

Press Release

LHS delivers strong Q3 2009 with another record result

LHS goes from strength to strength and reports 21 percent year-on-year revenue growth

- Frankfurt/Main – October 23, 2009 – LHS, part of the Ericsson Group (NASDAQ:ERIC), and a leading provider of convergent customer care and billing systems across the wireless, wireline, and IP telecom markets worldwide, today announced the results for the third quarter 2009 (period ended: September 30, 2009). The results were prepared in accordance with International Financial Reporting Standards (IFRS). They include the following key figures for the quarter:

- In Q3 2009, the company achieved a record turnover of EUR 33.2 million. This is 21.0 percent growth over the same period of last year. The cumulated revenue for the first nine months of 2009 was EUR 90.1 million, the equivalent of 13.4 percent increase over the same nine month period in 2008.

- In the quarter under review, the adjusted EBITDA was EUR 9.2

million, which is 31.0 percent higher quarter on quarter. During the first nine-month period of 2009, LHS achieved an adjusted EBITDA of EUR 20.3 million, which is an increase of 18.2 percent over the same period in 2008.

- Earnings per share (undiluted and diluted) were EUR 0.41 for Q3 2009. In the same period of the previous year, the earnings per share were EUR 0.32 (undiluted and diluted).

- Earnings per share for the first nine months of 2009 (undiluted and diluted) were EUR 0.79, compared to EUR 0.76 (undiluted and diluted) within the same period of the previous year.

- Cash flow in the first nine months of 2009 was EUR 2.1 million compared to EUR 2.4 million in the same period of the previous year.

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- LHS Aktiengesellschaft was able to significantly increase its net profit in the period under review to EUR 6.0 million compared to EUR 4.6 million in the same period in 2008, which is an increase of 30.5 percent. The net profit in the first nine months of 2009 increased slightly from EUR 11.1 million to EUR 11.5 million.

Highlights of the third quarter

- LHS achieved these exceptional results due to a large increase in service revenues as well as continuing growth in maintenance revenues. This once again highlights the trusted relationships that LHS enjoys with its customers, many of whom have been BSCS customers for many years.
- In Q3 LHS invited key customers to participate in Customer Conventions in its Divisions around the world. These conventions strengthen the close working relationship that LHS has with its customers by keeping them abreast of and including them in latest company developments. This year, the first convention for the

Americas Division took place in Brazil in September. Further conventions were held in Germany in mid October for Europe, followed by the Tunis event for MEA-APAC at the end of October.

- Today approximately 117 million postpaid and 210 million prepaid mobile communications customers are billed with BSCS solutions.

- In the first nine months of 2009 the company created 73 new positions, 31 of which were created in the third quarter. At the end of Q3 2009, LHS had a total of 842 direct employees globally. At the end of 2008 this number was 769.

"LHS has once again posted record results constituting over 20 percent growth in the quarter with continuous high profitability. I would like to thank our customers and partners for their continued trust in our products and services delivery, especially in those difficult times of continuing negative economic climate and global financial crisis.

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We remain optimistic that we will achieve slight growth for the whole year thereby further increasing our market share," said Wolfgang Kroh, CEO of LHS Aktiengesellschaft.

"Our customers are no longer solely interested in purchasing technology from LHS, they increasingly expect LHS to play a significant role in servicing them, alongside our system integration partners. We offer our existing customers excellent service which is reflected in our success this year to date. In addition, our 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-en>

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

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.

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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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