

Business Update

April 20, 2007

Sony Ericsson

Safe Harbor Statement

This presentation contains forward looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business.

Please read our financial results for a better understanding of these risks and uncertainties.

Business Update

April 20, 2007



Miles Flint
President



Ulf Lilja
Chief Financial Officer

Sony Ericsson

Highlights of 1st Quarter 2007

Year on year volume and sales growth of
63% and 47% respectively

Income before tax rose 139% year on year
to Euro 362 million

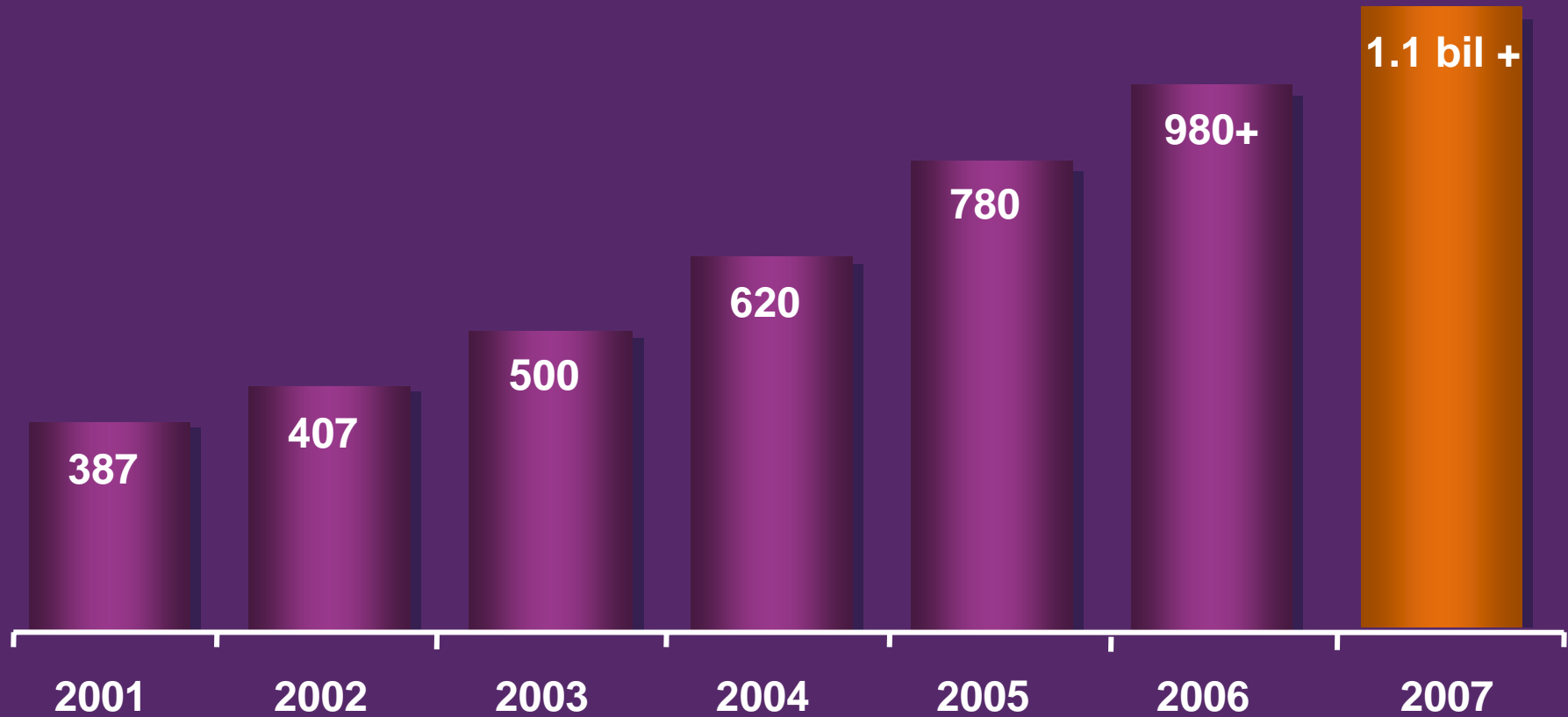
W880 model further strengthens Walkman phone sales

Low and mid-tier products generate
market share gains year on year

Q1 2007 – Financial Results

	2006		2007
	Q1	Q4	Q1
Units shipped (m.)	13.3	26.0	21.8
Sales (EUR m.)	1,992	3,782	2,925
Gross Margin %	26.3%	29.0%	30.3%
Operating Income (EUR m.)	143	484	346
Operating Margin %	7.2%	12.8%	11.8%
Income Before Taxes (EUR m.)	151	502	362
Net Income (EUR m.)	109	447	254
ASP EUR	149	146	134

Total Global Market



*Million units

2007 total is an estimate

I  new products

Sony Ericsson

The Walkman® family



W200



W580



W610



W660



W610

The Cyber-shot family

Cyber-shot
Cyber-shot phone



K550



K810

Entry level



K200



K220



J110



J120

Japan Products in Q1 2007

S0703i



W51S



HBH-PV702



CDS-65



MRC-60



IPK-100



Exciting new accessories



MPS-75



PC300



HCB-120



MPS-70



MBR-100

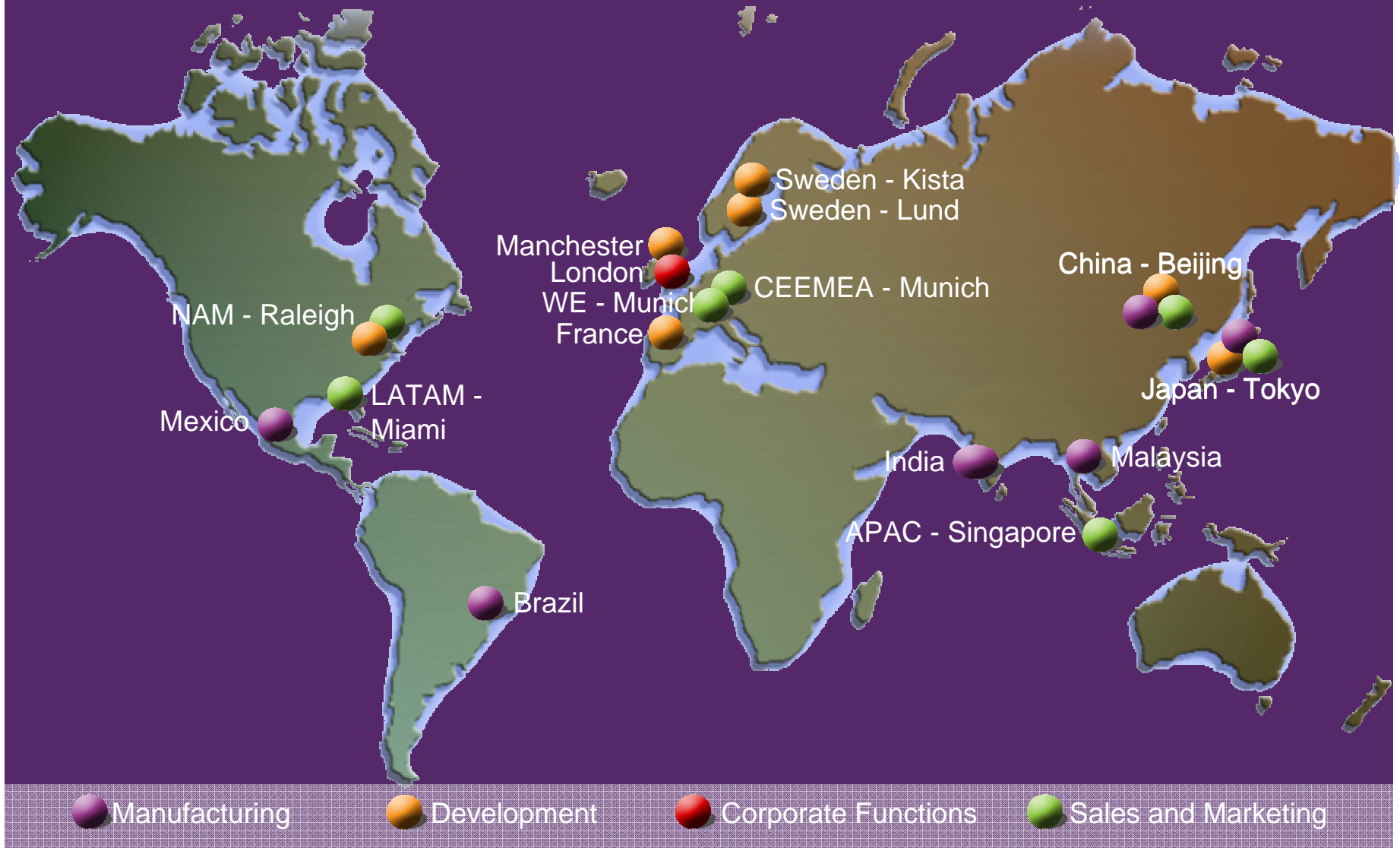
Sony Ericsson – Taking the Next Steps

Manufacturing in India through global partners

Completing acquisition of UIQ Technology

**Licensing & development agreements
with Sagem Communication**

A Global Company







**NEXT
PRODUCT
ANNOUNCEMENTS
MAY 8th**

Business Update, Media & Analyst Conference Call

Addendums to Q1 2007 Press Release

Ulf Lilja
Chief Financial Officer

Sony Ericsson

Addendums to Q1 2007 Press Release

Consolidated Income Statement

Consolidated Income Statement – Isolated Quarters

Consolidated Balance Sheet

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows – Isolated Quarters

Net Sales by Market Area by Quarter

Consolidated Income Statement

Sony Ericsson CONSOLIDATED INCOME STATEMENT

EUR million	Jan-March		
	2007	2006	Change
Net sales	2,925	1,992	47%
Cost of sales	-2,039	-1,469	39%
Gross margin	886	524	69%
Gross margin %	30.3%	26.3%	4%
Research and development expenses	-261	-202	29%
Selling and administrative expenses	-284	-186	52%
Operating expenses	-545	-388	40%
Other operating income, net	5	7	-30%
Operating income	346	143	142%
Operating margin %	11.8%	7.2%	5%
Financial income	18	9	109%
Financial expenses	-2	0	-
Income after financial items	362	151	139%
Taxes	-100	-34	193%
Minority interest	-9	-9	2%
Net income	254	109	133%
Number of units shipped (million)	21.8	13.3	63%
ASP (EUR)	134	149	-10%

Consolidated Balance Sheet

Sony Ericsson CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2007	Dec 31 2006	Sept 30 2006	Jun 30 2006	Mar 31 2006	Dec 31 2005
ASSETS						
Total fixed and financial assets	495	469	316	311	306	274
Current assets						
Inventories	498	437	578	318	277	306
Accounts receivable	1,566	1,653	1,347	1,101	908	852
Other assets	859	310	249	196	200	178
Other short-term cash investments	1,376	1,580	1,098	897	861	900
Cash and bank	668	693	763	698	568	637
Total current assets	4,968	4,673	4,035	3,210	2,813	2,873
Total assets	5,463	5,141	4,351	3,521	3,119	3,147
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity	2,033	1,781	1,353	1,048	921	1,070
Minority interest	55	45	37	59	59	46
Total equity	2,088	1,826	1,391	1,106	980	1,116
Total long-term liabilities	22	20	17	17	17	19
Accounts payable	1,316	1,276	1,118	954	799	807
Other current liabilities	2,037	2,019	1,825	1,444	1,323	1,204
Total current liabilities	3,353	3,296	2,944	2,398	2,122	2,011
Total shareholders' equity and liabilities	5,463	5,141	4,351	3,521	3,119	3,147
Net cash*	2,045	2,272	1,795	1,556	1,417	1,530

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

Consolidated Statement of Cash Flows

Sony Ericsson CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Jan-Mar	
	2007	2006
OPERATIONS		
Net income	254	109
Adjustments to reconcile net income to cash	24	20
	278	129
Changes in operating net assets *	-454	53
Cash flow from operating activities	-176	182
INVESTMENTS		
Investing activities	-49	-43
Cash flow from investing activities	-49	-43
FINANCING		
Financing activities	-1	-236
Cash flow from financing activities	-1	-236
Net change in cash	-226	-97
Cash, beginning of period	2,273	1,537
Translation difference in Cash	-2	-12
Cash, end of period	2,045	1,428

* Includes an advanced payment to Ericsson for an amount equivalent to Ericsson's share of the dividend/redemption.



questions and answers