

Ericsson finalizes acquisition of Redback Networks

Ericsson (NASDAQ:ERIC) today announced the completion of the merger of its indirect wholly-owned subsidiary, Maxwell Acquisition Corporation, with and into Redback Networks Inc. (NASDAQ:RBAK), with Redback surviving the merger as a wholly-owned subsidiary of Ericsson.

The merger follows the successful completion of the tender offer by Ericsson for all of the shares of Redback for the price of 25.00 USD per share. At the time the merger became effective, Ericsson owned in excess of 90% of Redback's issued and outstanding shares.

As a result of the merger, any Redback shares not tendered in the tender offer have been converted into the right to receive 25.00 USD per share. In addition, warrants to purchase Redback shares have been converted into the right to receive a cash payment equal to their net exercise value, based upon the 25.00 USD per share merger consideration. American Stock Transfer & Trust Company, which is acting as paying agent for the merger, will mail materials to non-tendering shareholders and holders of warrants to be used to surrender certificates for the merger consideration. Notwithstanding the completion of the merger, Ericsson will pay for shares tendered via guaranteed delivery procedures promptly after delivery of those shares.

As a result of the merger, Redback shares will be delisted from the NASDAQ Global Select Market and will cease trading at the close of business today.

NOTES TO EDITORS:

Link to previous press releases related to Redback acquisition

<http://www.ericsson.com/ericsson/press/releases/20061220-1094314.shtml>

<http://www.ericsson.com/ericsson/press/releases/20061227-1095346.shtml>

Ericsson is shaping the future of Mobile and Broadband Internet communications through its continuous technology leadership. Providing innovative solutions in more than 140 countries, Ericsson is helping to create the most powerful communication companies in the world.

Read more at <http://www.ericsson.com>

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About Redback

Redback Networks Inc. manages 50 million broadband connections for 15 of the top 20 telephone carriers worldwide. Redback's multi-service routing platform delivers next-generation broadband services such as VoIP, IPTV and video-on-demand. Redback Networks has more than 500 carrier customers worldwide and is based in San Jose, California, the US. In 2006, Redback marks its 10-year anniversary, celebrating 10 years of broadband innovation. For more information, visit Redback Networks at www.redback.com.

Forward-looking statements

Any statements made regarding the proposed transaction between Ericsson and Redback, the expected timetable for completing the transaction, successful integration of the business, benefits of the transaction, earnings and any other statements contained in this news release that are not purely historical fact are forward-looking statements, which involve a number of risks and uncertainties. These statements are based on Ericsson's and Redback's current expectations and beliefs. Actual results could differ materially from the results implied by these statements. Factors that may cause or contribute to such differences include: the risk that the conditions to the offer or the merger set forth in the merger agreement will not be satisfied, changes in both companies' businesses during the period between now and the closing, developments in obtaining regulatory approvals for the transaction; the successful integration of Redback into Ericsson's business subsequent to the closing of the acquisition; timely development, competitive products and pricing, as well as fluctuations in demand; cost and availability of raw materials; the ability to retain key management and technical personnel of Redback; and adverse reactions to the proposed transaction by customers, suppliers and strategic partners. Redback and Ericsson are under no obligation to (and expressly disclaim any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events or otherwise.