ERICSSON AND HUAWEI EXTEND GLOBAL PATENT CROSS LICENSE AGREEMENT

- Renewed cross license agreement (including the GSM, UMTS and LTE cellular standards)
- On-going royalty payment to Ericsson, 2016 and onwards, based upon actual sales
- Ericsson’s estimate for full year 2015 IPR revenues of SEK 13-14 b. remains

Ericsson (NASDAQ:ERIC) and Huawei have agreed on extending their global patent license agreement between the two companies. The agreement includes a cross license that covers patents relating to both companies’ wireless standard-essential patents (including the GSM, UMTS and LTE cellular standards). Under the agreement, both companies are able to access and implement the other company’s standard essential patents and technologies globally.

As part of the renewed agreement, Huawei will make on-going royalty payment based upon actual sales to Ericsson from 2016 and onwards. Further details of the agreement are confidential.

Jianxin Ding, Head of Global Intellectual Property, Huawei Technologies Co., Ltd., says: “We are pleased to extend our global cross license agreement with Ericsson. This new agreement reflects the two leading companies’ joint view that innovation and intellectual property rights shall be protected, and reasonable compensation for the implementation of intellectual property rights is vital to promoting technology innovation, sharing and standardizing technology, driving and accelerating industry evolution.”

Kasim Alfarahi, Chief Intellectual Property Officer at Ericsson, says: “We are happy to see an extension of the agreement. The extension shows our commitment to drive innovation and industry development. In the future, everyone and everything will be connected through the Networked Society and Internet of Things. Our role is to drive this transformation, opening up new ways to innovate, to collaborate, and to empower people, business, and society”.

NOTES TO EDITORS

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Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, business and society to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world’s mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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