

PHILIPS

Welcome to the
Financial Analysts Meeting

Alan Cathcart

Financial Analysts Day 2005

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of October 1995

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This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items (including, but not limited to, cost savings). By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of consumer and business spending in major economies, changes in consumer tastes and preferences, changes in law, the performance of the financial markets, pension costs, the levels of marketing and promotional expenditures by Philips and its competitors, raw materials and employee costs, changes in exchange and interest rates (in particular, changes in the euro and the US dollar can materially affect results), changes in tax rates and future business combinations, acquisitions or dispositions and the rate of technological changes. Market share estimates contained in this report are based on outside sources such as specialized research institutes, industry and dealer panels, etc. in combination with management estimates. Rankings are based on sales unless otherwise stated.

Use of Non-GAAP Information

In presenting and discussing the Philips Group's financial position, operating results and cash flows, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent GAAP measure and should be used in conjunction with the most directly comparable US GAAP measure(s). Unless otherwise indicated in this document, a discussion of the non-GAAP measures included in this document and a reconciliation of such measures to the most directly comparable US GAAP measure(s) is contained in the Annual Report 2003, 'Financial Statements and Analysis'.

Agenda of today

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| 09:30 – 10:00 | Registration / Coffee |
| 10:00 – 10:05 | Welcome
<i>Alan Cathcart - Senior Vice President – Investor Relations</i> |
| 10:05 – 10:50 | Business Renewal program
<i>Frans van Houten, CEO Philips Semiconductors</i> |
| 10.50 – 11.10 | Highway to the customers—improving our market traction
<i>Maria Marced, General Manager Sales & Marketing</i> |
| 11:10 – 11:30 | Manufacturing update and operational excellence
– improving our efficiency
<i>Ajit Manocha, General Manager Manufacturing & SCM</i> |
| 11:30 – 12:00 | Coffee break and product demos |

Agenda of today

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| 12:00 – 12:20 | Connected Consumer – business update digital home
<i>Giel Rutten, General Manager BU Home</i> |
| 12:20 – 12:40 | Connected Consumer – business update mobile & personal
<i>GertJan Kaat, General Manager BU Mobile & Personal</i> |
| 12:40 – 13:00 | Automotive – business update
<i>Indro Mukerjee, General Manager BU Automotive & Identification</i> |
| 13:00 – 13:15 | Summary & Q&A
<i>Frans van Houten, CEO Philips Semiconductors</i> |
| 13:15 – 14:30 | Lunch |

Agenda for today

- 14:30 – 14:50** **Getting the fundamentals right**
Rudy Provoost, CEO Consumer Electronics
- 14:50 – 15:10** **Business Renewal at work**
Maarten de Vries, CFO Consumer Electronics
- 15:10 – 15:55** **The road to sustainable value creation**
Rudy Provoost, CEO Consumer Electronics
- 15:55 – 16:15** **Summary & final Q&A**
Rudy Provoost, CEO Consumer Electronics
- 16:15 – 16:20** **Closing**
Pierre-Jean Sivignon, CFO Royal Philips Electronics

