

ERICSSON LM TELEPHONE CO
Form 6-K
January 26, 2007

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

January 26, 2007

LM ERICSSON TELEPHONE COMPANY

(Translation of registrant's name into English)

Torshamnsgatan 23, Kista

SE-164 83, Stockholm, Sweden

(Address of principal executive offices)

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 January 17, 2007 Record quarter caps a record year for Sony Ericsson .

Sony Corporation
6-7-35, Kitashinagawa
Shinagawa-ku, Tokyo, 141-0001 Japan

Telefonaktiebolaget LM Ericsson
SE-164 83 Stockholm
Sweden

PRESS RELEASE

January 17, 2007

Record quarter caps a record year for Sony Ericsson

Q4 Highlights:

Year-on-year volume & sales growth of over 60%

Income before tax up 144% year-on-year

Hit products drive market share gains

2006 Highlights:

Volume & sales grow to 74.8 million units and 10,959 million Euros respectively, double the global market growth rate

Income before taxes grows to 1,298 million Euros

60 million music enabled phones, including 17 million Walkman phones sold

Strong growth in Latin America, Asia Pacific and Europe

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the fourth quarter ended December 31, 2006 is as follows:

	Q4 2005	Q3 2006	Q4 2006	FY05	FY06
Number of units shipped (million)	16.1	19.8	26.0	51.2	74.8
Sales (EURO m.)	2,310	2,913	3,782	7,268	10,959
Income before taxes (EURO m.)	206	433	502	512	1,298
Net income (EURO m.)	144	298	447	350	997

Units shipped in the quarter reached 26.0 million, a 61% increase compared to the same period last year, generating significant year-on-year market share gains. Sales for the quarter were Euro 3,782 million, representing a year-on-year increase of 64%. Income before taxes for the quarter was Euro 502 million representing a year-on-year increase of 144%. Net income for the quarter was Euro 447 million.

Sony Ericsson increased market share during the quarter due to the continued success of products such as the K800/K790 Cyber-shot phone and Walkman® phone line-up. Average Selling Price (ASP) was slightly higher than expected due to more favourable than expected market conditions and continuing strong demand for Sony Ericsson's hit model handsets. Particularly strong growth in emerging markets in Latin America and Asia Pacific, as well as in Europe, illustrates Sony Ericsson's success at expanding the portfolio to increase market share in new markets with attractive mid-tier products, and without undermining profitability.

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The fourth quarter saw Sony Ericsson finish a strong year with record volumes, sales and net income due to the soaring popularity of our imaging and music phones. Earlier investments in R&D and marketing have enabled us to expand the portfolio and strengthen the brand to increase consumer and operator appeal. Our target is to become one of the top three players in the industry, and the momentum we established in 2006 makes this an achievable ambition, said Miles Flint, President of Sony Ericsson.

Sony Ericsson estimates the 2006 global handset market as being around 980 million units, higher than previous forecasts of over 950 million units for the year. On this basis the company believes it has outperformed the market during the quarter, gaining around 1% of market share sequentially, to achieve a global market share of approximately 9% during Q4. In Q4 2006 Sony Ericsson grew market share slightly over 2% against the same period for the previous year.

During the fourth quarter Sony Ericsson announced it had reached agreement in principle to acquire the Swedish software company UIQ Technology AB, a wholly owned subsidiary and business of Symbian Ltd. Sony Ericsson expects the transaction to be completed during the first quarter 2007.

WALKMAN® and Cyber-shot are trademarks or registered trademarks of Sony Corporation.

- ENDS -

Sony Ericsson Mobile Communications serves the global communications market with innovative and feature-rich mobile phones, accessories and PC-cards. Established as a joint venture by Sony and Ericsson in 2001, with global corporate functions located in London, the company employs over 7,500 people worldwide, including R&D sites in Europe, Japan, China and America. Sony Ericsson celebrated the 5th anniversary of the start of the joint venture on 1st October, 2006.

Sony Ericsson is the global title sponsor of the Women's Tennis Association, and works with the Association to promote the Sony Ericsson WTA Tour in over 80 cities during the year. For more information on Sony Ericsson, please visit www.sonyericsson.com

CONTACTS:

Investors/Analysts

Ericsson Investor Relations

Gary Pinkham (Stockholm) +46 8 719 0858

Sony Investor Relations

Takao Yuhara (Tokyo) +81 3 5448 2180

Shinji Tomita (London) +44 207 444 9713

Press/Media

Ericsson External Relations

Ase Lindskog (Stockholm) +46 8 719 9725

Sony Corporate Communications

Koji Kurata (Tokyo) +81 3 5448 2200

Sony Ericsson Corporate Communications

Aldo Liguori (London) +44 208 762 5860

Merran Wrigley (London) +44 208 762 5862

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.

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: January 26, 2007