

Press Information

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Philips Design and ABN AMRO's Dialogues Incubator cooperate to create the 'Rationalizer' concept: An Emotion Mirroring System for Online Traders

Eindhoven, Amsterdam, The Netherlands - Royal Philips Electronics (NYSE: PHG, AEX: PHI) and the Dialogues Incubator, an initiative by ABN AMRO, are pleased to announce the 'Rationalizer' concept, an emotion sensing system targeted at serious home investors who trade online. It acts as an 'emotion mirror' in which the intensity of the user's feelings is reflected. Research shows that home investors do not act purely rationally: their behavior is influenced by emotions, most notably fear and greed, which can compromise their ability to take an objective, factual stance. This insight led to the Rationalizer concept in which online traders are alerted when it may be wise to take a time-out, wind down and re-consider their actions.

The Rationalizer concept is the result of a joint exploration project by ABN AMRO's Dialogues Incubator and Philips Design. It clearly shows what great results can be achieved when two large companies create a stimulating environment for cooperation and open innovation. During the project other crucial parties were involved such as potential end-users, Philips and the VU University Amsterdam. This cooperation has led to various propositions of which the Rationalizer concept is a first concrete manifestation. In a few years from now you might recognize some of the elements of the Rationalizer concept in products and services we will market by then.

Geert Christiaansen, Director Business Development at Philips Design: "Philips Design has been exploring the area of emotion sensing for a number of years and has investigated different application areas, including relaxation and relationship care. In our talks with the people working on the ABN AMRO Dialogues Incubator, we were challenged to apply our competences to another domain, the domain of online trading for home investors. In this joint project we started to tackle this challenge. It proved to be both enjoyable and rewarding, leading to this thought-provoking result."

Paul Iske, Director of the Dialogues Incubator: "The Dialogues Incubator is always actively looking for new and innovative ways to create value for our customers. That is why we took the first step, together with Philips Design, to mitigate the negative effect that emotions may have on financial decision making processes. In this Open Innovation project we have matched ABN AMRO's investment and risk analysis expertise with Philips emotion sensing technology. The concepts underlying the Rationalizer system will be explored further because we believe they can add value in a variety of areas of application. "

The Rationalizer system consists of two components - the EmoBracelet and the EmoBowl. The bracelet measures the arousal component of the user's emotion through

a galvanic skin response sensor. This arousal level is rendered as a dynamic light pattern on either the EmoBracelet itself or on the EmoBowl. The higher the arousal level, the more intense the dynamic light pattern becomes: the number of elements increases, the speed increases and the color shifts from a soft yellow, via orange, to a deep red. The concept is based on easy to experience advanced sensing and signal processing technology from Philips: it does not require a complicated setup or complex user interface.



About Philips Design

Philips Design, with 8 branch studios in Europe, the USA and Asia Pacific, is one of the largest and longest-established design organizations of its kind in the world. Its creative force of some 500 professionals, representing more than 35 different nationalities, embraces disciplines as diverse as psychology, cultural sociology, anthropology and trend research in addition to the more 'conventional' design-related skills. The mission of these professionals is to create solutions that satisfy people's needs, empower them and make them happier, all of this without destroying the world in which we live.

About Dialogues Incubator

Dialogues Incubator has been initiated by ABN AMRO in 2007 to develop new, sustainable propositions by matching intellectual capital (knowledge, relations, systems and processes) with actual market and social needs. The Dialogues Incubator team is steadfast to capture the essence of the transient economic and social environment with a fresh perspective, dedication and entrepreneurial spirit. Dialogues Incubator believes that together we can make more possible.

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About Royal Philips Electronics

Royal Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity". Headquartered in the Netherlands, Philips employs more than 118,000 employees in more than 60 countries worldwide. With sales of EUR 26 billion in 2008, the company is a market leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as lifestyle products for personal well-being and pleasure with strong leadership positions in flat TV, male shaving and grooming, portable entertainment and oral healthcare. News from Philips is located at www.philips.com/newscenter.