

Wireline Update

Ericsson CMD – May 11

Karl Thedéen
Vice President, Wireline Networks

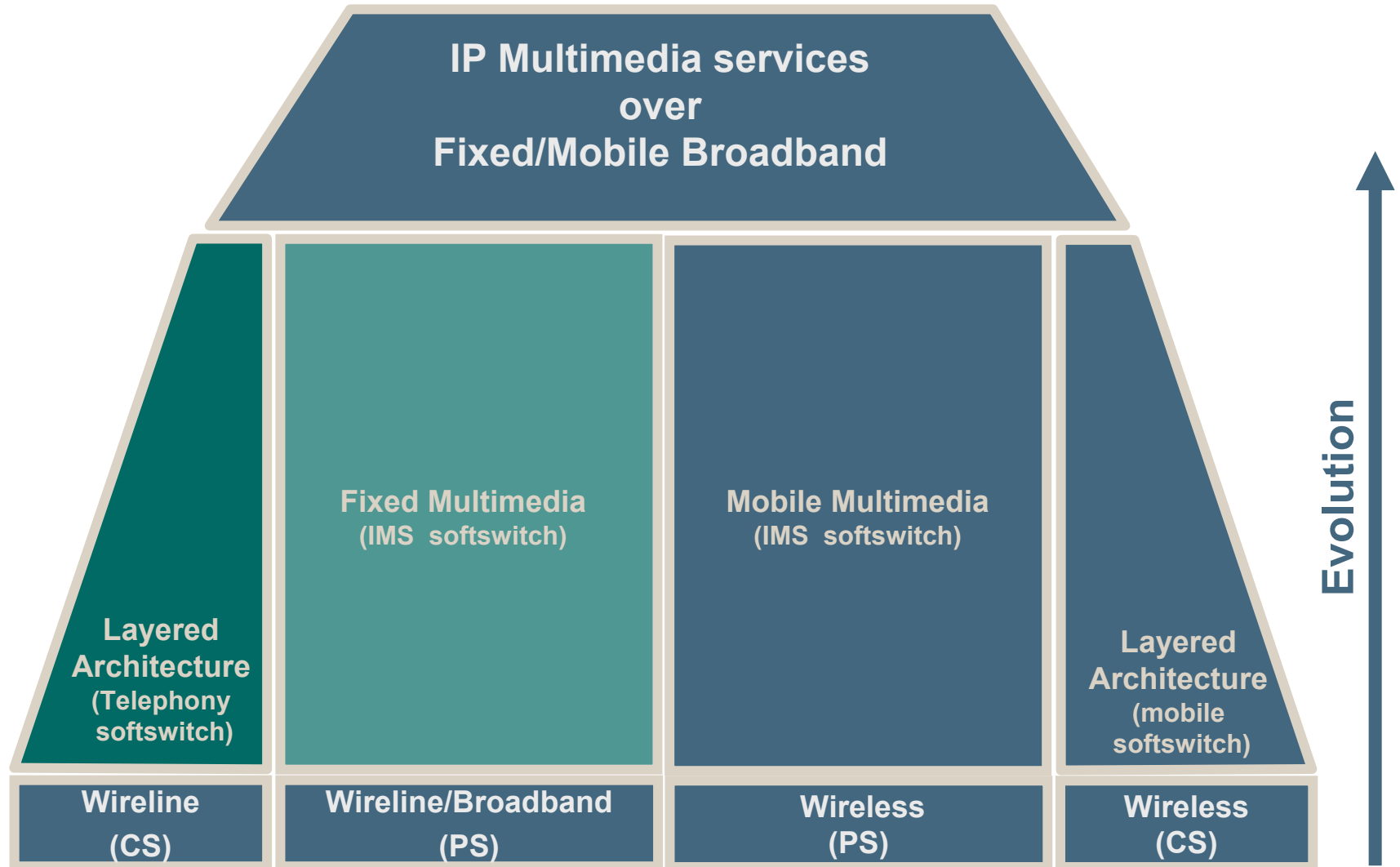
Two major Wireline Opportunities

- Transformation of Communication services into IP
 - Reduce cost of providing Basic Telephony services
 - Develop new Multimedia communication revenue streams
- Transformation of Broadband beyond Internet Access
 - Add TV and Telephony applications to enhance service offerings
 - Secure capabilities for universal Broadband penetration

IP based Communication services

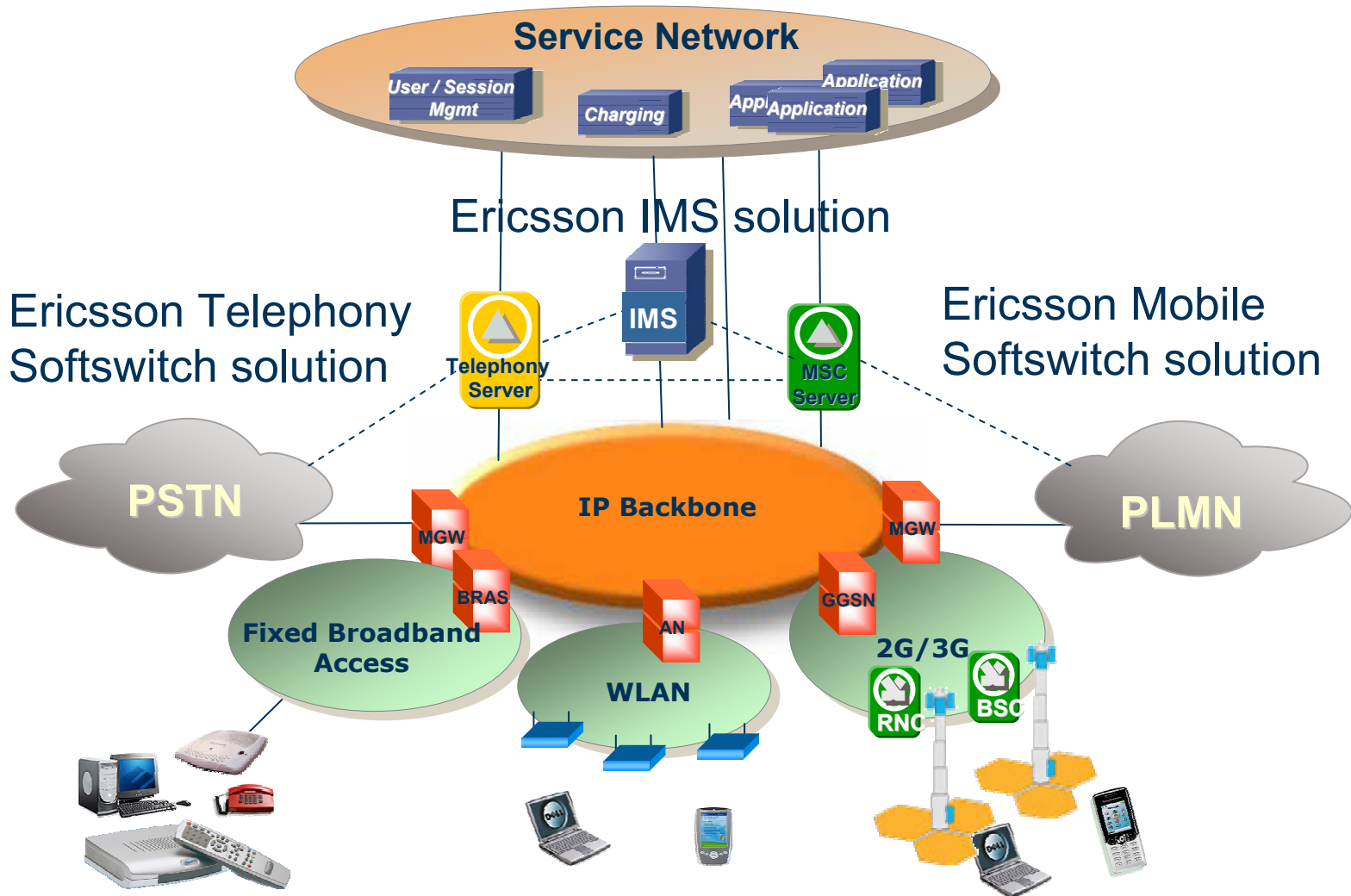
- Main Drivers for Telephony Transformation
 - IP will be the common new base for all services in the future
 - Increased competition for Voice telephony, e.g. Mobile & VoIP
 - Clear possibility to reduce Operational cost with new architectures
 - Transformation without service changes for the end-users
 - H.248 replacing V5.2 as standard I/f between switch & access
- Main drivers for Multimedia communication
 - Multiple communication ways today: Telephony, IM, SMS/MMS
 - Multiple Communication devices: PC, Laptop, PDA, Cellphone, TV
 - SIP used as base for new services: IP Centrex & VoIP
 - IMS emerging as the common platform for both Fixed & Mobile
 - Large variety in Business models

Telephony Softswitch in Evolution



Layered architecture

- with convergence in focus



BT 21CN – What it is

- £10Bn Network Modernization project to an all-IP network
- Modernization affecting 30 Million existing phone lines
- Network Modernization to be completed by 2010
- BT first in the world to commit to a project of this nature
- 8 Vendors selected for 5 different parts of the network

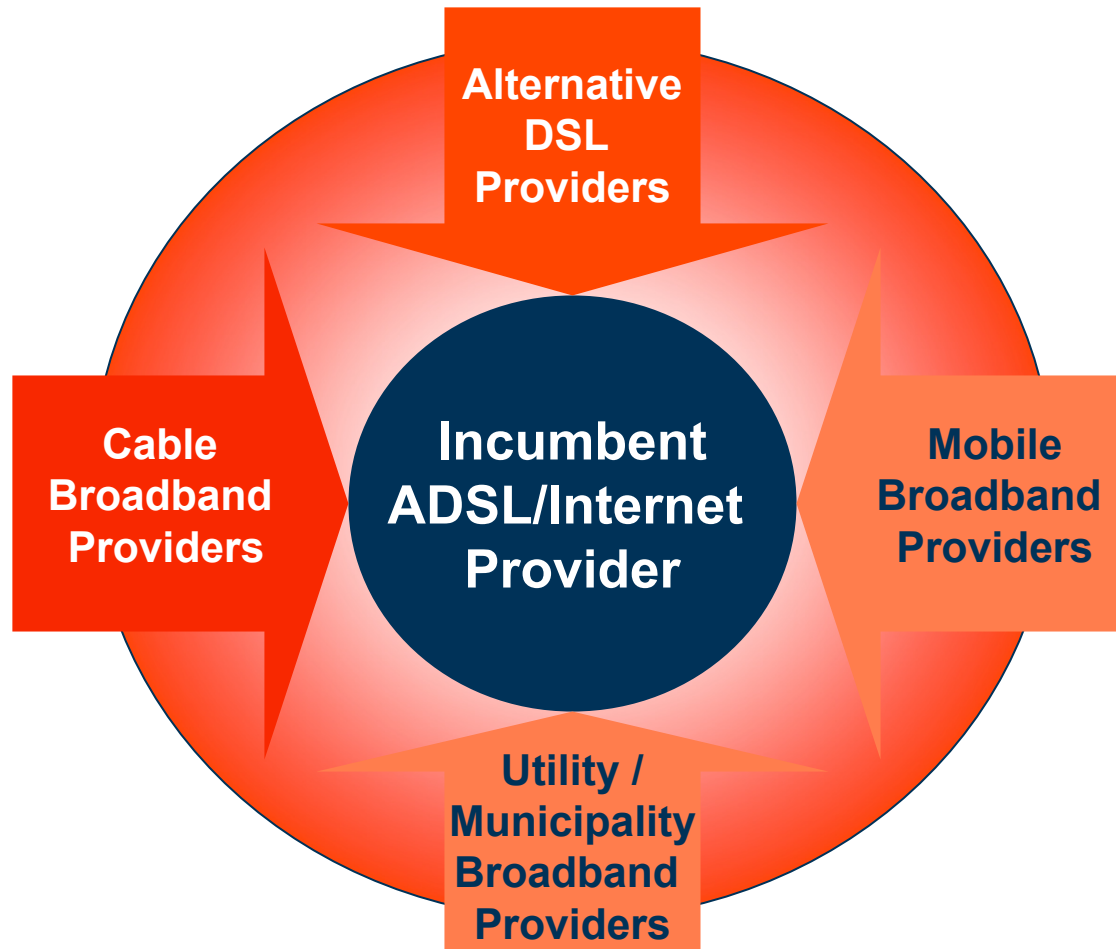
Network areas & Selected partners



What BT 21CN mean for Ericsson

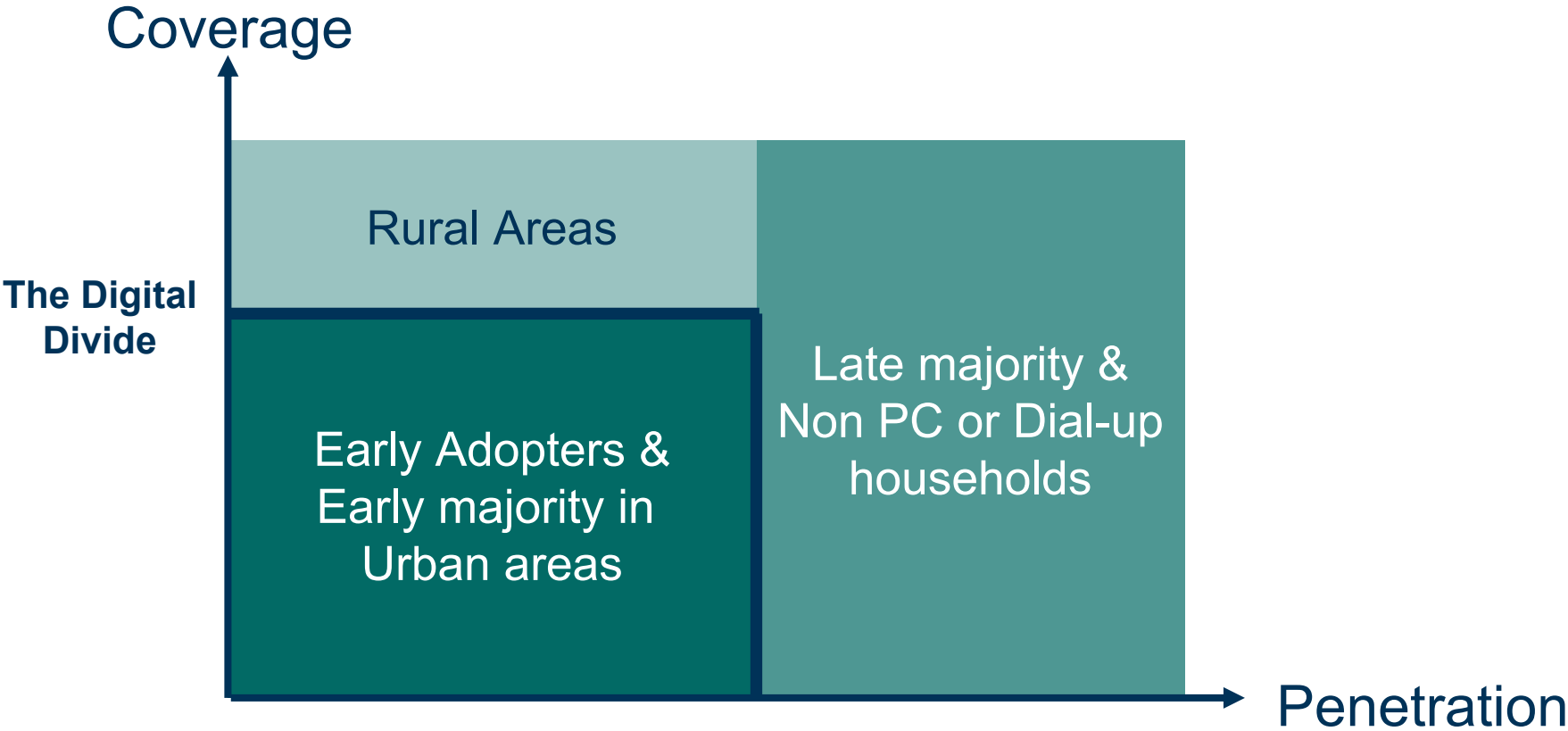
- Confirmation that large carriers see Ericsson as a candidate for large Wireline network modernization projects.
- Confirmation that our softswitch strategy is attractive
 - Telephony Softswitches for Telephony OPEX reductions
 - IMS for creation of new mobile & fixed Multimedia revenues
- Confirmation that our Telephony Softswitch is best in class

Operator competition is heating up



Winning Market shares now – Crucial for long term revenues

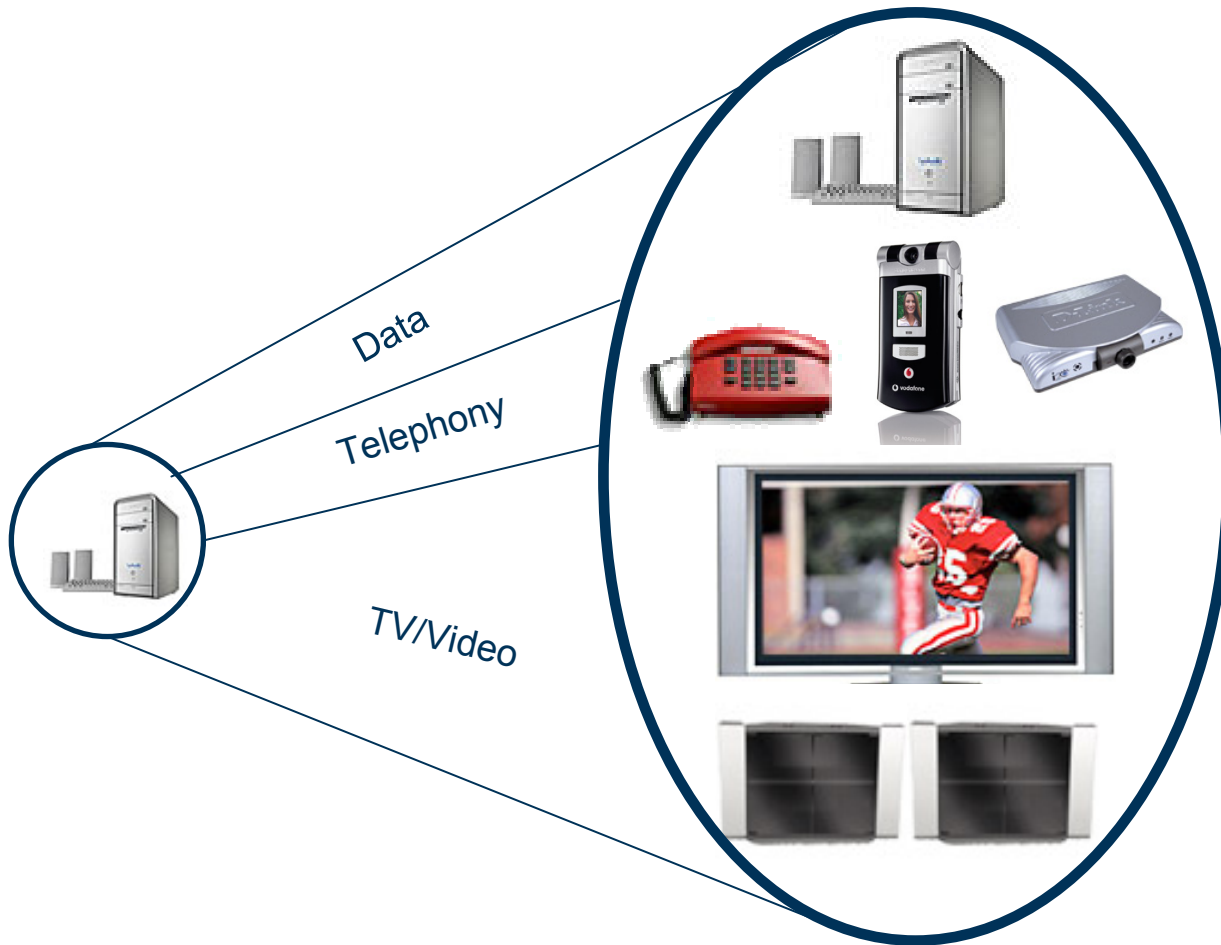
Main Broadband Growth Strategies



Connectivity add value to digital devices



Multi Play network characteristics



Peak Capacity

Throughput

Traffic separation

Easy Provisioning

Cost Efficient

TeliaSonera IPTV/VoD Case

Nationwide wide introduction in Sweden in 2005



- IPTV/VoD launched in 15 major cities in Sweden
- Build-out planned to cover 70% of households in 2005
- Three TV Channel packages starting at €13 per month
- ADSL2plus providing sufficient 1st Mile capacity
- Gigabit Ethernet providing cost effective 2nd Mile aggregation
- A number of security features for Internet & Video services

Ericsson IP-DSLAM platform - enabler for IPTV/VoD strategies

ERICSSON 

TAKING YOU FORWARD