Sony (Technically) Out of the Red

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Fiscal 2012 sees Sony posting the 1st annual profit in 5 years-- even if said return to black is less the result of CE sales and more of property sales, belt-tightening measures and a weak yen.

Thus in the year ending 31 March 2013 the company makes net profits worth $436 million from $68.4 billion in sales (with 4.7% growth), a contrast from the $4.6 billion losses seen in 2011.

“We set out this year with the aim of doing everything we can to get back in the black,” Sony CFO Masaru Kato says. “This year, we absolutely intend to make a profit in electronics.”

The escape from the red is due to various streamlining efforts, such as the dissolving of flat-panel TV making ventures with Sharp and Samsung, the dropping of its chemical product business and various asset sales (including the company's New York U.S. HQ) worth nearly $2.5bn.

In the meantime the core Sony electronics business continues to struggle, just like the rest of the once mighty Japanese CE industry-- Sony TV sales fall (the 8th consecutive time) by -30.8% with operating losses reaching $740m, while overall Home Entertainment & Sound (HE&S) division sales drop by -22.5% to $10.5bn.

The games division (covering Playstation 3, Vita and PSP hardware and software) also sees a decline, with sales dropping by -12.2% to $7.5bn.

Sony sees a bright spot in its entertainment businesses, particularly thanks to blockbusters such as the latest James Bond and Spider-Man films-- but still fails to leverage on on its vast entertainment catalog to sell more CE. Will it manage to do so during 2013, one wonders? For the future Sony does hope to do better, with fiscal 2013 growth projections of 16% (reaching $505m) through Playstation 4 console and bolstered smartphone portfolio sales.

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