

March 14, 2011

Philips Lighting Customers:

As a result of the continuing escalation in the cost of materials, especially in the areas of primary metals, electronic components, energy, transportation, and phosphor, it has become necessary for Philips Lighting to increase prices. Effective with May 16, 2011 shipments, prices will be increased an average of 3% for large lamps (Incandescent, Fluorescent, HID and Halogen). Additionally, Philips Advance brand ballast prices will increase by 3% for electronic and 10% for magnetic. Pricing on our LED lamp product offerings will remain at current levels.

This increase will be factored into both stock and end-user pricing programs effective with the date of the increase. Updated price schedules and price agreements will be available in an electronic format on or before May 2, 2011.

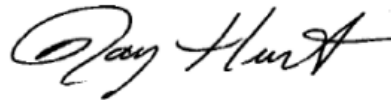
Please direct any questions you may have to your local Philips Lighting Account Manager.

We thank you for your continuing support of Philips and Philips Advance brand products.

Very truly yours,



Bill Tortora
Vice President, Sales
Professional Channel



Ray Hurt
Vice President, Sales
OEM Channel