

holders who accused them of making false statements about the company's business before 2003, among other allegations.

Directors-and-officers insurance is expected to cover about \$75 million of the amount, Tenet said. An unusual aspect of the pact is that Jeffrey Barhakow, former chairman and chief executive, will personally pay \$1 million and Thomas

ing its settlement costs. Analysts are expecting the company to post a loss in both the quarter and the year. Tenet hasn't said when it will release financial results.

The settlement is Tenet's latest move to put its legal troubles behind it. Over the past two years it has resolved various disputes, brought in new management and revamped its corporate governance.

The money they were turning from these activities was unsustainable and once the government put an end to it, the company's income dropped significantly," said Richard Schiffman, lead counsel representing the class-action plaintiffs. The settlement, which is subject to court approvals, covers consolidated litigation in federal court in Los Angeles and state court in Santa Barbara, Calif.

India's Tata Posts 5.6% Rise in Net On Strong Orders

By V. PHANI KUMAR

Dow Jones Newswires

MUMBAI—India's Tata Consultancy Services Ltd. posted a 5.6% rise in fiscal third-quarter net profit, helped by increasing outsourcing orders from U.S. and European clients.

The company, India's largest software firm by revenue, also issued an upbeat outlook.

In the quarter ended Dec. 31, Tata's earnings climbed to 7.53 billion rupees (\$171.5 million), from 7.13 billion rupees a year earlier. Nine analysts surveyed by Dow Jones Newswires had forecast net profit of 7.38 billion rupees.

Revenue jumped 28% to 32.87 billion rupees. Revenue from new clients increased to 5.2% of total revenue from 3.5% at the end of the previous quarter.

"We expect sustainable growth going forward," said Managing Director S. Ramadorai.

Billing rates are likely to remain stable as increasing competition in the company's lower-margin outsourcing business will be offset by higher margins in its expanding consulting services, he said.

During the quarter, Tata won a multi-year contract valued at \$847 million from the United Kingdom's Pearl Group PLC to provide back office services.

Tata continued to recruit software engineers at a rapid pace, adding 6,078 employees and bringing its global workforce to 59,384. It plans to add an additional 8,000 workers during the current quarter, including 3,500 employees of Tata Infotech Ltd. upon completion of Tata Consultancy's merger with its sister concern, Tata Consultancy also will add 1,000 Pearl employees in Europe.

Raghavendra Upadhyaya and Subhadra Shekar contributed to this article.

Glaxo Hopes to Sell Diet Drug Orlistat Over-the-Counter

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LG.Philips Fourth-Quarter Net Surged on Strong LCD Demand

By EVAN RAMSTAD

LG.Philips LCD Co.'s fourth-quarter profit rose nearly tenfold, as strong holiday sales of flat-panel TVs built around the company's liquid-crystal displays helped fuel a cyclical upswing that began in early 2005.

The Seoul-based company, which is battling crosstown rival Samsung Electronics Co. to be the world's largest maker of LCD screens, reported net profit of 328 billion won, or \$333.1 million, based on Korean accounting standards. Executives suggested first-quarter profit could be slightly smaller because of seasonal factors—demand for LCD panels is typically weaker after the holiday season—and greater depreciation costs associated with the opening of a new factory.

But their outlook was generally upbeat, reinforcing investors' belief that the LCD industry hasn't reached the peak of its latest price and profit cycle.

LG.Philips's American depository shares were down 9.2%, or \$2.01, at \$19.77 in 4 p.m. composite trading on the New York Stock Exchange yesterday. The company reported its performance after regular stock trading ended in Seoul.

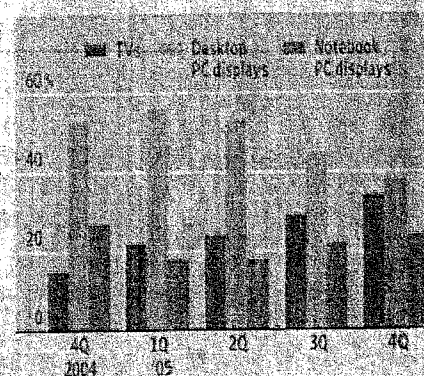
LG.Philips's fourth-quarter marked its first year-to-year increase in quarterly profit since the second quarter of 2004, when its profit peaked at 701 billion won. LG.Philips's net profit was 35 billion won in the fourth quarter of 2004, when the company was at the bottom of a seven-month downturn. Revenue in the latest quarter rose 53% to 2.96 trillion won.

Adjusted for U.S. accounting standards, LG.Philips earned 359.7 billion won in the fourth quarter, compared with 55.5 billion won a year earlier.

The company was lifted by continuing growth in sales of LCD panels for TVs, which are bigger, more expensive and

Picturesque

Share of LG.Philips's revenue from LCD panels by product.



Source: company reports

more profitable than the panels used in computers and cellphones. Screens for TVs accounted for 34% of the company's revenue in the quarter, up from 29% in the third quarter and 15% a year earlier. That shift pushed the share of revenue from screens for desktop and notebook computers lower, to 62% in the latest period from 67% in the third quarter and 80% a year earlier.

Despite the seasonal weakness that typically characterizes first-quarter business, LG.Philips executives forecast sequential growth in panel shipments, based on glass area, because of soaring demand for flat-panel TVs. About 70% of flat-panel TVs use LCD panels; the rest use a different technology called plasma displays. TV manufacturers expect global sales of flat-panel TVs to rise to about 40 million this year from about 22 million last year.

LG.Philips said it expects its 2006 capital spending to reach 4.2 trillion won, slightly below the 4.4 trillion it spent in 2005, and said its board has approved spending 435 billion won to begin construction of its eighth factory.

IBM, Sony, Toshiba Join in R&D

TOKYO—Toshiba Corp., Sony Corp. and International Business Machines Corp. said they have begun a new joint

venture to reduce costs. Such advanced chips also can enable electronics makers to shrink the size of their products. The current standard for mobile phone chips is