

Edgar Filing: SONY CORP - Form 6-K

SONY CORP
Form 6-K
April 23, 2008

Form 6-K

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 April 2008
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)

Edgar Filing: SONY CORP - Form 6-K

By: /s/ Nobuyuki Oneda
(Signature)
Nobuyuki Oneda
Executive Vice President and
Chief Financial Officer

Date: April 23, 2008

List of materials

Documents attached hereto:

i) Press release announcing Sony Ericsson continues to invest for future growth

Sony Ericsson

PRESS RELEASE

April 23, 2008

Sony Ericsson continues to invest for future growth

Q1 Highlights:

- Year-on-year volume growth of 2%
- Income before taxes at higher end of forecast
- R&D investment continues to expand portfolio and addressable market
- New sub-brand XPERIA(TM) added to portfolio

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the first quarter ended March 31, 2008 is as follows:

| | Q1 2007 | Q4 2007 | Q1 2008 |
|-----------------------------------|---------|---------|---------|
| Number of units shipped (million) | 21.8 | 30.8 | 22.3 |
| Sales (Euro m.) | 2,925 | 3,771 | 2,702 |
| Gross margin (%) | 30.3% | 31.8% | 29.2% |
| Operating income (Euro m.) | 346 | 489 | 181 |
| Operating income (%) | 11.8% | 13.0% | 6.7% |
| Income before taxes (Euro m.) | 362 | 501 | 193 |
| Net income (Euro m.) | 254 | 373 | 133 |
| Average sales price (Euro) | 134 | 123 | 121 |

Units shipped in the quarter were 22.3 million, a 2% increase compared to the same period last year and in line with our March 19, 2008 interim announcement of 22 million units. Sales for the quarter were Euro 2,702 million, a decrease of 8% on a year ago due to slowing market growth in mid-to-high end phones in markets where Sony Ericsson has a strong presence. Gross margin was one percentage point lower than Q1 2007, reflecting a less favourable product mix. Income before taxes for the quarter was Euro 193 million, which was at the higher end of the range (Euro 150-200 million) we announced on March 19, 2008. This represented a decrease of 47% compared with a year ago, due to higher R&D investments as a percentage of sales, and reflecting that Q1 2007 was a particularly strong first quarter for the company. Net income for the quarter

Edgar Filing: SONY CORP - Form 6-K

was 48% lower, at Euro 133 million.

"Sony Ericsson continues to invest in expanding its product portfolio to appeal to a wider variety of consumers in both new and existing markets," said Dick Komiyama, President, Sony Ericsson. "Our product announcements during the first quarter have been well received by the industry, and we expect to see a positive effect from these announcements during the second half of 2008."

During the quarter, Sony Ericsson added a new sub-brand to its product portfolio with the announcement of the XPERIA(TM) X1, a high-end multi-media convergence phone based on Windows Mobile(R), which will launch in the second half of the year. In addition, the company announced a number of new phones during the quarter to increase the appeal of its brand to a broader audience. These included new high-end Walkman(R) and HSDPA web phones, such as the W980, W760, Z770 models and also added to its cutting-edge Cyber-shot(TM) range with models such as the C702 and C902.

Average selling price (ASP) decreased both sequentially and year-on-year due to the impact of softer sales of high-to-mid end models in key markets. Market share for the quarter is estimated to be around 8%, down one percentage point sequentially.

Sony Ericsson made a dividend payment of Euro 470 million during the quarter to the parent companies. A second dividend payment will be made this year.

Sony Ericsson forecasts that the global handset market for 2008 will grow at a rate of around 10% from more than 1.1 billion units in 2007. The majority of this growth is expected to be in emerging markets.

XPERIA(TM) is a trademark of Sony Ericsson Mobile Communications

WALKMAN(R) and Cyber-shot(TM) are trademarks or registered trademarks of Sony Corporation

Microsoft and Windows Mobile(R) are trademarks of Microsoft Corporation

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

Additional information:

Net sales by market area by quarter

- ENDS -

Having sold over 100 million phones in 2007, Sony Ericsson is currently one of

Edgar Filing: SONY CORP - Form 6-K

the five largest mobile phone manufacturers in the world. An important industry player operating in over 80 countries, our phones, accessories and PC cards are synonymous with innovation and style. With R&D sites in Europe, Japan, China, India and North America, diversity is one of the core strengths of the company. Sony Ericsson was established as a 50:50 joint venture by Sony and Ericsson in October 2001, with global corporate functions located in London. For more information about Sony Ericsson please visit www.sonyericsson.com

CONTACTS:

Investors / Analysts

Ericsson investor relations

Gary Pinkham (Stockholm) +46 8 719 0858

Sony investor relations

Shinji Tomita (London) +44 20 7444 9713

Tatsuyuki Sonoda (Tokyo) +81 3 6748 2180

Press / Media

Sony Ericsson global communications and PR

Aldo Liguori (London) +44 20 8762 5860

Merran Wrigley (London) +44 20 8762 5862

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.

Sony Ericsson CONSOLIDATED INCOME STATEMENT

| EUR million | Jan-Mar | | |
|-------------------------------------|---------|--------|--------|
| | 2008 | 2007 | Change |
| Net sales | 2,702 | 2,925 | -8% |
| Cost of sales | -1,914 | -2,039 | -6% |
| Gross profit | 788 | 886 | -11% |
| Gross margin % | 29.2% | 30.3% | -1% |
| Research and development expenses | -339 | -261 | 30% |
| Selling and administrative expenses | -270 | -284 | -5% |
| Operating expenses | -610 | -545 | 12% |
| Other operating income, net | 3 | 5 | -36% |
| Operating income | 181 | 346 | -48% |
| Operating margin % | 6.7% | 11.8% | -5% |

Edgar Filing: SONY CORP - Form 6-K

| | | | |
|-----------------------------------|------|------|------|
| Financial income | 22 | 18 | 24% |
| Financial expenses | -10 | -2 | - |
| Income after financial items | 193 | 362 | -47% |
| Taxes | -57 | -100 | -43% |
| Minority interest | -3 | -9 | -63% |
| Net income | 133 | 254 | -48% |
| Number of units shipped (million) | 22.3 | 21.8 | 2% |
| ASP (EUR) | 121 | 134 | -10% |

Sony Ericsson
CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

| EUR million | 2008 | 2007 | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net sales | 2,702 | 3,771 | 3,108 | 3,112 | 2,925 |
| Cost of sales | -1,914 | -2,573 | -2,154 | -2,192 | -2,039 |
| Gross profit | 788 | 1,198 | 954 | 921 | 886 |
| Gross margin % | 29.2% | 31.8% | 30.7% | 29.6% | 30.3% |
| Research and development expenses | -339 | -349 | -280 | -283 | -261 |
| Selling and administrative expenses | -270 | -375 | -280 | -321 | -284 |
| Operating expenses | -610 | -724 | -560 | -604 | -545 |
| Other operating income, net | 3 | 15 | -1 | -2 | 5 |
| Operating income | 181 | 489 | 393 | 315 | 346 |
| Operating margin % | 6.7% | 13.0% | 12.7% | 10.1% | 11.8% |
| Financial income | 22 | 19 | 7 | 18 | 18 |
| Financial expenses | -10 | -7 | -16 | -6 | -2 |
| Income after financial items | 193 | 501 | 384 | 327 | 362 |
| Taxes | -57 | -118 | -109 | -97 | -100 |
| Minority interest | -3 | -10 | -8 | -10 | -9 |
| Net income | 133 | 373 | 267 | 220 | 254 |
| Number of units shipped (million) | 22.3 | 30.8 | 25.9 | 24.9 | 21.8 |
| ASP (EUR) | 121 | 123 | 120 | 125 | 134 |

Sony Ericsson
CONSOLIDATED BALANCE SHEET

Edgar Filing: SONY CORP - Form 6-K

| EUR million | Mar 31 2008 | Dec 31 2007 | Mar 31 2007 |
|--|----------------|----------------|----------------|
| <hr/> | | | |
| ASSETS | | | |
| Total fixed and financial assets | 594 | 572 | 495 |
| Current assets | | | |
| Inventories | 484 | 437 | 498 |
| Accounts receivables | 1,710 | 1,870 | 1,566 |
| Other assets | 369 | 345 | 859 |
| Other short-term cash investments | 1,106 | 1,431 | 1,376 |
| Cash and bank | 605 | 724 | 668 |
| Total current assets | <hr/> 4,274 | <hr/> 4,808 | <hr/> 4,968 |
| Total assets | <hr/> 4,868 | <hr/> 5,380 | <hr/> 5,463 |
| <hr/> | | | |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 1,665 | 2,026 | 2,033 |
| Minority interest | 69 | 64 | 55 |
| Total equity | <hr/> 1,734 | <hr/> 2,090 | <hr/> 2,088 |
| Total long-term liabilities | 25 | 26 | 22 |
| Accounts payable | 1,228 | 1,263 | 1,316 |
| Other current liabilities | 1,880 | 2,001 | 2,037 |
| Total current liabilities | <hr/> 3,108 | <hr/> 3,264 | <hr/> 3,353 |
| Total shareholders' equity and liabilities | <hr/> 4,868 | <hr/> 5,380 | <hr/> 5,463 |
| <hr/> | | | |
| Net cash* | 1,703 | 2,155 | 2,045 |

* 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 | Jan-Mar | |
|-------------|------------|------------|
| | <hr/> 2008 | <hr/> 2007 |
| <hr/> | | |

Edgar Filing: SONY CORP - Form 6-K

| | | |
|---|-------|-------|
| OPERATIONS | | |
| Net income | 133 | 254 |
| Adjustments to reconcile net income to cash | 31 | 28 |
| | <hr/> | <hr/> |
| | 164 | 282 |
| Changes in operating net assets | -101 | -454 |
| | <hr/> | <hr/> |
| Cash flow from operating activities | 64 | -172 |
| INVESTMENTS | | |
| Investing activities | -22 | -53 |
| | <hr/> | <hr/> |
| Cash flow from investing activities | -22 | -53 |
| FINANCING | | |
| Financing activities | -462 | - 1 |
| | <hr/> | <hr/> |
| Cash flow from financing activities | -462 | -1 |
| Net change in cash | -421 | -226 |
| Cash, beginning of period | 2,155 | 2,273 |
| Translation difference in Cash | -24 | -2 |
| | <hr/> | <hr/> |
| Cash, end of period | 1,711 | 2,045 |
| | <hr/> | <hr/> |

Sony Ericsson

CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

| | Jan-Mar | Oct-Dec | Jul-Sep | Apr-Jun | Jan-Mar |
|---|---------|---------|---------|---------|---------|
| EUR million | 2008 | 2007 | 2007 | 2007 | 2007 |
| <hr/> | | | | | |
| OPERATIONS | | | | | |
| Net income | 133 | 373 | 267 | 220 | 254 |
| Adjustments to reconcile net income to cash | 31 | 17 | 32 | 30 | 28 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 164 | 390 | 299 | 250 | 282 |
| Changes in operating net assets | -101 | 44 | 88 | 16 | -454 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Cash flow from operating activities | 64 | 434 | 387 | 266 | -172 |
| INVESTMENTS | | | | | |
| Investing activities | -22 | -27 | -53 | -31 | -53 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Cash flow from investing activities | -22 | -27 | -53 | -31 | -53 |
| FINANCING | | | | | |
| Financing activities | -462 | 0 | -300 | -548 | -1 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Edgar Filing: SONY CORP - Form 6-K

| | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|
| Cash flow from financing activities | -462 | 0 | -300 | -548 | -1 |
| Net change in cash | -421 | 408 | 34 | -312 | -226 |
| Cash, beginning of period | 2,155 | 1,758 | 1,730 | 2,045 | 2,273 |
| Translation difference in Cash | -24 | -10 | -6 | -3 | -2 |
| Cash, end of period | 1,711 | 2,155 | 1,758 | 1,730 | 2,045 |

Sony Ericsson

NET SALES BY MARKET AREA BY QUARTER

EUR million

| | 2008 | | 2007 | | |
|--------------------------------|-------|-------|-------|-------|-------|
| Isolated quarters | Q1 | Q4 | Q3 | Q2 | Q1 |
| Europe, Middle East & Africa * | 1,494 | 2,251 | 1,715 | 1,729 | 1,598 |
| Americas | 486 | 636 | 573 | 499 | 365 |
| Asia | 722 | 884 | 820 | 885 | 961 |
| Total | 2,702 | 3,771 | 3,108 | 3,112 | 2,925 |

* of which Western Europe 979 1,569 1,103 1,102 1,078

| | 2008 | | 2007 | | |
|--------------------------------|------|-----|------|-----|------|
| Sequential change (%) | Q1 | Q4 | Q3 | Q2 | Q1 |
| Europe, Middle East & Africa * | -34% | 31% | -1% | 8% | -26% |
| Americas | -24% | 11% | 15% | 37% | -34% |
| Asia | -18% | 8% | -7% | -8% | -11% |
| Total | -28% | 21% | 0% | 6% | -23% |

* of which Western Europe -38% 42% 0% 2% -27%

| | 2008 | | 2007 | | |
|--------------------------------|------|------|------|-----|-----|
| Year over year change (%) | Q1 | Q4 | Q3 | Q2 | Q1 |
| Europe, Middle East & Africa * | -7% | 5% | 7% | 59% | 55% |
| Americas | 33% | 15% | 37% | 52% | 46% |
| Asia | -25% | -18% | -8% | 4% | 35% |
| Total | -8% | 0% | 7% | 37% | 47% |

* of which Western Europe -9% 6% -1% 47% 60%

| | 2008 | | 2007 | | |
|--------------------------------|-------|--------|-------|-------|-------|
| Year to date | 0803 | 0712 | 0709 | 0706 | 0703 |
| Europe, Middle East & Africa * | 1,494 | 7,293 | 5,042 | 3,328 | 1,598 |
| Americas | 486 | 2,072 | 1,436 | 864 | 365 |
| Asia | 722 | 3,550 | 2,666 | 1,846 | 961 |
| Total | 2,702 | 12,916 | 9,145 | 6,037 | 2,925 |

Edgar Filing: SONY CORP - Form 6-K

| | | | | | |
|--------------------------------|------|-------|-------|-------|-------|
| * of which Western Europe | 979 | 4,852 | 3,283 | 2,179 | 1,078 |
| | 2008 | 2007 | | | |
| YTD year over year change (%) | 0803 | 0712 | 0709 | 0706 | 0703 |
| Europe, Middle East & Africa * | -7% | 24% | 36% | 57% | 55% |
| Americas | 33% | 34% | 44% | 49% | 46% |
| Asia | -25% | 0% | 8% | 18% | 35% |
| Total | -8% | 18% | 27% | 42% | 47% |
| * of which Western Europe | -9% | 21% | 29% | 53% | 60% |