

SONY

Sony Corporation
6-7-35, Kitashinagawa
Shinagawa-ku, Tokyo, 141-0001 Japan

ERICSSON 

Telefonaktiebolaget LM Ericsson
SE-126 25 Stockholm
Sweden

PRESS RELEASE**JULY 15, 2003**

Sony Ericsson reports strong increase in sales and shipments for its two core business areas GSM and Japanese standards

Tokyo and Stockholm, July 15 -- Sony and Ericsson today announced the financial summary for the second quarter, ended June 30, 2003 of Sony Ericsson Mobile Communications AB, the 50:50 joint venture of Sony and Ericsson. The company reported improved operating results and a strong increase in sales and shipments for its two core business areas; GSM and Japanese standards.

Units shipped in the quarter reached 6.7 million, which is 34% higher year-on-year and 23% higher compared to the first quarter 2003. Net sales for the quarter were Euro 1.125 million, representing year-on-year and sequential increases of 18% and 40%, respectively.

In the areas of strategic focus and in the wake of successful product launches, the GSM business posted 84% year-on-year growth in shipments and Japanese standards shipments increased 45% year-on-year. This business growth is attributable to a strengthened product offering coupled with strongly improved supply and logistics performance.

Income before taxes excluding restructuring charges was Euro -45 million and Net Income (excluding restructuring charges) was Euro -33 million, which represents year-on-year improvements of Euro 53 million and Euro 50 million, respectively. Income before taxes including restructuring was Euro -102 million and net income was Euro -88 million.

	Q2 2002	Q1 2003	Q2 2003
Numbers of units shipped (million)	5.0	5.4	6.7
Sales (EURO m.)	950	806	1.125
Income before taxes excl. restructuring costs (EURO m.)	-98	-113	-45
Income before taxes incl. restructuring costs (EURO m.)	-98	-113	-102
Net income incl restructuring costs (EURO m.)	-83	-104	-88

Sony Ericsson has earlier announced (June 24, 2003) the decision to increase its focus on GSM/EDGE/UMTS and Japanese standards. Further to the phase-out of Sony Ericsson's American CDMA business and GSM R&D activities in Munich, total restructuring costs are estimated to approximately Euro 70 million of which Euro 58 million has been recognized in the second quarter. The restructuring activities are well underway and are projected to generate yearly run-rate savings of approximately Euro 120 million when completed, with some benefit in the second half of 2003.

Sony Ericsson is expected to be profitable in the second half of 2003 as a result of the increasing momentum in the company's new GSM and Japanese product portfolio. However, Sony Ericsson will not be profitable for the full year 2003 due to restructuring costs and losses incurred in the first half of the year.

Sony Ericsson Mobile Communications AB offers mobile communications products for people who appreciate the possibilities of powerful technology. Established in 2001 by Telefonaktiebolaget LM Ericsson and Sony Corporation, the joint venture continues to build on the success of its two innovative parent companies. Sony Ericsson creates value for its operator customers by bringing new ways of using multimedia communications while mobile. The company's management is based in London, and has 4,000 employees across the globe working on research, development, design, sales, marketing, distribution and support.

For further information, please visit: www.SonyEricsson.com

CONTACTS:

Investors/Analysts

Ericsson Investor Relations

Gary Pinkham, Vice President +46 8 719 0000

Sony Investor Relations

Yukio Ozawa, Vice President (Tokyo) +81 3 5448 2180; or
Chris Hohman, Senior Manager (London) +44 20 7444 9711

Press/Media

Ericsson External Relations

Pia Gideon, Vice President +46 8 719 2864

Sony Corporate Communications

Kei Sakaguchi, General Manager (Tokyo) +81 3 5448 2200
Gerald Cavanagh, (Tokyo) +81 3 5448 2200
Georges Gerard, General Manager (London) +44 207 444 9722

Sony Ericsson Corporate Communications

Nina Eldh, Corporate Vice President +44 (0) 7774 125 638
Corporate Communications Dept. +44 208 762 5858
E-mail: info@SonyEricsson.com