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 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 the accounting policies as stated in the Annual Report 2012, unless otherwise stated.
Agenda

1. Management update

2. Group results Q2 2013

3. Accelerate! Change and performance

4. Philips Business System

5. Group and sector overview
## Management update Q2 2013: Group

### Sales & order intake
- Comparable sales increased by **3%** year-on-year to reach **EUR 5.7 billion**
- Comparable sales growth was **13%** in Consumer Lifestyle and **2%** in Lighting
- Healthcare comparable equipment order intake was up by **7%**, while sales were flat

### EBITA & Adjusted EBITA
- EBITA amounted to **EUR 603 million**, **10.7%** of sales and included gains of **EUR 78 million** related to past-service pension costs in the US and **EUR 21 million** on the sale of a business in Healthcare. Q2 2012 EBITA was **6.1%** and included a gain of **EUR 25 million** for past-service costs related to a medical retiree benefit plan
- Adjusted EBITA improved by **30%** to **EUR 530 million**, **9.4%** of sales, from **7.3%** in Q2 2012, driven mainly by gross margin improvements in all sectors

### Cost savings & Net Income
- Overhead cost savings on track, EUR 673 million total gross savings to date
- Net income was **EUR 317 million**, up by EUR 215 million compared to Q2 2012

### Asset management & ROIC
- Inventories as a % of sales improved by **1.5 percentage points** to **15.7%**
- ROIC excl. the CRT fine\(^2\) improved to **9.2%**, from **6.7%** in Q2 2012
- Free Cash Flow was an outflow of **EUR 122 million** compared to an outflow of **EUR 162 million** in Q2 2012

### Others
- Reduced exposure to pension obligations in the US and the Netherlands resulted in a past-service pension cost gain of **EUR 78 million** in the US in Q2 2013

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1 Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 26 million and net gains of EUR 99 million
2 European Commission fine related to Cathode-Ray Tubes, a business divested by Philips in 2011. Philips has appealed the decision. Charges were taken in Q4 2012

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 Q2 2013: Healthcare

| Order intake | • Currency-comparable equipment order intake grew by **7%**  
| | • Patient Care & Clinical Informatics equipment orders grew by double-digit, low-single-digit growth in Imaging Systems  
| | • Growth geographies grew by 19%, North America had mid-single-digit growth, while Europe declined by low-single-digit |
| Sales | • **Comparable** sales were **flat** year-on-year  
| | • Customer Services increased by mid-single-digit, Patient Care & Clinical Informatics and Home Healthcare Solutions grew by low-single-digit, while Imaging Systems sales showed a high-single-digit decline |
| EBITA & Adjusted EBITA\(^1\) | • EBITA increased to **17.8%** of sales, up from **12.8%** in Q2 2012  
| | • EBITA included gains of EUR 61 million related to past-service pension costs in the US and EUR 21 million on the sale of a business  
| | • Adjusted EBITA increased to **14.3%** compared to **13.1%** in Q2 2012 |
| Net Operating Capital | • Currency comparable, Net operating capital decreased by EUR 392 million to **EUR 7.7 billion**  
| | • Inventories as a % of sales improved by 2.6 percentage points, with improvements seen across all businesses |

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\(^1\) Adjusted EBITA excludes net gains of EUR 82 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 Q2 2013: Consumer Lifestyle

| Sales                          | • Comparable sales grew by 13% compared to Q2 2012  
|                               | • Strong double-digit growth at Domestic Appliances and Personal Care. Health & Wellness recorded mid-single-digit growth |
| EBITA & Adjusted EBITA¹      | • EBITA amounted to EUR **82 million**, or 7.6% of sales, up from 4.2% in Q2 2012  
|                               | • EBITA in Q2 2013 included a gain of EUR 1 million related to past-service pension costs in the US  
|                               | • Adjusted EBITA increased to **7.8%**, from 5.0% in Q2 2012. The 280 bps improvement was due to higher sales and gross margins across all businesses  
|                               | • Stranded costs for TV and the Audio, Video, Multimedia and Accessories business decreased from EUR 18 million last year to EUR 7 million in Q2 2013 |
| Net Operating Capital        | • Currency comparable, Net operating capital decreased by EUR 266 million year-on-year, largely driven by lower working capital requirements |
| 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 3 million and a EUR 1 million gain

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”)

4th consecutive quarter of double-digit sales growth
Management update Q2 2013: Lighting

Sales

- **Comparable** sales were 2% above last year
- Automotive grew by high-single-digit, Lumileds and Consumer Luminaires grew by mid-single-digit. Light Sources & Electronics had low-single-digit growth and Professional Lighting Solutions sales were slightly below last year
- LED-based sales grew 28% compared to Q2 2012 and now represent 25% of Lighting sales

EBITA & Adjusted EBITA

- EBITA amounted to EUR 153 million, or 7.5% of sales, from 3.8% in Q2 2012
- EBITA of Q2 2013 included a past-service pension cost gain in the US of EUR 10 million
- Adjusted EBITA increased to 8.1% of sales compared to 5.7% in Q2 2012, driven by improvements across all businesses

Net Operating Capital

- Inventories as a % of sales improved by 1.2 percentage points year-on-year
- Currency comparable, Net operating capital decreased by EUR 370 million to EUR 4.7 billion, largely driven by an increase in provisions and improved working capital

Others

- The number of employees has decreased by 3,601 compared to Q2 2012 mainly due to the rationalization of the industrial footprint

Operational earnings improve by 240 bps

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1 Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 23 million and a EUR 10 million gain
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 Q2 2013: By Geography

### Growth Geographies¹

- Group comparable sales grew by **12%**, with all sectors growing by double-digits
- China, Latam and Russia recorded strong double-digit growth
- Healthcare comparable equipment order intake grew by **19%** with China and Latam growing by strong double-digits

### North America

- Group comparable sales declined by **5%** as mid-single-digit growth in Consumer Lifestyle was offset by mid-single-digit declines in Healthcare and Lighting
- Healthcare comparable equipment order intake grew by 5%, driven by Patient Care & Clinical Informatics. Imaging Systems declined by low-single-digit

### Europe

- Group comparable sales declined by **1%** as mid-single-digit growth in Consumer Lifestyle was offset by low-single-digit declines in Healthcare and Lighting
- The low-single-digit decline in Healthcare was mainly due to Iberia. Europe excluding Iberia grew by low-single-digit
- Healthcare comparable equipment order intake declined by 2% mainly due to the Nordic countries. Excluding Nordics order intake grew by high-single-digit

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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”)
Agenda

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4. Philips Business System

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# Key Financials Summary – Q2 2013

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,570</td>
<td>5,654</td>
</tr>
<tr>
<td>EBITA</td>
<td>339&lt;sup&gt;1&lt;/sup&gt;</td>
<td>603&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>(99)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(78)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Income tax</td>
<td>(59)</td>
<td>(121)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>102</td>
<td>317</td>
</tr>
<tr>
<td>Net Operating Capital</td>
<td>9,316</td>
<td>10,184</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>81</td>
<td>124</td>
</tr>
<tr>
<td>Net capital expenditures</td>
<td>(243)</td>
<td>(246)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(162)</td>
<td>(122)</td>
</tr>
</tbody>
</table>

1 Q213 includes EUR (38)M of restructuring and acquisition-related charges, a EUR 78M past-service pension cost gain in the US and a EUR 21M gain on the sale of a business in Healthcare; Q212 includes EUR (94)M of restructuring and acquisition-related charges and a EUR 25M past-service cost gain related to a medical retiree benefit plan.

2 Q213 includes a EUR 5M gain on value adjustment related to UK pension plan option; Q212 includes a EUR (2)M loss on value adjustment related to UK pension plan option.

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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1 2Q13 includes EUR (38)M of restructuring and acquisition-related charges, a EUR 78M past-service pension cost gain in the US and a EUR 21M gain on the sale of a business in Healthcare; 2Q12 includes EUR (94)M of restructuring and acquisition-related charges and a EUR 25M past-service cost gain related to a medical retiree benefit plan.

2 Q213 includes a EUR 5M gain on value adjustment related to UK pension plan option; Q212 includes a EUR (2)M loss on value adjustment related to UK pension plan option.

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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10
**Sales by sector – Q2 2013**

*EUR million*

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>2,413</td>
<td>2,362</td>
<td>(2)</td>
<td>0</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>960</td>
<td>1,083</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Lighting</td>
<td>2,026</td>
<td>2,048</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>171</td>
<td>161</td>
<td>(6)</td>
<td>(14)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,570</td>
<td>5,654</td>
<td>2</td>
<td>3</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”)


## Sales by geography – Q2 2013

**EUR million**

<table>
<thead>
<tr>
<th>Geography</th>
<th>Q2 2012</th>
<th>Q2 2013</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>1,336</td>
<td>1,328</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>North America</td>
<td>1,881</td>
<td>1,782</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>Other mature geographies</td>
<td>449</td>
<td>441</td>
<td>(2)</td>
<td>7</td>
</tr>
<tr>
<td>Growth geographies</td>
<td>1,904</td>
<td>2,103</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,570</td>
<td>5,654</td>
<td>2</td>
<td>3</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”)
Sales growth: Trend through Q2 2013

Global comparable sales growth (% change)

<table>
<thead>
<tr>
<th>Year</th>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>2012</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Comparable sales growth in growth geographies¹ (% change)

<table>
<thead>
<tr>
<th>Year</th>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>23</td>
<td>19</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>2012</td>
<td>17</td>
<td>22</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>2013</td>
<td>10</td>
<td>10</td>
<td>19</td>
<td>19</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 – Q2 ‘13 and last twelve months

Sales in growth geographies

Last twelve months

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Philips Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>24%</strong></td>
<td><strong>47%</strong></td>
<td><strong>42%</strong></td>
<td><strong>Growth 35%</strong></td>
</tr>
<tr>
<td><strong>Mature 65%</strong></td>
<td><strong>Growth 35%</strong></td>
<td><strong>Mature 65%</strong></td>
<td><strong>Growth 35%</strong></td>
</tr>
</tbody>
</table>

Q2 2013

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Philips Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>25%</strong></td>
<td><strong>49%</strong></td>
<td><strong>44%</strong></td>
<td><strong>Growth 37%</strong></td>
</tr>
<tr>
<td><strong>Mature 63%</strong></td>
<td><strong>Growth 37%</strong></td>
<td><strong>Mature 63%</strong></td>
<td><strong>Growth 37%</strong></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”)

1 Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
<table>
<thead>
<tr>
<th>Sector</th>
<th>Q2 2012</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>308</td>
<td>420</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>40</td>
<td>82</td>
</tr>
<tr>
<td>Lighting</td>
<td>78</td>
<td>153</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>(87)</td>
<td>(52)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>339</td>
<td>603</td>
</tr>
</tbody>
</table>

1 2Q13 includes a EUR 61M past-service pension cost gain in the US and a EUR 21M gain on the sale of a business; 2Q12 includes EUR (8)M of charges
2 2Q13 includes EUR (3)M of restructuring and acquisition-related charges and a EUR 1M past-service pension cost gain in the US; 2Q12 includes EUR (8)M of charges
3 2Q13 includes EUR (23)M of restructuring and acquisition-related charges and a EUR 10M past-service pension cost gain in the US; 2Q12 includes EUR (38)M of charges
4 2Q13 includes a EUR 6M past-service pension cost gain in the US; 2Q12 includes EUR (40)M restructuring charges and a EUR 25M past-service cost gain related to a medical retiree benefit plan

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 – Q2 2013

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q2 2012</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>316</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>13.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>48</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>5.0%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Lighting</td>
<td>116</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>5.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>(72)</td>
<td>(58)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Philips Group</td>
<td>408</td>
<td>530</td>
</tr>
<tr>
<td></td>
<td>7.3%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

1. 2013 excludes a EUR 61M past-service pension cost gain in the US and a EUR 21M gain on the sale of a business; 2Q12 excludes EUR (8)M of charges
2. 2013 excludes EUR (3)M of restructuring and acquisition-related charges and a EUR 1M past-service pension cost gain in the US; 2Q12 excludes EUR (8)M of charges
3. 2013 excludes EUR (23)M of restructuring and acquisition-related charges and a EUR 10M past-service pension cost gain in the US; 2Q12 excludes EUR (38)M of charges
4. 2013 excludes a EUR 6M past-service pension cost gain in the US; 2Q12 excludes EUR (40)M restructuring charges and a EUR 25M past-service cost gain related to a medical retiree benefit plan

**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”)

2Q13 excludes a EUR 61M past-service pension cost gain in the US and a EUR 21M gain on the sale of a business; 2Q12 excludes EUR (8)M of charges
2Q13 excludes EUR (3)M of restructuring and acquisition-related charges and a EUR 1M past-service pension cost gain in the US; 2Q12 excludes EUR (8)M of charges
2Q13 excludes EUR (23)M of restructuring and acquisition-related charges and a EUR 10M past-service pension cost gain in the US; 2Q12 excludes EUR (38)M of charges
2Q13 excludes a EUR 6M past-service pension cost gain in the US; 2Q12 excludes EUR (40)M restructuring charges and a EUR 25M past-service cost gain related to a medical retiree benefit plan

**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 Q2 2013

<table>
<thead>
<tr>
<th>EBITA%</th>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>9.3</td>
<td>12.5</td>
<td>11.7</td>
<td>14.5</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>4.6</td>
<td>0.4</td>
<td>0.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Group</td>
<td>7.4</td>
<td>7.7</td>
<td>6.5</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Adjusted EBITA%\(^2\)

<table>
<thead>
<tr>
<th>Adjusted EBITA%</th>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>9.2</td>
<td>12.4</td>
<td>11.8</td>
<td>15.2</td>
</tr>
</tbody>
</table>

1 Healthcare EBITA Q2 2013 includes a EUR 82 million gain from past-service pension costs in the US and the sale of a business; 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 88)

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

Rolling last 12 months

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2</td>
<td>9.1</td>
<td>3.2</td>
<td>6.9</td>
</tr>
<tr>
<td>12.4</td>
<td>9.9</td>
<td>2.2</td>
<td>6.9</td>
</tr>
<tr>
<td>12.3</td>
<td>10.6</td>
<td>1.5</td>
<td>4.7</td>
</tr>
<tr>
<td>12.6</td>
<td>7.8</td>
<td>2.7</td>
<td>4.5</td>
</tr>
<tr>
<td>13.8</td>
<td></td>
<td></td>
<td>5.6</td>
</tr>
</tbody>
</table>

Adjusted EBITA%: Rolling LTM to end of quarter shown

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.6</td>
<td>6.2</td>
<td>4.8</td>
<td>7.1</td>
</tr>
<tr>
<td>12.8</td>
<td>7.0</td>
<td>5.0</td>
<td>7.5</td>
</tr>
<tr>
<td>13.6</td>
<td>8.2</td>
<td>6.2</td>
<td>8.4</td>
</tr>
<tr>
<td>13.9</td>
<td>8.8</td>
<td>7.1</td>
<td>8.8</td>
</tr>
<tr>
<td>14.2</td>
<td></td>
<td></td>
<td>9.3</td>
</tr>
</tbody>
</table>

1 Adjusted EBITA is EBITA corrected for incidental charges (details on slide 88)

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”)

Working capital & Inventories over the last two years

**EUR million**

<table>
<thead>
<tr>
<th></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>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>2250</td>
<td>2500</td>
<td>2250</td>
<td>2500</td>
<td>2750</td>
<td>2500</td>
<td>2250</td>
<td>1500</td>
<td>2000</td>
</tr>
<tr>
<td>Working capital as % of LTM sales</td>
<td>6%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
<td>7%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Inventories as % of sales**

<table>
<thead>
<tr>
<th></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>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>4750</td>
<td>5000</td>
</tr>
<tr>
<td>Inventories as % of LTM sales</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</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”)

---

19
## Free Cash Flow – Q2 2013

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from continuing operations</td>
<td>62</td>
<td>324</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>334</td>
<td>311</td>
</tr>
<tr>
<td>Net gain on sale of assets</td>
<td>(8)</td>
<td>(36)</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>(319)</td>
<td>(427)</td>
</tr>
<tr>
<td>- changes in inventories</td>
<td>(153)</td>
<td>(128)</td>
</tr>
<tr>
<td>- changes in accounts payable, accrued and other liabilities</td>
<td>(101)</td>
<td>(107)</td>
</tr>
<tr>
<td>Increase in non-current receivables, other assets and other liabilities</td>
<td>(44)</td>
<td>(62)</td>
</tr>
<tr>
<td>Increase (decrease) in provisions</td>
<td>29</td>
<td>(69)</td>
</tr>
<tr>
<td>Others</td>
<td>27</td>
<td>83</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td><strong>81</strong></td>
<td><strong>124</strong></td>
</tr>
<tr>
<td>Purchase of intangible assets/ Expenditures on development assets</td>
<td>(96)</td>
<td>(106)</td>
</tr>
<tr>
<td>Capital expenditures on property, plant and equipment</td>
<td>(168)</td>
<td>(145)</td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td><strong>Net capital expenditures</strong></td>
<td>(243)</td>
<td>(246)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>(162)</strong></td>
<td><strong>(122)</strong></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”)

20
Development of Return on Invested Capital (ROIC)

- Excluding the European Commission fine on CRT, ROIC improved to 9.2% in Q2 2013, from 7.0% in Q1 2013 and from 6.7% in Q2 2012 mainly due to:
  - Improved earnings in all sectors
  - Improved working capital management resulting in a lower average Net Operating Capital
- ROIC in Q1 2012 was impacted by impairment charges of 2011. Excluding these charges, ROIC was 6.6%
- 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. Charges were taken in Q4 2012.
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 12.5 years
- No financial covenants

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

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.”
Update funded status pension plans (IFRS basis)

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012 (re-stated for IAS19R)</th>
<th>June 30, 2013 (not reported)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded Status</td>
<td>Balance sheet position</td>
</tr>
<tr>
<td>Netherlands Pre-paid pension asset</td>
<td>777</td>
<td>0</td>
</tr>
<tr>
<td>Other major plans</td>
<td>(1,237)</td>
<td>(1,823)</td>
</tr>
<tr>
<td>Major plans</td>
<td>(460)</td>
<td>(1,823)</td>
</tr>
<tr>
<td>Minor plans</td>
<td>(202)</td>
<td>(199)</td>
</tr>
<tr>
<td>Total</td>
<td>(662)</td>
<td>(2,022)</td>
</tr>
</tbody>
</table>

- In Q2 2013, the funded status improved due to a gain of EUR 78 million for past-service pension costs in the US as well as favorable discount rates for the main DB\(^1\) plans and equity markets. The Netherlands plan's funded status was adversely affected however from increasing Eurozone credit spreads.
- 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

## 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 Q2 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

---

1 BMC = Business Market Combination
Accelerate! is working deep in the organization

**Market impact of improvement actions**

**Managed Healthcare services: USA**

Philips and Georgia Regents Medical Center (GRMC) entered into a 15-year alliance for a first-of-its-kind healthcare delivery model in the United States. Philips will provide GRMC with strategic planning, technology innovation and operational support to achieve improved patient outcomes under a single, consistent payment structure.

**Oral Healthcare: Germany**

Solid topline growth with an increase in market share for the Airfloss and Sonicare toothbrushes was achieved through intensive BMC¹ collaboration and local marketing investments focusing on innovative products coupled with an awareness campaign endorsed by dental professionals.

**Consumer LED Lamps**

In Germany LED lamps revenues have grown by 240%, making us the market leader. This was enabled by our deep consumer insights combined with the redesign of our End2End processes which simplified our product portfolio, increased common components and lowered costs.

**Multicooker: Russia**

Our locally relevant Multicooker in Russia was developed with deep market insight from retailers and consumers. This has resulted in gaining a leadership position in a new product category that is demonstrating rapid growth. In the 12 months since the launch we have sold > 700k units.

¹ BMC = Business Market Combination
Cost reduction program targeting overhead & indirect costs will bring EUR 1.1 billion in savings

Cost reduction scope

- Company wide Overhead and Support functions
  - (IT, Finance, HR, Real Estate, management layers, etc)
- Business functions indirect costs and overheads
  - (Purchasing, Supply Chain, R&D, Service, Marketing etc)

Core customer value chain

- Global business leadership
- Sales, Marketing
  - Manufacturing & Supply Chain
  - R&D / Innovation, services
- Success in local markets

Clear design principles

- 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 (A)</th>
<th>2012 Actual (B)</th>
<th>YTD 2013 Actual (C)</th>
<th>Total Actual (A+B+C)</th>
<th>Total 2013 Plan</th>
<th>Total 2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>25</td>
<td>446</td>
<td>202</td>
<td>673</td>
<td>900</td>
<td>1,100</td>
</tr>
</tbody>
</table>

Approximately 84% of the targeted 6,700 headcount reduction completed by Q2 2013

### Gross savings

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual (A)</th>
<th>2012 Actual (B)</th>
<th>1Q13 Actual (C)</th>
<th>2Q13 Actual (D)</th>
<th>2013 Plan (E)</th>
<th>2014 Plan (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>(37)</td>
<td>(249)</td>
<td>(13)</td>
<td>(7)</td>
<td>(80)</td>
<td>(60)</td>
</tr>
</tbody>
</table>

### Annual restructuring costs

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual (A)</th>
<th>2012 Actual (B)</th>
<th>1Q13 Actual (C)</th>
<th>2Q13 Actual (D)</th>
<th>2013 Plan (E)</th>
<th>2014 Plan (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>(37)</td>
<td>(128)</td>
<td>(29)</td>
<td>(39)</td>
<td>(140)</td>
<td>(120)</td>
</tr>
</tbody>
</table>

### Annual investments

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011 Actual (A)</th>
<th>2012 Actual (B)</th>
<th>1Q13 Actual (C)</th>
<th>2Q13 Actual (D)</th>
<th>2013 Plan (E)</th>
<th>2014 Plan (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>(37)</td>
<td>(128)</td>
<td>(29)</td>
<td>(39)</td>
<td>(140)</td>
<td>(120)</td>
</tr>
</tbody>
</table>

1. "Cumulative gross savings" has been changed to "Gross savings" as of Q2 2013 and historical figures have been restated where necessary.

Note - The above figures include results related to the Audio, Video, Multimedia and Accessories business of:

- The plan for 2014 includes gross 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
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
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1. Management update

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5. Group and sector overview
Philips Business System

*How we run our company to deliver our Mission and Vision*

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

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

**Excellence:** We are a learning organization that applies common operating principles to deliver Philips Excellence.

**Path-to-Value:** We define and execute business plans that deliver sustainable results along a credible Path-to-Value.

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 June 2013 figures are restated to exclude Lifestyle Entertainment

---

1. Healthcare
2. Lighting
3. Consumer Lifestyle
4. Semiconductors

Healthcare
Lighting
Consumer Lifestyle
Semiconductor

2005
16%
22%
17%
45%

2008
43%
30%
27%

Jun '13
43%
37%
20%

last twelve months

---

Our portfolio has the right fundamentals for profitable growth
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 differentiating Capabilities, Assets and Positions

Philips Group Portfolio

Deep Market Insights
- Global market leader in Lighting
- Top 3 Healthcare player
- Leadership positions¹ in over half of Group revenues

Technology Innovation
- Technology, know-how and strong IP positions (59,000 registered patents)

Global Footprint
- Loyal customer base in 100+ countries
- 35% of group revenues from growth geographies²

The Philips Brand
- World’s 41st most valuable brand 2012 compared to the 65th in 2004.
- Brand value reached a record level of more than USD 9 billion

Our People
- Employee Engagement Index³ exceeds high performance benchmark value of 70%
- Culturally diverse top-200 leadership team

Supported by a strong balance sheet

¹ Global #1 position in the market
² Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
³ Based on annual Philips’ Employee Engagement Survey
We have strong leadership\textsuperscript{1} positions in many markets across the globe

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Cardiovascular X-ray</td>
<td>Global Male Electric Shaving</td>
<td>Global Lamps</td>
</tr>
<tr>
<td>Global Patient Monitoring</td>
<td>Global Garment Care</td>
<td>Global LED Lamps</td>
</tr>
<tr>
<td>Global Image-Guided interventions</td>
<td>Global Rechargeable Toothbrushes</td>
<td>Global Automotive Lighting</td>
</tr>
<tr>
<td>Global Sleep Therapy Systems</td>
<td>Regional Kitchen Appliances</td>
<td>Global Professional Luminaires</td>
</tr>
<tr>
<td>Global Ultrasound</td>
<td>Regional Electric Hair Care</td>
<td>Global High Power LEDs</td>
</tr>
</tbody>
</table>

\textsuperscript{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

2011 Performance Box

Accelerating performance improvement
- Good sales growth
- Improved operating margins
- Increased cost reduction plan
- Inventory improvement
- Share buy back
- Lumileds and Consumer Luminaires returned to profitability
- Culture change

2012 Performance Box

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

2013….. Performance Box

\(^1\) BMC = Business Market Combination

\(=\) Areas of ongoing focus in 2013
Mid-term Targets: Move into performance box of 12-14% ROIC and 4-6% comparable sales growth

Philips Mid-Term Performance Box

- ROIC (%) vs. Comparable sales growth (%)
- Performance Box 2013
- Performance as of Q2 2011

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”)

12% 10%

Accelrate! Accelrate!
Agenda

1. Management update

2. Group results Q2 2013

3. Accelerate! Change and performance

4. Philips Business System

5. Group and sector overview
Philips: A strong diversified industrial group leading in health and well-being

**Philips**

**Businesses**

- Healthcare
- Consumer Lifestyle
- Lighting

**Geographies**

- Western Europe
- North America
- Other Mature Geographies
- Growth Geographies

- 43%
- 20%
- 37%
- 25%
- 31%
- 9%
- 35%

Since 1891

- Headquarters in Amsterdam, the Netherlands
- €23.5 Billion 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 Based on last twelve months sales June 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 in Interbrand’s annual ranking of the top 50 Best Global Green Brands, moving up eight places to the 23\(^{rd}\) position
- 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

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

*Last twelve months*

**Sales**

- Healthcare: 43%
- Consumer Lifestyle: 20%
- Lighting: 37%

100% = EUR 22.8B\(^1\)

**Adjusted EBITA**

- Healthcare: 17%
- Consumer Lifestyle: 26%
- Lighting: 57%

100% = EUR 2.5B\(^1,2\)

**Net Operating Capital**

- Consumer Lifestyle: 9%
- Lighting: 35%
- Healthcare: 56%

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")
Healthcare
What we do. Where we are.

Philips Healthcare

Businesses¹

<table>
<thead>
<tr>
<th>Imaging Systems</th>
<th>Home Healthcare Solutions</th>
<th>Patient Care &amp; Clinical Informatics</th>
<th>Customer Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td>15%</td>
<td>22%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Geographies¹

<table>
<thead>
<tr>
<th>Western Europe</th>
<th>North America</th>
<th>Other Mature Geographies</th>
<th>Growth Geographies²</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>43%</td>
<td>13%</td>
<td>24%</td>
</tr>
</tbody>
</table>

€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 Based on last twelve months sales June 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 & Clinical Informatics
- Invest for leadership in growth geographies
- 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

- 66% Imaging Systems
- 26% Patient Care & Clinical Informatics
- 8% Customer Service
- 15% Home Healthcare Solutions

Total sales EUR 9.9 billion

- 37% Last 12 months
- 26% Jun ’13

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.
Health care 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
# 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>
</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

---

\(^1\) Competitive Bidding Round 2 in Home Healthcare Solutions
# Health care market developments in the US

## Mid to Long-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>Health care demographics</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>Aging of equipment base</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>Health care reform</td>
<td>neutral</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>Meaningful use</td>
<td>neutral</td>
<td>positive</td>
<td>N.A.</td>
</tr>
<tr>
<td>Improved care at lower cost</td>
<td>neutral</td>
<td>positive</td>
<td>positive</td>
</tr>
</tbody>
</table>

### Health care reform (Affordable Care Act)
- 30 million additional patients into the health care system
- Payments linked to quality improvements and lower integral patient cost vs current ‘Fee for Service’ model
- Incentivizes more cost efficient care settings: ‘Hospital-to-Home’
- Overall, beneficial to Philips Healthcare

### 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 88)
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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Financial performance

- Currency-comparable equipment order intake grew 7% year-on-year. Double-digit growth was recorded at Patient Care & Clinical Informatics, while low-single-digit growth was seen at Imaging Systems. Equipment order intake in North America showed mid-single-digit growth, while orders in growth geographies increased by 19% compared to Q2 2012. Western Europe equipment order intake saw a low-single-digit decline.

- Healthcare comparable sales remained flat year-on-year. Customer Services recorded mid-single-digit growth, while Patient Care & Clinical Informatics and Home Healthcare Solutions achieved low-single-digit growth. Imaging Systems saw a high-single-digit decline. From a regional perspective, comparable sales in growth geographies increased by 10% year-on-year, with strong growth in China and Latin America. Sales in mature geographies declined 3% year-on-year, with North America and Western Europe showing mid-single-digit and low-single-digit declines respectively.

- EBITA was EUR 420 million, or 17.8% of sales, compared to EUR 308 million, or 12.8% of sales, in Q2 2012. Excluding restructuring and acquisition-related charges and other gains, EBITA amounted to EUR 338 million, or 14.3% of sales, compared to EUR 316 million, or 13.1% of sales, in Q2 2012. EBITA in the quarter included a EUR 61 million past-service pension cost gain in the US and a EUR 21 million gain on the sale of a business.

- Net operating capital, excluding a currency translation impact of EUR 466 million, decreased by EUR 392 million to EUR 7.7 billion. This decrease was largely driven by improved working capital and lower fixed assets. Inventories as a % of sales improved by 2.6 percentage points year-on-year, with improvements seen across all businesses. Compared to Q2 2012, the number of employees decreased by 617, as a result of reductions in NA and Europe.
Healthcare: Equipment order intake

Quarterly currency adjusted equipment order intake

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

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
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<tr>
<td>2011</td>
<td>70</td>
<td>80</td>
<td>90</td>
<td>100</td>
<td>110</td>
<td>120</td>
<td>130</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Typical profile of equipment order book conversion to sales

- Q+1: ~30%
- Q+2 to 4: ~40%
- > 1 year: ~30%

- Approximately 70% 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>Businesses¹,²</th>
<th>Geographies¹</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>33%</td>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>46%</td>
<td>6%</td>
</tr>
</tbody>
</table>

## Financials

- **€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 Based on last twelve months sales June 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”)

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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 4.5 billion

- Domestic Appliances: 46%
- Health & Wellness: 33%
- Personal Care: 20%
- Lifestyle Entertainment: 1%
- Others: 1%

Last 12 months

Jun ’13

2000

Total sales EUR 5.5 billion

- Domestic Appliances: 60%
- Health & Wellness: 20%
- Personal Care: 16%
- Lifestyle Entertainment: 2%
- Others: 1%
We have exited Consumer Electronics

We see strong growth in the Consumer Lifestyle portfolio

1 Excluding others
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”)

After sale of Audio, Video, Multimedia and Accessories business

Last 12 months Jun ‘13

Double-digit growth

Low-single-digit decline

Mid-single-digit growth

Double-digit growth

2006¹

2012¹

2013¹

2009

2010

2011
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 geographies¹
- 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 positions² 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:

### Domestic 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

### Kitchen Appliances
- Optimal Temp Innovation confirms global leadership in steam generators
- Locally relevant innovations like steamers drive leadership in China and expand portfolio globally

### Garment Care
- 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 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 88)
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: Q2 2013 Sector analysis

**EUR million**

**Key figures**

<table>
<thead>
<tr>
<th>Category</th>
<th>2Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>960</td>
<td>1,003</td>
<td>1,083</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>8</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>EBITA</td>
<td>40</td>
<td>98</td>
<td>82</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>4.2</td>
<td>9.8</td>
<td>7.6</td>
</tr>
<tr>
<td>EBIT</td>
<td>27</td>
<td>84</td>
<td>69</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>2.8</td>
<td>8.4</td>
<td>6.4</td>
</tr>
<tr>
<td>NOC</td>
<td>1,514</td>
<td>1,092</td>
<td>1,182</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>16,540</td>
<td>16,891</td>
<td>16,414</td>
</tr>
</tbody>
</table>

**Sales per region**

- Latin America: 36%
- North America: 17%
- Asia Pacific: 39%
- EMEA: 8%

**Growth Geographies**

- Growth: 49%
- Mature: 51%

**Financial performance**

- Consumer Lifestyle comparable sales increased by 13%. Strong double-digit comparable growth was seen at Domestic Appliances and Personal Care, while Health & Wellness recorded mid-single-digit growth. From a regional perspective, Consumer Lifestyle achieved a strong double-digit comparable sales increase in growth geographies and mid-single-digit growth in Western Europe and North America.

- EBITA amounted to EUR 82 million, an increase of EUR 42 million compared to Q2 2012. EBITA in Q2 2013 included EUR 3 million of restr. & acq.-related charges and a EUR 1 million past-service pension cost gain in the US, compared to EUR 8 million of restr. & acq.-related charges in Q2 2012.

- Excluding restructuring and acquisition-related charges and the US past-service pension cost gain, EBITA was EUR 84 million, or 7.8% of sales, compared to EUR 48 million, or 5.0% of sales, in Q2 2012. The 2.8 percentage points improvement was largely attributable to higher sales and improved gross margins across all businesses. EBITA included EUR 7 million of costs formerly reported as part of the Audio, Video, Multimedia and Accessories business in Consumer Lifestyle (Q2 2012 included EUR 9 million of costs related to the Audio, Video, Multimedia and Accessories business and EUR 9 million of costs related to the Television business).

- Net operating capital, excluding a currency translation impact of EUR 66 million, decreased by EUR 266 million year-on-year. The decrease was largely driven by lower working capital. The number of employees decreased by 126 year-on-year, largely due to the seasonal outflow of temporary workers, mainly in the Domestic Appliances business and the Asian region.

---

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><strong>Light Sources &amp; Electronics</strong></td>
<td><strong>Western Europe</strong></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>

<table>
<thead>
<tr>
<th></th>
<th>Western Europe</th>
<th>North America</th>
<th>Other Mature Geographies</th>
<th>Growth Geographies²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28%</td>
<td>25%</td>
<td>5%</td>
<td>42%</td>
</tr>
</tbody>
</table>

| | 52% | 28% | 4% | 10% | 6% |

### Key Figures

- **€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 Based on last twelve months sales June 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")
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 8.4 billion**

**Total sales EUR 4.9 billion**

- **2000**: Light Sources & Electronics 73%, Consumer Luminaires 8%, Professional Lighting Solutions 19%
- **Jun ’13**: Light Sources & Electronics 52%, Lumileds 10%, Automotive 6%, Professional Lighting Solutions 28%

*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>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Segments¹</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes</td>
<td>27%</td>
</tr>
<tr>
<td>Offices</td>
<td>13%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>20%</td>
</tr>
<tr>
<td>Industry</td>
<td>8%</td>
</tr>
<tr>
<td>Retail</td>
<td>13%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>2%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>4%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>3%</td>
</tr>
<tr>
<td>Automotive</td>
<td>10%</td>
</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 June 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”)
Lighting: Financials over the last two years

**EUR million**

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

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

### 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 88).

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: Q2 2013 Sector analysis

**EUR million**

### Key figures

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2,026</td>
<td>1,975</td>
<td>2,048</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>6</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>78</td>
<td>147</td>
<td>153</td>
</tr>
<tr>
<td><strong>EBITA as % of sales</strong></td>
<td>3.8</td>
<td>7.4</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>34</td>
<td>110</td>
<td>115</td>
</tr>
<tr>
<td><strong>EBIT as % of sales</strong></td>
<td>1.7</td>
<td>5.6</td>
<td>5.6</td>
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<tr>
<td><strong>NOC</strong></td>
<td>5,287</td>
<td>4,664</td>
<td>4,732</td>
</tr>
<tr>
<td><strong>Employees (FTEs)</strong></td>
<td>52,749</td>
<td>49,404</td>
<td>49,148</td>
</tr>
</tbody>
</table>

### Sales per region

- **Latin America**: 7%
- **North America**: 25%
- **Asia Pacific**: 34%

### Growth Geographies

- **EMEA**: 34%
- **Mature**: 44%
- **Q2 2013**: Growth

### Financial performance

- Comparable sales were 2% higher year-on-year, led by high-single-digit growth at Automotive and mid-single-digit growth at Lumileds and Consumer Luminaires. Light Sources & Electronics achieved low-single-digit growth, while Professional Lighting Solutions’ sales were slightly below the level of Q2 2012. From a geographical perspective, comparable sales showed a double-digit increase in growth geographies (8% increase in comparable sales excluding the OEM Lumileds sales), which was partly offset by a mid-single-digit decrease in mature geographies. LED-based sales grew 28% compared to Q2 2012 and now represent 25% of total Lighting sales.

- EBITA amounted to EUR 153 million, compared to EUR 78 million in Q2 2012, and included restr. & acq.-related charges of EUR 23 million (Q2 2012: EUR 38 million), as well as a past-service pension cost gain in the US of EUR 10 million.

- Excluding restructuring and acquisition-related charges and the past-service pension cost gain in the US, EBITA was EUR 166 million, or 8.1% of sales, compared to EUR 116 million, or 5.7% of sales, in Q2 2012. The year-on-year EBITA increase was driven by revenue growth and gross margin improvements. All businesses contributed to the EBITA improvement.

- Net operating capital, excluding a currency translation impact of EUR 185 million, decreased by EUR 370 million year-on-year. The decrease was largely driven by an increase in provisions and improved working capital. Inventories as a % of sales improved by 1.2 percentage points year-on-year. Compared to Q2 2012, the total number of employees decreased by 3,601, mainly driven by the rationalization of the industrial footprint.

---

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”)

---

Image 0x504 to 720x540
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*

- Philips Lighting Sales\(^1\) 24%
- LED lighting 76%

LED lighting expected to be around 45% of the market by 2015\(^2\)

\(^1\) Last twelve months June 2013
\(^2\) 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 Q1 2013

\[\begin{array}{|c|c|c|c|c|}
\hline
& Europe & North America & Latin America & Asia/Pacific\(^2\) & Total \\
\hline
Light Sources & Electronics & & & & \\
Consumer Luminaires & & & & \\
Professional Lighting Solutions & & & & \\
Lumileds (High Power LEDs) & & & & \\
OEM Businesses & & & & \\
Automotive\(^3\) & & & & \\
Overall Lighting & & & & \\
\hline
\end{array}\]

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Indexed Sales</th>
</tr>
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<tbody>
<tr>
<td>Philips</td>
<td>100</td>
</tr>
<tr>
<td>Competitor 1</td>
<td>64</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>38</td>
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<tr>
<td>Competitor 3</td>
<td>24</td>
</tr>
<tr>
<td>Competitor 4</td>
<td>18</td>
</tr>
<tr>
<td>Competitor 5</td>
<td>15</td>
</tr>
</tbody>
</table>

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 non-residential 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>
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Comparable 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>
<th>2011</th>
<th>2015</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>LED luminaires and systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conventional luminaires</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LED lamps and modules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conventional lamps and drivers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Leverage growth opportunity in LED lamps and modules

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 300 licensees

Robust growth across our LED portfolio

Sales in EUR billion

<table>
<thead>
<tr>
<th></th>
<th>Last 12 months Jun ‘11</th>
<th>Last 12 months Jun ‘12</th>
<th>Last 12 months Jun ‘13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged LED's</td>
<td>1.1</td>
<td>1.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Lamps and Modules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luminaires</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solutions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR +38%
Vertical integration gives Philips a competitive advantage in the changing Lighting landscape

We cover the entire value chain

| LED components | Modules/ bulbs | Luminaires | Controls/ systems |

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

Biggest segments

Home

Office

Outdoor

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: Q2 2013 Sector analysis

**EUR million**

## Key figures

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q13</th>
<th>2Q13</th>
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<tbody>
<tr>
<td>Sales</td>
<td>171</td>
<td>153</td>
<td>161</td>
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<tr>
<td>% sales growth comp.</td>
<td>(2)</td>
<td>(4)</td>
<td>(14)</td>
</tr>
<tr>
<td><strong>EBITA:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Innovation</td>
<td>(41)</td>
<td>(30)</td>
<td>(34)</td>
</tr>
<tr>
<td>IP Royalty</td>
<td>51</td>
<td>52</td>
<td>56</td>
</tr>
<tr>
<td>Group &amp; Regional Costs</td>
<td>(29)</td>
<td>(36)</td>
<td>(34)</td>
</tr>
<tr>
<td>Accelerate! investments</td>
<td>(34)</td>
<td>(29)</td>
<td>(40)</td>
</tr>
<tr>
<td>Pensions</td>
<td>25</td>
<td>(4)</td>
<td>(1)</td>
</tr>
<tr>
<td>Services Units &amp; Other</td>
<td>(59)</td>
<td>(18)</td>
<td>1</td>
</tr>
</tbody>
</table>

## Financial performance

- Sales decreased from EUR 171 million in Q2 2012 to EUR 161 million in Q2 2013, mainly due to lower license income.
- EBITA amounted to a net cost of EUR 52 million, including a EUR 6 million past-service pension cost gain in the US. The EBITA net cost of EUR 87 million in Q2 2012 included a past-service cost gain on a medical retiree benefit plan of EUR 25 million. Net restructuring charges in Q2 2013 were close to zero, while restructuring charges in Q2 2012 were EUR 40 million. EBITA excluding restructuring charges and past-service pension cost gains improved by EUR 14 million compared to Q2 2012, mainly related to the remeasurement of environmental provisions due to changes in discount rates.
- EBITA of Service Units and Other included EUR 13 million of net costs formerly reported as part of the Audio, Video, Multimedia and Accessories business in Consumer Lifestyle (Q2 2012 included EUR 9 million related to the Audio, Video, Multimedia and Accessories business and EUR 9 million related to the Television business).
- Net operating capital increased by EUR 444 million year-on-year, mainly due to an increase in the value of currency hedges held at Group level as well as the reclassification of real estate assets from the sectors to Service Units.

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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”)

80
Appendix
## Publication and AGM dates 2013

<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>
<tr>
<td>January 28, 2014</td>
<td>Fourth quarterly and annual results 2013</td>
</tr>
</tbody>
</table>
# Depreciation and amortization

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation of property, plant and equipment</strong></td>
<td>165</td>
<td>151</td>
<td>617</td>
<td>677</td>
</tr>
<tr>
<td><strong>Amortization of software</strong></td>
<td>11</td>
<td>9</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td><strong>Amortization of other intangible assets</strong></td>
<td>110</td>
<td>94</td>
<td>559</td>
<td>458</td>
</tr>
<tr>
<td><strong>Amortization of development costs</strong></td>
<td>48</td>
<td>57</td>
<td>169</td>
<td>218</td>
</tr>
<tr>
<td><strong>Philips Group</strong></td>
<td>334</td>
<td>311</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></th>
<th>Gross CapEx&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Depreciation&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2012</td>
<td>Q2 2013</td>
</tr>
<tr>
<td>Healthcare</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>31</td>
<td>26</td>
</tr>
<tr>
<td>Lighting</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Group</td>
<td>168</td>
<td>145</td>
</tr>
</tbody>
</table>

<sup>1</sup> 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”)
Gross capital expenditures & Depreciation by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Gross CapEx</th>
<th>2011</th>
<th>2012</th>
<th>Depreciation</th>
<th>2011</th>
<th>2012</th>
</tr>
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<tr>
<td>Healthcare</td>
<td></td>
<td>153</td>
<td>135</td>
<td></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>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting</td>
<td></td>
<td>279</td>
<td>290</td>
<td></td>
<td>262</td>
<td>298</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td></td>
<td>78</td>
<td>110</td>
<td></td>
<td>78</td>
<td>75</td>
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<tr>
<td>Group</td>
<td></td>
<td>640</td>
<td>661</td>
<td></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”)
## Development cost capitalization & amortization by sector

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capitalization Q2 2012</th>
<th>Capitalization Q2 2013</th>
<th>Amortization Q2 2012</th>
<th>Amortization Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>62</td>
<td>68</td>
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<td>36</td>
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<tr>
<td>Consumer Lifestyle</td>
<td>10</td>
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<td>12</td>
</tr>
<tr>
<td>IG&amp;S</td>
<td>-</td>
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<td>Group</td>
<td>90</td>
<td>104</td>
<td>48</td>
<td>57</td>
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**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>
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<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>
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<tr>
<td>Group</td>
<td>282</td>
<td>363</td>
<td>169</td>
<td>218</td>
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**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”)


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>
<th>2Q13</th>
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<tbody>
<tr>
<td>Acq.-related charges</td>
<td>(5)</td>
<td>(4)</td>
<td>(4)</td>
<td>(5)</td>
<td>(18)</td>
<td>(3)</td>
<td>(2)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(4)</td>
<td>(4)</td>
<td>1</td>
<td>(109)</td>
<td>(116)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other Incidentals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
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<td>(5)</td>
<td>(2)</td>
<td>(5)</td>
<td>(18)</td>
<td>(1)</td>
<td>-</td>
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<tr>
<td>Restructuring</td>
<td>(5)</td>
<td>(3)</td>
<td>(5)</td>
<td>(25)</td>
<td>(38)</td>
<td>-</td>
<td>(3)</td>
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<tr>
<td>Other Incidentals</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>160</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Consumer Lifestyle</strong></td>
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<td></td>
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</tr>
<tr>
<td>Acq.-related charges</td>
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<td>(3)</td>
<td>(3)</td>
<td>(5)</td>
<td>(14)</td>
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<td>(34)</td>
<td>(22)</td>
<td>(81)</td>
<td>-</td>
<td>10</td>
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<tr>
<td><strong>Lighting</strong></td>
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<td>(38)</td>
<td>(102)</td>
<td>(207)</td>
<td>(396)</td>
<td>(19)</td>
<td>(13)</td>
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<td>(40)</td>
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<td>(19)</td>
<td>(56)</td>
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<tr>
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<td><strong>IG&amp;S</strong></td>
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</tr>
<tr>
<td>Acq.-related charges</td>
<td>38</td>
<td>(15)</td>
<td>2</td>
<td>(464)</td>
<td>(439)</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(14)</td>
<td>(12)</td>
<td>(9)</td>
<td>(15)</td>
<td>(50)</td>
<td>(5)</td>
<td>(3)</td>
</tr>
<tr>
<td>Other Incidentals</td>
<td>(29)</td>
<td>(82)</td>
<td>(67)</td>
<td>(333)</td>
<td>(511)</td>
<td>(14)</td>
<td>(23)</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>
<td>73</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
3. Includes a EUR 78M past-service pension cost gain in the US (EUR 61M in Healthcare, EUR 1M in Consumer Lifestyle, EUR 10M in Lighting and EUR 6M in IG&S) and a EUR 21M gain on the sale of a business in Healthcare

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”)