

Press Information

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PHILIPS FIRST TO SUBMIT TO DEPARTMENT OF ENERGY L PRIZESM COMPETITION WITH DEVELOPMENT OF LED REPLACEMENT FOR COMMON HOUSEHOLD BULB

Washington DC and Burlington, MA – The U.S. Department of Energy (DOE) announced today that the Bright Tomorrow Lighting Prize (L Prize) competition has received its first entrant, a product from Philips Electronics. Philips has developed, manufactured and will bring to market an LED replacement for the common 60-Watt incandescent light bulb. Philips developed this product in response to DOE's industry-wide challenge, and was today recognized by DOE as the first company to submit an entry.

DOE launched the L Prize initiative to spur development of high-quality, high-efficiency LED replacements for the common light bulb. Every year it is estimated that more than 425 million 60-Watt incandescent light bulbs are sold in the United States alone, representing approximately 50% of the domestic incandescent light bulb market. According to DOE, an LED replacement for this could save 34 terawatt-hours of electricity in one year, enough to power the lights of 17.4 million U.S. households. It would also avoid 5.6 million metric tons of carbon emissions annually.

"The race is on," said DOE Solid-State Lighting Program Manager Jim Brodrick. "Philips is the first to submit a formal L Prize entry, demonstrating their leadership and corporate commitment to energy conservation in lighting. Philips' entry into the competition is a clear signal that massive energy savings from solid-state lighting are within our grasp. The field is wide-open, and we hope to see more entries from both large and small manufacturers."

Established through the Energy Independence and Security Act of 2007, the L Prize offers substantial rewards for the first manufacturer to meet its very demanding requirements – ensuring that performance, quality, lifetime, cost and availability meet expectations for widespread adoption and mass manufacturing. In addition to the significant cash prize, the first manufacturer to fully meet the competition's requirements will also be in consideration for federal purchasing agreements, utility programs and other incentives.

"Philips is confident that the product submitted meets or exceeds all of the criteria for the L Prize. By being the first to enter this very tough competition, Philips has demonstrated its commitment once again to playing a leading global role in lighting innovation and energy conservation," said Rudy Provoost, CEO of Philips Lighting.

"We applaud the work of the U.S. government to accelerate development of high quality and reliable LED products that meet real-world user demands, which is critical as this technology gains mainstream acceptance. By holding manufacturers to very high

standards, as an entire industry we can reduce energy use on a large scale without sacrificing the quality of light we expect.”

The Philips submission will now undergo comprehensive evaluation, including performance testing conducted by independent laboratories, field assessments conducted with utilities and other partners, long-term lumen maintenance testing and stress testing under extreme conditions. Consumer pricing and retail availability have yet to be determined.

Required metrics for the 60-Watt incandescent LED replacement, as laid out by DOE, include:

- Efficacy of more than 90 lumens per watt, which exceeds the efficiency of all incandescent and most compact fluorescent sources today, which range from 10 to 60 lumens per watt
- Energy consumption of less than 10 watts as compared to a 60 Watt incandescent.
- Output of more than 900 lumens, equivalent to a 60 Watt incandescent light bulb
- Lifetime of more than 25,000 hours, which is 25X greater than a typical incandescent bulb
- Color Rendering Index (CRI) greater than 90, which is a high measure of lighting quality
- Color Temperature between 2700 – 3000 Kelvin, which is “warm” white light comparable to that of incandescent sources

Additional details about the L Prize competition are available at <http://www.lightingprize.org/>.

For further information, please contact:

Dan Sperling
Akoya, in support of the U.S. Department of Energy Solid-State Lighting Program
(703) 356-4595
dan@akoyaonline.com

David Wolf
Philips Electronics North America
Tel: + 1 212 536 0817
Email: david.l.wolf@philips.com

About the L Prize

The Energy Independence and Security Act (EISA) of 2007 authorizes DOE to establish the Bright Tomorrow Lighting Prize (L Prize) competition. The legislation challenges industry to develop LED replacement technologies for today’s most widely used and inefficient products, 60W incandescent lamps and PAR 38 halogen lamps, and also to develop a new “21st Century Lamp.” The EISA legislation establishes basic requirements for each category and authorizes up to \$20 million in cash prizes; the exact amount of the cash prize for each category will be determined based on DOE Congressional appropriations. The first entrant in each category to successfully meet the full competition requirements will receive a substantial cash prize as well as L Prize partner promotions and incentives. To date, 27 utilities and energy efficiency program partners stand ready to

promote and develop markets for the winning products. Up to two additional entrants may be eligible for program partner promotions – in effect increasing the number of possible qualifiers in each category to three. Potential opportunities for future federal purchasing agreements, utility programs, and other incentives for winning products may far exceed the value of the cash prize. For more details on the L Prize competition, visit www.lightingprize.org.

About DOE's Solid-State Lighting Program

As the lead federal agency for solid-state lighting activities, DOE has made a long-term commitment to accelerate the research, development, and market introduction of solid-state lighting. DOE-funded R&D projects drive breakthroughs in solid-state lighting efficiency and performance. DOE's market introduction strategies are closely aligned with research progress to help buyers differentiate good products in good applications, and avoid early buyer dissatisfaction and delay of market development. To learn more about DOE's solid-state lighting program, visit www.ssl.energy.gov.

About Royal Philips Electronics

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity". Headquartered in the Netherlands, Philips employs approximately 116,000 employees in more than 60 countries worldwide. With sales of \$38 billion in 2008, the company is a market leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as lifestyle products for personal well-being and pleasure with strong leadership positions in flat TV, male shaving and grooming, portable entertainment and oral healthcare. News from Philips is located at www.philips.com/newscenter.