
SMARTPHONES AND RAPID UPTAKE OF DATA CHANGING THE WORLD, SAYS ERICSSON

- 170 million new mobile subscribers in Q1 2012 – ubiquity of mobility and connectivity has great implications on the way we live and work
- Complexity of tasks places greater demands on network
- Network quality, consumer experience, billing and charging models as well as services offerings need to adapt

At a briefing for journalists in San Francisco, Ericsson (NASDAQ: ERIC) President and CEO Hans Vestberg discussed how the rapid increases in subscribers and data-usage impact the entire Information and Communications (ICT) industry. Network quality, user experience, billing and charging models and services offerings all need to be adapted to the rapid development.

“In 2008, there were four billion mobile subscriptions. By 2017 there will be close to nine billion subscriptions. With this kind of mobility and connectivity everywhere, there will be no differentiation between a business user and a private user.

“Our business is to make sure that networks are built and designed to handle not just traffic growth, but the complexities in the different devices and different kind of traffic going across mobile networks today,” said Vestberg.

The company today released the second edition of its [Traffic and Market Report – On the Pulse of the Networked Society](#), revealing that by 2017, 85 percent of the world’s population will have 3G coverage and that 170 million new subscribers were added to mobile networks in the first quarter 2012.

Vestberg says ICT is already addressing some of the greatest challenges of our time, such as urbanization, the environment and our use of natural resources. With global coverage, ICT will be a fundamental lever of transformation and progress in the future.

“This is going to place new requirements on our current business, but also open up opportunities beyond our imagination. The key players of the Networked Society will be those who rethink and reinvent themselves in order to enter into this new ecosystem,” said Vestberg.

The CEO repeated statements from the Q1 report in April 2012 that “the underlying business mix, with higher share of coverage and network modernization projects than capacity projects

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was unchanged in the first quarter and this mix is expected to prevail short-term.” As reported in the Q1, 2012 report, the start of this year also saw sales impacted by an expected major decline in CDMA sales as well as lower operator spending in regions with macro-economic uncertainty or political unrest.

Chief Strategist Douglas Gilstrap joined Vestberg during the briefing and talked about how Ericsson’s unique combination of technology and services leadership enables solutions for customers looking to monetize on opportunities in a Networked Society.

Gilstrap discussed the company’s increased focus on OSS/BSS, to support customers in adapting to the rapidly-developing market for service providers. “At the simplest level, OSS/BSS is everything from activation of a client onto the network, to operational support to run the best network, to the end-point of actually billing for that service.

“Without superior OSS/BSS, network service providers will be left behind,” said Gilstrap.

Analyst firm Gartner released its [Market Share Analysis: Telecom Operations Management Systems \(BSS, OSS and SDP\), Worldwide, 2010-2011](#), which ranks Ericsson as the #2 worldwide supplier in such systems based on revenue. It also states that had Ericsson’s numbers included the performance of recently acquired Telcordia’s solutions and services, the company would have topped the worldwide chart in 2011.

Ericsson presented updates on its Research and Development strategy with recently-appointed Chief Technology Officer Ulf Ewaldsson, and a closer look into the IP portfolio with Erik Ekudden, Vice President of Technology Strategies & Industry. Today’s Traffic and Market Report is based on measurements performed by Ericsson since the early days of mobile broadband, from a large base of live networks covering all regions of the world.

NOTES TO EDITORS

Download high-resolution photos and broadcast-quality video a few hours after the briefing at www.ericsson.com/press

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Ericsson is the world's leading provider of communications technology and services. We are enabling the Networked Society with efficient real-time solutions that allow us all to study, work and live our lives more freely, in sustainable societies around the world.

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

We operate in 180 countries and employ more than 100,000 people. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2011 the company's net sales were SEK 226.9 billion (USD 35.0 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

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