

PHILIPS

Sustainability

Improving lives, delivering value

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Chairman & CEO
Philips Electronics Singapore

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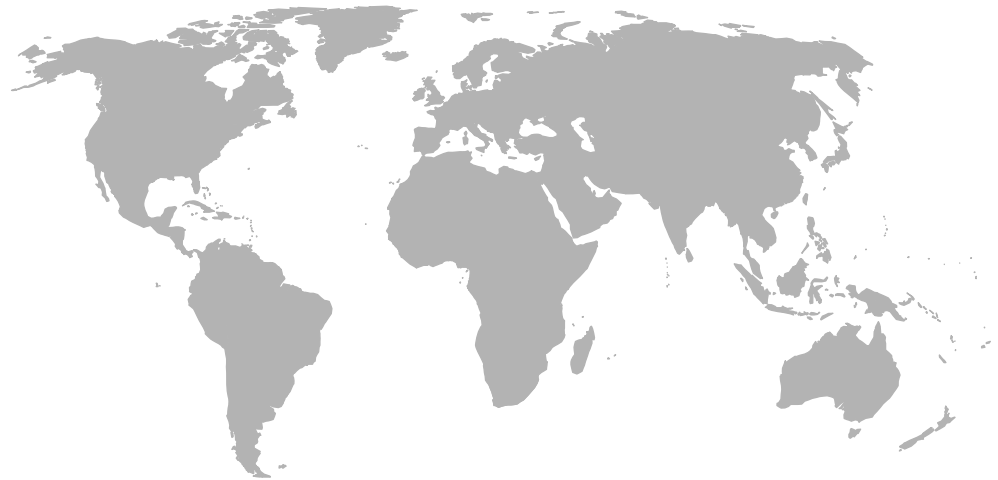


Agenda

- Royal Philips Electronics
- Sustainability at Philips: EcoDesign & EcoVision
- Energy efficient lighting

About Philips

- One of the largest global electronics company with sales in:
 - 2006 of EUR 27 billion
 - Q1 2007 of EUR 6 billion
 - Q2 2007 of EUR 6.1 billion
- Manufacturing sites in 28 countries, sales outlets in 150 countries
- Headquarters:
Amsterdam, The Netherlands
- Founded in 1891
- Multinational workforce of 128,000 employees
- Active in the areas of Healthcare, Lighting and Consumer Lifestyle



Royal Philips Electronics

Ever since our company was founded, 115 years ago, we have dedicated ourselves to improving the quality of life through meaningful innovation

We are today a global company, committed to enhancing economic prosperity as well as environmental quality and social equity wherever we operate

And we remain dedicated to the belief that the path to true growth comes from making products that genuinely meet the needs of all people, no matter what their circumstances, in ways that truly help them



Anton and Gerard Philips, 1891

Philips recognized as sustainable entrepreneur

- Philips improved environmental performance on Dow Jones Sustainability Index for the fourth consecutive year in 2007
- Recognized as the global leader in the sector “Personal and Household Goods”



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EcoDesign Principles - Philips' Green Focal Areas & Green Products definition

Philips Green Products have a significant improved environmental advantage for customers, users and society in one or more of the Philips Green focal areas:



- Green products are identified by a division based on specific divisional criteria
- Top line Green products can be called 'Green Flagships'
- Green branded products are independently reviewed by a third party

EcoVision Programs - Achievements

	2004	2005	2006
Green Flagships (Top-line Green products)	21	46	57
Sales Green Products* (of total revenues)	-	-	15%
Investment** in Green Innovation (EUR million)	100	100	100
Operational Energy Efficiency improvement (versus 2001)	20%	24%	28%

- **Green Products were EUR 4 billion of 2006 turnover**
- **Invested EUR 400 million in green lighting innovations in last 5 years**

* 15% Sales Green Products in 2006: 4 billion including 2.2 billion from Green Flagships

** Lighting

Note: Operational Energy Efficiency improvements are measured in production only and do not (yet) include office buildings, business travel and logistics, where no targets have been set

EcoVision Ambitions for 2012

- Increase total revenues from Green Products to 30%**
- Invest EUR 1 billion in Green innovations**
- Improve our operational energy efficiency by 25%*
and thereby reducing Greenhouse gas emissions**

* Estimated energy efficiency [energy/revenue] improvement options: re-lamping, logistics, low carbon energy supply, real estate consolidation, production

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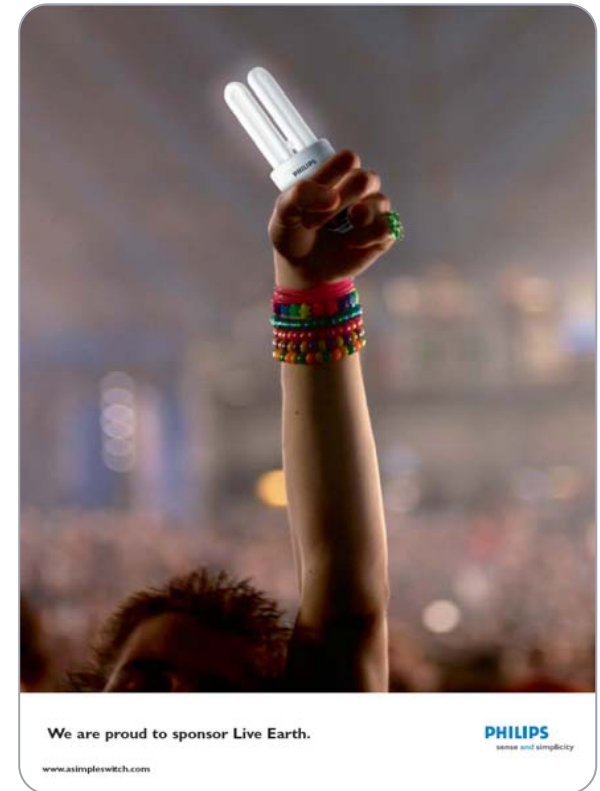
New research: doubling savings with energy efficient lighting

- Lighting uses 19% of global electricity.
- Savings with new technology
 - 106 billion euros in electricity costs/yr
 - 555 million tons of CO₂ emissions per year
 - More than 1.5 billion barrels of oil per year
 - Output of more than 530 power plants



Community Initiatives - A simple switch.com

- **Global marketing campaign...**
- **Showing that solutions** to energy management can be simple and achievable
- **Asking for people to make a switch of mind:** individual action is possible and meaningful
- **If we all take simple steps** we can collectively contribute to reducing global warming
- **Driven by asimpleswitch.com website** where people are invited to make a pledge to switch to energy efficient lighting
- **Over 3.3 million lightbulbs** pledged to be replaced - equivalent to shutting down 4 coal power plants!
- **Website calculates** the CO2 and cost savings these pledges entail



Community Initiatives



asimpleswitch campaign in Singapore

- Partnered South West CDC to reach out to public to change to energy efficient light bulbs
- Philips is sponsoring a total of **17,200** energy saving light bulbs to more than **4,240** households at Southwest CDC, to be rolled out over seven months (July 07 to Feb 08)



Save energy.
Save the world.
with
PHILIPS



Advancing energy awareness in Australia

youth matters

Young energy savers

STUDENTS at Oxford Falls Grammar School were shown how to save energy around their homes during the launch of an education campaign by Philips Electronics, that was attended by Sydney Kings legend Dean Uthoff and players Anthony Susnjara and Blake Borgia.

The launch marked the beginning of a state-wide education campaign by the electronics giant to teach children about the importance of saving energy.

As part of the lesson students were shown the many ways that they could save energy in their every day lives.

More importantly, they were shown how their actions could lead directly to a reduction in greenhouse gas emissions.

While on hand to reinforce energy saving - players from the Sydney Kings conducted basketball clinics for the junior and senior school during their lunch break. They signed more than 300 posters for the students, with some children also lucky enough to win basketballs and water bottles.

Also part of the program, students took home a pack of six Philips Energy Saving light bulbs.



Shown the benefits of conserving energy are (from left) Year 5 Students at Oxford Falls Grammar, Tynlah Schrader, Jayde Heiser, Nathan Mitchell, Nicolas Najjar and Jonathan Lam.

Shoot hoops these holidays

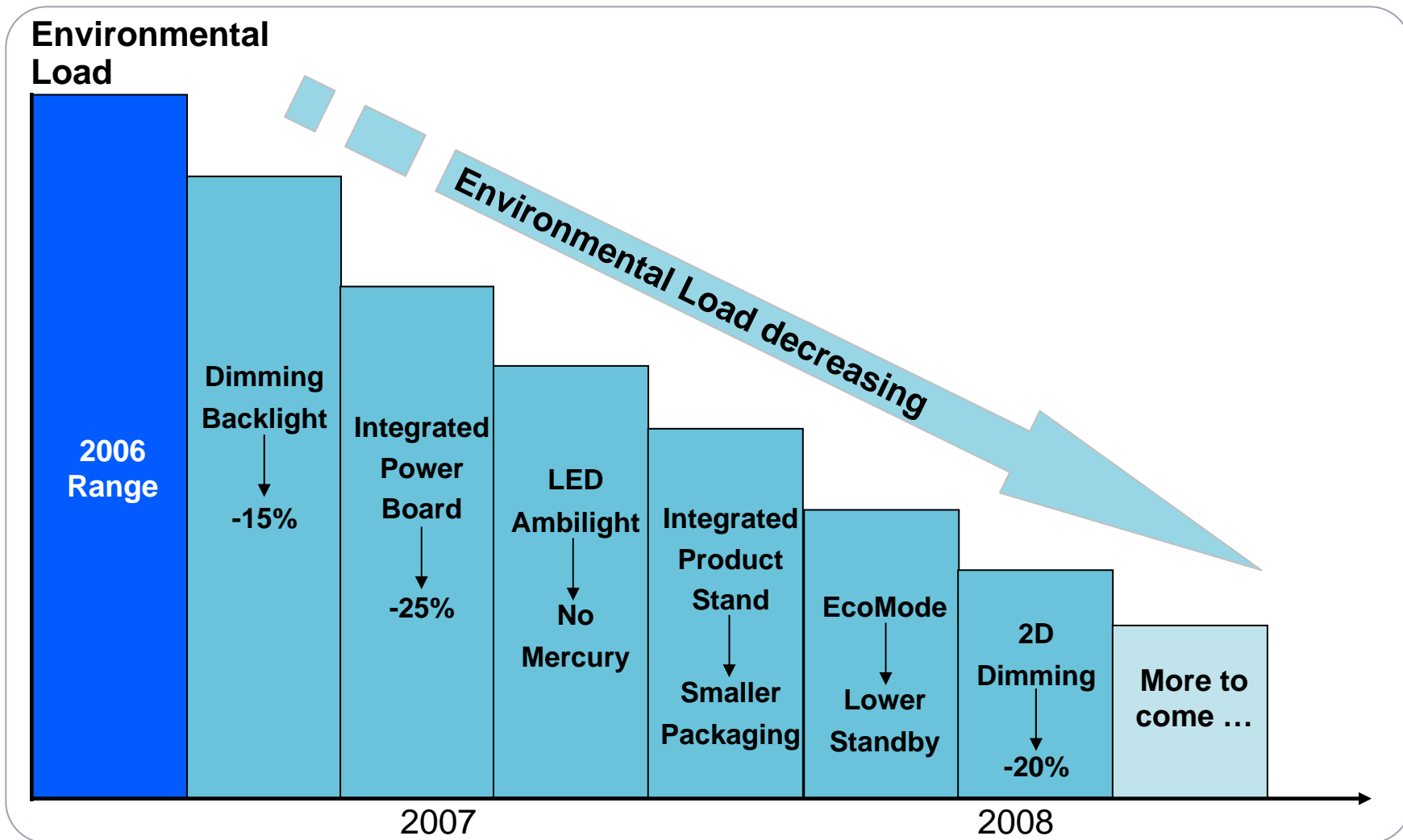
TELL your children to 'go jump' these holidays and enrol them in the Manly Warringah Basketball Camp, taking place at Northern Beaches Indoor Sports Centre at Warriewood.

The camp caters for all age groups and takes place from Monday, October 9 to Wednesday, October 11, between 11.30am and 1.30pm.

Special guests at the camp will include Sydney Kings and Sydney Flames players.

The cost to attend is \$60 a person. Details phone: 9913 3622.

Green innovations in 2007/2008 TV



Green Awards

EUROPEAN GREEN TELEVISION

Philips 42PF7621D

Per square inch of its large screen size, the Philips 42PF7621D uses a mere 0.228W of power, making the energy-consumption an impressive 15% less than that of its nearest competitor for EISA's Green Award. It is by no means a lightweight design, with its large PCB and oversized power transformer, but this is all in the interest of its impressively low energy consumption. Although all LCD screens contain hazardous mercury in the backlight tubes (which is legally allowed), the Philips design allows for relative easy disassembly for separate treatment. And if, from a purely scientific perspective, energy consumption was required to count for more than the currently reflected 50% of the lifecycle environmental impact, this Philips LCD set would win an even clearer victory.



CES innovations 2007 Eco-Design Honoree Award



PHILIPS

Sustainability

- Offers a world of opportunities to improve quality of life & create value

Thank You

