

SONY CORP  
Form 6-K  
January 20, 2011

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 January 2011  
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: January 20, 2011

List of materials

Documents attached hereto:

- i) Press release announcing Sony Ericsson reports fourth quarter and full year 2010 results
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PRESS RELEASE

January 20, 2011

Sony Ericsson reports fourth quarter and full year 2010 results

Highlights:

- Four consecutive quarters of profitability during 2010
- Improvement of Euro 1.1 billion of income before taxes, excluding restructuring charges, for the full year
- Over 9 million Android-based Xperia™ phones shipped since launch

The consolidated financial summary for Sony Ericsson Mobile Communications AB (Sony Ericsson) for the fourth quarter and full year ended December 31, 2010 is as follows:

	Q4 2009	Q3 2010	Q4 2010	FY 2009	FY 2010	
Number of units shipped (million)	14.6	10.4	11.2	57.1	43.1	
Sales (Euro m.)	1,750	1,603	1,528	6,788	6,294	
Gross margin (%)	23	% 30	% 30	% 15	% 29	%
Operating income (Euro m.)	-181	63	39	-1,018	159	
Operating margin (%)	-10	% 4	% 3	% -15	% 3	%
Restructuring charges (Euro m.)	-150	-4	-3	-164	-42	
Operating income excl. restructuring charges (Euro m.)	-32	67	43	-854	202	
Operating margin excl. restructuring charges (%)	-2	% 4	% 3	% -13	% 3	%
Income before taxes (IBT) (Euro m.)	-190	62	35	-1,043	147	
IBT excl. restructuring charges (Euro m.)	-40	66	39	-878	189	
Net income (Euro m.)	-167	49	8	-836	90	
Average selling price (Euro)	120	154	136	119	146	

Bert Nordberg, President & CEO of Sony Ericsson commented, “2010 was a turnaround year for Sony Ericsson. Our four consecutive quarters of profit reflect the success of our shift towards an Android-based smartphone portfolio. We will celebrate the 10th anniversary of the creation of Sony Ericsson in 2011, and as shown by the recently announced Xperia™ arc, we will continue to focus on delivering the most entertaining smartphones worldwide.”

Income before taxes, excluding restructuring charges, was Euro 189 million for the full year 2010, compared with a loss of Euro 878 million in 2009. The improvement of approximately Euro 1.1 billion was driven by the success of a streamlined product portfolio focused on higher-end smartphones and an improved cost structure. Sales for the full year 2010 were Euro 6,294 million, a decrease of 7% from 2009, while gross margin improved from 15% in 2009 to 29%, in 2010.

During 2010 Sony Ericsson completed its company-wide transformation programme, improving its cost of sales ratio, reducing its global workforce by approximately 4,000 people in total, consolidating its facilities worldwide and decreasing annual operating expenses by more than Euro 880 million. The total restructuring charges for the

transformation programme were Euro 381 million.

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Units shipped during the fourth quarter were 11.2 million, a year-on-year decrease of 23%, consistent with the streamlining of the portfolio to focus on higher-end smartphones. The sequential increase of 8%, related to seasonal factors, was somewhat constrained by a lack of new product launches during the quarter. Average selling price (ASP) for the quarter was Euro 136, a 13% increase year-on-year. ASP decreased 12% sequentially, mainly due to price erosion, foreign exchange and product mix. Sales for the quarter were Euro 1,528 million, a decrease of 13% year-on-year and a decrease of 5% sequentially.

The gross margin for the fourth quarter was 30%, an increase of 7 percentage points year-on-year and essentially flat sequentially, including the benefit of some one-time items, relating to certain royalty matters and warranty estimates.

Income before taxes for the fourth quarter, excluding restructuring charges, was a profit of Euro 39 million, an increase of Euro 79 million year-on-year and a decrease of Euro 27 million sequentially, mainly due to lower sales.

Sony Ericsson's net cash position as of December 31, 2010 was Euro 375 million. The negative cash flow from operating activities for the quarter was Euro 128 million, mainly due to increases in inventory due to seasonal factors as well as payments related to the transformation programme.

During the quarter term loan facilities of Euro 150 million matured and were repaid in full.

Sony Ericsson estimates that the global handset market for the full year 2010 increased slightly in volume to almost 1.2 billion units. The company estimates that the global handset market for the fourth quarter was essentially flat year-on-year and its market share for the fourth quarter was approximately 3% in units and approximately 5% in value. Sony Ericsson estimates that its market share for the full year 2010 was approximately 4% in units and approximately 6% in value.

Sony Ericsson forecasts modest growth in units in the global handset market for 2011.

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:

- 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](http://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	2009		Oct-Dec 2010		Change		2009		Jan-Dec 2010		Change	
Net sales	1,750		1,528		-13	%	6,788		6,294		-7	%
Cost of sales	-1,341		-1,069		-20	%	-5,782		-4,440		-23	%
Gross profit	409		459		12	%	1,006		1,853		84	%
Gross margin %	23	%	30	%	7	%	15	%	29	%	14	%
Research and development expenses	-299		-214		-28	%	-1,108		-840		-24	%
Selling and administrative expenses	-299		-212		-29	%	-964		-893		-7	%
Operating expenses	-599		-427		-29	%	-2,072		-1,732		-16	%
Other operating income, net	8		7		-13	%	48		38		-21	%
Operating income	-181		39				-1,018		159			
Operating margin %	-10	%	3	%			-15	%	3	%		
Financial income	4		2		-50	%	21		18		-14	%
Financial expenses	-12		-6		-50	%	-46		-30			