

ERICSSON LM TELEPHONE CO

Form 6-K

April 17, 2009

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 17, 2009

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

Announcement of LM Ericsson Telephone Company, dated April 17, 2009 regarding Sony Ericsson reports first quarter results.

PRESS RELEASE**Sony Ericsson reports first quarter results**

April 17, 2009

Q1 highlights:

Income before taxes was a loss of Euro 358 million (excl. restructuring charges)

Cost saving program progressing as planned and additional savings of Euro 400 million announced

Launch of Entertainment Unlimited consumer proposition and new generation of products well received by operator partners

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the first quarter ended March 31, 2009 is as follows:

	Q1 2008	Q4 2008	Q1 2009
Number of units shipped (million)	22.3	24.2	14.5
Sales (Euro m.)	2,702	2,914	1,736
Gross margin (%)	29%	15%	8%
Operating income (Euro m.)	184	-262	-369
Operating margin (%)	7%	-9%	-21%
Restructuring charges (Euro m.)		129	12
Operating income excl. restructuring charges (Euro m.)		-133	-357
Operating margin excl. restructuring charges (%)		-5%	-21%
Income before taxes (IBT) (Euro m.)	193	-261	-370
IBT excl. restructuring charges (Euro m.)		-133	-358
Net income (Euro m.)	133	-187	-293
Average selling price (Euro)	121	121	120

Units shipped in the quarter were 14.5 million, a decrease of 35% compared to the same period of last year and in line with our March 20, 2009 interim announcement of approximately 14 million units. Sales for the quarter were Euro 1,736 million, a decrease of 36% from a year ago. Sales decreased primarily as a result of continued weak consumer confidence and de-stocking in the retail and distribution channels.

Gross margin declined both year-on-year and sequentially, reflecting a change in the product mix, material write-offs, and exchange rate volatility.

Income before taxes for the quarter excluding restructuring charges was a loss of Euro 358 million, within the range announced on March 20, 2009 (loss of Euro 340 - 390 million).

As expected, the first quarter of this year has been extremely challenging for Sony Ericsson due to continued weak global demand. We are aligning our business to the new market reality with the aim of bringing the company back to profitability as quickly as possible, said Dick Komiyama, President, Sony Ericsson. The management intends to pursue an additional cost saving program targeting a further annual operating expense reduction of Euro 400 million, to be completed by mid-2010.

The company's initial cost saving program targeting annual operating expense reductions of Euro 300 million by the end of the first half of 2009, including a workforce reduction of 2,000 headcount, has now been completed. A total of Euro 187 million restructuring charges have been recorded compared to the initial estimated costs of Euro 300 million.

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In January 2009 an additional cost saving program was initiated to target annual operating expense reductions of Euro 180 million by the end of 2009. The cost of this program will be covered by the initial Euro 300 million restructuring costs announced in July 2008.

The additional cost saving program announced today will include a further reduction in the global workforce of approximately 2,000 people. It is estimated that new restructuring charges of Euro 200 million will be needed to complete this program.

As of March 31, 2009, Sony Ericsson retained a strong net cash position of Euro 1.1 billion.

Market share in the first quarter decreased and is now estimated to be around 6%, down two percentage points sequentially.

Sony Ericsson forecasts that the global handset market for 2009 will contract at least 10% from around 1,190 million units in 2008.

At Mobile World Congress in February 2009, Sony Ericsson announced a new consumer proposition, called Entertainment Unlimited (EU), to build on Sony Ericsson's leadership in music, imaging, gaming, content services, and applications to deliver unlimited opportunities for consumers. The company also announced the first Entertainment Unlimited phone with the concept name *Idou* to be launched in the second half of 2009. The next EU announcement will take place on 28 May.

Sony is a trademark or registered trademark of Sony Corporation. Ericsson is the trademark or registered trademark of Telefonaktiebolaget LM Ericsson.

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A live webcast of the conference call will be available *on* April 17, 2009 *at* 08:00 UK time, 09:00 Central European time (CET), 03:00 US Eastern time (EST) and 16:00 Japan time (JST). See:

www.ericsson.com/ericsson/investors or join directly *at*:

www.thomson-webcast.net/uk/dispatching/?event_id=391f1ce4d4953c040c67ec9cdc0116d8&portal_id=ccec29148a44ec4b8077c845c5b4cbba.

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A replay of the conference call will be available approximately two hours after the completion of the conference call until 23:00 UK time on April 23, 2009.

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EDITOR S NOTES:

Financial statements and additional information:

Financial statements:

Consolidated income statement

Consolidated income statement isolated quarters

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of cash flows isolated quarters

Additional information:

Net sales by market area by quarter

- ENDS -

Sony Ericsson is a top, global industry player with sales of around 97 million phones in 2008. Diversity is one of the core strengths of the company, with operations in over 80 countries including manufacturing in China and R&D sites in China, Europe, India, Japan and North America. Sony Ericsson was established as a 50:50 joint venture by Sony and Ericsson in October 2001, with global corporate functions located in London. For more information about Sony Ericsson please visit www.sonyericsson.com

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This press release contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ materially from those contained in such forward-looking statements. For a detailed description of risk factors see Sony's and Ericsson's filings with the US Securities and Exchange Commission, particularly each company's latest published Annual Report on Form 20-F.

Sony Ericsson

CONSOLIDATED INCOME STATEMENT

EUR million	2009	Jan-Mar 2008	Change
Net sales	1,736	2,702	-36%
Cost of sales	-1,591	-1,914	-17%
Gross profit	145	788	-82%
Gross margin %	8.4%	29.2%	-21%
Research and development expenses	-303	-339	-11%
Selling and administrative expenses	-225	-270	-17%
Operating expenses	-528	-610	-13%
Other operating income, net	13	6	111%
Operating income	-369	184	-300%
Operating margin %	-21.3%	6.8%	-28%
Financial income	9	24	-62%
Financial expenses	-10	-15	-35%
Income after financial items	-370	193	-291%
Taxes	84	-57	-247%
Minority interest	-6	-3	89%
Net income	-293	133	-320%
Number of units shipped (million)	14.5	22.3	-35%
ASP (EUR)	120	121	-1%

EUR Million	Jan-Mar 2009	Jan-Mar 2008
Restructuring charges		
Cost of sales	7	0
Research and development expenses	2	0
Sales and administrative expenses	3	0
Other operating income, net	0	0
Total	12	0

Sony Ericsson

CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

EUR million	2009	2008			
	Q1	Q4	Q3	Q2	Q1
Net sales	1,736	2,914	2,808	2,820	2,702
Cost of sales	-1,591	-2,476	-2,192	-2,168	-1,914
Gross profit	145	438	616	653	788
Gross margin %	8.4%	15.0%	21.9%	23.1%	29.2%
Research and development expenses	-303	-359	-337	-344	-339
Selling and administrative expenses	-225	-366	-303	-310	-270
Operating expenses	-528	-725	-640	-653	-610
Other operating income, net	13	24	-8	-2	6
Operating income	-369	-262	-33	-2	184
Operating margin %	-21.3%	-9.0%	-1.2%	-0.1%	6.8%
Financial income	9	28	25	25	24
Financial expenses	-10	-27	-15	-14	-15
Income after financial items	-370	-261	-23	8	193
Taxes	84	81	6	0	-57
Minority interest	-6	-7	-8	-3	-3
Net income	-293	-187	-25	6	133
Number of units shipped (million)	14.5	24.2	25.7	24.4	22.3
ASP (EUR)	120	121	109	116	121

EUR Million	2009	2008		
Restructuring charges	Q1	Q4	Q3	Q2
Cost of sales	7	67	0	8
Research and development expenses	2	35	26	2
Sales and administrative expenses	3	24	3	1
Other operating income, net	0	3	6	0
Total	12	129	35	11

Sony Ericsson

CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2009	Dec 31 2008	Mar 31 2008
ASSETS			
Total fixed and financial assets	658	590	594
Current assets			
Inventories	477	531	484
Accounts receivables	1,193	1,629	1,710
Other assets	463	585	369
Other short-term cash investments	574	707	1,106
Cash and bank	542	418	605
Total current assets	3,249	3,870	4,274
Total assets	3,908	4,460	4,868
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders equity	930	1,217	1,665
Minority interest	65	57	69
Total equity	995	1,274	1,734
Total long-term liabilities	30	30	25
Accounts payable	965	990	1,228
Other current liabilities	1,918	2,166	1,880
Total current liabilities	2,882	3,156	3,108
Total shareholders equity and liabilities	3,908	4,460	4,868
Net cash*	1,116	1,072	1,703

* Net cash is defined as cash and bank plus short-term cash investments less interest bearing liabilities.

Sony Ericsson

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Jan-Mar	
	2009	2008
OPERATIONS		
Net income	-293	133
Adjustments to reconcile net income to cash	29	31
	-263	164
Changes in operating net assets	321	-101
Cash flow from operating activities	58	64
INVESTMENTS		
Investing activities	-19	-22
Cash flow from investing activities	-19	-22
FINANCING		
Financing activities	-53	-462
Cash flow from financing activities	-53	-462
Net change in cash	-14	-421
Cash, beginning of period	1,125	2,155
Translation difference in Cash	5	-24
Cash, end of period	1,116	1,711

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CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

EUR million	2009 Jan-Mar	Oct-Dec	2008 Jul-Sep	Apr-Jun	Jan-Mar
OPERATIONS					
Net income	-293	-187	-25	6	133
Adjustments to reconcile net income to cash	29	37	39	40	31
	-263	-150	15	46	164
Changes in operating net assets	321	-168	88	-142	-101
Cash flow from operating activities	58	-318	102	-96	64
INVESTMENTS					
Investing activities	-19	41	-55	-29	-22
Cash flow from investing activities	-19	41	-55	-29	-22
FINANCING					
Financing activities	-53	-46	-238	-8	-462
Cash flow from financing activities	-53	-46	-238	-8	-462
Net change in cash	-14	-323	-191	-133	-421
Cash, beginning of period	1,125	1,473	1,591	1,711	2,155
Translation difference in Cash	5	-25	74	13	-24
Cash, end of period	1,116	1,125	1,473	1,591	1,711

Sony Ericsson

NET SALES BY MARKET AREA BY QUARTER

EUR million

Isolated quarters	2009	2008			
	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	977	1,642	1,427	1,386	1,494
Americas	200	636	703	740	486
Asia	559	636	678	694	722
Total	1,736	2,914	2,808	2,820	2,702

* of which Western Europe	721	1,117	947	900	979
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Sequential change (%)	2009	2008			
	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	-40%	15%	3%	-7%	-34%
Americas	-69%	-10%	-5%	52%	-24%
Asia	-12%	-6%	-2%	-4%	-18%
Total	-40%	4%	0%	4%	-28%

* of which Western Europe	-35%	18%	5%	-8%	-38%
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Year over year change (%)	2009	2008			
	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	-35%	-27%	-17%	-20%	-7%
Americas	-59%	0%	23%	48%	33%
Asia	-23%	-28%	-17%	-21%	-25%
Total	-36%	-23%	-10%	-9%	-8%

* of which Western Europe	-26%	-29%	-14%	-18%	-9%
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Year to date	2009	2008			
	0903	0812	0809	0806	0803
Europe, Middle East & Africa *	977	5,947	4,306	2,879	1,494
Americas	200	2,566	1,930	1,226	486
Asia	559	2,731	2,094	1,416	722
Total	1,736	11,244	8,330	5,522	2,702

* of which Western Europe	721	3,943	2,826	1,879	979
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YTD year over year change (%)	2009	2008			
	0903	0812	0809	0806	0803
Europe, Middle East & Africa *	-35%	-18%	-15%	-13%	-7%
Americas	-59%	24%	34%	42%	33%
Asia	-23%	-23%	-21%	-23%	-25%

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Total	-36%	-13%	-9%	-9%	-8%
* of which Western Europe	-26%	-19%	-14%	-14%	-9%

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/ CARL OLOF BLOMQVIST*
Carl Olof Blomqvist
Senior Vice President and

General Counsel

By: */s/ HENRY STÉNSON*
Henry Sténson
Senior Vice President

Corporate Communications

Date: April 17, 2009