

Ericsson acquires Telebit, new generation Internet specialist

Ericsson acquires a 75 percent stake in Danish company Telebit Communications A/S, which is specialized in developing the new generation Internet. The company's technologies are key elements for a robust mobile Internet with carrier-class quality.

The investment over the next two years will be approximately DKK 200 million (approximately MUSD 30). Ericsson will get Telebit's unique competencies and proven solutions. The move is a further step in Ericsson's strategy to acquire small to medium sized specialist companies that complement its core strengths.

Telebit is the first vendor to provide commercially available Internet router solutions based on new generation Internet standards, commonly referred to as IP Version 6 (IPv6). The company's dual IPv4/IPv6 products interoperate with IPv4 systems as well as IPv6, the new generation Internet.

Software from Telebit's strong portfolio of IPv6 and multi protocol solutions will be further enhanced and integrated into Ericsson's mobile network offerings. The enhanced software is an important element to ensure the demands of Quality of Service for combined voice, multimedia, and data traffic, as well as security, in IP mobile networks.

IPv6 enables more Internet Protocol addresses to meet the needs of the growing mobile terminal market. The growing number of users who want to use mobile phones and other devices to connect to the Internet is rapidly exhausting the number of available IP addresses.

Telebit is distinctive in having started developments directly focused on IPv6 solutions. The company's unique Internet competence provides Ericsson with already available and proven solutions to optimize wireless IP networks.

The acquisition underscores Ericsson's determination to rapidly extend its leadership position in mobile systems that offer users the benefits of truly mobile Internet.

Ericsson is the leading provider in the new telecoms world, with communications solutions that combine telecom and datacom technologies with freedom of mobility for the user. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for its customers – network operators, service providers, enterprises and consumers – the world over.

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About Telebit

Telebit is a privately held company based in Denmark, headquartered in Århus. Its core competencies include multi protocol routers, ATM switching, and network management and development facilities. The company was founded in 1992 and today has 50 employees. In 1995, Telebit scored a world's first when, at the trade show, Paris Interop, it demonstrated and announced commercial availability of a router based on the IPv6 standard. The Telebit web site is at <http://www.tbit.dk>

Background Information

Telebit's full product portfolio encompasses fully scalable, interworking IPv6 and IPv4 solutions, which are already deployed in major operator and academic research networks. As was the case with initial development of the Internet, academic research networks are among the first to be embracing the new generation Internet technologies. The rapid growth of Internet hosts coupled with the increase in delay-sensitive traffic makes upgrading crucial to the continued success of the Internet. The development of IPv6 responds to both these needs.

About IPv6

Internet Protocol version 4 (IPv4) was designed in the early 1980s. The accelerating growth of the Internet, the migration of the Internet into new areas such as embedded devices, and the widespread use of IP in wireless consumer devices, provide a new and different set of growth challenges. These devices will be the next generation of cellular phones, pagers, PDAs, digital cameras and a variety of embedded devices.

To address the issues with the growing Internet, the IETF (Internet Engineering Task Force) has devised a new standard, Internet Protocol version 6 (IPv6), to extend the current IP infrastructure. The new standard improves scalability and security of IP networks, and also provides mechanisms for easier configuration of networks and attached devices.