

Economic growth to come from telecoms investments, says Ericsson CEO, Carl-Henric Svanberg

Ericsson (NASDAQ:ERIC) President and CEO Carl-Henric Svanberg said today at the Mobile World Congress in Barcelona that 2008 was a year of establishing mobile broadband, and that investments in telecom infrastructure can drive growth across societies.

“Ericsson stood strong during 2008 with a year-over-year sales growth of 11% and a strong financial position. Our view of 2009 is unchanged and as we said in our year-end report, it remains difficult to more precisely predict to what extent consumer telecom spending will be affected and how operators will act. Last year, our infrastructure business was hardly impacted at all, but it would be unreasonable to think that that would be the case also throughout 2009,” says Svanberg.

On stage with Jeffrey Sachs, Special Advisor to UN Secretary General, and Dr. Saad Hamad Al-Barrak, Deputy Chairman and Managing Director (CEO) of the Zain Group, Svanberg said: “Communications plays a critical role in the development of a sustainable and prosperous society. Mobile phones have had a profound impact on peoples’ lives all over the world. The mobile industry is now on the verge of another significant wave of investment, which will bring affordable mobile broadband services to all.”

“In emerging markets, ICT can drive economic development and environmental sustainability,” said Svanberg. But development is only part of the picture. Svanberg stresses that the business of telecommunications can also play a key role in the current economic climate.

“Investing in mobile broadband infrastructure can contribute to speeding recovery in the global recession. According to the US House of Representatives, such investments can have a direct impact on GDP and they say that for every USD investment in broadband, the economy sees a tenfold return. Today, mobile communication is as essential to any nation’s infrastructure as water, transportation or electricity”.

Svanberg also said that the move toward all-IP networks creates new opportunities and challenges: “Consumers more and more start to demand access to any service, to any screen and anywhere and naturally this put demands on the operators’ networks.”

In the press conference Johan Wibergh, head of business unit Networks said: “Operators are seeking to introduce new services whilst at the same time reduce their cost structure by introducing IP technology and transform their business and networks. With our technology leadership and leading change program management capabilities, Ericsson stands out as the strong transformation partner to operators.”

Svanberg concluded: “Despite the current macro-economic environment, the fundamentals of our industry are sound and the underlying demand drivers remain intact; the operators are generally in good shape and the networks are fairly loaded. As we move further into a financially turbulent 2009 our focus will be to manage our company for value creation. In this market environment there will be opportunities to strengthen our position and I am convinced that we are uniquely positioned to capture them.”

Notes to editors:

Ericsson's standard multimedia content is available at the broadcast room:

www.ericsson.com/broadcast_room

Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 250 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27 billion (SEK 209 billion) in 2008. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on OMX Nordic Exchange Stockholm and NASDAQ

For more information, visit www.ericsson.com or www.ericsson.mobi.

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