

Edgar Filing: SONY CORP - Form 6-K

SONY CORP
Form 6-K
April 20, 2007

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 2007
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 20, 2007

List of materials

Documents attached hereto:

i) Press release announcing Sony Ericsson Q1 Results

Sony Ericsson

PRESS RELEASE

April 20, 2007

Sony Ericsson starts 2007 with strong first quarter

Q1 Highlights:

- . Year-on-year volume & sales growth of 63% and 47% respectively
- . Income before tax rose 139% year-on-year to EUR362 million
- . W880 further strengthens Walkman(R) phone sales
- . Low and mid-tier products generating market share gains year-on-year

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the first quarter ended March 31, 2007 is as follows:

	Q1 2006	Q4 2006	Q1 2007
Number of Units shipped (million)	13.3	26.0	21.8
Sales (Euro m.)	1,992	3,782	2,925
Gross Margin %	26.3%	29.0%	30.3%
Operating Income (Euro m.)	143	484	346
Operating Margin %	7.2%	12.8%	11.8%
Income Before Taxes (Euro m.)	151	502	362
Net income (Euro m.)	109	447	254
Average Sales Price (Euro)	149	146	134

Beginning this quarter Sony Ericsson is expanding its financial disclosure. More information can be found at the end of this report. This decision was made as a result of the company's continuing growth and in consultation with the parent companies.

Units shipped in the quarter reached 21.8 million, a 63% increase compared to the same period last year, generating significant year-on-year market share gains and continuing the momentum of 2006. Sales for the quarter were Euro 2,925 million, representing a year-on-year increase of 47%. Income before taxes for the quarter was Euro 362 million representing a year-on-year increase of 139%. Net income for the quarter was Euro 254 million. ASP decreased to Euro 134 as we continue to expand our product portfolio successfully with mid-tier and with more competitively priced phones.

"Sony Ericsson has made a very positive start to the year selling 63% more phones in the first quarter than a year ago. The strong sales and solid

Edgar Filing: SONY CORP - Form 6-K

financial performance demonstrate a continuation of the momentum we established last year," said Miles Flint, President of Sony Ericsson. "We have announced a number of exciting new products during the quarter many of which are already shipping and have been well received by consumers. The company continues to develop hit model products with a clear consumer proposition that appeals to operators, and then rapidly ramp-up volume to meet market demand," he added.

Sony Ericsson continued to build on the success of 2006 with strong growth in Asia Pacific, Latin America and Europe. The company captured market share in these markets through low and mid-tier products such as the W300 and W200 Walkman(R) phones and the K310 camera phone without undermining profitability. Margins improved year-on-year despite the increased proportion of mid and low tier products in the line-up illustrating management's focus on controlling cost and maintaining margins while expanding Sony Ericsson's appeal to a wider market.

Sony Ericsson also announced a number of attractive new products during the quarter, including two new Cyber-shot(TM) phones, five additional Walkman(R) models across a variety of price points to further strengthen its unique music offering, and its first HSDPA handset aimed primarily at the North American market.

In February in Japan Sony Ericsson started shipping the S0703i, a mobile phone with selectable Style-Up panels that include a scented sheet to match the panel's design, for NTT DoCoMo, and the W51S, a new clam-shell phone with illuminated icons, for au (KDDI). Both phones were well received by consumers.

During the quarter Sony Ericsson made a number of strategic announcements:

Following the rapid growth in sales in the Asia Pacific region, the company announced plans to start manufacturing phones in India through its global manufacturing partners, Flextronics and Foxconn.

In February Sony Ericsson announced it had completed the acquisition of the Swedish software company UIQ Technology AB, and established a separate holding company, UIQ Holdings, to manage the business.

In March Sony Ericsson signed licensing and development agreements concerning entry-level GSM, GPRS and EDGE mobile phones with Sagem Communication (SAFRAN Group). Through this co-operation, Sony Ericsson will be able to strengthen its position in the entry level area of the market.

Sony Ericsson forecasts that the 2007 global handset market will be above 1.1 billion units. The company believes that in Q1 2007 it grew market share around 2 percentage points compared with the same period last year to over 8%.

Sony Ericsson will make a total payment of Euro 848 million to its parent companies in 2007 in the form of dividends, or both a dividend and a capital redemption.

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

Style-Up is a trademark or a registered trademark of Sony Ericsson Mobile Communications AB.

- ENDS -

EDITOR'S NOTES:

Edgar Filing: SONY CORP - Form 6-K

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

Sony Ericsson Mobile Communications serves the global communications market with innovative and feature-rich mobile phones, accessories and PC-cards. Established as a joint venture by Sony and Ericsson in 2001, with global corporate functions located in London, the company employs over 7,500 people worldwide, including R&D sites in Europe, Japan, China and America. Sony Ericsson celebrated the 5th anniversary of the start of the joint venture on 1st October, 2006.

Sony Ericsson is the global title sponsor of the Women's Tennis Association, and works with the Association to promote the Sony Ericsson WTA Tour in over 80 cities during the year. For more information on Sony Ericsson, please visit www.sonyericsson.com

CONTACTS:

Press/Media

Sony Ericsson Corporate Communications
Aldo Liguori (London) +44 208 762 5860
Merran Wrigley (London) +44 208 762 5862

Investors/Analysts

Ericsson Investor Relations
Gary Pinkham (Stockholm) +46 8 719 0858

Sony Investor Relations

Takao Yuhara (Tokyo) +81 3 6748 2180
Shinji Tomita (London) +44 207 444 9713

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-March		
	2007	2006	Change

Edgar Filing: SONY CORP - Form 6-K

Net sales	2,925	1,992	47%
Cost of sales	-2,039	-1,469	39%
Gross margin	886	524	69%
Gross margin %	30.3%	26.3%	4%
Research and development expenses	-261	-202	29%
Selling and administrative expenses	-284	-186	52%
Operating expenses	-545	-388	40%
Other operating income, net	5	7	-30%
Operating income	346	143	142%
Operating margin %	11.8%	7.2%	5%
Financial income	18	9	109%
Financial expenses	-2	0	-
Income after financial items	362	151	139%
Taxes	-100	-34	193%
Minority interest	-9	-9	2%
Net income	254	109	133%
Number of units shipped (million)	21.8	13.3	63%
ASP (EUR)	134	149	-10%

Sony Ericsson
CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

EUR million	2007		2006		
	Q1	Q4	Q3	Q2	Q1
Net sales	2,925	3,782	2,913	2,272	1,992
Cost of sales	-2,039	-2,686	-1,995	-1,625	-1,469
Gross margin	886	1,096	917	647	524
Gross margin %	30.3%	29.0%	31.5%	28.5%	26.3%
Research and development expenses	-261	-256	-225	-223	-202
Selling and administrative expenses	-284	-367	-287	-246	-186
Operating expenses	-545	-623	-511	-470	-388
Other operating income, net	5	10	21	26	7
Operating income	346	484	427	203	143
Operating margin %	11.8%	12.8%	14.6%	8.9%	7.2%
Financial income	18	19	8	8	9
Financial expenses	-2	0	-1	0	0
Income after financial items	362	502	433	211	151
Taxes	-100	-43	-127	-64	-34

Edgar Filing: SONY CORP - Form 6-K

Minority interest	-9	-12	-8	-5	-9
Net income	254	447	298	143	109
Number of units shipped (million)	21.8	26.0	19.8	15.7	13.3
ASP (EUR)	134	146	147	145	149

Sony Ericsson
CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2007	Dec 31 2006	Sept 30 2006	Jun 30 2006	Mar 31 2006	Dec 31 2005
ASSETS						
Total fixed and financial assets	495	469	316	311	306	274
Current assets						
Inventories	498	437	578	318	277	306
Accounts receivable	1,566	1,653	1,347	1,101	908	852
Other assets	859	310	249	196	200	178
Other short-term cash investments	1,376	1,580	1,098	897	861	900
Cash and bank	668	693	763	698	568	637
Total current assets	4,968	4,673	4,035	3,210	2,813	2,873
Total assets	5,463	5,141	4,351	3,521	3,119	3,147

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	2,033	1,781	1,353	1,048	921	1,070
Minority interest	55	45	37	59	59	46
Total equity	2,088	1,826	1,391	1,106	980	1,116
Total long-term liabilities	22	20	17	17	17	19
Accounts payable	1,316	1,276	1,118	954	799	807
Other current liabilities	2,037	2,019	1,825	1,444	1,323	1,204
Total current liabilities	3,353	3,296	2,944	2,398	2,122	2,011
Total shareholders' equity and liabilities	5,463	5,141	4,351	3,521	3,119	3,147
Net cash*	2,045	2,272	1,795	1,556	1,417	1,530

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

Edgar Filing: SONY CORP - Form 6-K

Sony Ericsson
CONSOLIDATED STATEMENT OF CASH FLOWS

	Jan-Mar	
EUR million	2007	2006
OPERATIONS		
Net income	254	109
Adjustments to reconcile net income to cash	24	20
	278	129
Changes in operating net assets *	-454	53
Cash flow from operating activities	-176	182
INVESTMENTS		
Investing activities	-49	-43
Cash flow from investing activities	-49	-43
FINANCING		
Financing activities	- 1	- 236
Cash flow from financing activities	-1	-236
Net change in cash	-226	-97
Cash, beginning of period	2,273	1,537
Translation difference in Cash	-2	-12
Cash, end of period	2,045	1,428

* Includes an advanced payment to Ericsson for an amount equivalent to Ericsson's share of the dividend/redemption.

Sony Ericsson
CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
EUR million	2007	2006	2006	2006	2006
OPERATIONS					
Net income	254	447	298	143	109
Adjustments to reconcile net income to cash	24	23	20	22	20
	278	470	318	165	129
Changes in operating net assets	-454	50	-21	18	53
Cash flow from operating activities	-176	520	297	183	182
INVESTMENTS					
Investing activities	-49	-26	-36	-29	-43

Edgar Filing: SONY CORP - Form 6-K

Cash flow from investing activities	-49	-26	-36	-29	-43
FINANCING					
Financing activities	- 1	- 66	- 2	26	-236
Cash flow from financing activities	-1	-66	-2	26	-236
Net change in cash	-226	428	259	180	-97
Cash, beginning of period	2,273	1,861	1,595	1,428	1,537
Translation difference in Cash	-2	-16	7	-13	-12
Cash, end of period	2,045	2,273	1,861	1,595	1,428

Sony Ericsson
NET SALES BY MARKET AREA BY QUARTER

EUR million

	2007		2006		
Isolated quarters	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	1,598	2,145	1,600	1,090	1,029
Americas	365	555	417	328	250
Asia	961	1,082	896	853	713
Total	2,925	3,782	2,913	2,272	1,992
* of which Western Europe	1,078	1,478	1,115	748	674
	2007		2006		
Sequential change (%)	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	-26%	34%	47%	6%	-27%
Americas	-34%	33%	27%	31%	-19%
Asia	-11%	21%	5%	20%	20%
Total	-23%	30%	28%	14%	-14%
* of which Western Europe	-27%	33%	49%	11%	-35%
	2007		2006		
Year over year change (%)	Q1	Q4	Q3	Q2	Q1
Europe, Middle East & Africa *	55%	52%	35%	43%	71%
Americas	46%	79%	77%	53%	53%
Asia	35%	83%	42%	33%	36%
Total	47%	64%	42%	41%	55%
* of which Western Europe	60%	45%	33%	42%	84%
	2007		2006		
Year to date	0703	0612	0609	0606	0603

Edgar Filing: SONY CORP - Form 6-K

Europe, Middle East & Africa *	1,598	5,865	3,720	2,120	1,029
Americas	365	1,550	995	578	250
Asia	961	3,544	2,462	1,566	713
Total	2,925	10,959	7,177	4,264	1,992
* of which Western Europe	1,078	4,014	2,537	1,422	674
	2007			2006	
YTD year over year change (%)	0703	0612	0609	0606	0603
Europe, Middle East & Africa *	55%	48%	46%	56%	71%
Americas	46%	68%	62%	53%	53%
Asia	35%	48%	37%	35%	36%
Total	47%	51%	45%	47%	55%
* of which Western Europe	60%	46%	46%	59%	84%