INTERIM UPDATE

ERICSSON MOBILITY REPORT

ON THE PULSE OF THE NETWORKED SOCIETY

This document is a scheduled update to some sections of the Ericsson Mobility Report, released in November 2012.

To view or download a copy of the original report, please visit www.ericsson.com/ericsson-mobility-report

We will continue to share traffic and market data, along with our analysis, on a regular basis.

SUBSCRIPTIONS

140 million net additions in Q4 2012.

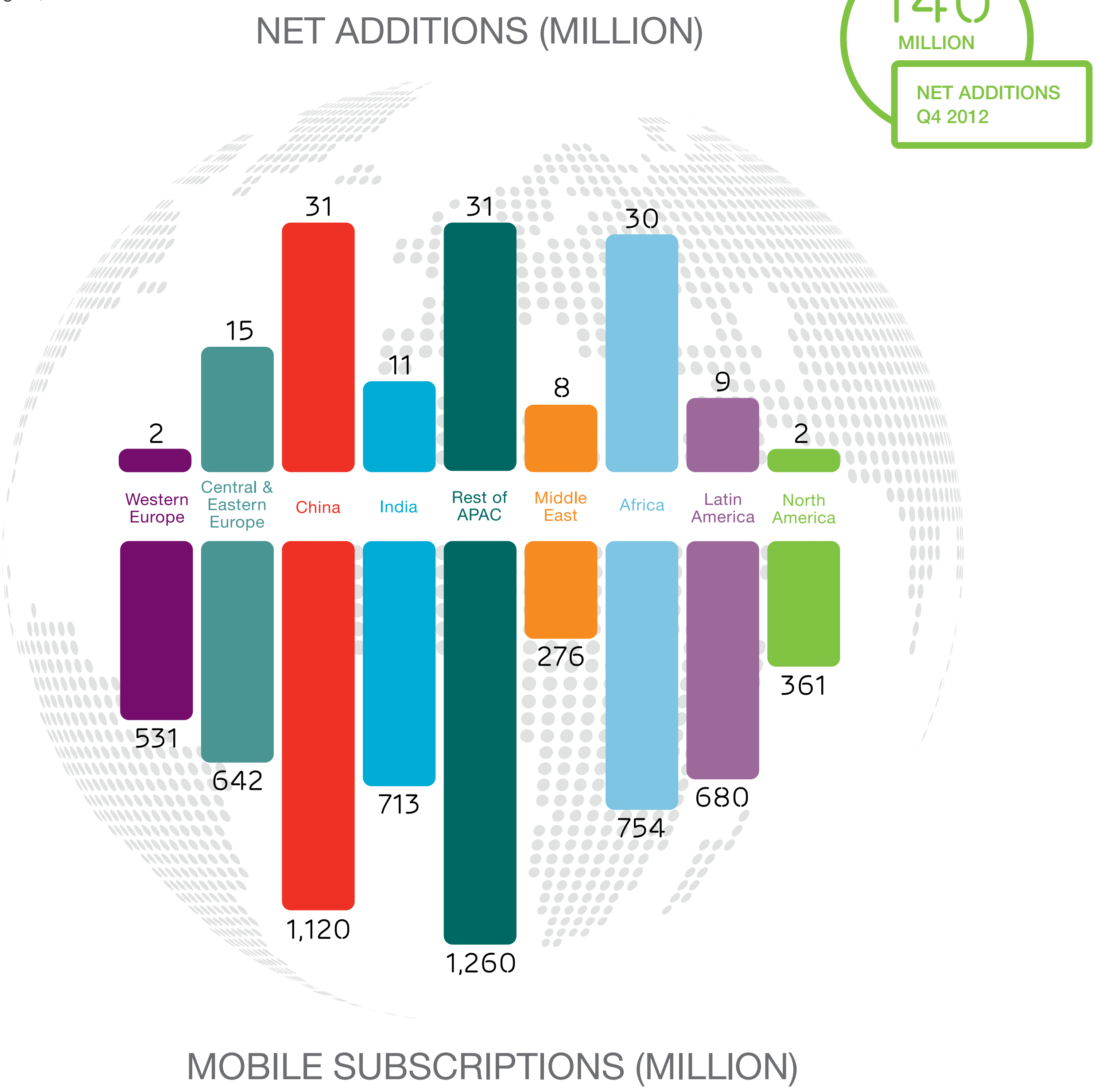
TRAFFIC

Data traffic grew by 28% between Q3 and Q4 2012.

February 2013

MOBILE SUBSCRIPTIONS UPDATE

Figure 1: Mobile subscriptions by region, Q4 2012



Source: Ericsson (February 2013)

Figure 1

Mobile subscription figures are estimates as of Q4 2012. Mobile net additions are estimates during Q4 2012. APAC = Asia Pacific.

The estimate of mobile net additions has been made based on historic information from external sources and regulatory and operator reports, combined with Ericsson analysis. Historical data may be revised when operators report updated figures.

Indian subscriptions have been adjusted to reflect active subscriptions as defined by the telecom regulatory authority in India. This better reflects real subscriber growth at a time when India's operators have been deleting inactive subscriptions.

All measurements are rounded up or down to the nearest million. The sum of all rounded regional data may therefore differ slightly from the rounded total.

- Global mobile penetration reached 89 percent in Q4 2012 and mobile subscriptions now total around 6.3 billion. However, the actual number of subscribers is around 4.4 billion, since many people have several subscriptions.
- China alone accounted for ~22 percent of net additions, adding around 30 million subscriptions.
- India (+11 million), Bangladesh (+9 million), Indonesia (+8 million), and Nigeria (+5 million) follow in terms of net additions.
- Mobile subscriptions have grown around nine percent year-on-year and two percent quarter-on-quarter.
- In Q4, mobile broadband subscriptions[1] grew ~125 million to 1.5 billion, reflecting a 50 percent year-on-year increase.
- There is continued strong momentum for smartphone uptake in all regions. Approximately 40 percent of all mobile phones sold during 2012 were smartphones, compared to around 30 percent for the full year 2011. Only around 15-20 percent of the worldwide installed base of mobile phone subscriptions uses smartphones, which means that there is considerable room for further uptake.
- GSM/GPRS/EDGE subscriptions grew ~44 million and WCDMA/HSPA grew ~70 million. Together these technologies represent ~80 percent of total net additions. LTE subscriptions grew from 14 million to 57 million.

Figure 2: Penetration percentage Q4 2012

Source: Ericsson (February 2013)

[1] Mobile broadband includes handsets, tablets, mobile PCs and mobile routers for the following technologies: HSPA, LTE, CDMA2000 EV-DO, Mobile WiMAX and TD-SCDMA

SUBSCRIPTIONS VS SUBSCRIBERS

There is a large difference between the number of subscriptions and subscribers. This is due to the fact that many subscribers have several subscriptions. Reasons for this could include users lowering their traffic cost by using optimized subscriptions for different types of calls, maximizing coverage, having different subscriptions for mobile PCs/tablets and for mobile phones. In addition, it takes time before inactive subscriptions are removed from operator databases. Consequently, subscription penetration can easily reach above 100 percent, which is the case in many countries today. It should however be noted that in some developing regions, it is common for several people to share one subscription, having for example a family or village phone.

MOBILE TRAFFIC UPDATE

Global traffic in mobile networks

Figure 3 shows total monthly data traffic. It depicts stable growth with some seasonal variations. Mobile data subscriptions will grow strongly and drive the increase in data traffic, along with a continuous increase in the average data volumes per subscription.

Highlights include:

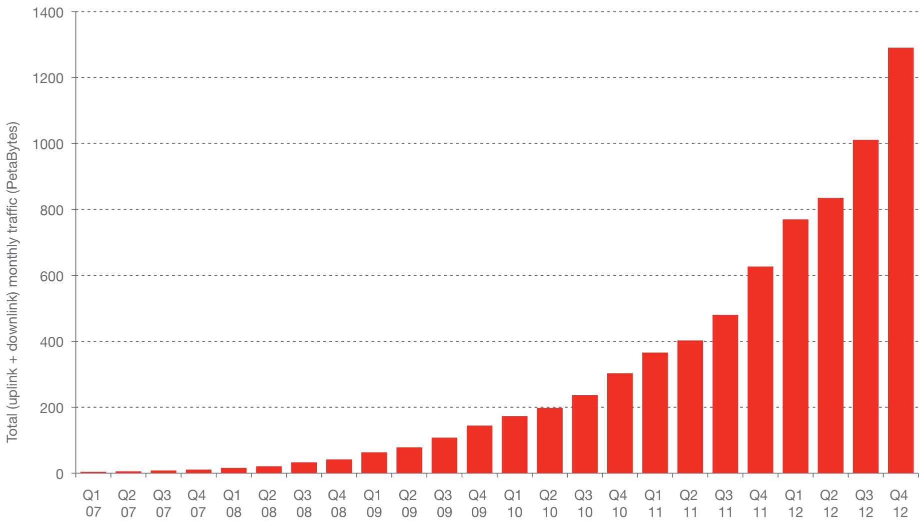
- Data traffic doubling between Q4 2011 and Q4 2012
- Quarterly growth of 28 percent between Q3 2012 and Q4 2012

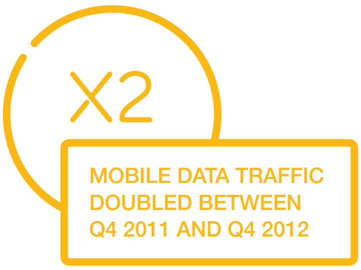
It should be noted that there are big differences in traffic levels between markets, regions and operators.

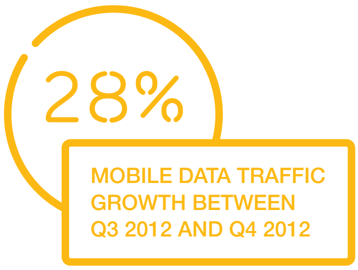
These measurements have been performed by Ericsson over several years using a large base of commercial networks that together cover all regions of the world. They form a representative base for calculating world total traffic in mobile networks[2].

Figure 3: Global total data traffic in mobile networks, 2007-2012

Source: Ericsson (February 2013)







[2] Traffic does not include DVB-H, Wi-Fi, or Mobile WiMax.

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