

Sony Electronics

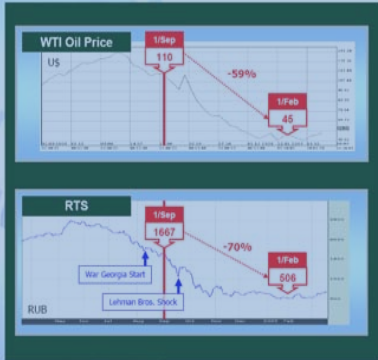
**Overview of Crisis
and the Recovery Period**

Artem Laevsky

May 19 '2010

What We Faced in 2009

Macro Index [Oil price & RTS]



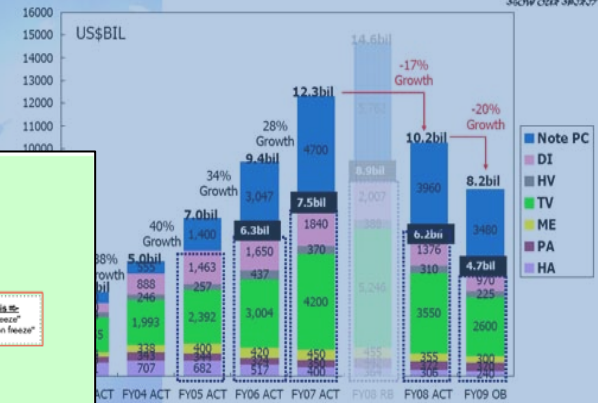
Even before Sep, Macro indexes were showing negative trend

After Lehman Shock (the trend became even more drastic)

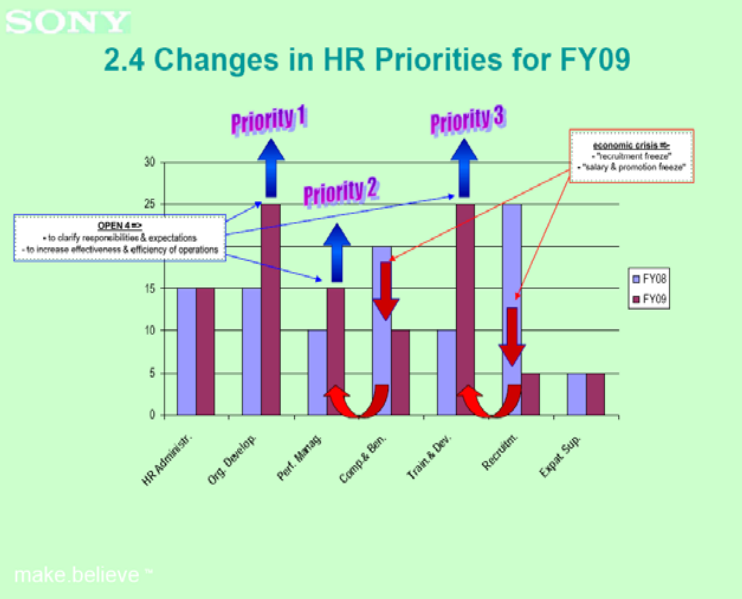
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Total AV+IT industry growth trend in CIS countries

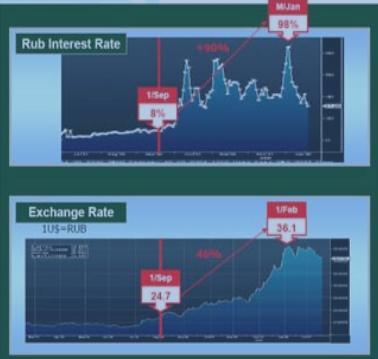


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Macro Index [Interest & Exchange Rate]



Crazy int Ruble devalued

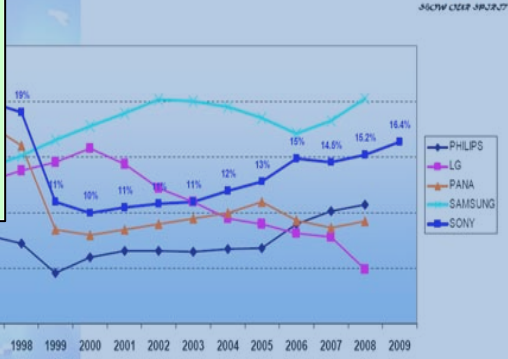
Huge risk in Operations

Inventory, Cash flow Must be strictly controlled

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Trend



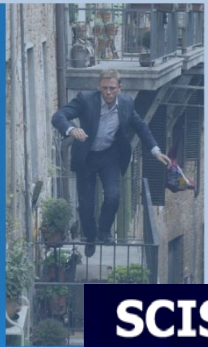
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What We Did in 2009

Survival

Survival through tough market means there is no relax.



Spirit (Tokhon)



Professional

Each of you is professional. You are to be professional, be accountable, be responsible.



SCIS 8 Key words in FY2009

- **Survival**
- **Crisis = Opportunity**
- **Strategic Vision**
- **Speed**
- **Commitment**
- **Return on Investment (ROI)**
- **Professional**
- **Tohkon (Spirit)**

Crisis = Opportunity

Crisis is opportunity. The situation is tough we are to aggressively attack to achieve strategic targets.



ROI

(Return on Investment)

Each of you should think over what is return on investment of your activity to the company. If there is no profit to the Company, please discuss it with immediate manager and stop it. Each of you should contribute to the Company.



Strategic Vision

Our strategic target still is 2\$ billion. Each of you should keep it in mind and think out how we can work efficient.



Speed

There is no time for talks. The situation is changing every day requiring quick react. Even best solution loses its efficiency in time. Speed is quite important for the tough market.



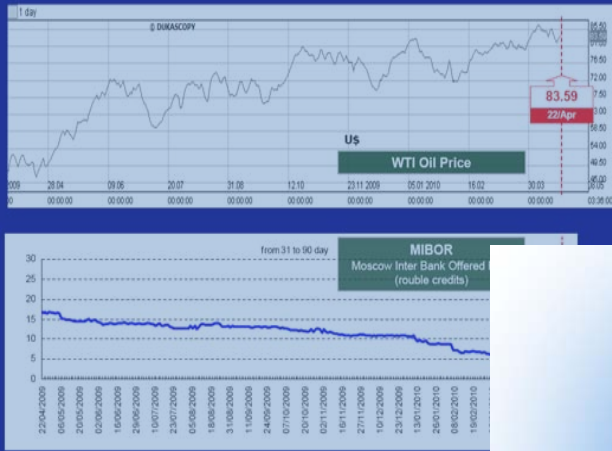
Commitment

We commit to business. You have commitment to each of your assignment.

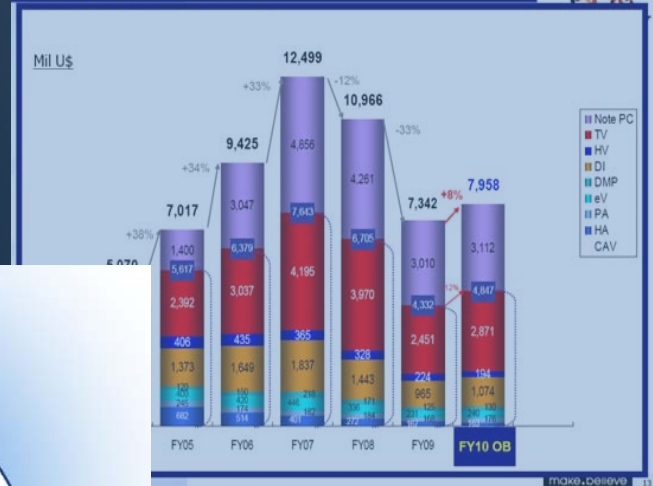


What Changed in 2010

Macro Index [Oil price & Interest]

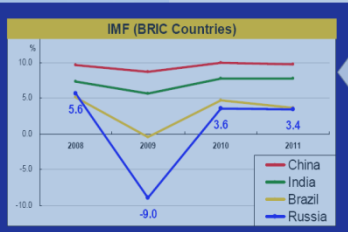


CIS AV+IT Industry Trend



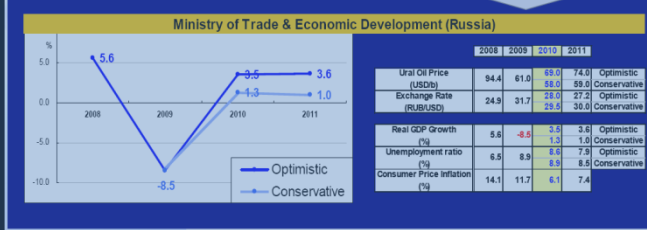
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GDP Projection



Biggest impact to

Expecting H... it would dep...

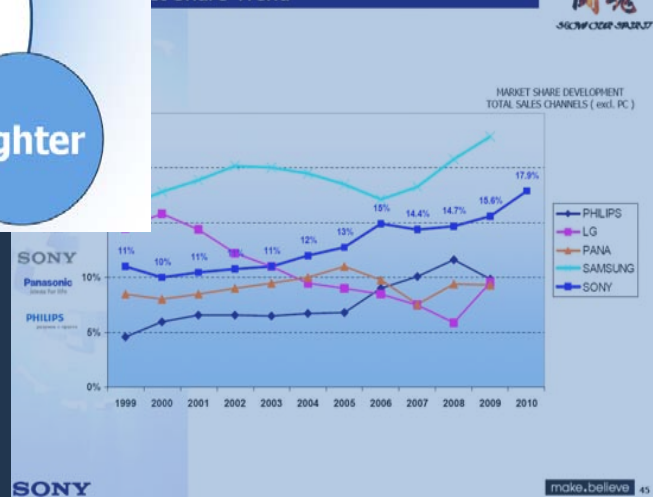


	2008	2009	2010	2011	
Ural Oil Price (USD/b)	94.4	61.0	65.0	74.0	Optimistic
Exchange Rate (RUB/USD)	24.9	31.7	28.0	27.2	Optimistic
			29.5	36.0	Conservative
Real GDP Growth (%)	5.6	-8.5	3.6	3.6	Optimistic
			1.0	1.0	Conservative
Unemployment ratio (%)	6.5	8.9	8.8	7.9	Optimistic
			8.8	8.5	Conservative
Consumer Price Inflation (%)	14.1	11.7	6.1	7.4	

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Market Share Trend



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What we are doing in 2010

SCIS 8 Key words in FY2009

- **Survival**
- **Crisis = Opportunity**
- **Strategic Vision**
- **Speed**
- **Commitment**
- **Return on Investment (ROI)**
- **Professional**
- **Tohkon (Spirit)**



SCIS 8 Key words in FY2010

- **Offensive**
- **Winning Scenario**
- **Strategic Vision**
- **Speed**
- **Commitment**
- **Return on Investment (ROI)**
- **Professional**
- **Tohkon (Spirit)**

- “Sharing the Full Picture” (Market Situation, Company Strategy and Business Results)
- Implementing New Common KPIs (which are linked to Bonus)
- Conducting Performance Evaluation and Salary Review twice a year
- Developing E-learning
- Recruitment (unfreeze)

The image features a dark background with a lens flare effect in the top right corner, transitioning from yellow to blue. The Sony logo and tagline are centered in white.

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