LTV 2012 IN BRIEF

This document contains information on the Board of Directors of Telefonaktiebolaget LM Ericsson's proposal to the Annual General Meeting on May 3, 2012 for implementation of an all-employee Stock Purchase Plan, a Key Contributor Retention Plan and an Executive Performance Stock Plan and, under each plan respectively, transfer of treasury stock, directed share issue and authorization for the Board of Directors to decide on an acquisition offer. The Board's complete proposal is available at the company and on the company's website, www.ericsson.com, from March 23, 2012 and will be sent to shareholders upon request.

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LONG-TERM VARIABLE REMUNERATION PROGRAM 2012 (LTV 2012)

The LTV program is an integral part of the Company's remuneration strategy, in particular the Board of Directors wishes to encourage all employees to become and remain shareholders and the leadership to build significant equity holdings. Following the Board of Directors' annual evaluation of total remuneration and ongoing programs [1)], it proposes to make no changes to the structure of the Ericsson's Long-Term Variable Remuneration Program.

The program is based on the following key principles:

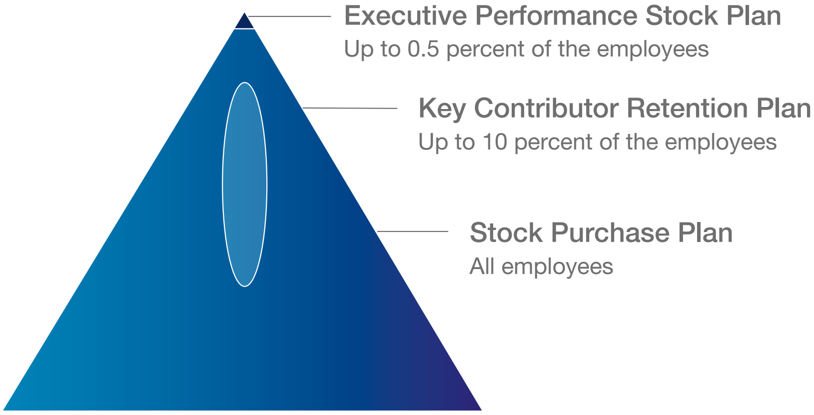
- All employees are invited to participate
- Individual investments in Ericsson shares are required
- Executives have performance criteria for additional share awards

1) See more about the Board of Directors' evaluation in the Remuneration Report attached to the 2011 Annual Report.

ONE PLATFORM – THREE PLANS

The LTV 2012 is a share-based remuneration program based on a common platform consisting of three plans.
The three plans have different aims and different target groups:

- A Stock Purchase Plan designed to create an incentive for all employees to become shareholders
- A Key Contributor Retention Plan to ensure long-term retention of top talent individuals
- An Executive Performance Stock Plan offered to an defined group with the aim of attracting, retaining and motivating them

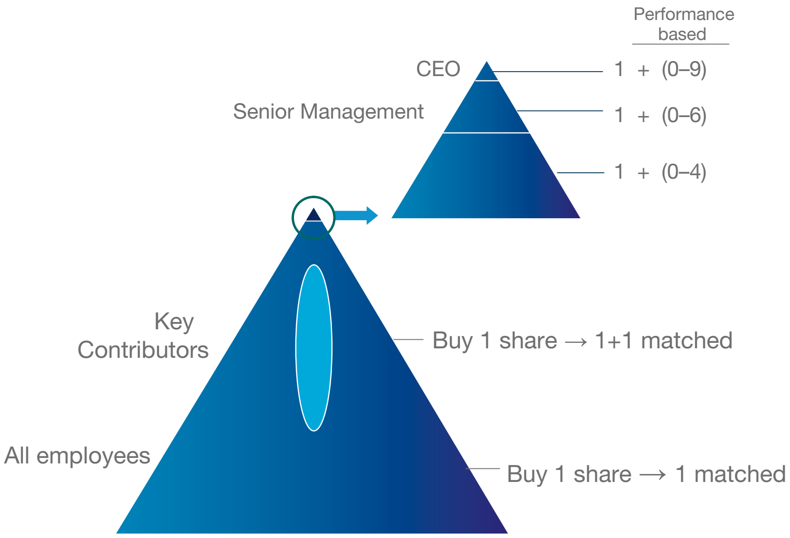


OVERVIEW OF THE PROGRAM

The program is based on matching shares. Every employee is offered the opportunity to save part of his or her gross salary to invest in Ericsson shares. For each share invested, matching shares are awarded when certain criteria are met. The number of shares granted differs among the three plans.

The base criteria are:

- Up to 7.5 percent of fixed salary (CEO: 10 percent of fixed and short term variable remuneration) may be saved for investment in Ericsson shares
- Invested shares must be retained for three years
- Continued employment at the time of vesting

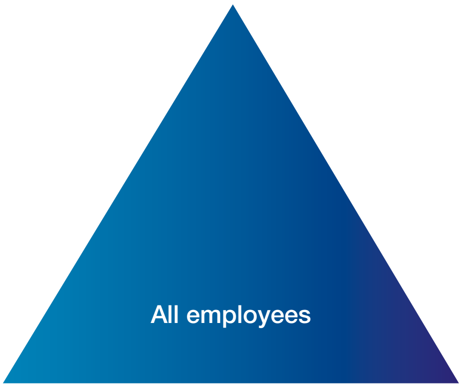


- One matching share awarded for each share invested under the Stock Purchase Plan for all employees
- One extra matching share under the Key Contributor Retention Plan
- Up to 4/6/9 extra matching shares under the Executive Performance Stock Plan if the performance criteria are met

For details, see descriptions below of each plan and the complete proposal.

STOCK PURCHASE PLAN

All employees are invited to participate in the Stock Purchase Plan. The plan is designed to create an incentive for all employees to become shareholders with the aim of securing commitment to long-term value creation throughout Ericsson.



During a twelve-month period from the implementation, employees who participate can save up to 7.5 percent of their gross salary and use it for investment in Ericsson shares. If the invested shares are retained for three years and the individual remains employed, the employee will be awarded a corresponding number of shares free of consideration.

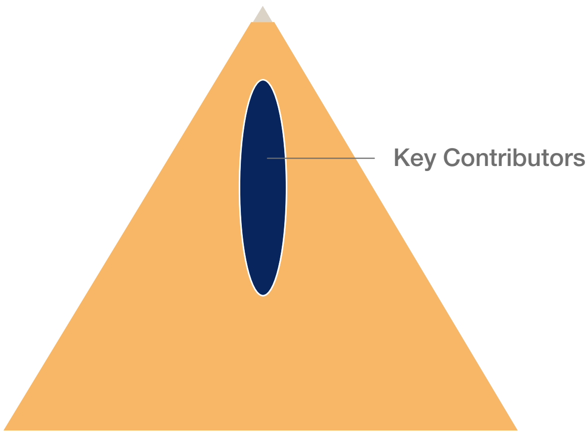
Participation requires that it is legally possible as well as within reasonable administrative costs according to the assessment of Ericsson.

KEY CONTRIBUTOR RETENTION PLAN

The Key Contributor Retention Plan is part of Ericsson's talent strategy and is designed to ensure long-term retention of top-talent individuals with critical skills vital to Ericsson's future performance.

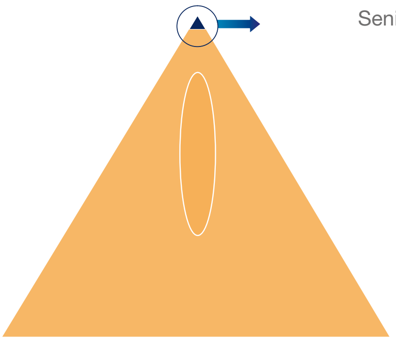
Up to ten percent of the company's employees are defined as "key contributors", based on a rigorous selection process incorporating elements such as individual performance, critical skills and future potential.

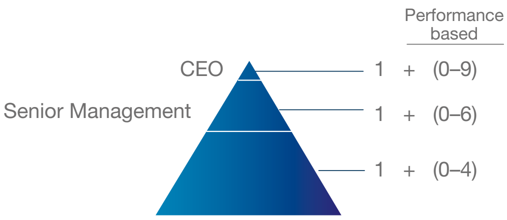
In addition to the regular matching of the Stock Purchase Plan, key contributors are offered one additional share, free of consideration.



EXECUTIVE PERFORMANCE STOCK PLAN

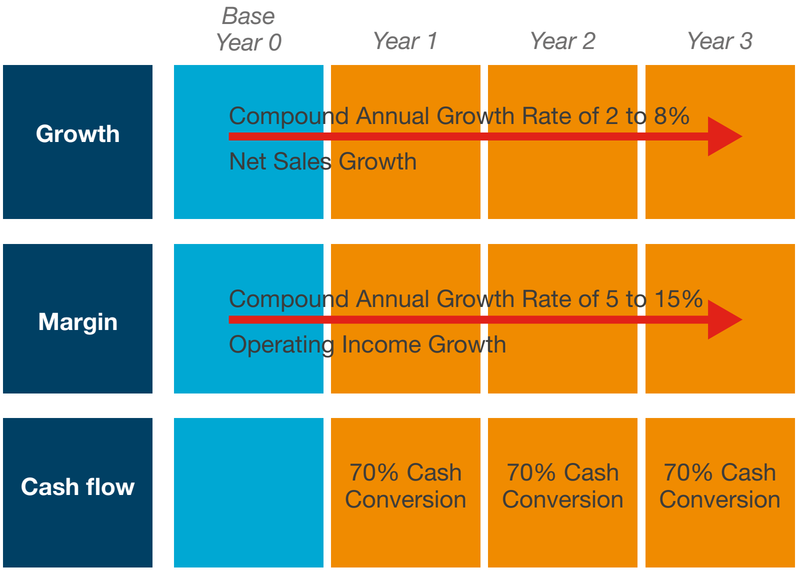
The Executive Performance Stock Plan is designed to encourage long-term value creation, in alignment with shareholders' interests. The plan is offered to an defined group of senior managers, up to 0.5% of the total employee population. The aim is to attract, retain and motivate executives in a competitive market through performance-based share related incentives and to encourage the build-up of significant personal equity stakes.





EXECUTIVE PERFORMANCE STOCK PLAN (CONTINUED)

This plan is strictly performance-based. The Executive Performance Stock Plan 2011 introduced three new performance measures of Net Sales Growth, Operating Income Growth and Cash Conversion to better reflect the business strategy and long term value creation of the Company. The Executive Performance Stock Plan 2012 includes the same performance criteria for the period 2012–2014. The strong Net Sales for the base year 2011 has been taken into account when defining the Net Sales Growth target.



Up to one third of the award will vest if the compound annual growth rate of consolidated net sales is between 2 and 8 percent comparing 2014 financial results to 2011, which corresponds to consolidated sales of SEK 241 billion and SEK 286 billion for the financial year 2014.

Up to one third of the award will vest if the compound annual growth rate of consolidated operating income is between 5 and 15 percent comparing 2014 financial results to 2011, which corresponds to operating income of SEK 20.7 billion and SEK 27.2 billion for the financial year 2014.

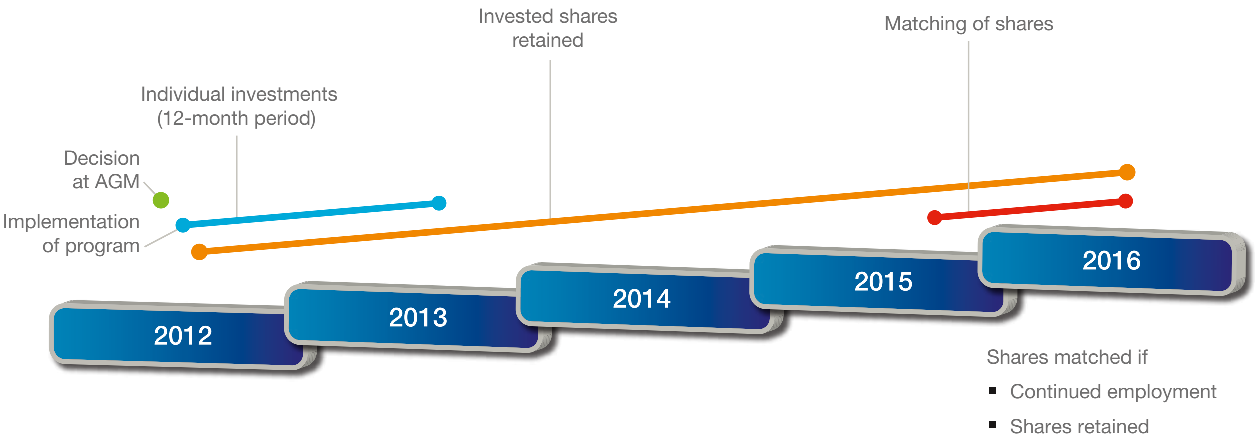
Up to one third of the award will vest if cash conversion is at or above 70 percent during each of the years 2012–2014, vesting one ninth of the total award for each year the target is achieved.

Before shares are awarded under the Executive Performance Stock Plan, the Board of Directors conducts a fairness check. The Board of Directors reserves the right to reduce the number of awarded shares based on certain conditions such as Ericsson's financial results, performance in relation to competitors and other circumstances. The Board of Directors will consider, in particular, the impact of larger acquisitions, divestitures, the creation of joint ventures and any other significant capital event on the three targets on a case by case basis.

A LONG-TERM HORIZON

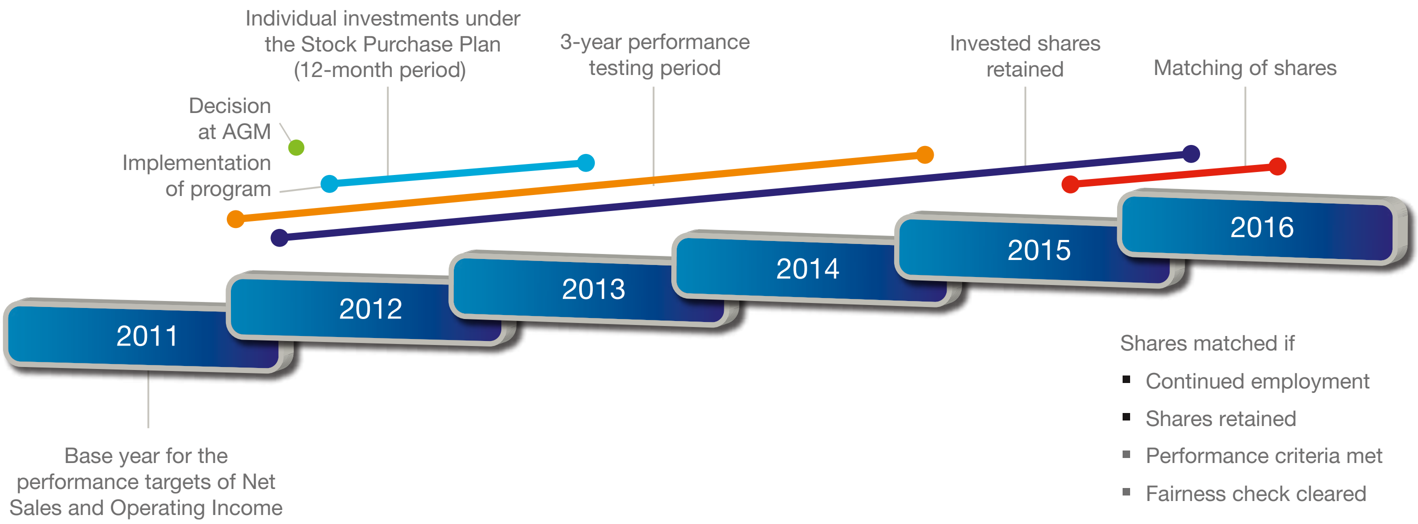
STOCK PURCHASE & KEY CONTRIBUTOR RETENTION PLANS

Shares begin to vest after three years



EXECUTIVE PERFORMANCE STOCK PLAN

Performance test: 3-year Net Sales Growth, Operating Income Growth and Cash Conversion



FINANCING

The Board of Directors has considered different financing methods for transfer of the shares to employees under the LTV 2012, such as transfer of treasury stock and an equity swap agreement with a third party. The Board of Directors considers the transfer of treasury stock as the most cost efficient and flexible method to transfer shares under the LTV 2012.

The company's current holding of treasury stock is not sufficient for the carrying out of the LTV 2012. Therefore, the Board of Directors proposes an issue of new shares and buy-back of the shares issued. Under the proposed transactions, totally 31.7 million shares are issued at the ratio value (SEK 5) to subscribers who have agreed to sell the new shares to the company as soon as the shares have been subscribed for and registered.[1)] The purchase price paid by the company to the subscribers equals the subscription price and an additional market interest for a two weeks period between the payment of the subscription price and the buy-back of shares. The company's cost for acquiring the shares is estimated to amount to less than 0.6 öre (SEK 0.006) per share.

The administration cost for transfer of shares by the alternative way of an equity swap agreement is estimated to some SEK 202 million.

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1) *The shares issued are C shares. This class of shares is only used for issuance and buy-back to finance the company's long-term variable remuneration programs. When the company has acquired the C shares, they are converted into B shares. The reason for using a separate class of shares for the transactions is that an acquisition offer regarding the company's own shares must be directed to all holders of the shares in the class, and thus A shares or B shares cannot be used.*

COSTS AND DILUTION

The total effect on the income statement of the LTV 2012, including financing costs, is estimated to range between SEK 1,092 million and SEK 2,080 million unevenly distributed over the years 2012–2016. The costs can be compared with Ericsson's total remuneration costs 2011, including social security fees, amounting to SEK 59 billion.

The 31.7 million shares required to implement the LTV 2012 correspond to approximately 0.99 percent of the total number of outstanding shares.

VOTING AND MAJORITY RULES

The proposal gives the shareholders the opportunity to vote for the respective plan and its financing.

Resolutions for each of the three plans	Majority requirement
1. Implementation of the plan	More than 50% of the votes cast at the General Meeting
2. Financing of the plan with treasury stock • transfer of treasury stock to employees • transfer of treasury stock on an exchange	At least 90% of the votes cast as well as the shares repre-sented at the General Meeting
Only if the required majority under 2. is not reached 3. Financing of the plan by an equity swap agreement	More than 50% of the votes cast at the General Meeting