PHILIPS

Delivering on our business commitments

Scott McGregor
President and Chief Executive Officer
Semiconductor Division

Summary of today

- Our near-term focus is to achieve profitability by Q4 by executing on our 2003 strategy and recovery plan
- Our longer-term focus is profitable growth. We will achieve this by:
 - Focusing on Connected Consumer applications
 - Further developing partnerships for manufacturing and technology
 - Executing on our customer intimacy strategy with leading customers in our selected high-growth markets

Semiconductors 52

Summary of today

We have shown:

- That we will drive growth by focusing on Connected Consumer applications
 - Leveraging the Nexperia[™] brand
 - In close partnership with other divisions of Philips and other leading customers
 - Nexperia-based solutions are succeeding in the market today
- We are on target to achieve profitability in Q4

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