INTERIM UPDATE

TRAFFIC AND MARKET REPORT

ON THE PULSE OF THE NETWORKED SOCIETY

This document is a scheduled update to some sections of the Ericsson Traffic and Market Report, released in June 2012

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

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

SUBSCRIPTIONS

WCDMA/HSPA subscriptions passed 1 billion in Q2.

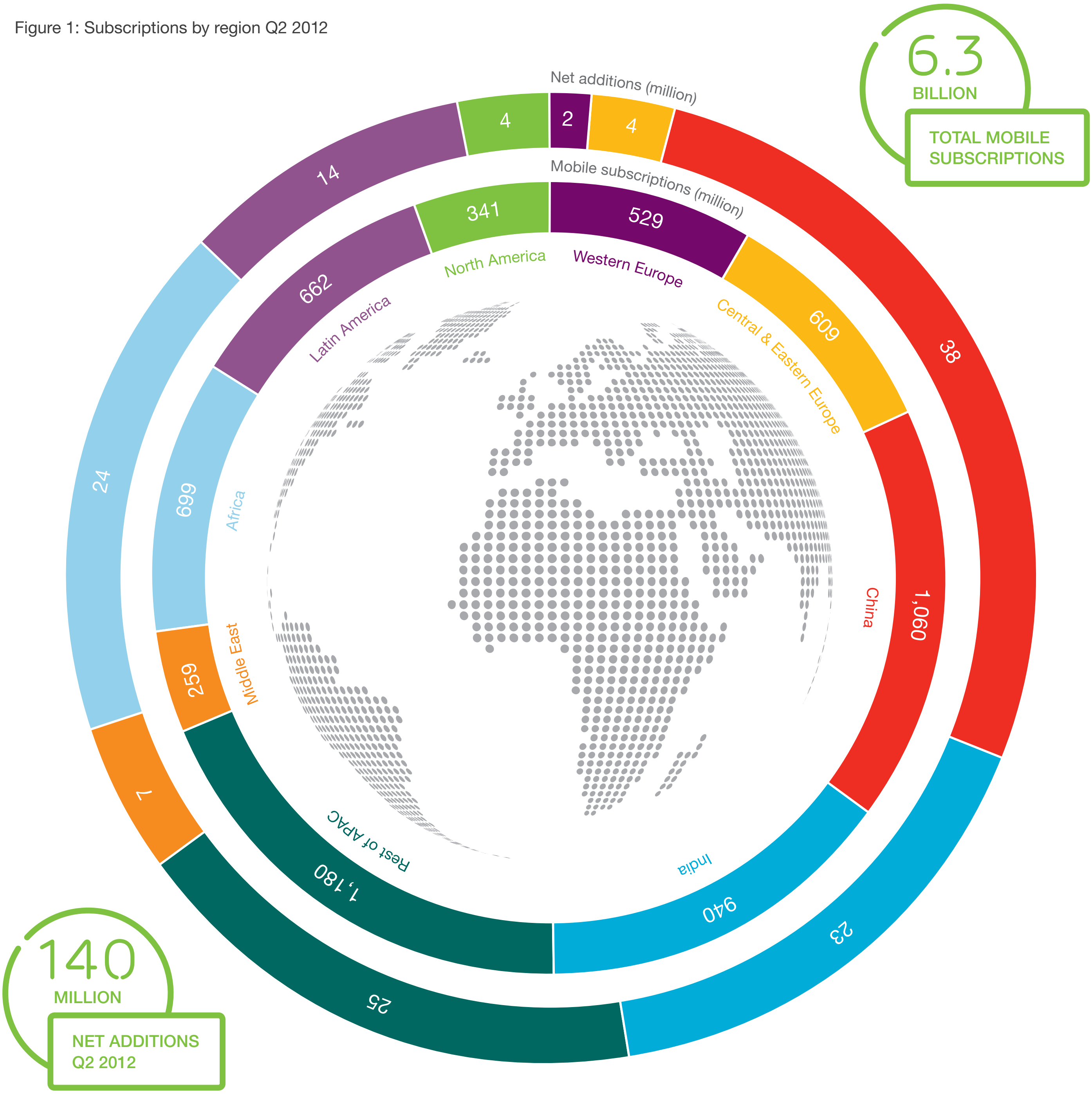
TRAFFIC

Data traffic grew by 14% between Q1 and Q2 2012.

August 2012

MOBILE SUBSCRIPTIONS UPDATE

Figure 1: Subscriptions by region Q2 2012



Source: Ericsson (August 2012)

Figure 1

Mobile subscription figures are estimates as of Q2 2012. Mobile net additions are estimates during Q2 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.

- Global mobile penetration reached 89 percent in Q2 2012 and mobile subscriptions now total around 6.3 billion. However, the actual number of subscribers is around 4.3 billion, since many have several subscriptions.
- WCDMA/HSPA subscriptions passed 1 billion in Q2 2012.
- India and China accounted for approximately 40 percent of the estimated 140 million net additions during Q2 2012, adding around 20 and 40 million subscriptions respectively.
- Brazil, (+11 million), Indonesia (+9 million), and Philippines (+5 million) follow in terms of net additions.
- Mobile subscriptions have grown around 11 percent year-on-year and 2 percent quarter-on-quarter.
- Mobile broadband subscriptions[1] have grown around 60 percent year-on-year and have reached above 1.2 billion.
- There is continued strong momentum for smartphone uptake in all regions. Approximately 40 percent of all mobile phones sold in Q2 were smartphones, compared to around 30 percent for the full year 2011. Only around 15 percent of the worldwide installed base of subscriptions are for smartphones, which means that there is considerable room for further uptake.

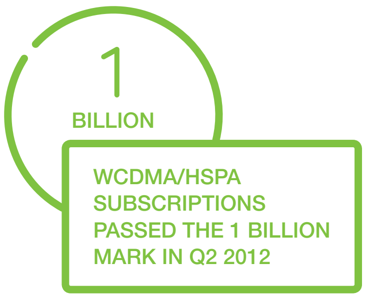


Figure 2: Penetration percentage

Source: Ericsson (August 2012)

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.

[1] Mobile broadband is defined as CDMA2000 EV-DO, HSPA, LTE, Mobile WiMAX and TD-SCDMA.

MOBILE TRAFFIC UPDATE

Global traffic in mobile networks

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

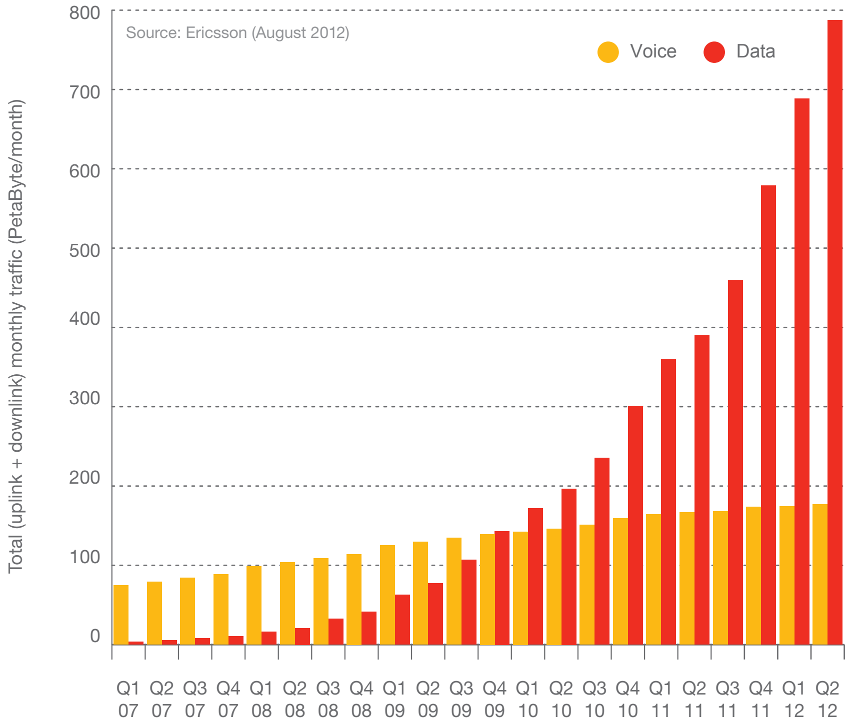
Mobile voice traffic continues to grow at a steady rate, mainly driven by new subscriptions in Asia Pacific and Middle East & Africa. Highlights include:

- Data traffic doubling between Q2 2011 and Q2 2012
- Quarterly growth of 14 percent between Q1 2012 and Q2 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 live 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 traffic in mobile networks 2007-2012



14%

DATA TRAFFIC GROWTH BETWEEN Q1 2012 AND Q2 2012

X2

MOBILE DATA TRAFFIC DOUBLED BETWEEN Q2 2011 AND Q2 2012

[2] Traffic from 2G and 3G – does not include DVB-H, Wi-Fi, and Mobile WiMax.

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199/287 01-FGB 101 220
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