

Ericsson sole supplier of Pelephone's new WCDMA/HSPA network in Israel

Ericsson (NASDAQ:ERIC) has been chosen by Israeli operator Pelephone to deliver a new WCDMA/HSPA network migrating from an existing CDMA network. The new countrywide network will include the latest cutting edge technology from Ericsson for mobile broadband.

Pelephone, an Israeli mobile operator with more than 2.5 million subscribers, has chosen Ericsson as the partner for the creation of its new WCDMA/HSPA mobile broadband network. Ericsson will deliver Radio Base Stations and the latest technology in soft switches over a period of one year. Upon finalization, Pelephone will offer its customers nationwide coverage with the latest HSPA technology. The agreement will strengthen Pelephone's position as a leading Israeli 3G network operator and service provider.

Fully owned by Bezeq, the largest and leading telecommunications corporation in Israel, Pelephone is a major mobile operator in Israel, that led the country to a mobile penetration rate that is one of the highest in the world.

Ericsson's High-Speed Packet Access (HSPA) solution provides increased data speeds by introducing significant enhancements in the uplink and the downlink. The advanced technology boosts network capacity and cuts response times for interactive services, increasing the performance of mobile broadband. The contract also covers support services, deployment, integration and educational services.

Gil Sharon, President and CEO at Pelephone, says: "The decision to select Ericsson allows Pelephone to solidify its position as the most advanced cellular operator and the only operator in Israel to offer two state-of-the-art technologies so that its customers can benefit from a range of cutting-edge services and content in the technology of their choice.

"We are buying the superior HSPA cellular technology which will permit our customers to continue to enjoy the best communication services in Israel in upcoming years and will help Pelephone regain its leadership in the cellular industry."

Mats Bosrup, President and CEO at Ericsson Israel, says: "We are extremely proud to be selected by Pelephone as its sole supplier to deliver Ericsson's most advanced HSPA products. It will give Pelephone the best possible position on the sophisticated Israeli market. The advanced WCDMA/HSPA radio network will contribute to bringing faster mobile broadband as well as voice service to a greater number of Israeli consumers. This contract further emphasizes Ericsson's leadership in mobile networks."

Ericsson is shaping the future of Mobile and Broadband Internet communications through its continuous technology leadership. Providing innovative solutions in more than 140 countries, Ericsson is helping to create the most powerful communication companies in the world.

Read more at www.ericsson.com

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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 Pelephone

Pelephone Communications Ltd is a leading cellular communications provider in Israel, with more than 2.5 million subscribers. Pelephone has been fully owned (100%) by Bezeq, the largest and leading telecommunications corporation in Israel. As the nation's first cellular operator, Pelephone pioneered Israel's cellular communications revolution, resulting in one of the world's highest market penetrations of mobile phones. The company has maintained its leadership position by introducing a leading edge CDMA/EVDO Network. Pelephone's offering to its customers includes a large variety of targeted and innovative content and services.