

Acquisition of own stock and changes on the Ericsson board

In order to create a cost effective so called hedge against the financial exposure which the Company is encumbered with through the 1999 incentive program, the Board of Telefonaktiebolaget LM Ericsson has decided to propose to the Annual General Meeting of Shareholders to resolve (provided the legislation, essentially corresponding to the legislative proposition 1999/2000:34, will come into force prior to March 31, 2000).

- to authorise the Board to acquire on the OM Stockholm Exchange a maximum of one million B shares in the Company, each with a par value of SEK 2:50. The authorisation may be exercised up to the Annual General Meeting 2001 and shares may be acquired only at a price within the price interval at each time quoted by the stock exchange;
- to resolve on transfer of shares acquired by the Company pursuant to the authorisation proposed to those individuals ("option holders") who are entitled to acquire shares in accordance with the 1999 incentive program and that each option holder may acquire the maximum number of shares allowed pursuant to the terms of the program. The Option holder's preferential right to acquire shares shall be exercised according to the program, i.e. from March 1, 2003 up to and including February 28, 2007. The Option holder shall pay for each share a price corresponding to the last purchase price for an Ericsson B share quoted on the stock exchange on March 1, 2000 (which price may be recalculated pursuant to the terms of the program in case of a bonus issue, split, etc.). In accordance with the terms of the program, the Option holder shall pay for shares acquired within ten days from the day the option holder has exercised his/her right to acquire shares.

The proposed resolutions will have only marginal impact on the result and the financial position of the Company.

A group of owners of A and B shares, jointly representing more than 50% of the total number of votes in the Company, has reported that they will vote for re-election of the following Board members, namely Tom Hedelius, Göran Lindahl, Sverker Martin-Löf, Lars Ramqvist, Clas Reuterskiöld, Peter Sutherland and Marcus Wallenberg, and further for the election of Niall W.A. FitzGerald, UK, and Eckhard Pfeiffer, USA, as new members of the Board. Niall FitzGerald is inter alia the Chairman of Unilever PLC. Eckhard Pfeiffer is a member of several boards and is the former CEO of Compaq Computer Corporation. As a consequence of his appointment as Chairman of the Board of Telia, Lars-Eric Petersson has announced that he leaves the Board of Ericsson.

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>

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