

PRESS RELEASE**Ericsson deploys IMS solution and signs WCDMA/HSPA contract with Brasil Telecom**

Ericsson (NASDAQ:ERIC) has signed a contract with leading operator Brasil Telecom for a WCDMA/HSPA network and the deployment and systems integration of their IP Multimedia Subsystem (IMS). The move is set to boost network capacity and manage increased traffic growth, paving the way for the introduction of advanced broadband and multimedia services.

Under the contract, Ericsson will be the main supplier for the WCDMA/HSPA radio access network in five Brazilian states and the sole supplier of Brasil Telecom's 2G/3G common core network. As part of the core network, Ericsson's Mobile Packet Backbone Network (Mobile-PBN) solution – from Ericsson's Redback portfolio – will provide telecom-quality IP transport and allow the operator to introduce high-quality multimedia services quickly and reliably. Ericsson will also be responsible for network deployment, systems integration, training and support services.

IMS will bring Brasil Telecom's networks into a single-service environment and enable the efficient introduction of new multimedia voice, data, audio and video services across multiple networks.

Francisco Santiago, Vice President, Brasil Telecom, says: "This contract marks a significant step towards an all-IP network and is further recognition of our strong partnership. Ericsson's local capabilities in production and implementation will allow us to boost network capacity and extend our market leadership in broadband by offering customers seamless access to our range of broadband services in a very short time."

Johan Wibergh, President, Ericsson Brazil, says: "We are honored to be selected by Brasil Telecom as the main supplier for its WCDMA/HSPA network, powered with our IMS solution. Brazil is a very demanding market for both operators and vendors, and our solutions will enable Brasil Telecom to offer its customers state-of-the-art multimedia services with a very short time-to-market due to our local capabilities."

Ericsson is the industry leader in IMS and has signed more than 50 contracts, of which 22 are already commercially launched.

Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 195 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 188 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on the Stockholm and NASDAQ stock exchanges.

For more information, visit www.ericsson.com or www.ericsson.mobi.

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About Brasil Telecom

Brasil Telecom is the first complete Brazilian telecommunications company to meet, in an integrated way, all market demands with converged solutions in fixed and mobile telephony services, voice and data transmission, national and international long-distance services, data center services, as well as internet access (broadband and dial-up).

Brasil Telecom provides local fixed and mobile telephony services in the Brazilian District Capital and in the following states: Acre, Rondônia, Tocantins, Mato Grosso, Mato Grosso do Sul, Goiás, Paraná, Santa Catarina and Rio Grande do Sul, as well as national and international long-distance services all over the country with the dial code 14.

In addition, Brasil Telecom offers broadband internet access (Turbo), with ADSL technology; 100 percent broadband content through its providers BrTurbo and BrTurbo Empresas; and wireless broadband internet access (BrTurbo ASAS), with Wi-Fi technology. The internet providers iG and iBest are also part of the Brasil Telecom Group, which makes the company the largest internet provider in Latin America.

Brasil Telecom has more than 8 million fixed lines in service and the second-largest broadband access base in Latin America (over 1.6 million). In little more than three years, numbers of mobile operation reached 4.5 million accesses. This performance surprised the global telecommunications market and it gave Brasil Telecom the first market share position among the "fourth entrants" telecommunications operators, in their markets. Further information: www.brasiltelecom.com.br.

About Ericsson's IMS solution

Ericsson IMS is an end-to-end solution that gives operators immediate revenue opportunities when evolving to all-IP operations. It enables seamless access to a wide range of new multimedia services across both fixed and mobile networks. Ericsson's IMS solution includes a converged IMS core infrastructure, as well as application servers and service enablers for common functions that can be reused by multiple fixed and mobile applications. The IMS solution is a part of Ericsson's Full Service Broadband offering.

About Ericsson's HSPA solution

HSPA stands for High-Speed Packet Access. An inherent advantage of HSPA is that the technology is a natural extension of existing WCDMA/GSM networks, or about 85 percent of the world's existing wireless networks, and therefore has the potential to be readily available to a large number of wireless users, creating a mass market for mobile broadband. By 2010, 71 percent of mobile broadband connections are projected to be HSPA-based. Ericsson's HSPA mobile broadband solution, part of Ericsson's Full Service Broadband offering, today enables download speeds of up to 14.4Mbps and upload speeds of 1.4Mbps. The advanced technology lets operators more than double their system capacity and cuts response times for interactive services. On average, users will be able to download 20 times faster than with a GSM/GPRS connection. Future evolution steps will increase the HSPA download speed to 42Mbps and the upload speed to 12Mbps. Ericsson offers HSPA support on many frequency bands, ranging from 850MHz to 2.6GHz.

About Ericsson's Common Core

Ericsson's complete GSM core network can be upgraded to a common GSM/WCDMA core network simply through a software upgrade. By using a common core network, operators can easily launch 3G services and avoid all the costs, delays and quality issues associated with procuring and integrating new 3G-dedicated equipment. Planning, operating and maintaining one

common core network reduces ongoing operating expenses by more than 10 percent. Ericsson's complete common core offering includes all-IP softswitching, service-aware packet core, IP Multimedia Subsystem and proven telecom-quality IP/Multiprotocol Label Switching (MPLS) transport – based on the Redback-powered PBN solution. This enables operators to cut core network costs while enabling HSPA-powered broadband access and attractive IP multimedia services to be launched efficiently.