

Philips Launches Award Program to Improve Health and Well-being of People Living in Cities

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AMSTERDAM, May 25 /PRNewswire-FirstCall/ -- Royal Philips Electronics (NYSE: PHG, AEX: PHI) today announced the launch of the Philips Livable Cities Award, an initiative designed to generate practical, achievable ideas for improving the health and well-being of people living in cities. Individuals, community or non-governmental groups and businesses are eligible to participate in the Award program that comprises a total prize fund amounting to 125,000 Euros.

With the aim of developing simple solutions to the complex challenges faced by the residents of cities today, the program consists of three distinct award categories:

- **Well-being Outdoors:** initiatives that will help citizens feel safe in public spaces or help create city identity and foster a sense of belonging;
- **Independent Living:** initiatives that will help the growing number of elderly people living alone to feel secure and comfortable in a city, with appropriate access to healthcare;
- **Healthy Lifestyle at Work and Home:** initiatives that will support a healthy body and mind, whether through a person's surroundings or via other essentials such as exercise, sleep and diet.

An overall award of 75,000 Euros will be granted for the best idea submitted in any of the three categories. There will also be two additional awards of 25,000 Euros each for the best submissions in the two categories not covered in the overall award. The award criteria will be developed by an international panel of experts chaired by Richard Florida, author of *The Great Reset*, Director of the Martin Prosperity Institute and Professor of Business and Creativity at Rotman School of Management at the University of Toronto.

"Philips understands challenges that cities are facing today, such as caring for an aging population, the need for security and managing health in an urban environment. As a company, we already work to help address these issues all over the world," said Gottfried Dutine, Chief Officer Innovation & Markets and Member of Philips' Board of

Management. "Now, with the support of internationally recognized experts in urban environment, we hope that the Philips Livable Cities Award will inspire simple, achievable ideas from all communities, to improve the health and well-being of people living in cities."

"Our cities are our greatest invention. They are places where human diversity and talent cluster to foster unrivaled creativity, innovation and prosperity," says Richard Florida. "Home to half of the world's population, housing more than 3 billion people globally, too many of our cities are disconnected from the global economy and even many of the most advanced cities have pockets of disadvantage and poverty. We need simple solutions that can be replicated in any community to make our cities more prosperous and livable. I'm honored to be part of this incredible opportunity which can serve as a model to improve the economic prosperity and livability of our cities across the globe."

Modern cities are thriving as increasing numbers of people recognize them as stimulating and rewarding environments in which to live, work and play. The latest statistics from the UN-Habitat Global Report on Human Settlements show that more than half of the world's population currently lives in a city, and this proportion is projected to increase to more than two thirds of the world's population by 2050. Also, with increasing urbanization, a greater proportion of people living in cities are older – today, the proportion of the older adult population residing in cities in developed countries matches that of younger age groups(1). Rapid urbanization has also led to health-related issues such as a dramatic increase in obesity, particularly in developing countries, caused by decreased physical activity due to the increasingly sedentary nature of many forms of work and changing modes of transportation(2).

Detailed criteria for entries and online submissions for the Philips Livable Cities Award can be found at www.philips.com/because. The deadline for submission is 5pm CET on October 28, 2010. The winners will be announced at an Award Ceremony that will take place in April, 2011.

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