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Philips Announces Nexperia Home Partner Program for Independent Software Vendors (ISVs) Targeting Nexperia Home Semiconductor System Solutions

Leading Independent Software Vendors and Integrators create embedded multimedia middleware and application software for innovative consumer applications for the Connected Home

Eindhoven, The Netherlands – December 15, 2003 - Royal Philips Electronics (NYSE: PHG, AEX: PHI) today announced the Nexperia Home Partner Program designed to help Independent Software Vendors (ISVs) and Integrators market software-based products for the powerful Nexperia Home semiconductor system solutions. Eleven leading ISVs are on board to develop middleware, applications and reference designs in support of the Nexperia family of products.

As a result, a new wave of innovative consumer applications for the Connected Home will be realized in DVD recorders, Analog/Digital TVs, HDTVs, home media servers and set-top box applications. These Philips Nexperia semiconductor system solutions, augmented with the value-added applications from the ISVs, will be showcased at the Consumer Electronics Show in Las Vegas, Nevada, from January 8-11, 2004.

The initial Nexperia Home Partner Program participants are leading ISVs and Integrators including: Allegro Software, ANT Limited, Blunk Microsystems, Cabot Communications, DivXNetworks, ICT Embedded, Mediabolic, Momentum Data Systems, Planetweb, Streaming Networks, and Wind River Systems. These companies are developing software-based products complementing the Nexperia Home semiconductor system solutions to support a wide range of new opportunities for manufacturers of innovative consumer electronics products and systems.

“The market for a new generation of digital consumer products for the “Connected Home” will increase 20 percent year-over-year for the next 5 years. Fast growing products include wireless media adapters to connect the PC with the TV/entertainment center, smart DVD recorders, home media servers and digital televisions with multimedia capabilities,” according to Tim Bajarin, President, Creative Strategies. “These leading ISVs are the catalyst that will give Nexperia Home solutions the added value to really cause some excitement for manufacturers of consumer electronics products around the globe.”

“The advanced capabilities offered by Nexperia Home semiconductor system solutions combined with Wind River Platform for Consumer Devices provides digital TV and advanced STB manufacturers with an integrated digital video and home gateway hardware/software reference design. Manufacturers pursuing the tremendous

opportunities in the “Connected Home” benefit from this tightly integrated reference design since they can focus on differentiation and value-add. We are pleased to work with Philips to provide an integrated hardware/software foundation for the “Connected Home,” said Brad Murdoch, Vice President and General Manager, Wind River.

“Our SpectraWorks™ family of flexible and portable DVD recorder applications and developer tools are perfect for the Nexperia Home semiconductor system solutions. Now, manufacturers using the Nexperia Home solutions can fully realize the advantages of a ‘design once’ approach to consumer electronics development, delivering products in less time and at a lower cost than ever before,” said Ken Soohoo, CEO, Planetweb.

“ANT PurePlay integrated on Nexperia technology breaks the dominance of the PC for viewing digital media content in the home. PurePlay on Nexperia lets manufacturers and consumers rapidly exploit the TV’s potential for family viewing of digital photos, downloadable MP3s and MPEG movies,” said Simon Woodward, President and CEO, ANT Limited.

“The Nexperia Home portfolio of semiconductor system solutions was expanded and experienced significant design-ins for TV, DVD recorder and media server applications for the Connected Home”, said Leon Husson, Executive Vice President Consumer Businesses, Philips Semiconductors. “Now, teaming up with the leading ISVs and Integrators, I expect to create the leading category of home entertainment engines through the Nexperia Home family of semiconductor solutions.”

The Nexperia Home Partner Program offers leading ISVs and Integrators a complete set of technical tools and information so that manufacturers of products can be offered complete solutions that include hardware, complete software stacks and support. Philips has established a complete program that includes joint marketing programs, access to tools, the Nexperia Users Exchange, and information via a program portal: www.semiconductors.philips.com/nexperia.

In addition, complete software development kits for digital TV and DVD+RW are planned. In the first quarter of 2004, a digital TV kit based on the Nexperia PNX 8550 System-on-Chip will be released, made up of development hardware, software applications, documented application programming interface and operating system. A similar DVD+RW software development kit is planned for the third quarter of 2004. Specific application support will become available to participants in the program as the kits become available. As a result, quick results could be anticipated for the roll out of new applications and functionality in the fast growing area related to the Connected Consumer.

About Royal Philips Electronics

Royal Philips Electronics of the Netherlands is one of the world's biggest electronics companies and Europe's largest, with sales of EUR 31.8 billion in 2002. It is a global leader in color television sets, lighting, electric shavers, medical diagnostic imaging and patient monitoring, and one-chip TV products. Its 166,500 employees in more than 60

countries are active in the areas of lighting, consumer electronics, domestic appliances, semiconductors, and medical systems. Philips is quoted on the NYSE (symbol: PHG), London, Frankfurt, Amsterdam and other stock exchanges. News from Philips is located at www.semiconductors.philips.com

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