Important information

Forward-looking statements
This document and the related oral presentation, including responses to questions following the presentation contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITA and future developments in our organic business. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements. These factors include, but are not limited to, domestic and global economic and business conditions, developments within the euro zone, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where Philips operates, industry consolidation and competition. As a result, Philips’ actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Risk management chapter included in our Annual Report 2012.

Third-party market share data
Statements regarding market share, including those regarding Philips’ competitive position, contained in this document are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Philips, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.

Use of non-GAAP Information
In presenting and discussing the Philips Group’s financial position, operating results and cash flows, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. A reconciliation of such measures to the most directly comparable IFRS measures is contained in our Annual Report 2012. Further information on non-GAAP measures can be found in our Annual Report 2012.

Use of fair-value measurements
In presenting the Philips Group’s financial position, fair values are used for the measurement of various items in accordance with the applicable accounting standards. These fair values are based on market prices, where available, and are obtained from sources that are deemed to be reliable. Readers are cautioned that these values are subject to changes over time and are only valid at the balance sheet date. When quoted prices do not exist, we estimated the fair values using appropriate valuation models, and when observable market data are not available, we used unobservable inputs. They require management to make significant assumptions with respect to future developments, which are inherently uncertain and may therefore deviate from actual developments. Critical assumptions used are disclosed in our 2012 financial statements. Independent valuations may have been obtained to support management’s determination of fair values.

All amounts in millions of euro’s unless otherwise stated; data included are unaudited. Financial reporting is in accordance with IFRS, unless otherwise stated.
Agenda

1. Management update

2. Group results Q1 2013

3. Accelerate! Change and performance

4. Philips Business System

5. Group and sector overview
### Improved earnings in all sectors; modest sales growth

**Sales**

- Comparable sales increased by 1% year-on-year to reach EUR 5.3 billion
- Comparable sales growth was 10% in Consumer Lifestyle, flat in Lighting and declined 1% in Healthcare

**EBITA & Adjusted EBITA**

- EBITA amounted to EUR 402 million, 7.6% of sales, compared to 8.5% in Q1 2012
- EBITA of Q1 2012 includes a net gain of EUR 172 million mainly related to the Senseo transaction and the sale of the High Tech Campus real estate
- Adj. EBITA\(^1\) improved to EUR 421 million, 8.0% of sales, from 6.1% in Q1 2012
- Improvement driven by gross margin improvements across all sectors

**Cost savings & Net Income**

- Cost savings on track with EUR 549 million cumulative savings by Q1 2013
- Net income improved by EUR 98 million compared to Q1 2012 and amounted to EUR 162 million excluding the one-offs in Q1 2012

**Asset management & ROIC**

- Inventories as a % of sales improved by 1.4 percentage points
- ROIC excluding incidentals improved to 7.0% from 6.3% in Q1 2012
- Free Cash Flow was EUR 78 million excluding the payment of the EUR 509 million European Commission fine\(^2\)

**Others**

- 86% of EUR 2 billion share buy-back program completed by Q1 2013

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\(^1\) Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 19 million

\(^2\) Related to CRT (Cathode-Ray Tubes), a business divested by Philips in 2001. Philips has appealed the decision

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Management update Q1 2013: Healthcare

**Sales**
- **Comparable** sales declined by 1% year-on-year and was EUR 2.1 billion
- Customer Services and Home Healthcare Solutions had low-single-digit growth, Patient Care & Clinical Informatics sales were flat and Imaging Systems sales declined by high-single-digit

**Order intake**
- Currency-comparable equipment order intake declined by 5%
- Both Imaging Systems and Patient Care and Clinical Informatics equipment orders declined in the quarter
- North America declined by 10%, Europe and growth geographies declined by 7% and 4% respectively. China recorded a double-digit order intake growth

**EBITA**
- EBITA increased to 10.4% of sales, up from 9.1% in Q1 2012

**Adjusted EBITA¹**
- Adjusted EBITA increased from 9.6% to 10.5% of sales in Q1 2013
- The improvement was driven by overhead cost reductions and gross margin improvements

**Net Operating Capital**
- Currency comparable, Net operating capital decreased by EUR 335 million to EUR 7.9 billion
- Inventories as a % of sales improved by 2.0 percentage points, with improvements seen across all businesses

**Adjusted EBITA improves by 90 bps, despite top line decline**

¹ Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 2 million
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

PHILIPS
## Management update Q1 2013: Consumer Lifestyle

| Sales | • Comparable sales grew strongly by 10% compared to Q1 2012  
|       | • Double-digit growth at Domestic Appliances, high-single-digit growth at Personal Care and mid-single-digit growth at Health & Wellness  |
| EBITA | • EBITA amounted to EUR 98 million, or 9.8% of sales, from 22.9% in Q1 2012  
|       | • EBITA in Q1 2012 included a gain from the SENSEO transaction of EUR 160 million which amounted to 17.3% of sales  |
| Adjusted EBITA\(^1\) | • Adjusted EBITA increased to 9.9%, from 6.7% in Q1 2012  
|       | • The improvement was driven by higher gross margins across all businesses  
|       | • Stranded costs for TV and the Audio, Video, Multimedia and Accessories business decreased from EUR 22 million in Q1 2012 to EUR 7 million in Q1 2013  |
| Net Operating Capital | • Currency comparable, Net operating capital decreased by EUR 137 million year-on-year largely driven by working capital improvements  
|       | • Inventories as a % of sales improved by 1.4 percentage points on a comparable basis  |
| Portfolio | • The Audio, Video, Multimedia and Accessories business is reported as discontinued operations from Q1 2013  |

\(^1\) Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 1 million  
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies").
## Management update Q1 2013: Lighting

| Sales | • Comparable sales were in line with last year  
• Double-digit growth at Lumileds and mid-single-digit growth at Automotive were offset by declines in the other businesses  
• LED-based sales grew 38% compared to Q1 2012 and now represent 23% of Lighting sales |
| EBITA | • EBITA amounted to EUR 147 million, or 7.4% of sales, from 2.3% in Q1 2012  
• EBITA in Q1 2012 impacted by a loss on the sale of industrial assets of EUR 25 million |
| Adjusted EBITA\(^1\) | • Adjusted EBITA improved to 8.4% of sales compared to 4.7% in Q1 2012  
• The improvement was driven by a lower bill of materials, including lower phosphor prices as well as overhead cost savings |
| Net Operating Capital | • Inventories as a % of sales improved by 1.0 percentage point year-on-year  
• Currency comparable, Net operating capital decreased by EUR 482 million to EUR 4.7 billion, due to improved working capital and an increase in provisions for restructuring |
| Others | • Due to the rationalization of the industrial footprint and the overhead cost reduction program, the number of employees has decreased by 3,765 compared to Q1 2012 |

\(^1\) Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 19 million  
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

Accelerate! initiatives lead to 5\(^{th}\) consecutive quarter of improved earnings
Management update Q1 2013: By Geography

<table>
<thead>
<tr>
<th>Geographical Region</th>
<th>Details</th>
</tr>
</thead>
</table>
| North America       | • Group comparable sales declined by 3% as Healthcare comparable sales declined by mid-single-digit due to order intake declines in 2012  
  • Healthcare comparable equipment order intake declined by 10% reflecting ongoing market uncertainty  
  • Consumer Lifestyle comparable sales grew by mid-single-digit, driven by the Personal Care business  
  • Lighting comparable sales declined by low-single-digit in the quarter |
| Europe              | • Group comparable sales declined by 2% for the quarter  
  • Healthcare comparable sales declined by mid-single-digit with a strong decline in Southern Europe and mid-single-digit growth in the UK  
  • Healthcare comparable equipment order intake declined by 7%  
  • In Consumer Lifestyle comparable sales grew by low-single-digit, driven by the Health & Wellness business  
  • Lighting comparable sales declined by low-single-digit |
| Growth Geographies  | • Comparable sales increased by 4%, driven by China, India, Russia and Latam  
  • Healthcare comparable sales declined by 2%. Russia showed a double-digit decline, India declined by low-single-digit. China grew by high-single-digit  
  • Healthcare comparable equipment order intake declined by 4% mainly due to India and Latam. China recorded double-digit comparable order intake growth  
  • Consumer Lifestyle comparable sales had double-digit growth. China, Russia and Latam grew by double-digits  
  • Lighting comparable sales grew by mid-single-digit driven by China and India |

Slow start to the year in mature geographies as anticipated

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Agenda

1. Management update

2. Group results Q1 2013

3. Accelerate! Change and performance

4. Philips Business System

5. Group and sector overview
<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,307</td>
<td>5,258</td>
</tr>
<tr>
<td>EBITA</td>
<td>451$^1$</td>
<td>402$^1$</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>(75)$^2$</td>
<td>(83)$^2$</td>
</tr>
<tr>
<td>Income tax</td>
<td>(62)</td>
<td>(69)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>183</td>
<td>162</td>
</tr>
<tr>
<td>Net Operating Capital</td>
<td>10,634</td>
<td>9,969</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>297</td>
<td>(228)$^3$</td>
</tr>
<tr>
<td>Net capital expenditures</td>
<td>329</td>
<td>(203)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>626</td>
<td>(431)$^3$</td>
</tr>
</tbody>
</table>

1 Q13 includes EUR (19)M of restructuring and acquisition-related charges; Q12 includes EUR (43)M of restructuring and acquisition-related charges, a EUR 160M gain on the Senseo transaction, a EUR 37M gain on the sale of the High Tech Campus and a EUR (25)M loss on the sale of industrial assets
2 Q13 includes a EUR 2M gain on value adjustment related to NXP option; Q12 includes a EUR 19M gain on value adjustment related to NXP option
3 Q13 includes the payment of the EUR 509M European Commission fine related to alleged violation of competition rules in the Cathode-Ray Tubes (CRT) industry

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

10
# Sales by sector – Q1 2013

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>2,209</td>
<td>2,127</td>
<td>(4)</td>
<td>(1)</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>923</td>
<td>1,003</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Lighting</td>
<td>2,015</td>
<td>1,975</td>
<td>(2)</td>
<td>0</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>160</td>
<td>153</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,307</td>
<td>5,258</td>
<td>(1)</td>
<td>1</td>
</tr>
</tbody>
</table>

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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11
# Sales by geography – Q1 2013

**EUR million**

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>1,365</td>
<td>1,341</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>North America</td>
<td>1,722</td>
<td>1,650</td>
<td>(4)</td>
<td>(3)</td>
</tr>
<tr>
<td>Other mature geographies</td>
<td>483</td>
<td>493</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Growth geographies(^1)</td>
<td>1,737</td>
<td>1,774</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,307</td>
<td>5,258</td>
<td>(1)</td>
<td>1</td>
</tr>
</tbody>
</table>

\(^1\) Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel.

**Note** - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

12
Sales growth: Trend through Q1 2013

Global comparable sales growth (% change)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Lighting</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Group</td>
<td>9</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Comparable sales growth in growth geographies¹ (% change)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>27</td>
<td>22</td>
<td>14</td>
<td>19</td>
<td>10</td>
<td>18</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>7</td>
<td>7</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td>11</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Lighting</td>
<td>11</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

¹ Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel.

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Growth geographies – Q1 ‘13 and last twelve months

Sales in growth geographies¹

Last twelve months

- Growth 35%
- Mature 65%

Healthcare

- Q1 2013: 20%
- Q1 2013: 50%
- Q1 2013: 40%

Consumer Lifestyle

- 20%
- 50%
- 40%

Lighting

- Growth 34%
- Mature 66%

¹ Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel.

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

14
## EBITA by sector – Q1 2013

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>202</td>
<td>222</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>211</td>
<td>98</td>
</tr>
<tr>
<td>Lighting</td>
<td>46</td>
<td>147</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>(8)</td>
<td>(65)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>451</td>
<td>402</td>
</tr>
</tbody>
</table>

1. Q13 includes EUR (2)M of restructuring and acquisition-related charges; Q12 includes EUR (9)M of charges.
2. Q13 includes EUR (1)M of restructuring and acquisition-related charges; Q12 includes EUR (11)M of charges and a EUR 160M gain from the Senseo transaction.
4. Q13 includes a release of EUR 3M of restructuring provisions; Q12 includes EUR 1M release of restructuring provisions and a EUR 37M gain on the sale of the High Tech Campus.

Note: Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”).
## Adjusted EBITA by sector – Q1 2013

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare¹</td>
<td>211</td>
<td>224</td>
</tr>
<tr>
<td>Consumer Lifestyle²</td>
<td>62</td>
<td>99</td>
</tr>
<tr>
<td>Lighting³</td>
<td>95</td>
<td>166</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services⁴</td>
<td>(46)</td>
<td>(68)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>322</td>
<td>421</td>
</tr>
</tbody>
</table>

1. Q1'13 excludes EUR (2)M of restructuring and acquisition-related charges; Q1'12 excludes EUR (9)M of charges
2. Q1'13 excludes EUR (1)M of restructuring and acquisition-related charges; Q1'12 excludes EUR (11)M of charges and a EUR 160M gain from the Senseo transaction
3. Q1'13 excludes EUR (19)M of restructuring and acquisition-related charges; Q1'12 excludes EUR (24)M of charges and a EUR (25)M loss on the sale of industrial assets
4. Q1'13 excludes a release of EUR 3M of restructuring provisions; Q1'12 excludes EUR 1M release of restructuring provisions and a EUR 37M gain on the sale of the High Tech Campus

Note: Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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EBITA and Adjusted EBITA Margin development

Trend through Q1 2013

**EBITA%**

<table>
<thead>
<tr>
<th></th>
<th>Healthcare</th>
<th>Consumer Lifestyle¹</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>9.3</td>
<td>12.5</td>
<td>11.7</td>
<td>14.5</td>
</tr>
<tr>
<td>2012</td>
<td>12.1</td>
<td>11.8</td>
<td>12.5</td>
<td>14.1</td>
</tr>
<tr>
<td>2013</td>
<td>10.4</td>
<td>11.2</td>
<td>9.5</td>
<td>5.1</td>
</tr>
</tbody>
</table>

**Adjusted EBITA%²**

<table>
<thead>
<tr>
<th></th>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>9.2</td>
<td>4.6</td>
<td>6.6</td>
<td>4.2</td>
</tr>
<tr>
<td>2012</td>
<td>12.4</td>
<td>6.0</td>
<td>7.4</td>
<td>9.2</td>
</tr>
<tr>
<td>2013</td>
<td>11.0</td>
<td>5.2</td>
<td>2.3</td>
<td>1.5</td>
</tr>
</tbody>
</table>

¹ Consumer Lifestyle EBITA Q1 2012 includes a EUR 160M gain from the Senseo transaction

² Adjusted EBITA is EBITA corrected for incidental charges (details on slide 89)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Working capital & Inventories over the last 5 quarters

**EUR million**

### Working capital as % of sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Working capital</th>
<th>Working capital as % of LTM sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q12</td>
<td>18%</td>
<td>1500</td>
</tr>
<tr>
<td>2Q12</td>
<td>14%</td>
<td>3000</td>
</tr>
<tr>
<td>3Q12</td>
<td>10%</td>
<td>4500</td>
</tr>
<tr>
<td>4Q12</td>
<td>6%</td>
<td>1500</td>
</tr>
<tr>
<td>1Q13</td>
<td>2%</td>
<td>750</td>
</tr>
</tbody>
</table>

### Inventories as % of sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Inventories</th>
<th>Inventories as % of LTM sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q12</td>
<td>25%</td>
<td>1800</td>
</tr>
<tr>
<td>2Q12</td>
<td>20%</td>
<td>3000</td>
</tr>
<tr>
<td>3Q12</td>
<td>15%</td>
<td>3600</td>
</tr>
<tr>
<td>4Q12</td>
<td>10%</td>
<td>3000</td>
</tr>
<tr>
<td>1Q13</td>
<td>5%</td>
<td>1500</td>
</tr>
</tbody>
</table>

1 Working capital as % of sales of Healthcare, Consumer Lifestyle and Lighting; excluding central sector IG&S

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
### Free Cash Flow – Q1 2013

**EUR million**

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from continuing operations</td>
<td>201</td>
<td>154</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>336</td>
<td>305</td>
</tr>
<tr>
<td>Net gain on sale of assets</td>
<td>(184)</td>
<td>(4)</td>
</tr>
<tr>
<td>Changes in working capital, of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- changes in receivables and other current assets</td>
<td>250</td>
<td>135</td>
</tr>
<tr>
<td>- changes in inventories</td>
<td>(221)</td>
<td>(205)</td>
</tr>
<tr>
<td>- changes in accounts payable, accrued and other liabilities</td>
<td>(83)</td>
<td>(393)</td>
</tr>
<tr>
<td>Increase in non-current receivables, other assets and other liabilities</td>
<td>(85)</td>
<td>(77)</td>
</tr>
<tr>
<td>Increase (decrease) in provisions</td>
<td>27</td>
<td>(98)</td>
</tr>
<tr>
<td>Others</td>
<td>56</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>297</td>
<td>(228)</td>
</tr>
<tr>
<td>Purchase &amp; proceeds from sale of intangible assets/ Exp. on dev. assets</td>
<td>78</td>
<td>(82)</td>
</tr>
<tr>
<td>Capital expenditures on property, plant and equipment</td>
<td>(137)</td>
<td>(124)</td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment</td>
<td>388</td>
<td>3</td>
</tr>
<tr>
<td><strong>Net capital expenditures</strong></td>
<td>329</td>
<td>(203)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>626</td>
<td>(431)</td>
</tr>
</tbody>
</table>

1. Q13 includes the payment of the EUR 509M European Commission fine related to alleged violation of competition rules in the Cathode-Ray Tubes (CRT) industry

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)


Development of Return on Invested Capital (ROIC)

- Excluding impairment and exceptional net gains and losses including the European Commission fine on CRT\(^1\) in Q4 2012 and Q1 2013, ROIC improved from 6.3% to 7.0%.
- Excluding impairment and exceptional net gains and losses including the European Commission fine on CRT\(^1\) in Q1 2012 and Q1 2013, ROIC improved from 6.3% to 7.0%.
- Earnings in all sectors improved in Q1 2013
- Average NOC was positively impacted by improved working capital management
- **Discount rate** is 8.9%

**Notes:**
EBIAT are earnings before interest after tax
Philips calculates ROIC % as: EBIAT/ NOC
Quarterly ROIC % is based on LTM EBIAT and average NOC over the last 5 quarters
Reported tax used to calculate EBIAT

\(^1\) CRT=Cathode-Ray Tubes, a business divested by Philips in 2001. Philips has appealed the decision
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
Philips' debt has a long maturity profile

Characteristics of long-term debt

- Maturities up to 2042
- Average tenor of long-term debt is 12.7 years
- No financial covenants

In January 2013 Philips extended the maturity of its EUR 1.8 billion standby facility to February 2018

Debt maturity profile as of March 2013
Amounts in EUR millions

1 Short term debt consists mainly of local credit facilities that are being rolled forward on a continuous basis
2 In March 2012 Philips issued USD 1,000M 10 years at 3.75% and USD 500M 30 years at 5%. On Apr 10th 2012, Philips early redeemed USD 500M originally maturing in March 2013
A history of sustainable dividend growth

*EUR cents per share*

“We are committed to a stable dividend policy with a 40% to 50% pay-out of continuing net income.”

1 Elective dividend, proposal subject to approval in the General Shareholders Meeting on May 3rd, 2013
Update funded status pension plans (IFRS basis)

**EUR million**

<table>
<thead>
<tr>
<th>Funded Status</th>
<th>Balance sheet position</th>
<th>Funded Status</th>
<th>Balance sheet position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2012 (re-stated for IAS19R)</strong></td>
<td></td>
<td><strong>March 31, 2013 (not reported)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-paid pension asset</td>
<td>777</td>
<td>0</td>
<td>1,142</td>
</tr>
<tr>
<td><strong>Other major plans</strong></td>
<td>(1,237)</td>
<td>(1,823)</td>
<td>(878)</td>
</tr>
<tr>
<td><strong>Major plans</strong></td>
<td>(460)</td>
<td>(1,823)</td>
<td>264</td>
</tr>
<tr>
<td><strong>Minor plans</strong></td>
<td>(202)</td>
<td>(199)</td>
<td>(199)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(662)</td>
<td>(2,022)</td>
<td>65</td>
</tr>
</tbody>
</table>

- In Q1 2013, the funded status became positive due to discount rates of the main DB\(^1\) plans going up by 15 bps and favorable equity markets, especially in the UK (NXP stake)
- Funded status 2012 has been restated to reflect the exclusion of accrued pension administration costs from the DBO\(^2\) as required by IAS19R (positive impact of EUR 224 million)
- Balance Sheet: surplus in the Netherlands, UK and Brazil are not recognized (asset-ceiling test)

\(^1\) DB = Defined Benefit
\(^2\) DBO = Defined Benefit Obligation
Disciplined Capital Use

• Our objective is to have an A3/A- rating

• We will drive higher capital efficiency and cash flow yields through improved working capital turns and CAPEX discipline

• We are committed to a stable dividend policy with a 40% to 50% pay-out of continuing net income

• Cash will be used to:
  - Invest in value creating growth (both organic and through acquisitions)
  - Mitigate risk
  - Return capital to shareholders over time

• We will exercise stringent discipline and return criteria (including ROIC hurdles) in our end-to-end acquisition process in line with the nature of the transaction
# Acquisitions at a glance

**No acquisitions announced during the last 7 quarters**

## Healthcare

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Industry</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-2011</td>
<td>medSage</td>
<td>Home Healthcare</td>
<td>Strengthen portfolio by becoming a leading provider of patient interaction and management applications</td>
</tr>
<tr>
<td>Mar-2011</td>
<td>Dameca</td>
<td>Patient Care and Clinical Informatics</td>
<td>Expand portfolio with integrated, advanced anesthesia care solutions</td>
</tr>
<tr>
<td>Jun-2011</td>
<td>AllParts Medical</td>
<td>Customer Services</td>
<td>Expand capabilities in imaging equipment services, strengthening Philips’ Multi-Vendor Services business</td>
</tr>
<tr>
<td>Jun-2011</td>
<td>Sectra</td>
<td>Imaging Systems</td>
<td>Expand Women’s Healthcare portfolio with a unique digital mammography solution in terms of radiation dose</td>
</tr>
</tbody>
</table>

## Consumer Lifestyle

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Industry</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-2011</td>
<td>Preethi</td>
<td>Domestic Appliances</td>
<td>Becoming a leading kitchen appliances company in India</td>
</tr>
<tr>
<td>Jul-2011</td>
<td>Povos</td>
<td>Domestic Appliances</td>
<td>Expanding product portfolio in China and continue to build business creation capabilities in growth geographies</td>
</tr>
</tbody>
</table>

## Lighting

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Industry</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-2011</td>
<td>Optimum</td>
<td>Professional Luminaires</td>
<td>Expand portfolio with customized energy-efficient lighting solutions</td>
</tr>
<tr>
<td>Jun-2011</td>
<td>Indal</td>
<td>Professional Luminaires</td>
<td>Strengthen leading position in professional lighting within Europe</td>
</tr>
</tbody>
</table>

*Note* - Dates refer to announcement date of acquisition
Agenda

1. Management update

2. Group results Q1 2013

3. Accelerate! Change and performance

4. Philips Business System

5. Group and sector overview
Accelerate! change and performance program to unlock full potential faster

Customer Centricity
- Increased seniority of market teams; markets are now led by empowered entrepreneurs
- Increase local relevance of product portfolio to gain market share
- Focused Business-to-Government sales channel development to drive growth
- Increase Employee Engagement in markets by 300 bps

Resource to Win
- Granular plans to increase number of BMC’s in which we are an outright leader
- Increase performance adherence to plan per BMC > 80%
- Execute on strategic workforce plan for growth markets
- Targeted investment step-ups made (EUR 200 million) to gain market leadership

End2End Execution
- Transform customer value chains to 4 lean business models, enabled by effective IT
- Reduce Cost of Non Quality by 30%
- Accelerate innovation time to market by av. 40%; Increase customer service >95%
- Inventory reduction target of 1% to 1.5% of sales per year for 2012 and 2013

Growth and Performance Culture
- Introduced new behaviors to drive new ways of working
- Personal transformation workshops started to enable culture change
- Quarterly pulse check to check for effectiveness of the above
- Incentive and appraisal system changed to align with new culture and mid-term targets

Operating Model
- Simplify the organization and reduce overhead and support costs by EUR 1.1 billion
- Implement the Philips Business System in the organization
- Performance Management for BMC’s implemented
- Implement collaborative P&L between businesses & markets with clear accountability

Supported by strong change and program management office to ensure execution

1 BMC = Business Market Combination

Dark blue indicates quarter over quarter improvement
Accelerate!: Improvements in Q1 2013

- 800 leaders engaged globally in the 2013 Summit and embraced our 2017 Accelerate! roadmap and the Philips Business System
- Over 900 senior leaders have participated in change management programs to create a high-performance culture

- Functional transformations on track, cumulative savings of EUR 145 million collectively in IT, F&A and HR
- Overhead cost reduction program on track
  - EUR 549 million cumulative gross savings
  - EUR 78 million additional in Q1

- Customer service levels improved by around 25% on executed End2End projects
- First DfX\(^1\) pilots demonstrate positive results

- Continued strong employee scoring on impact of Accelerate!
  - 86% on uptake of new behaviors
  - 85% of employees surveyed confirm that their local teams act to meet our Accelerate! team goals

\(^1\) DfX stands for Design for X, where X can be cost, quality, manufacturing, etc.
Accelerate! is working deep in the organization

Market impact of improvement actions

Consumer LED Lighting : EMEA

By redesigning our End2End processes and combining the online go-to-market approach for both Consumer Lamps and Luminaires, we have realized strong growth in online sales and margins as seen from the initial results.

Automotive LED Lighting : EMEA

The new End2End approach involving our innovation teams with carmakers at the initial stages of the design enabled us to sign our largest LED Automotive deal ever for a wide range of both premium and non-premium cars increasing our LED share in Automotive Lighting to more than 40%.

Avent “Natural Bottle” : Canada

Avent achieved a #1 position in Canada through a new Market-to-Order strategy with retailer Babies-R-Us. A new “touch and learn” component for store displays was developed so consumers would have an interactive learning experience.

Healthcare Ultrasound : China

Created 3 new value segment Ultrasound systems to meet the specific needs of the Chinese physicians in level 2 and level 1 hospitals. Time-to-market reduction of 20% including SFDA approval\(^1\). Tender received for the first 100 ClearVue 580s.

\(^1\) Approved in February 2013
Cost reduction program targeting overhead & indirect costs will bring EUR 1.1 billion in savings

Cost reduction scope

- Taking out overhead and support cost
  - All overheads, layers and support functions: IT, Finance, HR, Real Estate, Management, etc
  - Indirect business functions not directly involved in the customer value chain
  - Single added value layer (no duplication) and reduce complexity
- All savings against H1 2011 baseline
- Focus on sustainable structural savings instead of “variable” costs
**EUR 1.1 billion cost reduction program**

*Program started in Q3 2011, expected to be completed by 2014*

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>1Q13 Actual</th>
<th>2013 Plan</th>
<th>2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>25</td>
<td>471</td>
<td>549</td>
<td>900</td>
<td>1,100</td>
</tr>
</tbody>
</table>

**Cumulative gross savings**

Approximately 77% of the targeted 6,700 headcount reduction completed by Q4 2012

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>1Q13 Actual</th>
<th>2013 Plan</th>
<th>2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>(37)</td>
<td>(249)</td>
<td>(13)</td>
<td>(125)</td>
<td>(60)</td>
</tr>
</tbody>
</table>

**Annual restructuring costs**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>1Q13 Actual</th>
<th>2013 Plan</th>
<th>2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>(37)</td>
<td>(128)</td>
<td>(29)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

**Annual investments**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>1Q13 Actual</th>
<th>2013 Plan</th>
<th>2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>(37)</td>
<td>(128)</td>
<td>(29)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

**Note**

- The above figures include results related to the Audio, Video, Multimedia and Accessories business of:
- Cumulative gross savings up to Q1 2013 of EUR 49M, annual restructuring costs in 2012 of EUR 11M and EUR 3M in Q1 2013, investments of EUR 1M in Q1 2013 and a cumulative headcount reduction of 99 employees
- The plan for 2014 includes savings for the Audio, Video, Multimedia and Accessories business of EUR 57M and a headcount reduction of 99 employees
Overhauling our business model architecture

From 70+ business models  To 4 End2End business models

- Standard Products
  - Owner: Pieter Nota

- Solutions
  - Owner: Eric Rondolat

- Services
  - Owner: Deborah DiSanzo

- Software
  - Owner: Deborah DiSanzo

- All Philips businesses to adopt one of four standardized business models
- Investments being made to standardize processes, data, and new IT backbone
- A single planning, performance and reward cycle across Philips
- Investing to create a culture for such a major change
Transforming IT: Reducing costs to < 3% of sales

- Drastic reduction in the number of systems
- Embedding IT fully in End2End business processes
- Running IT in a lean manner
- Moving to output-based solution delivery
- Deploying off-the-shelf IT solutions
- Ensuring all new IT investments have compelling business cases
- Cumulative savings EUR 94 million
- 25% reduction in cost by 2015
Applying DfX* in the product creation process

*Design for X; X = cost, quality, manufacturing etc.

- End2End approach to product creation, with one integrated team of procurement, supply chain, R&D, marketing, finance and the supplier upfront to drive breakthrough cost savings through:
  - Value engineering
  - Re-design the purchasing value chain
  - Leveraging global spend

- Early successes show that significant cost savings can be achieved in mature products, i.e. products being manufactured over 5 years, as well as new product introductions

- Currently building a funnel of opportunities targeting additional cumulative savings of EUR 1 billion over the period 2014 to 2016

DfX effectiveness pilot for a new product

DfX effectiveness pilot for a mature product

Existing plan

DfX plan
Agenda

1. Management update

2. Group results Q1 2013

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4. Philips Business System

5. Group and sector overview
Philips Business System

*Our repeatable system to create value*

We manage our portfolio with clearly defined strategies and allocate resources to maximize value creation.

We strengthen and leverage our core Capabilities, Assets & Positions as they create differential value.

We execute business plans to deliver sustainable results on a credible Path-to-Value.

We deliver excellence by applying our operating principles.

---

1 CAPs = Capabilities, Assets and Positions
Decisive portfolio management

*Portfolio now consists of ~70% B2B businesses*

---

Our portfolio has the right fundamentals for profitable growth

---

1 Consumer Lifestyle in 2005 includes the former DAP and Consumer Electronics divisions
2 2005 figures are based on US GAAP
3 Last twelve months March 2013 figures are restated to exclude Lifestyle Entertainment
# We are well positioned to benefit from societal trends

## Global trends and challenges

### Healthcare

- Ageing population leading
- Increase in patients managing chronic conditions
- Growth geographies\(^1\) wealth creating demand
- Lifestyle changes, fueling cardiovascular illnesses and respiratory and sleeping disorders

### Consumer Lifestyle

- Consumers focus on the health and well-being
- Rising middle class in growth geographies\(^1\)
- Back to basics: simple propositions
- Trusted brands combined with locally relevant portfolio

### Lighting

- Ongoing urbanization and globalization
- Increasing need for energy efficient solutions
- Fast growing global illumination market
- Expanding renovation market
- Rapid adoption of LED-based lighting solutions

---

\(^1\) Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Our Capabilities, Assets and Positions (CAPs)

<table>
<thead>
<tr>
<th>Innovation capabilities</th>
<th>Technology, know-how and strong IP positions (59,000 registered patents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global footprint</td>
<td>Loyal customer base in 100+ countries</td>
</tr>
<tr>
<td></td>
<td>35% of group revenues from growth geographies¹</td>
</tr>
<tr>
<td>People</td>
<td>Employee Engagement Index² exceeds high performance benchmark value of 70%</td>
</tr>
<tr>
<td></td>
<td>Culturally diverse top-200 leadership team</td>
</tr>
<tr>
<td>Domain leadership</td>
<td>Global market leader in Lighting</td>
</tr>
<tr>
<td></td>
<td>Top 3 Healthcare player</td>
</tr>
<tr>
<td></td>
<td>Leading Consumer Lifestyle brands: E.g. Philips, Sonicare, Avent, Saeco</td>
</tr>
<tr>
<td>Solid balance sheet</td>
<td>A3 rating by Moody’s and A- by Standard &amp; Poor’s</td>
</tr>
<tr>
<td>Philips Brand</td>
<td>World’s 41st most valuable brand 2012 compared to the 65th in 2004. For the first time in history, our brand value reached a level of more than 9 billion USD</td>
</tr>
</tbody>
</table>

¹ Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
² Based on annual Philips’ Employee Engagement Survey
We have strong leadership positions in many markets across the globe

**Healthcare**
- Global Cardiovascular X-ray
- Global Patient Monitoring
- Global Image-Guided interventions
- Global Sleep Therapy Systems
- Global Ultrasound

**Consumer Lifestyle**
- Global Male Electric Shaving
- Global Garment Care
- Global Rechargeable Toothbrushes
- Regional Kitchen Appliances
- Regional Electric Hair Care

**Lighting**
- Global Lamps
- Global LED Lamps
- Global Automotive Lighting
- Global Professional Luminaires
- Global High Power LEDs

---

1 Global or Regional #1 or #2 position in the market
Progressing on our Path-to-Value

Laying the foundation to improve performance

- Executive Committee
- Growth investments
- Philips Business System
- BMC\(^1\) performance management
- Share buy back
- TV Joint Venture
- Improving Lighting performance

Transform Philips through Accelerate!

- Accelerate! Healthcare
- Restoring Lighting profitability, leading the LED transformation
- Closing the Audio, Video, Multimedia and Accessories deal
- EUR 1.1 billion cost reduction program
- Cost savings on procurement
- Value delivery from past acquisitions
- Next value creation steps beyond 2013
- Performance culture

\(^1\) BMC = Business Market Combination
Mid-term Targets: Move into performance box of 12-14% ROIC and 4-6% comparable sales growth

**Philips Mid-Term Performance Box**

**Mid-Term financial objectives (2013)**

- Sales growth CAGR\(^1\) 4 - 6%
- Group Reported\(^2\) EBITA 10 - 12%
  - Healthcare 15 - 17%
  - Consumer Lifestyle\(^3\) 8 - 10%
  - Lighting 8 - 10%
- Group ROIC 12 - 14%

---

1. Assuming real GDP growth of 3-4%
2. Including restructuring and acquisition-related charges
3. Excluding unrelated licenses
Our Path-to-Value 2011…..2013

1 AVM&A = Audio, Video, Multimedia and Accessories business
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
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Philips: A strong diversified industrial group leading in health and well-being

Since 1891
Headquarters in Amsterdam, the Netherlands

Businesses
1, 2

Healthcare
Consumer Lifestyle
Lighting

44%
19%
37%

Geographies
1

Western Europe
North America
Other Mature Geographies
Growth Geographies3

25%
31%
9%
35%

31%
9%
35%

Since 1891
Headquarters in Amsterdam, the Netherlands

Since 1891
Headquarters in Amsterdam, the Netherlands

Sales in 2012.
Portfolio consists of ~70% B2B businesses

115,000+
People employed worldwide in over 100 countries

$9.1 Billion
Brand value in 2012

8% of sales invested in R&D in 2012
59,000 patent rights,
35,000 trademark rights,
81,000 design rights

1 Last twelve months March 2013
2 Excluding Central sector (IG&S)
3 Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
Executive Committee

Frans van Houten
CEO

Ron H. Wirahadiraksa
CFO

Carole Wainaina
Chief HR Officer

Ronald de Jong
Chief Market Leader

Patrick Kung
CEO Greater China

Deborah DiSanzo
CEO Healthcare

Pieter Nota
CEO Consumer Lifestyle

Eric Rondolat
CEO Lighting

Jim Andrew
Chief Strategy & Innovation Officer

Eric Coutinho
Chief Legal Officer
Sustainability as a driver for growth

Success of EcoVision
Green Products represented around 47%¹ of sales in 2012, up from 40%¹ in 2011 driven by investments in Green Innovation.

EcoVision targets for 2015
• 50% of sales from Green Products
• EUR 2 billion Green Innovation investments
• To improve the lives of 2 billion people
• To improve the energy efficiency of our overall portfolio by 50%
• To double the amount of recycled materials in our products as well as to double the collection and recycling of Philips products

Recent accomplishments
• Philips has been recognized Energy Star partner of the year by the US Environmental Protection Agency for our outstanding contribution to environmental protection through energy efficiency
• Philips has been ranked number 7 on the annual list of ‘Global 100 Most Sustainable Corporations in the World’ issued by Corporate Knights – up 6 places from last year
• Philips was awarded sector and super sector leader in the Dow Jones Sustainability Index for the second consecutive year with highest scores ever
• Philips was ranked first for the fifth time in six years for Responsible Supply Chain Management by the Dutch Association of Investors for Sustainable Development (VBDO)
• Philips again achieved top scores in the Carbon Disclosure Project
• Top 50 position in Best Global Green Brands 2012

¹ Excluding the Audio, Video, Multimedia and Accessories business
Our focused health and well-being portfolio: Healthcare, Consumer Lifestyle and Lighting

*Last twelve months*

**Sales**
- 100% = EUR 22.7B\(^1\)

**Adjusted EBITA**
- 100% = EUR 2.4B\(^1,2\)

**Net Operating Capital**
- 100% = EUR 13.6B\(^1\)

1. Excluding Central sector (IG&S)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

---

1. Excluding Central sector (IG&S)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

---
Healthcare
What we do. Where we are.

Philips Healthcare

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Geographies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging Systems</td>
<td>Western Europe</td>
</tr>
<tr>
<td>Home Healthcare Solutions</td>
<td>North America</td>
</tr>
<tr>
<td>Patient Care and Clinical Informatics</td>
<td>Other Mature Geographies</td>
</tr>
<tr>
<td>Customer Services</td>
<td>Growth Geographies</td>
</tr>
</tbody>
</table>

- Imaging Systems: 38%
- Home Healthcare Solutions: 15%
- Patient Care and Clinical Informatics: 22%
- Customer Services: 25%
- Western Europe: 19%
- North America: 44%
- Other Mature Geographies: 13%
- Growth Geographies: 24%

- €10.0 Billion sales in 2012
- 37,000+ People employed worldwide in 100 countries
- 8% of sales invested in R&D in 2012
- 450+ Products & services offered in over 100 countries

1 Last twelve months March 2013
2 Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")
Healthcare: Accelerate performance

- Driving to co-leadership in Imaging Systems and leadership in Patient Care and Clinical Informatics
- Invest for leadership in growth geographies\(^1\)
- International expansion of the home healthcare business
- Drive operational excellence through Accelerate! to increase margins and reduce time-to-market

Total sales
EUR 2.5 billion

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging Systems</td>
<td>66%</td>
</tr>
<tr>
<td>Patient Care and Clinical Informatics</td>
<td>26%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>8%</td>
</tr>
</tbody>
</table>

Total sales EUR 9.9 billion

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging Systems</td>
<td>38%</td>
</tr>
<tr>
<td>Patient Care and Clinical Informatics</td>
<td>22%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>15%</td>
</tr>
<tr>
<td>Home Healthcare Solutions</td>
<td>25%</td>
</tr>
</tbody>
</table>

\(^1\) Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Health care industry dynamics will drive demand

Sharp rise in incidence of chronic disease and non-communicable lifestyle diseases
Globally, 36 million of the 57 million deaths are due to chronic and non-communicable disease
Approximately 80% of non-communicable disease deaths—29 million—occur in growth geographies

An aging population
World’s population of people 60 years+ has doubled since 1980 and is forecast to reach 2 billion by 2050

Access to care and clinician shortage
Recognized as one of the main obstacles to delivery of effective health services

Philips Healthcare Guiding Statement

We are dedicated to creating the future of health care and saving lives.

We develop innovative solutions across the continuum of care in partnership with clinicians and our customers to improve patient outcomes, provide better value and expand access to care.
Healthcare historical market development

North America Market Size/ Growth and Impacts

Philips current expectation for the US Imaging Systems market for 2013-2015 is low- to mid-single-digit growth

Outpatient Imaging Paid 2.5% higher
Balanced Budget Act 2

CMS P4P Reduces Reimbursement for 80% of Hospitals

Stark II Rules Limit Physician Ownership in Outpatient Imaging

DRA announced
Utilization, physician fee schedule
Signing Healthcare Reform

Fiscal cliff, Budget ceiling

Imaging Systems incl. Ultrasound

Patient Care and Clinical Informatics

Out of Hospital Imaging Growth

Economic Downturn

DRA

Bond crisis

Philips current expectation for the US Imaging Systems market for 2013-2015 is low- to mid-single-digit growth
# Health care market developments in the US

## Short Term

<table>
<thead>
<tr>
<th></th>
<th>Imaging Systems</th>
<th>Patient Care &amp; Clinical Informatics</th>
<th>Home Healthcare Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic uncertainties</td>
<td>unfavorable</td>
<td>unfavorable</td>
<td>unfavorable</td>
</tr>
<tr>
<td>Medical Device Excise Tax</td>
<td>unfavorable</td>
<td>unfavorable</td>
<td>N.A.</td>
</tr>
<tr>
<td>CB2(^1) in HHS</td>
<td>N.A.</td>
<td>N.A.</td>
<td>neutral</td>
</tr>
<tr>
<td>Capital spending hospitals</td>
<td>unfavorable</td>
<td>positive</td>
<td>N.A.</td>
</tr>
<tr>
<td>Sequestration</td>
<td>neutral</td>
<td>neutral</td>
<td>neutral</td>
</tr>
<tr>
<td>Fiscal Cliff (utilization)</td>
<td>neutral</td>
<td>neutral</td>
<td>neutral</td>
</tr>
</tbody>
</table>

### Medical Device Excise Tax
Applies to ~55% of our US sales; impact largely mitigated through cost and value chain measures.

### CB2\(^1\) in HHS
Impacts ~ 7% of our global HHS business, ~1% of the total global Healthcare revenue.

### Capital spending
Expected to be flat to low-single-digit growth; continued focus on IT upgrades; beneficial to PCCI.

### Sequestration
Includes 2% reduction in Medicare payments; Medicaid exempt; maximum impact on growth very minor with around ~3bps.

### Fiscal Cliff (utilization)
Increased utilization assumption for advanced imaging in non-hospital settings; impact negligible.

1 Competitive Bidding Round 2 in Home Healthcare Solutions
Health care market developments in the US

Mid- to Long Term

- Health care demographics: positive
- Aging of equipment base: positive
- Health care reform: neutral
- Meaningful use: neutral
- Improved care at lower cost: neutral

<table>
<thead>
<tr>
<th>Health care reform (Affordable Care Act)</th>
<th>Imaging Systems</th>
<th>Patient Care &amp; Clinical Informatics</th>
<th>Home Healthcare Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 30 million additional patients into the health care system</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>• Payments linked to quality improvements and lower integral patient cost vs current ‘Fee for Service’ model</td>
<td>neutral</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>• Incentivizes more cost efficient care settings: ‘Hospital-to-Home’</td>
<td>neutral</td>
<td>positive</td>
<td>N.A.</td>
</tr>
<tr>
<td>• Overall, beneficial to Philips Healthcare</td>
<td>neutral</td>
<td>positive</td>
<td>positive</td>
</tr>
</tbody>
</table>

Meaningful use
- Favorable to our PCCI business

Improved quality of care at lower cost
- Reimbursement changes will increase need for solutions and consulting services; positive impact for our PCCI and HHS business; increased need for value offerings in Imaging Systems
Healthcare: Financials over the last two years

EUR million

Sales, Comparable sales growth and Adjusted EBITA%

- Sales
- Comp. Sales Growth
- Adjusted EBITA%\(^1\)

Working capital as % of sales

- Working capital
- Working capital as % of LTM sales

---

\(^1\) Adjusted EBITA is EBITA corrected for incidental charges (details on slide 89)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
Healthcare: Q1 2013 Sector analysis

**EUR million**

### Key figures

<table>
<thead>
<tr>
<th></th>
<th>1Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,209</td>
<td>2,918</td>
<td>2,127</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>9</td>
<td>4</td>
<td>(1)</td>
</tr>
<tr>
<td>EBITA</td>
<td>202</td>
<td>411</td>
<td>222</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>9.1</td>
<td>14.1</td>
<td>10.4</td>
</tr>
<tr>
<td>EBIT</td>
<td>151</td>
<td>361</td>
<td>176</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>6.8</td>
<td>12.4</td>
<td>8.3</td>
</tr>
<tr>
<td>NOC</td>
<td>8,039</td>
<td>7,976</td>
<td>7,888</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>37,951</td>
<td>37,460</td>
<td>37,270</td>
</tr>
</tbody>
</table>

### Sales per region

- **North America**: 45%
- **EMEA**: 23%
- **Asia Pacific**: 27%
- **Latin America**: 5%

### Growth Geographies

- **Mature**: 20%
- **Q1 2013**: 5%

### Financial performance

- **Currency-comparable equipment order intake declined 5% year-on-year.** Order intake at Patient Care & Clinical Informatics and Imaging Systems declined in the quarter. Equipment orders in Europe showed a high-single-digit decline due to weak markets in Western Europe. Orders in North America showed a double-digit decline, reflecting the continued market uncertainties. Equipment orders in growth geographies declined by 4%.

- **Healthcare comparable sales declined by 1% year-on-year.** Customer Services and Home Healthcare Solutions had low-single-digit growth, Patient Care & Clinical Informatics sales were flat and Imaging Systems sales had a high-single-digit decline. From a regional perspective, comparable sales in growth geographies decreased by 2%, with high-single-digit sales growth in China and low-single-digit growth in Latin America offset by double-digit declines in Russia, the Middle East and Central and Eastern Europe. Comparable sales in mature geographies decreased by 1%, with mid-single-digit declines in NA and Europe. Comp. sales in other mature geographies showed strong double-digit growth.

- **EBITA was EUR 222 million, or 10.4% of sales, compared to EUR 202 million, or 9.1% of sales, in Q1 2012.** The year-on-year improvement was driven by overhead cost reductions and gross margin improvements. Excluding restructuring and acquisition-related charges, EBITA grew to EUR 224 million, or 10.5% of sales, compared to EUR 211 million, or 9.6% of sales, in Q1 2012.

- **Net operating capital, excluding a currency translation increase of EUR 184 million, decreased by EUR 335 million.** The decrease was largely driven by improved working capital. Inventories as a percentage of sales improved by 2.0 percentage points year-on-year, with improvements seen across all businesses.

---

1 Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies").
Currency adjusted order intake only relates to the Imaging Systems and Patient Care & Clinical Informatics businesses
Healthcare: Equipment order book

Indexed Equipment Order Book Development

Quarter end equipment order book is a leading indicator for ~45% of sales the following quarters

Equipment book and bill sales

~15%
~45%
~40%

Equipment sales from order book - Leading indicator of future sales

Home Healthcare + Customer Services sales

Typical profile of equipment order book conversion to sales

- Approximately 60-65% of the current order book results in sales within next 12 months
## Consumer Lifestyle

*What we do. Where we are.*

### Philips Consumer Lifestyle

<table>
<thead>
<tr>
<th>Businesses ¹, ²</th>
<th>Geographies ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care</td>
<td>Western Europe</td>
</tr>
<tr>
<td>Health &amp; Wellness</td>
<td>North America</td>
</tr>
<tr>
<td>Domestic Appliances</td>
<td>Other Mature Geographies</td>
</tr>
<tr>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>45%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Key Figures 2012

- **€4.3 Billion sales** in 2012
- **16,000+ People employed worldwide**
- **6% of sales invested in R&D in 2012**
- **36% of green product sales in 2012**

¹ Last twelve months March 2013
² Other category (1%) is omitted from this overview
³ Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

*Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)*
Consumer Lifestyle: Reshaping the portfolio towards growth

- Right-size the organization post TV JV and sale of the Audio, Video, Multimedia and Accessories business
- Continued growth in core businesses towards global category leadership
- Regional business creation; leverage acquisitions in China and India

Total sales EUR 5.5 billion

<table>
<thead>
<tr>
<th>Segment</th>
<th>Last 12 months</th>
<th>Mar ’13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Appliances</td>
<td>45%</td>
<td>20%</td>
</tr>
<tr>
<td>Personal Care</td>
<td>16%</td>
<td>1%</td>
</tr>
<tr>
<td>Health &amp; Wellness</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Lifestyle Entertainment</td>
<td>1%</td>
<td>60%</td>
</tr>
<tr>
<td>Others</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>
Focused portfolio in the Health and Well-being domain

We have exited Consumer Electronics

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer Electronics</th>
<th>Personal Care, Health &amp; Wellness, Domestic Appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

We see strong growth in the Consumer Lifestyle portfolio

- **2009**: Low-single-digit decline
- **2010**: Mid-single-digit growth
- **2011**: Double-digit growth
- **2012 – Q1’13**: High-single-digit growth

Note: Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”).

1 Excluding others
Strong progress in driving scale and category leadership

*Through innovation and customer intimacy, tapping into attractive profit pool*

Focusing on the following businesses:

**Male Grooming**
- 40% of SensoTouch and AquaTouch users recruited from blade
- Increasing our leading position in the total Male Grooming market in key geographies
- Further strengthening leadership in China by introducing new value propositions and expanding to lower tier cities

**Beauty**
- Philips has #1 positions in hair care in growth geographies
- Philips is #1 in Intense Pulse Light hair removal, since Lumea launch
- Active Care dryer strengthens #1 position of dryers in Europe

**Oral Healthcare**
- Increasing number of leadership positions globally
- Entering new channels, launching PowerUp in drugstores this quarter
- Successful expansion into interdental cleaning with Airfloss

**Mother & Childcare**
- Natural range launched, first consumer reviews are very positive
- Significant value growth and an increase of premium sales share
- Awards won in several countries from leading baby magazines

---

1 Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
2 #1 or #2 position

Source: GfK, Nielsen, ZYK
Strong progress in driving scale and category leadership

*Through innovation and customer intimacy, tapping into attractive profit pool*

Focusing on the following businesses:

**Kitchen Appliances**
- Double-digit growth in 2012 driven by strong innovation impetus
- Acquisitions and local product creation drive a strong increase of new product offers
- Leadership in key markets strengthened through local relevance

**Garment Care**
- Optimal Temp Innovation confirms global leadership in steam generators
- Locally relevant innovations like steamers drive leadership in China and expand portfolio globally

**Coffee**
- New, long-term agreement with D.E. Master Blenders 1753 to further strengthen the Senseo business
- Successful launch of new product innovations in Senseo, Dripfilter and Espresso

Source: GfK, Nielsen, ZYK
Consumer Lifestyle: Financials over the last 5 quarters

**EUR million**

### Sales, Comparable sales growth and Adjusted EBITA%

- **Sales**
- **Comp. Sales Growth**
- **Adjusted EBITA%**

![Sales, Comparable sales growth and Adjusted EBITA% chart]

### Working capital as % of sales

- **Working capital**
- **Working capital as % of LTM sales**

![Working capital as % of sales chart]

---

1 Adjusted EBITA is EBITA corrected for incidental charges (details on slide 89)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Consumer Lifestyle: Q1 2013 Sector analysis

EUR million

Key figures

<table>
<thead>
<tr>
<th></th>
<th>1Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>923</td>
<td>1,385</td>
<td>1,003</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>7</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>EBITA</td>
<td>211</td>
<td>127</td>
<td>98</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>22.9</td>
<td>9.2</td>
<td>9.8</td>
</tr>
<tr>
<td>EBIT</td>
<td>197</td>
<td>113</td>
<td>84</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>21.3</td>
<td>8.2</td>
<td>8.4</td>
</tr>
<tr>
<td>NOC</td>
<td>1,215</td>
<td>1,205</td>
<td>1,092</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>15,949</td>
<td>16,542</td>
<td>16,891</td>
</tr>
</tbody>
</table>

Sales per region

- Latin America: 36%
- North America: 15%
- Asia Pacific: 42%
- EMEA: 50%
- Mature: 50%
- Growth Geographies:
  - Latin America: 7%
  - EMEA: 36%
  - North America: 15%
  - Asia Pacific: 42%

Financial performance

- Comparable sales were 10% higher year-on-year, driven by double-digit growth at Domestic Appliances, high-single-digit growth at Personal Care, and mid-single-digit growth at Health & Wellness. From a regional perspective, Consumer Lifestyle achieved a strong double-digit comparable sales increase in growth geographies, mid-single-digit growth in NA, and low-single-digit growth in Western Europe and other mature markets.

- EBITA amounted to EUR 98 million, compared to EUR 211 million in Q1 2012, which included a EUR 160 million gain on the Senseo transaction. EBITA in Q1 2013 included restructuring and acquisition-related charges of EUR 1 million (Q1 2012: EUR 11 million) and EUR 7 million of net costs formerly reported as part of the Audio, Video, Multimedia and Accessories business in Consumer Lifestyle (Q1 2012 included EUR 8 million related to the Audio, Video, Multimedia and Accessories business and EUR 14 million related to the Television business).

- Excl. restructuring and acquisition-related charges and the Q1 2012 gain on the Senseo transaction, EBITA increased by EUR 37 million to EUR 99 million, or 9.9% of sales, compared to EUR 62 million, or 6.7% of sales, in Q1 2012. The EBITA improvement was driven by higher gross margin across all businesses and the elimination of stranded costs related to the Television business.

- Net operating capital decreased by EUR 123 million year-on-year, largely driven by lower working capital requirements. Inventories as a percentage of sales on a comparable basis (excluding the Audio, Video, Multimedia and Accessories business reported in Q1 2012) improved from 12.8% to 11.4%.

- Compared to Q1 2012, the number of employees increased by 942, due to increased production requirements at Domestic Appliances and Personal Care, mainly in growth geographies.

¹ Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")
Lighting

*What we do. Where we are.*

### Philips Lighting

<table>
<thead>
<tr>
<th>Businesses¹</th>
<th>Geographies¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Sources &amp; Electronics</td>
<td>Western Europe</td>
</tr>
<tr>
<td>Professional Lighting Solutions</td>
<td>North America</td>
</tr>
<tr>
<td>Lumileds</td>
<td>Other Mature Geographies</td>
</tr>
<tr>
<td>Automotive</td>
<td>Growth Geographies²</td>
</tr>
<tr>
<td>Consumer Luminaires</td>
<td></td>
</tr>
</tbody>
</table>

| | 52% | 29% | 4% | 10% | 5% |
| | | | | | |

| | 29% | 25% | 5% | 41% |
| | | | | |

- **€8.4 Billion sales in 2012**
- **49,000+ People employed worldwide in 60 countries**
- **5% of sales invested in R&D in 2012**
- **80,000+ Products & services offered in 2012**

¹ Last twelve months March 2013
² Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note: Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Lighting: Improve profitability on the path to LED and solutions

- Accelerate transformation to LED, applications and solutions
- Strengthen performance management and execution
- Address cost base and margin management
- Consumer Luminaires and Lumileds to be profitable in 2013

Total sales EUR 4.9 billion

- Light Sources & Electronics: 73%
- Consumer Luminaires: 8%
- Professional Lighting Solutions: 19%

Total sales EUR 8.4 billion

- Lumileds: 52%
- Automotive: 4%
- Mar '13

Last 12 months

1 Excluding batteries EUR 0.2 billion
We increase our focus towards the people we serve

*Further strengthening our global leadership in Lighting*

<table>
<thead>
<tr>
<th>Philips Lighting</th>
<th>Customer Segments¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes</td>
<td>Offices</td>
</tr>
<tr>
<td>Outdoor</td>
<td>Industry</td>
</tr>
<tr>
<td>Retail</td>
<td>Hospitality</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | | | | | |</p>
<table>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>13%</td>
<td>20%</td>
<td>8%</td>
<td>13%</td>
<td>2%</td>
<td>4%</td>
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<td></td>
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<tr>
<td>3%</td>
<td>10%</td>
<td></td>
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</tr>
</tbody>
</table>

- ~ 75% of Lighting sales is B2B
- ~ 25% of the Lighting portfolio is LED lighting

¹ Indicative split based on last twelve months March 2013
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Lighting: Financials over the last two years

**EUR million**

### Sales, Comparable sales growth and Adjusted EBITA%

- **Sales**
- **Comp. Sales Growth**
- **Adjusted EBITA%**

<table>
<thead>
<tr>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### Working capital as % of sales

- **Working capital**
- **Working capital as % of LTM sales**

<table>
<thead>
<tr>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
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<td></td>
</tr>
</tbody>
</table>

---

1 Adjusted EBITA is EBITA corrected for incidental charges (details on slide 89)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
Lighting: Q1 2013 Sector analysis

**EUR million**

### Key figures

<table>
<thead>
<tr>
<th></th>
<th>1Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,015</td>
<td>2,262</td>
<td>1,975</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>EBITA</td>
<td>46</td>
<td>(28)</td>
<td>147</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>2.3</td>
<td>(1.2)</td>
<td>7.4</td>
</tr>
<tr>
<td>EBIT</td>
<td>2</td>
<td>(88)</td>
<td>110</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>0.1</td>
<td>(3.9)</td>
<td>5.6</td>
</tr>
<tr>
<td>NOC</td>
<td>5,004</td>
<td>4,635</td>
<td>4,664</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>53,169</td>
<td>50,224</td>
<td>49,404</td>
</tr>
</tbody>
</table>

### Financial performance

- Lighting comparable sales were in line with Q1 2012 as double-digit growth at Lumileds and mid-single-digit growth at Automotive were offset by declines in the other businesses. From a regional perspective, a 2% increase in comparable sales (excluding the OEM Lumileds sales) in growth geographies was offset by a decrease in mature geographies. Comparable LED-based sales grew 38% compared to Q1 2012 and now represent 23% of Lighting sales.

- EBITA amounted to EUR 147 million, compared to EUR 46 million in 2012, and included restructuring and acquisition-related charges of EUR 19 million (Q1 2012: EUR 24 million). In Q1 2012, EBITA was also impacted by a EUR 25 million loss on the sale of industrial assets. Excluding restructuring and acquisition-related charges and the loss on the sale of industrial assets in Q1 2012, EBITA was EUR 166 million, or 8.4% of sales, compared to EUR 95 million, or 4.7% of sales, in Q1 2012. The improvement was driven by a lower bill of materials, including lower phosphor prices as well as overhead cost savings.

- Net operating capital, excluding a currency translation increase of EUR 142 million, decreased by EUR 482 million year-on-year. The decrease was largely driven by improved working capital and an increase in provisions related to restructuring. Inventories as a percentage of sales improved by 1.0 percentage point year-on-year.

- Compared to Q1 2012, the total number of employees decreased by 3,765, mainly driven by the rationalization of the industrial footprint and overhead cost reductions.

---

1. Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

---

1 Q1 2013...
Three mega trends provide a huge opportunity

The world needs….

more light  more energy-efficient light  digital light

…and we are changing the game
The LED revolution

*Digital lighting is transforming the entire landscape*

LED lighting expected to be around 45% of the market by 2015

1 Conventional lighting

2 Excluding Automotive Lighting and LED components market

Source: Philips Lighting global market study 2010, updated for 2011
The leading global lighting company

Market leadership\(^1\) across most categories
Market share per Business Group by Region, as per Q4 2012

<table>
<thead>
<tr>
<th>Light Sources &amp; Electronics</th>
<th>Consumer Luminaires</th>
<th>Professional Lighting Solutions</th>
<th>Lumileds (High Power LEDs)</th>
<th>Automotive(^3)</th>
<th>Overall Lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>North America</td>
<td>Latin America</td>
<td>Asia/Pacific(^2)</td>
<td>Total</td>
<td>Light Sources &amp; Electronics</td>
</tr>
<tr>
<td>Number 1</td>
<td>Number 2 or 3</td>
<td>Not in top 3</td>
<td></td>
<td></td>
<td>Consumer Luminaires</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Professional Lighting Solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lumileds (High Power LEDs)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Automotive(^3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Overall Lighting</td>
</tr>
</tbody>
</table>

We are the largest lighting company…

Indexed sales of Philips lighting and top 5 competitors\(^4\)

- Philips: 100
- Competitor 1: 64
- Competitor 2: 38
- Competitor 3: 24
- Competitor 4: 18
- Competitor 5: 15

---

1. Source: customer panels, Industry associations and internal analysis
2. Excluding Japan
3. Excluding Interior Lighting
4. Sales for competitors based on latest fiscal year
Weakness in construction markets in mature geographies dampens growth

Around 20% of Philips Lighting sales driven by New Build in Western Europe & North America (WE&NA)

<table>
<thead>
<tr>
<th>Philips Lighting</th>
<th>New Build</th>
<th>Replacement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>12%</td>
<td>13%</td>
<td>25%</td>
</tr>
<tr>
<td>Commercial</td>
<td>26%</td>
<td>22%</td>
<td>48%</td>
</tr>
<tr>
<td>Other¹</td>
<td>19%</td>
<td>8%</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>57%</td>
<td>43%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Comparative sales growth % 2011-2013

<table>
<thead>
<tr>
<th>New Build</th>
<th>WE&amp;NA</th>
<th>ROW</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>6%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Commercial</td>
<td>13%</td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>19%</td>
<td>19%</td>
<td>38%</td>
</tr>
</tbody>
</table>

¹ Others = Automotive and Outdoor
We have a strategy to maintain leadership in conventional lighting and win in LEDs/applications.

Global General Illumination\(^1\) market

<table>
<thead>
<tr>
<th>EUR billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>90–100</td>
</tr>
</tbody>
</table>

1. **Win “golden tail” in conventional lamp and drivers.** Create flexibility to anticipate slower or faster phase out.

2. **Leverage growth opportunity in LED lamps and modules.**

3. **Invest in LED luminaires and systems to secure future leadership.**

1 Excluding Automotive Lighting and LED components market

Source: Philips Lighting global market study 2010, updated for 2011
We are the leading LED lighting company

Leveraging Intellectual Property

- Scope: LED Controls and Basic Optics
- Philips Lighting Patent Portfolio:
  - 85% LED and digital related
  - 15% Conventional related
- 1400 Rights licensed
- Licensing Program has already 287 licensees

Robust growth across our LED portfolio

Last 12 months sales, EUR billion

Q1 ‘11: 1.1
Q1 ‘12: 1.3
Q1 ‘13: 1.9

CAGR +35%
Vertical integration gives Philips a competitive advantage in the changing Lighting landscape

We cover the entire value chain

<table>
<thead>
<tr>
<th>LED components</th>
<th>Modules/bulbs</th>
<th>Luminaires</th>
<th>Controls/systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philips</td>
<td>Philips</td>
<td>Philips</td>
<td>Philips</td>
</tr>
</tbody>
</table>

Vertical integration and superior LEDs are our key differentiators

- Philips uses its application know-how to specify and design superior lighting solutions and luminaires …
- … its luminaire know-how for superior LED modules …
- … its module know-how for superior LEDs
- Superior LEDs are key for leading lighting solutions
  - Leading lighting designs
  - First to market
  - Better cost performance
  - Deliver customer value and drive margin
Home, Office, and Outdoor are the biggest segments. Professional is the largest channel.

Total market size in 2012¹: EUR 60-65 billion

<table>
<thead>
<tr>
<th>Segment</th>
<th>Lamps</th>
<th>Lighting Electronics</th>
<th>Application / Luminaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outdoor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ General illumination (excludes Automotive)

Source: Philips Lighting global market study 2012
Innovation, Group & Services

Formerly known as Group Management & Services

Group Innovation
Philips Group Innovation encompasses Group Funded Research and Innovation, Design and Emerging Businesses

IP Royalty
Royalty/licensing activities related to the IP on products no longer sold by the sectors

Group Management and Regional Costs
Group headquarters and country & regional overheads

Accelerate! related investments
Investments to support the transformation of Philips

Pensions
Pension and other postretirement benefit costs mostly related to former Philips’ employees

Service Units and Other
Global service units; Shared service centers; Corporate Investments, stranded costs of TV and the Audio, Video, Multimedia and Accessories business, and other incidentals related to the legal liabilities of the Group
**Innovation, Group & Services: Q1 2013 Sector analysis**

**EUR million**

<table>
<thead>
<tr>
<th>Key figures</th>
<th>1Q12</th>
<th>4Q12</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>160</td>
<td>194</td>
<td>153</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>(9)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>EBITA:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Innovation</td>
<td>(36)</td>
<td>(39)</td>
<td>(30)</td>
</tr>
<tr>
<td>IP Royalty</td>
<td>59</td>
<td>80</td>
<td>52</td>
</tr>
<tr>
<td>Group &amp; Regional Costs</td>
<td>(33)</td>
<td>(61)</td>
<td>(36)</td>
</tr>
<tr>
<td>Accelerate! investments</td>
<td>(26)</td>
<td>(35)</td>
<td>(29)</td>
</tr>
<tr>
<td>Pensions</td>
<td>(2)</td>
<td>0</td>
<td>(4)</td>
</tr>
<tr>
<td>Services Units &amp; Other</td>
<td>30</td>
<td>(505)</td>
<td>(18)</td>
</tr>
</tbody>
</table>

**Financial performance**

- Sales decreased from EUR 160 million in Q1 2012 to EUR 153 million in Q1 2013.
- EBITA amounted to a net cost of EUR 65 million, compared to a net cost of EUR 8 million in Q1 2012.
- EBITA, excluding a net release of restructuring provisions of EUR 3 million (Q1 2012: EUR 1 million release) and a gain of EUR 37 million on the sale of the High Tech Campus real estate in Q1 2012, was a EUR 22 million higher net cost than in Q1 2012. This was mainly due to lower IP royalties and seasonality.
- Service Units and Other EBITA was negatively impacted by EUR 18 million of net costs formerly reported as part of the Audio, Video, Multimedia and Accessories (AVM&A) business in Consumer Lifestyle (Q1 2012 included EUR 10 million related to the AVM&A business and EUR 8 million related to the Television business).
- Compared to Q1 2012, the number of employees decreased by 308, primarily due to restructuring activities in the Service Units, particularly in IT and Financial Operations.
- Compared to Q4 2012, the number of employees increased by 490, mainly due to changes in the structure of overhead functions, a shift of reporting of venture activities, as well as a small increase in innovation personnel.

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

1Q12  4Q12  1Q13
Sales  160     194    153
% sales growth comp.  (9)  (3)  (4)
EBITA:
Group Innovation  (36) (39) (30)
IP Royalty  59  80  52
Group & Regional Costs  (33) (61) (36)
Accelerate! investments  (26) (35) (29)
Pensions  (2)  0  (4)
Services Units & Other  30  (505) (18)
EBITA  (8)  (560)  (65)
EBIT  (9)  (562)  (65)
NOC  (3,624) (4,500) (3,675)
Employees (FTEs)  12,654  11,856  12,346
Appendix
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 29</td>
<td>Fourth quarterly and annual results 2012</td>
</tr>
<tr>
<td>February 25</td>
<td>Annual Report 2012</td>
</tr>
<tr>
<td>April 22</td>
<td>First quarterly results 2013</td>
</tr>
<tr>
<td>May 3</td>
<td>Annual General Meeting of Shareholders</td>
</tr>
<tr>
<td>July 22</td>
<td>Second quarterly and semi-annual results 2013</td>
</tr>
<tr>
<td>October 21</td>
<td>Third quarterly results 2013</td>
</tr>
</tbody>
</table>
## Depreciation and amortization

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
<th>Q1 2013</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>158</td>
<td>145</td>
<td>617</td>
<td>677</td>
</tr>
<tr>
<td>Amortization of software</td>
<td>12</td>
<td>10</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>Amortization of other intangible assets</td>
<td>110</td>
<td>97</td>
<td>559</td>
<td>458</td>
</tr>
<tr>
<td>Amortization of development costs</td>
<td>56</td>
<td>53</td>
<td>169</td>
<td>218</td>
</tr>
<tr>
<td><strong>Philips Group</strong></td>
<td>336</td>
<td>305</td>
<td>1,400</td>
<td>1,398</td>
</tr>
</tbody>
</table>

*Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)*
### Gross capital expenditures & Depreciation by sector

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 2012</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>33</td>
<td>23</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Lighting</td>
<td>58</td>
<td>52</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>137</strong></td>
<td><strong>124</strong></td>
</tr>
</tbody>
</table>

### Gross CapEx¹

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>51</td>
<td>41</td>
</tr>
<tr>
<td>Q1</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>Q1</td>
<td>66</td>
<td>59</td>
</tr>
<tr>
<td>Q1</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Q1</td>
<td>158</td>
<td>145</td>
</tr>
</tbody>
</table>

¹ Capital expenditures and depreciations on property, plant and equipment only

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)
<table>
<thead>
<tr>
<th>Sector</th>
<th>Gross CapEx(^1) 2011</th>
<th>Gross CapEx(^1) 2012</th>
<th>Depreciation(^1) 2011</th>
<th>Depreciation(^1) 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>153</td>
<td>135</td>
<td>186</td>
<td>200</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>130</td>
<td>126</td>
<td>91</td>
<td>104</td>
</tr>
<tr>
<td>Lighting</td>
<td>279</td>
<td>290</td>
<td>262</td>
<td>298</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>78</td>
<td>110</td>
<td>78</td>
<td>75</td>
</tr>
<tr>
<td>Group</td>
<td>640</td>
<td>661</td>
<td>617</td>
<td>677</td>
</tr>
</tbody>
</table>

\(^1\) Capital expenditures and depreciations on property, plant and equipment only

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

EUR million
Development cost capitalization & amortization by sector

*EUR million*

<table>
<thead>
<tr>
<th></th>
<th>Capitalization</th>
<th>Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2012</td>
<td>Q1 2013</td>
</tr>
<tr>
<td>Healthcare</td>
<td>54</td>
<td>56</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Lighting</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Group</td>
<td>78</td>
<td>80</td>
</tr>
</tbody>
</table>

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

## Development cost capitalization & amortization by sector

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>183</td>
<td>246</td>
<td>105</td>
<td>128</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>37</td>
<td>37</td>
<td>32</td>
<td>39</td>
</tr>
<tr>
<td>Lighting</td>
<td>59</td>
<td>66</td>
<td>32</td>
<td>51</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>3</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Group</td>
<td>282</td>
<td>363</td>
<td>169</td>
<td>218</td>
</tr>
</tbody>
</table>

**Note** - Prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

---

88
## Restructuring, acquisition-related and other incidentals

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>2012</th>
<th>1Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acq.-related charges</strong></td>
<td>(5)</td>
<td>(4)</td>
<td>(4)</td>
<td>(5)</td>
<td>(18)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Restructuring</strong></td>
<td>(4)</td>
<td>(4)</td>
<td>1</td>
<td>(109)</td>
<td>(116)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>(9)</td>
<td>(8)</td>
<td>(3)</td>
<td>(114)</td>
<td>(134)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Acq.-related charges</strong></td>
<td>(6)</td>
<td>(5)</td>
<td>(2)</td>
<td>(5)</td>
<td>(18)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Restructuring</strong></td>
<td>(5)</td>
<td>(3)</td>
<td>(5)</td>
<td>(25)</td>
<td>(38)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Incidentals</strong></td>
<td>160¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>160</td>
<td>-</td>
</tr>
<tr>
<td><strong>Consumer Lifestyle</strong></td>
<td>149</td>
<td>(8)</td>
<td>(7)</td>
<td>(30)</td>
<td>104</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Acq.-related charges</strong></td>
<td>(3)</td>
<td>(3)</td>
<td>(3)</td>
<td>(5)</td>
<td>(14)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Restructuring</strong></td>
<td>(21)</td>
<td>(35)</td>
<td>(65)</td>
<td>(180)</td>
<td>(301)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Other Incidentals</strong></td>
<td>(25)</td>
<td>-</td>
<td>(34)</td>
<td>(22)</td>
<td>(81)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Lighting</strong></td>
<td>(49)</td>
<td>(38)</td>
<td>(102)</td>
<td>(207)</td>
<td>(396)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Restructuring</strong></td>
<td>1</td>
<td>(40)</td>
<td>2</td>
<td>(19)</td>
<td>(56)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Other Incidentals</strong></td>
<td>37</td>
<td>25</td>
<td>-</td>
<td>(445)²</td>
<td>(383)</td>
<td>-</td>
</tr>
<tr>
<td><strong>IG&amp;S</strong></td>
<td>38</td>
<td>(15)</td>
<td>2</td>
<td>(464)</td>
<td>(439)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Acq.-related charges</strong></td>
<td>(14)</td>
<td>(12)</td>
<td>(9)</td>
<td>(15)</td>
<td>(50)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Total Restructuring</strong></td>
<td>(29)</td>
<td>(82)</td>
<td>(67)</td>
<td>(333)</td>
<td>(511)</td>
<td>(14)</td>
</tr>
<tr>
<td><strong>Total Others</strong></td>
<td>172</td>
<td>25</td>
<td>(34)</td>
<td>(467)</td>
<td>(304)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>129</td>
<td>(69)</td>
<td>(110)</td>
<td>(815)</td>
<td>(865)</td>
<td>(19)</td>
</tr>
</tbody>
</table>

¹ Sale of the Senseo trademark
² Includes a EUR (313)M impact of the European Commission fine related to alleged violation of competition rules in the Cathode-Ray Tubes (CRT) industry and EUR (132)M of provisions related to various legal matters

Note - Figures can be used to make the bridge between reported and adjusted EBITA numbers; prior-period financials revised for discontinued operations, the adoption of IAS19R, and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)