

INTERIM UPDATE

TRAFFIC AND MARKET DATA REPORT

ON THE PULSE OF THE NETWORKED SOCIETY

This document is a scheduled update to some of the information provided in the Ericsson Traffic and Market Data Report which was released in November 2011.

To view or download a copy of the original report, please visit www.ericsson.com/news/1561267

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

SUBSCRIPTIONS

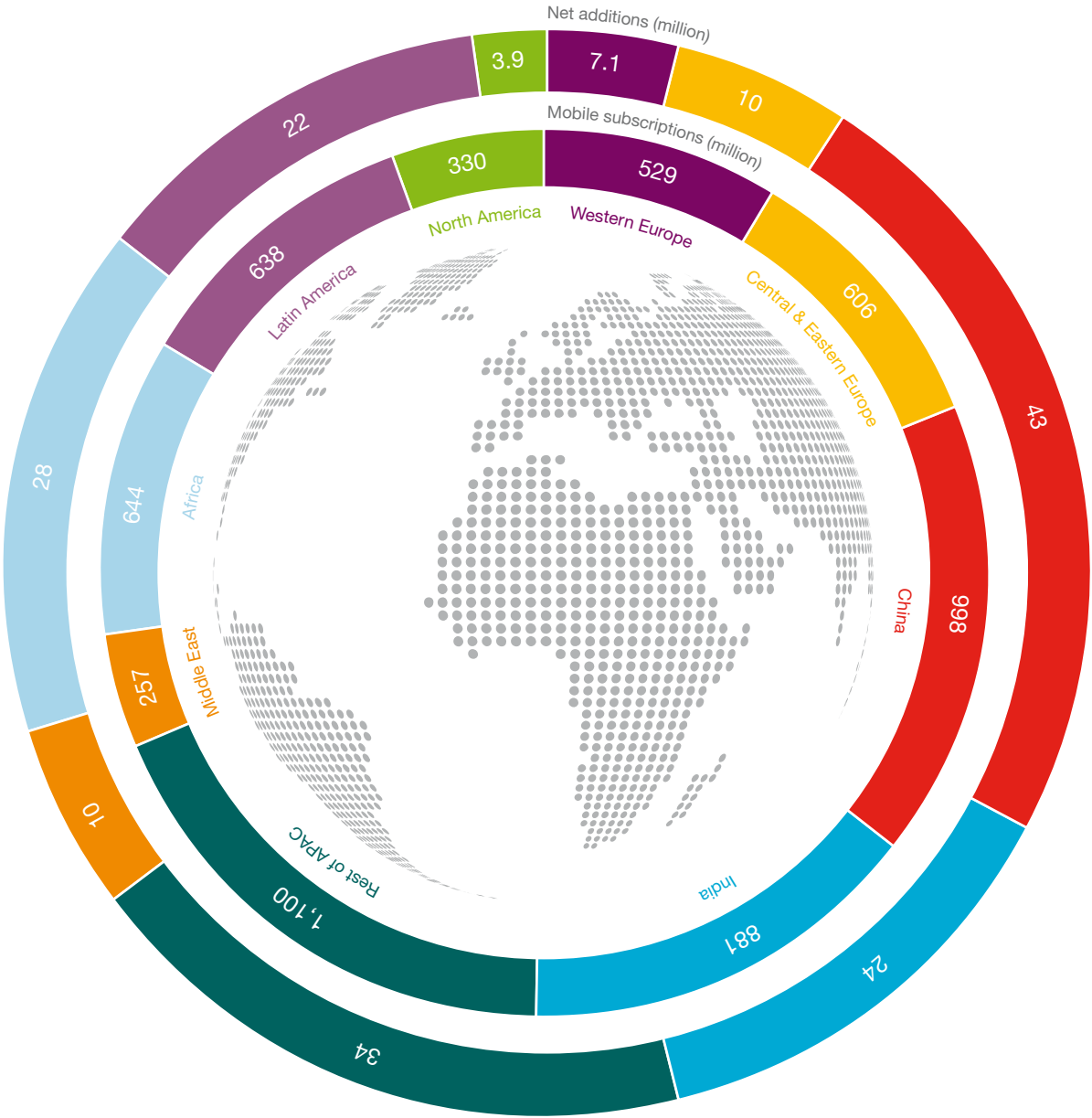
Approximately 60% of the world's population now has a mobile subscription.

TRAFFIC

Data traffic grew by 18% between Q2 and Q3 2011.

MOBILE SUBSCRIPTIONS UPDATE

Figure 1: Subscriptions by region Q4 2011



Source: Ericsson (2012)

Figure 1

Mobile subscription figures are estimates as of Q4 2011. Mobile net additions are estimates during Q4 2011. APAC = Asia Pacific.

This estimate of mobile net additions has been made based on historic information, macroeconomic factors and Ericsson data. Historical data may be revised when operators report updated figures.

- > Global mobile penetration reached 85 percent in Q4 2011 and mobile subscriptions now total around 6 billion. However, the actual number of subscribers is about 4.1 billion, since many subscribers have several subscriptions. This is equal to around 60 percent of the world's population.
- > India and China accounted for approximately 35 percent of the estimated ~180 million net additions during Q4 2011. For India, this figure continues to be lower than Q1 and Q2 due to operators' increasing focus on active subscribers.
- > Brazil, Indonesia and Bangladesh follow in terms of net additions.
- > Mobile subscriptions have grown around 13 percent year-on-year and 3 percent quarter-on-quarter.
- > Around 75 percent of subscriptions are GSM. 15 percent are WCDMA/HSPA.
- > Globally, mobile broadband subscriptions have grown around 60 percent year-on-year and have reached close to 1 billion¹.
- > There is continued strong momentum for smartphone uptake in all regions. Approximately 30 percent of all handsets sold in 2011 were smartphones, compared to around 20 percent for the full year 2010. However, only around 10 percent of the worldwide installed base of subscriptions use smartphones. This means that there is considerable room for further uptake.

Figure 2: Penetration percentage



Source: Ericsson (2011)

APAC = Asia Pacific

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 optimizing their subscriptions for different types of calls, or 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, penetration can easily reach above 100 percent, which is the case in many countries today.

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

MOBILE TRAFFIC UPDATE

Data traffic grows by 18 percent

Figure 3 shows the total monthly traffic split for voice and data. It depicts a stable trend of traffic growth with some seasonal variations. However, there are large differences in traffic levels between markets, regions and operators due to differing customer profiles.

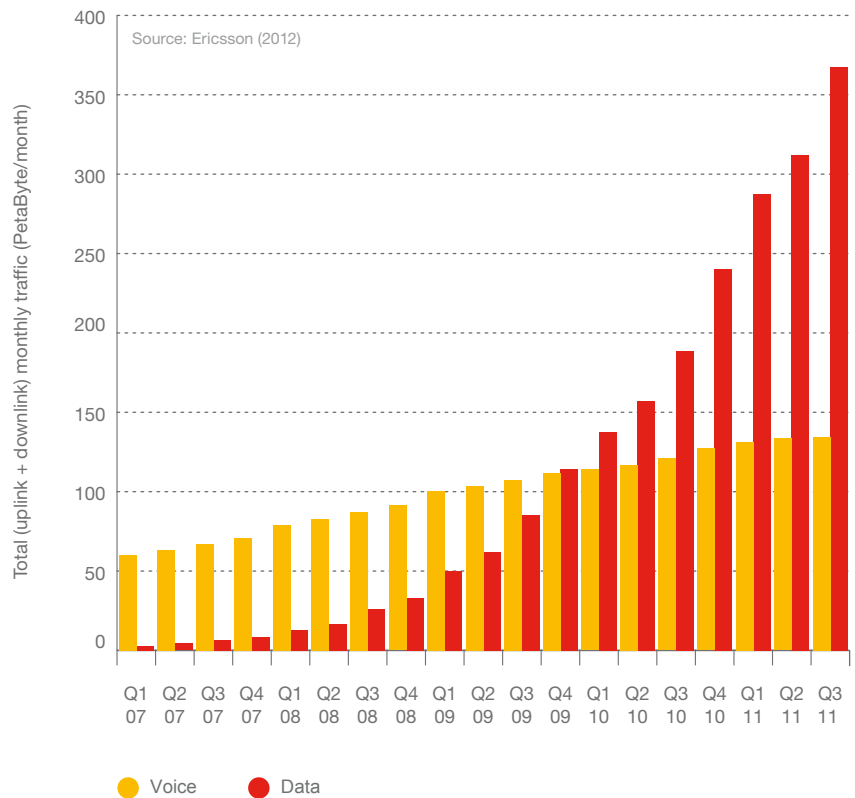
Mobile data surpassed voice in Q4 2009 and was double that of voice for the first time in Q1 2011.

Data traffic doubled between Q3 2010 and Q3 2011, which is the same yearly growth rate as for Q2 2011. The quarterly growth between Q2 and Q3 2011 was 18 percent.

Mobile voice traffic has doubled over the last four years and continues to grow at a steady rate. The growth is especially high in regions with a strong increase in subscriptions, such as developing nations in Asia.

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.

Figure 3: Global total traffic in mobile networks 2007-2011



MOBILE PC DATA

The traffic generated by mobile PC users differs significantly between individuals and markets. The global average is estimated to be around 2 GB per month, based on Ericsson measurements.

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