

SONY CORP
Form 6-K
July 16, 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 July 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: July 16, 2010

List of materials

Documents attached hereto:

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

PRESS RELEASE

July 16, 2010

Sony Ericsson reports second quarter 2010 results

Q2 Highlights:

- Income before taxes excl. restructuring charges increases to Euro 63 million
 - Positive cash flow generated from operating activities
 - ASP rises to Euro 160

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

| | Q2 2009 | Q1 2010 | Q2 2010 |
|--|---------|---------|---------|
| Number of units shipped (million) | 13.8 | 10.5 | 11.0 |
| Sales (Euro m.) | 1,684 | 1,405 | 1,757 |
| Gross margin (%) | 12 % | 31 % | 28 % |
| Operating income (Euro m.) | -274 | 20 | 36 |
| Operating margin (%) | -16 % | 1 % | 2 % |
| Restructuring charges (Euro m.) | 1 | 3 | 32 |
| Operating income excl. restructuring charges (Euro m.) | -274 | 23 | 68 |
| Operating margin excl. restructuring charges (%) | -16 % | 2 % | 4 % |
| Income before taxes (IBT) (Euro m.) | -283 | 18 | 31 |
| IBT excl. restructuring charges (Euro m.) | -283 | 21 | 63 |
| Net income (Euro m.) | -213 | 21 | 12 |
| Average selling price (Euro) | 122 | 134 | 160 |

Bert Nordberg, President, Sony Ericsson commented, "Our second quarter results show that the company continued the momentum seen in the first quarter as a result of our focus on the value market and the success of new smartphones; Xperia™ X10 and Vivaz™, launched during the first quarter. These models, along with the Xperia™ X10 mini and Xperia™ X10 mini pro which started shipping at the end of the second quarter, have been well received by operators and we are now well positioned for long term growth."

Sales for the quarter were Euro 1,757 million, a 25% increase sequentially and a 4% increase year-on-year. Units shipped in the quarter were 11 million, a 5% increase sequentially and a 20% decrease year-on-year due to the reduction in size of the product portfolio. Average selling price (ASP) increased 19% sequentially and 31% year-on-year to Euro 160 during the quarter due to improved product and geographical mix, as well as positive currency effects.

Income before taxes for the quarter excluding restructuring charges was a profit of Euro 63 million, illustrating the positive impact of the cost reduction programme and favourable product mix.

The transformation programme, which started in mid-2008 is now in its final stages and on target to reduce annual operating expenses by Euro 880 million by the end of the year. Since the start of the program Sony Ericsson has reduced its global workforce by approximately 4,000 people to reach a total workforce of approximately 7,800 by

June 30, 2010. The total restructuring charges taken to date for the programme are Euro 374 million.

As of June 30, 2010 Sony Ericsson retained a net cash position of Euro 609 million, an increase of Euro 46 million sequentially mainly due to operating results, tight financial management of working capital, as well as positive currency effects.

Market share in unit base for the quarter remained flat and is estimated to be around 4%.

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.

Vivaz™ and XPERIA™ are trademarks of Sony Ericsson Mobile Communications AB.

Sony is a registered trademark of Sony Corporation. Ericsson is a registered trademark of Telefonaktiebolaget LM Ericsson.

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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

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 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 -

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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

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Sony Ericsson
CONSOLIDATED INCOME STATEMENT

| EUR million | Apr-Jun | | | Jan-Jun | | | |
|-------------------------------------|---------|--------|--------|----------|--------|--------|---|
| | 2009 | 2010 | Change | 2009 | 2010 | Change | |
| Net sales | 1,684 | 1,757 | 4 | % 3,419 | 3,162 | -8 | % |
| Cost of sales | -1,483 | -1,266 | -15 | % -3,074 | -2,241 | -27 | % |
| Gross profit | 200 | 492 | 146 | % 346 | 921 | 167 | % |
| Gross margin % | 11.9 | % 28.0 | % | 10.1 | % 29.1 | % | |
| Research and development expenses | -245 | -218 | -11 | % -548 | -434 | -21 | % |
| Selling and administrative expenses | -235 | -245 | 4 | % -460 | -452 | -2 | % |
| Operating expenses | -480 | -463 | -4 | % -1,008 | -886 | -12 | % |
| Other operating income, net | 6 | 7 | 25 | % 19 | 21 | 14 | % |
| Operating income | -274 | 36 | - | -644 | 57 | - | |
| Operating margin % | -16.3 | % 2.1 | % | -18.8 | % 1.8 | % | |
| Financial income | 6 | 2 | -60 | % 15 | 9 | -40 | % |
| Financial expenses | -15 | -7 | -51 | % -25 | -16 | -35 | % |
| Income after financial items | -283 | 31 | - | -653 | 50 | - | |
| Taxes | 74 | -16 | - | 158 | -10 | - | |
| Minority interest | -4 | -4 | -2 | % -10 | -7 | -32 | % |
| Net income | -213 | 12 | - | -505 | 33 | - | |
| Number of units shipped (million) | 13.8 | 11.0 | -20 | % 28.3 | 21.5 | -24 | % |
| ASP (EUR) | 122 | 160 | 31 | % 121 | 147 | 22 | % |

| EUR Million | Apr-Jun | | Jan-Jun | |
|-----------------------------------|---------|------|---------|------|
| | 2009 | 2010 | 2009 | 2010 |
| Restructuring charges | | | | |
| Cost of sales | -9 | 33 | -2 | 31 |
| Research and development expenses | 9 | 1 | 11 | 3 |
| Sales and administrative expenses | 1 | -2 | 4 | 1 |
| Total | 1 | 32 | 13 | 35 |

Sony Ericsson

CONSOLIDATED INCOME STATEMENT - ISOLATED QUARTERS

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

| EUR Million | 2009 | | | | 2010 | |
|-----------------------------------|------|----|----|-----|------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Restructuring charges | | | | | | |
| Cost of sales | 7 | -9 | 0 | 41 | -2 | 33 |
| Research and development expenses | 2 | 9 | 1 | 72 | 2 | 1 |
| Sales and administrative expenses | 3 | 1 | 1 | 37 | 3 | -2 |
| Total | 12 | 1 | 2 | 150 | 3 | 32 |

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CONSOLIDATED BALANCE SHEET

| EUR million | Jun 30 2009 | Dec 31 2009 | Mar 31 2010 | Jun 30 2010 |
|---|----------------|----------------|----------------|----------------|
| ASSETS | | | | |
| Total fixed and financial assets | 736 | 779 | 791 | 836 |
| Current assets | | | | |
| Inventories | 404 | 358 | 384 | 467 |
| Accounts receivable | 936 | 832 | 849 | 1,063 |
| Other assets | 379 | 415 | 369 | 412 |
| Other short-term cash investments | 456 | 489 | 537 | 477 |
| Cash and bank | 509 | 389 | 443 | 562 |
| Total current assets | 2,685 | 2,483 | 2,582 | 2,981 |
| Total assets | | | | |
| Total assets | 3,421 | 3,262 | 3,373 | 3,817 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | | | | |
| Shareholders' equity | 694 | 381 | 438 | 510 |
| Minority interest | 66 | 47 | 54 | 66 |
| Total equity | 760 | 428 | 492 | 575 |
| Liabilities | | | | |
| Borrowing, Non Current | 0 | 0 | 100 | 101 |
| Other long-term liabilities | 30 | 32 | 37 | 40 |
| Total long-term liabilities | 30 | 32 | 137 | 141 |
| Current liabilities | | | | |
| Accounts payable | 848 | 852 | 829 | 973 |
| Borrowing, Current | 0 | 258 | 316 | 329 |
| Other current liabilities | 1,782 | 1,692 | 1,599 | 1,798 |
| Total current liabilities | 2,630 | 2,802 | 2,744 | 3,101 |
| Total shareholders' equity and liabilities | | | | |
| Total shareholders' equity and liabilities | 3,421 | 3,262 | 3,373 | 3,817 |
| Net cash* | | | | |
| Net cash* | 965 | 620 | 563 | 609 |

* 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 | Apr-Jun | | Jan-Jun | |
|---|---------|-------|---------|-------|
| | 2009 | 2010 | 2009 | 2010 |
| OPERATIONS | | | | |
| Net income | -213 | 12 | -505 | 33 |
| Adjustments to reconcile net income to cash | 37 | 4 | 66 | -40 |
| | -176 | 16 | -439 | -6 |
| Changes in operating net assets | 60 | 13 | 382 | -58 |
| Cash flow from operating activities | -115 | 29 | -57 | -65 |
| INVESTMENTS | | | | |
| Investing activities | -13 | -15 | -32 | 12 |
| Cash flow from investing activities | -13 | -15 | -32 | 12 |
| FINANCING | | | | |
| Financing activities | 0 | 0 | - 53 | 150 |
| Cash flow from financing activities | 0 | 0 | -53 | 150 |
| Net change in cash | -128 | 15 | -142 | 97 |
| Cash, beginning of period | 1,116 | 980 | 1,125 | 878 |
| Translation difference in Cash | -23 | 45 | -18 | 64 |
| Cash, end of period | 965 | 1,039 | 965 | 1,039 |

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CONSOLIDATED STATEMENT OF CASH FLOWS - ISOLATED QUARTERS

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

Sony Ericsson

NET SALES BY MARKET AREA BY QUARTER

EUR million

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

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

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

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

| YTD year over year change (%) | 2009 | | | | 2010 | | | | | | | |
|--------------------------------|------|------|------|------|------|------|------|------|-----|---|-----|---|
| | 0903 | 0906 | 0909 | 0912 | 1003 | 1006 | 1009 | 1012 | | | | |
| Europe, Middle East & Africa * | -35 | % | -34 | % | -35 | % | -37 | % | -27 | % | -17 | % |

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| | | | | | | | | | | | | |
|---------------------------|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|
| Americas | -59 | % | -68 | % | -67 | % | -67 | % | 1 | % | 7 | % |
| Asia | -23 | % | -21 | % | -22 | % | -20 | % | -12 | % | 3 | % |
| Total | -36 | % | -38 | % | -40 | % | -40 | % | -19 | % | -8 | % |
| * of which Western Europe | -26 | % | -26 | % | -28 | % | -31 | % | -27 | % | -15 | % |