

SONY CORP
Form 6-K
October 15, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of October 2010
Commission File Number: 001-06439

SONY CORPORATION
(Translation of registrant's name into English)

1-7-1 KONAN, MINATO-KU, TOKYO, 108-0075, JAPAN
(Address of principal executive offices)

The registrant files annual reports under cover of Form 20-F.

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F,

Form 20-F X

Form 40-F __

Indicate by check mark whether the registrant by furnishing the information contained in this Form
is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities
Exchange Act of 1934, Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule
12g3-2(b):82- _____

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to
be signed on its behalf by the undersigned, thereunto duly authorized.

SONY CORPORATION
(Registrant)

By: /s/ Masaru Kato
(Signature)
Masaru Kato
Executive Vice President and
Chief Financial Officer

Date: October 15, 2010

List of materials

Documents attached hereto:

- i) Press release entitled Sony Ericsson reports third quarter 2010 results
-

PRESS RELEASE

October 15, 2010

Sony Ericsson reports third quarter 2010 results

Q3 Highlights:

Turnaround continues with third consecutive quarter of profits
Continued success of smartphone portfolio keeps ASP at high level
Launch of Xperia™ models in new markets, including China and the U.S.

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the third quarter ended September 30, 2010 is as follows:

	Q3 2009	Q2 2010	Q3 2010	
Number of units shipped (million)	14.1	11.0	10.4	
Sales (Euro m.)	1,619	1,757	1,603	
Gross margin (%)	16	%28	%30	%
Operating income (Euro m.)	-193	36	63	
Operating margin (%)	-12	%2	%4	%
Restructuring charges (Euro m.)	2	32	4	
Operating income excl. restructuring charges (Euro m.)	-191	68	67	
Operating margin excl. restructuring charges (%)	-12	%4	%4	%
Income before taxes (IBT) (Euro m.)	-199	31	62	
IBT excl. restructuring charges (Euro m.)	-198	63	66	
Net income (Euro m.)	-164	12	49	
Average selling price (Euro)	114	160	154	

Bert Nordberg, President & CEO of Sony Ericsson commented, “Our third consecutive quarter of profitable results illustrates that Sony Ericsson’s overall performance is stabilising. Our strategy to focus on the smartphone segment is succeeding and smartphones now comprise more than 50% of our total sales. During the quarter, we launched our Android-based Xperia™ models in new markets, such as China and the U.S., and it is our ambition to become the global number one handset provider on the Android platform.”

Income before taxes for the quarter excluding restructuring charges was a profit of Euro 66 million following the positive effects of the transformation programme. Net income for the quarter was Euro 49 million, an increase of Euro 213 million year-on-year and of Euro 37 million sequentially.

The gross margin percentage was 30% and almost doubled year-on-year, reflective of the company turnaround.

Units shipped in the quarter were 10.4 million, a decrease of 26% year-on-year and down 5% sequentially. Average selling price (ASP) in the quarter remained at a high level of Euro 154, a 34% increase year-on-year and a decrease of 4% sequentially, due to product and geographical mix. As a result, sales for the quarter were Euro 1,603 million, essentially flat year-on-year and a 9% decrease sequentially.

Sony Ericsson's net cash position as of September 30, 2010 was Euro 538 million. The negative cash flow from operating activities was Euro 54 million, mainly due to payments during the quarter related to the transformation programme.

Market share in unit base for the quarter remained flat sequentially and is estimated to be approximately 4%. The value market share is estimated to be approximately 6%.

Sony Ericsson maintains a forecast of slight growth in units in the global handset market in 2010.

The liquid identity is a registered trademark of Sony Ericsson Mobile Communications AB. Xperia™ is a trademark of Sony Ericsson Mobile Communications AB. Sony is a registered trademark of Sony Corporation. Ericsson is a registered trademark of Telefonaktiebolaget LM Ericsson. Any rights not expressly granted herein are reserved and subject to change without prior notice.

EDITOR'S NOTES:

Financial statements and additional information:

Financial statements:

Consolidated income statement

Consolidated income statement – isolated quarters

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of cash flows – isolated quarters

Net sales by market area by quarter

Sony Ericsson is a 50:50 joint venture by Sony and Ericsson established in October 2001, with global corporate functions located in London and operations in all major markets. Sony Ericsson's vision is to become the industry leader in Communication Entertainment; where new styles of communicating through the internet and social media, become entertainment. Sony Ericsson offers exciting consumer experiences through phones, accessories, content and applications. For more information please visit, www.sonyericsson.com.

- ENDS -

CONTACTS:

Ericsson investor relations

Susanne Andersson (Stockholm) +46 10 719 4631

Andreas Hedemyr (Stockholm) +46 10 714 3748

Sony investor relations

Gen Tsuchikawa (Tokyo) +81 3 6748 2111

Yas Hasegawa (London) +44 20 7426 8696

Press / Media

Sony Ericsson global communications and PR

Aldo Liguori (London) +44 20 8762 5860

Gustaf Brusewitz (London) +44 7960 58 19 68

This press release contains forward-looking statements that involve inherent risks and uncertainties. Sony Ericsson has 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

Edgar Filing: SONY CORP - Form 6-K

Sony Ericsson
CONSOLIDATED INCOME STATEMENT

EUR million	2009		Jul-Sep 2010		Change		2009		Jan-Sep 2010		Change	
Net sales	1,619		1,603		-1	%	5,038		4,765		-5	%
Cost of sales	-1,367		-1,130		-17	%	-4,441		-3,371		-24	%
Gross profit	252		473		88	%	597		1,394		134	%
Gross margin %	15.5	%	29.5	%	14	%	11.9	%	29.3	%	17	%
Research and development expenses	-260		-191		-27	%	-808		-625		-23	%
Selling and administrative expenses	-205		-228		12	%	-665		-680		2	%
Operating expenses	-465		-420		-10	%	-1,473		-1,305		-11	%
Other operating income, net	21		10		-51	%	39		31		-20	%
Operating income	-193		63				-837		120			
Operating margin %	-11.9	%	4.0	%			-16.6	%	2.5	%		
Financial income	3		7		124	%	18		16		-12	%
Financial expenses	-9		-8		-15	%	-34		-24		-29	%
Income after financial items	-199		62				-853		112			
Taxes	42		-12				200		-21			
Minority interest	-6		-2		-75	%	-16		-8		-48	%
Net income	-164		49				-669		82			
Number of units shipped (million)	14.1		10.4		-26	%	42.5		31.9		-25	%
ASP (EUR)	114		154		34	%	119		150		26	%

EUR million	2009		Jul-Sep 2010		2009		Jan-Sep 2010	
Restructuring charges								
Cost of sales	0		3		-2		34	
Research and development expenses	1		-10		12		-6	
Sales and administrative expenses	1		11		4		12	
Total	2		4		15		39	

Sony Ericsson

CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

EUR million	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Net sales	1,736	1,684	1,619	1,750	1,405	1,757	1,603	
Cost of sales	-1,591	-1,483	-1,367	-1,341	-975	-1,266	-1,130	
Gross profit	145	200	252	409	429	492	473	
Gross margin %	8.4 %	11.9 %	15.5 %	23.4 %	30.6 %	28.0 %	29.5 %	
Research and development expenses	-303	-245	-260	-299	-216	-218	-191	
Selling and administrative expenses	-225	-235	-205	-299	-207	-245	-228	
Operating expenses	-528	-480	-465	-599	-423	-463	-420	
Other operating income, net	13	6	21	8	14	7	10	
Operating income	-369	-274	-193	-181	20	36	63	
Operating margin %	-21.3 %	-16.3 %	-11.9 %	-10.4 %	1.4 %	2.1 %	4.0 %	
Financial income	9	6	3	4	7	2	7	
Financial expenses	-10	-15	-9	-12	-9	-7	-8	
Income after financial items	-370	-283	-199	-190	18	31	62	
Taxes	84	74	42	36	6	-16	-12	
Minority interest	-6	-4	-6	-12	-3	-4	-2	
Net income	-293	-213	-164	-167	21	12	49	
Number of units shipped (million)	14.5	13.8	14.1	14.6	10.5	11.0	10.4	
ASP (EUR)	120	122	114	120	134	160	154	

EUR million	2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Restructuring charges	7	-9	0	41	-2	33	3
Research and development expenses	2	9	1	72	2	1	-10
Sales and administrative expenses	3	1	1	37	3	-2	11
Total	12	1	2	150	3	32	4

Sony Ericsson
CONSOLIDATED BALANCE SHEET

EUR million	Sep 30 2009	Dec 31 2009	Jun 30 2010	Sep 30 2010
ASSETS				
Total fixed and financial assets	757	779	836	813
Current assets				
Inventories	397	358	467	457
Accounts receivable	917	832	1,063	986
Other assets	416	415	412	328
Other short-term cash investments	464	489	477	440
Cash and bank	532	389	562	482
Total current assets	2,726	2,483	2,981	2,692
Total assets				
Total assets	3,482	3,262	3,817	3,505
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Shareholders' equity	532	381	510	480
Minority interest	43	47	66	62
Total equity	575	428	575	541
Liabilities				
Borrowing, Non Current	50	0	101	100
Other long-term liabilities	31	32	40	30
Total long-term liabilities	81	32	141	130
Current liabilities				
Accounts payable	1,019	852	973	922
Borrowing, Current	105	258	329	284
Other current liabilities	1,702	1,692	1,798	1,628
Total current liabilities	2,826	2,802	3,101	2,834
Total shareholders' equity and liabilities				
Total shareholders' equity and liabilities	3,482	3,262	3,817	3,505
Net cash*				
Net cash*	841	620	609	538

* Net cash is defined as cash and bank plus short-term cash investments less interest-bearing liabilities.

Sony Ericsson

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Jul-Sep		Jan-Sep	
	2009	2010	2009	2010
OPERATING				
Net income	-164	49	-669	82
Adjustments to reconcile net income to cash	20	-66	87	-105
	-143	-17	-583	-23
Changes in operating net assets	49	-38	431	-96
Cash flow from operating activities	-94	-54	-152	-119
INVESTING				
Investing activities	-42	2	-74	14
Cash flow from investing activities	-42	2	-74	14
FINANCING				
Financing activities	159	- 32	106	118
Cash flow from financing activities	159	-32	106	118
Net change in cash	22	-85	-120	12
Cash, beginning of period	965	1,039	1,125	878
Translation difference in Cash	9	-33	-9	31
Cash, end of period	996	921	996	921

Sony Ericsson

CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

EUR million	2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
OPERATING							
Net income	-293	-213	-164	-167	21	12	49
Adjustments to reconcile net income to cash	29	37	20	48	-44	4	-66
	-263	-176	-143	-119	-23	16	-17
Changes in operating net assets	321	60	49	-97	-72	13	-38
Cash flow from operating activities	58	-115	-94	-216	-94	29	-54
INVESTING							
Investing activities	-19	-13	-42	-10	27	-15	2
Cash flow from investing activities	-19	-13	-42	-10	27	-15	2
FINANCING							
Financing activities	- 53	0	159	100	150	0	- 32
Cash flow from financing activities	-53	0	159	100	150	0	-32
Net change in cash	-14	-128	22	-126	83	15	-85
Cash, beginning of period	1,125	1,116	965	996	878	980	1,039
Translation difference in Cash	5	-23	9	8	19	45	-33
Cash, end of period	1,116	965	996	878	980	1,039	921

Sony Ericsson

NET SALES BY MARKET AREA BY QUARTER

EUR million

Isolated quarters	2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Europe, Middle East & Africa *	977	927	875	966	711	876	837
Americas	200	195	232	222	201	223	222
Asia	559	562	512	562	493	659	544
Total	1,736	1,684	1,619	1,750	1,405	1,757	1,603
* of which Western Europe	721	678	636	678	525	668	632

Sequential change (%)	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Europe, Middle East & Africa *	-40	% -5	% -6	% 10	% -26	% 23	% -4	%
Americas	-69	% -3	% 19	% -4	% -10	% 11	% 0	%
Asia	-12	% 1	% -9	% 10	% -12	% 34	% -18	%
Total	-40	% -3	% -4	% 8	% -20	% 25	% -9	%
* of which Western Europe	-35	% -6	% -6	% 7	% -23	% 27	% -5	%

Year over year change (%)	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Europe, Middle East & Africa *	-35	% -33	% -39	% -41	% -27	% -5	% -4	%
Americas	-59	% -74	% -67	% -65	% 1	% 14	% -4	%
Asia	-23	% -19	% -25	% -12	% -12	% 17	% 6	%
Total	-36	% -40	% -42	% -40	% -19	% 4	% -1	%
* of which Western Europe	-26	% -25	% -33	% -39	% -27	% -2	% -1	%

Year to date	2009				2010		
	0903	0906	0909	0912	1003	1006	1009
Europe, Middle East & Africa *	977	1,903	2,778	3,744	711	1,587	2,424
Americas	200	395	627	850	201	424	646
Asia	559	1,121	1,633	2,194	493	1,152	1,695
Total	1,736	3,419	5,038	6,788	1,405	3,162	4,765
* of which Western Europe	721	1,400	2,036	2,714	525	1,193	1,825

2009

2010

Edgar Filing: SONY CORP - Form 6-K

YTD year over year change (%)	0903		0906		0909		0912		1003		1006		1009	
Europe, Middle East & Africa *	-35	%	-34	%	-35	%	-37	%	-27	%	-17	%	-13	%
Americas	-59	%	-68	%	-67	%	-67	%	1	%	7	%	3	%
Asia	-23	%	-21	%	-22	%	-20	%	-12	%	3	%	4	%
Total	-36	%	-38	%	-40	%	-40	%	-19	%	-8	%	-5	%
* of which Western Europe	-26	%	-26	%	-28	%	-31	%	-27	%	-15	%	-10	%