

Ericsson Global Services – strengthening operator competitiveness

Ericsson is the world's largest telecom services provider, supporting operators in creating competitive, attractive and appealing offerings to consumers. Ericsson's services portfolio includes state-of-the-art expertise in consulting, systems integration, managed services, network deployment and integration, learning and support services. Our technology leadership, business understanding and extensive experience of managing telecom-grade, carrier-class projects and multivendor networks, make Ericsson the market leader in telecom services.

Ericsson's strength in telecom services has a strong correlation with our technology leadership, R&D achievements and long tradition of innovation. Based on our deep understanding of consumer needs – and with future evolution in mind – we are driving the development of technology and finding new business models for our customers. Our consumer and business understanding is based on long-lasting relationships with leading operators worldwide, as well as our own extensive consumer and enterprise research.

Ericsson Global Services focuses on supporting operators in growing their business by:

- improving net subscriber revenue;
- becoming more operationally efficient;
- evolving their networks to meet current and future consumer demands.

Ericsson's ability to support operators in driving traffic, revenue growth and offering benefits to consumers is built on unique and extensive consulting competence. Ericsson and the operator team up to realize growth potential by identifying market drivers and finding new, attractive consumer services. This is done from both the business and the technology perspectives. Respect, trust and long-term relationships are essential when it comes to partnering with our customers.

Operators face the challenge of launching new and attractive services, while keeping spending under control. More and more operators are considering outsourcing as a flexible way to meet these challenges. Ericsson's comprehensive offering in managed services ranges from designing, building, operating and managing day-to-day operations of a customer's network, including end-user services and business-support systems, to hosting service layer solutions, as well as providing network coverage and capacity on demand.

As the industry leader in managed services, we have proven our capabilities in managing and operating many operator networks worldwide, including multivendor and multi-technology environments. This is also reinforced by the contract with Sprint in the US and with Zain in Nigeria, both breakthrough contracts in the respective continents. This is further reinforced by the two major contracts for managed services signed in 2005, with 3 Italy and 3 UK. The estimated value of the 3 Italy contract is SEK 15 billion. The value of the agreement with 3 UK is even larger.

We have strengthened our leadership with a number of contracts with tier 1 operators. Early 2007 France Telecom outsourced their operations in the Netherlands (Orange) and Belgium (Mobistar) to Ericsson. Following that, Deutsche Telekom signed a managed services contract with Ericsson in their home market and another contract with T-mobile (part of the Deutsche Telekom group) in the UK. Another announcement with a tier 1 operator was TDC in Denmark that chose Ericsson as a partner to manage, develop and modernize their entire mobile network, also in their home market. The deal with TDC also included replacing TDC's existing radio equipment, including more than 1000 base stations, to implement a single-vendor network.

As networks and business models become more complex, Ericsson supports operators in creating an efficient environment for consumer service delivery through market-leading network and systems integration expertise. Common challenges faced by operators today are network evolution towards all IP, cost and operational efficiency demands, environmental sustainability and business growth. Ericsson has the end-to-end solutions and the skills required to meet the challenges of technology and business transformation.

Our technology leadership, telecom business understanding and experience, allow Ericsson to partner with our customers and take on the prime integrator role as the single point of contact in complex multivendor integration and deployment projects.

Ericsson's services portfolio includes expertise in consulting, systems integration, managed services, network deployment and integration, education and support services. We have personnel with extensive experience as business consultants, project managers, network designers, integration experts, solution architects, solution support experts, product development experts and training experts.

Ericsson is the leader in the telecom services industry. The combination of our long-term global experience and working in 175 countries, always closely with the R&D area, provides us with the capability to meet the challenges of an evolving communications world.

Ericsson is the largest telecom services company in the world

- Over 37,000 service professionals working in 175 countries (28,000 close to customer and 9,000 globally). Additionally 15,000 sourced resources.
- 24/7 support of networks with more than 1 billion subscribers.
- We conduct about 300,000 student days per year.
- At the end of 2007, Ericsson acquired HyC Group, a leading Spanish company in TV consultancy and systems integration, further strengthening Ericsson's position in the services and multimedia domains as a systems integrator of IPTV solutions.
- During 2005, Ericsson acquired systems integration companies Teleca OSS (Sweden) and TUSC (Australia).

- During 2004, Ericsson made the strategic acquisitions of Audilog (France), which specializes in systems integration in the network management area, and telecom services provider Enditel (Spain).
- Total services sales in 2008 were SEK 70.5 billion, representing 34% percent of total sales. Compared to 2007 total services sales grew 15%.
- Total services sales in 2007 were SEK 61.4 billion, representing 33 percent of total sales. Compared to 2006 total services sales grew 15 %.
- Total services sales in 2006 were SEK 53.2 billion, representing 32 percent of total systems sales. This represents growth of 33 percent compared to 2005.
- In 2007, Ericsson signed a multivendor spare-parts management contract with Vodafone, one of the largest of its kind to date. Another multivendor spare-parts management contract was signed with Telefónica Mexico. Furthermore, the managed services contract signed with T-mobile UK also includes multivendor spare-parts management.
- In 2008 Ericsson signed a prime integrator revenue assurance contract with Telefónica across Latin America. Under the agreement, Ericsson provides consulting and systems integration services for Telefónica's fixed and mobile operations, allowing Telefónica to improve control of its revenue streams.

Industry leader in managed services

- Ericsson has the telecom industry's most comprehensive managed services offering. It ranges from designing, building, operating and managing day-to-day operations of a customer's network, including end-user services and business-support systems, to hosting service layer solutions, as well as providing network coverage and capacity on demand.
- We have more than 15 years experience in managing multivendor, multi-technology networks for operators globally.
- In all current managed services contracts, excluding hosting, Ericsson is managing networks that together serve more than 350 million subscribers worldwide.
- In Q3 2009, Ericsson signed 8 managed services contracts in total, focusing on operations/capacity (of which 2 extension).
- In Q3 2009, three agreements focusing on operations were made public: Sprint in the US , Telefonica's O2 in the UK and TeliaSonera in Sweden.
- In Q2 2008, Ericsson announced the strengthening of its Managed Services capabilities in IT related domain of OSS/BSS and the service layer.

Industry leader in design, deployment and integration of mobile networks

- Over the past 12 months, Ericsson has managed more than 1200 projects for network build, expansion or migration for all major standards of mobile and fixed networks worldwide.
- We have done turnkey deployments of networks for 275 customers in 140 countries over the past two decades.
- Ericsson is world leader in 3G network design and technology consulting, with more than 300 completed 3G projects in radio network tuning and optimization, network design, network strategy consulting and network security consulting.
- We have more than 15 years experience from more than 1100 multivendor interface integrations for about 190 operators worldwide
- Over the past 12 months, Ericsson has deployed in-building solutions in more than 1100 buildings worldwide.

Industry leader in systems integration of new consumer services and operator business processes

- Each year, Ericsson delivers more than 1000 systems integration projects in multivendor and multi-technology environments to operators, enterprises, and national security and public safety organizations.

- Ericsson's systems integration expertise covers multimedia services and service networks, telecom management, IP packet backbone, IP Multimedia Subsystem (IMS) and satellite communications. Projects range from end-to-end solution transformations to adjustment projects for tuning integrated solutions.
- Ericsson has integrated more than 45 IMS solutions for commercial deployment, for both fixed and mobile operators.
- In the service network domain, Ericsson has integrated more than 30 Ericsson SDP and 60 Ericsson Drutt MSDP globally, 300 messaging solutions, more than 35 video calling solutions, 60 commercial mobile-TV solutions, more than 25 music solutions, more than 80 device-management solutions and more than 75 mobile-positioning systems.
- In the telecom management domain, Ericsson has integrated more than 500 OSS and network management solutions and more than 800 real-time charging, pre-paid, billing, mediation, activation and settlement solutions.
- We have extensive experience in multivendor integration and testing of terminals and networks. We perform more than 420 terminal-verification projects with more than 40 customers per year.
- Ericsson has world-class consultants with extensive competence and experience in supporting operator service launches, marketing strategy, pricing strategy and consumer services creation.

Ericsson is the world's leading provider of technology and services to telecom operators. Ericsson is the leader in 2G, 3G and 4G mobile technologies, and provides support for networks with over 1 billion subscribers and has the leading position in managed services. The company's portfolio comprises of mobile and fixed network infrastructure, telecom services, software, broadband and multimedia solutions for operators, enterprises and the media industry. The Sony Ericsson and ST-Ericsson joint ventures provide consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of "to be the prime driver in an all-communicating world" through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 75,000 employees generated revenue of SEK 209 billion (USD 32.2 billion) in 2008. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on OMX NASDAQ, Stockholm and NASDAQ New York.

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Publicly announced managed services contracts since 2002:

Contracts for managed services with focus on operations: Telfort (Netherlands), Telecom New Zealand (New Zealand), Hutchison (Australia), TeliaSonera International Carrier (Sweden), Brasil Telecom – fixed (Brazil), Brasil Telecom – GSM (Brazil), Amena (Spain), Orange FT (Switzerland), Diveo (Colombia), Warid Telecom (Pakistan), Saudi Telecom (Saudi Arabia), casaNet (Netherlands), Auna (Spain), 3 (Italy), Unwired (Australia), Maxis (Malaysia), ICE (Costa Rica), Vivo (Brazil), ONI (Portugal), BASE (Belgium), Nawras (Oman), Sonaecom (Portugal), Vodafone

Fiji (Fiji), 3UK (the UK), NTS (Indonesia), Vodafone Netherlands, Netia (Poland), BT-InfoNet (Netherlands), Zeus Telecom (Netherlands), MTN South Africa, Tele2 (Croatia), Polkomtel (Poland), Hutchison Telecom (Hong Kong), Warid Telecom (Bangladesh), Telkomsel (Indonesia), MiTV (Malaysia), Yoigo (Spain), Orange (Netherlands), Mobistar (Belgium), Vodafone (Europe-wide)*, Telefónica Deutschland (Germany), KPN (Netherlands), Vodafone (Netherlands), Telemar (Brazil), Warid Telecom (Pakistan) Deutsche Telekom (Germany), T-Mobile (UK), Idea Cellular (India), TDC (Denmark) , Mobily (Saudi Arabia), Telcel (Mexico) and Telefónica (Brazil), Softbank (Japan), King Abdullah Economic city (Saudi Arabia), Hanoi Telecom (Vietnam), Cable&Wireless (Europe, Asia and US) Axis (Indonesia) Bangla Trac Communications (Bangladesh) two contracts with MBNL (UK), Vodafone (UK) Zain (Nigeria), Hudiksvall municipality (Sweden) Sprint (US), Telefonica's O2 (UK) and TeliaSonera (Sweden).

Contracts that also include capacity are with Bharti Airtel (India), ALLTEL (the US), Indigo Wireless (the US), Chariton Valley Wireless Services (the US) and SeaMobile (the US).

Contracts for managed services with focus on hosting: hosting of MMS for Western Wireless (US), Alltel (US), Rural Cellular Corporation (US) and Midwest Wireless (US); hosting of mobile data service portal for BT (UK) and Telefónica Móvil (Chile); hosting of music for sunrise (Switzerland), Swisscom (Switzerland), Tele2 (Sweden), TeliaSonera (Sweden), Maxis (Malaysia), EMT (Estonia), Absolute Music (Sweden), Polkomtel SA (Poland), PTC (Poland) and Cosmote (Greece); hosting of ringback tones for 3 Italy, Cincinnati Bell (US), SunCom Wireless (US), BSNL (India) and Dobson Cellular Systems (US); hosting of music, downloads and ringback tones for ONE (Austria); hosting of Mobile Music & TV for Elisa (Finland); hosting of Mobile Music for Hutchison Scandinavia (Denmark, Sweden); hosting of content download portal for Centennial Wireless (US), BSNL (India) and Dobson Cellular Systems (US); hosting of number portability for Hungarian operators Emitel, Monortel, Invitel, HungaroTel and Pantel; hosting of video streaming for Sun Cellular (Philippines); hosting of messaging solution for 3 Scandinavia; hosting of multimedia subscriptions for US operators Carolina West Wireless, Centennial Wireless, Golden State Cellular, Rural Cellular Corporation, Western Wireless Corporation and WestLink; hosting of MMS, video download for GrameenPhone (Bangladesh); hosting of voice SMS for M1 (Singapore); hosting of push e-mail for Maxis (Malaysia), MobileCom (Jordan), Telemar/Oi (Brazil), Sun Cellular (Philippines), 3 Italy, 3 Scandinavia, Rural Cellular Corporation (US), Electrolux (Europe), Telemig (Brazil), Spice (India) and Aircel (India); hosting of mobile TV for sunrise (Switzerland); hosting of Volvo Ocean Race portal for Bite (Lithuania), EMT (Estonia), Telefónica Móviles (Argentina), Telefónica Móviles (México), Telfort (Holland), TeliaSonera (Sweden, Finland, Denmark, Norway and Lithuania), TMN (Portugal), Vodacom (South Africa), Vodafone (Portugal) and Vodafone (Spain); hosting of Napster Mobile for SunCom Wireless (US), Cingular Wireless (US), O2 (Ireland), TMN (Portugal), Swisscom (Switzerland), Cellular One/Dobson (US), Telecom Italia Mobile, Entel PCS (Chile) and O2 (UK); hosting of FIFA portal for Rogers (Canada); hosting of Automatic Device Configuration for DNA (Finland); hosting of pre-paid for SunCom Wireless (US) , Dobson Cellular Systems (US) and AT&T (US), hosting of Mobile Advertising for KPN (Netherlands).

*The contract with Vodafone marks an evolution of Ericsson's managed services capabilities, enabling operators to outsource their entire spare-parts supply chains. This is also one of the largest contracts for multivendor spare parts management to date.