

Philips Exits Home Entertainment

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Philips bids farewell to the home entertainment market-- **Funai Electric** will take over the Philips Lifestyle Entertainment business (audio, video, multimedia and accessories) for €150 million and a regular brand licensing fee for 5-1/2 years and the right to renew for another 5 years.

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The deal provides funds & cuts losses for the ailing Philips, whose Q4 2012 losses total €355m. Philips blame the loss on the €503m fine imposed by the European Commission on [the CRT price fixing "cartel" Philips made part of between 1996 and 2006.](#)

Excluding the fine Philips income totals €875m.

The Lifestyle business will not immediately go to Funai-- while audio (including the high-end Fidelio unit) goes to Funai during H2 2013, the TV business has to wait until 2017 due to [the 2012 TP Vision joint venture with Hong Kong's TPV.](#)

Philips remote control operations, being predominantly business-to-business, are excluded from the transaction.

"With this transaction we are taking another step in reshaping the Consumer Lifestyle portfolio and transforming Philips into the leading technology company in health and well-being," Philips CEO Frans van Houten says. As part of the "Accelerate!" restructuring plan the Philips Consumer Lifestyle unit will concentrate on making more personal care devices, domestic appliances and coffee machines.

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