

PHILIPS

sense and simplicity

A future-proof approach to public lighting

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Why are we here today?

- What is the opportunity?
 1. New lighting technology enables substantial energy savings
 2. A third of the EU street lighting needs to be replaced by 2015
- What can Philips Lighting Solutions offer?

A future proof energy efficient solution to the cities' lighting needs
- What do we need to make it scalable?

Partners willing to embark in new business models and propositions aimed at improving the wellbeing of citizens

Outdoor lighting is about finding the right balance



Cities want to establish identity



Artificial light is disturbing a delicate balance



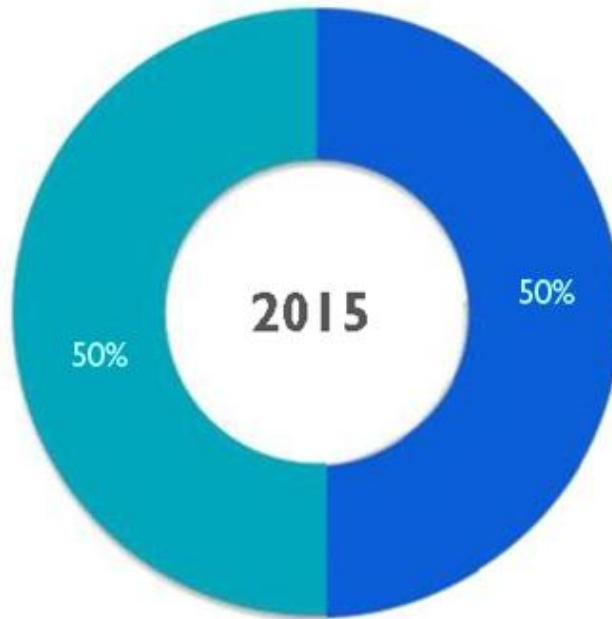
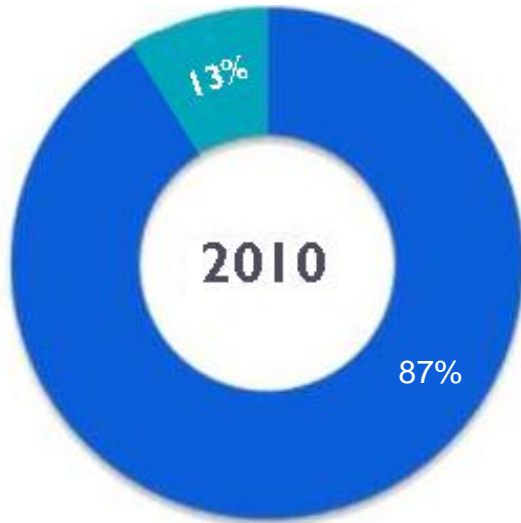
People want light to make room for darkness



Governments are tightening restrictions

The LED revolution

Digital lighting is transforming the entire landscape*



- Traditional lighting
- LED lighting

*Source: Philips Lighting global market study 2009, updated for 2010



A future rich in meaningful solutions

Designed around people's needs

Solutions provider

- Customized solutions designed around people
- Modular, flexible, interoperable
- Working together with designers
- Business model innovation
- Business model innovator
- Integrated solutions
- New services



Systems & Services

- Intelligent lighting systems
- Digital
- New software standards
- Advisory
- Financing
- One-stop-shop projects
- Lifecycle services



Product champion

- Standard products
- Long lifecycles
- Technology-driven
- Selling to trade channels
- Industrial scale



Our solution concepts

The basis for customized solutions

Road Lighting Solutions



- IntelligentCity

City Lighting Solutions



- IntelligentCity
- LumiMotion

Arena Solutions



- ArenaExperience

Retail Lighting Solutions



- GreenEvolution
- FridgeWin
- ChainDirector

Hotel Lighting Solutions



- GreenEvolution

Office Lighting Solutions



- GreenEvolution

Industry Lighting Solutions



- GreenEvolution

Healthcare Lighting Solutions



- HealWell

Education Lighting Solutions



- SchoolVision

Reference cases: save substantial energy with LED and lighting controls



San Sebastian de los Reyes, Spain



67%
Energy
saving

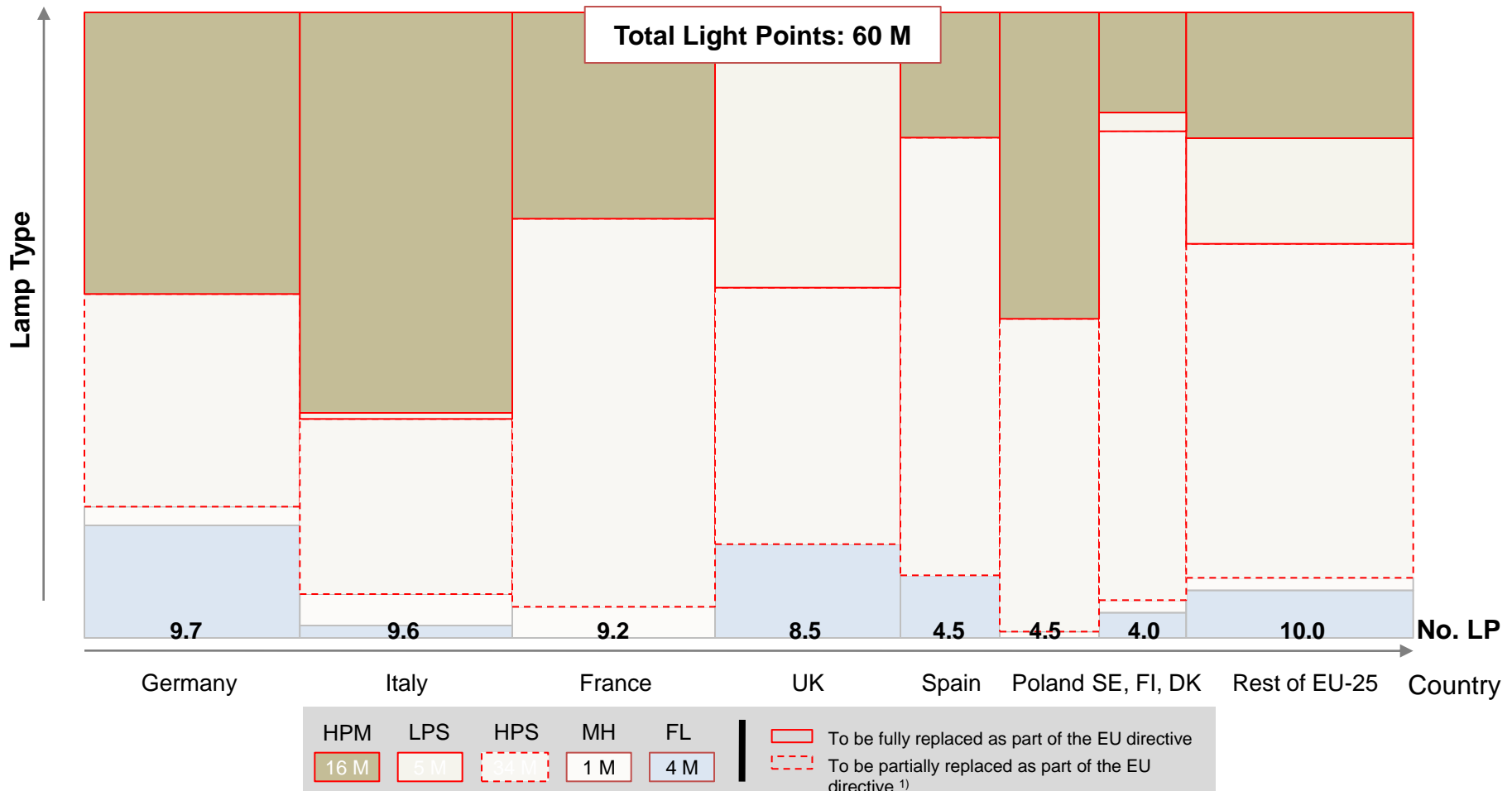
Improved uniformity & visibility for
drivers and pedestrians



250W SON

106W LED

Related policies: more than 35% of all street lamp types will become obsolete by 2015 in EU



Note: The EuP Directive doesn't forbid all high pressure sodium lamps but will gradually phase out the unefficient ones.

Source: Preparatory Studies for Eco-design Requirements of EuPs 2007; Humatica Interviews; Lighting and Cleantech Incubator

Examples of relevant PPP's

Croydon & Lewisham - UK



Type of Contract: PFI

Partner: Skanska

Financing Partner: Skanska

Total Value: £16M (~€18M)

Length of Works: 5 years

Length of Contract: 25 years

Scope: Supply
42,000 lightpoints
Luminaires & HID lamps
Citytouch + Ssense RF
Extended Warranty

Kuala Lumpur - MALAYSIA



Type of Contract: Installation & Maintenance

Partner: The Works Ministry of Malaysia

Financing Partner: Philips

Total Value: RM95.5M (~€23M)

Length of Works: 1 year

Length of Contract: 7 years

Scope: Installation & Maintenance
63.1 Km Road lighting
LED Luminaires + masts

Salobre – SPAIN



Type of Contract: PPP + ESCO

Partner: Gas Natural Servicios
Financing Partner: Gas Natural Fenosa

Total Value: ~€350k

Length of Works: 1 month

Length of Contract: <19 years

Scope: Installation & Lighting Maintenance
342 lightpoints
LED Luminaires + masts&brackets
Citytouch + Ssense PL

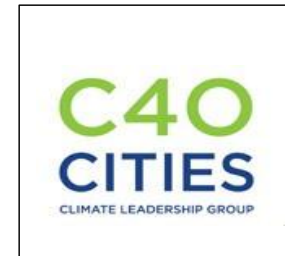
Working as partners



Joint effort by:



- Utilities
- Banks
- Installers
- Municipalities
- Public Associations
- Local Governments



How can we scale this up?

- Government stimulus
 - Green Agenda
 - Fiscal measures and/or subsidies
 - Pragmatic policies for public tendering
 - Credit support
 - Creating awareness and leading by example
- Develop the market:
 - Livable cities Think tanks
 - Creating singular lighting projects
 - Lighting master plans and PPP consultancy budgets
 - Tender support for municipalities
- Teaming up with public & private sector
 - Develop framework agreements
 - Create lighting investment funds

Summary/next steps

Innovative lighting improves livability: **awareness** raising and need for **financing**

Proven solutions exist: energy efficient/LED solutions offer great potential

We are committed to help shape the market and **partner** with cities, financiers and companies in different business models



