

Philips profits plunge 32.9% in second quarter

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Dutch electronics giant Philips Monday posted a 32.9 percent fall in second quarter profits, hit mainly by the costs of spinning off its lighting business last year.

Net income dropped to 289 million euros from 431 million euros over the same period in 2016 "due to lower income from discontinued operations, and higher structuring and acquisition-related charges," the Amsterdam-based [company](#) said.

But sales grew some 4.0 percent to 4.3 billion euros, with chief executive officer Frans Van Houten saying "performance in the second quarter of 2017 was solid".

He reported "a strong order book" and said "despite continued volatility" in the markets "our outlook for 2017 remains unchanged as we expect further operational improvements".

Second quarter profits in 2016 had also been boosted by 144 million euros won in an international arbitration in the wake of a botched deal to sell its entertainment arm to Japan's Funai electronics company.

Philips, which sold its first lightbulb a few years after it was founded in 1891, listed its Philips Lighting division at the end of May 2016, netting proceeds of 750 million euros. It has now reduced its stake in Philips Lighting to 41.16%.

The company was once best known for the manufacture of lightbulbs, electrical appliances and television sets.

But it pulled out of these activities in face of fierce competition from Asia to focus on health technology such as computer tomography, and diagnostic and molecular imaging.

It also manufactures such vital medical equipment as defibrillators, as well as household appliances—from electrical and hi-tech toothbrushes to kitchen equipment.

Second quarter sales growth was particularly high in western Europe and North America, with sales of personal health items doing particularly well in China.

Last month Philips said it was buying for 1.9 billion euros (\$2.2 billion) a specialist US company manufacturing ground-breaking treatments for heart and vascular diseases to broaden its health portfolio.

It said it would acquire Spectranetics, which has developed a range of lasers and balloons for treating blockages in cardio and arterial vessels.

Highlighting two deals reached in the quarter, Philips said it had agreed with the Singapore Institute of Advanced Medical Holdings to provide diagnostic imaging systems to its oncology centre.

It also struck a 10-year accord with a French private hospital for cardiology monitoring services.

The company, which employs some 115,000 people around the world, also announced a new 1.5 billion [euro](#) share buyback to be launched in the third quarter. The scheme will be completed in the next two years, with all the acquired shares to be cancelled.

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