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## IMPAIRMENT OF RECEIVABLES RELATED TO KAZAKHSTAN CONTRACT

As previously communicated in our results announcements starting from Q3 2009, in the current economic climate there is increased risk and uncertainty with regards the ultimate collectability of some of our Customer loans and receivables balances.

With specific reference to Customer Financing balances in Kazakhstan that totaled MHRK 298 at 31 March 2010, we have recognised an impairment charge in respect of these balances equivalent to MHRK 126. The balances existed in respect of a transaction that was concluded in 2005 under which Ericsson Nikola Tesla provided Customer Financing, fully secured by trade finance instruments from BTA - at that time the No1 Bank in Kazakhstan. BTA is currently undergoing a financial restructuring process, due to its inability to payout its liabilities in full.

Risk Management in Ericsson Nikola Tesla is considered a fundamental part of healthy financial management and an integral part of corporate value creation. The Company has monitored the situation on the Kazakhstan market closely and has made all efforts to minimize risk and recuperate the maximum amount possible. We are operating in a global economic environment that is driven by unprecedented economic events and levels of government intervention. Accordingly, we have already taken steps in partnership with Banks and Financial Institutions to secure all future significant Customer financing exposures are managed through these Financial institutions with no recourse to Ericsson Nikola Tesla.

At 31 March 2010, the company reported MHRK 601.3 in respect of Cash, Cash equivalents and financial assets, total assets of MHRK 1,530.9 and an Equity ratio of 80.7%. Underlying Operating performance in Q1 2010 delivered a ROS of 11.06% and Operating Cashflow of MHRK 64.5.

After recognizing this impairment, the Company's credit risk is significantly reduced and Balance Sheet remains strong. Further, although the total value of expected future Cash receipts in respect of these specific Customer Financing balances in Kazakhstan is now reduced to MHRK 172, we anticipate that timing of these Cash receipts will now be significantly accelerated.

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*Ericsson is the world's leading provider of technology and services to telecom operators. Ericsson is the leader in 2G, 3G and 4G mobile technologies, and provides support for networks with over 2 billion subscribers and has the leading position in managed services. The company's portfolio comprises mobile and fixed network infrastructure, telecom services, software, broadband and multimedia solutions for operators, enterprises and the media industry. The Sony Ericsson and ST-Ericsson joint ventures provide consumers with feature-rich personal mobile devices.*

*Ericsson is advancing its vision of being the "prime driver in an all-communicating world" through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 80,000 employees generated revenue of SEK 206.5 billion (USD 27.1 billion) in 2009. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on OMX NASDAQ, Stockholm and NASDAQ New York.*

*Ericsson Nikola Tesla, as an integral part of the Ericsson Group, supports the modern ways of communicating. The company's activities include marketing and sales, research and development, design of the total communications solution, services in the multi-service and mobile networks area including the mobile Internet and complex system integration in all business areas. The company provides innovative ICT solutions that constantly improve people's life and create new value.*

Company Communication of Ericsson Nikola Tesla

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