

Ericsson and Telecel sign Mobile Internet contract

Ericsson and Telecel Comunicações Pessoais, the leading private telecommunications operator in Portugal, have signed a contract for equipment and services to upgrade Telecel's GSM network and introduce Mobile Internet with WAP and GPRS.

The agreement strengthens Telecel to rapidly introduce Mobile Internet using WAP and GPRS technologies. Included in the Ericsson deliveries are a complete GPRS system, a WAP Gateway/Proxy and the AXC/Tigris MultiService Access solutions. In order for Telecel to conduct extensive preparations for their first commercial launch of packet-switched applications, Ericsson has already delivered a GPRS field trial system with infrastructure, terminals and applications.

General Packet Radio Services (GPRS) introduces packet switching and the Internet Protocol to mobile networks, enabling the mobile Internet and infinite applications. Ericsson's GPRS system will enable operators to offer mobile Internet and other IP-based applications at speeds up to more than ten times as fast as current mobile networks that are optimised for voice applications. GPRS is a first vital step in the evolution to third generation (3G) mobile networks, fully enabling Mobile Internet applications and a range of other advanced data services.

"This agreement demonstrates Telecel's commitment to provide new, innovative and top-quality services to our Customers. We believe that in three to five years, about 20 percent of Telecel revenues will come from data transmission. Telecel will lead the mobile data revolution in Portugal," says Paulo Neves, Telecel's Marketing Director.

"This win further cements Ericsson's leadership in high speed mobile networks. Ericsson has been selected as a vendor in a majority of the commercial 3G systems announced in the world to date," says Fatima Raimondi, Director Ericsson Portugal.

Ericsson is leading the development of 3G mobile communications and the transition to 3G systems. Ericsson offers a smooth transition path from all 2G systems to 3G systems based on EDGE, WCDMA, and cdma2000. Ericsson is the only supplier with a full range of both second and third generation systems. The company offers a 3G portfolio with end-to-end solutions, including terminals, applications and infrastructure.

Ericsson is the leading communications supplier, combining innovation in mobility and Internet in creating the new era of mobile Internet. Ericsson

provides total solutions covering everything from systems and applications to mobile phones and other communications tools. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for customers all over the world.

Read more at: www.ericsson.com/pressroom

FOR FURTHER INFORMATION, PLEASE CONTACT

James Borup, Ericsson Corporate Communications

Phone: +46 8 757 5612; E-mail: james.borup@lme.ericsson.se

Hans-Erhard Reiter, Director, Business Development, Ericsson Portugal

Phone: +351 21 446 6550; E-mail: hans-erhard.reiter@sep.ericsson.se

Luísa Pestana, Director, Corporate Communication and Investor Relations
Telecel – Comunicações Pessoais, SA

Phone: +351 91 800 04 00; E-mail: press@telecel.pt

About Telecel

Telecel is the leading private telecommunications operator in Portugal. The company operates a nation-wide cellular network based on the GSM900 and GSM1800 digital standards and was one of the first operators in the world to offer GSM services. Telecel also operates as an Internet Service Provider and has started to offer fixed network services in January of this year.

With more than 1.7 million customers, of which about 70% were prepaid, Telecel's network currently covers approximately 100% of the population of mainland Portugal, serving also the Islands of Madeira and Porto Santo and Azores.

Vodafone AirTouch Plc, the world's largest mobile telecommunications operator, holds 50.9% of Telecel's share capital, the remaining 49.1% being freely floated on the Lisbon Stock Exchange.