

Philips showcases innovation and simplicity with a new range of entertainment and communications products

Building off of its Sense and Simplicity brand promise, Philips Electronics today introduced a full range of innovative products at the 2006 Consumer Electronics Show (CES). Key innovation highlights from Philips include advanced television technology with a new generation of Ambilight FlatTV displays, groundbreaking High Definition recording devices, mobile infotainment products and Internet protocol enabled phones. In addition, Philips announced a number of relationships that include Skype, Microsoft, Yahoo!, vTuner and other market leaders, which will redefine how consumers access and enjoy digital content from Philips. Our strategy moving into 2006 is anchored in two key elements – integration and high definition, said Reinier Jens, president, Philips Electronics, North America. First, we are leveraging the entire value chain by using integrated value partnerships, combining hardware, software and an intuitive user interface, to deliver a more engaging and satisfying consumer experience. Second, we are meeting the growing consumer demand for HD with innovative products that deliver on our promise of Sense and Simplicity. In addition to our award-winning Ambilight FlatTV line, we are breaking new ground with our Blu-ray products and technology. Simplifying consumers lives with advanced products

Lighting up the future of home entertainment: Philips Ambilight technology A key driver for Philips in North America, the Ambilight FlatTV line has provided Philips a double-digit market share in HD displays. Building off its award-winning Ambilight FlatTV line, Philips expanded its range with two new innovative Ambilight technologies. Introduced for the first time at CES 2006, Philips showcased the new Full Surround (four-sided) Ambilight FlatTV display. Providing lighting around all four sides of the screen, Ambilight Full Surround creates a floating design, enhancing the coloring for greater visual impact and immersing viewers in the entertainment experience. Ambilight Full Surround not only provides an improved viewing experience, but also complements the dcor of any room. In addition to the Ambilight Full Surround model, Philips also showcased the new Surround (three-sided) Ambilight FlatTV model, which emits lighting along the left, right and top. Ambilight Surround draws viewers into a relaxed experience and is ideal for movie watching and large rooms where a wall can be dedicated to the TV. Providing the future in HD quality playback and recording through Blu-ray Disc products As more and more consumers are converting to HD, Philips is leading the way in providing them a full HD solution. In addition to the Ambilight FlatTV line, Philips is enhancing consumers HD experience with its new Blu-ray Disc solutions. A founding member of the Blu-ray Disc Association, Philips introduced its all-in-one PC Writer (TripleWriter), consumer Blu-ray Disc Video player (BDP9000) and new Blu-ray media (BD-R and B-RE, single layer 25 GB* and dual layer BD-R and BD-RE 50 GB*). The players and media will be available in select World markets from the second half of 2006. Blu-ray solutions offer consumers the ultimate storage platform for HD entertainment and digital archiving, providing consumers the ability to store massive amounts of content on a single disc. Blu-ray Disc technology has the support and technological innovation behind it to be the industry leader and is supported by more than 160 of the worlds largest gaming manufacturers, movie studios, consumer electronics and PC manufacturers. Ensuring mobile consumers can access digital content through GoGear HDD jukeboxes Recognising that consumers are increasingly mobile, Philips new range of GoGear hard-disk drive jukeboxes, the HDD1850 and HDD6330, let consumers have ultimate control over their digital content at home or on the move. To ensure maximum compatibility with the growing number of legitimate music download services, the Philips GoGear HDD jukebox range supports Microsofts PlaysForSure initiative. PlaysForSure guarantees interoperability of devices and services so that consumers can simply know their device and service works together. Both of Philips GoGear HDD devices will be compatible with portable subscription offerings, allowing consumers full access to more than one million track catalogs from supporting online services. Busy consumers will appreciate the HDD1850 and HDD6330s flexible features, intuitive control and compact design. The HDD1850 features 8 GB for up to 4,000 songs or 2,500 pictures; the HDD6330 features an impressive storage capacity of 30 GB* to hold up to 15,000 songs or 8,400 pictures. Expanding communications and entertainment through new relationships Philips is reaching across traditional boundaries to form new business relationships to deliver an engaging, compelling and ultimately satisfying consumer experience. Broadening its Connected Planet family of products, Philips introduced a new DECT phone enabled to supply consumers with Voice-over-Internet Protocol (VoIP) communications. The new phone has the ability to utilise existing landline telephone service, as well as make free Internet calls via Skype. Philips also announced a new collaboration with MSN for an exclusive deal that will revolutionise the way consumers communicate and take VoiP on the PC to a whole new level. This relationship demonstrates Philips commitment to providing consumers with new VoiP solutions. Extending the relationship with Microsoft, Philips hard-disk, portable jukebox products give consumers a great way to discover and share new music using PlaysForSure technology. By participating in this venture with Microsoft, Philips offers consumers simple access to music and the assurance that they can hear the songs at their convenience. Maintaining its commitment to providing consumers a full-connected solution, Philips aligned with Yahoo! to provide additional content for its Connected Planet products. The new SLA5520 wireless audio multimedia link features Yahoos Music Engine enabling users to enjoy Internet music on existing home entertainment systems. The new SLA5520 frees digital content from the PC and enables users to listen to their favorite content in a location of their choice. Utilising Wi-Fi technology, the SLA5520 wirelessly streams MP3 and WMA tracks from consumers PCs to their home audio systems. For additional entertainment, the SLA5520 provides global connectivity through access to more than 500 Internet radio stations. Along with

Yahoo!, Philips offers consumers a myriad of Internet radio and TV broadcast options through a new relationship with vTuner. Offering digital content at the touch of a button, vTuner and Philips enable consumers to browse through thousands of stations from more than 160 countries. Delivering the brand promise through a simplified process Since introducing its Sense and Simplicity brand campaign, Philips has turned into a profitable business that has a clear future and a fast-growing market position. Philips is reaching consumers through multiple targeted marketing efforts to emphasise the brands simplicity and feature-rich products. Through strategic relationships, innovative products and a defined business process, Philips enables consumers to truly enjoy entertainment, whether at home or on the go. Yahoo! is a registered trademark of Yahoo! PlaysForSure is a trademark of the Microsoft Corporation Microsoft is a registered trademark of the Mircosoft Corporation Windows Live Messenger is a trademark of the Microsoft Corporation DECTTM is a registered trademark of European Telecommunications Standards Institute (ETSI) Ambilight is a trademark of Koninklijke Philips Electronics N.V. FlatTV is a trademark of Koninklijke Philips Electronics N.V. TripleWriter is a trademark of Koninklijke Philips Electronics N.V. Connected Planet is a trademark of Koninklijke Philips Electronics N.V. GoGear is a trademark of Koninklijke Philips Electronics N.V. Wi-Fi is a registered trademark of the Wi-Fi Alliance. Blu-ray Disc is a trademark of Blu-ray Disc Association. Skype is a registered trademark of Skype Technologies S.A. * Note: Not all products and services mentioned in the above media release are destined for the Australian market. About Royal Philips Electronics Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is one of the worlds biggest electronics companies and Europes largest, with sales of EUR 30.3 billion in 2004. With activities in the three interlocking domains of healthcare, lifestyle and technology and 161,100 employees in more than 60 countries, it has market leadership positions in medical diagnostic imaging and patient monitoring, color television sets, electric shavers, lighting and silicon system solutions. News from Philips is located at + www.philips.com/newscenter.

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