

## **Ericsson first with real-time charging for text messages for pre-paid users**

**- First commercial systems go live at Optimus in Portugal and Telia in Sweden**

**For the first time, network operators will be able to charge pre-paid subscribers in real-time for their use of Short Message Service (SMS), thanks to a new development from Ericsson. Two European GSM operators have already implemented the new solution commercially.**

By allowing GSM pre-paid subscribers' accounts to be debited in real-time – as they send, or receive, text messages on their mobile phones – the new Ericsson solution not only helps users keep closer track of their expenditure, it also improves revenue flow for operators. Potential problems with fraud are reduced, opening the way for the commercial introduction of many new value-added services for pre-paying users.

Pre-paid GSM subscriptions are extremely popular, attracting more than one million new subscribers every month worldwide. Some 2 billion SMS messages per month, worldwide, are currently sent.

SMS is also very popular, not only as a way of communicating with other people, but also as a way of receiving news and information services on a mobile phone. In Sweden, for example, SMS currently accounts for some 10 percent of Telia's GSM traffic.

Until now, GSM operators have only been able to charge for short messages using post-processing systems. Many have allowed pre-paying subscribers to send and receive short messages for free, or held back from introducing pre-paid SMS altogether.

The first operators to go live with Ericsson's new solution are Optimus in Portugal and Telia Mobitel in Sweden.

Optimus Telecomunicações S.A. began operating on the Portuguese market in 1998. By the end of its first year of activity, Optimus has established national coverage, and, as of September of this year, has secured close to 700,000 users.

The real-time charging, simplicity and security of pre-paid systems means they are likely to become the basis of all mobile transactions – and not just a way of paying for mobile calls – which will be vital in further developing the mobile e-commerce market.

Ericsson's pre-paid systems are designed to support new technologies such as GPRS (General Packet Radio Services) and WAP (Wireless Application Protocol) that allow development of mobile Internet applications.

Pre-paid services offer real-time cost-control and convenience for users, and are already highly profitable for network operators. They provide much faster return for operators, as the mobile phones are not subsidized and real-time charging significantly improves cash flow. In addition, pre-paid packages have become "off-the-shelf" retail products, and have opened up new distribution channels.

*Ericsson is the leading provider in the new telecom 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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#### **FOR FURTHER INFORMATION, PLEASE CONTACT**

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#### **About Ericsson's pre-paid solution**

The Ericsson GSM pre-paid solution incorporates a rich selection of charging features in a scalable, high capacity IN-based system. In addition to the new SMS feature, the solution includes multi-user account, flexible tariffs, home-zone charging, easy customizable announcements, banking interface and various service management options to track spending patterns, system usage and other key statistics.

The Ericsson GSM pre-paid solution offers service packages tailored to specific market segments. This service differentiation is an attractive competitive advantage to a wide variety of subscribers. Ericsson's large installed base secures knowledge of the latest operator needs and requirements.