

# Philips to place its semiconductor business in a separate legal structure

December 15 2005

---

Royal Philips Electronics today announced it will start the process to create a separate legal structure for its Semiconductors business, giving Philips flexibility to pursue strategic options for further strengthening the longer-term performance of these activities.

In early 2005 Philips introduced a Business Renewal program to improve the Semiconductor division's competitiveness and bring profitability through the cycle to between 5 and 15%, as well as to increase market share in the Semiconductors division's four core businesses of Mobile & Personal, Home, Automotive & identification, and Multi Market Semiconductors.

"While we are pleased with the progress of the Business Renewal Program, we see opportunities to further strengthen the activities and maximize shareholder value, with the step we announced today, in an industry where scale matters," Gerard Kleisterlee, President and CEO of Royal Philips Electronics, stated.

"This move will lead to increased flexibility for our Semiconductor business to invest, grow and build scale in the competitive semiconductor market, while continuing to leverage the strengths of Philips overall. This is good news for our customers and employees," said Frans van Houten, CEO of Philips Semiconductors.

Citation: Philips to place its semiconductor business in a separate legal structure (2005, December 15) retrieved 27 April 2024 from <https://phys.org/news/2005-12-philips-semiconductor-business-legal.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.