

ERICSSON MOBILITY REPORT SHOWS RAPID SMARTPHONE UPTAKE AND DOUBLING OF MOBILE DATA TRAFFIC

- Approximately 40 percent of all phones sold in Q3 2012 were smartphones and the growth of smartphone data traffic is expected to exceed the overall average
- Mobile data traffic doubled between Q3 2011 and Q3 2012, and is expected to grow 12 times between 2012 and 2018, driven mainly by video
- Total mobile subscriptions are expected to reach 6.6 billion in 2012 and 9.3 billion in 2018
- There were an additional 13 million LTE subscriptions in Q3 2012, and numbers are predicted to reach 1.6 billion by 2018

The latest Ericsson (NASDAQ:ERIC) Mobility Report, formerly known as the Ericsson Traffic and Market Report, reveals that approximately 40 percent of all phones sold in Q3 were smartphones. Data traffic doubled between Q3 2011 and Q3 2012, and is expected to grow at a compound annual growth rate (CAGR) of around 50 percent between 2012 and 2018, driven mainly by video.

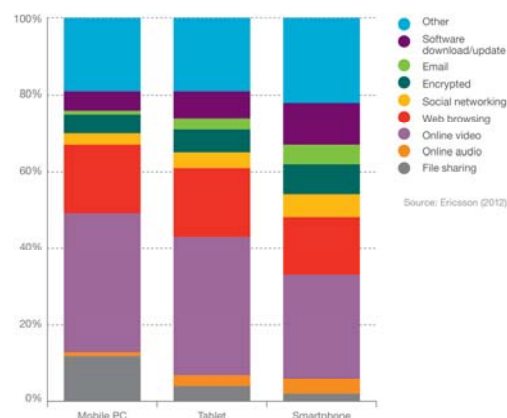


Figure: Application mobile data traffic volumes by device type

Ericsson's research shows that online video is the biggest contributor to mobile traffic volumes, constituting 25 percent of total smartphone traffic and 40 percent of total tablet traffic. This puts new requirements on networks to cater for quality anywhere and anytime.

Douglas Gilstrap, Senior Vice President and Head of Strategy at Ericsson, says: "Expectations of mobile-network quality have been elevated by the availability of smartphones and tablets that have changed the way we use the internet. Mobility is becoming an increasingly significant part of our daily lives; we always have devices within arm's reach, allowing us instant access to information, entertainment and social interaction."

Total mobile subscriptions are expected to reach 6.6 billion by the end of 2012 and 9.3 billion by the end of 2018. These figures do not include machine-to-machine (M2M) subscriptions. China alone accounted for about 35 percent of net additions during Q3, with about 40 million additional subscriptions. Brazil (9 million), Indonesia (7 million), and the Philippines (5 million) followed in terms of net additions. Overall, global mobile penetration reached 91 percent in Q3 2012, and mobile subscriptions now total around 6.4 billion. Mobile subscriptions have grown by around 9 percent year-on-year and 2 percent quarter-on-quarter.

By mid-2012, LTE coverage was provided for an estimated 455 million people globally. Within five years, more than half the world's population is expected to benefit from to LTE coverage.

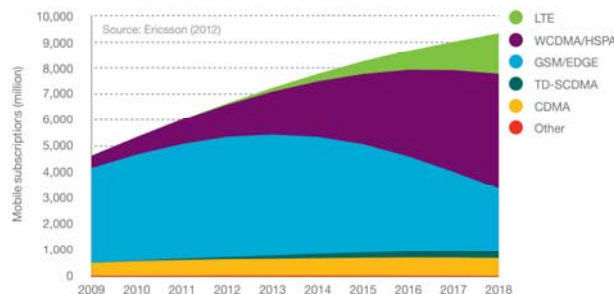


Figure: Mobile Subscriptions by technology, 2009-2018

LTE is the fastest-developing system in the history of mobile communications in terms of buildout and uptake. LTE is currently being deployed and built out in all regions, and total subscriptions will increase from around 55 million at the end of 2012 to an estimated 1.6 billion in 2018. WCDMA/HSPA networks currently provide coverage to more than half the world's population and continue to grow faster than LTE in terms of absolute numbers, adding 65 million subscriptions in Q3 2012 compared with 13 million for LTE.

NOTES TO EDITORS

Link to Ericsson new and previous issues of Ericsson Mobility Report:

www.ericsson.com/ericsson-mobility-report

[Bio and photos of Douglas Gilstrap](#)

[Interim Traffic and Market Report released](#)

August 28, 2012

Press release, June 5 2012: [Ericsson: 85 percent of the world's population covered by high-speed mobile internet in 2017](#)

Press release, November 7 2011: [Ericsson predicts Mobile Data Traffic to grow 10-fold by 2016](#)

Download high-resolution photos and broadcast-quality video at www.ericsson.com/press

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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