

PHILIPS

Connected Consumer -
business update mobile & personal

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General Manager BU Mobile & Personal






September 15, 2005

BU Mobile & Personal

- Business scope and portfolio
- Market arena and our position
- Our roadmap for profitable market share growth



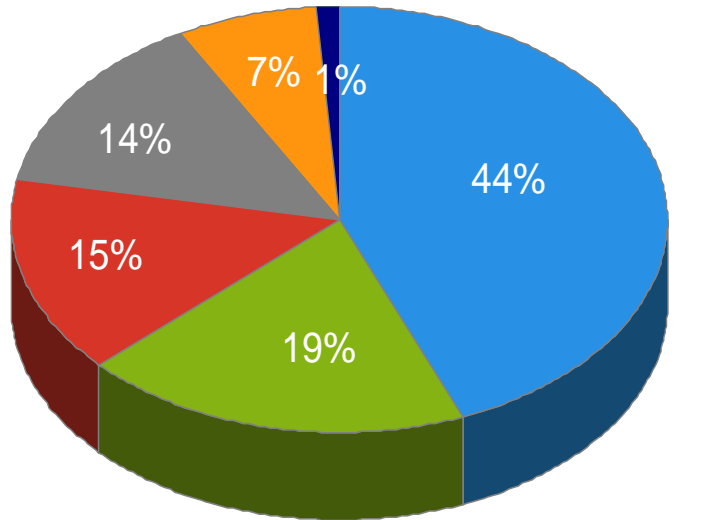
BU Mobile & Personal business scope

Cellular Systems (44%)	Personal Entertainment (19%)	Connectivity (15%)	Cordless (14%)	Sound Solutions (7%)
<ul style="list-style-type: none"> • GSM • GPRS/EDGE • UMTS/HSDPA • TD-SCDMA 	<ul style="list-style-type: none"> • FM Radio • Audio / Video Processors • TV on Mobile 	<ul style="list-style-type: none"> • Bluetooth • WLAN • (W)USB 	<ul style="list-style-type: none"> • DECT • WDCT • VoIP 	<ul style="list-style-type: none"> • Speakers • Stereo headsets • Sound panels • Microphones 

We supply components and full system solutions for mobile and portable device manufacturers to bring to market innovative products that are easy to use and secure

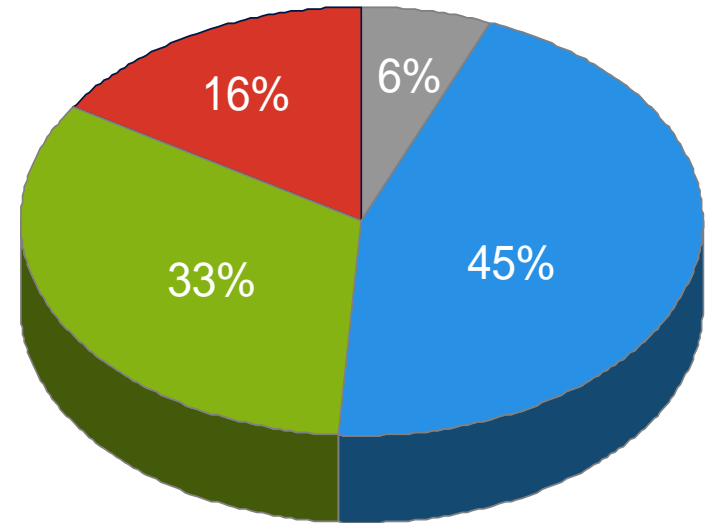
BU Mobile & Personal sales 2005 H1

Sales by application



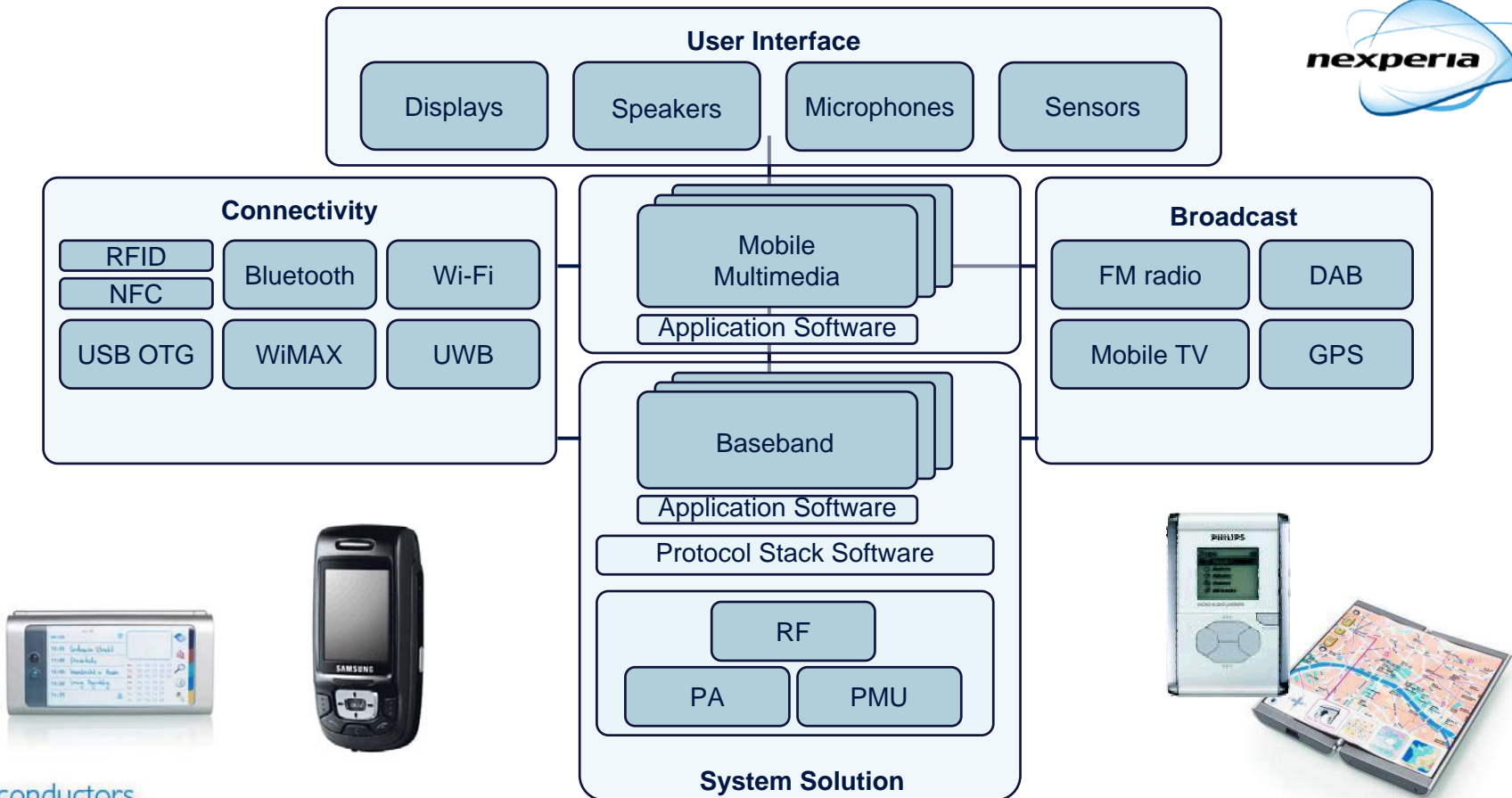
- Cellular Systems
- Personal Entertainment
- Connectivity
- Cordless
- Sound Solutions
- Other

Sales by region



- Greater China
- Rest of Asia
- Europe
- North America

Our products cover the complete mobile terminal landscape for fixed and mobile convergence components and full systems



Allowing customers to bring great products to market in a short period of time

Best Mobile Handset
2005



Samsung D500



Allowing customers to bring great products to market in a short period of time



Samsung D600

SAMSUNG

Allowing customers to bring great products to market in a short period of time

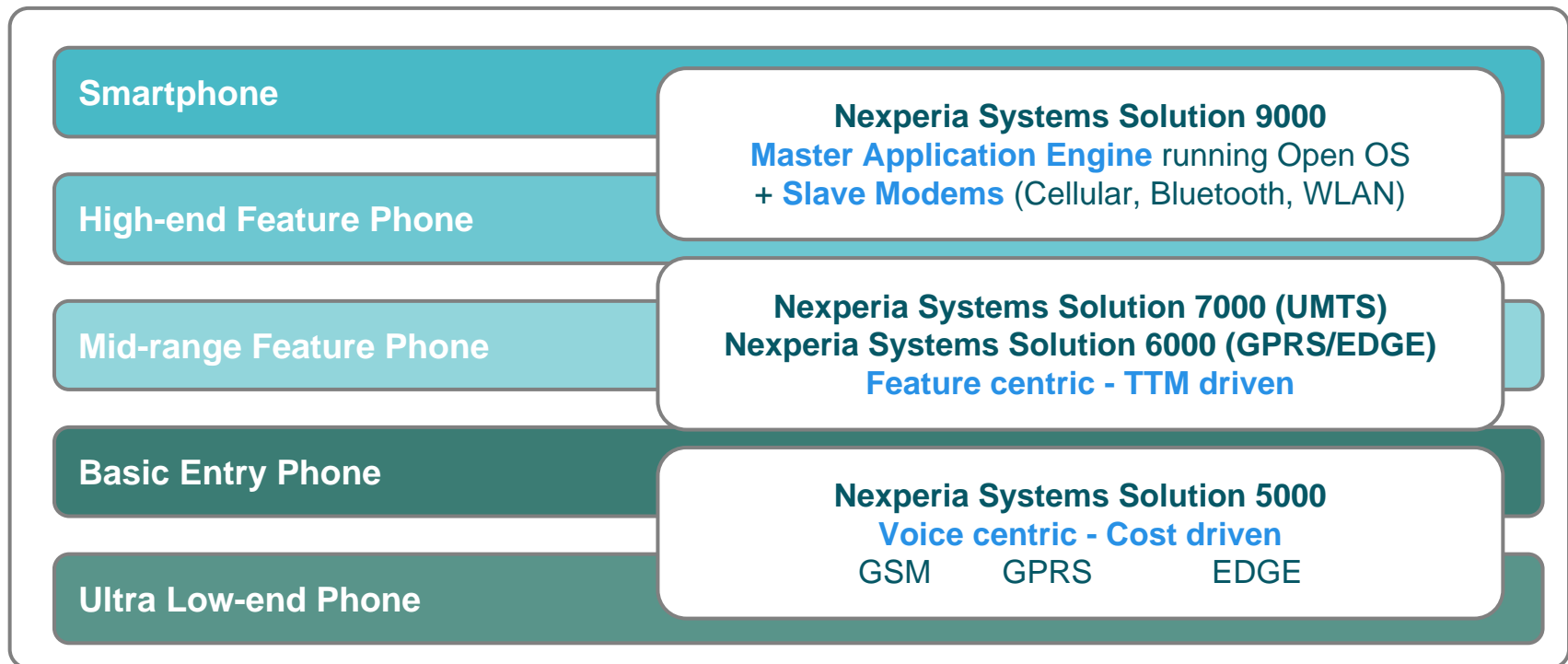


ARCHOS™

on the go 



With Nexperia offering a flexible and upgradeable roadmap, it is appreciated by customers for its flexibility and its robustness...



...resulting in business success with top mobile phone makers



<p>Best Mobile Handset 2005</p>  	 	 	 	  <p>Sony Ericsson</p>	 
 	 	 	  <p>Arima Computer Corporation</p>	 	

BU Mobile & Personal

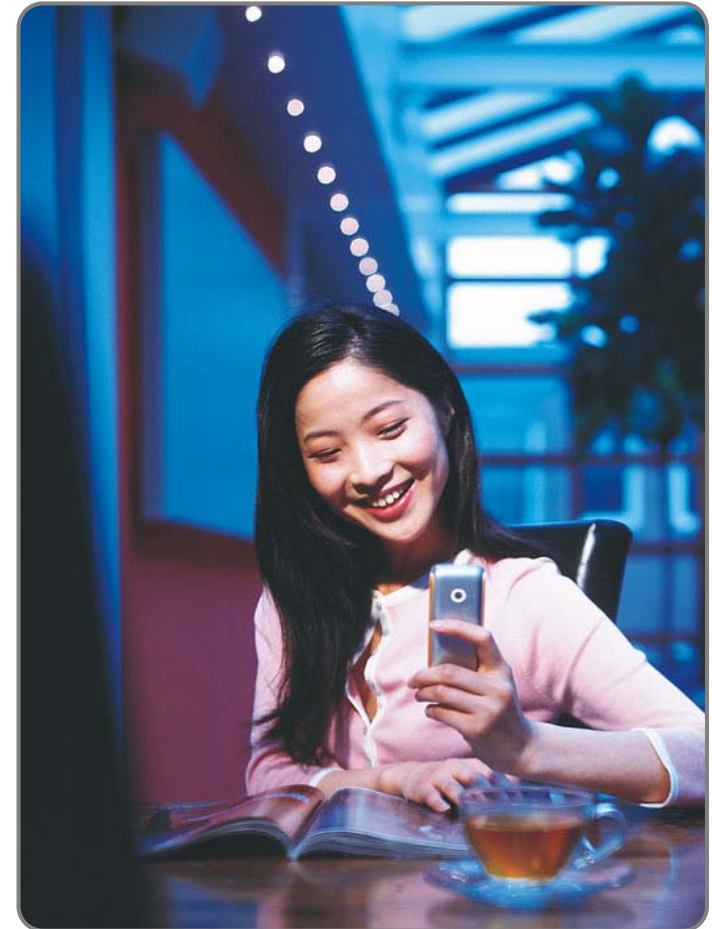
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market share growth



The cellular market arena (1)

We lead the market in system solutions for GSM/GPRS/EDGE

- EDGE is becoming mainstream in GSM/GPRS
 - We are a leader in providing complete and proven system solutions for EDGE
- Customers choose us to roll out UMTS solutions because we
 - ensure a smooth evolutionary path from EDGE to 3G,
 - help to lower their risks and prolong the lifetime of their investments



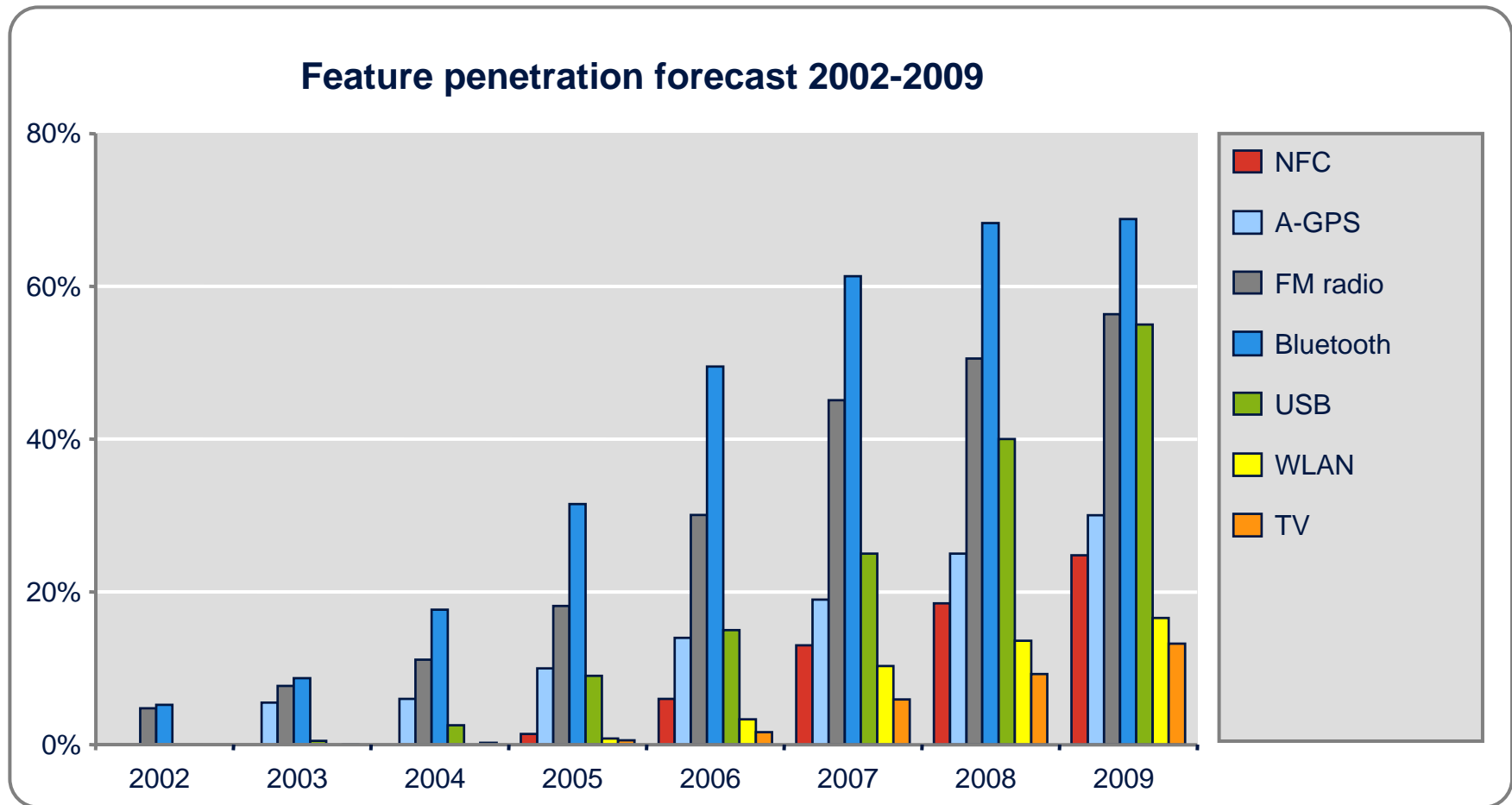
The cellular market arena (2)

We lead the market in system solutions for GSM/GPRS/EDGE

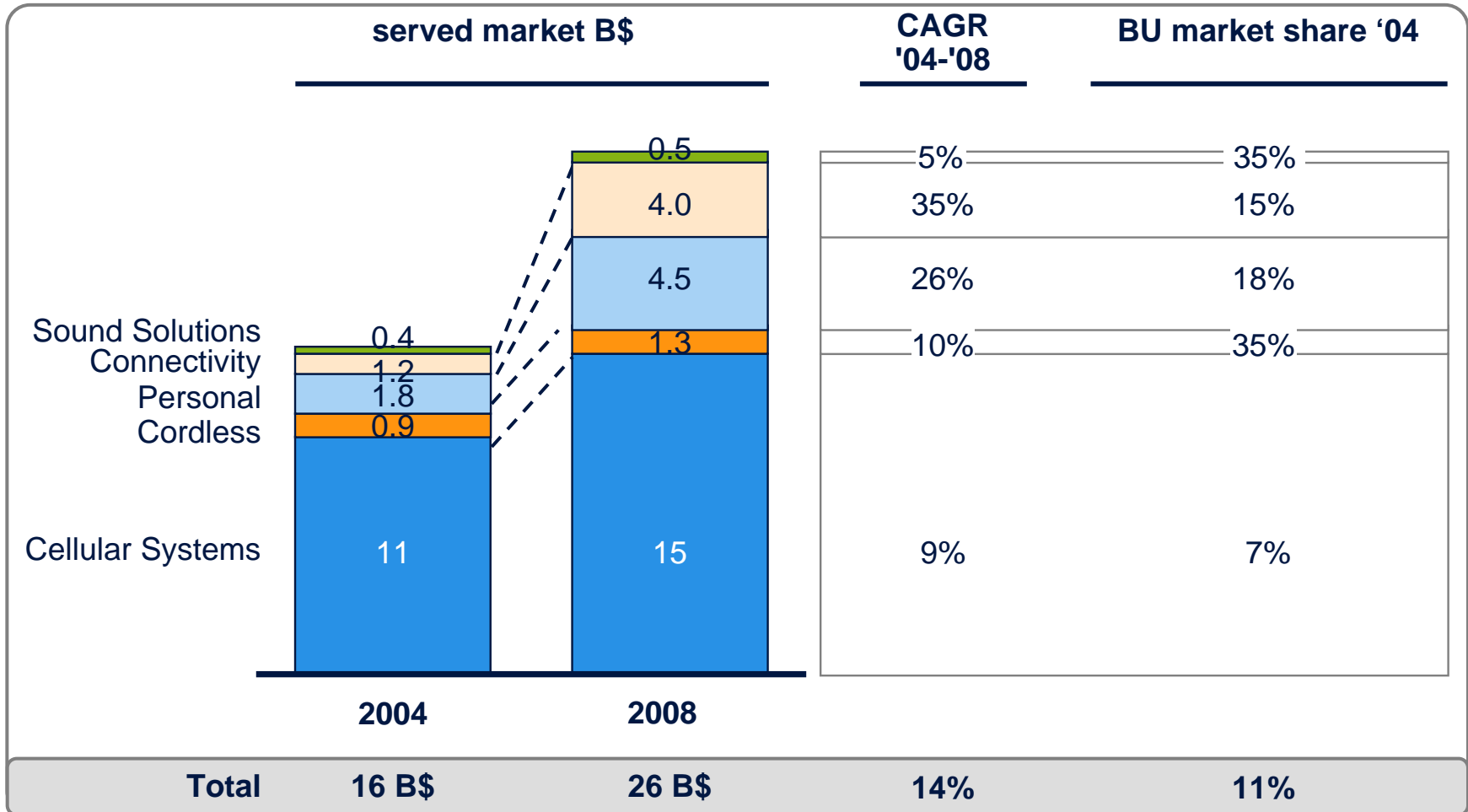
- Strongest volume growth in the handset market in developing countries
 - We address this market with our ULC handset solutions
 - We are among the first to offer a roadmap for sub-\$5 hardware and software chipset to drive handset costs below \$20
- Fixed and mobile convergence is driving the market
 - Our Nexperia Mobile platform forms the basis for application extensions, incl.
 - UMA Fixed Mobile Convergence in Cellular and Cordless
 - TV-on-Mobile DVB -H /-T
 - Multi Media players



The handset semiconductor market is fuelled by an explosion of features



BU Mobile & Personal served market and our share



Philips is well positioned in these key high-growth market segments

GSM/GPRS/EDGE System Solutions	#1
Digital Cordless	#1
FM Radio	#1
Speaker systems	#1
USB	#1
Bluetooth	#2
RF 3G	#2
MP3	#3
Wireless Application specific semiconductors	#4



Well positioned for short term and longer term success

Coming from TODAY where...

- We work with top mobile phone manufacturers using proven and scalable solutions
- We have further increased traction with our Nexperia Mobile platform
- We are engaged with strategic customers on our new technologies

... We shipped year to date:

- > 120 Mio FM radio ICs
- > 80 Mio Cellular TX ICs
- > 45 Mio Cellular BB ICs
- > 60 Mio Power Management ICs
- > 50 Mio Cordless chipsets

Well positioned for short term and longer term success

Heading for TOMORROW with...

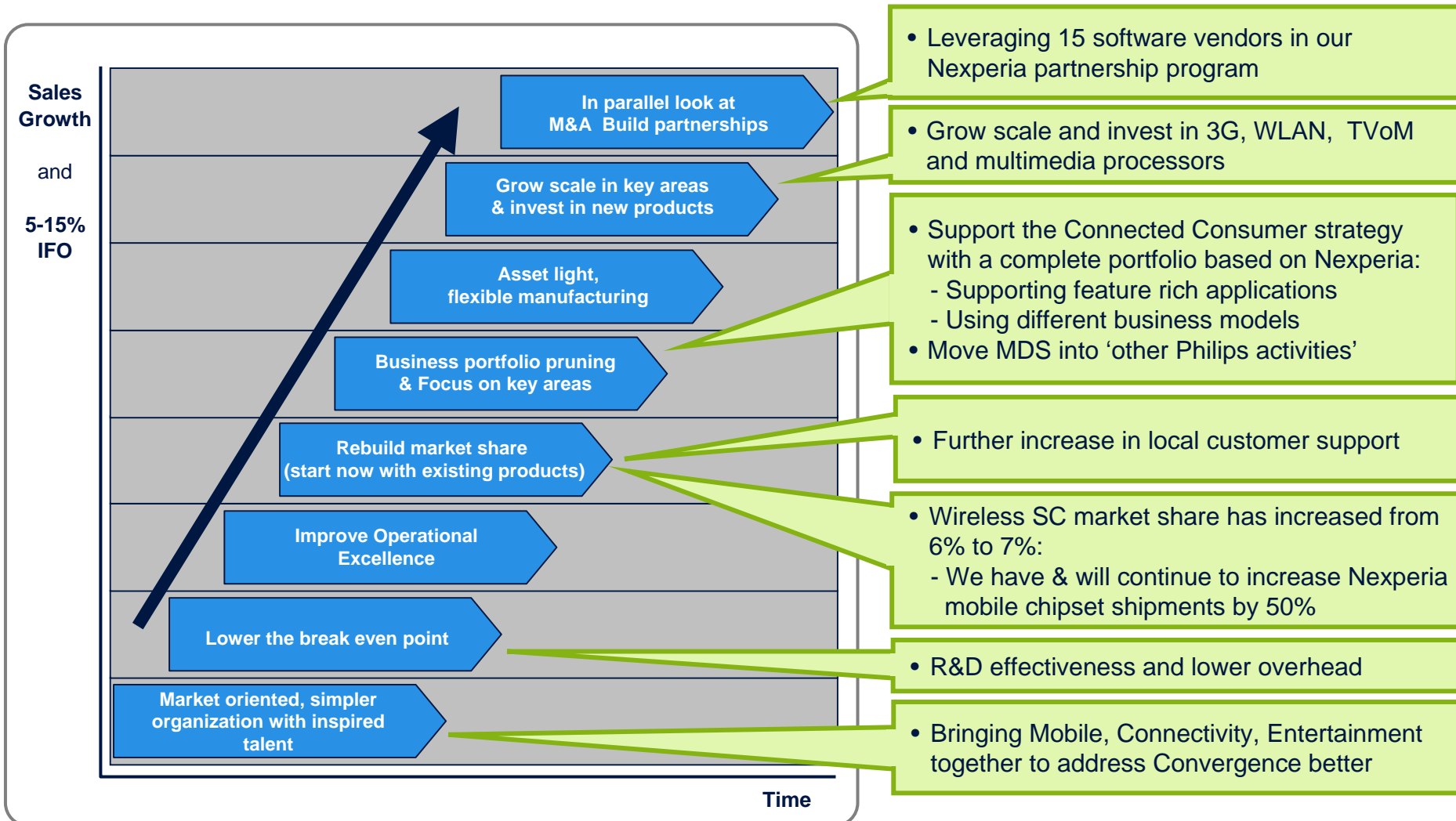
- TV-on-mobile
 - Design wins with 3 out of top 6 mobile phone manufacturers
- ULC solutions rolling out through Asian ODMs, using our Shanghai design center
- Further penetration of our Multimedia processors in to the High End feature phones and the Multi Media players of the market leaders
- Our mass market 3G system solutions validated (IOT) by Q4'05

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Mobile and Personal and Business Renewal





In summary

- We have a growing, strong customer base and are gaining market share
- We have a well-established and future-proof system solution based on the Nexperia Mobile platform
- We are well positioned in the fast growing convergence market of Connected Consumer applications
- Customers see us as the leader in TV on Mobile and we are working with top handset makers

