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## **Ericsson announces bond Exchange Offer to diversify company's debt maturity profile**

Ericsson announced today the launch of a bond Exchange Offer. The objective of the Exchange Offer is to diversify the Company's debt maturity profile and take advantage of current favourable market conditions.

Under the terms of the Exchange Offer, holders of the 6.375% Euro Medium Term Notes maturing May 31, 2006 (the "Notes") will be offered the opportunity to exchange up to EUR 0.5 billion of existing Notes for new Ericsson Exchange Securities. The Notes are currently paying 8.875% as a result of credit ratings-based coupon step-ups. The Ericsson Exchange Securities, as defined in the Exchange Offer Memorandum dated 4<sup>th</sup> November 2003, (the "Exchange Offer Memorandum") will have a tenor of 7 years, maturing in November 2010, and will be issued under the Company's existing Euro Medium Term Note Programme. The Ericsson Exchange Securities will be non-callable for the first four years after issue.

Investors are offered the opportunity to exchange their holdings in the Notes at a spread of 240-230 bps over the DBR 6.25% maturing April 26th, 2006. This offers investors considerable premium versus trading levels of around 289 bps (offered side of the market) over the same benchmark on the day before launch. The final exchange spread will be set on November 11, 2003, following an initial book-building period of five business days.

The new Ericsson Exchange Securities will be priced to yield 280-305 bps over the DBR 5.25% maturing January 4, 2011. The terms of the Ericsson Exchange Securities are different to those of the Notes and will not be subject to coupon changes in the event of changes in Ericsson's public credit ratings. The new issue spread will also be set on November 11, 2003 after an initial book-building period.

The Exchange Price of the existing Notes and the coupon and price of the new Ericsson Exchange Securities will be fixed versus the respective government benchmarks at 12:00 noon (London time) on November 21, 2003. The Holders of the existing Notes are asked to submit acceptances to the Exchange Agent no later than 5:00 pm (London time) on November 25, 2003. The new Ericsson Exchange Securities will be targeted to price at par (allowing for coupon rounding to one eighth of one percent).

The Exchange Offer is limited to an exchange of up to EUR 0.5 billion of the Notes. Should investor acceptance to exchange exceed EUR 0.5 billion, investor submissions will be reduced to stay within the limit on a pro rata basis. The Exchange Offer is open only to institutional investors qualifying as Eligible Participants, as defined in the Exchange Offer Memorandum.

### **For more information about the Ericsson Exchange Offer, please contact:**

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The communication of this document is not being made and the document has not been approved by an authorised person for the purposes of S21 of the Financial Services Act 2000. The Exchange Offer is open only to those persons falling within the definition of Investment Professionals (as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 (the "Order"), and those persons who also fall within Article 43 of the Order.

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