
BENEFITS OF MOBILE COMMUNICATION IN RURAL AND DEVELOPING AREAS

- Health, education and small business development enhanced by mobile services
- At least 6000 lives per year could be saved in the countries studied by providing mobile communication
- 3 out of 4 people feel they benefit socially or financially by using a mobile phone
- ICT a key enabler in accelerating the push towards achieving the Millennium Development Goals by 2015

Only three years since the project started, new research conducted at the Millennium Villages by Ericsson (NASDAQ:ERIC), The Earth Institute and Millennium Promise shows that quality and availability of health and education services improved thanks to access to mobile connectivity. The recently published report, *The Impact of Mobile Connectivity on the Millennium Development Goals in Africa*, also shows increased benefits were identified for small businesses by reducing transportation costs and supporting micro business preconditions such as price and market information being accessible.

The results of the monitoring and evaluation study –conducted in Ghana, Nigeria, Kenya and Tanzania- show that the introduction of mobile networks has the potential to influence socio-economic development for individuals and villages in remote areas. This is in line with different studies done showing that 1.2 percent growth GDP can be achieved in developing countries for every 10 percent increase in mobile penetration rate.

With the aid of a mobile phone and a toll free number to the health services, health workers can save lives. In the studied countries this would add up to 6000 lives saved per year.

In terms for transportation, respondents reported saving an average of USD 5 per trip by placing calls instead of travelling. This difference is particularly important considering the income of the area is less than USD 1 per day.

Elaine Weidman Grunewald, Head of Sustainability, Ericsson, says, “This report sets an important baseline, and the results of the study show the potential for expansion and use of mobile technology in other African and developing countries in rural, remote and poor areas. We believe that a large majority of the approximately 57 million people living in rural areas in these four countries could benefit from mobile communications with reasonable levels of investment in additional telecommunications infrastructure.”

Lars Linden, Head of Ericsson Sub-Saharan Africa, says, “The tremendous growth of mobile networks and uptake of mobile subscriptions indicates ground-breaking opportunities for society taking advantage of the implemented infrastructure. However, there are still 1 billion



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people living outside mobile network coverage and electrical grid in the world. We have found that the use of renewable energy sources combined with customized applications presents a sustainable business opportunity for operators, at the same time supporting individuals to a better quality of life. Ericsson is committed to supporting this need"

The same opportunity for society and operators can be seen in other countries. In India mobile phone use is a large driver of income growth. Rural Indian mobile phone users most sought after services are: agricultural information (40%), entertainment services (16%) such as music, and financial services (8%) such as mobile remittance and money. Health applications were ranked as 5th in importance. This is somewhat different than in developed markets.

"The mobile phone is the most powerful technology for ending poverty in the world today," said Professor Jeffrey Sachs, Director of Columbia University's Earth Institute. "With the spread of 3G and soon 4G technology, even the most remote schools in the poorest parts of the world can connect to the Internet and share ideas with other classrooms a continent away. Pastoralists, once isolated, can now quickly check on local market prices and make important decisions on whether to bring their herds in from kilometers away for sale in the local town. And critical health data and life-saving information can be sent by text messages to clinics to support rapid diagnoses for patients in remote villages. The Millennium Villages project is deeply honored to partner with Ericsson, a remarkable pioneer and leader in the field of telecommunications and development. With their bold vision and action, in partnership with rural communities throughout Africa, poverty is being rolled back and an era of new prosperity is dawning."

In 2007, Ericsson committed to provide connectivity to the Millennium Villages Project in partnership with MTN, Zain and Sony Ericsson. In a public-private partnership with the Earth Institute, Millennium Promise and the United Nations Development Program (UNDP), Ericsson is bringing mobile communications and internet to more than a half million people in 10 African countries where the MVP is working. By the end of 2009, 83 percent of the villages had mobile communication capabilities.

Currently, there are 5 billion mobile subscriptions worldwide. Out of those, 450 million are in Africa, which represents 43 percent of the African population. In Sub-Saharan Africa, the penetration is 42 percent, representing 297 million. By 2013, analysts estimate that sub-Saharan Africa will increase its mobile penetration to 65 percent.

The report has been submitted to the repository of global resources being created under the auspices of the Broadband Commission for Digital Development, just prior to the annual week-long meeting of the United Nations General Assembly, which this year marks the 10th anniversary of the establishment of the Millennium Development Goals (MDG). During the week of September 19-22, Ericsson will be participating in different activities related to the MDGs, including the Broadband Commission for Digital Development, the Digital Health Initiative, Women Connected for Health, and the Clinton Global Initiative's Annual Meeting.



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During the week, Ericsson, The Earth Institute and Millennium Promise will also launch a new initiative, Connect to Learn that aims to use internet and mobile technologies to make education accessible for children in rural areas.

NOTES TO EDITORS:

Millennium Villages study:

www.ericsson.com/article/studies-and-publications_20100330133905

Connect to Learn website:

www.connecttolearn.org

Our multimedia content is available at the broadcast room:

www.ericsson.com/broadcast_room

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 2 billion subscribers and has the leading position in managed services. The company's portfolio comprises 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.

Ericsson is advancing its vision of being the "prime driver in an all-communicating world" through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 80,000 employees generated revenue of SEK 206.5 billion (USD 27.1 billion) in 2009. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ New York.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Corporate Public & Media Relations

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