

# Philips profits down in Q1 while LED sales jump

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Dutch electronics giant Philips announced Thursday first quarter profits that were down 12 percent from the same period a year earlier, and confirmed that it expected only "modest" growth in the first half of 2013.

Despite the drop in net profit to 162 million euros (212 million dollars), sales of energy-efficient [LED lighting](#) jumped 38 percent, and now account for 23 percent of total lighting sales.

The first-quarter figure was also slightly higher than predicted by analysts interviewed by [Dow Jones](#) Newswires.

Sales stood at 5.26 billion euros, down one percent from the first quarter of 2012 because of negative exchange rates, the company said in a statement.

"We reiterate our view of a slow first half to 2013, due to adverse [market trends](#), especially in Europe and the US," chief executive Frans van Houten was quoted as saying.

Philips said that after undertaking a cost and job reduction programme it had now 116,000 employees, around 3,800 less than a year earlier.

The company wants to shed 6,700 jobs in total.

Meanwhile, core earnings before interest, tax and amortisation (Ebita)

stood at 402 million euros, or 7.6 percent of sales.

Excluding restructuring and acquisition costs, that figure rises to 421 million euros, up 31 percent compared with the same period last year.

Turnover in mature markets such as Europe and the United States, which account for over 65 percent of sales, was down one percent, but it rose by four percent in developing markets.

In January, Philips announced the sale of its entertainment business to long-term partner Funai, to focus further on health products.

The company has been historically known for its televisions, small appliances and [light bulbs](#), but has sought over the last decade to develop activities in the medical equipment and lifestyle sector.

In April last year the company sold its troubled television branch to TPV Technology.

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