

Sony Drops Forecasts, Blames Movies

Written by Marco Attard
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Sony slashes its full-year net profit forecast for fiscal 2013 by -40% to around \$300 million (30 billion yen) despite growing smartphone sales and a weak yen, taking hits from ailing CE sales and under-performing movies.



As a result Sony is back in the red, with Q2 2013 net losses worth \$197 million from operating profits reaching \$151 million. The company blames such losses on weak box office returns suffered by White House Down, as well as the lack of a strong blockbuster such as 2012's The Amazing Spider-Man.

The former giant also sees losses in CE-- despite growing TV sales (by 18.7% Y-o-Y) and cost reduction measures the Sony Home Entertainment & Sound division still faces losses reaching \$123m following restructuring charges and TV cost reductions.

Camera sales drop by -6.9% Y-o-Y due to the continuing video camera and point-and-shoot declines, while the gaming segment makes \$8 million in losses ahead of the PlayStation 4 launch. Sony remains bullish when it comes to the new console, though, and hopes the PS4 will "contribute to profitability from an early stage" with sales reaching 5m units by March 2013.

The one bright spot in the Sony balance sheet is smartphones-- mobile products & communications sales reach \$4.27 billion with 39.3% Y-o-Y growth.

Will Sony get to see the turnaround promised by CEO Kaz Hirai back when he first took helm of the company? Some analysts recommend Sony should do like Panasonic and drop CE entirely,

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while our friends at rAVe USA believe [Apple should buy Sony outright](#) . Either way the company needs to climb out of the red before it's too late.

Go [Sony Fiscal Q2 2013 Results](#)