

## Press Information

September 29, 2006

### **PHILIPS COMPLETES SALE OF 80.1% STAKE IN SEMICONDUCTORS BUSINESS TO PRIVATE EQUITY CONSORTIUM KKR, SILVER LAKE, BAIN CAPITAL, APAX AND ALPINVEST**

**Amsterdam, The Netherlands** – Royal Philips Electronics (NYSE:PHG, AEX:PHI) announced today that it has completed its sale of an 80.1% stake in its Semiconductors business to a private equity consortium consisting of Kohlberg Kravis Roberts & Co. (KKR), Silver Lake Partners, Bain Capital, Apax Partners and AlpInvest Partners NV. Under the terms of the agreement, which was announced on August 3, 2006, Philips sold an 80.1% stake in its Semiconductors business, and estimates that, after subsequent payment of taxes, it will receive approximately EUR 6.4 billion in cash. This transaction puts the enterprise value of the entire stand-alone semiconductors company – now known as NXP – at approximately EUR 8.3 billion.

With the completion of the transaction, Mr. Frans van Houten, President and CEO of NXP, relinquishes his position as member of the Board of Royal Philips Electronics. As a result of the transaction, Philips will treat its Semiconductors activities as “Discontinued Operations” in the company’s financial reporting moving forward. Additional financial information on Philips’ Semiconductors business, including the financial impact from this transaction, will be provided in Philips’ Third Quarter Report, to be published on October 16, 2006.

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#### About Royal Philips Electronics

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is a global leader in healthcare, lifestyle and technology, delivering products, services and solutions through the brand promise of “sense and simplicity”. Headquartered in the Netherlands, Philips employs approximately 125,500 employees in more than 60 countries worldwide. With sales of EUR 30.4 billion in 2005, the company is a market leader in medical diagnostic imaging and patient monitoring systems, energy efficient lighting solutions, personal care and home appliances, as well as consumer electronics. News from Philips is located at [www.philips.com/newscenter](http://www.philips.com/newscenter).

#### Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.