

September 16, 2011

Philips Lamp Customers:

Global market fluctuations on cost and availability of Rare Earth Oxide (REO) which comprise the majority of material found in phosphor coatings on fluorescent lamps continues. Due to these extraordinary circumstances in the lighting industry, it is necessary to announce an average price increase of 24% for Linear Fluorescent Lamps (TL), Compact Fluorescent Integrated (CFLi) and Compact Fluorescent non-integrated (CFLni) products effective November 15, 2011. Specific price increase percentages will vary significantly by fluorescent product family. All other products will remain at current levels resulting from the previous price increase effective on August 15, 2011.

Orders will be accepted and shipped based on current price schedules and availability up until November 15, 2011. These orders shall not exceed the previous 6 month average monthly purchase history by SKU.

The November 15, 2011 increase will be factored into stock, end-user pricing programs, and Special Pricing Authorizations (SPA's). Updated price schedules and price agreements will be available in an electronic format on or before October 21, 2011.

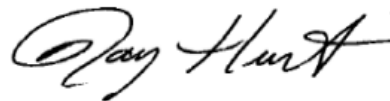
Into stock and SPA pricing will be reviewed on an ongoing basis due to continuous market fluctuations of Rare Earth Oxides and the impact on the cost of critical phosphors.

We have prepared background marketing collateral and training materials in an effort to educate our sales teams, distributors and end users / consumers. Please go to [www.philips.com/phosphor](http://www.philips.com/phosphor) for up to date market information that covers the impacts and fluctuations in the market. Philips Lighting Company highly values you, our customer and we appreciate your patience as we work together through these unprecedented market conditions.

Very truly yours,



Bill Tortora  
Vice President, Sales  
Professional Channel



Ray Hurt  
Vice President, Sales  
OEM Channel