

PHILIPS

PHILIPS to Acquire Genlyte: A Leading North American Luminaires Manufacturer

Amsterdam

November 26, 2007

Agenda

- Highlights of the Transaction
- Genlyte Overview
- Compelling Strategic Rationale
- Value Creation Opportunity
- Timetable

Philips to acquire Genlyte, a leading North American Luminaires manufacturer

- Genlyte is the *#2 Luminaires (lighting fixtures) manufacturer* in North America with MAT¹ September 2007 sales of \$1,601m
 - *All-cash offer of \$95.50 per share* implying a total equity value of approximately \$2.7bn (€1.8bn)
 - Implied *2007E EBITA transaction multiple of 11.3x and 2008E EBITA transaction multiple of 10.6x²*
- Genlyte acquisition presents *growth opportunity in core business*
- Transaction *fits all Philips' acquisition criteria* and will be accretive to Philips Lighting margins
- Acquisition expected to close in Q1 2008

¹ Moving annual total

² EBITA forecasts based on IBES estimates as of 23-Nov-2007

Summary strategic rationale

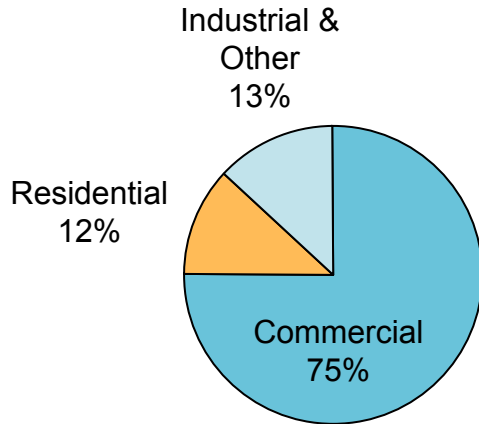
- Acquisition is consistent with Philips' strategy to *strengthen its leadership position in Lighting*
- Combination will create the *#1 Lighting company in North America* and establish Philips as *a leading Global Luminaires company*
- *Builds on recent acquisitions* of Color Kinetics, LTI, TIR Systems, PLI and Lumileds
- *Genlyte is best-in-class* among the US Luminaires players
- Luminaires & Controls are a *spearhead in developing “green” lighting markets, including Solid State Lighting (SSL)*. Genlyte will be a cornerstone of growth in SSL

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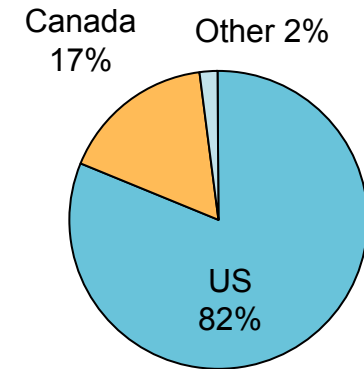
Overview of Genlyte

Segment Sales Split (2006A)



Key Financials
 MAT Sep-2007 sales: \$1,601m
 MAT Sep-2007 EBITA: \$238m
 EBITA margin %: 14.9%

Geographic Sales Split (2006A)



- Founded in 1985 and located in Louisville, Kentucky, US
- Leading manufacturer of lighting fixtures, controls and related products for the commercial, industrial and residential markets
- #2 player in North America
- Strong track record in organic and acquisitive growth
- Key brands are Lightolier, Day-Brite, Capri, Thomas Lighting and Hadco
- Approximately 6700 employees

LIGHTOLIER®

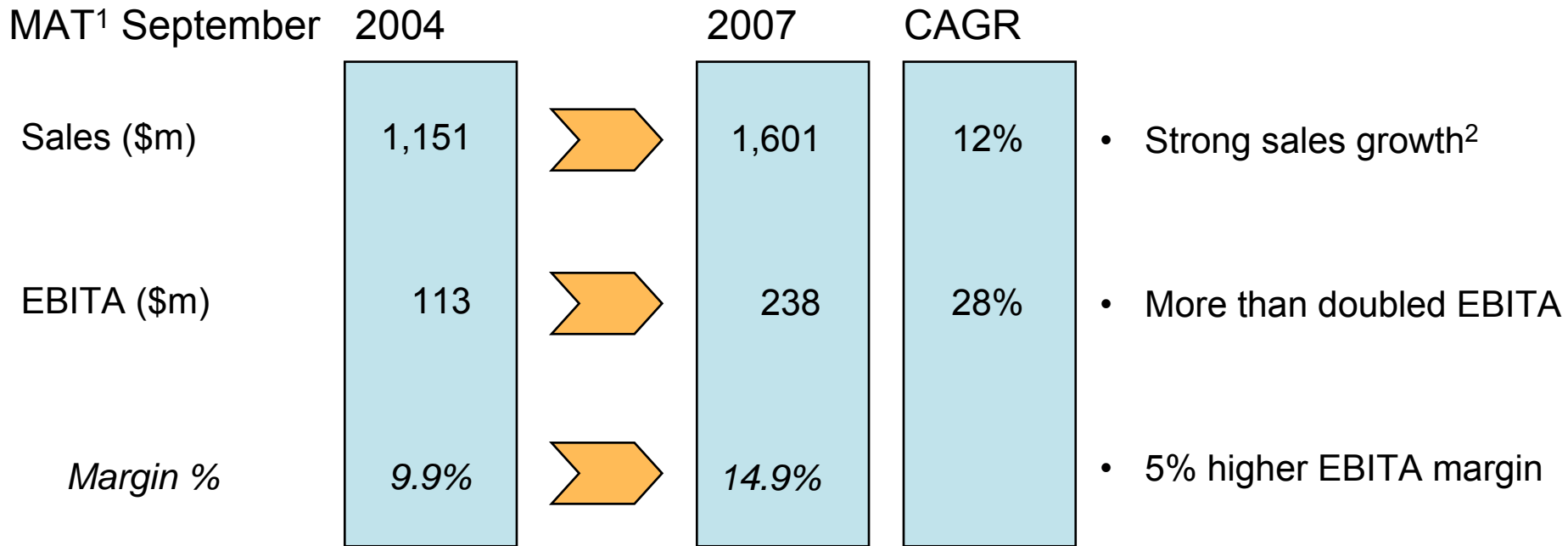
CAPRI

HADCO®

Day-Brite® Lighting

**THOMAS®
LIGHTING**

Genlyte: Outstanding financial track record



Source: Company filings

¹ Moving annual total

² Includes sales growth from acquisitions

Genlyte: Key strengths

- Strong *#2 position in North American* market
- *High organic revenue growth* complemented with high operating margin
- *Diversified end-markets* with limited exposure to residential market
- *Strong relationships with specifiers* using multi-brand approach
- *Largest sales force* of all competitors
- *High-end product offering*
- Strong *focus on innovation*

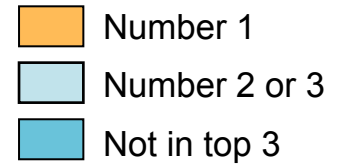
Genlyte: Selected application examples



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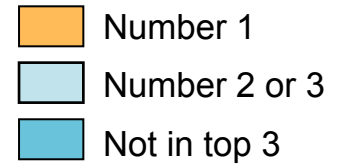
Current position of Philips in North American and Global Luminaires






Current Market position

		Western Europe	Eastern Europe	North America	Latin America	Japan	Asia/Pacific	Total
	Lamps	Number 1	Number 1	Number 2 or 3	Number 1	Not in top 3	Number 1	Number 1
	Luminaires	Number 1	Number 1	Not in top 3	Number 2 or 3	Not in top 3	Number 1	Number 2 or 3
	Lighting Electronics	Number 1		Number 1	Number 1	Not in top 3	Number 1	Number 1
	Automotive Lighting	Number 1		Number 2 or 3	Number 1	Number 1		Number 1
	Special Lighting	Number 1						
	Solid State Lighting	Number 2 or 3						

Acquisition of Genlyte makes Philips #2 in Luminaires in the US

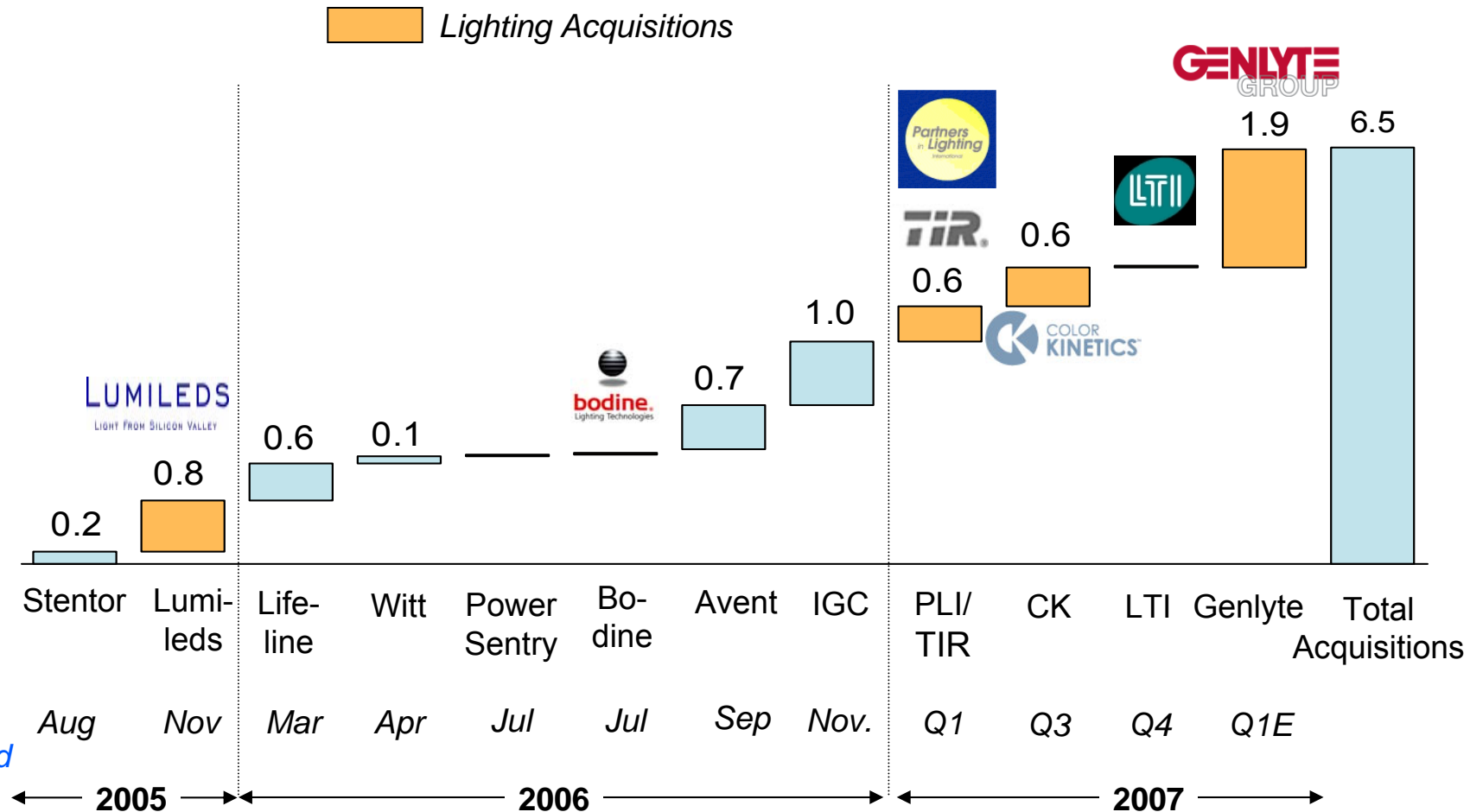


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	Special Lighting	Number 1						
	Solid State Lighting	Number 2 or 3						

Builds on recent acquisitions of LTI, Color Kinetics, PLI, TIR Systems and Lumileds

(Enterprise Value, € bn)



Acquiring a Luminaires company is of strategic importance and offers significant benefits to “green lighting technologies” roll-out

- Traditional Lighting replacement business will gradually reduce in size. *Growth opportunity exists in installment business* of innovative lighting solutions
- New use of light starts with showing the light effect:
Luminaires & Controls create lighting solutions
- Market driven innovation is key when customer needs are changing:
our Luminaires & Controls activities are closest to the end user
- *Luminaires & Controls function as our spearhead* in developing “green” lighting markets (incl. SSL)
- Gathering vital information about SSL market trends *requires footholds for Luminaires & Controls* in all major markets (regional and application segments)

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Expected value creation from acquisition

- Philips intends to:
 - *Increase the pace of adoption of “greener technologies”* (including Solid State Lighting solutions) through Genlyte’s strong relationships with specifiers and wide US sales / distribution network
 - *Selectively expand Genlyte’s sales internationally* under the Philips brand, by leveraging Philips’ global distribution network
 - Benefit from *cost saving opportunities* (manufacturing and procurement) by leveraging our global scale

Pro Forma combined financial profile

2007-Sep MAT ¹	Philips	Philips Lighting	Genlyte ²	Combined Pre-Synergies	
				Philips & Genlyte	Lighting & Genlyte
Sales (€m)	26,743	5,889	1,204	27,947	7,093
EBITA (€m)	1,922	686	179	2,101	865
<i>Margin %</i>	7.2%	11.6%	14.9%	7.5%	12.2%

Source: Company filings

¹ Moving annual total

² Genlyte financials converted from \$ to € at the average exchange rate for 01-Oct-2006 until 30-Sep-2007 of 1.33

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Expected timetable

Expected Date	Milestone
26-Nov	<ul style="list-style-type: none">● Announcement
30-Nov	<ul style="list-style-type: none">● Filing of tender offer
Q1-2008	<ul style="list-style-type: none">● Closure of tender offer

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sense and simplicity