

ERICSSON MOBILITY REPORT: LTE AND SMARTPHONE UPTAKE DRIVES VIDEO TRAFFIC GROWTH

- Video traffic growing by 60 percent annually, driven by better network speeds
- Total global smartphone subscriptions hit the 1.2 billion mark in 2012, and are due to reach 4.5 billion by the end of 2018
- 60 percent of the world's population due to be covered by LTE in 2018
- Smartphone users spend most time on social networks: an average of 85 minutes a day in some networks
- Data traffic volumes doubled between Q1 2012 and Q1 2013, and are expected to grow 12-fold by 2018

The new edition of the Ericsson (NASDAQ: ERIC) Mobility Report reveals that mobile-data traffic will continue to grow significantly in the coming years, a trend driven mainly by video. Overall data traffic is expected to grow 12-fold by the end of 2018. Increasing usage is driven by continual growth in the amount of content available as well as the improved network speeds that come with HSPA and LTE development.

Douglas Gilstrap, Senior Vice President and Head of Strategy at Ericsson, says: "LTE services will be available to about 60 percent of the world's population in 2018. We expect LTE subscriptions to exceed 1 billion in 2017, driven by more capable devices and demand for data-intensive services such as video. Owing to the build out of WCDMA/HSPA, network speeds have improved, and so has the user experience."

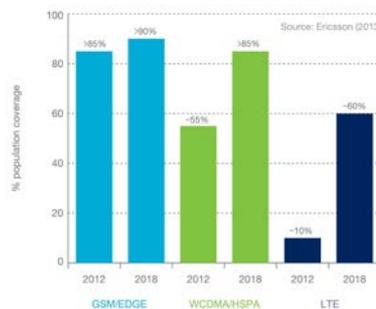


Figure: Population coverage by technology, 2012-2018

PRESS RELEASE

JUNE 3, 2013



Video makes up the largest segment of data traffic in networks, and it is expected to grow around 60 percent annually up until the end of 2018. Video consumption is on average 2.6GB per subscription per month in some networks.

While video is popular, users don't necessarily tend to spend the most time on data-heavy applications. Consumers spend more time on social networking: an average of up to 85 minutes per day in some networks.

Smartphones accounted for around half of all mobile-phone sales in Q1 2013, compared with roughly 40 percent for the whole of 2012. The number of total mobile subscriptions grew by 8 percent globally year-on-year by Q1 2013. Of those, WCDMA/HSPA added around 60 million subscriptions, GSM/EDGE-only subscriptions grew by roughly 30 million, and LTE added around 20 million new subscriptions. Mobile-broadband subscriptions grew even faster over this period (at a rate of 45 percent year-on-year), reaching around 1.7 billion.

The Mobility Report also addresses the concept of "app coverage" – broadening the definition of coverage from voice to include how well users are able to access their mobile apps – and presents a new framework explaining the effects of varying network performance in a way that is relevant to the user.

In this edition of the report, the relationship between network performance and consumer loyalty is also studied. Network performance is the principal driver of subscriber loyalty to mobile operators, followed by value for money. Other sections of the report explain the effects of smartphone signaling on data traffic, and look at data roaming, identifying opportunities for operators to generate new revenue streams.

NOTES TO EDITORS

Link to new and previous issues of the Ericsson Mobility Report:

www.ericsson.com/ericsson-mobility-report

[Bio and photos of Douglas Gilstrap](#)

[PDF version of the report](#)

Press release November 21, 2012: [Ericsson Mobility Report shows rapid smartphone uptake and doubling of mobile data traffic](#)

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

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Our offering comprises services, software and infrastructure within Information and Communications Technology for telecom operators and other industries. Today 40 percent of the world's mobile traffic goes through Ericsson networks and we support customers' networks servicing more than 2.5 billion subscriptions.

We are more than 110,000 people working with customers in more than 180 countries. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2012 the company's net sales were SEK 227.8 billion (USD 33.8 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

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