

## Corporate Results

# LHS Records New Top Marks in Revenue and Adjusted EBITDA in Q2 2009

### Continuous Growth Strategy Pays Off

Frankfurt/Main – July 21, 2009 – LHS, part of the Ericsson Group (NASDAQ:ERIC), and a leading provider of telecom billing and customer care systems across the wireless, wireline, and IP telecom markets worldwide, today announced the audited results for the second quarter 2009 (period ended: June 30, 2009). The results were prepared in accordance with International Financial Reporting Standards (IFRS). They include the following key figures for the quarter:

- In Q2 2009, the company was able to achieve a record turnover of EUR 32.6 million. This is 20.1 percent growth over the same period of last year (EUR 27.2 million). In the first half of 2009, LHS generated a turnover of EUR 56.9 million, the equivalent of a 9.4 percent increase over the first half of 2008.
- In the quarter under review, the adjusted EBITDA was EUR 9.1 million, which is 52.2 percent higher quarter on quarter (adjusted EBITDA for Q2 2008 EUR 6.0 million). In the first half of 2009 the adjusted EBITDA reached EUR 11.1 million. This constitutes an increase of 10.1 percent over the first half of 2008.
- The earnings per share for the period under review stood at EUR 0.33 (undiluted and diluted). In the same period of 2008 the earnings were EUR 0.22 (undiluted and diluted).
- The cash flow in Q2 2009 was EUR 4.5 million compared to EUR 2.5 million in Q2 2008.

### Highlights of the second quarter

- LHS was able to seal the first project contract for a migration to the new Release 3 of its billing and customer care solution BSCS iX. This release was first introduced to the public in February 2009 at the Mobile World Congress in Barcelona.
- In the period under review, a total of four contracts for new projects were signed in the Middle East and Africa (MEA). The total number of BSCS iX installations has thus reached 59.
- Today approximately 117 million postpaid mobile communications customers are billed with BSCS solutions.

This is equivalent to approximately 22 percent of all postpaid mobile communications customers in the LHS target markets, and around 10 percent around the world.

- On the reporting date of June 30, 2009, LHS was operating 135 BSCS installations around the world. At the end of 2008, this figure was 132.
- At the BSS Summit in June in Amsterdam LHS received the World BSS Award in the category "Most Effective Customer Facing Project." The company gained the award for the implementation of BSCS iX Release 2 at the telecommunications provider Thuraya in the United Arab Emirates.
- In the period under review, the company created 19 new jobs. At the end of Q2 2009, LHS had a total of 811 employees globally. At the end of 2008 this number was 769.

"Following a slight drop in turnover due to investment reluctance in the telecommunications market in the previous quarter, we were able to achieve record numbers both in turnover and EBITDA in the second quarter of this year. Overall, this constitutes almost 10 percent growth in the first half of 2009 with continuous high profitability. Despite the fact that the market situation has been negatively affected by the global economic and financial crisis, we are certain that we will be able to record a slight growth at the end of the fiscal year," said Wolfgang Kroh, CEO of LHS Aktiengesellschaft.

"The successful second quarter once again confirmed to us that we are excellently positioned with our balanced business model, global market presence and strong partnership with Ericsson. We offer our existing customers excellent service and are confident that they will gradually migrate to BSCS iX Release 3. In addition, our dependable cooperation with Ericsson and other partners provides us with access to new customers and markets," concluded Kroh.

The complete quarterly report is available as of today on our website:

<http://www.lhsgroup.com/IR>

Press Release

## About LHS

LHS, part of the Ericsson Group (NASDAQ:ERIC), is a leading independent software vendor (ISV) of billing and customer care systems in the telecom industry. The company's award-winning solutions are used by the world's leading network and virtual operators, to generate and manage consistent revenue streams. LHS Business Support Systems offer full convergence on various levels, supporting the complete range of business models both across the mix of fixed and mobile services, as well as prepaid and postpaid services.

LHS builds innovative systems that enable our customers to introduce new services fast, helping drive revenues up, while keeping operational costs to a minimum.

LHS' headquarters are located in Frankfurt, Germany, with main offices in Brazil, France, Malaysia, and the UAE. LHS Aktiengesellschaft as the Group's Holding company is a public company listed on the Frankfurter Stock Exchange (LHS400).

For more information, please visit [www.lhsgroup.com](http://www.lhsgroup.com)

## About Ericsson

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 1 billion subscribers and has a leading position in managed services. The company's portfolio comprises of 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 "to be the prime driver in an all-communicating world" through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 75,000 employees generated revenue of SEK 209 billion (USD 32.2 billion) in 2008. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on OMX NASDAQ, Stockholm and NASDAQ New York.

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