

PRESS RELEASE

November 8, 2016

SmarTone and Ericsson announce a five-year partnership toward 5G

Early trials and pilot deployments of key pre-5G technologies to take place in Q4 2016

Ericsson (NASDAQ: ERIC) and SmarTone, the leading mobile network operator in Hong Kong, today announced to extend their partnership to bring them to a new milestone in SmarTone's network transformation beyond 4G. SmarTone has selected Ericsson as the sole supplier for its core and Radio Access Network (RAN) in the coming five years. The partnership reinforces the two companies' commitment to delivering an outstanding network experience to customers, and paves the way toward 5G in Hong Kong.

With its leading services portfolio and experience from 27 global 5G proof of concepts, including leading 5G radio technology and early commercial deployments of virtualized networks, Ericsson will enable SmarTone to upgrade and expand its network infrastructure for the re-farming of more spectrum to LTE and to support the latest mobile technologies. SmarTone and Ericsson have been working together on the introduction of the most advanced pre-5G technologies, including LTE-Advanced and LTE-Advanced Pro, to further enhance SmarTone's network capability and uplift customers' user experience.

"SmarTone is pleased to extend our strategic partnership with Ericsson to pave the way for 5G in Hong Kong," said Mr. Stephen Chau, Chief Technology Officer of SmarTone. "The evolutionary work toward 5G will uplift network capacity by multiple times and will enable SmarTone to be a frontrunner in capturing future business opportunities from new types of applications, such as virtual reality and machine-to-machine applications. SmarTone will continue to invest in spectrum and pre-5G technologies within the next few years to provide a superior customer experience and to evolve our network into an advanced, dynamic and cloud-based network architecture. We are confident that partnering with Ericsson as technology leader will ensure the realization of our vision."

Paul Bergström, Head of Customer Unit Hong Kong and Macau, Ericsson, added: "SmarTone is widely recognized for its quality network, customer care and constant innovations. We are excited by the opportunity to bring the tech-savvy mobile customers in Hong Kong an enhanced user experience. This agreement is built and extended on our long-term strategic business partnership with SmarTone, and Ericsson is committed to reinforcing SmarTone's market-leading position into the next-generation of mobile technology. With Hong Kong as a strategic Asian telecom hub, we will continue to excite the market and industry with our latest technologies that deliver unparalleled performing networks and outstanding mobile services to meet consumers' digital lifestyle needs."

Network Functions Virtualization (NFV) and Software Defined Networking (SDN) for various core network solutions will be deployed by Ericsson to enhance network performance and efficiency. The total solution will enable cost-effective, energy-efficient and work-smart operations while also supporting the fast and agile introduction of the new services required for 5G and the Internet of Things, reinforcing SmarTone's leading position in the highly competitive Hong Kong market.

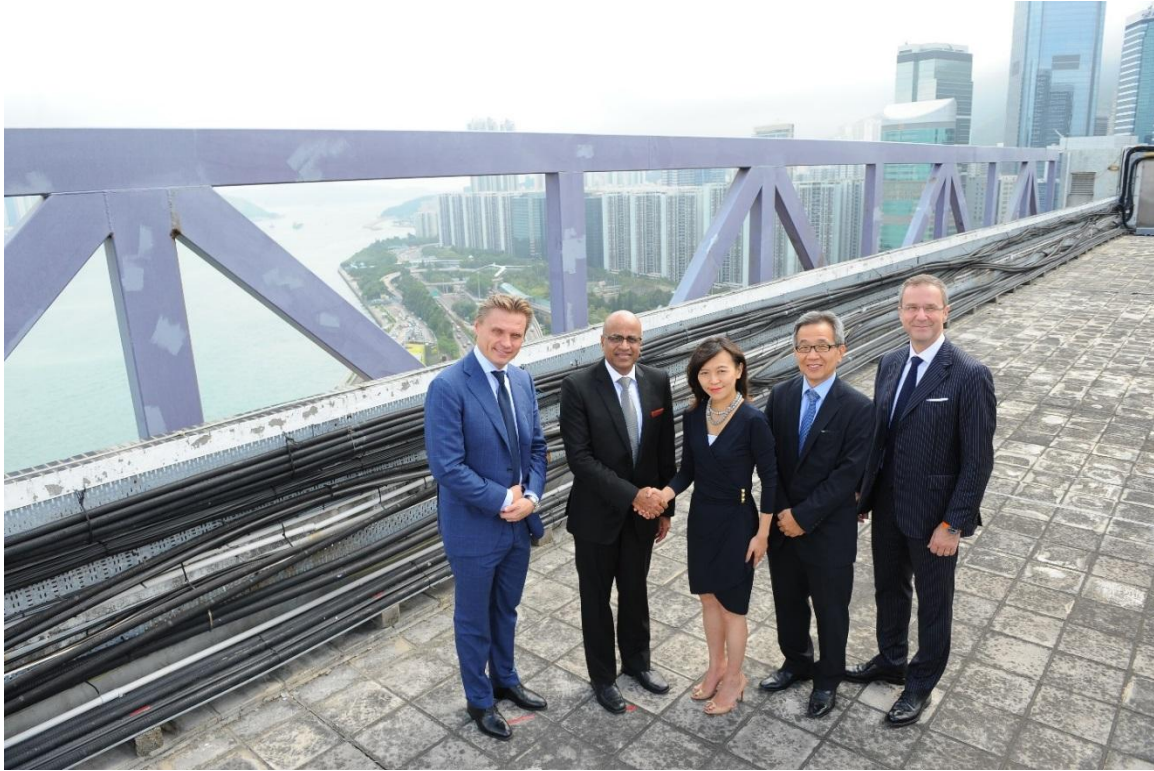


Photo caption: The picture was taken on a typical rooftop in Hong Kong where you see radio base stations, high-rise buildings, and waters in close proximity. Ericsson and SmarTone are committed to a 5-year evolution plan to pave the way to 5G. (From left to right) Fredrik Jejdling, SVP and Head of Business Unit Network Services, and Arun Bansal, SVP and Head of Business Unit Network Products from Ericsson; Anna Yip, Executive Director & CEO, and Stephen Chau, Executive Director & CTO from SmarTone; Anders Lindblad, SVP and Head of Business Unit IT & Cloud Products, Ericsson.