



Press Release

19 March 2008

## Sony Ericsson sees moderating growth of mobile phone units with related effects on sales and profit in the first quarter 2008

London, UK - Sony Ericsson Mobile Communications AB ("Sony Ericsson") today announces that moderating sales growth of mobile phone units is expected to negatively impact net sales and net income before tax ("NIBT") for the first quarter of 2008. Slowing market growth of mid-to-high end phones in markets where Sony Ericsson has a strong presence is affecting sales. In addition, certain component shortages for popular mid-priced phones have contributed to modest unit sales growth in the first quarter.

"As discussed during our fourth quarter 2007 Media and Analyst Call, the market is proving to be challenging. This has been more pronounced in the mid-to-high end replacement sector of the market in Europe, where Sony Ericsson has stronger than average market share," says Dick Komiyama, President of Sony Ericsson. "For the last year, Sony Ericsson has been focused on expanding the breadth of its portfolio and developing its presence in new markets to lessen its historic reliance on the European high-end sector for growth. This strategy will continue, and our objective remains to become a top three player globally by 2011. As part of this strategy, we have announced fifteen new phones and introduced a new platform to the portfolio, Windows Mobile®, this year. We expect to start seeing a positive effect from these announcements during the second half of 2008."

Although final results may differ, Sony Ericsson now plans to ship approximately 22 million phones during the first quarter of 2008 with an estimated ASP (Average Selling Price) of EUR 120. This is expected to generate net sales lower than the first quarter of 2007, and NIBT is estimated to be in the range of EUR 150 – 200 million due to increased R&D expenses as a percentage of sales. The increased investments in R&D are in line with the company's strategy to meet future growth ambitions. In addition, Sony Ericsson currently expects gross margin to remain relatively stable for the first quarter of 2008 compared with the first quarter of 2007.

Sony Ericsson plans to announce first quarter 2008 results on April 23rd.

- ENDS -

Microsoft, Windows, PowerPoint, Windows Media, Windows Mobile, Office, ActiveSync and Internet Explorer are trademarks or registered trademarks of Microsoft Corporation.

*Sony Ericsson Mobile Communications was established as a 50:50 joint venture by Sony and Ericsson in October 2001, with global corporate functions located in London. The company serves the worldwide communications market with innovative and feature-rich mobile phones, accessories and PC-cards, and it has R&D sites in Europe, Japan, China, India and America. Sony Ericsson is the title sponsor of the Women's Tennis Association, and works with the Association to promote the Sony Ericsson WTA Tour in over 80 cities during the year. For more information, please visit [www.sonyericsson.com](http://www.sonyericsson.com)*

**CONTACTS:**

Investors/Analysts

**Ericsson Investor Relations**

Gary Pinkham (Stockholm) +46 8 719 0858

**Sony Investor Relations**

Shinji Tomita (London) +44 207 444 9713

Tatsuyuki Sonoda (Tokyo) +81 3 6748 2180

Press/Media

**Sony Ericsson Global Communications & PR**

**Press telephone number +44 208 762 5858**

Aldo Liguori, +44 7951 937 972

Merran Wrigley, +44 7887 628 358

E-mail: [press.global@SonyEricsson.com](mailto:press.global@SonyEricsson.com)

This press release contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ materially from those contained in such forward-looking statements. For a detailed description of risk factors see Sony's and Ericsson's filings with the US Securities and Exchange Commission, particularly each company's latest published Annual Report on Form 20-F.