

Ericsson and Celcom signs expansion agreement including transition to 3G

Ericsson and Celcom (Malaysia) Sdn Bhd has signed a USD 170 million (SEK 1,500 million) agreement for Celcom's network expansion. The scope of the agreement is for the supply of present and future communications equipment and services.

The agreement initially encompasses GSM system infrastructure and services to meet the rapidly increasing subscriber base of Celcom. This expansion will enable Celcom to enhance coverage and offer increased capacity in its GSM network. Subscriber growth has been especially rapid since the introduction of pre-paid services by Celcom in 1998.

In the continuous endeavor to make Celcom the premier operator in Malaysia, Ericsson and Celcom have agreed to make commercial and financial commitments for the enhancement of Celcom's future network from the present GSM network - toward third generation (3G), based on WCDMA.

With this agreement, Celcom also has the flexibility to gain a competitive edge, as Malaysian subscribers demand more sophisticated wireless datacom services. Celcom will purchase several of the latest solutions from Ericsson's GSM portfolio, like its open GPRS and WAP system, GSM on the Net and WISE High-Speed Internet solution.

Celcom's focus in the wired IP and datacom area will also be addressed. In December 1999, Celcom was the first operator in Malaysia to invest in Ericsson's robust IP Telephony (IPT) system. The system, already deployed in more than 40 countries, for example enables carrier-class voice calls over an IP network. Together with this previous investment, today's move will also enable Celcom to offer a broader range of IP and datacom services to its subscribers.

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.

Please visit Ericsson's Press Room at: <http://www.ericsson.se/pressroom>

FOR FURTHER INFORMATION, PLEASE CONTACT

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Company Information

In Malaysia, Ericsson has more than 1,700 employees. Malaysia serves as the gateway to the Asia Pacific region for Ericsson's pool of specialists. Their expertise provides end-to-end solutions in telecommunications and multimedia communications.