

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 June 2013.

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

105 million net additions in Q2 2013.

TRAFFIC

Mobile data traffic almost doubled between Q2 2012 and Q2 2013.

MOBILE SUBSCRIPTIONS UPDATE

Figure 1: Mobile subscriptions by region, Q2 2013

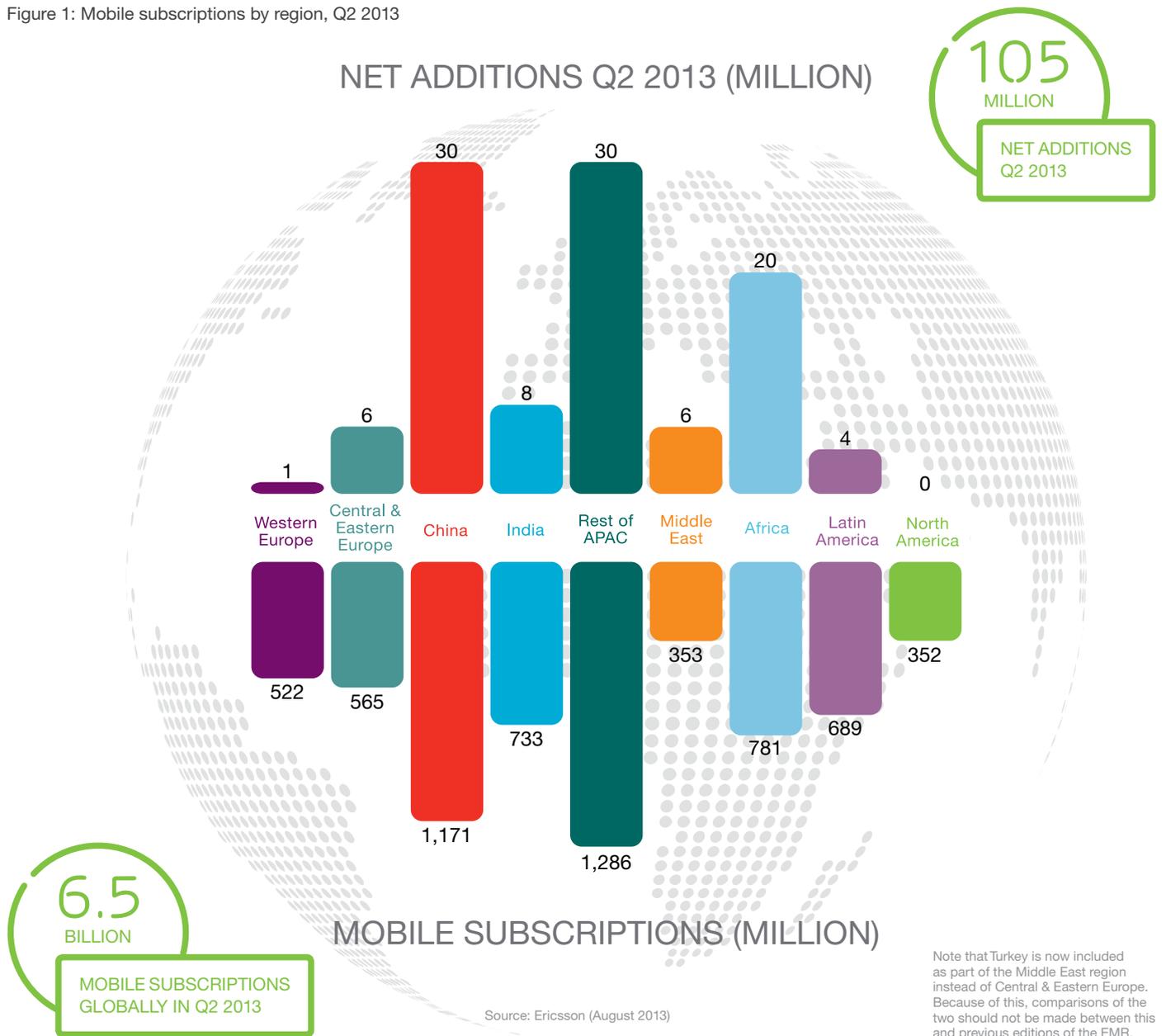


Figure 1

Mobile subscription figures are estimates as of Q2 2013. Mobile net additions are estimates during Q2 2013. APAC = Asia Pacific.

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

Adjustments have been made to historic subscription values, primarily those from Q1 2013. For some regions, this has led to lower subscription data in Q2 compared to that previously reported in Q1. We now believe that net added subscriptions

in Q1 were around 100 million compared to the previously reported figure of 130 million.

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 figures are rounded up or down to the nearest million. The sum of all rounded regional data may therefore differ slightly from the rounded total. Mobile subscriptions include all mobile technologies. M2M subscriptions are not included.

- > Global mobile penetration reached 91 percent in Q2 2013 and mobile subscriptions now total around 6.5 billion. However, the actual number of subscribers is around 4.5 billion, since many have several subscriptions.
- > China alone accounted for ~30 percent of net additions, adding around 30 million subscriptions.
- > Indonesia (+9 million), India (+8 million), Bangladesh (+5 million), and Nigeria (+4 million) follow in terms of net additions.
- > Mobile subscriptions have grown around 7 percent year-on-year and 2 percent quarter-on-quarter.
- > Mobile broadband subscriptions grew ~150 million to 1.8 billion subscriptions. This represents a 45 percent year-on-year growth rate.
- > There is continued strong momentum for smartphone uptake in all regions. Around 55 percent of all mobile phones sold in Q2 2013 were smartphones, compared to around 40 percent for the full year 2012 and around 50 percent in Q1 2013. Of all mobile phone subscriptions, around 25 percent are associated with smartphones, leaving considerable room for further uptake.
- > WCDMA & HSPA subscriptions grew by around 75 million and LTE subscriptions increased by around 25 million to 125 million. The total number of subscriptions capable of using GSM grew by 100 million, while GSM-only subscriptions declined by around 10 million.

Figure 2: Penetration percentage, Q2 2013



Source: Ericsson (August 2013)

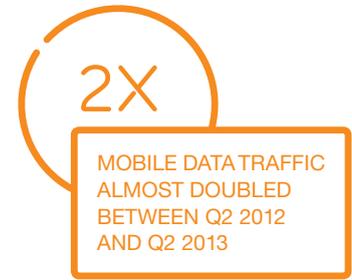
¹ Mobile broadband is defined as CDMA2000 EV-DO, HSPA, LTE, Mobile WiMAX and TD-SCDMA.

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 and 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 be noted however that in some developing regions, it is common for several people to share one subscription, having for example a family or community shared phone.

MOBILE TRAFFIC UPDATE



Global traffic in mobile networks

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

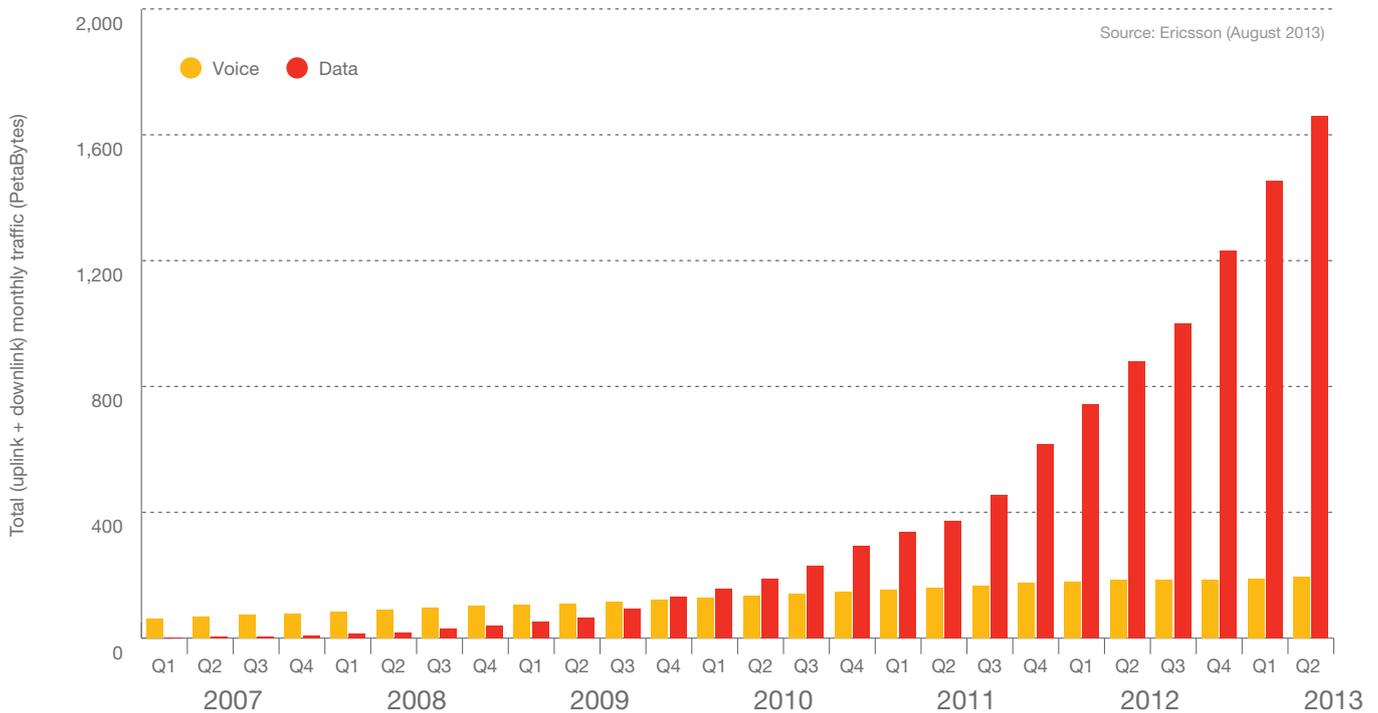
Highlights include:

- > Data traffic almost doubled between Q2 2012 and Q2 2013
- > Data traffic growth between Q1 2013 and Q2 2013 was 14 percent
- > Voice traffic growth between Q2 2012 and Q2 2013 was 2 percent

It should be noted that there are large 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 networks¹.

Figure 3: Global total data traffic in mobile networks, 2007-2013



¹ Traffic does not include DVB-H, Wi-Fi, or Mobile WiMax. Voice does not include VoIP.

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