

The Board of Directors of Telefonaktiebolaget LM Ericsson has decided to propose the Annual General Meeting 2002 to authorize Telefonaktiebolaget LM Ericsson to transfer own stock of Class B

The Annual General Meeting in 2001 resolved to approve transfer of own stock in relation to the introduction of a Global Stock Incentive Program. The Resolution comprised i.a. authorization for the Company to transfer a maximum of 31,000,000 shares of Class B to cover certain costs, mainly social security charges that may occur in relation to the Program. According to the resolution by the Annual General Meeting, any transfer should take place prior to the Annual General Meeting in 2002. No such transfer has been made.

Therefore, the Board of Directors today decided to propose the Annual General Meeting in 2002 to resolve to authorize Telefonaktiebolaget LM Ericsson to transfer, prior to the Annual General Meeting 2003, a maximum of 31,000,000 shares of Class B, out of the total number of the Company's holding of 156,804,000 shares of Class B, for the purpose of covering certain costs, mainly social security charges that may occur in relation to the Company's Global Incentive Program. Any such transfer of shares shall be effected at the Stockholm Exchange at a price at each time within the registered price interval for the share.

Based on the market value quotation and the Company's financial statement by December 31, 2001, a transfer of 31,000,000 shares would add SEK 1,767 to the liquidity and reinforce the equity ratio by 0,5 per cent. The proposal for transfer of shares would not affect the Company's result, as the consideration would be transferred to the share capital. On December 31, 2001, 31,000,000 shares corresponded to 0,38 per cent of the outstanding shares. Dilution of profit per share calculated according to the so-called "Treasury Stock" method is dependent on the development of the exchange rate fluctuation and would become 0,04 per cent at an increase of the market value quotation by 10 per cent and 0,39 per cent at an increase by 100 per cent, respectively. The 31,000,000 shares have been considered when calculating the diluted profit per share in the financial statements 2001.

Notice to the Annual General Meeting 2002 will be published in the Swedish press February 18 and on the Internet www.ericsson.com, at which site also the complete proposals for resolution by the Annual General Meeting will be available March 13.

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