

Business Update

July 12th, 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



Miles Flint
President



Ulf Lilja
Chief Financial Officer

July 12th 2007

Business Update

July 12th, 2007

Miles Flint

President

Sony Ericsson

Highlights of 2nd Quarter 2007

Continued strong year-on-year volume growth of 59%

Income before tax grew 55% year-on-year
to €327 Million

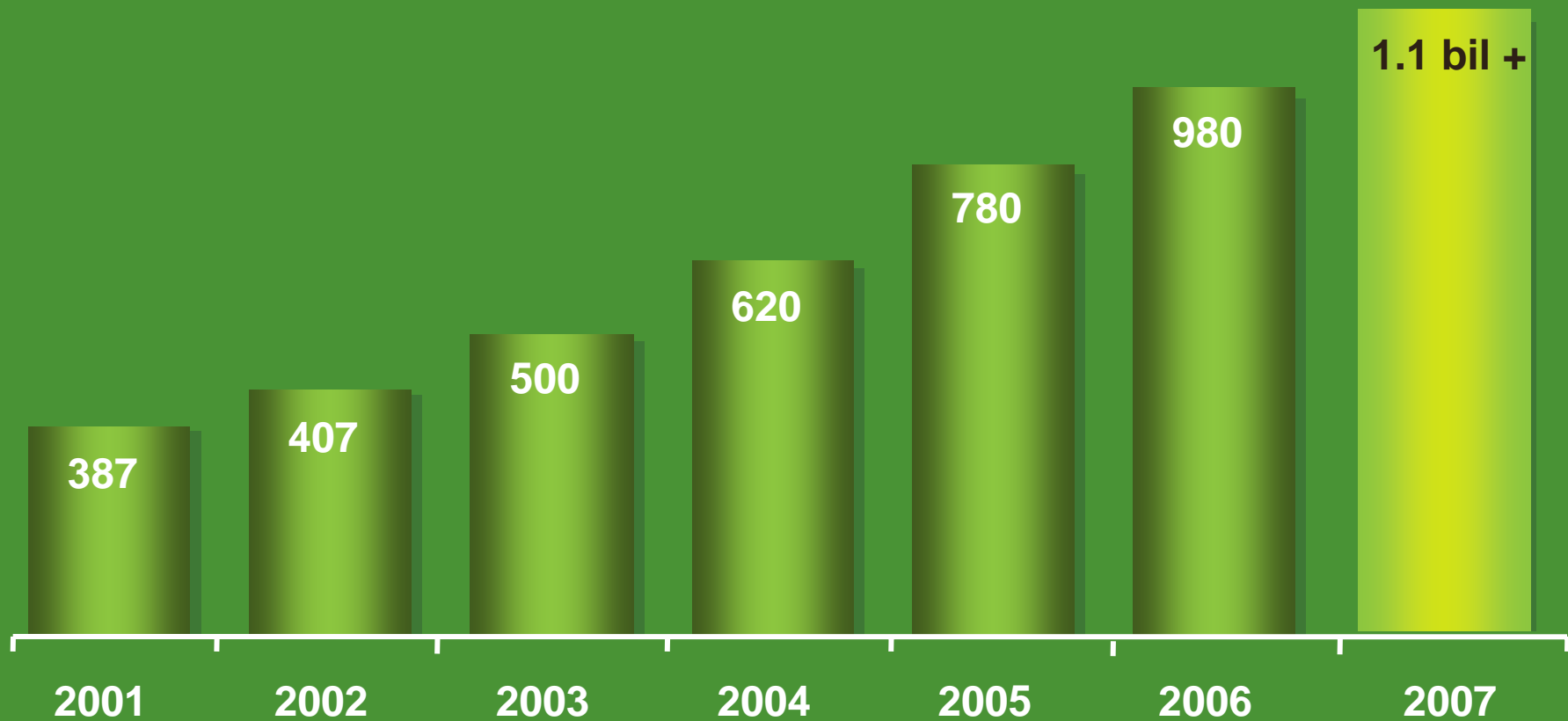
Walkman[®] phone sales of 9 Million in quarter sustain
leadership in music phones

Expanded portfolio continues to generate
market share gains

Q2 2007 – Financial Results

	2006	2007	
		Q1	Q2
Units shipped (m.)	15.7	21.8	24.9
Sales (EUR m.)	2,272	2,925	3,112
Gross Margin (%)	28.5%	30.3%	29.6%
Operating Income (EUR m.)	203	346	315
Operating Income (%)	8.9%	11.8%	10.1%
Income Before Taxes (EUR m.)	211	362	327
Net Income (EUR m.)	143	254	220
ASP (EUR)	145	134	125

Total Global Market



*Million units

2007 totals are estimates

I  new products

Sony Ericsson

Announced
June 14th Berlin

W960



Announced
June 14th Berlin

W910



P1

Announced
May 8th London



K850

Announced
June 14th Berlin





Announced
May 8th London

T650



Announced
June 14th Berlin

K530

S500



Announced
May 8th London

T250



Announced
May 8th London

Announced
June 14th Berlin



Z320



Announced
June 14th Berlin



Z250



2007

EXPANDING OUR PORTFOLIO



W960



W910



W880



W660



W610



W580



W200



K850



K200



Z320



K550



K810



Z250



J120



K530



T250



S500



T650



**Exciting
new
accessories**

MBW-150



MBW-150



MBW-150



MRC-60

MDS-65



IPK-100



MRC-60



MPS-75

HGE-100



MMR-70



PC300



HCB-120



MPS-70



HBH-PV702

HPM-90



HPM-83



DS200



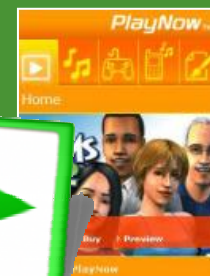
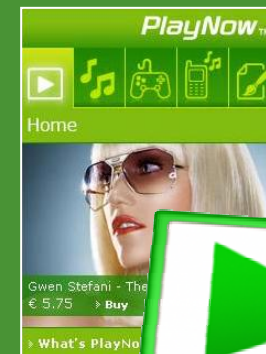
Music
applications

Walkman® 4.0

PlayNow™

Get more from your phone

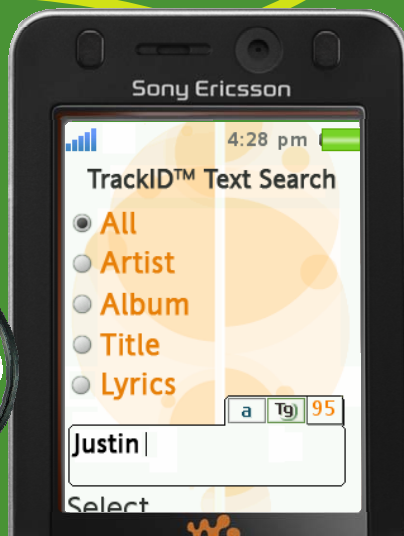
SenseMe



Know the music



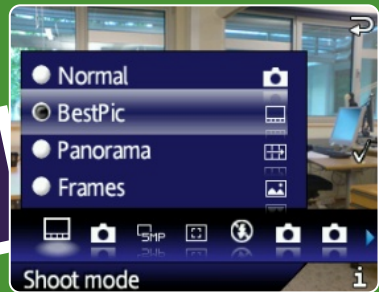
TrackID



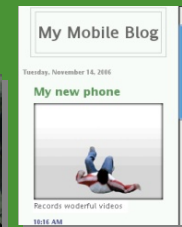
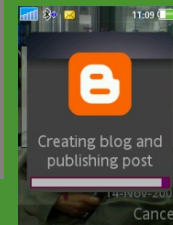
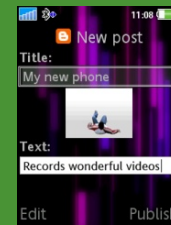
Shake
Control



Camera applications



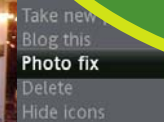
Video blogging



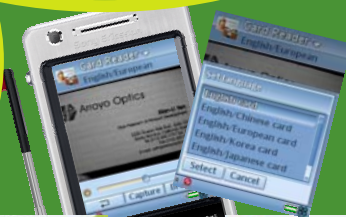
Original



with Photo fix



Media Manager



Business Card Scanner

India

Partnerships

SONY **ERICSSON**



Local Manufacture

INFO-TECH
Sony Ericsson to make mobiles here
Sony Ericsson will manufacture mobile phones at Sriperumbudur near Chennai, through its global outsourcing manufacturing partner Foxconn Electronics and Foxconn India.



Sony Ericsson to make handsets in Chennai
SRI PERUMBUDUR, Tamil Nadu: Sony Ericsson will start manufacturing mobile phones at Sriperumbudur near Chennai, through its global outsourcing manufacturing partner Foxconn Electronics and Foxconn India.



Sony Ericsson to make mobiles near Chennai
(First product to be sold by April)

Local R&D

Sony Ericsson to set up R&D unit in India
Mumbai: Mobile-phone maker Sony Ericsson said on Wednesday it is setting up a research and development unit in India to strengthen its position in the world's fastest-growing mobile market. Sony Ericsson began selling cheap mobile phones in India in January through manufacturing agreements with Hextronics and Foxconn.

business BRIEFING
Ericsson's R&D center in India
NEW DELHI: Mobile handset manufacturer Sony Ericsson will set up a research and development center in India to strengthen its position in the world's fastest-growing mobile market.

Sony Ericsson to set up R&D unit in India
MUMBAI: Sony Ericsson said on Wednesday it is setting up a research and development unit in India to strengthen its position in the world's fastest-growing mobile market. Sony Ericsson began selling cheap mobile phones in India in January through manufacturing agreements with Hextronics and Foxconn.

भारत में आरएंडडी यूनिट लगाएगी सोनी एरिक्सन
मुंबई: सोनी एरिक्सन ने बुधवार को कहा कि वह भारत में एक रिसर्च और डेवलपमेंट यूनिट शुरू करेगी ताकि वह विश्व की सबसे तेजी से बढ़ते हुए मोबाइल फोन बाजार में अपनी स्थिति को मजबूत कर सके। सोनी एरिक्सन ने कहा कि वह भारत में सस्ता मोबाइल फोन बेचना शुरू करेगी।



Retail experience

China

热烈庆祝第一亿台手机在BMC成功下线！
In celebration of the 100th Million mobile phone produced in BMC!



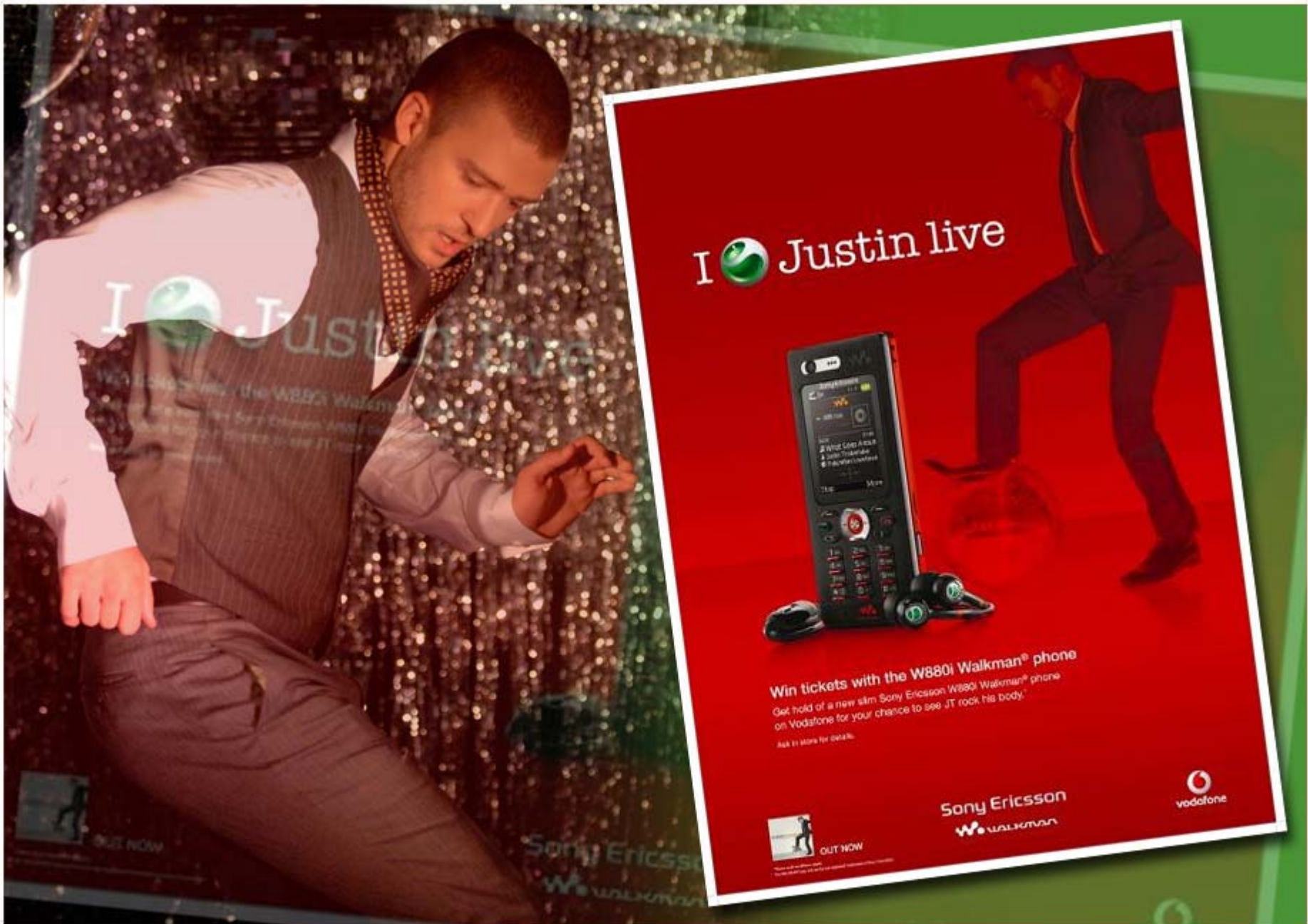
Integration of BSE and BMC factories

100th million phone manufactured in BMC

I experiences



Walkman® promotion with Pink June 2007





I extraordinary powers

A Cyber-shot™ camera on your phone means you get extraordinary picture quality whenever you take a shot. And now if you buy or upgrade to the Sony Ericsson K300i, K300i Cyber-shot™ phones, or the 2530i phone you'll also get a free 512MB Memory Stick™ (MS™) loaded with Spider-Man 3 content – while stocks last.

www.SonyEricsson.com/spiderman3

Exclusively available on the O2 network at The Carphone Warehouse.

SPIDER-MAN 3

AT CINEMAS MAY 4

Sony Ericsson

© 2007 Sony Ericsson Mobile Communications AB. All rights reserved. Sony Ericsson, Cyber-shot, K300i, K300i Cyber-shot, 2530i, Spider-Man 3, and the Sony Ericsson logo are trademarks of Sony Ericsson Mobile Communications AB. MS is a trademark of Sony Computer Inc. O2 is a trademark of O2 Group. The Carphone Warehouse is a trademark of The Carphone Warehouse Group. Spider-Man 3 is a trademark of Sony Pictures Entertainment Inc. All other trademarks are the property of their respective owners.



Financial Statements and Additional Information

July 12th, 2007

Ulf Lilja
Chief Financial Officer

Sony Ericsson

Financial Statements and Additional Information

Consolidated Income Statement

Consolidated Income Statement - YTD

Consolidated Income Statement – Isolated Quarters

Consolidated Balance Sheet

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows - YTD

Consolidated Statement of Cash Flows – Isolated Quarters

Net Sales by Market Area by Quarter

Consolidated Income Statement

Apr-Jun

EUR million	2007	2006	Change
Net sales	3,112	2,272	37%
Cost of sales	-2,192	-1,625	35%
Gross profit	921	647	42%
Gross margin %	29.6%	28.5%	1%
Research and development expenses	-283	-223	27%
Selling and administrative expenses	-321	-246	30%
Operating expenses	-604	-470	29%
Other operating income, net	-2	26	-106%
Operating income	315	203	55%
Operating margin %	10.1%	8.9%	1%
Financial income	18	8	120%
Financial expenses	-6	0	-
Income after financial items	327	211	55%
Taxes	-97	-64	53%
Minority interest	-10	-5	112%
Net income	220	143	54%
Number of units shipped (million)	24.9	15.7	59%
ASP (EUR)	125	145	-14%

Consolidated Balance Sheet

EUR million	Jun30 2007	Mar 31 2007	Dec 31 2006	Jun 30 2006
ASSETS				
Total fixed and financial assets	498	495	469	311
Current assets				
Inventories	477	498	437	318
Accounts receivables	1,831	1,566	1,653	1,101
Other assets	845	859	310	196
Other short-term cash investments	1,071	1,376	1,580	897
Cash and bank	659	668	693	698
Total current assets	4,882	4,968	4,673	3,210
Total assets	5,380	5,463	5,141	3,521
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,702	2,033	1,781	1,048
Minority interest	63	55	45	59
Total equity	1,764	2,088	1,826	1,106
Total long-term liabilities	21	22	20	17
Accounts payable	1,371	1,316	1,276	954
Other current liabilities	2,224	2,037	2,019	1,444
Total current liabilities	3,595	3,353	3,296	2,398
Total shareholders' equity and liabilities	5,380	5,463	5,141	3,521
Net cash*	1,729	2,045	2,272	1,556

Consolidated Statement of Cash Flows

	Apr-Jun	
EUR million	2007	2006
OPERATIONS		
Net income	220	143
Adjustments to reconcile net income to cash	30	22
	250	165
Changes in operating net assets	16	18
Cash flow from operating activities	266	183
INVESTMENTS		
Investing activities	-31	-29
Cash flow from investing activities	-31	-29
FINANCING		
Financing activities	- 548	26
Cash flow from financing activities	-548	26
Net change in cash	-312	180
Cash, beginning of period	2,045	1,428
Translation difference in Cash	-3	-13
Cash, end of period	1,730	1,595

questions and answers

Miles Flint
President

Ulf Linde
Chief Financial Officer