

## Press Release

1 December 2005

### **Philips SpeechMagic™ named European Technology Leader by Frost and Sullivan**

*Award extols SpeechMagic's "technological superiority". SpeechMagic is market leader in enterprise healthcare speech recognition systems in Europe.*

**Vienna, Austria – Royal Philips Electronics (AEX: PHI, NYSE: PHG) today announced that its voice recognition technology SpeechMagic has received the “European Technology Leadership Award” from Frost & Sullivan, following an in-depth analysis of the European Healthcare Speech Recognition market. The Award recognizes Philips' customer-driven approach to Research & Development, which has led to a product capable of rising to the challenges of changing customer needs.**

“Our analysis has shown that Philips SpeechMagic is the market leader in the enterprise healthcare speech recognition systems market in Europe,” says Sumit Sharma, Director of Research, EMEA, Frost & Sullivan. “One of the most critical factors in European healthcare is the end user's need for increased efficiency and productivity. The combined benefits of speech recognition and healthcare information systems, such as the Electronic Medical Record (EMR) or Hospital Information Systems (HIS), are important in extending the productive range of healthcare organizations and individuals alike. Philips has demonstrated technology leadership by excelling in all stages of the technology lifecycle - incubation, adaptation, take-up and maturity - thereby ensuring continual improvement. By developing cutting-edge concepts, the company has been able to enjoy widespread use of its client applications throughout the European healthcare sector.”

Frost & Sullivan believes that the Philips enterprise-wide product portfolio and the speed and quality of its speech recognition software are a direct result of the company's extensive investment in Research & Development. The continued pursuit of excellence in technology leadership and the rapid response to changing customer needs have prompted more and more healthcare institutions to implement speech recognition systems, with many moving from departmental to enterprise-wide implementations.

One of the product innovations that “sets Philips apart from the competition” is the *Intelligent Speech Interpretation (ISI)* technology in SpeechMagic, which is able to interpret what the speaker means rather than just successfully recognizing words. Thus high quality medical reports can be produced with a minimum of human intervention, resulting in unprecedented efficiency gains and cost savings in medical documentation. For the first time, the recently released SpeechMagic Citrix® extension enables adequate speech recognition from Citrix servers, which are widely used in healthcare institutions. The deployment of speech recognition and digital dictation applications in a Citrix environment is another key factor which sets Philips apart from its competition, enabling the centralization of IT administration, applications and the delivery of data.

“This Award is in recognition of our dedicated team, whose innovative approach and close relationship with our partners and end users has set the course for the development of speech recognition technology from its very beginning to its current industrial-grade status. Growing user acceptance in healthcare and other industries has proven that proactive investment in market research and the incorporation of customer feedback into the development of our products is the right way to go. This enables us to provide technology that is easy to use and perfectly tailored to the specific needs of our professional customers,” says Marcel Wassink, General Manager, Philips Speech Recognition Systems.

SpeechMagic is installed in more than 7000 professional sites world-wide, supports 23 recognition languages and boasts a portfolio of more than 150 specialized recognition languages.

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**Further information:**

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**About Royal Philips Electronics**

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is one of the world's biggest electronics companies and Europe's largest, with sales of EUR 30.3 billion in 2004. With activities in the three interlocking domains of healthcare, lifestyle and technology and 161,100 employees in more than 60 countries, it has market leadership positions in medical diagnostic imaging and patient monitoring, color television sets, electric shavers, lighting and silicon system solutions. News from Philips is located at [www.philips.com/newscenter](http://www.philips.com/newscenter).