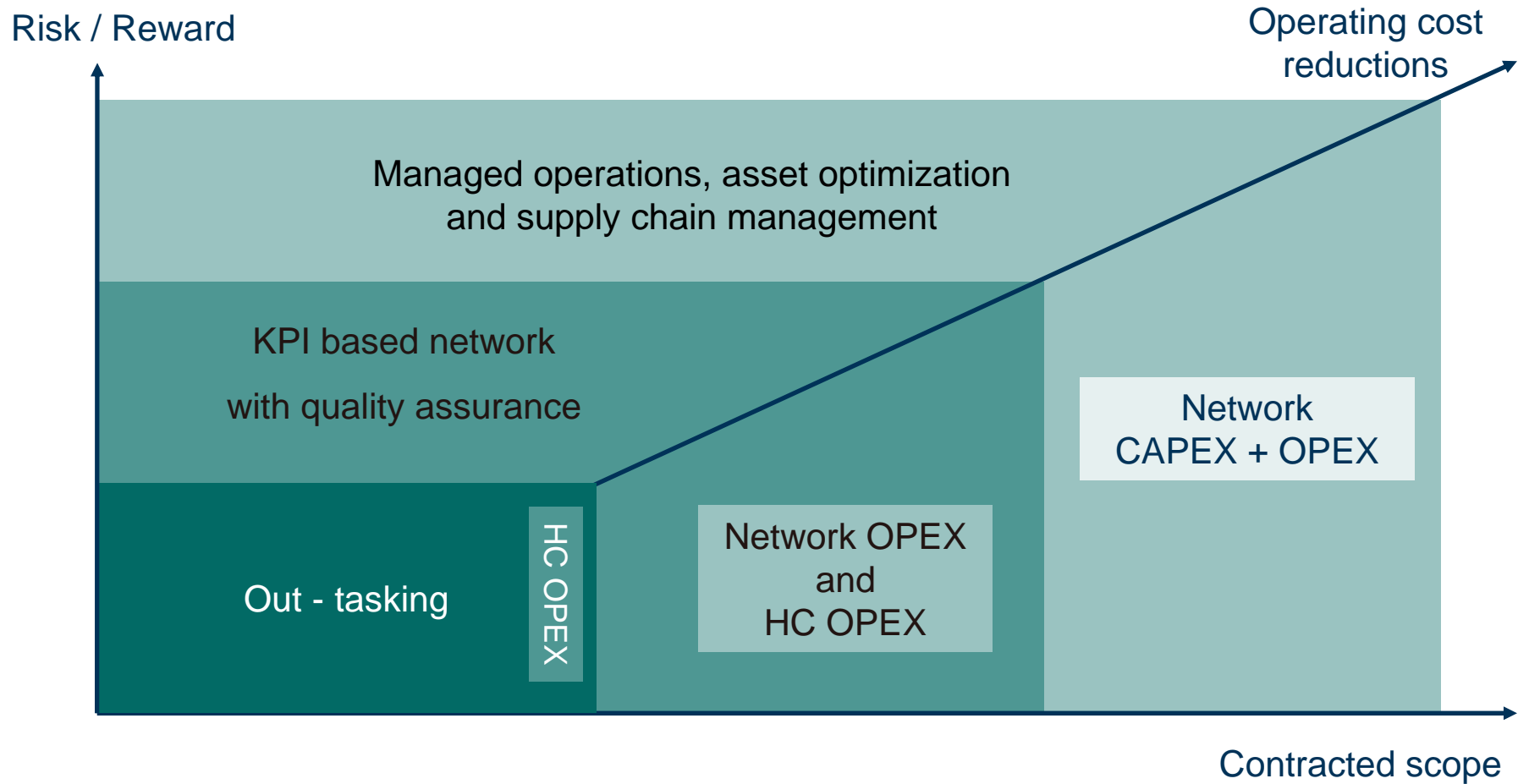
Ericsson the business partner



Global best practices - tools, methods and processes

Managed Operations

Risk/reward dependant on scope of engagement



Managed Services

Functional scope

Not in MS scope

	Strategy	Design	Plan	Build	Operate		
					Field operations	Network operations	Hosting
Access network							
Trans. network							
Core network							
Service network							

Amena, Spain

Functional scope (GSM)

	Not in MS scope	Ericsson responsibility			Operator responsibility		
	Strategy	Design	Plan	Build	Operate		
					Field operations	Network operations	Hosting
Access network							
Trans. network							
Core network							
Service network							

Brasil Telecom, Brazil

Functional scope (GSM and fixed)

	Not in MS scope	Ericsson responsibility			Operator responsibility		
	Strategy	Design	Plan	Build	Operate		
					Field operations	Network operations	Hosting
Access network							
Trans. network							
Core network							
Service network							

Vodafone Netherlands

Functional scope (2G and 3G)

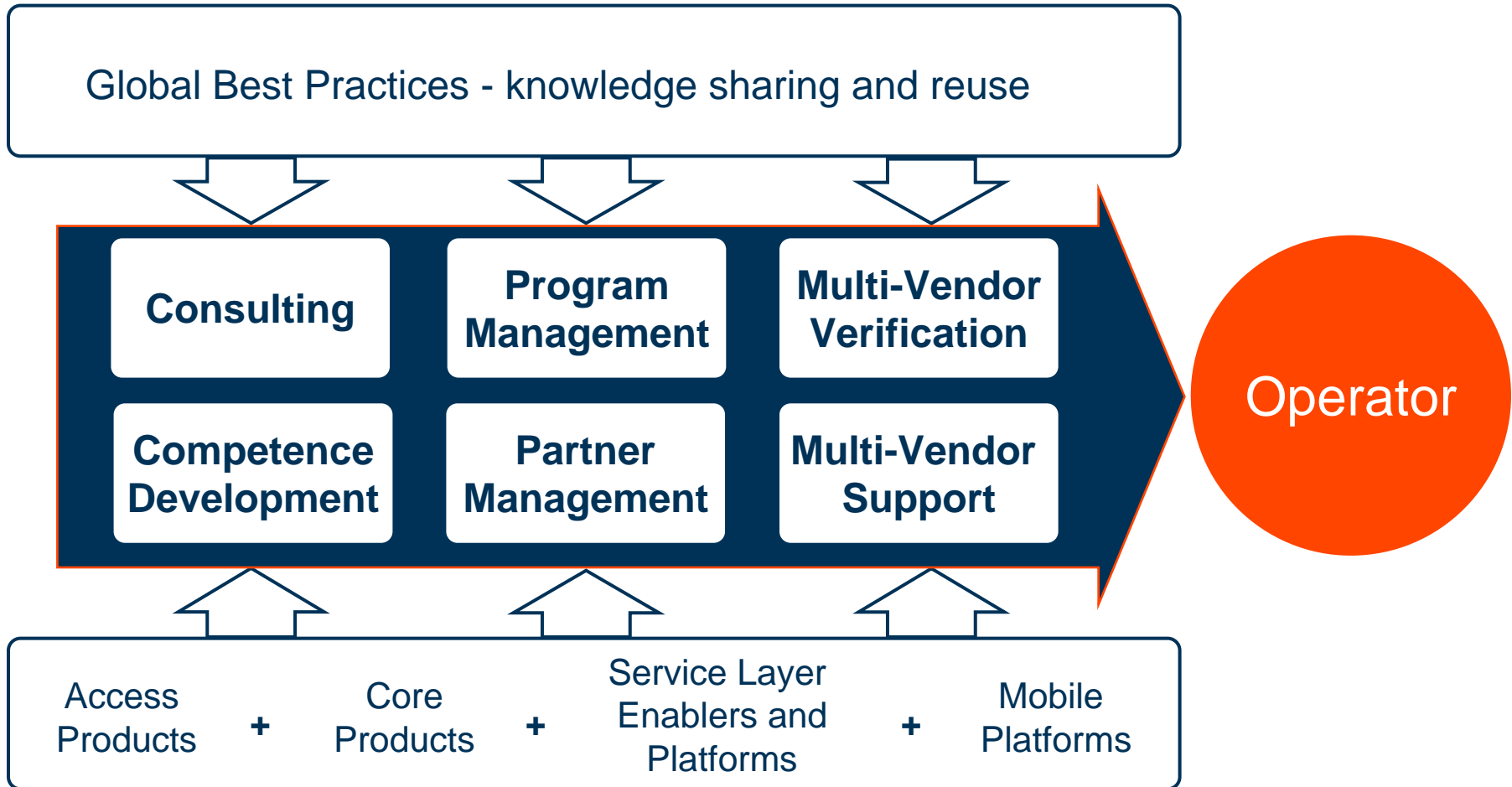
	Not in MS scope		Ericsson responsibility		Operator responsibility		
	Strategy	Design	Plan	Build	Operate		
					Field operations	Network operations	Hosting
Access network							
Trans. network							
Core network							
Service network							

3 Italy

Functional scope (WCDMA)

	Not in MS scope	Ericsson responsibility			Operator responsibility		
	Strategy	Design	Plan	Build	Operate		
					Field operations	Network operations	Hosting
Access network							N/A
Trans. network							N/A
Core network							N/A
Service network							

Ericsson as Prime Integrator



Ericsson as Prime Integrator

Some references

Cingular Nationwide merger of networks and migration to WCDMA and HSPA. Migration of multiple legacy end-user services.

Sprint Nextel Technology advisor and prime integrator for multi-vendor IMS solution.

Telecom Italia Fixed/mobile convergence, IMS, OSS, multimedia services.

Telstra Nationwide modernization and migration to WCDMA/HSPA.

Amena Migration to WCDMA/HSPA. Innovation of Service Delivery Platform. Creation and integration of end-user services.

Case: Telstra – City-to-country

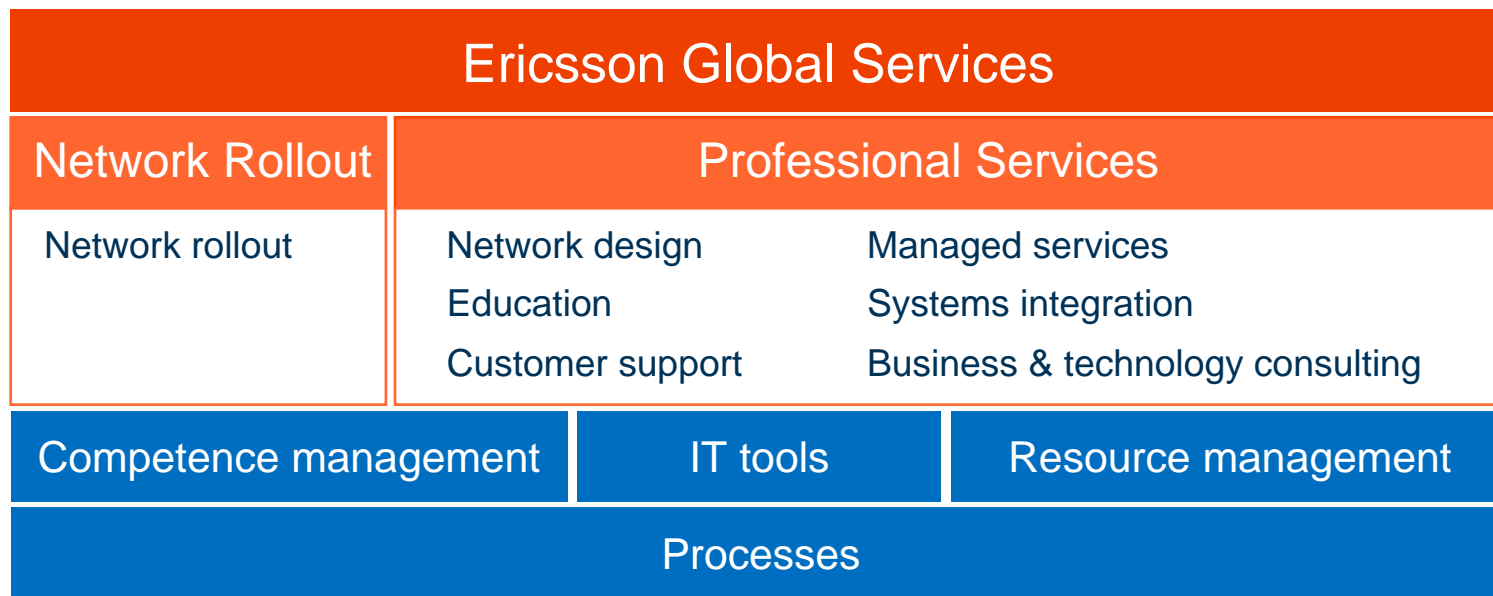


Enhanced quality of service and network performance

- Enabling high-speed data services for over 97% of Australians
- Nationwide deployment of WCDMA and replacement of existing CDMA networks
- Migration to HSPA
- Modernization of existing 2G network
- Ericsson is prime integrator and turnkey service provider

Maximizing Telstra's market competitiveness

Operational excellence in service delivery



Competitive advantage

Strong focus on operational excellence

- Technology and services leadership
- Global experience and expertise
- Global best practices
- Local presence around the world



Differentiation through total cost of ownership

ERICSSON 

TAKING YOU FORWARD