

# Philips Q3 earnings rise, growth economies help

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In this Wednesday, Sept. 1, 2010 file photo, a man walks in front of Philips television screens in Berlin, Germany. Royal Philips Electronics NV, the maker of electric shavers, light bulbs and medical imaging equipment, announced Monday, Oct. 22, 2012, that earnings more than doubled in the third quarter, thanks to modest growth at all its business lines as well as the disposal of its loss-making television business. (AP Photo/Gero Breloer, File)

Royal Philips Electronics NV, the maker of electric shavers, light bulbs and medical imaging equipment, saw earnings more than double in the third quarter, thanks to modest growth at all its business lines as well as the disposal of its loss-making television business.

Net profit rose to €169 million (\$220 million) from €74 million in the same period a year ago, when Philips booked a €54 million loss on televisions. Sales rose 3.4 percent to €6.13 billion.

Philips shares rose 2.7 percent to €19.52 in early trading Monday.

Despite the upbeat trading performance, Philips CEO Frans van Houten said the company is facing stiff "headwinds" with its biggest market, Europe, in decline, China growing more slowly, and with the U.S. market showing "more and more uncertainty related to elections and the so-called 'fiscal cliff'."

Van Houten said the company's best-selling new products include a line of home cookers endorsed by [celebrity chef](#) Jamie Oliver—the first of a product line they plan to introduce together; docking stations for Apple and Android smartphones; and a combination shaver/beard trimmer/hair-clipper "targeting young guys, to make sure they convert to electric rather than wet shaving."

He said LED lighting sales were up 50 percent year on year, with projects to illuminate the San Francisco Bay Bridge, among others. Nearly a quarter of the lights Philips sells are now LEDs.

Because of the transition to LEDs, Van Houten said the company, which is the world's largest lighting maker by sales, will have to get rid of some plants that make traditional bulbs.

Philips has previously announced it plans to take around €300 million in restructuring charges in the fourth quarter.

Philips' performance differed strongly by geography. In mature economies, sales of consumer products and lighting sales dipped, but sales of medical imaging machines grew. In developing economies [sales](#) were up 10 percent in all categories.

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