

# PHILIPS

## Execution in the market

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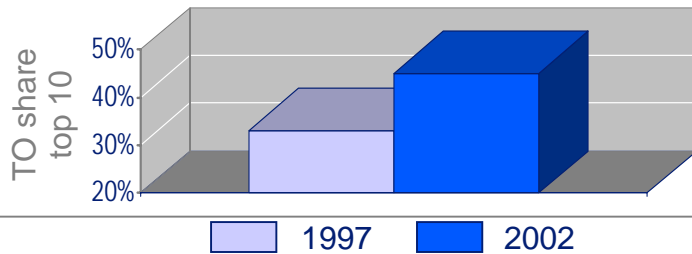
# Consistency and focus in strategy and execution

- Partnerships with leading retailers
- Innovative alliances and new channels
- Differentiated business models
- Integrated through-the-line marketing
- Enhanced supply chain capabilities
- Global consumer services platform

# Partnerships with leading retailers and innovative alliances in new channels

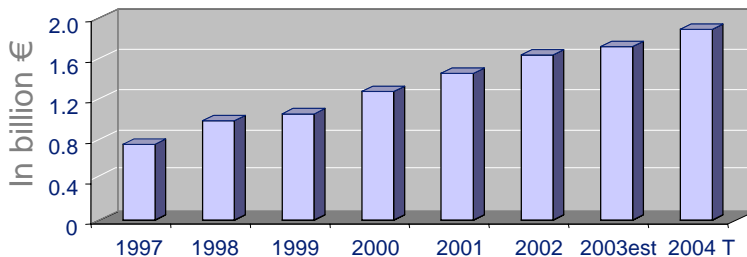
## Partnerships with leading retailers

### Turnover share Top 10 (concentration)

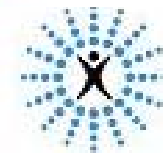


Source: Mintel 2003

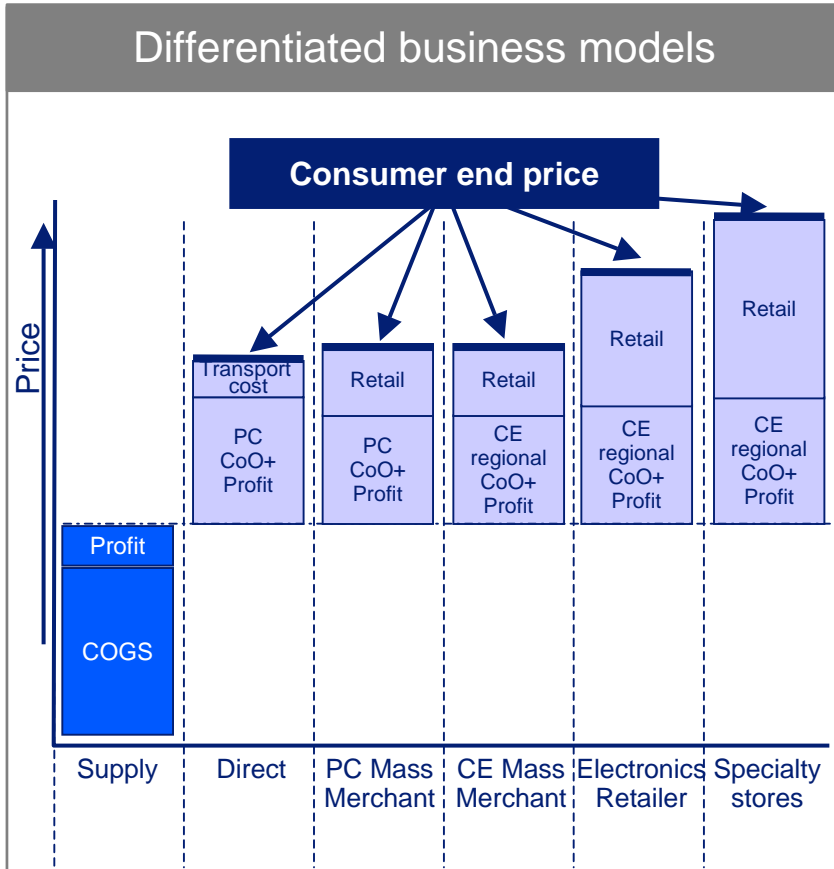
### Growth in Europe G10



## Innovative alliances and new channels



# Differentiated business models and integrated through-the-line marketing

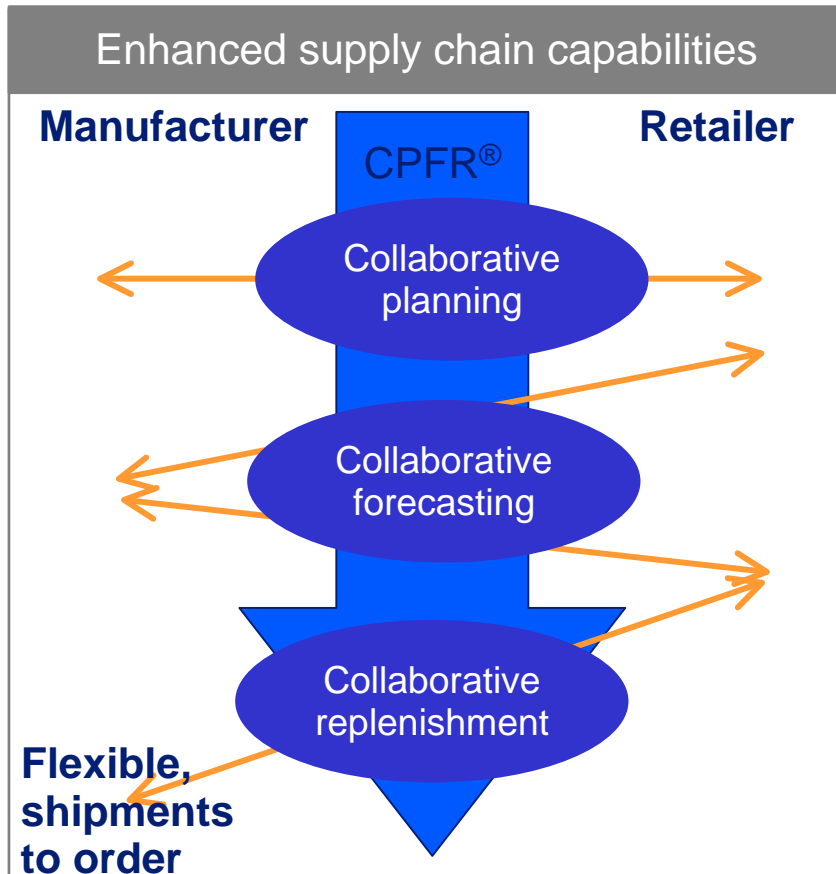


**Integrated through-the-line marketing**

**Print advertising**

**In-store Poster**

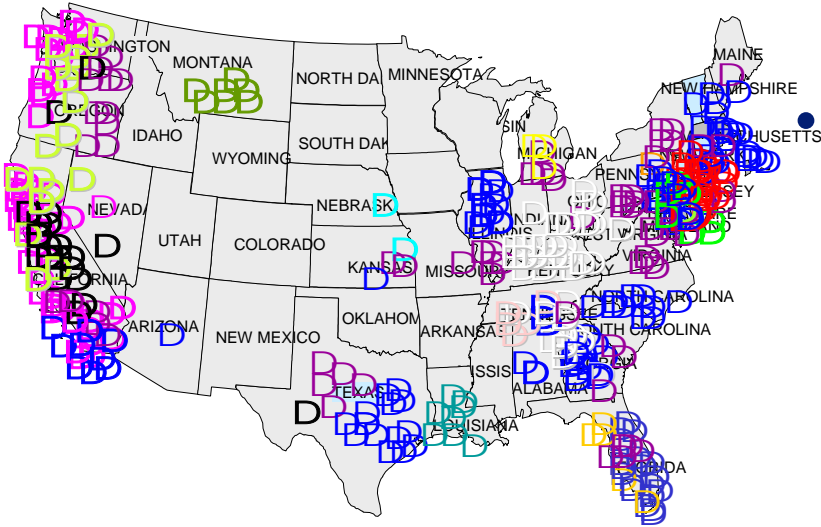
# Enhanced supply chain capabilities and global consumer services platform



# A streamlined commercial organization for effective execution across regions and channels

- Solidify our USA position
- Capitalize on our stronghold in Europe
- Drive growth in Asia
- Leverage opportunities in Latin America

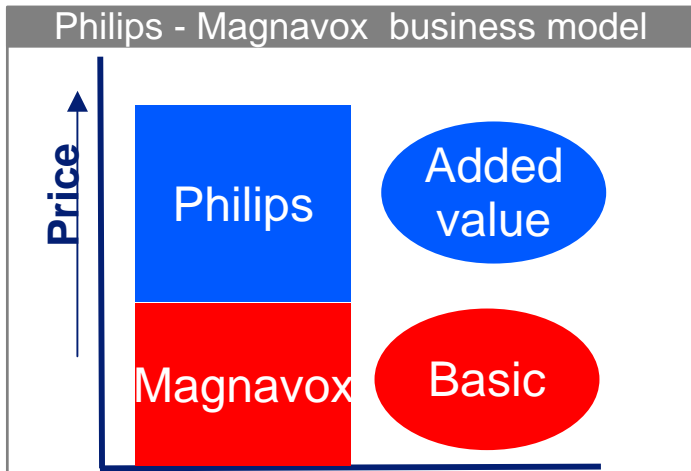
From 2002 till 2003 YTD



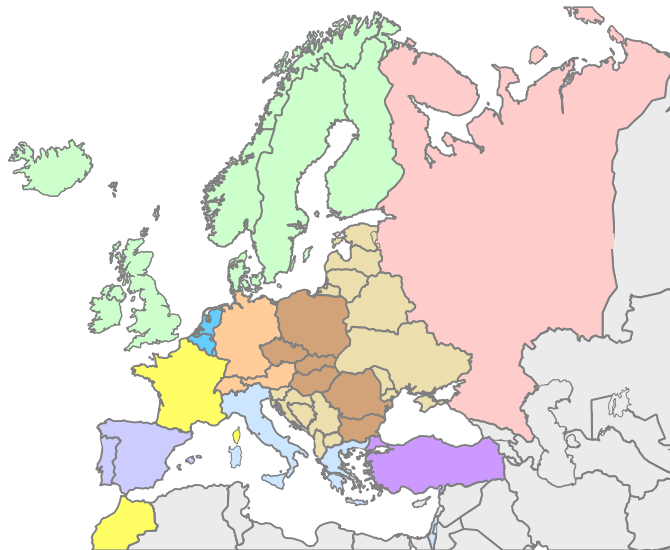
# Solidify our USA position

Capitalize on our market presence and brand franchise

- Focused account portfolio and partnerships with winning retailers
- Co-equity programs and category mgmt to drive placement productivity
- Streamlined Magnavox business model
- Leverage partnerships
  - Philips-Nike (Sports)
  - Philips-Gemini (Accessories)
  - Philips-DirecTV (Set Top Boxes)
- Execute the business renewal program
  - Organization realignment and right-sizing
  - Process reengineering and outsourcing
  - Streamlined operating models



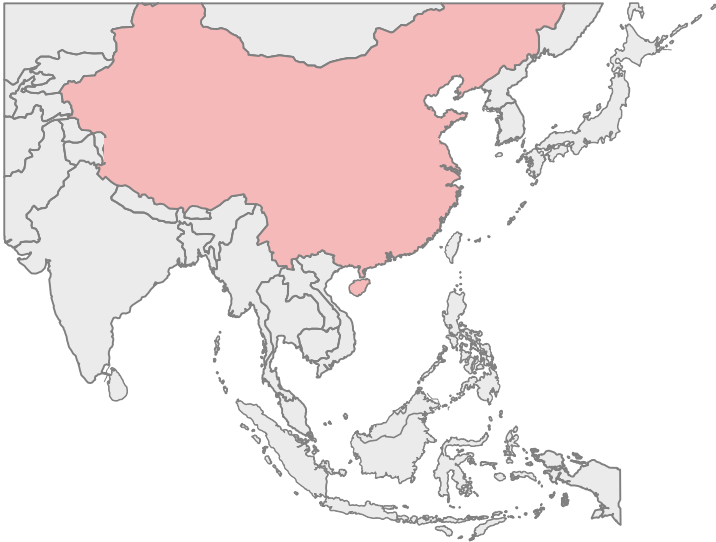
# Capitalize on Europe



- **Leverage our leadership position with the trade**
  - Strategic partnerships with international top-10
  - Category management for priority categories
  - Integrated e-Commerce, supply chain and service platform
- **Drive profitable growth through expansion and differentiated business models**
  - Development of new channels and alliances
  - Differentiated B2C and B2B business models
  - Double-digit growth plans in emerging markets
- **Execute the business renewal program**
  - Organizational realignment and fine tuning
  - Integrated geographical clusters I.s.o N.S.O.s
  - Streamlined operating models



# Drive growth in Asia



- **Organize for profitable growth in China, and capture opportunities in other key markets**
  - Expansion and upgrade of distribution
  - Focused brand investments in priority categories
  - Business plans for high potential markets (India)
- **Structural footprint for sustainable success**
  - Intensify alliances and partnerships
  - Alignment and integration of industrial and commercial footprint for synergy and scale
  - Integrated economic model with right balance of local manufacturing and sourcing
- **Execute the business renewal program**
  - Organization realignment and right sizing
  - Rationalization support functions
  - Streamlined operating models




# Leverage opportunities in Latam



- **Leverage our leadership position in Brazil and brand equity across the region**
  - Capitalize on DWIDE success to drive FTV
  - Focused brand investments in priority categories
  - Extend the retailer partnership programs
- **Capture key opportunities**
  - Mexico turnaround plan
  - New Caribbean, Platino and Pacific clusters for more effective execution
  - New policies for margin optimization and better working capital management
- **Execute the business renewal program**
  - Organizational realignment and right sizing
  - Synergy and scale through shared services and systems, and common infrastructure
  - Streamlined operating models

# Winning formula for execution in the market



- Partnerships with leading retailers
- Innovative alliances and new channels
- Differentiated business models
- Integrated through-the-line marketing
- Enhanced supply chain capabilities
- Global consumer services platform

- Solidify our USA position
- Capitalize on our stronghold in Europe
- Drive growth in Asia
- Leverage opportunities in Latin America

