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Philips Semiconductors and Stonestreet One form alliance to deliver Bluetooth™ solutions

Sunnyvale, California and Louisville, Kentucky - March 15, 2001 - Philips Semiconductors, a division of Royal Philips Electronics (NYSE: PHG, AEX: PHI), and Stonestreet One today announced an alliance offering comprehensive Bluetooth™ products and development services. The combined product and service expertise of both companies will dramatically shrink time-to-market for advanced Bluetooth wireless applications, and help bring the benefits of Bluetooth products to end-users faster.

The alliance joins two leading companies in Bluetooth wireless technology. Philips Semiconductors is the world's third largest producer of communication integrated circuits (ICs) and the first company to begin manufacturing Bluetooth products in high volume. Stonestreet One is a pioneer in designing embedded Bluetooth product prototypes. The agreement provides that Philips Semiconductors will supply customers with Bluetooth radio, baseband controller and supporting software elements, while Stonestreet One provides software tools, system design, integration, application development and product testing. As a direct result of the alliance, Stonestreet One will release later this month a Bluetooth Developer's Kit featuring Philips Semiconductors' Blueberry PCF87750 second generation Bluetooth baseband controller.

"There is tremendous demand for incorporating Bluetooth wireless capability into everyday applications," said Bill Galione, senior director, Communications Market Segment Americas, Philips Semiconductors. "Stonestreet One's strength in Bluetooth design services greatly complements our leading edge silicon systems solutions. This alliance will assist Philips Semiconductors and Stonestreet One to satisfy the enormous Bluetooth market opportunity."

"Stonestreet One is proud to be working with Philips Semiconductors, who is known worldwide for market-leading wireless technologies," said Tim Reilly, founder and chief technology officer of Stonestreet One. "This alliance demonstrates Philips Semiconductors' confidence in Stonestreet One's ability to deliver innovative, optimized Bluetooth solutions and unrivaled support."

Bluetooth wireless technology is a low cost, radio-based technology that provides an open standard for short-range communications. Designed to enable wireless transmission of data signals, Bluetooth technology eliminates the need for cables. The technology is already capable of connecting a wide range of communications devices, such as mobile phones and laptop computers, and is capable of revolutionizing connectivity in many other electronic applications.

About Stonestreet One

Stonestreet One, Inc., based in Louisville, Kentucky, designs, develops, and integrates embedded software and wireless data applications, specializing in Bluetooth applications, products and integration services. Stonestreet One offers developer tools, engineering services, and custom designed Bluetooth hardware components for a diverse group of customers including leading companies in industries such as computer hardware, mobile communications, food service equipment, biomedical devices, and material handling systems. For more information visit <http://www.stonestreetone.com>.

About Philips Semiconductors

Philips Semiconductors, which had annual revenues of approximately US\$6.3 billion in 2000, designs and manufactures semiconductors and silicon systems platforms. Philips Semiconductors is spearheading the emerging field of systems on silicon solutions with the innovative Nexperia™ platform and VLSI Velocity™ tool set. The company's Sea-of-IP™ design methodology allows plug and play intellectual property blocks for easily customizable products. The company is a leader in communications, consumer, PC peripherals and automotive semiconductors, which are key applications for convergence in end-user products. Philips Semiconductors is headquartered in Eindhoven, The Netherlands, and has operations throughout the world. For more information: <http://www.philips.semiconductors.com>.

Additional information on Bluetooth system solutions from Philips Semiconductors can be obtained at <http://www.semiconductors.philips.com/bluetooth>.

Bluetooth is a trademark owned by Telefonaktiebolaget L.M. Ericsson, Sweden.

For more information contact:

Dave Brenner
Vice President – Marketing
dbrenner@stonestreetone.com
Stonestreet One, Inc
322 West Main Street
Louisville, KY 40202
502-595-7000