

Playstation, TVs boost Sony to \$294 million profit

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Sony bounced back to profit last quarter and raised its full-year earnings forecast, fueled by stronger demand for its PlayStation 3 gaming consoles, personal computers and televisions.

The Tokyo-based electronics and entertainment giant said Thursday it booked a net profit of 25.7 billion yen — or \$294 million at current exchange rates — for the April-June quarter. That was a sharp turnaround from a 37.1 billion yen loss a year earlier. Revenue grew 3.8 percent to 1.66 trillion yen.

Healthier performance by its mainstay electronics business stemmed mainly from consumers in emerging markets such as Asia and South America, which offset weakness in Japan and the United States. Sony's business was strong enough to weather a stronger yen — which can make its products less competitive in overseas markets — and weakness in its financial services division.

Sony's entertainment arm posted solid results despite lower movie revenue. Sony blamed the decline on the absence of megahits like last year's "Angels & Demons" and "Terminator Salvation."

Music sales rose, however, thanks to popular titles such as AC/DC's soundtrack to "Iron Man 2" and music from the hit TV show "Glee."

Since taking over in 2005, Chief Executive Howard Stringer has been trying to unite the company's sprawling businesses, improve efficiency and rein in costs. Sony cut costs by more than 330 billion yen last year, while procurement costs declined by almost one-fifth.

The company is now rolling out new products. The maker of Bravia liquid crystal display TVs launched sales of its 3-D models last month. In May, the company partnered with Google Inc., Intel Corp. and Logitech International to offer Internet TVs.

Although Sony needs to continue restructuring, the seeds of growth planted last year are beginning to sprout, said Masaru Kato, Sony's new chief financial officer.

"We do have good products and good momentum, and we want to build on this so that our business keeps improving," Kato said at a briefing for analysts.

It sold 5.1 million LCD TVs during the quarter, up 59 percent from last year. PlayStation 3 sales more than doubled to 2.4 million units.

Sony upgraded its forecast for the full year through March 2011 even as it expects the yen to keep appreciating. It now expects a net profit of 60 billion yen, up from

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its previous estimate of 50 billion yen. It kept its revenue projection unchanged at 7.6 trillion yen.

During the three months through June 30, the Japanese currency averaged 91 yen to the dollar and 115.5 yen to the euro, higher than the previous year, Sony said. Operating profit took a 13.8 billion yen hit as a result.

Operating profit — seen as an indicator of actual business performance — for the quarter was 67 billion yen compared with an operating loss of 25.7 billion yen in the same period last year.

In trading Thursday, Sony shares inched up 0.1 percent to 2,611 yen on the Tokyo Stock Exchange. It released earnings after the market closed.

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