

Ericsson and Sony to create world leader in mobile phones

- *Combining leading expertise in telecommunications and consumer electronics*
- *Ideal partnership for growing market of 3G and Mobile Internet*

Ericsson and Sony Corporation today jointly announced that they have signed a Memorandum of Understanding (MoU) with the intention to create a new company that will incorporate their respective mobile phone businesses worldwide. The new company, to be named Sony Ericsson Mobile Communications, will be equally owned by Ericsson and Sony and will draw upon Ericsson's leading expertise in telecommunications and Sony's leading expertise in consumer electronics products.

Expected to begin operations on October 1 this year, subject to completion of a definitive agreement and applicable regulatory requirements, the joint venture will be responsible for product research, design and development, as well as marketing sales, distribution and customer services. Ericsson and Sony, parents of the joint venture, will provide support to the new company, and foster closer cooperation with each other.

“By combining the complementary strengths of Ericsson and Sony, the new company is uniquely positioned to become a world leader in telecommunications, as the industry moves rapidly toward Mobile Internet,” said Kurt Hellström, Ericsson President and CEO. “We are a perfect match. Sony brings vast experience in consumer electronics and entertainment - music, pictures and games – and Ericsson contributes with our mobile technology lead and the world's largest customer base among mobile operators. This is the ideal partnership for the growing market of 3G and Mobile Internet.”

Sony Corporation President and Chief Operating Officer Kunitake Ando said: “The mobile phone industry is fast moving toward multi-media broadband and poised to grow significantly in the years to come. Millions of customers will require mobile handsets that can handle rich content such as movies, pictures and games smoothly and effortlessly, regardless of their location. Our collaboration with Ericsson, the undisputed leader in the global telecommunications industry, holds significance for us in creating an ubiquitous value network that is always connected, on demand and interactive.”

Global corporate management of the joint venture will be based in London and headed by Katsumi Ihara, Corporate Executive Vice President of Sony Corporation, who will be named President of the joint venture. Kurt Hellström, President and CEO of Ericsson, will be appointed Chairman of the Board. Jan Wäreby, President of Ericsson's Division Consumer Products, will assume the role of Executive Vice President of the joint venture.

While respecting existing product lines under the Ericsson and Sony brands, the new company will create a new and powerful brand for its range of future products. Ericsson's existing manufacturing partners and Sony's production facilities will continue to manufacture current and future products worldwide. Ericsson's Mobile Technology Platform unit will remain as a separate organization and will supply state of the art technology to the new company.

Outline of the New Company based on MoU

Name of company: Sony Ericsson Mobile Communications

Capital: Ericsson 50%, Sony 50%
(Details to be determined later)

Start of operation: October 1, 2001

Size of business:

Fiscal year 2000 shipments: Approx. 50million units (Approx. US\$7.2 billion)

*Reference figures based on parent companies' worldwide fiscal year sales

*Ericsson: January-December, 2000 / Sony: April 2000 - March 2001

Board of directors:

4 from Ericsson (including 1 from the new company)

4 from Sony (including 1 from the new company)

[To be appointed Chairman of the Board is Kurt Hellström (President and CEO, Ericsson)]

Corporate executive team:

-President, Katsumi Ihara (Corporate Executive Vice President, Sony Corporation)

-Executive Vice President, Jan Wäreby (President, Division Consumer Products, Ericsson)

Estimated number of employees: Approx. 3,500 (worldwide)

Products: Mobile phones and handheld multimedia communication products

About Ericsson

Ericsson is shaping the future of Mobile and Broadband Internet communications through its continuous technology leadership. Providing innovative solutions in more than 140 countries, Ericsson is helping to create the most powerful communication companies in the world.

Read more at <http://www.ericsson.com/press>

About Sony Corporation

Sony Corporation is a leading manufacturer of audio, video, game, communications and information technology products for the consumer and professional markets. With its music, pictures, computer entertainment and on-line businesses, Sony is uniquely positioned to be a leading personal broadband entertainment company in the world. Sony recorded consolidated annual sales of more than \$63 billion for the fiscal year ended March 31, 2000.

Sony's Home Page URL: www.world.sony.com

FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson

Pia Gideon, Vice President External Relations

Phone: +46 8 719 2864, E-mail: pia.gideon@lme.ericsson.se

Mads Madsen, Director Media Relations

Phone: +46 8 719 0626, +46 70 666 2903

E-mail: mads.madsen@lme.ericsson.se

Nina Eldh, Director Media Relations, Ericsson Mobile Communications AB

Phone: +46 8 585 32560, +46 70 515 0201

E-mail: nina.eldh@ecs.ericsson.se

Investors and financial analysts

Gary Pinkham, Vice President Investor Relations

Phone: +1 212 685 4030, E-mail: investorrelations@ericsson.com

Sony Corporation (Tokyo)

Ted Kanno or Gerald Cavanagh, Public Relations

Phone: +81 3 5448 2200

E-mail: tekkanno@ccom.sony.co.jp

E-mail: cavanagh@ccom.sony.co.jp

Sony (Europe)

Aldo Liguori or Georges Gerard, Corporate Communications

Phone: +49 30 2575 5159, +46 30 2575 5155

E-mail: aldo.liguori@eu.sony.com

E-mail: georges.gerard@eu.sony.com