

ERICSSON LM TELEPHONE CO

Form 6-K

April 26, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

April 26, 2012

LM ERICSSON TELEPHONE COMPANY

(Translation of registrant's name into English)

Torshamnsgatan 23, Kista

SE-164 83, Stockholm, Sweden

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (NO. 333-180880) OF TELEFONAKTIEBOLAGET LM ERICSSON (PUBL.) AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

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This report on Form 6-K shall be deemed to be incorporated by reference in the registration statement on Form F-3 (No. 333-180880) of Telefonaktiebolaget LM Ericsson (publ.) and to be a part thereof from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

Ericsson FIRST QUARTER report, ADJUSTED for registration statement on Form F-3 (No. 333.180880)

April 25, 2012

Sales decreased -4% YoY, impacted by an expected major decline in CDMA sales as well as lower operator network spending in regions with macro-economic or political uncertainty. Global Services and consolidation of Telcordia contributed positively.

The underlying business mix, with higher share of coverage and network modernization projects than capacity projects, was unchanged.

This mix is expected to prevail short-term.

Net income SEK 8.8 b. up 116% YoY, impacted by gain from Sony Ericsson divestment of SEK 7.7 b and loss in ST-Ericsson.

EPS diluted SEK 2.76 (1.27), driven by gain from Sony Ericsson divestment.

| SEK b. | Q1 2012 | Q1 2011 | YoY Change | Q4 2011 | QoQ Change |
|-----------------------------------|------------|------------|---------------|------------|---------------|
| Net sales | 51.0 | 53.0 | -4% | 63.7 | -20% |
| <i>Of which Networks</i> | 27.3 | 33.2 | -18% | 33.3 | -18% |
| <i>Of which Global Services</i> | 20.6 | 17.4 | 18% | 27.0 | -24% |
| <i>Of which Support Solutions</i> | 3.0 | 2.3 | 33% | 3.4 | -11% |
| Gross margin | 33.3% | 38.5% | | 30.2% | |
| Operating income excl JVs | 10.5 | 6.3 | 67% | 4.1 | 159% |
| Operating margin excl JVs | 20.6% | 11.9% | | 6.4% | |
| <i>Of which Networks</i> | 6% | 17% | | 8% | |
| <i>Of which Global Services</i> | 6% | 7% | | 6% | |
| <i>Of which Support Solutions</i> | -1% | -15% | | 0% | |
| Operating income incl JVs | 9.1 | 5.8 | 56% | 2.2 | 321% |
| Income after financial items | 9.1 | 5.8 | 56% | 1.8 | 396% |
| Net income | 8.8 | 4.1 | 116% | 1.5 | 490% |
| EPS diluted, SEK | 2.76 | 1.27 | 117% | 0.36 | 667% |
| Cash flow from operations | 0.7 | -2.9 | | 5.5 | |

Q112 includes a gain from the divestment of Sony Ericsson of SEK 7.7 b.

COMMENTS FROM HANS VESTBERG, PRESIDENT AND CEO

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Sales of high-performance mobile broadband developed well in North America, Japan and Korea, while other regions such as Europe including Russia, parts of Middle East and India were weaker, says Hans Vestberg, President and CEO of Ericsson (NASDAQ:ERIC). CDMA continued its expected decline in the transition to LTE. Our services business showed continued momentum where especially Professional Services developed favorably. Support Solutions (former Multimedia) increased organic sales.

NET SALES, SEK b.

OPERATING INCOME INCL. JVs, SEK b.

**excl SEK 7.7 b. gain from Sony Ericsson divestment*

NET INCOME, SEK b.

**excl SEK 7.7 b. gain from Sony Ericsson divestment*

CASH FLOW FROM OPERATIONS, SEK b.

In the quarter, we took important steps in our strategy execution. The announced acquisition of BelAir adds WiFi capabilities to our hetnet portfolio and by acquiring Technicolor's Broadcast Services Division we have strengthened our position in media and broadcasting services, targeting a leadership position in Europe. With the completed divestment of Sony Ericsson, we have left the consumer part of the handset business in order to focus on enabling connectivity for all devices, handsets and beyond. Last year, we gained market share in our core businesses and continued to build a strong LTE position where we have more than 60% market share.

Late 2010, we took a strategic decision to increase our market share in Europe when operators started to modernize their networks and replacing old infrastructure with new multi-standard radio base stations. This, together with the business mix with more coverage than capacity projects, has, as expected, had a negative impact on gross margin YoY and is expected to prevail short-term.

Our joint venture ST-Ericsson has launched a revised strategy and actions to reduce its break-even point. We remain confident that ST-Ericsson has a strategic position in the industry to enable the device ecosystem, concludes Vestberg.

Financial Highlights

INCOME STATEMENT AND CASH FLOW

Sales in the quarter were down -4% YoY and -20% QoQ. Telcordia's sales were SEK 0.9 b. in the quarter. Revenue from Telcordia is split 50/50 between segments Global Services and Support Solutions. Q111 was positively impacted by a one-off revenue from the sale of patents of SEK 0.3 b.

Networks declined compared to Q111, impacted by continued business trends from H211 as well as a major decrease in CDMA sales. Global Services continued to show good momentum with a growth of 18% YoY, with especially good development in Professional Services. Global Services represented 40% (33%) of total sales in the quarter.

Restructuring charges amounted to SEK 0.6 (0.4) b. As previously communicated, restructuring charges are estimated to approximately SEK 4 b. for the FY12. Activities for increased efficiency are ongoing and expected to be executed evenly during the course of the year.

Gross margin was down YoY to 33.3% (38.5%), and up from 30.2% QoQ. The YoY decrease is due to increased services share, network modernization projects in Europe and a higher proportion of coverage projects. The QoQ improvement is due to seasonality, positive effects from mobile broadband capacity investments and lower Global Services share. The underlying business mix, with a higher share of coverage than capacity projects, including the European network modernization projects, was unchanged and is expected to prevail short-term.

Gradually in 2011, gross margin was negatively impacted by the strategic decision to increase market share in Europe and fully impacted Q411. Average project duration is expected to be 18-24 months.

Total operating expenses, including impact from the consolidation of Telcordia, amounted to SEK 14.2 (14.4) b. R&D expenses amounted to SEK 8.0 (8.0) b. and declined QoQ from SEK 8.7 b. Selling and general administrative expenses (SG&A) amounted to SEK 6.2 (6.4) b., representing 12% of sales, same as in Q111. SG&A declined QoQ from SEK 6.8 b.

Other operating income and expenses includes a gain of SEK 7.7 b. related to the divestment of Sony Ericsson.

Ericsson's share in ST-Ericsson's income before tax was SEK -1.4 (-0.6) b.

Financial net amounted to SEK 0.0 (0.0) b and increased QoQ from SEK -0.3 b.

Net income improved to SEK 8.8 (4.1) b., due to the gain from divestment of Sony Ericsson.

EPS diluted was SEK 2.76 (1.27).

Cash flow from operations amounted to SEK 0.7 (-2.9) b., impacted by more projects. During the quarter, the Company made an employee contribution to pension trusts of SEK 1.0 b. Cash outlays for restructuring amounted to SEK 0.4 (0.8) b. Cash outlays of SEK 1.2 b. remain to be made.

DAYS SALES

OUTSTANDING

INVENTORY DAYS

PAYABLE DAYS

BALANCE SHEET AND OTHER PERFORMANCE INDICATORS

Trade receivables decreased QoQ to SEK 60.7 (64.5) b. Days sales outstanding (DSO) increased from 91 to 104 days QoQ due to the seasonally lower volumes.

Inventory decreased QoQ by SEK 0.5 b. to SEK 32.5 (33.1) b. Inventory turnover days increased from 78 to 88 days reflecting the higher share of projects. YoY, ITO increased slightly by one day.

Focus remains on improving working capital levels.

Goodwill increased SEK 3.8 b. to SEK 31.2 (27.4) b. due to acquisitions.

Cash, cash equivalents and short-term investments amounted to SEK 75.6 (80.5) b. The net effect on cash from divestment of Sony Ericsson, acquisitions of Telcordia and BelAir as well as increased share of LG-Ericsson was SEK -1.7 b.

During the quarter, approximately SEK 1.0 b. of provisions was utilized, of which SEK 0.4 b. related to restructuring. Additions of SEK 1.0 b. were made, of which SEK 0.3 b. related to restructuring. Reversals of SEK 0.4 b. were made.

Total number of employees at the end of the quarter increased to 108,551 (104,525). The total net addition is mainly related to the consolidation of Telcordia and expansion in the global service center in India.

SEGMENT SALES,

SEK b.

NETWORKS**QUATERLY SALES,**

SEK b.

Segment Results

NETWORKS

| SEK b. | Q1 2012 | Q1 2011 | YoY Change | Q4 2011 | QoQ Change |
|------------------|------------|------------|---------------|------------|---------------|
| Network sales | 27.3 | 33.2 | -18% | 33.3 | -18% |
| Operating margin | 6% | 17% | | 8% | |

In the quarter, business trends from H211 prevailed with cautious operator spending in regions with macro-economic or political uncertainty. QoQ sales were also impacted by seasonality. Sales in CDMA continued to decline and decreased -40% YoY. Demand for HSPA and LTE was good in the quarter, following the increased focus on network performance, especially in North America. India was still impacted by the uncertain regulatory environment and declined YoY and Russia continued its slower development from H211.

In the quarter, the 50th contract for Evolved Packet Core was signed. The Antenna Integrated radio, which is part of the RBS6000 family, is now ready for volume deployment. The number of people covered by commercial LTE networks from Ericsson is 215 million. In total, 325 million people are covered by LTE. The introduction of LTE also drives operators' interest for investments in core and IMS. The IP application router SSR 8020 is now in commercial operation.

Operating margin was negatively impacted YoY by the underlying business mix with more coverage than capacity projects and the European network modernization projects as well as lower volumes. Profitability was negatively impacted QoQ by lower volumes, however, this was partly offset by mobile broadband capacity investments. This underlying business mix, with higher share of coverage and network modernization projects than capacity projects, is expected to prevail short-term. The impact on profitability from the network modernization projects in Europe is a result of the strategic decision in 2010 to increase market share in Europe. Efficiency activities are ongoing to mitigate these effects.

GLOBAL SERVICES QUARTERLY SALES, SEK b.

GLOBAL SERVICES

| SEK b. | Q1 2012 | Q1 2011 | YoY Change | Q4 2011 | QoQ Change |
|---------------------------------------|------------|------------|---------------|------------|---------------|
| Global Services sales | 20.6 | 17.4 | 18% | 27.0 | -24% |
| <i>Of which Professional Services</i> | 14.9 | 12.6 | 18% | 18.1 | -18% |
| <i>Of which Managed Services</i> | 5.7 | 4.9 | 16% | 6.0 | -6% |
| <i>Of which Network Rollout</i> | 5.7 | 4.9 | 18% | 8.9 | -35% |
| Operating margin | 6% | 7% | | 6% | |
| <i>Of which Professional Services</i> | 13% | 12% | | 14% | |
| <i>Of which Network Rollout</i> | -11% | -7% | | -10% | |

Global Services continued its good momentum. The increase was especially good in Professional Services, mainly driven by consulting and systems integration. This growth is due to a number of reasons; the impact from growing data usage on our customers' business, network and IT environments and increased operator focus on service quality. Operators' transformation in the voice, IP and OSS/BSS domains in order to reduce OPEX are also driving growth. Also this quarter, Network Rollout sales increased YoY, driven by high volumes of network modernization in Europe and coverage projects in other regions. Managed Services continued its good momentum, reflecting the 23 new contracts signed in Q411.

Global Services operating margin decreased slightly YoY due to increased loss in Network Rollout. Profitability improved in Professional Services YoY, mainly due to continued work with efficiency. Network Rollout continued to be negatively impacted by the network modernization projects in Europe and coverage projects. The margin impact from restructuring charges was 2%-points Q112 for Global Services as well as Professional Services, compared to 1%-point in Q111.

Ericsson now supports networks with more than 2.5 billion subscribers.

| Other information | Q1 2012 | Full year 2011 |
|--|------------|-------------------|
| No. of signed managed services contracts | 9 | 70 |
| <i>Of which expansions/extensions</i> | 4 | 32 |
| No. of signed significant consulting & systems integration contracts ¹⁾ | 6 | 33 |
| Number of subscribers in networks managed by Ericsson, end of period | > 900 m. | 900 m. |
| <i>Of which in network operations contracts</i> | 500 m. | 500 m. |
| Number of Ericsson services professionals, end of period | 57,000 | 56,000 |

¹⁾ In the areas of OSS/BSS, IP, Service Delivery Platforms and data center build projects.

SUPPORT SOLUTIONS QUARTERLY SALES, SEK b.**SUPPORT SOLUTIONS (PREVIOUSLY MULTIMEDIA)**

| SEK b. | Q1 2012 | Q1 2011 | YoY Change | Q4 2011 | QoQ Change |
|-------------------------|------------|------------|---------------|------------|---------------|
| Support Solutions sales | 3.0 | 2.3 | 33% | 3.4 | -11% |
| Operating margin | -1% | -15% | | 0% | |

Sales YoY was driven by good development in TV and multimedia brokering (IPX). The integration of Telcordia is proceeding as planned. Sales from the Telcordia operation are equally split between Support Solutions and Global Services. OSS was flat and BSS had a slow quarter, mainly related to a weaker development in India. Operating margins improved YoY due to increased volumes and cost efficiencies.

Number of subscribers served by our charging and billing solutions were 1.7 billion at end of period.

ST-ERICSSON

| USD m. | Q1 2012 | Q1 2011 | YoY Change | Q4 2011 | QoQ Change |
|------------------|------------|------------|---------------|------------|---------------|
| Net sales | 290 | 444 | -35% | 409 | -29% |
| Operating income | -326 | -178 | -83% | -241 | -35% |
| Net income | -312 | -178 | -75% | -231 | -35% |

ST-Ericsson's sales decreased substantially as anticipated due to a drop in sales of new products to one of the largest customers, in addition to the usual seasonal effect and continued decline in legacy products. The net debt at the end of the quarter was USD -956 m. Last quarter net debt was USD -798 m. ST-Ericsson is reported in US GAAP and Ericsson's share in ST-Ericsson's income before tax, adjusted to IFRS, was SEK -1.4 (-0.6) b. in the quarter. By the end of the quarter, ST-Ericsson had utilized USD 978 m. of a short-term credit facility of USD 1.1 b. granted on a 50/50 basis by the parent companies.

On April 23, 2012, ST-Ericsson announced a new strategic direction with the key components; focused R&D portfolio to deliver world class modems and ModAp systems, partnership signed for application processors, additional measures to accelerate time-to-market and lower break-even point.

Regional Overview

| SEK b. | First quarter 2012 | | | Total | Growth | |
|----------------------------------|--------------------|-----------------|-------------------|-------------|------------|-------------|
| | Net-works | Global Services | Support Solutions | | YoY | QoQ |
| North America | 7.5 | 4.7 | 0.6 | 12.8 | -3% | 14% |
| Latin America | 2.1 | 2.5 | 0.2 | 4.8 | 20% | -31% |
| Northern Europe and Central Asia | 1.2 | 1.0 | 0.1 | 2.3 | -32% | -39% |
| Western and Central Europe | 1.5 | 2.6 | 0.2 | 4.3 | -10% | -18% |
| Mediterranean | 2.0 | 2.4 | 0.2 | 4.6 | -4% | -44% |
| Middle East | 1.3 | 1.7 | 0.2 | 3.2 | 3% | -39% |
| Sub-Saharan Africa | 1.3 | 0.8 | 0.2 | 2.2 | -1% | -32% |
| India | 0.7 | 0.6 | 0.1 | 1.4 | -55% | -7% |
| China and North East Asia | 6.3 | 2.8 | 0.1 | 9.2 | 6% | -16% |
| South East Asia and Oceania | 1.8 | 1.4 | 0.1 | 3.4 | 9% | -16% |
| Other | 1.7 | 0.1 | 1.0 | 2.9 | 9% | -14% |
| Total | 27.3 | 20.6 | 3.0 | 51.0 | -4% | -20% |

Revenue from the acquired Telcordia business operation, consolidated January 2012, is reported 50/50 between segments Global Services and Support Solutions. In the regional dimension, all of the Telcordia sales is reported in the Support Solution segment except for North America where it is split 50/50 between Global Services and Support Solutions. Multimedia brokering (IPX) was previously reported in each region in segment Support Solution. As of Q112 it is part of region Other in segment Support Solutions.

North America. Strong HSPA capacity sales and a continued build-out of 4G/LTE coverage more than offset the major decline in CDMA sales. In 2011, the networks business had a strong H1, while sales for mobile infrastructure equipment slowed down in H2 after the initial period with high spending. Services sales increased YoY driven by market share gains and a high level of project executions. Smartphone penetration is now more than 50% in the US market.

Latin America. The YoY increase was driven by services, both network rollout and system integration in OSS/BSS. Sales in Networks showed some growth YoY due to investments in mobile broadband coverage, but also enhancements in 2G. Support Solutions increased due to consolidation of Telcordia.

Northern Europe and Central Asia. Sales of Networks showed a major decrease YoY mainly due to continued slower investments in Russia. LTE rollouts and network modernization projects continued in the Nordics. Global Services increased YoY, mainly related to new managed services contracts. The QoQ decline in Global Services is due to slower rollouts in Russia.

Western and Central Europe. Networks sales were impacted by cautious operator spending, partly offset by network modernization projects. New managed services business is driving the YoY growth in Global Services.

Mediterranean. Networks sales decreased YoY primarily due to cautious operator spending. Network modernization projects continued to be deployed. Global Services sales showed good development YoY, fueled by managed services contracts in Italy and systems integration in Spain.

Middle East. YoY growth was mainly driven by strong sales in Saudi Arabia while business was slower in Turkey. Political unrest is still impacting the region and operators are cautious with infrastructure investments. Services grew strongly, especially in managed services and systems integration as operators are looking into network performance quality and operational efficiencies.

Sub-Saharan Africa. Mobile penetration continued to grow and compared to other regions, build out of voice services (2G) is still the main driver of infrastructure projects. However, in some markets the deployment of mobile broadband has begun. Sales were down YoY despite growth in Networks.

India. Regulatory uncertainty continued with Supreme Court ruling to revoke 122 2G licenses. In Q111, Networks sales were positively impacted by initial 3G rollouts. Operators have a strong focus on cost competitiveness, which has resulted in high interest in reducing their operating expenses. This has generated a growing managed services business. Strong QoQ growth in Support Solutions due to Telcordia consolidation.

China and North East Asia. The YoY increase is mainly related to continued data traffic growth in the region, especially in Japan and Korea. China had a YoY sales decline, primarily a result of good GSM deployments in H111. The QoQ sales decline is due to seasonality. The product mix is changing towards relatively more LTE coverage deployments in some key markets. The increase in Global Services YoY is mainly due to network rollout activities in China, Japan and Korea.

South East Asia and Oceania. Networks sales were positively impacted YoY by National Broadband Network (NBN) LTE deployment in Australia. In Bangladesh and Thailand, operators are planning for 3G spectrum progresses. Global Services showed good growth YoY, also due to the NBN LTE deployment.

Other. Licensing revenues showed stable development YoY. Also sales of cables, power modules and other businesses are included in Other. Multimedia brokering (IPX) was previously reported in each region, but from Q112 it is part of Other, under Support Solutions.

Market data

GROWTH RATES ARE BASED ON ERICSSON AND MARKET ESTIMATES

| | Q1 2012 | Q1 2011 | Change | FULL YEAR | | | Ericsson forecast |
|---|------------|------------|--------|-----------|------|-------|----------------------|
| | | | | 2009 | 2010 | 2011 | 2012 |
| Mobile subscriptions, billion | 6.2 | 5.5 | 12% | 4.6 | 5.3 | 6.0 | 6.7 |
| Net additions, million | 170 | 190 | -12% | 640 | 700 | 650 | 700 |
| Mobile broadband, million ¹⁾ | 1,100 | 710 | 61% | 360 | 620 | 1,000 | 1,400 |
| Net additions, million | 110 | 83 | 32% | 150 | 260 | 400 | 450 |

¹⁾ Mobile broadband includes handsets, tablets and mobile PCs for the following technologies: HSPA, LTE, CDMA2000 EV-DO, TD-SCDMA and WiMAX. Note: due to continuous improvements in reported data from operators, historical subscriptions figures might have changed compared to previously reported, affecting comparison of net additions and total figures. All figures are approximates.

Parent Company Information

Income after financial items was SEK 5.1 (3.1) b. During the quarter, Ericsson completed the divestment of its 50% share in Sony Ericsson. The divestment resulted in a gain of SEK 4.4 b. Other major changes in the Parent Company's financial position for the quarter include; decreased cash, cash equivalents and short-term investments of SEK 4.2 b., increased current and non-current receivables from subsidiaries of SEK 7.3 b. and decreased current liabilities to subsidiaries of SEK 2.3 b. At the end of the quarter, cash, cash equivalents and short-term investments amounted to SEK 51.9 (56.1) b. By the end of the quarter, ST-Ericsson had utilized USD 489 million of a short-term credit facility.

In accordance with the conditions of the long-term variable compensation program (LTV) for Ericsson employees, 2,367,197 shares from treasury stock were sold or distributed to employees during the first quarter. The holding of treasury stock at March 31, 2012, was 60,479,306 Class B shares.

Other Information

DIVESTMENT OF SONY ERICSSON COMPLETED

On February 16, 2012, Ericsson announced the completion of the divestment of its 50% stake in Sony Ericsson Mobile Communications to Sony. The agreed cash consideration for the transaction is EUR 1.05 billion. The deal includes a broad IP cross-licensing agreement.

ACQUISITION OF BELAIR

On February 21, 2012, Ericsson announced the intention to acquire 100% of North American carrier grade WiFi company BelAir Networks. The company is based in Canada and has approximately 120 employees.

ACQUISITION OF TECHNICOLOR S BROADCAST SERVICES DIVISION

On March 13, 2012, Ericsson announced the submission of a binding offer to acquire the broadcast services division of Technicolor. The purchase price is EUR 19 million and a potential earn-out based on 2015 revenues of the broadcast services activity of up to EUR 9 million. The acquisition brings about 900 skilled employees and playout operations in France, UK and in the Netherlands. The closing of the acquisition is subject to relevant customary regulatory administrative approvals and consultations.

INCREASED OWNERSHIP IN LG-ERICSSON

On March 22, 2012, Ericsson announced it has acquired additional shares in LG-Ericsson and now holds 75% of the total shares. Before the purchase, Ericsson held 50% of the shares plus one share. LG-Ericsson is a joint venture between LG Electronics and Ericsson. LG-Ericsson is headquartered in Seoul, Republic of Korea. The joint venture is fully consolidated by Ericsson, since Ericsson acquired Nortel s part of the company in July 2010.

ASSESSMENT OF RISK ENVIRONMENT

Ericsson s operational and financial risk factors and uncertainties along with our strategies and tactics to mitigate risk exposures or limit unfavorable outcomes are described in our Annual Report 2011. Compared to the risks described in the Annual Report 2011, no material, new or changed risk factors or uncertainties have been identified in the quarter.

Risk factors and uncertainties in focus during the forthcoming nine-month period for the Parent Company and the Ericsson Group include:

Potential negative effects on operators willingness to invest in network development due to a increased uncertainty in the financial markets and a weak economic business environment as well as uncertainty regarding the financial stability of suppliers, for example due to lack of financing, or reduced consumer telecom spending, or increased pressure on us to provide financing;

Effects on gross margins and/or working capital of the product mix in the Networks segment between sales of software, upgrades and extensions as well as break-in contracts;

Effects on gross margins of the product mix in the Global Services segment including proportion of new network build-outs and share of new managed services deals with initial transition costs;

A continued volatile sales pattern in the Support Solutions segment or variability in our overall sales seasonality could make it more difficult to forecast future sales;

Effects of the ongoing industry consolidation among our customers as well as between our largest competitors, e.g. with postponed investments and intensified price competition as a consequence;

Results and capital need of our major joint venture ST-Ericsson;

Changes in foreign exchange rates, in particular USD and EUR;

Political unrest or instability in certain markets;

Effects on production and sales from restrictions with respect to timely and adequate supply of materials, components and production capacity and other vital services on competitive terms;

Natural disasters, effecting production, supply and transportation.

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. Stockholm, April 25, 2012

Telefonaktiebolaget LM Ericsson (publ)

Hans Vestberg, President and CEO

Date for next report: July 18, 2012

Editor's Note

Ericsson invites media, investors and analysts to a press conference at the Ericsson Studio, Grönlandsgången 4, Stockholm, at 09.00 (CET), April 25, 2012. An analysts, investors and media conference call will begin at 14.00 (CET).

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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, continu 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

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CONSOLIDATED INCOME STATEMENT

| SEK million | Jan - Mar 2011 | 2012 | Change | Jan - Dec 2011 |
|--|-------------------|----------------|-------------|-------------------|
| Net sales | 52,966 | 50,974 | -4% | 226,921 |
| Cost of sales | -32,578 | -33,985 | 4% | -147,200 |
| Gross income | 20,388 | 16,989 | -17% | 79,721 |
| Gross margin (%) | 38.5% | 33.3% | | 35.1% |
| Research and development expenses | -7,991 | -8,016 | 0% | -32,638 |
| Selling and administrative expenses | -6,441 | -6,232 | -3% | -26,683 |
| Operating expenses | -14,432 | -14,248 | -1% | -59,321 |
| Other operating income and expenses ¹⁾ | 343 | 7,749 | | 1,278 |
| Operating income before shares in earnings of JV and associated companies | 6,299 | 10,490 | 67% | 21,678 |
| Operating margin before shares in earnings of JV and associated companies (%) | 11.9% | 20.6% | | 9.6% |
| Shares in earnings of JV and associated companies | -468 | -1,403 | 200% | -3,778 |
| Operating income | 5,831 | 9,087 | 56% | 17,900 |
| Financial income | 302 | 262 | -13% | 2,882 |
| Financial expenses | -306 | -273 | -11% | -2,661 |
| Income after financial items | 5,827 | 9,076 | 56% | 18,121 |
| Taxes | -1,747 | -272 | | -5,552 |
| Net income | 4,080 | 8,804 | 116% | 12,569 |
| Net income attributable to: | | | | |
| - Stockholders of the Parent Company | 4,103 | 8,950 | | 12,194 |
| - Non-controlling interests | -23 | -146 | | 375 |
| Other information | | | | |
| Average number of shares, basic (million) | 3,202 | 3,212 | | 3,206 |
| Earnings per share, basic (SEK) ²⁾ | 1.28 | 2.79 | | 3.80 |
| Earnings per share, diluted (SEK) ²⁾ | 1.27 | 2.76 | | 3.77 |

STATEMENT OF COMPREHENSIVE INCOME

| SEK million | Jan - Mar 2011 | 2012 | Jan - Dec 2011 |
|--|-------------------|--------------|-------------------|
| Net income | 4,080 | 8,804 | 12,569 |
| Other comprehensive income | | | |
| Actuarial gains and losses, and the effect of the asset ceiling, related to pensions | 388 | 436 | -6,963 |
| Revaluation of other investments in shares and participations | | | |
| Fair value remeasurement | -1 | | |
| Cash flow hedges | | | |
| Gains/losses arising during the period | 1,624 | 785 | 996 |
| Reclassification adjustments for gains/losses included in profit or loss | -921 | -213 | -2,028 |
| Adjustments for amounts transferred to initial carrying amount of hedged items | | 92 | |
| Changes in cumulative translation adjustments | -3,417 | -2,004 | -964 |

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| | | | |
|--|---------------|---------------|---------------|
| Share of other comprehensive income on JV and associated companies | -744 | -52 | -262 |
| Tax on items relating to components of other comprehensive income | -222 | -392 | 2,158 |
| Total other comprehensive income | -3,293 | -1,348 | -7,063 |
| Total comprehensive income | 787 | 7,456 | 5,506 |
| Total comprehensive income attributable to: | | | |
| Stockholders of the Parent Company | 906 | 7,650 | 5,081 |
| Non-controlling interests | -119 | -194 | 425 |

¹⁾ Includes gain on sale of Sony Ericsson SEK 7,691 million in Q1 2012

²⁾ Based on Net income attributable to stockholders of the parent Company

CONSOLIDATED BALANCE SHEET

| SEK million | Dec 31 2011 | Mar 31 2012 |
|--|----------------|----------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | | |
| Capitalized development expenses | 3,523 | 3,529 |
| Goodwill | 27,438 | 31,245 |
| Intellectual property rights, brands and other intangible assets | 13,083 | 17,263 |
| Property, plant and equipment | 10,788 | 11,268 |
| Financial assets | | |
| Equity in JV and associated companies | 5,965 | 3,271 |
| Other investments in shares and participations | 2,199 | 2,122 |
| Customer financing, non-current | 1,400 | 1,139 |
| Other financial assets, non-current | 4,117 | 5,747 |
| Deferred tax assets | 13,020 | 13,231 |
| | 81,533 | 88,815 |
| Current assets | | |
| Inventories | 33,070 | 32,546 |
| Trade receivables | 64,522 | 60,695 |
| Customer financing, current | 2,845 | 2,798 |
| Other current receivables | 17,837 | 20,333 |
| Short-term investments ¹⁾ | 41,866 | 44,992 |
| Cash and cash equivalents | 38,676 | 30,638 |
| | 198,816 | 192,002 |
| Total assets | 280,349 | 280,817 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Stockholders' equity | 143,105 | 150,506 |
| Non-controlling interest in equity of subsidiaries | 2,165 | 1,962 |
| | 145,270 | 152,468 |
| Non-current liabilities | | |
| Post-employment benefits | 10,016 | 9,339 |
| Provisions, non-current | 280 | 208 |
| Deferred tax liabilities | 2,250 | 3,749 |
| Borrowings, non-current | 23,256 | 22,969 |
| Other non-current liabilities | 2,248 | 2,590 |
| | 38,050 | 38,855 |
| Current liabilities | | |
| Provisions, current | 5,985 | 5,722 |
| Borrowings, current | 7,765 | 6,229 |
| Trade payables | 25,309 | 22,283 |
| Other current liabilities | 57,970 | 55,260 |
| | 97,029 | 89,494 |
| Total equity and liabilities | 280,349 | 280,817 |

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| | | |
|---|--------|--------|
| <i>Of which interest-bearing liabilities and post-employment benefits</i> | 41,037 | 38,537 |
| <i>Of which net cash</i> | 39,505 | 37,093 |
| Assets pledged as collateral | 452 | 403 |
| Contingent liabilities | 609 | 581 |

¹⁾ Including loan to ST-Ericsson of SEK 3,241 (2,759) million

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CONSOLIDATED STATEMENT OF CASH FLOWS

| SEK million | Jan - Mar 2011 | 2012 | Jan - Dec 2011 |
|--|-------------------|---------------|-------------------|
| Operating activities | | | |
| Net income | 4,080 | 8,804 | 12,569 |
| Adjustments to reconcile net income to cash | | | |
| Taxes | 721 | -1,118 | 1,994 |
| Earnings/dividends in JV and associated companies | 452 | 1,290 | 3,710 |
| Depreciation, amortization and impairment losses | 2,209 | 2,315 | 9,036 |
| Other | -1,201 | -7,022 | -2,127 |
| | 6,261 | 4,269 | 25,182 |
| Changes in operating net assets | | | |
| Inventories | -3,462 | -59 | -3,243 |
| Customer financing, current and non-current | 196 | 282 | 74 |
| Trade receivables | -1,610 | 3,722 | -1,700 |
| Trade payables | -255 | -2,713 | -1,648 |
| Provisions and post-employment benefits | -752 | -1,771 | -5,695 |
| Other operating assets and liabilities, net | -3,284 | -2,999 | -2,988 |
| | -9,167 | -3,538 | -15,200 |
| Cash flow from operating activities | -2,906 | 731 | 9,982 |
| Investing activities | | | |
| Investments in property, plant and equipment | -980 | -1,648 | -4,994 |
| Sales of property, plant and equipment | 97 | 309 | 386 |
| Acquisitions/divestments of subsidiaries and other operations, net ¹⁾ | -455 | -1,730 | -3,128 |
| Product development | -269 | -251 | -1,515 |
| Other investing activities | 179 | 195 | -900 |
| Short-term investments | 3,706 | -3,999 | 14,692 |
| Cash flow from investing activities | 2,278 | -7,124 | 4,541 |
| Cash flow before financing activities | -628 | -6,393 | 14,523 |
| Financing activities | | | |
| Dividends paid | | | -7,455 |
| Other financing activities | 1,240 | -1,318 | 961 |
| Cash flow from financing activities | 1,240 | -1,318 | -6,494 |
| Effect of exchange rate changes on cash | -720 | -327 | -217 |
| Net change in cash | -108 | -8,038 | 7,812 |
| Cash and cash equivalents, beginning of period | 30,864 | 38,676 | 30,864 |
| Cash and cash equivalents, end of period | 30,756 | 30,638 | 38,676 |

¹⁾ Includes payment of external loan of SEK -6.2 b. attributable to the acquisition of Telcordia in Q1 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| SEK million | Jan - Mar 2011 | Jan - Mar 2012 | Jan - Dec 2011 |
|---|-------------------|-------------------|-------------------|
| Opening balance | 146,785 | 145,270 | 146,785 |
| Total comprehensive income | 787 | 7,456 | 5,506 |
| Sale/Repurchase of own shares | 23 | 17 | 92 |
| Stock purchase | 107 | 108 | 413 |
| Dividends paid | | | -7,455 |
| Transactions with non-controlling interests | | -384 | -71 |
| Closing balance | 147,702 | 152,467 | 145,270 |

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CONSOLIDATED INCOME STATEMENT ISOLATED QUARTERS

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|--|----------------|----------------|----------------|----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Net sales | 52,966 | 54,770 | 55,518 | 63,667 | 50,974 |
| Cost of sales | -32,578 | -34,064 | -36,095 | -44,463 | -33,985 |
| Gross income | 20,388 | 20,706 | 19,423 | 19,204 | 16,989 |
| Gross margin (%) | 38.5% | 37.8% | 35.0% | 30.2% | 33.3% |
| Research and development expenses | -7,991 | -8,108 | -7,824 | -8,715 | -8,016 |
| Selling and administrative expenses | -6,441 | -7,741 | -5,664 | -6,837 | -6,232 |
| Operating expenses | -14,432 | -15,849 | -13,488 | -15,552 | -14,248 |
| Other operating income and expenses ¹⁾ | 343 | 166 | 366 | 403 | 7,749 |
| Operating income before shares in earnings of JV and associated companies | 6,299 | 5,023 | 6,301 | 4,055 | 10,490 |
| Operating margin before shares in earnings of JV and associated companies (%) | 11.9% | 9.2% | 11.3% | 6.4% | 20.6% |
| Shares in earnings of JV and associated companies | -468 | -771 | -640 | -1,899 | -1,403 |
| Operating income | 5,831 | 4,252 | 5,661 | 2,156 | 9,087 |
| Financial income | 302 | 977 | 1,198 | 405 | 262 |
| Financial expenses | -306 | -636 | -987 | -732 | -273 |
| Income after financial items | 5,827 | 4,593 | 5,872 | 1,829 | 9,076 |
| Taxes | -1,747 | -1,377 | -2,090 | -338 | -272 |
| Net income | 4,080 | 3,216 | 3,782 | 1,491 | 8,804 |
| Net income attributable to: | | | | | |
| - Stockholders of the Parent Company | 4,103 | 3,116 | 3,821 | 1,154 | 8,950 |
| - Non-controlling interests | -23 | 100 | -39 | 337 | -146 |
| Other information | | | | | |
| Average number of shares, basic (million) | 3,202 | 3,204 | 3,207 | 3,209 | 3,212 |
| Earnings per share, basic (SEK) ²⁾ | 1.28 | 0.97 | 1.19 | 0.36 | 2.79 |
| Earnings per share, diluted (SEK) ²⁾ | 1.27 | 0.96 | 1.18 | 0.36 | 2.76 |

¹⁾ Includes gain on sale of Sony Ericsson SEK 7,691 million in Q1 2012

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

CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|--|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Operating activities | | | | | |
| Net income | 4,080 | 3,216 | 3,782 | 1,491 | 8,804 |
| Adjustments to reconcile net income to cash | | | | | |
| Taxes | 721 | -29 | 550 | 752 | -1,118 |
| Earnings/dividends in JV and associated companies | 452 | 783 | 658 | 1,817 | 1,290 |
| Depreciation, amortization and impairment losses | 2,209 | 2,172 | 2,227 | 2,428 | 2,315 |
| Other | -1,201 | -1,107 | -291 | 472 | -7,022 |
| | 6,261 | 5,035 | 6,926 | 6,960 | 4,269 |
| Changes in operating net assets | | | | | |
| Inventories | -3,462 | -2,370 | -2,619 | 5,208 | -59 |
| Customer financing, current and non-current | 196 | 195 | -607 | 290 | 282 |
| Trade receivables | -1,610 | 2,114 | -2,769 | 565 | 3,722 |
| Trade payables | -255 | -834 | -805 | 246 | -2,713 |
| Provisions and post-employment benefits | -752 | -485 | -2,180 | -2,278 | -1,771 |
| Other operating assets and liabilities, net | -3,284 | 2,126 | 3,694 | -5,524 | -2,999 |
| | -9,167 | 746 | -5,286 | -1,493 | -3,538 |
| Cash flow from operating activities | -2,906 | 5,781 | 1,640 | 5,467 | 731 |
| Investing activities | | | | | |
| Investments in property, plant and equipment | -980 | -1,196 | -1,294 | -1,524 | -1,648 |
| Sales of property, plant and equipment | 97 | 58 | 59 | 172 | 309 |
| Acquisitions/divestments of subsidiaries and other operations, net ¹⁾ | -455 | -507 | -1,931 | -235 | -1,730 |
| Product development | -269 | -429 | -257 | -560 | -251 |
| Other investing activities | 179 | -100 | -769 | -210 | 195 |
| Short-term investments | 3,706 | 3,196 | 9,323 | -1,533 | -3,999 |
| Cash flow from investing activities | 2,278 | 1,022 | 5,131 | -3,890 | -7,124 |
| Cash flow before financing activities | -628 | 6,803 | 6,771 | 1,577 | -6,393 |
| Financing activities | | | | | |
| Dividends paid | | -7,209 | -241 | -5 | |
| Other financing activities | 1,240 | -1,097 | -10 | 828 | -1,318 |
| Cash flow from financing activities | 1,240 | -8,306 | -251 | 823 | -1,318 |
| Effect of exchange rate changes on cash | -720 | 211 | 278 | 14 | -327 |
| Net change in cash | -108 | -1,292 | 6,798 | 2,414 | -8,038 |
| Cash and cash equivalents, beginning of period | 30,864 | 30,756 | 29,464 | 36,262 | 38,676 |
| Cash and cash equivalents, end of period | 30,756 | 29,464 | 36,262 | 38,676 | 30,638 |

¹⁾ Includes payment of external loan of SEK -6.2 b. attributable to the acquisition of Telcordia in Q1 2012

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 IFRS Interpretations Committee, (IFRIC). The accounting policies adopted are consistent with those of the annual report for the year ended December 31, 2011, and should be read in conjunction with that annual report.

As from January 1, 2012, the Company has applied the following new or amended IFRSs and IFRICs:

Amendment to IAS 12, income taxes: on deferred tax: recovery of underlying assets (not yet endorsed by the EU)

Amendments to IFRS 7, Financial instruments Disclosures: Transfers of Financial Assets

None of the new or amended standards and interpretations has had any significant impact on the financial result or position of the Company. There is no difference between IFRS effective as per March 31, 2012 and IFRS as endorsed by the EU, except for IAS 12 above.

NET SALES BY SEGMENT BY QUARTER

Segments Sony Ericsson and ST-Ericsson are reported in accordance with the equity method, thus their sales are not included.

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Networks | 33,249 | 33,360 | 32,506 | 33,280 | 27,314 |
| Global Services | 17,435 | 19,036 | 20,438 | 26,975 | 20,631 |
| <i>Of which Professional Services</i> | <i>12,571</i> | <i>13,463</i> | <i>14,719</i> | <i>18,081</i> | <i>14,884</i> |
| <i>Of which Managed Services</i> | <i>4,924</i> | <i>4,724</i> | <i>5,304</i> | <i>6,046</i> | <i>5,708</i> |
| <i>Of which Network Rollout</i> | <i>4,864</i> | <i>5,573</i> | <i>5,719</i> | <i>8,894</i> | <i>5,747</i> |
| Support Solutions | 2,282 | 2,374 | 2,574 | 3,412 | 3,029 |
| Total | 52,966 | 54,770 | 55,518 | 63,667 | 50,974 |

| Sequential change, percent | 2011 | | | | 2012 |
|---------------------------------------|-------------|------------|------------|------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Networks | -9% | 0% | -3% | 2% | -18% |
| Global Services | -24% | 9% | 7% | 32% | -24% |
| <i>Of which Professional Services</i> | <i>-25%</i> | <i>7%</i> | <i>9%</i> | <i>23%</i> | <i>-18%</i> |
| <i>Of which Managed Services</i> | <i>-8%</i> | <i>-4%</i> | <i>12%</i> | <i>14%</i> | <i>-6%</i> |
| <i>Of which Network Rollout</i> | <i>-21%</i> | <i>15%</i> | <i>3%</i> | <i>56%</i> | <i>-35%</i> |
| Support Solutions | -34% | 4% | 8% | 33% | -11% |
| Total | -16% | 3% | 1% | 15% | -20% |

| Year over year change, percent | 2011 | | | | 2012 |
|---------------------------------------|------------|-------------|------------|------------|------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Networks | 35% | 31% | 25% | -9% | -18% |
| Global Services | -4% | -5% | 7% | 18% | 18% |
| <i>Of which Professional Services</i> | <i>-5%</i> | <i>-9%</i> | <i>7%</i> | <i>8%</i> | <i>18%</i> |
| <i>Of which Managed Services</i> | <i>1%</i> | <i>-16%</i> | <i>1%</i> | <i>13%</i> | <i>16%</i> |
| <i>Of which Network Rollout</i> | <i>0%</i> | <i>6%</i> | <i>7%</i> | <i>44%</i> | <i>18%</i> |
| Support Solutions | -1% | -2% | 11% | -2% | 33% |
| Total | 17% | 14% | 17% | 1% | -4% |

| Year to date, SEK million | 2011 | | | | 2012 |
|---------------------------------------|---------------|----------------|----------------|----------------|---------------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| Networks | 33,249 | 66,609 | 99,115 | 132,395 | 27,314 |
| Global Services | 17,435 | 36,471 | 56,909 | 83,884 | 20,631 |
| <i>Of which Professional Services</i> | <i>12,571</i> | <i>26,034</i> | <i>40,753</i> | <i>58,834</i> | <i>14,884</i> |
| <i>Of which Managed Services</i> | <i>4,924</i> | <i>9,648</i> | <i>14,952</i> | <i>20,998</i> | <i>5,708</i> |
| <i>Of which Network Rollout</i> | <i>4,864</i> | <i>10,437</i> | <i>16,156</i> | <i>25,050</i> | <i>5,747</i> |
| Support Solutions | 2,282 | 4,656 | 7,230 | 10,642 | 3,029 |
| Total | 52,966 | 107,736 | 163,254 | 226,921 | 50,974 |

| Year to date, year over year change, percent | 2011 | | | | 2012 |
|---|-----------|-----------|-----------|-----------|-----------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| Networks | 35% | 33% | 30% | 17% | -18% |

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| | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|
| Global Services | -4% | -4% | -1% | 5% | 18% |
| <i>Of which Professional Services</i> | -5% | -7% | -3% | 1% | 18% |
| <i>Of which Managed Services</i> | 1% | -8% | -5% | -1% | 16% |
| <i>Of which Network Rollout</i> | 0% | 3% | 5% | 16% | 18% |
| Support Solutions | -1% | -2% | 3% | 1% | 33% |
| Total | 17% | 16% | 16% | 12% | -4% |

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OPERATING INCOME BY SEGMENT BY QUARTER

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|--|--------------|--------------|--------------|---------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Networks | 5,744 | 4,599 | 4,277 | 2,675 | 1,649 |
| Global Services | 1,146 | 1,030 | 1,757 | 1,611 | 1,267 |
| <i>Of which Professional Services</i> | <i>1,486</i> | <i>1,661</i> | <i>2,023</i> | <i>2,498</i> | <i>1,908</i> |
| <i>Of which Network Rollout</i> | <i>-340</i> | <i>-631</i> | <i>-266</i> | <i>-887</i> | <i>-641</i> |
| Support Solutions | -338 | -267 | 90 | 11 | -28 |
| Unallocated ¹⁾ | -228 | -204 | 164 | -233 | -97 |
| <i>Subtotal Segments excluding Sony Ericsson and ST-Ericsson</i> | <i>6,324</i> | <i>5,158</i> | <i>6,288</i> | <i>4,064</i> | <i>2,791</i> |
| Sony Ericsson ²⁾ | 71 | -208 | 75 | -1,137 | 7,691 |
| ST-Ericsson | -564 | -698 | -702 | -771 | -1,395 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | <i>-493</i> | <i>-906</i> | <i>-627</i> | <i>-1,908</i> | <i>6,296</i> |
| Total | 5,831 | 4,252 | 5,661 | 2,156 | 9,087 |

| Year to date, SEK million | 2011 | | | | 2012 |
|--|--------------|---------------|---------------|---------------|--------------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| Networks | 5,744 | 10,343 | 14,620 | 17,295 | 1,649 |
| Global Services | 1,146 | 2,176 | 3,933 | 5,544 | 1,267 |
| <i>Of which Professional Services</i> | <i>1,486</i> | <i>3,147</i> | <i>5,170</i> | <i>7,668</i> | <i>1,908</i> |
| <i>Of which Network Rollout</i> | <i>-340</i> | <i>-971</i> | <i>-1,237</i> | <i>-2,124</i> | <i>-641</i> |
| Support Solutions | -338 | -605 | -515 | -504 | -28 |
| Unallocated ¹⁾ | -228 | -432 | -268 | -501 | -97 |
| <i>Subtotal Segments excluding Sony Ericsson and ST-Ericsson</i> | <i>6,324</i> | <i>11,482</i> | <i>17,770</i> | <i>21,834</i> | <i>2,791</i> |
| Sony Ericsson ²⁾ | 71 | -137 | -62 | -1,199 | 7,691 |
| ST-Ericsson | -564 | -1,262 | -1,964 | -2,735 | -1,395 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | <i>-493</i> | <i>-1,399</i> | <i>-2,026</i> | <i>-3,934</i> | <i>6,296</i> |
| Total | 5,831 | 10,083 | 15,744 | 17,900 | 9,087 |

OPERATING MARGIN BY SEGMENT BY QUARTER

| As percentage of net sales, isolated quarters | 2011 | | | | 2012 |
|---|------------|-------------|------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Networks | 17% | 14% | 13% | 8% | 6% |
| Global Services | 7% | 5% | 9% | 6% | 6% |
| <i>Of which Professional Services</i> | <i>12%</i> | <i>12%</i> | <i>14%</i> | <i>14%</i> | <i>13%</i> |
| <i>Of which Network Rollout</i> | <i>-7%</i> | <i>-11%</i> | <i>-5%</i> | <i>-10%</i> | <i>-11%</i> |
| Support Solutions | -15% | -11% | 3% | 0% | -1% |
| Subtotal excluding Sony Ericsson and ST-Ericsson | 12% | 9% | 11% | 6% | 5% |

| As percentage of net sales, Year to date | 2011 | | | | 2012 |
|--|---------|---------|---------|---------|---------|
| | Jan-Mar | Jan-Jun | Jan-Sep | Jan-Dec | Jan-Mar |
| Networks | 17% | 16% | 15% | 13% | 6% |
| Global Services | 7% | 6% | 7% | 7% | 6% |

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| | | | | | |
|---|------------|------------|------------|------------|-----------|
| <i>Of which Professional Services</i> | 12% | 12% | 13% | 13% | 13% |
| <i>Of which Network Rollout</i> | -7% | -9% | -8% | -8% | -11% |
| Support Solutions | -15% | -13% | -7% | -5% | -1% |
| Subtotal excluding Sony Ericsson and ST-Ericsson | 12% | 11% | 11% | 10% | 5% |

¹⁾ *Unallocated* consists mainly of costs for corporate staff. Non-operational capital gains and losses

²⁾ *Gain on sale of Sony Ericsson in SEK 7,691 million in Q1 2012*

NET SALES BY REGION BY QUARTER

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| North America | 13,162 | 12,324 | 12,096 | 11,203 | 12,775 |
| Latin America | 4,015 | 4,927 | 6,012 | 7,028 | 4,822 |
| Northern Europe & Central Asia ^{1) 2)} | 3,365 | 4,552 | 3,527 | 3,781 | 2,292 |
| Western & Central Europe ²⁾ | 4,806 | 4,342 | 4,612 | 5,270 | 4,306 |
| Mediterranean ²⁾ | 4,799 | 5,543 | 5,225 | 8,240 | 4,620 |
| Middle East | 3,070 | 3,546 | 3,650 | 5,195 | 3,157 |
| Sub Saharan Africa | 2,212 | 2,214 | 2,519 | 3,218 | 2,200 |
| India | 3,169 | 2,798 | 2,273 | 1,522 | 1,421 |
| China & North East Asia | 8,633 | 9,025 | 9,662 | 10,889 | 9,154 |
| South East Asia & Oceania | 3,108 | 3,033 | 3,720 | 4,009 | 3,374 |
| Other ^{1) 2)} | 2,627 | 2,466 | 2,222 | 3,312 | 2,853 |
| Total | 52,966 | 54,770 | 55,518 | 63,667 | 50,974 |

| | | | | | |
|-------------------------------|--------|--------|--------|--------|-------|
| ¹⁾ Of which Sweden | 927 | 1,103 | 944 | 908 | 834 |
| ²⁾ Of which EU | 10,020 | 10,317 | 10,195 | 13,428 | 9,502 |

| Sequential change, percent | 2011 | | | | 2012 |
|---|-------------|-----------|-----------|------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| North America | -6% | -6% | -2% | -7% | 14% |
| Latin America | -34% | 23% | 22% | 17% | -31% |
| Northern Europe & Central Asia ^{1) 2)} | -30% | 35% | -23% | 7% | -39% |
| Western & Central Europe ²⁾ | -19% | -10% | 6% | 14% | -18% |
| Mediterranean ²⁾ | -31% | 16% | -6% | 58% | -44% |
| Middle East | -34% | 16% | 3% | 42% | -39% |
| Sub Saharan Africa | 9% | 0% | 14% | 28% | -32% |
| India | 11% | -12% | -19% | -33% | -7% |
| China & North East Asia | -9% | 5% | 7% | 13% | -16% |
| South East Asia & Oceania | -21% | -2% | 23% | 8% | -16% |
| Other ^{1) 2)} | 25% | -6% | -10% | 49% | -14% |
| Total | -16% | 3% | 1% | 15% | -20% |

| | | | | | |
|-------------------------------|------|-----|------|-----|------|
| ¹⁾ Of which Sweden | -21% | 19% | -14% | -4% | -8% |
| ²⁾ Of which EU | -20% | 3% | -1% | 32% | -29% |

| Year-over-year change, percent | 2011 | | | | 2012 |
|---|------------|------------|------------|-----------|------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| North America | 39% | -6% | -6% | -20% | -3% |
| Latin America | 1% | 17% | 64% | 16% | 20% |
| Northern Europe & Central Asia ^{1) 2)} | 46% | 70% | 49% | -22% | -32% |
| Western & Central Europe ²⁾ | -8% | -2% | 7% | -11% | -10% |
| Mediterranean ²⁾ | -5% | -2% | 4% | 19% | -4% |
| Middle East | -22% | -7% | 34% | 12% | 3% |
| Sub Saharan Africa | -9% | -25% | 40% | 59% | -1% |
| India | 38% | 107% | 7% | -46% | -55% |
| China & North East Asia | 74% | 96% | 39% | 15% | 6% |
| South East Asia & Oceania | -12% | -17% | -3% | 2% | 9% |
| Other ^{1) 2)} | 37% | 49% | 19% | 57% | 9% |
| Total | 17% | 14% | 17% | 1% | -4% |

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| | | | | | |
|--------------------------------------|------|-----|-----|------|------|
| ¹⁾ <i>Of which Sweden</i> | -11% | 11% | -8% | -22% | -10% |
| ²⁾ <i>Of which EU</i> | -9% | -1% | 5% | 7% | -5% |

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NET SALES BY REGION BY QUARTER (continued)

| Year to date, SEK million | 2011 | | | | 2012 |
|--|---------------|----------------|----------------|----------------|---------------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| North America | 13,162 | 25,486 | 37,582 | 48,785 | 12,775 |
| Latin America | 4,015 | 8,942 | 14,954 | 21,982 | 4,822 |
| Northern Europe & Central Asia ¹⁾²⁾ | 3,365 | 7,917 | 11,444 | 15,225 | 2,292 |
| Western & Central Europe ²⁾ | 4,806 | 9,148 | 13,760 | 19,030 | 4,306 |
| Mediterranean ²⁾ | 4,799 | 10,342 | 15,567 | 23,807 | 4,620 |
| Middle East | 3,070 | 6,616 | 10,266 | 15,461 | 3,157 |
| Sub Saharan Africa | 2,212 | 4,426 | 6,945 | 10,163 | 2,200 |
| India | 3,169 | 5,967 | 8,240 | 9,762 | 1,421 |
| China & North East Asia | 8,633 | 17,658 | 27,320 | 38,209 | 9,154 |
| South East Asia & Oceania | 3,108 | 6,141 | 9,861 | 13,870 | 3,374 |
| Other ¹⁾²⁾ | 2,627 | 5,093 | 7,315 | 10,627 | 2,853 |
| Total | 52,966 | 107,736 | 163,254 | 226,921 | 50,974 |
| ¹⁾ Of which Sweden | 927 | 2,030 | 2,974 | 3,882 | 834 |
| ²⁾ Of which EU | 10,020 | 20,337 | 30,532 | 43,960 | 9,502 |

| Year to date, year-over-year change, percent | 2011 | | | | 2012 |
|--|------------|------------|------------|------------|------------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| North America | 39% | 13% | 6% | -1% | -3% |
| Latin America | 1% | 10% | 26% | 23% | 20% |
| Northern Europe & Central Asia ¹⁾²⁾ | 46% | 59% | 56% | 25% | -32% |
| Western & Central Europe ²⁾ | -8% | -5% | -1% | -4% | -10% |
| Mediterranean ²⁾ | -5% | -3% | -1% | 5% | -4% |
| Middle East | -22% | -15% | -2% | 2% | 3% |
| Sub Saharan Africa | -9% | -18% | -3% | 11% | -1% |
| India | 38% | 63% | 42% | 13% | -55% |
| China & North East Asia | 74% | 85% | 66% | 47% | 6% |
| South East Asia & Oceania | -12% | -14% | -10% | -7% | 9% |
| Other ¹⁾²⁾ | 37% | 43% | 35% | 41% | 9% |
| Total | 17% | 16% | 16% | 12% | -4% |
| ¹⁾ Of which Sweden | -11% | -1% | -3% | -8% | -10% |
| ²⁾ Of which EU | -9% | -5% | -2% | 1% | -5% |

TOP 5 COUNTRIES IN SALES

| Country | Jan-Mar 2011 | Jan-Mar 2012 |
|--------------------|--------------|--------------|
| United States | 24% | 24% |
| Japan | 8% | 9% |
| China | 6% | 5% |
| Korea, Republic of | 3% | 4% |
| Italy | 3% | 3% |

NET SALES BY REGION 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. Net sales related to other segments are set out below.

Revenue from Telcordia is reported 50/50 between Segments Global Services and Support Solutions. In the regional dimension, all of Telcordia sales is reported in Support Solutions, except for North America where it is split 50/50. Multimedia brokering (IPX) was previously reported in each region in Segment Support Solutions, from Q112 it is part of region Other in Segment Support Solutions.

| Isolated quarter | Q1, SEK million | | | | Accumulated Jan -Mar 2012, SEK million | | | |
|--------------------------------|-----------------|-----------------|-------------------|---------------|--|-----------------|-------------------|---------------|
| | Net-works | Global Services | Support Solutions | Total | Net-works | Global Services | Support Solutions | Total |
| 2012 | | | | | | | | |
| North America | 7,485 | 4,702 | 588 | 12,775 | 7,485 | 4,702 | 588 | 12,775 |
| Latin America | 2,064 | 2,524 | 234 | 4,822 | 2,064 | 2,524 | 234 | 4,822 |
| Northern Europe & Central Asia | 1,192 | 1,020 | 80 | 2,292 | 1,192 | 1,020 | 80 | 2,292 |
| Western & Central Europe | 1,535 | 2,576 | 195 | 4,306 | 1,535 | 2,576 | 195 | 4,306 |
| Mediterranean | 2,026 | 2,424 | 170 | 4,620 | 2,026 | 2,424 | 170 | 4,620 |
| Middle East | 1,317 | 1,652 | 188 | 3,157 | 1,317 | 1,652 | 188 | 3,157 |
| Sub Saharan Africa | 1,257 | 793 | 150 | 2,200 | 1,257 | 793 | 150 | 2,200 |
| India | 660 | 623 | 138 | 1,421 | 660 | 623 | 138 | 1,421 |
| China & North East Asia | 6,280 | 2,752 | 122 | 9,154 | 6,280 | 2,752 | 122 | 9,154 |
| South East Asia & Oceania | 1,820 | 1,418 | 136 | 3,374 | 1,820 | 1,418 | 136 | 3,374 |
| Other | 1,678 | 147 | 1,028 | 2,853 | 1,678 | 147 | 1,028 | 2,853 |
| Total | 27,314 | 20,631 | 3,029 | 50,974 | 27,314 | 20,631 | 3,029 | 50,974 |
| Share of Total | 54% | 40% | 6% | 100% | 54% | 40% | 6% | 100% |

| Sequential change, percent | Q1 2012 | | | |
|--------------------------------|-------------|-----------------|-------------------|-------------|
| | Net-works | Global Services | Support Solutions | Total |
| North America | 49% | -18% | 29% | 14% |
| Latin America | -37% | -26% | -27% | -31% |
| Northern Europe & Central Asia | -26% | -50% | -38% | -39% |
| Western & Central Europe | -28% | -10% | -33% | -18% |
| Mediterranean | -46% | -39% | -68% | -44% |
| Middle East | -45% | -28% | -62% | -39% |
| Sub Saharan Africa | -34% | -26% | -36% | -32% |
| India | 2% | -23% | 116% | -7% |
| China & North East Asia | -15% | -17% | -47% | -16% |
| South East Asia & Oceania | -17% | -12% | -36% | -16% |
| Other | -44% | -201% | 129% | -14% |
| Total | -18% | -24% | -11% | -20% |

| Year over year change, percent | Q1 2012 | | | |
|--------------------------------|-----------|-----------------|-------------------|-------------|
| | Net-works | Global Services | Support Solutions | Total |
| North America | -18% | 22% | 137% | -3% |
| Latin America | 3% | 40% | 10% | 20% |
| Northern Europe & Central Asia | -50% | 22% | -37% | -32% |
| Western & Central Europe | -29% | 6% | -11% | -10% |

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| | | | | |
|---------------------------|-------------|------------|------------|------------|
| Mediterranean | -10% | 7% | -39% | -4% |
| Middle East | -21% | 29% | 48% | 3% |
| Sub Saharan Africa | 5% | -6% | -14% | -1% |
| India | -71% | -12% | -23% | -55% |
| China & North East Asia | -3% | 34% | 9% | 6% |
| South East Asia & Oceania | 6% | 16% | -15% | 9% |
| Other | -17% | -13% | 134% | 9% |
| Total | -18% | 18% | 33% | -4% |

| Year over year change, percent | Jan - Mar 2012 | | | |
|--------------------------------|----------------|-----------------|-------------------|------------|
| | Net-works | Global Services | Support Solutions | Total |
| North America | -18% | 22% | 137% | -3% |
| Latin America | 3% | 40% | 10% | 20% |
| Northern Europe & Central Asia | -50% | 22% | -37% | -32% |
| Western & Central Europe | -29% | 6% | -11% | -10% |
| Mediterranean | -10% | 7% | -39% | -4% |
| Middle East | -21% | 29% | 48% | 3% |
| Sub Saharan Africa | 5% | -6% | -14% | -1% |
| India | -71% | -12% | -23% | -55% |
| China & North East Asia | -3% | 34% | 9% | 6% |
| South East Asia & Oceania | 6% | 16% | -15% | 9% |
| Other | -17% | -13% | 134% | 9% |
| Total | -18% | 18% | 33% | -4% |

PROVISIONS

| Isolated quarters, SEK million | 2011 | | | | 2012 | |
|--|--------------|--------------|--------------|--------------|--------------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Opening balance | 9,744 | 9,529 | 9,335 | 8,065 | 6,265 | |
| Additions | 1,304 | 2,032 | 633 | 838 | 1,003 | |
| Utilization/Cash out | -1,091 | -1,908 | -1,464 | -1,524 | -980 | |
| <i>Of which restructuring</i> | -762 | -1,220 | -747 | -494 | -401 | |
| Reversal of excess amounts | -88 | -451 | -556 | -824 | -370 | |
| Reclassification, translation difference and other | -340 | 133 | 117 | -290 | 12 | |
| Closing balance | 9,529 | 9,335 | 8,065 | 6,265 | 5,930 | |

| Year to date, SEK million | 2011 | | | 2012 | |
|--|--------------|--------------|--------------|--------------|--------------|
| | Jan - Mar | Jan - Jun | Jan - Sep | Jan - Dec | Jan - Mar |
| Opening balance | 9,744 | 9,744 | 9,744 | 9,744 | 6,265 |
| Additions | 1,304 | 3,336 | 3,969 | 4,807 | 1,003 |
| Utilization/Cash out | -1,091 | -2,999 | -4,463 | -5,987 | -980 |
| <i>Of which restructuring</i> | -762 | -1,982 | -2,729 | -3,223 | -401 |
| Reversal of excess amounts | -88 | -539 | -1,095 | -1,919 | -370 |
| Reclassification, translation difference and other | -340 | -207 | -90 | -380 | 12 |
| Closing balance | 9,529 | 9,335 | 8,065 | 6,265 | 5,930 |

NUMBER OF EMPLOYEES

| End of period | 2011 | | | | 2012 |
|--|---------------|---------------|----------------|----------------|----------------|
| | Mar 31 | Jun 30 | Sep 30 | Dec 31 | Mar 31 |
| North America | 13,531 | 14,553 | 14,782 | 14,801 | 16,281 |
| Latin America | 7,394 | 9,875 | 10,315 | 11,191 | 11,538 |
| Northern Europe & Central Asia ¹⁾ | 21,339 | 21,451 | 21,083 | 20,987 | 21,341 |
| Western & Central Europe | 10,629 | 10,518 | 10,601 | 10,806 | 10,900 |
| Mediterranean | 10,907 | 11,069 | 11,521 | 11,645 | 11,858 |
| Middle East | 4,057 | 4,160 | 4,304 | 4,336 | 4,361 |
| Sub Saharan Africa | 1,644 | 1,637 | 1,891 | 2,283 | 2,317 |
| India | 7,448 | 8,563 | 9,672 | 11,535 | 12,567 |
| China & North East Asia | 10,111 | 11,601 | 12,313 | 12,567 | 13,016 |
| South East Asia & Oceania | 4,486 | 4,502 | 4,408 | 4,374 | 4,372 |
| Total | 91,546 | 97,929 | 100,890 | 104,525 | 108,551 |

¹⁾ *Of which Sweden* 17,771 17,930 17,588 17,500 17,767

INFORMATION ON INVESTMENTS IN ASSETS SUBJECT TO DEPRECIATION, AMORTIZATION, IMPAIRMENT AND WRITE-DOWNS

| Isolated quarters, SEK million | 2011 | | | | 2012 |
|---|------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Additions | | | | | |
| Property, plant and equipment | 980 | 1,196 | 1,294 | 1,524 | 1,648 |
| Capitalized development expenses | 269 | 429 | 257 | 560 | 251 |
| IPR, brands and other intangible assets | 359 | 29 | 488 | 97 | 5,570 |

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Total | 1,608 | 1,654 | 2,039 | 2,181 | 7,469 |
| Depreciation, amortization and impairment losses | | | | | |
| Property, plant and equipment | 841 | 821 | 827 | 1,057 | 914 |
| Capitalized development expenses | 232 | 240 | 263 | 267 | 245 |
| IPR, brands and other intangible assets, etc. | 1,136 | 1,111 | 1,137 | 1,104 | 1,156 |
| Total | 2,209 | 2,172 | 2,227 | 2,428 | 2,315 |

OTHER INFORMATION

| | Jan - Mar 2011 | 2012 | Jan - Dec 2011 |
|---|-------------------|-------|-------------------|
| Number of shares and earnings per share | | | |
| Number of shares, end of period (million) | 3,273 | 3,273 | 3,273 |
| <i>Of which class A-shares (million)</i> | 262 | 262 | 262 |
| <i>Of which class B-shares (million)</i> | 3,011 | 3,011 | 3,011 |
| Number of treasury shares, end of period (million) | 70 | 60 | 63 |
| Number of shares outstanding, basic, end of period (million) | 3,203 | 3,213 | 3,211 |
| Numbers of shares outstanding, diluted, end of period (million) | 3,230 | 3,242 | 3,238 |
| Average number of treasury shares (million) | 71 | 61 | 68 |
| Average number of shares outstanding, basic (million) | 3,202 | 3,212 | 3,206 |
| Average number of shares outstanding, diluted (million) ¹⁾ | 3,229 | 3,241 | 3,233 |
| Earnings per share, basic (SEK) | 1.28 | 2.79 | 3.80 |
| Earnings per share, diluted (SEK) ¹⁾ | 1.27 | 2.76 | 3.77 |

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

| | | | |
|---|--------|--------|--------|
| Ratios | | | |
| Days sales outstanding | 101 | 104 | 91 |
| Inventory turnover days | 87 | 88 | 78 |
| Payable days | 70 | 64 | 62 |
| Equity ratio (%) | 53.1% | 54.3% | 51.8% |
| Capital turnover (times) | 1.2 | 1.1 | 1.2 |
| Payment readiness, end of period | 90,931 | 82,657 | 86,570 |
| Payment readiness, as percentage of sales | 42.9% | 40.5% | 38.1% |

| | | | |
|---|------|------|------|
| Exchange rates used in the consolidation | | | |
| SEK/EUR - average rate | 8.90 | 8.86 | 9.02 |
| - closing rate | 8.93 | 8.84 | 8.92 |
| SEK/USD - average rate | 6.48 | 6.70 | 6.48 |
| - closing rate | 6.28 | 6.63 | 6.90 |

| | | | |
|------------------------------------|--------|--------|---------|
| Other | | | |
| Regional inventory, end of period, | 21,090 | 20,987 | 19,921 |
| Export sales from Sweden | 34,044 | 27,194 | 116,507 |

ERICSSON PLANNING ASSUMPTIONS FOR YEAR 2012**Research and development expenses**

We estimate R&D expenses for the full year 2012 to be at around SEK 29-31 b. The estimate includes amortizations/write-downs of intangible assets related to major acquisitions previously made. 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 2012, remaining at roughly two percent of sales.

Utilization of provisions

The expected utilization of provisions for year 2012 is stated in the Annual Report 2011.

RESTRUCTURING CHARGES BY FUNCTION

| Isolated quarters, SEK million | Q1 | 2011 Q2 | Q3 | Q4 | 2012 Q1 |
|--|-------------|--------------------|-------------|---------------|--------------------|
| Cost of sales | -185 | -257 | -283 | -506 | -496 |
| Research and development expenses | -180 | -208 | -115 | -58 | -19 |
| Selling and administrative expenses | -8 | -1,236 | 22 | -170 | -54 |
| <i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i> | -373 | -1,701 | -376 | -734 | -569 |
| Share in Sony Ericsson charges | | | | -419 | |
| Share in ST-Ericsson charges | -15 | -77 | -17 | -31 | -30 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | -15 | -77 | -17 | -450 | -30 |
| Total | -388 | -1,778 | -393 | -1,184 | -599 |

| Year to date, SEK million | Jan - Mar | 2011 Jan - Jun | Jan - Sep | Jan - Dec | 2012 Jan - Mar |
|--|------------------|---------------------------|------------------|------------------|---------------------------|
| Cost of sales | -185 | -442 | -725 | -1,231 | -496 |
| Research and development expenses | -180 | -388 | -503 | -561 | -19 |
| Selling and administrative expenses | -8 | -1,244 | -1,222 | -1,392 | -54 |
| <i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i> | -373 | -2,074 | -2,450 | -3,184 | -569 |
| Share in Sony Ericsson charges | | | | -419 | |
| Share in ST-Ericsson charges | -15 | -92 | -109 | -140 | -30 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | -15 | -92 | -109 | -559 | -30 |
| Total | -388 | -2,166 | -2,559 | -3,743 | -599 |

RESTRUCTURING CHARGES BY SEGMENT

| Isolated quarters, SEK million | Q1 | 2011 Q2 | Q3 | Q4 | 2012 Q1 |
|--|-------------|--------------------|-------------|---------------|--------------------|
| Networks | -205 | -1,039 | -121 | -235 | -87 |
| Global Services | -166 | -487 | -254 | -456 | -473 |
| <i>Of which Professional Services</i> | -145 | -361 | -225 | -264 | -358 |
| <i>Of which Network Rollout</i> | -21 | -126 | -29 | -192 | -115 |
| Support Solutions | -2 | -119 | -6 | -16 | -9 |
| Unallocated | | -56 | 5 | -27 | |
| <i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i> | -373 | -1,701 | -376 | -734 | -569 |
| Sony Ericsson | | | | -419 | |
| ST-Ericsson | -15 | -77 | -17 | -31 | -30 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | -15 | -77 | -17 | -450 | -30 |
| Total | -388 | -1,778 | -393 | -1,184 | -599 |

| Year to date, SEK million | Jan - Mar | 2011 Jan - Jun | Jan - Sep | Jan - Dec | 2012 Jan - Mar |
|----------------------------------|------------------|---------------------------|------------------|------------------|---------------------------|
| Networks | -205 | -1,244 | -1,365 | -1,600 | -87 |

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| | | | | | |
|--|-------------|---------------|---------------|---------------|-------------|
| Global Services | -166 | -653 | -907 | -1,363 | -473 |
| <i>Of which Professional Services</i> | <i>-145</i> | <i>-506</i> | <i>-731</i> | <i>-995</i> | <i>-358</i> |
| <i>Of which Network Rollout</i> | <i>-21</i> | <i>-147</i> | <i>-176</i> | <i>-368</i> | <i>-115</i> |
| Support Solutions | -2 | -121 | -127 | -143 | -9 |
| Unallocated | | -56 | -51 | -78 | |
| <i>Subtotal Ericsson excluding Sony Ericsson and ST-Ericsson</i> | <i>-373</i> | <i>-2,074</i> | <i>-2,450</i> | <i>-3,184</i> | <i>-569</i> |
| Sony Ericsson | | | | -419 | |
| ST-Ericsson | -15 | -92 | -109 | -140 | -30 |
| <i>Subtotal Sony Ericsson and ST-Ericsson</i> | <i>-15</i> | <i>-92</i> | <i>-109</i> | <i>-559</i> | <i>-30</i> |
| Total | -388 | -2,166 | -2,559 | -3,743 | -599 |

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ACQUISITION OF TELCORDIA

On January 12, 2012 Ericsson announced the closing of the acquisition of all the shares in Telcordia, a global leader in the development of software and services for OSS/BSS, for USD 1.15 billion in an all cash transaction, on a cash and debt-free basis. The total purchase has been allocated to assets acquired and liabilities assumed based on a preliminary assessment of the fair values.

Approximately 2,600 skilled employees have joined Ericsson. This acquisition consolidates Ericsson's position as a leading player in the operations support systems/business support systems (OSS/BSS) market with a key position in service fulfillment, assurance, network optimization and real-time charging.

| PRELIMINARY ALLOCATION OF PURCHASE CONSIDERATION | SEK b. |
|---|-------------------|
| Cash | 8.7 ¹⁾ |
| Total consideration | 8.7 |
| Net assets acquired | |
| Cash and cash equivalents | 0.9 |
| Property, plant and equipment | 0.3 |
| Intangible assets | 5.5 |
| Other current assets and liabilities, net | -1.1 |
| Total identifiable net assets | 5.6 |
| Goodwill | 3.1 |

¹⁾ The cash transaction includes payment of external loan of SEK 6.2 b. and investment in subsidiary of SEK 2.5 b.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELEFONAKTIEBOLAGET LM ERICSSON (publ)

By: /s/ NINA MACPHERSON

Nina Macpherson

Senior Vice President and

General Counsel

By: /s/ HELENA NORRMAN

Helena Norrman

Senior Vice President

Corporate Communications

Date: **April 26, 2012**