

Press Information

Philips Celebrates the Sale of its Millionth Ambilight FlatTV

The consumer electronics leader reflects on the history of its impressive contribution to the television industry

Amsterdam, The Netherlands – Philips Consumer Electronics, the LCD FlatTV market leader, today announced the sale of its one millionth Ambilight FlatTV. The introduction of the millionth Ambilight FlatTV into the consumer electronic market succinctly demonstrates Philips leadership in the industry. Not only celebrating its one millionth sale in a market that is continuing to soar, the consumer electronics leader announced its 10th anniversary of its first-ever flat screen Plasma FlatTV™ at this year's IFA exhibition in Berlin.

A pioneer in the development of television

On November 2, 1936 the British Broadcasting Corporation, transmitted the world's first regular television service to the 100 or so TV sets available in Britain. In the same year, Philips was one of only six exhibitors of a television set at the world-renowned Radio Olympia. However, with the escalation of the Second World War in Europe, on 1st September 1939, television broadcasting halted and was not reinstated until June 1946.

By the time the war concluded, the electronic system of television had clearly proven its greater capacity and a period of intense growth took place. Philips engineers and researches diligently developed new plans and concepts to provide consumers with the latest display innovations. The first Philips color TV was showcased in 1964 and by 1968 there were 200 million total television sets in operation worldwide, up from 100 million in 1960. Consumers responded enthusiastically to the viewing experience color offered, the market continued to grow, and by 1979 there were more than 300 million total color televisions in consumers' homes around the world.

Continuing its leadership in television technology, Philips provided a demonstration of a high-definition TV (HDTV) system for satellite transmission in 1988 led to the Federal Communications Commission (FCC) setting a testing schedule for a proposed all-digital HDTV system in 1990 and tests began the following year. In 1996, broadcasters, TV manufacturers, and PC makers set inter-industry standards for digital HDTV.

The move from Philips to demonstrate HDTV back in 1988 has certainly paid off. According to a Screen Digest's report, 'High Definition Television: Global uptake and assessment to 2010', at the end of 2005 there were already 2m 'HD ready' TV households in Europe and by 2010 there will be more than 50m 'HD ready' TV sets. Screen Digest predicts that by 2010, there will be approximately 100 HD channels available in Europe and more than 11m households will be actually watching television in HD quality (receiving HD broadcasts on HD ready sets and set-top boxes).

Realizing the dream, the FlatTV that “hangs on the wall like a painting”

Philips unveiled its prototype 42-inch (107cm) gas plasma FlatTV on 27 August 1996 at the German trade show CeBIT Home. Only four inches (10cm) thick with a widescreen viewing angle of 160 degrees, *“the world's first TV you can hang on the wall like a*

painting” created a worldwide media storm. The first 42-inch Philips FlatTV arrived in stores in the spring of 1997 and was priced at the 1997 equivalent of Euro 15,000.



The first Philips Flat TV was brought to market in 1997

With the new development of promising new technology in the FlatTV space, Philips was able to maintain its position as one of the top players in TV, showing technology leadership and of course drive profitability. Earning money with CRT was becoming more difficult due to heavy price erosion and market saturation and the FlatTV provided consumers with an eye-catching attractive product that was a stark difference to the large and bulky traditional CRT TV set.

The demise of the CRT is reflected in sales today. Market research firm iSuppli predicts that by 2010 CRTs will account for only 2.1 million of the 44 million televisions sold worldwide. Sales of CRTs will fall from an estimated 14.4 million units this year to 10.4 million in 2007, while sales of LCD TVs are predicted to rise.

The evolution of FlatTV – the development of Ambilight

In addition to developing image enhancement technologies, Philips looked to their design specialists to create innovations that would allow the FlatTVs to enhance the viewing experience in a fundamental way.

The Philips design specialists focused on the investigation of lighting technology in FlatTV design to enhance the enjoyment and wellbeing of the viewer. Watching TV in a room without lighting is tiring because the pupils of the eye are continuously modulating with the light output of the TV set. By switching on some lights, the effect of the light changes coming from the TV screen is reduced, as pupils are not modulated from absolute dark to ultra bright. Based on this fact, the Philips Design team built a prototype FlatTV in 1999 with white light emitting from the left and right sides behind the speaker grills, integrating the benefits of light into the design package of the FlatTV. In 2000, a working sample was developed where light output (brightness) and color of the integrated ‘Ambient Light’ could be set via the TV menu.

The following years saw considerable erosion of prices, strong improvement of picture quality and the buzz around the imminent introduction of broadcasts in HD resolution, which in turn pushed FlatTV popularity and sales. In 2004/2005, the market conditions had improved dramatically and Philips decided to “defrost” the idea of Ambient Light FlatTV and implement it into the production line.

The feature name became Ambilight™. Recent technological innovations meant that now, on top of just having ‘static’ brightness and colors that did not change, it was

possible to dynamically change the brightness and color of the light to what was actually happening on the screen, resulting in an enhanced viewing experience.

A decade of FlatTV, celebrating the 10th anniversary

Today, the majority of TVs sold by Philips are either LCD or plasma FlatTVs. The 2006 range now comprises an array of more than 30 models, with consumers offered a selection of screen sizes from 15-inch (38cm) up to 50-inch (127cm), with more than 90% ready to display high-definition TV.

What the future holds...

The Philips FlatTV range has continually gained industry recognition most recently the Philips Cineos™ 37PF9731D FlatTV, which was this year named High-End LCD TV of the Year by the European Imaging & Sound Association (EISA).



During IFA 2006, the Berlin based consumer electronics trade fair, Philips wowed visitors to its stand by demonstrating a high definition home entertainment experience with a 8000m² stand, occupying an entire hall of the showground, housing the world premiere of a prototype 100-inch (245cm) LCD TV. Not only were consumers amazed by the 100-inch screen, but it was the first display of its size to feature Philips Full Surround Ambilight technology.

This year Philips introduced two new versions of Ambilight – Ambilight Full surround™, which projects ambient light on all four sides of the set, and Ambilight Surround which features lighting units on three sides.



Ambilight Surround



Full Surround Ambilight

Timeline: Philips TV milestones

- **1897:** The first cathode ray tube scanning device was invented by the German scientist Karl Ferdinand Braun
- **1926:** John Logie Baird (of Scotland) gave the world's first public demonstration of a mechanical television apparatus
- **1927:** Bell Telephone Labs and AT&T give a USA public mechanical television demonstration over both wire and radio circuits - Pictures and sound were sent by wire from Washington D.C., to New York City

- **1936:** Philips is one of six exhibitors at the Radio Olympia even, establishing its involvement in the industry
- **1954:** In December, RCA introduced their 21" color TV
- **1955:** The first WIRELESS remote control, which used a beam of light aimed at one of the sensors on the four corners of the picture tube, was the Zenith "Flash-matic"
- **1956:** *Time* magazine calls color TV "the most resounding industrial flop of 1956"
- **1964:** Philips shows the first color television
- **1969:** July 20, first TV transmission from the moon and 600 million people watch
- **1982:** Dolby surround sound for home sets is introduced
- **1988:** Philips demonstrates a high-definition TV system for satellite transmission
- **1996:** Prototype Philips FlatTV unveiled at CeBIT Home in Hannover, Germany
- **1997:** First Philips FlatTV goes on sale
- **1998:** Philips wins European Imaging & Sound Association (EISA) 'Flat TV System, 1998-99' award for the 42PW9982
- **1999:** Philips introduces second FlatTV screen size – a 32-inch (81 cm) model
- **2000:** Philips has a worldwide hit with its FlatTV television commercial, in which a young couple chooses the best location for their FlatTV – their bedroom ceiling!
- **2001:** Philips adds smaller screen sizes, including 15" (31 cm) and 23" (58 cm), to FlatTV range
- **2003:** Philips introduces its largest-ever FlatTV range – 23 models ranging from 13-inch (33 cm) to 42-inch screen sizes
- **2004:** Ambilight introduced to Philips FlatTVs
- **2005:** Philips announces ClearLCD backlighting enhancement for LCD TVs
- **2006:** The Philips 37PF9731D FlatTV is named "High End LCD Television of the Year, 2006-2007" by EISA – the ninth EISA award for a FlatTV or related technology in ten years
- **2006:** IFA milestone of 100" LCD with Ambilight
- **2006:** One millionth Ambilight FlatTV manufactured by Philips

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About Royal Philips Electronics

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is a global leader in healthcare, lifestyle and technology, delivering products, services and solutions through the brand promise of "sense and simplicity". Headquartered in the Netherlands, Philips employs approximately 126,000 employees in more than 60 countries worldwide. With sales of EUR 30.4 billion in 2005, the company is a market leader in medical diagnostic imaging and patient monitoring systems, energy efficient lighting solutions, personal care and home appliances, as well as consumer electronics. News from Philips is located at www.philips.com/newscenter.

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