

Ericsson to upgrade and expand BSNL's mobile network in India

Ericsson (NASDAQ:ERIC) today announced it had won a turnkey contract valued at USD 1.3 billion to supply GSM and WCDMA/HSPA equipment and related telecom services to Bharat Sanchar Nigam Ltd (BSNL), the largest telecom operator in India.

Under the agreement, Ericsson will be responsible for the expansion and upgrade of BSNL's existing GSM network and introduction of WCDMA/HSPA functionality. This upgrade marks an important step in BSNL's network evolution and sets the stage for end-customer access to a range of innovative telecommunications.

Ericsson will supply a GSM and WCDMA/HSPA radio access network, transmission equipment and a complete GSM/WCDMA common core network – including the Ericsson Mobile Softswitch Solution, service-aware Packet Core, IMS and a multiservice IP Packet Backbone Network. Ericsson will also deliver telecom-related services, such as network design, deployment and systems integration.

Deliveries will start in October 2007, with the first phase of the project set to be completed in 12 months. The contract reinforces Ericsson's leading position in this high-growth market and reflects Ericsson's ambition of offering communications to all.

Kuldeep Goyal, Chairman and Managing Director of BSNL, says: "This contract represents a milestone in our long-standing relationship with Ericsson. Upgrading our network will pave the way for a premium communications experience for our customers, and enable us to address new customer segments cost-efficiently. Ericsson's leading position, end-to-end capabilities and demonstrated competence, product portfolio, rollout and professional services capabilities made it the natural choice for this important project."

Mats Granryd, President, Ericsson India, says: "Ericsson is proud to have been selected for this landmark project, which will further strengthen our long-term relationship with BSNL. This deal is set to be a catalyst for future telecom growth in the dynamic Indian market."

The deal builds upon Ericsson's leading market position in India. Ericsson has played a major role in spreading the cellular revolution in the country. Having supplied 49 out of 96 operational GSM mobile networks in India, Ericsson today has a market share of about 40 percent in terms of connected subscribers, more than the combined market shares of its next two competitors.

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 Bharat Sanchar Nigam Limited

Bharat Sanchar Nigam Ltd, formed in October 2000, is the world's seventh-largest telecommunications company. It provides a comprehensive range of telecom services in India, including wireline, CDMA mobile, GSM mobile, internet, broadband, carrier service, MPLS-VPN, VSAT, VoIP services, IN services and more. In five years, it has become one of the largest public sector units in India. BSNL's cellular service, CellOne, has more than 28 million cellular customers. In basic services, BSNL has about 35 million basic phone subscribers – representing an 85 percent share of its subscriber base and a 92 percent share in revenue terms. BSNL's current turnover is more than USD 8 billion, with a net profit of USD 2.26 billion for the past financial year.