SmarTone-Vodafone partners with Ericsson on World's first MIMO pilot implementation

(Hong Kong, 18 December 2008) SmarTone-Vodafone, in partnership with Ericsson, today announced the world's first MIMO (multiple-input, multiple-output) pilot implementation. With MIMO, speed and capacity of wireless transmission will be substantially enhanced, allowing a large number of customers to enjoy high-speed SmarTone-Vodafone Broadband service simultaneously without compromising on quality.

MIMO is a new enabling technology that is used both in transmission and receiver equipment for wireless radio communication to improve performance and throughput for radio signals. It is an enabler for air interface which substantially enhances transmission speed and capacity for HSPA and LTE. Global MIMO expert from Ericsson are working with SmarTone-Vodafone to optimise MIMO technology in the uniquely challenging radio environment of Hong Kong, and commercial deployment of MIMO is expected to be ready by summer 2009.

In Q2 2006, SmarTone-Vodafone commenced a project to provide unlimited backhaul capacity through all-IP fibre backhaul. Two main fibre providers have been appointed and some self-built fibres are being planned. By the end of the year, there will be 15% of the cell sites carrying life traffic with all-IP fibre backhaul.

"MIMO is an essential component of the future of high-speed mobile networks. We are looking to optimise MIMO in the challenging Hong Kong landscape - densely populated high-rise buildings in close proximity to each other, and the complex radio network environment. And Ericsson is proud to partner with SmarTone-Vodafone to take up the challenge. We have confidence in the pilot project, which will bring super high speed broadband experience to customers and further extend SmarTone-Vodafone's leadership in broadband service in Hong Kong," said Johan Adler, President of Ericsson Hong Kong & Macau.

SmarTone-Vodafone Broadband already provides customers the freedom of going online anywhere through our single, ubiquitous HSPA network covering indoors or outdoors, upstairs or downstairs, on the MTR, the ferries and even inside tunnels. With successful

implementation of MIMO, the resulted expansion in speed and capacity in wireless transmission will ensure more customers can enjoy high-speed service simultaneously.

"SmarTone-Vodafone is at the forefront of revolutionising the way consumers use communications as part of their everyday lives. This MIMO pilot project will further extend SmarTone-Vodafone's leadership in mobile network performance and expand the boundaries of the digital lifestyle," said Mr. Douglas Li, CEO of SmarTone-Vodafone.

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About SmarTone-Vodafone
SmarTone-Vodafone is a premium quality provider of total communications services in Hong Kong. Its goal is to better enrich customers' lives by getting them closer to the things that matter to them.

It is leading the way in mobile, fixed-line and broadband markets, leveraging its best-in-class service pillars - segmented services and products, superior network performance and unbeatable customer experience.

SmarTone-Vodafone is a Partner Network of Vodafone Group Plc, the world's leading mobile telecommunications company.

Its holding company, SmarTone Telecommunications Holdings Limited, was established in 1992 and has been listed in Hong Kong since 1996. The company is a subsidiary of Sun Hung Kai Properties Limited, one of the largest property companies in Hong Kong.

For more information, visit www.smartone-vodafone.com.

About Ericsson
Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 195 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 188 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on OMX Nordic Exchange Stockholm and NASDAQ.

For more information, visit www.ericsson.com or www.ericsson.mobi.

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Notes to the editor

What is MIMO?

MIMO is an acronym that stands for **M**ultiple **I**nput **M**ultiple **O**utput. It is an antenna technology that is used both in transmission and receiver equipment for wireless radio communication. MIMO uses multiple transmit and receive antennas to improve performance and throughput for radio signals. The data transmission is divided in multiple streams and recombined at the receiver-end to increase overall performance. The idea is to raise transmission speed significantly by sending information over multiple channels.

MIMO is also part of the WCDMA Evolved and the Long-Term Evolution (LTE) standardization projects in 3GPP for the future of mobile networks.

There can be various MIMO configurations. For example, a 2x2 MIMO configuration is 2 antennas to transmit signals (from base station) and 2 antennas to receive signals (mobile terminal). 2x2 MIMO is supported in the downlink with HSPA evolved. This uses two antennas to effectively double the peak rate on the downlink; that is, enabling a peak data rate of 28 Mbps, in the first step.