



# Philips Connected City Experience Community Outreach

June 6, 2016

# Philips Connected City Experience SmartPole Pilot

“All too often we hear complaints about local government acting slow to innovate and adapt to the realities of today's **super-connected, global world**.

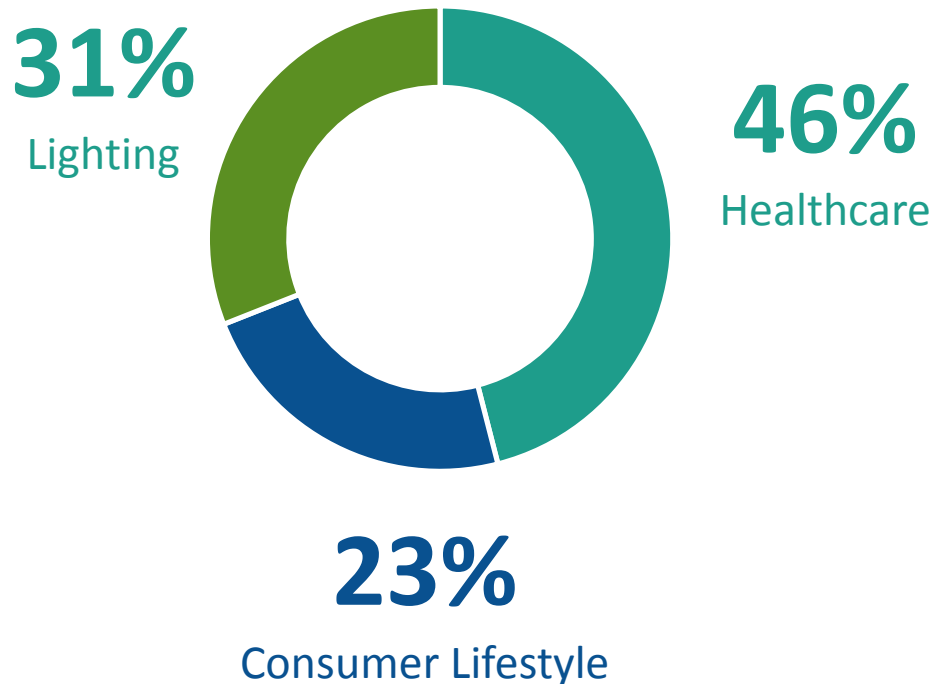
We can change this perception. **Philips and Ericsson's initiative** provides the City of San Jose with a unique **win-win-win**: more energy conservation, reduced expenditures on energy and maintenance, implementation of LED lighting on dark city streets, and an enhanced **broadband experience for our residents**.

At little capital cost, and by leveraging the innovation for which this Valley has become globally renowned, we can implement a solution that leaves **San Jose wealthier, better connected, and safer.**”

**Mayor Sam Liccardo, Vice-Mayor Rose Herrera and Councilmember Ash Kalra  
– Recommendation to Council – February 20, 2015**

# Royal Philips

Sales split by sector<sup>1</sup>



Est. **1891**

Headquarters in  
Amsterdam, Netherlands

**104,000+**

Employees worldwide  
in 100+ countries

**€ 24.2 billion**

Sales in 2015  
Portfolio ~70% B2B

**\$10.3 billion**

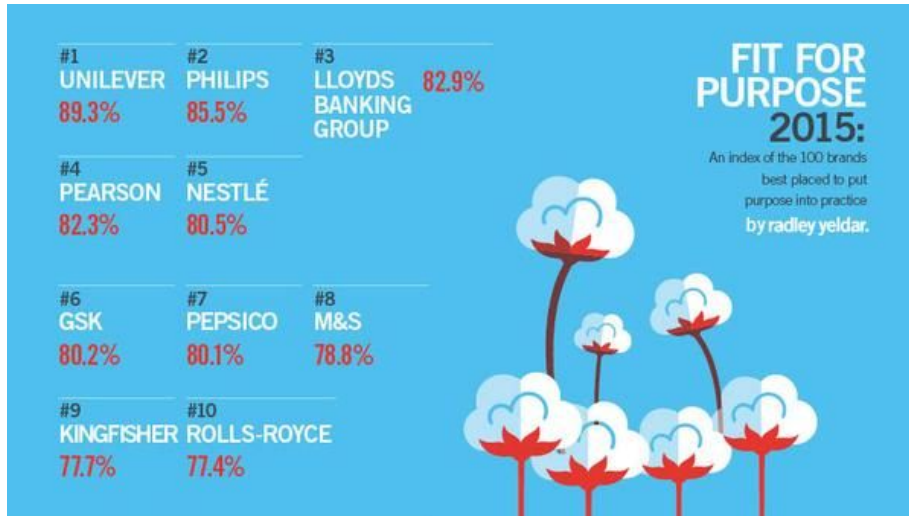
Brand value in 2014

<sup>1</sup> Excluding Central sector (IG&S).

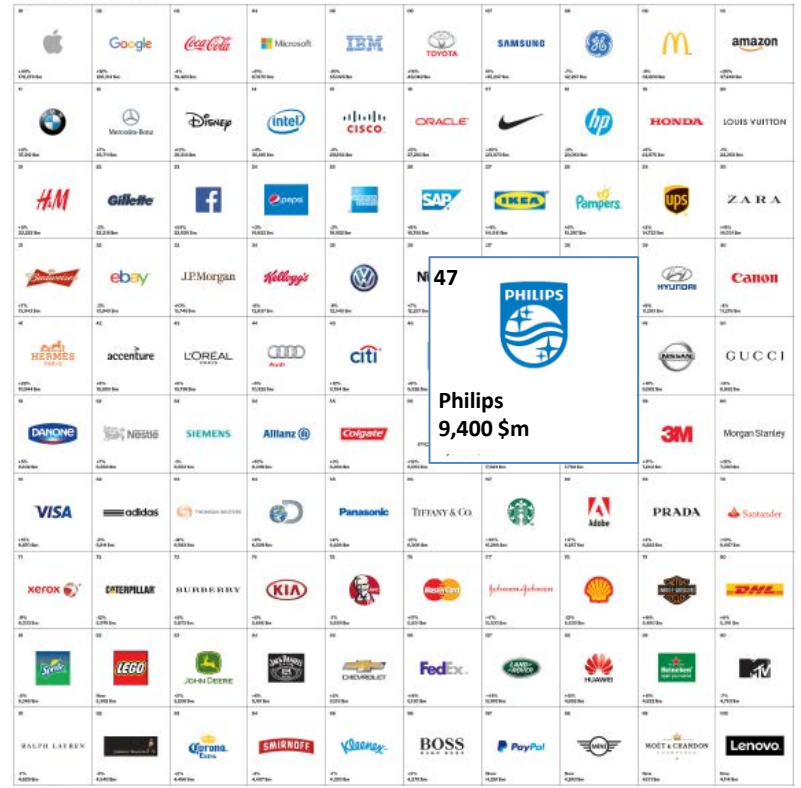
Based on sales last 12 months December 2015

Note - Prior-period financials have been restated for the treatment of the combined businesses of Automotive and Lumileds as discontinued operations.

# In 2015, ranked as second most purposeful brand, and most valuable Dutch brand



## BEST GLOBAL BRANDS 2015



## #BGB2015

Interbrand

ANALYSIS CSR PEPSICO UNILEVER

### The top 100 companies for 'brand purpose'

Brands such as Unilever see demonstrable sales growth from socially and environmentally conscious business practices, which is one reason why the FMCG giant comes first in a new index that ranks the top 100 global companies based on their 'brand purpose'.

By **Mindi Cahal** on 13 Oct 2015

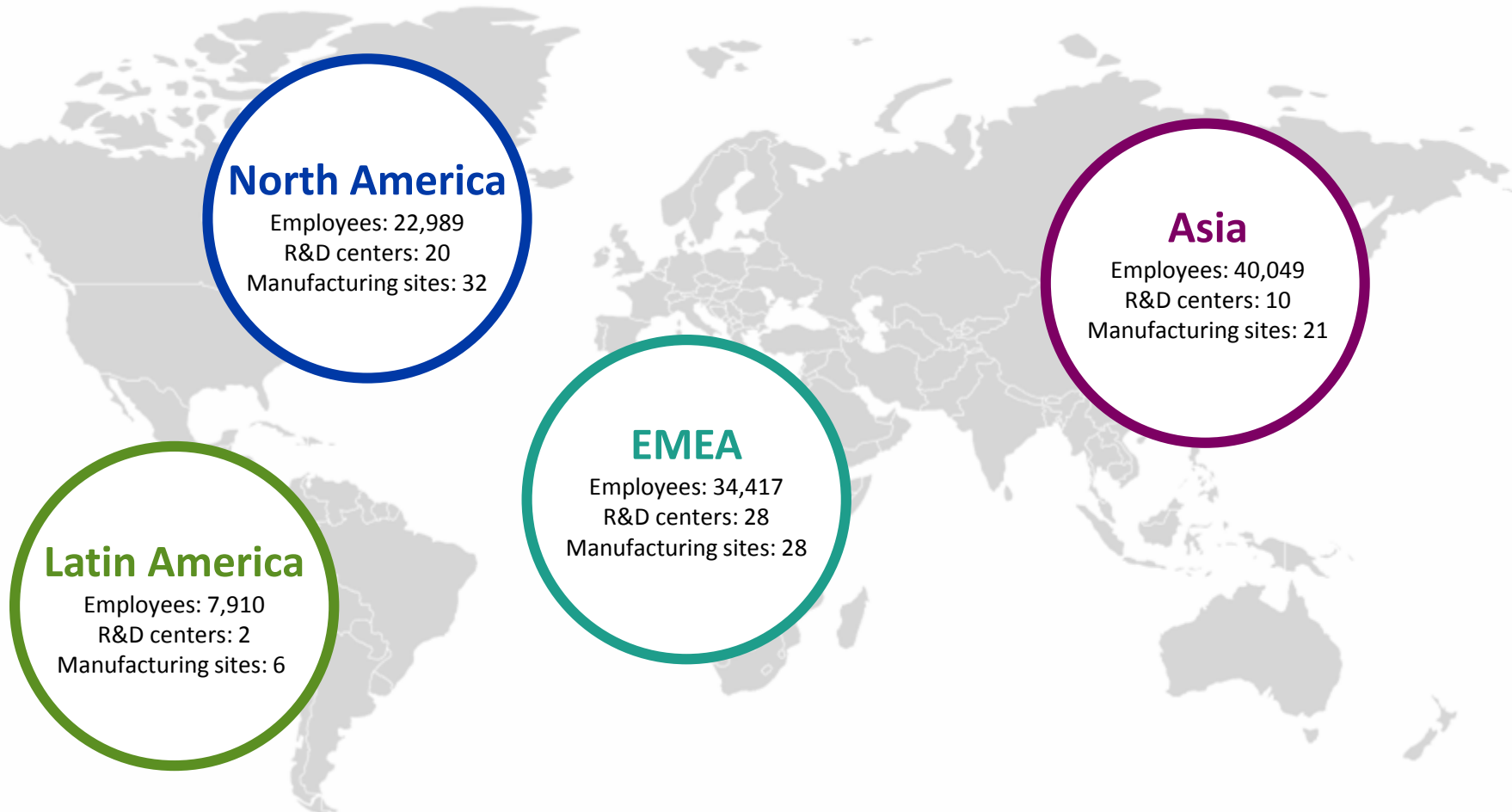
Rank	Brand	Rank	Brand	Rank	Brand	Rank	Brand
1	Unilever	26	Renault	51	Anglo American	76	Apple
2	Philips	27	Total	52	Barclays	77	AbbVie
3	Lloyds Banking Group	28	Toyota	53	Aviva plc	78	Union Pacific
4	Pearson	29	Microsoft	54	Banco Santander	79	UnitedHealth Group
5	Nestlé	30	AkzoNobel	55	Reckitt Benckiser Group	80	Samsung Electronics
6	GlaxoSmithKline	31	Cisco Systems	56	BMW	81	National Grid
7	PepsiCo	32	Sanoft	57	Bristol-Myers Squibb	82	WPP
8	M&S	33	Google	58	Wal-Mart Stores	83	Petrobras
9	Kingfisher	34	Volkswagen Group	59	LEGR	84	Chevron

*The Super-Fit*

Source: Radley Yelder study, published in marketing week Oct 2015, Interbrand BGB rankings 2015

# Present in more than +100 countries

Philips has 60 R&D sites and manufacturing in all continents



<sup>1</sup> Source: Philips Annual Report 2014.

# We build off strong leadership positions



<sup>1</sup> Global leader: #1 or #2 position in the global market.

Source: GfK, Nielsen, Euromonitor, Frost and Sullivan, Home Healthcare TBS, PCMS market insight.

# Our unique edge in delivering lighting solutions



## Home

Reducing electricity bills and redefining the space we live in

## Government

Empowering a sustainable environment

## Cities

Creating brighter safer streets, reducing costs and carbon footprint

## Offices

Helping businesses to reduce energy, work differently and provide new experiences

## Industry

Improving efficiency and safety and reducing maintenance costs

## Stadiums

Enhancing the experience for fans with flexible lighting

## Retail

Helping retailers drive sales and build customer loyalty

# Making a difference in lighting solutions

# #1

In LED lighting\*

Presence in

# 60

countries

# Hue

sold in **30 countries**,  
used in **150**,  
with more than **300**  
**third party apps**

# Largest

lighting company in the world

# #1

in  
connected lighting\*\*

# 55%

of world's top football stadiums  
use Philips Lighting

# 262 Philips CityTouch

street  
lighting implementations in **31 countries**

**5%** of sales in R&D,  
**32% more** than  
the nearest competitor

\* Source: Internal analysis

\*\* Source: Markets and Markets, Global smart lighting market (2013–18)



# Philips Lighting Global organization with large Presence in California



Philips Generates over **\$254.3** million in payroll taxes in the State of California

- Philips cutting-edge lighting technology illuminates a number of famed American landmarks, including the Hollywood Bowl.
- Provides sales and service for consumer lifestyle products, including oral health care products, sold at leading retailers.
- Produces state of the art healthcare technologies including hospital and respiratory care, healthcare informatics and other applications.
- Approximately **58%** of California hospitals have at least one piece of Philips imaging equipment installed.
- Approximately **76%** of California hospitals have at least one Philips patient

# Philips Lighting- Iconic Projects

## Empire State Building



The state-of-the-art dynamic lighting system from Philips unique to Empire State Building –allowing customized light capabilities from a palette of over 16 million colors in limitless combinations.



## Times Square New Year's Eve Ball

12 feet in diameter and contains 32,256 Philips LEDs

## San Francisco–Oakland Bay Bridge



This iconic light sculpture shines from dusk until dawn on the San Francisco–Oakland Bay Bridge. The State of California, through a long-term plan brought back on January 30 2016 and will remain forever brilliant.

2005...



...2013...



## Will your city be ready?

# 15x



Mobile data traffic is expected to grow around 15 times by the end of 2017.

# 3x



At least 3 times as many cell sites will be needed to meet this demand – more in denser urban areas.

# 80



80 new jobs are created for every 1,000 new broadband connections provided.

# +1%



For every 10 percentage point increase in broadband penetration, GDP increases by 1 percent.

# Quick Project Facts:

- City Council unanimously approved the Philips Connected City Experience pilot program on February 24, 2015
- 50 SmartPoles will be installed throughout the City of San Jose with FCC Licensed and Approved equipment for Verizon Wireless
- Philips will provide at no cost and install 750 Philips LED luminaires with lighting controls to replace existing sodium street lights.
- LED luminaire converted street lights will be adjacent to SmartPole locations
- LED luminaires provide energy-efficient, true-color rendered light that saves the City money on energy bills and maintenance costs
- Pilot Project is scheduled to be complete in Q3 2016
- For questions or comments, please feel free to contact:  
Bill McShane, National Director  
Philips Connected City Experience  
[william.mcshane@philips.com](mailto:william.mcshane@philips.com)

# City of San Jose Benefits:

- **Accelerate LED Conversion:** *For each SmartPole installed, Philips will install 15 LED luminaires*
- **Increase Cellular Coverage:** Increasing the cellular coverage and connectivity for the businesses, visitors and residents that work, live and visit the City
- **Spur Economic Development:** Superior mobile data communication capability and speed that will encourage visitor activity, patronage and potential relocation of businesses to San Jose, driving economic growth for the city.
- **Encourage Innovation:** project will create conditions to drive innovation and deliver a platform of new ideas and concepts that will continue to build on the City's reputation as an early adopter and true innovator.
- **Create Jobs:** The installation of the SmartPole and the corresponding telecommunications equipment will create jobs in the City of San Jose.
- **Enhanced User Experiences:** Increased mobile capacity will enhance educational applications at the higher education establishments within the City.

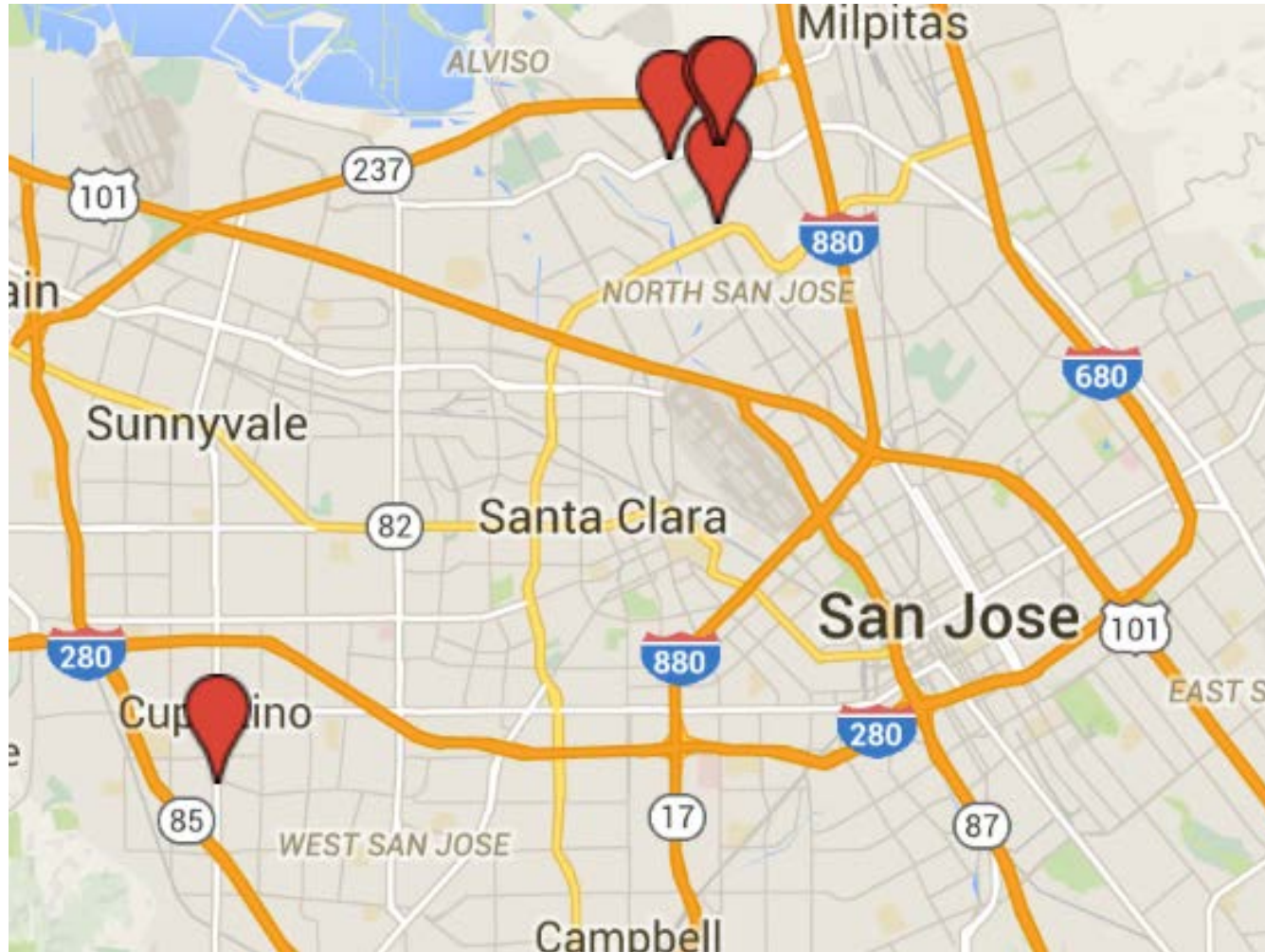
**ALL AT NO CAPITAL COST TO THE CITY...**

# Market Street @ Fairmont Hotel

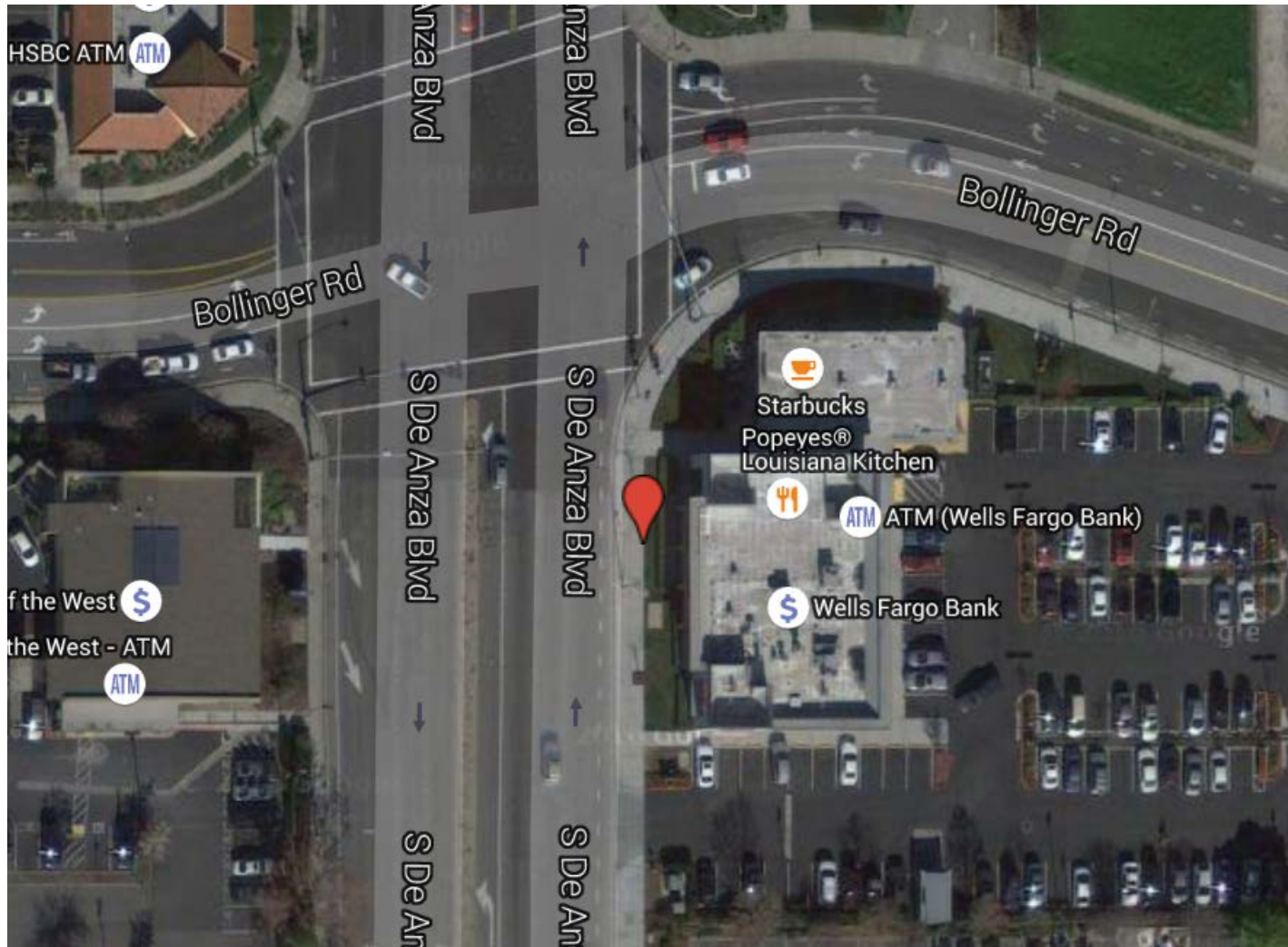




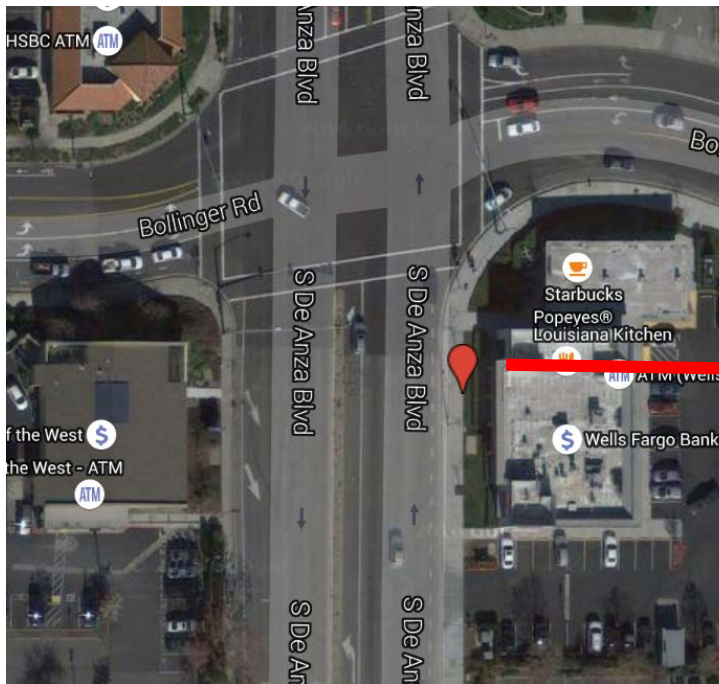
# The SmartPole Locations



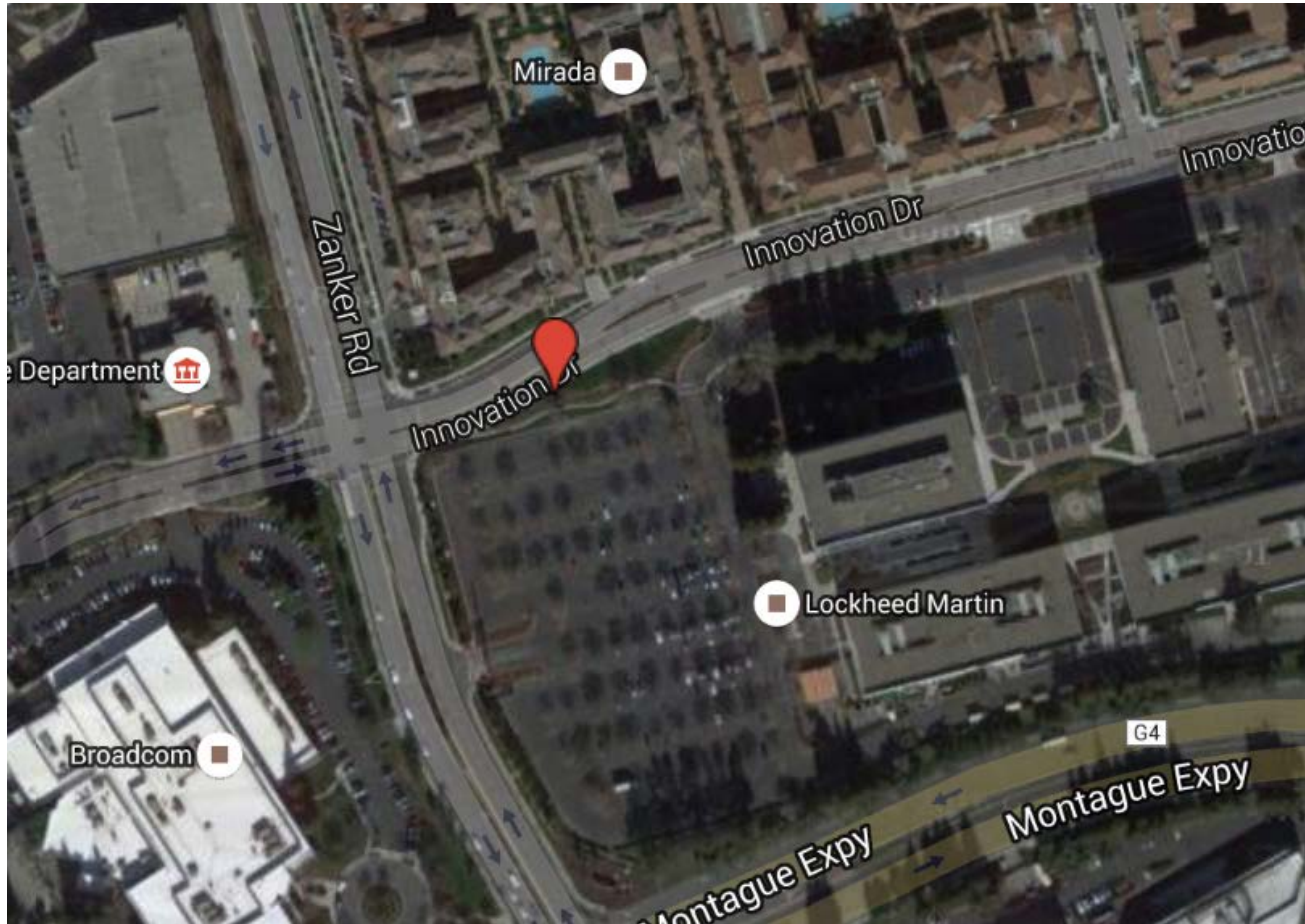
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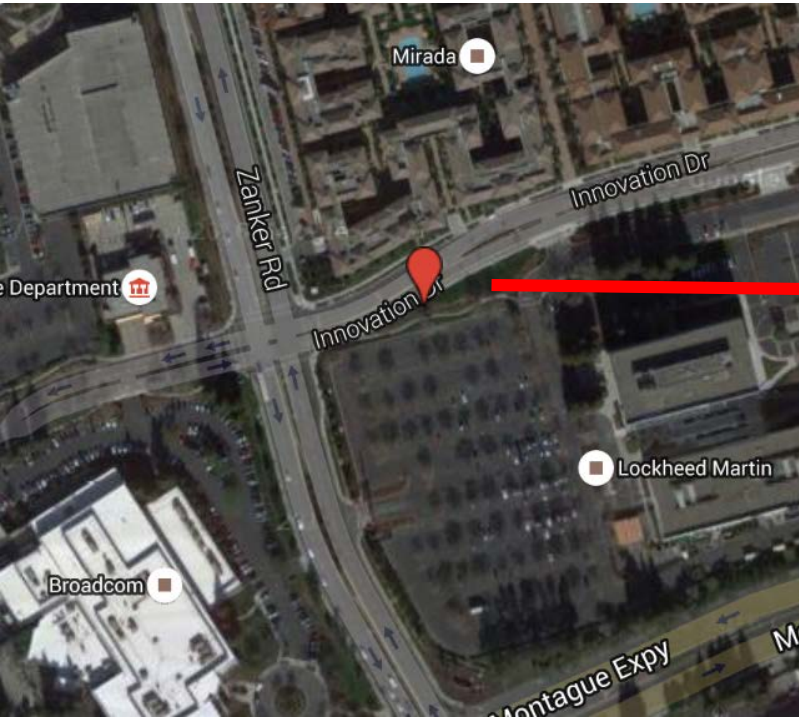
# The SmartPole Locations De Anza & Bollinger



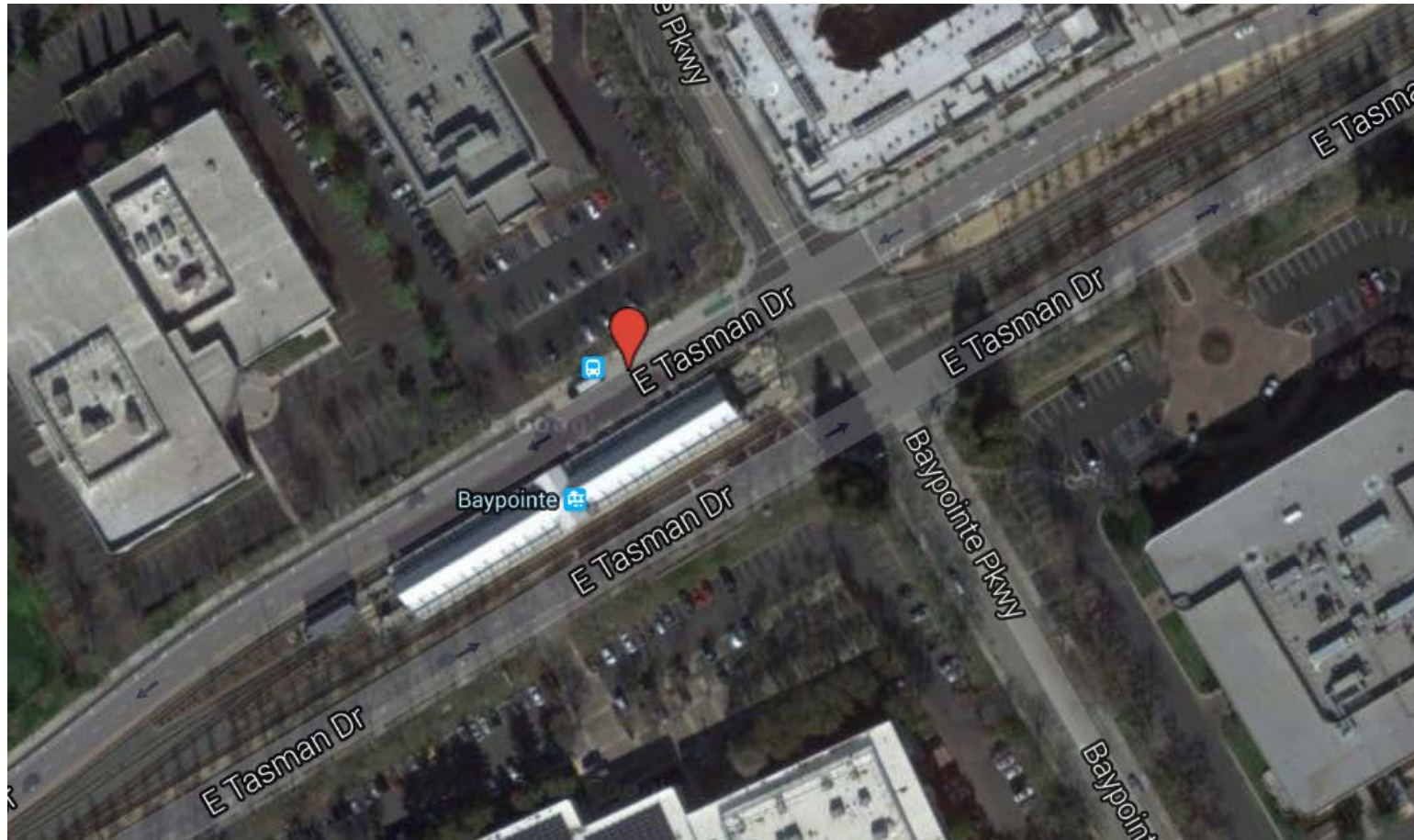
# The SmartPole Locations Innovation & Zanker



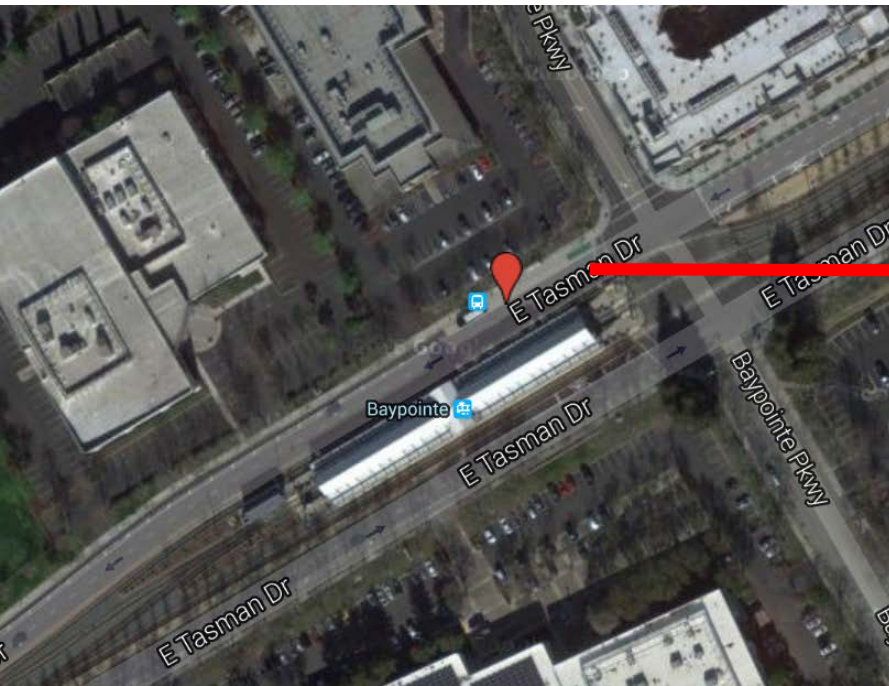
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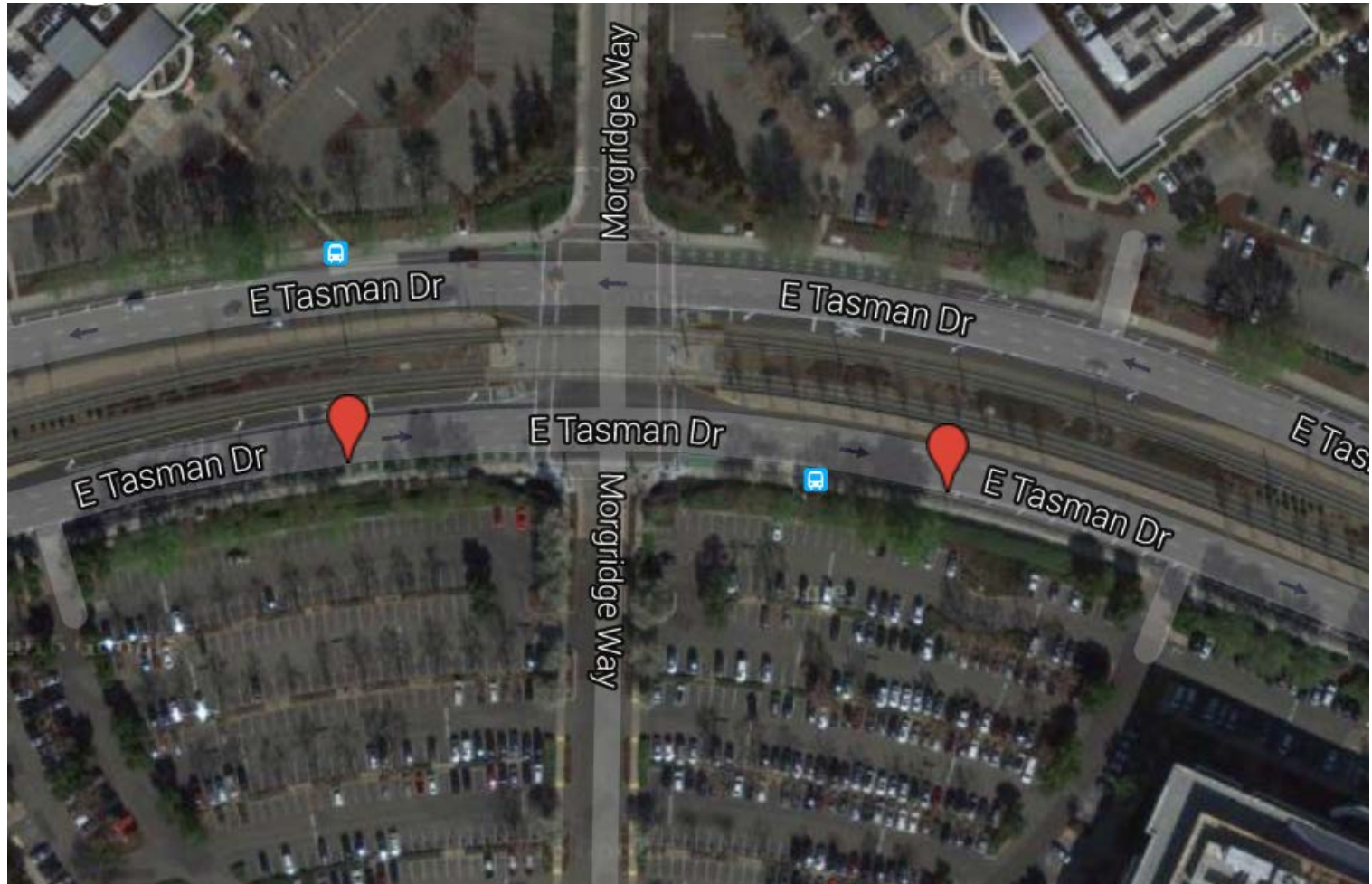
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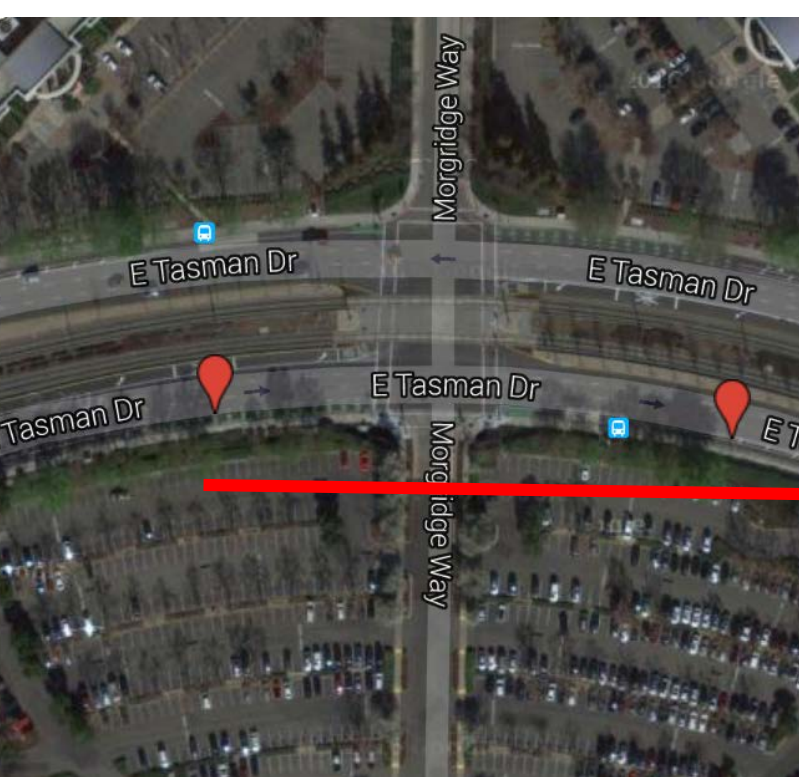


# The SmartPole Locations Tasman & Morgridge

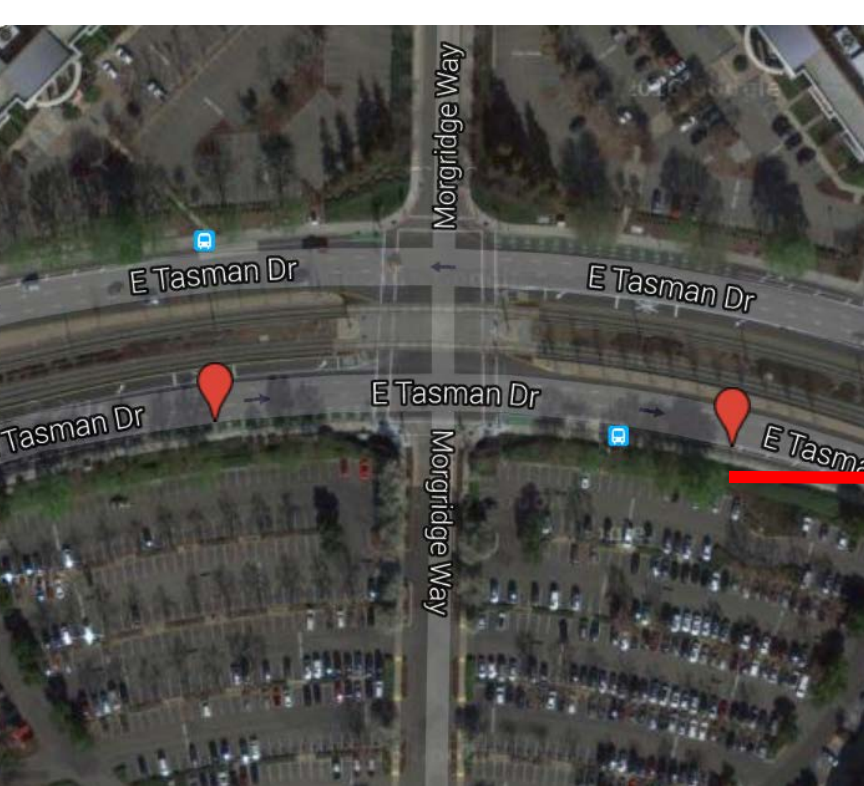




# The SmartPole Locations Tasman & Morgridge



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## Philips Connected City Experience City of San Jose Initiative

- Accelerate cities' digital transformation while de-cluttering cityscape
- Partner with cities implementing new value creation strategies, leveraging infrastructure assets
- Facilitate roll out of mobile networks in urban areas combined with lighting upgrades and street furniture



- Create digital real estate based on existing and new infrastructure assets in the public right of way



