

# SONY

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# ERICSSON

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**PRESS RELEASE**

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## Hit Models Boost Sony Ericsson Performance

### Highlights:

- **Solid growth & market share gain**
- **Increased R&D investment generating expanded portfolio**
- **Strong demand across portfolio**

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the third quarter ended September 30, 2005 is as follows:

	Q3 2004	Q2 2005	Q3 2005
Numbers of units shipped (million)	10.7	11.8	13.8
Sales (EURO m.)	1678	1614	2055
Income before taxes (EURO m.)	136	87	151
Net income (EURO m.)	90	75	104

Units shipped in the quarter reached 13.8 million, a 29% increase compared to the same period last year and a 17% increase sequentially, substantially higher than sequential market growth. Sales for the quarter were Euro 2,055 million, representing a year-on-year increase of 22%. Income before taxes was Euro 151 million and net income was Euro 104 million, which represents a year-on-year increase of Euro 15 million and Euro 14 million respectively. The company continued to increase investment in marketing and R&D to support the expansion of the portfolio going forward.

Sony Ericsson began to reap the rewards of earlier increased investment in R&D, expanding the product portfolio with hit models like the K750, the award-winning 2 megapixel, auto-focus camera phone, the first Walkman™ phone, the W800, which has been exceptionally successful, and the K600 series, which has brought Sony Ericsson UMTS handsets into the mid-tier price category. The company grew faster than the market during the quarter with the popularity of higher-end phones having a positive effect and raising the profile of more affordable, volume models like the T290, J210 and K300. Average Selling Price (ASP) rose during the quarter reflecting the proportion of higher-end products entering the product mix.

The global handset market continued to grow faster than expected, and Sony Ericsson is upgrading its global market outlook for 2005 to over 760 million units.

“This has been a good quarter for Sony Ericsson, proving that our strategy of expanding the product portfolio upward into best-in-class imaging, music and 3G products while increasing the number of more affordable and attractively designed volume models is paying off. We are increasingly benefiting from the opportunities created by the joint-venture, and with three new Walkman® phones shipping in the fourth quarter (W550, W600, W900), we are optimistic that Sony Ericsson can set the standard in music as well as imaging going forward,” said Miles Flint, President of Sony Ericsson.

Walkman® is the registered trademark of Sony Corporation

*Sony Ericsson Mobile Communications serves the global communications market with innovative and feature-rich mobile phones, accessories, PC-cards and M2M solutions. Established as a joint venture by Ericsson and Sony in 2001, with headquarters in London, the company employs approximately 5,000 people worldwide, including R&D sites in Europe, Japan, China and America. For more information, please visit [www.SonyEricsson.com](http://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.