

KONINKLIJKE PHILIPS ELECTRONICS NV
Form 6-K
October 19, 2001

2001 - 9

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.
20549

FORM 6-K

REPORT OF FOREIGN ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the period commencing July 25, 2001 through October 16, 2001

KONINKLIJKE PHILIPS ELECTRONICS N.V.

(Name of registrant)

Rembrandt Tower, Amstelplein 1, 1096 HA Amsterdam, The Netherlands

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual
reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the
information contained in this form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act
of 1934:

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b);
82-_____.

Name and address of person authorized to receive notices
and communications from the Securities and Exchange Commission:

Andrew D. Soussloff, Esq.
Sullivan & Cromwell
125 Broad Street
New York, New York 10004

This report comprises a copy of the Quarterly Report of the Philips Group for the nine months ended September 31, 2001, dated October 16, 2001.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf, by the undersigned, thereunto duly authorized at Amsterdam, on the 17th day of October, 2001.

KONINKLIJKE PHILIPS ELECTRONICS N.V.

/s/ G.J. Kleisterlee **G.J. Kleisterlee**
(Executive Vice-President,
Member of the Board of Management
and Chief Operating Officer)

/s/ A.P.M. van der Poel **A.P.M. van der Poel**
(Executive Vice-President,
Member of the Board of Management)

REPORT ON THE PERFORMANCE OF THE PHILIPS GROUP

-- all amounts in millions of euros unless otherwise stated

-- the data in this report are unaudited

-- accounting principles applied are unchanged compared to the year 2000

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3RD QUARTERLY REPORT
OCTOBER 16, 2001

PHILIPS REPORTS LOSS OF EUR 799 MILLION IN THE THIRD QUARTER OF 2001
RESULT FROM UNCONSOLIDATED COMPANIES, LOSS OF EUR 350 MILLION

NET INCOME OF ROYAL PHILIPS ELECTRONICS IN THE THIRD QUARTER AMOUNTED TO A LOSS OF EUR 799 MILLION (A LOSS OF EUR 0.62 PER SHARE) COMPARED TO A PROFIT OF EUR 2,066 MILLION (EUR 1.58 PER SHARE) IN THE CORRESPONDING PERIOD OF 2000.

INCOME FROM UNCONSOLIDATED COMPANIES CAME TO A LOSS OF EUR 350 MILLION. INCOME WAS NEGATIVELY IMPACTED BY AFTER TAX CHARGES OF EUR 346 MILLION (A LOSS OF EUR 0.27 PER SHARE), EUR 125 MILLION OF WHICH WAS IN UNCONSOLIDATED COMPANIES. THE THIRD QUARTER OF 2000 INCLUDED ONE-TIME GAINS OF EUR 1,295 MILLION (EUR 1.00 PER SHARE).

EXCLUDING CHARGES, NET INCOME CAME TO A LOSS OF EUR 453 MILLION (A LOSS OF EUR 0.35 PER SHARE) COMPARED TO A PROFIT OF EUR 771 MILLION (EUR 0.58 PER SHARE), EXCLUDING ONE-TIME GAINS, IN THE CORRESPONDING QUARTER OF LAST YEAR.

YEAR-TO-DATE NET INCOME AMOUNTED TO A LOSS OF EUR 1,463 MILLION (A LOSS OF EUR 1.14 PER SHARE) VERSUS A PROFIT OF EUR 6,810 MILLION (EUR 5.15 PER SHARE) IN 2000. NET INCOME THIS YEAR WAS NEGATIVELY IMPACTED BY AFTER-TAX CHARGES OF EUR 1.076 MILLION.

COMMENTING ON THE RESULTS, GERARD KLEISTERLEE, PRESIDENT AND CEO OF ROYAL PHILIPS ELECTRONICS, SAID: "The electronics parts of our company continue to suffer heavily from continued poor market conditions in telecom and PC-related businesses, as do our major unconsolidated companies. Consumer confidence in all major markets has been slipping this year, a trend that has accelerated after the tragic events of September 11. We see continued adequate performance at our Lighting, Domestic Appliances and Personal Care, and Medical Systems divisions, and expect them to continue to perform well for the near future. Market conditions require that we stay focused on managing cash flow and costs, maintaining the high quality of our balance sheet. So far this year, we have taken pre-tax restructuring and other (cost reduction) charges of EUR 1,027 million, and we expect to take another EUR 200-250 million in the fourth quarter to further reduce our cost base."