



PRESS RELEASE

April 17, 2009

Sony Ericsson reports first quarter results

Q1 highlights:

- **Income before taxes was a loss of Euro 358 million (excl. restructuring charges)**
- **Cost saving program progressing as planned and additional savings of Euro 400 million announced**
- **Launch of 'Entertainment Unlimited' consumer proposition and new generation of products well received by operator partners**

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the first quarter ended March 31, 2009 is as follows:

| | <u>Q1 2008</u> | <u>Q4 2008</u> | <u>Q1 2009</u> |
|--|----------------|----------------|----------------|
| Number of units shipped (million) | 22.3 | 24.2 | 14.5 |
| Sales (Euro m.) | 2,702 | 2,914 | 1,736 |
| Gross margin (%) | 29% | 15% | 8% |
| Operating income (Euro m.) | 184 | -262 | -369 |
| Operating margin (%) | 7% | -9% | -21% |
| Restructuring charges (Euro m.) | - | 129 | 12 |
| Operating income excl. restructuring charges (Euro m.) | - | -133 | -357 |
| Operating margin excl. restructuring charges (%) | - | -5% | -21% |
| Income before taxes (IBT) (Euro m.) | 193 | -261 | -370 |
| IBT excl. restructuring charges (Euro m.) | - | -133 | -358 |
| Net income (Euro m.) | 133 | -187 | -293 |
| Average selling price (Euro) | 121 | 121 | 120 |

Units shipped in the quarter were 14.5 million, a decrease of 35% compared to the same period of last year and in line with our March 20, 2009 interim announcement of approximately 14 million units. Sales for the quarter were Euro 1,736 million, a decrease of 36% from a year ago. Sales decreased primarily as a result of continued weak consumer confidence and de-stocking in the retail and distribution channels.

Gross margin declined both year-on-year and sequentially, reflecting a change in the product mix, material write-offs, and exchange rate volatility.

Income before taxes for the quarter excluding restructuring charges was a loss of Euro 358 million, within the range announced on March 20, 2009 (loss of Euro 340 - 390 million).

"As expected, the first quarter of this year has been extremely challenging for Sony Ericsson due to continued weak global demand. We are aligning our business to the new market reality with the aim of bringing the company back to profitability as quickly as possible," said Dick Komiyama, President, Sony Ericsson. "The management intends to pursue an additional cost saving program targeting a further annual operating expense reduction of Euro 400 million, to be completed by mid-2010."

The company's initial cost saving program targeting annual operating expense reductions of Euro 300 million by the end of the first half of 2009, including a workforce reduction of 2,000 headcount, has now been completed. A total of Euro 187 million restructuring charges have been recorded compared to the initial estimated costs of Euro 300 million.

In January 2009 an additional cost saving program was initiated to target annual operating expense reductions of Euro 180 million by the end of 2009. The cost of this program will be covered by the initial Euro 300 million restructuring costs announced in July 2008.

The additional cost saving program announced today will include a further reduction in the global workforce of approximately 2,000 people. It is estimated that new restructuring charges of Euro 200 million will be needed to complete this program.

As of March 31, 2009, Sony Ericsson retained a strong net cash position of Euro 1.1 billion.

Market share in the first quarter decreased and is now estimated to be around 6%, down two percentage points sequentially.

Sony Ericsson forecasts that the global handset market for 2009 will contract at least 10% from around 1,190 million units in 2008.

At Mobile World Congress in February 2009, Sony Ericsson announced a new consumer proposition, called 'Entertainment Unlimited' (EU), to build on Sony Ericsson's leadership in music, imaging, gaming, content services, and applications to deliver unlimited opportunities for consumers. The company also announced the first Entertainment Unlimited phone with the concept name 'Idou' to be launched in the second half of 2009. The next EU announcement will take place on 28 May.

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A live webcast of the conference call will be available on April 17, 2009 at 08:00 UK time, 09:00 Central European time (CET), 03:00 US Eastern time (EST) and 16:00 Japan time (JST).

See:

www.ericsson.com/ericsson/investors or join directly at: www.thomson-webcast.net/uk/dispatching/?event_id=391f1ce4d4953c040c67ec9cdc0116d8&portal_id=ccec29148a44ec4b8077c845c5b4cbba.

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A replay of the conference call will be available approximately two hours after the completion of the conference call until 23:00 UK time on April 23, 2009.

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EDITOR'S NOTES:

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Financial statements:

Consolidated income statement
Consolidated income statement – isolated quarters
Consolidated balance sheet
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Additional information:

Net sales by market area by quarter

- ENDS -

Sony Ericsson is a top, global industry player with sales of around 97 million phones in 2008. Diversity is one of the core strengths of the company, with operations in over 80 countries including manufacturing in China and R&D sites in China, Europe, India, Japan and North America. Sony Ericsson was established as a 50:50 joint venture by Sony and Ericsson in October 2001, with global corporate functions located in London. For more information about Sony Ericsson please visit www.sonyericsson.com

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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.

Sony Ericsson
CONSOLIDATED INCOME STATEMENT

| EUR million | Jan-Mar | | |
|-------------------------------------|-------------|-------------|--------------|
| | 2009 | 2008 | Change |
| Net sales | 1,736 | 2,702 | -36% |
| Cost of sales | -1,591 | -1,914 | -17% |
| Gross profit | 145 | 788 | -82% |
| Gross margin % | 8.4% | 29.2% | -21% |
| Research and development expenses | -303 | -339 | -11% |
| Selling and administrative expenses | -225 | -270 | -17% |
| Operating expenses | -528 | -610 | -13% |
| Other operating income, net | 13 | 6 | 111% |
| Operating income | -369 | 184 | -300% |
| Operating margin % | -21.3% | 6.8% | -28% |
| Financial income | 9 | 24 | -62% |
| Financial expenses | -10 | -15 | -35% |
| Income after financial items | -370 | 193 | -291% |
| Taxes | 84 | -57 | -247% |
| Minority interest | -6 | -3 | 89% |
| Net income | -293 | 133 | -320% |
| Number of units shipped (million) | 14.5 | 22.3 | -35% |
| ASP (EUR) | 120 | 121 | -1% |

| EUR Million | Jan-Mar | Jan-Mar |
|-----------------------------------|---------|---------|
| | 2009 | 2008 |
| Restructuring charges | | |
| Cost of sales | 7 | 0 |
| Research and development expenses | 2 | 0 |
| Sales and administrative expenses | 3 | 0 |
| Other operating income, net | 0 | 0 |
| Total | 12 | 0 |

Sony Ericsson
CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

| EUR million | 2009 | 2008 | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net sales | 1,736 | 2,914 | 2,808 | 2,820 | 2,702 |
| Cost of sales | -1,591 | -2,476 | -2,192 | -2,168 | -1,914 |
| Gross profit | 145 | 438 | 616 | 653 | 788 |
| Gross margin % | 8.4% | 15.0% | 21.9% | 23.1% | 29.2% |
| Research and development expenses | -303 | -359 | -337 | -344 | -339 |
| Selling and administrative expenses | -225 | -366 | -303 | -310 | -270 |
| Operating expenses | -528 | -725 | -640 | -653 | -610 |
| Other operating income, net | 13 | 24 | -8 | -2 | 6 |
| Operating income | -369 | -262 | -33 | -2 | 184 |
| Operating margin % | -21.3% | -9.0% | -1.2% | -0.1% | 6.8% |
| Financial income | 9 | 28 | 25 | 25 | 24 |
| Financial expenses | -10 | -27 | -15 | -14 | -15 |
| Income after financial items | -370 | -261 | -23 | 8 | 193 |
| Taxes | 84 | 81 | 6 | 0 | -57 |
| Minority interest | -6 | -7 | -8 | -3 | -3 |
| Net income | -293 | -187 | -25 | 6 | 133 |
| Number of units shipped (million) | 14.5 | 24.2 | 25.7 | 24.4 | 22.3 |
| ASP (EUR) | 120 | 121 | 109 | 116 | 121 |

| EUR Million | 2009 | 2008 | | |
|-----------------------------------|-----------|------------|-----------|-----------|
| | Q1 | Q4 | Q3 | Q2 |
| Restructuring charges | 7 | 67 | 0 | 8 |
| Cost of sales | 2 | 35 | 26 | 2 |
| Research and development expenses | 3 | 24 | 3 | 1 |
| Sales and administrative expenses | 0 | 3 | 6 | 0 |
| Other operating income, net | 12 | 129 | 35 | 11 |
| Total | 12 | 129 | 35 | 11 |

Sony Ericsson
CONSOLIDATED BALANCE SHEET

| EUR million | Mar 31 2009 | Dec 31 2008 | Mar 31 2008 |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Total fixed and financial assets | 658 | 590 | 594 |
| Current assets | | | |
| Inventories | 477 | 531 | 484 |
| Accounts receivables | 1,193 | 1,629 | 1,710 |
| Other assets | 463 | 585 | 369 |
| Other short-term cash investments | 574 | 707 | 1,106 |
| Cash and bank | 542 | 418 | 605 |
| Total current assets | 3,249 | 3,870 | 4,274 |
| Total assets | 3,908 | 4,460 | 4,868 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 930 | 1,217 | 1,665 |
| Minority interest | 65 | 57 | 69 |
| Total equity | 995 | 1,274 | 1,734 |
| Total long-term liabilities | 30 | 30 | 25 |
| Accounts payable | 965 | 990 | 1,228 |
| Other current liabilities | 1,918 | 2,166 | 1,880 |
| Total current liabilities | 2,882 | 3,156 | 3,108 |
| Total shareholders' equity and liabilities | 3,908 | 4,460 | 4,868 |
| Net cash* | 1,116 | 1,072 | 1,703 |

* Net cash is defined as cash and bank plus short-term cash investments less interest bearing liabilities.

Sony Ericsson
CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR million | Jan-Mar | |
|---|--------------|--------------|
| | 2009 | 2008 |
| OPERATIONS | | |
| Net income | -293 | 133 |
| Adjustments to reconcile net income to cash | 29 | 31 |
| | -263 | 164 |
| Changes in operating net assets | 321 | -101 |
| Cash flow from operating activities | 58 | 64 |
| INVESTMENTS | | |
| Investing activities | -19 | -22 |
| Cash flow from investing activities | -19 | -22 |
| FINANCING | | |
| Financing activities | -53 | -462 |
| Cash flow from financing activities | -53 | -462 |
| Net change in cash | -14 | -421 |
| Cash, beginning of period | 1,125 | 2,155 |
| Translation difference in Cash | 5 | -24 |
| Cash, end of period | 1,116 | 1,711 |

Sony Ericsson
CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

| EUR million | 2009 | | 2008 | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | Jan-Mar | Oct-Dec | Jul-Sep | Apr-Jun | Jan-Mar |
| OPERATIONS | | | | | |
| Net income | -293 | -187 | -25 | 6 | 133 |
| Adjustments to reconcile net income to cash | 29 | 37 | 39 | 40 | 31 |
| | -263 | -150 | 15 | 46 | 164 |
| Changes in operating net assets | 321 | -168 | 88 | -142 | -101 |
| Cash flow from operating activities | 58 | -318 | 102 | -96 | 64 |
| INVESTMENTS | | | | | |
| Investing activities | -19 | 41 | -55 | -29 | -22 |
| Cash flow from investing activities | -19 | 41 | -55 | -29 | -22 |
| FINANCING | | | | | |
| Financing activities | -53 | -46 | -238 | -8 | -462 |
| Cash flow from financing activities | -53 | -46 | -238 | -8 | -462 |
| Net change in cash | -14 | -323 | -191 | -133 | -421 |
| Cash, beginning of period | 1,125 | 1,473 | 1,591 | 1,711 | 2,155 |
| Translation difference in Cash | 5 | -25 | 74 | 13 | -24 |
| Cash, end of period | 1,116 | 1,125 | 1,473 | 1,591 | 1,711 |

Sony Ericsson NET SALES BY MARKET AREA BY QUARTER

EUR million

| | 2009 | | 2008 | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Isolated quarters | | | | | |
| Europe, Middle East & Africa * | 977 | 1,642 | 1,427 | 1,386 | 1,494 |
| Americas | 200 | 636 | 703 | 740 | 486 |
| Asia | 559 | 636 | 678 | 694 | 722 |
| Total | 1,736 | 2,914 | 2,808 | 2,820 | 2,702 |
| * of which Western Europe | 721 | 1,117 | 947 | 900 | 979 |

| | 2009 | | 2008 | | |
|--------------------------------|-------------|-----------|-----------|-----------|-------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Sequential change (%) | | | | | |
| Europe, Middle East & Africa * | -40% | 15% | 3% | -7% | -34% |
| Americas | -69% | -10% | -5% | 52% | -24% |
| Asia | -12% | -6% | -2% | -4% | -18% |
| Total | -40% | 4% | 0% | 4% | -28% |
| * of which Western Europe | -35% | 18% | 5% | -8% | -38% |

| | 2009 | | 2008 | | |
|----------------------------------|-------------|-------------|-------------|------------|------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Year over year change (%) | | | | | |
| Europe, Middle East & Africa * | -35% | -27% | -17% | -20% | -7% |
| Americas | -59% | 0% | 23% | 48% | 33% |
| Asia | -23% | -28% | -17% | -21% | -25% |
| Total | -36% | -23% | -10% | -9% | -8% |
| * of which Western Europe | -26% | -29% | -14% | -18% | -9% |

| | 2009 | | 2008 | | |
|--------------------------------|--------------|---------------|--------------|--------------|--------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Year to date | 0903 | 0812 | 0809 | 0806 | 0803 |
| Europe, Middle East & Africa * | 977 | 5,947 | 4,306 | 2,879 | 1,494 |
| Americas | 200 | 2,566 | 1,930 | 1,226 | 486 |
| Asia | 559 | 2,731 | 2,094 | 1,416 | 722 |
| Total | 1,736 | 11,244 | 8,330 | 5,522 | 2,702 |
| * of which Western Europe | 721 | 3,943 | 2,826 | 1,879 | 979 |

| | 2009 | | 2008 | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| YTD year over year change (%) | 0903 | 0812 | 0809 | 0806 | 0803 |
| Europe, Middle East & Africa * | -35% | -18% | -15% | -13% | -7% |
| Americas | -59% | 24% | 34% | 42% | 33% |
| Asia | -23% | -23% | -21% | -23% | -25% |
| Total | -36% | -13% | -9% | -9% | -8% |
| * of which Western Europe | -26% | -19% | -14% | -14% | -9% |