ERICSSON

Press Release
November 20, 2000

Ericsson is planning to propose a new Global Stock Incentive Program for its employees

The program is intended to comprise two parts, one Stock Option Plan and one Stock Purchase Plan and is expected to run for a period of two years, starting 2001.

The Ericsson Board has found it important to investigate the possibilities to introduce a broad incentive program for the employees, aiming at increasing the employees' shareholding in Ericsson. The Board believes that it is necessary to attract employees by offering such kinds of remuneration packages, which are common within the industry that Ericsson is operating in. The Global Stock Incentive Program is expected to attract and retain employees. Further, it is important to support the employees' loyalty to the company, which will increase shareholders value. This is to the benefit of both shareholders and employees.

The Stock Purchase Plan is intended to be offered to all employees who will be invited to make limited contributions from salary to purchase shares. For each B-share in Ericsson purchased by the employee and kept for a certain period of time, he or she will receive free of charge one B-share.

The Stock Option Program is intended to be offered to employees identified as critical to the future development of the Ericsson Group. The Plan will be based on employee stock options, giving the right to acquire B-shares in Ericsson at a fixed price. The options will be free of charge, and the strike price for the shares will equal the market value of the share at grant.

On December 21, 2000 the Board expects to decide on a proposal to be presented and approved upon by the Annual General Meeting of Shareholders in 2001.

Further details will be given when the Board has finally resolved the matter.

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 http://www.ericsson.com/pressroom

FOR FURTHER INFORMATION, PLEASE CONTACT

Pia Gideon, Vice President External Relations, Corporate Communications
Phone: +46 8 719 2864; E-mail: pia.gideon@lme.ericsosn.se

Nina Macpherson, Vice President, Competition Law
Phone +46 8 719 0619, E-mail: nina.macpherson@lme.ericsson.se