

# Philips first-quarter net income down

April 18 2011

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Dutch electronics giant Philips said Monday that first-quarter net income had fallen 31.3 percent and announced a joint venture with Hong Kong-based TPV for its flagging television business.

Net income declined to 138 million euros (\$198 million), which was lower than forecast by analysts who spoke earlier to Dow Jones Newswires.

"Finding a solution for our television business was top priority and we strongly believe that the intended 30 percent/70 percent joint venture with TPV that was announced today will enable a return to profitability for the television business," CEO Frans van Houten said.

The joint venture would be operational by the end of the year, a statement said, adding that [Philips](#) would hold a 30 percent stake.

Television sets produced can bear the Philips brand name for at least five years, and the company will receive royalties.

Van Houten warned of a tough year ahead, saying: "We expect headwinds in 2011 due to the Japan tragedy, impacting our revenue and supply chain."

Philips, a manufacturer of medical equipment, televisions and lighting systems, employs about 119,000 people in more than 60 countries.

In January the electronics giant reported a more than three-fold rise in

net overall income for 2010 due to increased emerging market sales.

Net profit for the year was 1.45 billion euros (\$1.96 billion), up from 410 million euros in 2009.

However Philips warned then that consumer sentiment in mature markets remains subdued, pointing in particular to the television market.

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