



Press Information

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Philips enters into joint venture to create leading lighting player in the Kingdom of Saudi Arabia

- The Philips Africa Innovation Hub in Kenya will be the center for developing innovations “in Africa-for Africa” in the areas of healthcare, lighting and healthy living
- Hub underlines Philips’ commitment to invest in Africa and provide Africa-relevant innovations to address key challenges facing the continent

Nairobi, Kenya – Royal Philips (NYSE: PHG, AEX: PHIA) today announced the establishment of its Africa Innovation Hub in Nairobi, Kenya, which underlines the company’s commitment to invest in Africa. The Philips Africa Innovation Hub will work both on the creation of new inventions, as well as bringing these inventions to the market.

The Philips Africa Innovation Hub will do application-focused scientific and user studies to address key challenges like improving access to lighting and affordable healthcare as well as developing innovations to meet the aspirational needs of the rising middle class in Africa.

The Philips Africa Innovation Hub will be located at the Philips East African Headquarters in Nairobi, where African talents and international researchers will operate on the concept of “open innovation” and will work in close collaboration with the R&D ecosystem of Kenya and Africa. Philips is in discussions with local organizations and Universities on R&D collaborations to co-create meaningful solutions for Africa.

“We welcome the establishment of Philips’ Innovation Hub in Kenya; Philips is a globally recognized innovation powerhouse and their selection of Nairobi as the site to establish their African Innovation hub is a testament to the Kenyan government’s commitment to nurture the drive for research and innovation in the region”, says, Hon’ble Adan Mohammed, Cabinet Secretary for Industrialization. “We lend our full support to the investment being made by Philips and look forward to the outcomes of their Africa-specific research and projects that can contribute to transforming society, business and government across the continent”.

JJ van Dongen, Senior Vice President & CEO Philips Africa states: “Philips is passionate to invent, apply technology and partner to help people succeed. Our ambition is to create impactful innovations that matter to people and address the key challenges that confront society. With Kenya as a leader in the continent in science and entrepreneurship as well as a hub of collaboration on technology and innovation, Nairobi, is the ideal location to establish Philips’ African research presence. We want to tap into the city’s vibrant R&D eco-system and



contribute to the process of co-creating new solutions, new business models and meaningful partnerships to provide innovations that make an impact.”

Enhancing people’s lives in Africa through meaningful innovations

Some innovations that Philips was already working on have now become part of the Innovation Hub, hence, the Philips Africa Innovation Hub will kick-off with ventures that are under development as well as in the pilot phase; these include:

Respiratory rate Monitor to support pneumonia diagnosis: Pneumonia is the leading cause of death among children under the age of five, resulting in 1.1 million deaths worldwide annually¹. Of these, 99% of deaths occur in developing countries in low-resource settings, which typically entail rural areas with very limited or poor healthcare facilities or with low-skilled health workers. The current diagnostic tools in such settings are not easy to use, can easily distract the workers from an accurate conclusion, and thus lead to a poor diagnosis.

The Innovation hub is working on the development and clinical testing of a robust and affordable Automated Respiratory Rate Monitor that aims to support the diagnosis of pneumonia among infants and children, using smart sensing technology on the body which is intended to be more accurate and reliable compared to manual processes being currently observed. This device will be specially designed for use by community health workers and nurses in rural areas. In Kenya, discussions are on with the Kenya Medical Research Institute (KEMRI) to further develop this project and co-create an effective solution tailored to circumstances in rural Africa.

Community care services: The development and testing of a work-flow innovation designed to reduce the number of avoidable maternal and child deaths. The purpose of the workflow is to enable remote area health centers to diagnose, triage, treat, stabilize and (prepare for) transport expectant mothers that come in for a check-up and treatment.

Smokeless cook stove: Philips has designed and is manufacturing this innovative stove to improve the lives of those who rely on wood or biomass for their daily cooking. These specially designed stoves are extremely efficient and significantly reduce the use of wood as fuel. The cook stove can reduce smoke and carbon monoxide emissions by more than 90% compared to an open fire² thus reducing the health risks of indoor cooking. The contribution of the innovation hub is to create new go-to-market models for these stoves.

Consumer solar solutions: Today an estimated 560 million Africans live without electricity; Philips is committed to improving access to lighting in Africa, for the majority of the population that lives in off-grid communities. The Innovation hub is designing and developing new consumer products using the combination of solar power and energy efficient LED technology. New go-to-market models are also being established to ensure these solutions become accessible to people that would not be able to afford them otherwise.

The Philips Africa Innovation Hub while headquartered in Kenya, will be responsible for pan-African research and projects and will have operations across Africa, linked to the Philips regional offices across the continent; the hub will be headed by Dr. Maarten van Herpen and

will work in close collaboration with the Philips research labs in Bangalore, Shanghai and Eindhoven.

¹ Source : Unicef www.unicef.org/media/media_70890.html

² Reference source: *Water boiling test version 4.2.2 done at accredited stove laboratory, Aprovecho Research Center, Oregon, USA.*

For further information, please contact:

Radhika Choksey

Philips Group Communications - Africa

Tel: +31 62525 9000

E-mail: radhika.choksey@philips.com

About Royal Philips:

Royal Philips (NYSE: PHG, AEX: PHIA) is a diversified health and well-being company, focused on improving people's lives through meaningful innovation in the areas of Healthcare, Consumer Lifestyle and Lighting. Headquartered in the Netherlands, Philips posted 2013 sales of EUR 23.3 billion and employs approximately 115,000 employees with sales and services in more than 100 countries. The company is a leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as male shaving and grooming and oral healthcare. News from Philips is located at www.philips.com/newscenter.