

PHILIPS

sense and simplicity

Philips puts its customers at the heart of its product innovations and begins by understanding their needs and aspirations. Focusing on the health and well-being domain, the company serves professional and consumer markets through three overlapping sectors: healthcare, lighting and consumer lifestyle. Throughout its portfolio, it demonstrates its innovation capacity by translating customer insight into technology and applications that improve the quality of people's lives.



Market

Philips focuses mainly on the health and well-being domain, manufacturing products and services for the professional and consumer markets.

Its sales total more than 26 billion euros (US\$33 billion) and it employs 121,000 people with sales and service outlets in 100 countries. Every day one million people buy a Philips product (Source: Philips UK). More than 30 per cent of the company's annual sales are from emerging economies. Philips is among the world's top 50 most valuable brands and its brand value has doubled to US\$8.3 billion since 2004 (Source: Interbrand). Research and development is a vital part of its business and the company invests

1.6 billion euros – more than six per cent of sales – into it. It currently has 55,000 patent rights, 33,000 registered trademarks and 49,000 design rights. It also runs one of the largest design organisations in the world with eight studios across three continents.

It is market leader in cardiac care, acute care, home healthcare and energy efficient lighting. Its product portfolio also includes lifestyle products such as flat screen TVs, male shaving and grooming, and domestic appliances.

Product

Philips manufactures products across three core areas: healthcare, lighting and consumer lifestyle. The healthcare sector is dedicated to providing solutions designed around the needs

of clinical care teams and patients and includes cardiac care equipment and home healthcare products. Its lighting sector aims to introduce innovative and energy efficient solutions and applications for lighting, for both the business and consumer markets. The consumer lifestyle products provide solutions to consumer needs, enabling people to live healthier and more fulfilled lives.

Achievements

Philips is making significant strides in sustainability and offers green solutions across its portfolio – from energy saving lighting to TVs, home theatres, kettles and more. In 2008 Philips invested approximately 282 million euros in Green Innovations and launched 91 new Green Products (those identified as having



a significantly better environmental performance than competitors or predecessors). Sales of Green Products rose to around 25 per cent of total sales in 2008, compared with 20 per cent in 2007.

Winning 50 design awards each year, Philips' worldwide design branch won 22 iF product design awards in 2009 alone. One was for the Wake-up Light, an alarm clock which gradually brightens to simulate a natural sunrise, accompanied by natural sounds. In healthcare, the Kitten Scanner – which helps teach children what happens during a CAT examination to reduce their fears – and a handheld ultrasound system also won iF awards.

2009 also saw the IEEE, the world's largest technical professional society, honour Philips with an IEEE Milestone Award for its contribution to developing the Compact Disc (CD). This Milestone Award is only ever given to significant innovations that have stood the test of time for at least 25 years.

between the ages of 14 and 35 die every single week from undiagnosed heart conditions. By providing mobile screening equipment and getting its employees to volunteer, Philips is helping CRY tour England to provide free cardiac screening for up to 3,000 young people.

Promotion

In 2008, Philips launched a global brand campaign to highlight its health and well-being credentials among business influencers. The campaign includes partnerships with leading global media owners – such as CNN, Financial Times, The Economist Group, CNBC and Harvard Business Review – and drives Philips' vision and thought leadership in the health and well-being domain.



asimpleswitch.com

First staged in 2005, Philips' 'Simplicity Events' act as a

platform for the company to demonstrate its commitment and leadership in delivering 'sense and simplicity' to people. Events have been held in Paris, Amsterdam, New York, London, Hong Kong, Sao Paolo and most recently, Moscow.

Recent Developments

Philips believes that demand for healthcare products – especially outside the hospital – and high quality, energy efficient lighting will grow by six per cent per year. As a result, it has focused activity on becoming the leading business within these markets. In 2006 it sold its semiconductor and electronic components-related businesses and invested half the proceeds in acquiring further businesses in the target markets. These included Genlyte and Respironics in 2008.

In the UK Philips is working with the charity Cardiac Risk in the Young (CRY) to raise awareness and provide screening to prevent Sudden Arrhythmia Death Syndrome (SADS). Twelve apparently fit and well young people

The company logo has been consistent since the 1930s. Until the mid-1990s its advertising



*because
we're thinking
of your
health and
well-being.

and marketing was focused at product level and varied for local markets. In 1995 Philips introduced its first global tagline with a unified company look.

Brand Values

The Philips brand promise to customers and consumers is 'sense and simplicity'. In a world where complexity increasingly touches every aspect of people's daily lives, Philips is committed to understanding the needs and aspirations of real people in order to deliver innovative solutions that are advanced and easy to experience – and that ultimately improve the quality of their lives.

philips.com

Things you didn't know about Philips

Every day one million people buy a Philips product.

Philips lights many international landmarks, including the Hermitage Museum in Saint Petersburg, the Eiffel Tower, Buckingham Palace, the National Theatre in London, the Pyramids, the National Stadium in Beijing and the ball at Times Square (which will use up to 20 per cent less energy in 2009 than 2007, thanks to the use of LED lights).

Although most people know Philips for TVs and shavers, Philips also holds leading positions in the lighting and healthcare markets: it is market leader in cardiac care, acute care, home healthcare and energy efficient lighting.

One in every three automobiles worldwide uses Philips lighting.

1891	1910	1914	1927	1939	1983
Anton and Gerard Philips set up Philips & Co. in Eindhoven, the Netherlands. It begins by manufacturing carbon-filament lamps.	Philips is the largest single employer in the Netherlands, with 2,000 employees.	The company opens a research lab, which results in its first innovations in x-ray and radio technology. Four years later, a medical x-ray tube is introduced, marking its entry into healthcare.	Philips produces its first radios; by 1932 it is the largest producer of radios in the world.	Its first electric shaver is introduced and the company now employs 45,000 people.	A technological and cultural landmark, the Compact Disc is launched, illustrating Philips' dedication to innovation.

1995	1997	2004	2008
The company sells its 300 millionth Philishave electric shaver.	In co-operation with Sony, Philips introduces the DVD which becomes the fastest growing home electronics product in history.	Philips unveils its new brand promise of 'sense and simplicity', which marks a commitment to being a truly people-focused company.	Philips launches a global brand campaign to highlight its strong credentials in health and well-being.