



PHILIPS

Press release

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PHILIPS AND SOCIÉTÉ GÉNÉRALE ANNOUNCE MEDICAL FINANCING JOINT VENTURE FOR EUROPE: PHILIPS MEDICAL CAPITAL

Amsterdam, the Netherlands/Paris, France, 18 June, 2003 - Royal Philips Electronics and Société Générale Group today announced the signing of a memorandum of understanding with the aim of establishing a financing joint venture for European customers of Philips Medical Systems.

It is intended that Philips Medical Capital in Europe will provide customers with financing solutions for the full range of diagnostic imaging, patient monitoring and other medical equipment of Philips Medical Systems. The joint venture will initially cover six key European markets of Germany, the United Kingdom, France, Italy, Spain and the Netherlands, with the intention of later moving into other European countries. Société Générale Group will have a 60% share in the JV with Philips holding the remaining 40%.

Final terms will be negotiated between the parties over the coming months, following which the joint venture will be officially launched.

The agreement follows the successful establishment in 2002 of a similar joint venture, Philips Medical Capital, to provide the U.S. market with a broad portfolio of financing options.

"With the establishment of this joint venture, we have added another significant piece to our overall portfolio and improved our ability to provide our customers with world-class healthcare solutions," said Jan Hommen, Executive Vice-President and Chief Financial Officer of Royal Philips Electronics. *"As we have done in the U.S., we will now be able to offer our European customers a wide variety of financing options that will make the purchasing process for our customers easier, more flexible, more robust, which ultimately makes Philips a better long-term partner."*

The joint venture will be implemented within Société Générale Group by Société Générale Vendor Services (SGVS), its vendor finance specialist. With a broad presence in 13 countries across Europe and in Australia, SGVS is the leading European organisation in asset based finance.

Didier Alix, Chief Executive Officer of Société Générale Retail Banking, said : *"This agreement reflects the strong involvement of Société Générale Group in specialized financial services which is a strategic business for the Group. The joint venture gives us the opportunity to develop our vendor financing activities in the medical sector by partnering with one of the world's biggest medical equipment manufacturers. This partnership is a good example of our strategy of supporting leading equipment manufacturers who are customers of the bank. By providing them with flexible and innovative financing solutions across Europe, we contribute to their success."*

About Royal Philips Electronics

Royal Philips Electronics of the Netherlands is one of the world's biggest electronics companies and Europe's largest, with sales of EUR 31.8 billion in 2002. It is a global leader in color television sets, lighting, electric shavers, medical diagnostic imaging and patient monitoring, and one-chip TV products. Its 166,000 employees in more than 60 countries are active in the areas of lighting, consumer electronics, domestic appliances, components, semiconductors, and medical systems. Philips is quoted on the NYSE (symbol: PHG), London, Frankfurt, Amsterdam and other stock exchanges. News from Philips is located at www.philips.com/newscenter

About Société Générale Group

Société Générale is one of the largest financial services group in the eurozone. The Group employs more than 80,000 people worldwide in three key businesses:

- Retail Banking : Société Générale serves 14,7 million retail customers worldwide.
- Asset Management & Private Banking : Société Générale ranks third in the eurozone in terms of assets under management (EUR 270 billion in 2002).
- Corporate & Investment Banking : SG is the third largest bank in the eurozone based on net banking income.

Société Générale is included in the four major socially responsible investment indexes. www.socgen.com

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