
CLOUD VIDEO TRANSFORMATION ACCELERATED THROUGH ERICSSON ACQUISITION OF FABRIX SYSTEMS

- Acquisition extends Ericsson's overall leadership position in TV&Media to create cloud solutions for TV Anywhere services and applications as they migrate to the cloud
- Extends TV platform leadership position with scale out video cloud storage and computing including cloud digital video recording (DVR) and video-on-demand (VOD)
- Expands the video-centric IP network and services portfolio to manage and deliver video efficiently with assured quality of experience for TV Anywhere

Ericsson (NASDAQ:ERIC) today announced it has entered into an agreement to acquire Fabrix Systems, a leading provider of cloud storage, computing and network delivery for video applications that today power some of the most advanced cable and telecom cloud DVR deployments.

Fabrix Systems further extends Ericsson's leading TV and media portfolio with a cloud based scale out storage and computing platform focused on providing a simple, tightly integrated solution optimized for media storage, processing and delivery applications such as cloud DVR and video-on-demand (VOD) expansion. The approach takes advantage of the latest advances in clustered storage; grid computing; virtualization and video processing technologies enabling a wide range of applications.

The acquisition enables new services and migration to cloud DVR deployments in all TV platforms including Ericsson MediaFirst and Ericsson Mediaroom. It also adds to Ericsson's video-centric network and services capabilities to ensure that video can be managed, stored and delivered from the cloud to all TV Anywhere devices efficiently and with assured quality of experience.

As TV evolves ever more rapidly in the Networked Society, the rise of broadband connectivity, cloud services, and mobility will lead to a highly disruptive period in the entire media value chain. Ericsson's annual ConsumerLab TV & Media Report shows consumers are rapidly embracing TV services that provide immediacy, ease of access, and personalized relevance. This acquisition accelerates Ericsson's capability to meet consumers' expectations in the way they want to enjoy TV today and into the future. It will enable TV service providers to migrate key consumer services and applications into the

video cloud while at the same time ensuring the delivery of video efficiently and with assured quality of experience to TV Anywhere devices.

Per Borgklint, Senior Vice President and Head of Business Unit Support Solutions at Ericsson says, “We are investing significantly across our TV platform and video-network areas to extend our market leadership position. Our Media Vision 2020 shows that traditional TV is shifting rapidly towards TV Anywhere and Ericsson’s leadership in broadcast, video and networks places us in a unique position to enable the most demanding customers to define and deliver the future of TV. Fabrix Systems further positions Ericsson to help customers deliver on the Networked Society’s global demand for personalized video content on any screen, at any time.”

Ram Ben-Yakir, CEO and co-founder of Fabrix Systems, says: “TV service providers, particularly those with IP delivery networks, are accelerating their network architecture investments in video optimization to deliver on the promise of TV Anywhere. Through worldwide deployments of our cloud storage and computing capabilities, we have enabled leading TV service providers to provide consumer services such as DVR through cloud-based deployments, lowering costs and enabling a more unified consumer experience in content on-demand.”

Fabrix Systems was founded in 2006 with offices in the US and Israel and brings a team of highly skilled cloud computing software engineers. The company has 103 employees. The purchase price for 100% of the shares in Fabrix Systems is USD 95 million.

The acquisition is expected to close in the fourth quarter, 2014, subject to customary closing conditions. Fabrix Systems will be incorporated into Business Unit Support Solutions.

NOTES TO EDITORS

Download high-resolution photos and broadcast-quality video at www.ericsson.com/press

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, businesses and societies 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 more than 110,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more

PRESS RELEASE
SEPTEMBER 12, 2014



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 2013 were SEK 227.4 billion (USD 34.9 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Corporate Communications

Phone: +46 10 719 69 92

E-mail: media.relations@ericsson.com

Ericsson Investor Relations

Phone: +46 10 719 00 00

E-mail: investor.relations@ericsson.com