

Press release

Amsterdam / Frankfurt am Main, December 7, 2009

Major Contract for Global Cloud Computing: Philips to rely on IT technology from T-Systems

Royal Philips Electronics, a world leader in healthcare, lifestyle and lighting, and T-Systems have signed a contract in Amsterdam for global data center and SAP infrastructure services. The service model for the contract involves 'cloud computing': T-Systems will provide services for Philips via a 'private cloud', a separate, secure network. With this contract, T-Systems, a Deutsche Telekom subsidiary, continues its international growth and solidifies its position as a leading provider of SAP services.

The outsourcing contract is part of Philips' IT strategy to leverage utility market offerings. The diversified Health and Well-being company is consolidating and modernizing its IT systems in an effort to cut long-term costs.

As of 1 January 2010, T-Systems will assume responsibility for the infrastructure of all of Philips' computer centers. Among the centers are locations in the U.S. and the Netherlands, as well as centers in Germany, in other European countries and in South America and Asia. In connection with the contract, some 185 of the company's staff will move to T-Systems.

Data center services tailored to requirements

In future, Philips will receive all – and precisely – the data center services it requires via the network and from T-Systems' global data centers. "This way, we can draw on resources dynamically, as necessary, while paying only for the computer and storage resources we actually use. That will enhance our flexibility and lower our costs," notes Maarten de Vries, Chief Information Officer (CIO) of Philips. "I am delighted that in T-Systems we have found a strong partner which thoroughly understands this innovative technology and which can serve us worldwide."

The contract with Philips is the third – following contracts with Shell and Heineken – that T-Systems has landed in rapid succession with global corporations based in the Netherlands. "The contract we have just signed is another important milestone in our international growth strategy. And it confirms that T-Systems is the number one choice for globally operating corporations based in Europe," notes Reinhard Clemens, Member of the Deutsche Telekom Board of Management and CEO of T-Systems.

T-Systems and Philips already cooperate closely in the health-care sector. For example, they have developed a system for remote monitoring of vital functions of chronically ill and elderly people. That system is currently in service in T-City Friedrichshafen.

About Royal Philips Electronics

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity". Headquartered in the Netherlands, Philips employs more than 118,000 employees in more than 60 countries worldwide. With sales of EUR 26 billion in 2008, the company is a market leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as lifestyle products for personal well-being and pleasure with strong leadership positions in flat TV, male shaving and grooming, portable entertainment and oral healthcare. News from Philips is located at www.philips.com/newscenter.

About T-Systems

Drawing on a global infrastructure of data centers and networks, T-Systems operates information and communication technology (ICT) systems for multinational corporations and public sector institutions. T-Systems provides integrated solutions for the networked future of business and society. The company's some 46,000 employees combine industry expertise and ICT innovations to add significant value to customers' core business all over the world. T-Systems generated revenue of around EUR 9.3 billion in the 2008 financial year.

094/09

T-Systems

Media Relations

Phone: +49 (0) 69 66531-126

E-mail: Pressestelle.T-Systems@telekom.de

Further information for journalists: www.telekom.com/media