

Siemens abandons profit target after weak second quarter

April 25 2012

German engineering and technology giant Siemens warned Wednesday that full-year profits would fall short of original targets following a difficult second quarter.

"Challenges, mostly in our power transmission business, impact the level of income from continuing operations we originally expected to achieve in fiscal 2012 -- 6.0 billion euros (\$7.9 billion) -- by an estimated 600-800 million euros," Siemens said in a statement.

The group, which runs its business year from October to September, said [net profit](#) slumped by 64 percent to 1.015 billion euros in the second quarter, owing to charges in its power transmission business and restructuring at its [joint venture](#) with Nokia.

"As expected, the second quarter was not easy," said chief executive Peter Loescher.

"Profit for the quarter was below our [expectation](#) due to charges at power transmission projects in Germany. We are addressing the problems systematically."

At the level of sales and orders, "while we achieved clear growth in revenue, orders came in below the prior year due to lower volume from large orders," the chief executive said.

[Second-quarter](#) revenues rose by 9.0 percent to 19.297 billion euros,

while new orders slumped by 13 percent to 17.88 billion euros.

But even if Siemens was not expecting to achieve its full-year earnings targets, "for fiscal 2012, we are on course to achieve our goals for revenue and orders," Loescher insisted.

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Citation: Siemens abandons profit target after weak second quarter (2012, April 25) retrieved 27 April 2024 from <https://phys.org/news/2012-04-siemens-abandons-profit-weak-quarter.html>

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