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 2011 and the “Risk and uncertainties” section in our semi-annual financial report for the six months ended July 1, 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 research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Philips, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.

Use of non-GAAP Information
In presenting and discussing the Philips Group’s financial position, operating results and cash flows, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. A reconciliation of such measures to the most directly comparable IFRS measures is contained in our Annual Report 2011. Further information on non-GAAP measures can be found in our Annual Report 2011.

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 2011 financial statements. Independent valuations may have been obtained to support management’s determination of fair values.

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

1. Management update

2. Group results Q3 2012

3. Accelerate! Change and performance

4. Portfolio strength and path to value

5. Group and sector overview
Management update Q3 2012: Group

Sales
- Comparable sales were 5% higher year-on-year to reach EUR 6.1 billion
- Comparable sales growth in Healthcare was 7%, Lighting 4% and Consumer Lifestyle 3%

EBITA & Net Income
- EBITA improved to EUR 450 million or 7.3% of sales, from 6.8% in Q3 2011
- The improvement was driven by Consumer Lifestyle and Healthcare
- Cost savings on track with EUR 306 million cumulative savings in Q3 2012
- Net income was EUR 170 million compared to EUR 76 million in Q3 2011

Adjusted EBITA
- Adj. EBITA improved to EUR 562 million, 9.2% of sales, from 7.3% in Q3 2011
- Adjusted EBITA excludes: a loss on the sale of industrial assets of EUR 34 million and restructuring and acquisition-related charges of EUR 78 million

Net Operating Capital (NOC) & ROIC
- NOC as a % of sales declined by 6% year-on-year, mainly due to a 3.5% reduction in working capital of which inventories declined by 1.5%
- ROIC improved to 9.4%
- Free Cash Flow amounted to EUR 395 million compared to an outflow of EUR 172 million last year

Others
- Philips was awarded sector and super sector leader for the second consecutive year in the Dow Jones Sustainability Index
- Philips brand value crosses the USD 9 billion mark
- 63% of EUR 2 billion share buy-back program completed by Q3 2012

Margins improve due to higher sales volumes and cost reductions
Management update Q3 2012: Healthcare

| Sales                                                                 | • **Comparable** sales were 7% higher year-on-year, 18% on a **nominal** basis  
|                                                                     | • Double-digit growth at Imaging Systems, high-single-digit growth at Home Healthcare Solutions. Mid-single-digit growth at Customer Services and Patient Care and Clinical Informatics |
| Order intake                                                        | • **Currency-comparable** equipment order intake grew by 6%  
|                                                                     | • Double-digit growth at Patient Care and Clinical Informatics and low-single-digit growth at Imaging Systems |
| EBITA                                                               | • EBITA improved to EUR **330 million**, 13.5% of sales, from 12.6% in Q3 2011  
|                                                                     | • Higher sales volumes and improved gross margins, mainly in Imaging Systems and Customer Services drove the year-on-year improvement |
| Adjusted EBITA                                                     | • Adjusted EBITA increased from 12.7% to **13.6%** year-on-year  
|                                                                     | • Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 3 million |
| Net Operating Capital                                              | • Net operating capital increased by EUR **180 million to EUR 8.3 billion**, excluding currency impact it decreased by EUR 230 million  
|                                                                     | • Inventory as a % of sales improved by 160 bps, with the strongest improvement in Imaging Systems |

**Solid sales and order intake – inventories improve across all businesses**
Management update Q3 2012: Consumer Lifestyle

Sales
- Comparable sales were 3% higher year-on-year, 9% higher nominally
- Growth categories, i.e. Personal Care, Health & Wellness and Domestic Appliances combined grew by 10%
- Lifestyle Entertainment registered a double-digit decline

EBITA
- EBITA improved to EUR 124 million, or 8.5% of sales, from 4.7% in Q3 2011
- Improvement driven by higher sales across all businesses except Lifestyle Entertainment
- TV stranded costs decreased by EUR 9 million, from EUR 16 million in Q3 2011 to EUR 7 million in Q3 2012

Adjusted EBITA
- Adjusted EBITA increased to 9.2%, from 5.4% in Q3 2011
- Adjusted EBITA excludes restructuring and acquisition-related charges of EUR 9 million

Net Operating Capital
- Inventories as a % of sales improved by 250 bps versus Q3 2011
- Improvements were seen across all businesses
- Working capital as a % of sales was 1.1%

Better results due to operating improvements in growth businesses
Management update Q3 2012: Lighting

**Sales**
- Comparable sales were 4% higher year-on-year, 13% higher nominally
- Double-digit sales growth at Lumileds and Automotive, and low-single-digit growth at Light Sources & Electronics
- LED-based sales grew 51% compared to Q3 2011 and now represent 24% of Lighting sales

**EBITA**
- EBITA amounted to EUR 47 million, or 2.2% of sales
- EBITA was impacted by higher restructuring charges due to the rationalization of the industrial footprint, overhead cost reduction program and the loss on the sale of an asset

**Adjusted EBITA**
- Adjusted EBITA improved to 7.0% of sales compared to 6.4% in Q3 2011
- Adjusted EBITA excludes a loss on the sale of industrial assets of EUR 34 million and restructuring and acquisition-related charges of EUR 68 million
- Professional Lighting Solutions, Lumileds and Automotive were the main contributors to the improved performance

**Net Operating Capital (NOC)**
- Inventory as a % of sales improved by 100 bps compared to Q3 2011
- NOC decreased by EUR 131 million compared to Q3 2011 due to improved working capital management and an increase in provisions for restructuring

Improved operating earnings in all businesses except Consumer Luminaires
Management update Q3 2012: By Geography

| North America | • Philips Group sales registered a 2% growth reflecting market uncertainty  
|              | • Healthcare sales grew by 3%. Equipment order intake declined by 5%  
|              | • Consumer Lifestyle sales showed a mid-single-digit growth, led by Personal Care and Health & Wellness  
|              | • Lighting sales declined by low-single-digit  
| Europe       | • Group sales declined by 2% due to economic headwinds  
|              | • Healthcare sales were flat. Equipment order intake grew by double-digits due to large project wins in the Netherlands, UK and Finland  
|              | • Consumer Lifestyle sales showed a high-single-digit decline due to Lifestyle Entertainment. The combined growth businesses, i.e. Personal Care, Health & Wellness and Domestic Appliances were slightly above the Q3 2011 level  
|              | • Lighting sales declined by low-single-digit  
| Growth Geographies | • Group sales increased by 10%, driven by China, India, Russia and Brazil; good growth, but slower than Q2  
|               | • Solid Healthcare sales growth of 14%. Equipment order intake up by 9%  
|               | • Consumer Lifestyle sales showed high-single-digit growth, driven by solid growth in China and Russia  
|               | • Lighting sales grew by double-digits driven by China, India, Russia and Brazil  

Continued growth in weaker global economy
Quality of leadership in the markets improved, with a 50% increase in the number of Executive positions. Over 500 of our leaders have participated in the behavior change program.

Overhead cost-reduction program on track with cumulative gross savings of EUR 306 million and over 70% of the total TV stranded costs addressed. Net cost savings in the quarter were EUR 74 million. Overall cost savings program increased to EUR 1.1 billion.

End-to-End projects aimed at improving the customer value chain are showing good impact. Inventory reduced by 1.5%. End-to-End projects now covering 15% of Group revenue.

Accelerate! continues to be embedded into the organization with quarterly survey results showing around 80% of employees seeing the impact of the program in their workplace.
Agenda

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5. Group and sector overview
## Key Financials Summary – Q3 2012

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2011</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,394</td>
<td>6,127</td>
</tr>
<tr>
<td>EBITA</td>
<td>368&lt;sup&gt;1&lt;/sup&gt;</td>
<td>450&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>(93)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(94)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Income tax</td>
<td>(64)</td>
<td>(64)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>76</td>
<td>170</td>
</tr>
<tr>
<td>Net Operating Capital</td>
<td>11,624</td>
<td>11,094</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>45&lt;sup&gt;3&lt;/sup&gt;</td>
<td>651</td>
</tr>
<tr>
<td>Net capital expenditures</td>
<td>(217)&lt;sup&gt;3&lt;/sup&gt;</td>
<td>(256)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(172)</td>
<td>395</td>
</tr>
</tbody>
</table>

1. Q12 includes EUR (78)M of restructuring and acquisition-related charges and a EUR (34)M loss on the sale of assets; Q11 includes EUR (24)M of charges
2. Q12 includes a negative impact of EUR 12M due to a fair-value adjustment of the option related to NXP; Q11 includes a negative impact of EUR 17M due to a fair-value adjustment of the option related to NXP.
3. Revised to reflect an adjusted allocation capital expenditures on property, plant and equipment

Note - All figures exclude discontinued operations
## Sales by sector – Q3 2012

### EUR million

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2011</th>
<th>Q3 2012</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>2,077</td>
<td>2,443</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>1,332</td>
<td>1,453</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Lighting</td>
<td>1,886</td>
<td>2,139</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Innovation, Group &amp; Services</td>
<td>99</td>
<td>92</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,394</td>
<td>6,127</td>
<td>14</td>
<td>5</td>
</tr>
</tbody>
</table>

**Note** - All figures exclude discontinued operations
### Sales by geography – Q3 2012

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2011</th>
<th>Q3 2012</th>
<th>% nom</th>
<th>% comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>1,480</td>
<td>1,495</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>North America</td>
<td>1,645</td>
<td>1,904</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Other mature geographies</td>
<td>411</td>
<td>535</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Growth geographies(^1)</td>
<td>1,858</td>
<td>2,193</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Philips Group</td>
<td>5,394</td>
<td>6,127</td>
<td>14</td>
<td>5</td>
</tr>
</tbody>
</table>

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

Note - All figures exclude discontinued operations.
Sales growth: Trend through Q3 2012

Comparable sales growth world and growth geographies

Comparable sales growth (% change)

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Comparable sales growth in growth geographies (% change)

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer Lifestyle</th>
<th>Lighting</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Note - All figures exclude discontinued operations
Growth geographies – Q3 ‘12 and last twelve months

Sales in growth geographies

Last twelve months

- Healthcare: Mature 66%, Growth 34%
- Consumer Lifestyle: Mature 45%, Growth 41%
- Lighting: Mature 48%, Growth 42%
- Philips Group: Mature 64%, Growth 36%

Note - All figures exclude discontinued operations
## EBITA by sector – Q3 2012

*EUR million*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2011</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Healthcare</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>261</td>
<td>330</td>
</tr>
<tr>
<td><strong>Consumer Lifestyle</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>62</td>
<td>124</td>
</tr>
<tr>
<td><strong>Lighting</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>110</td>
<td>47</td>
</tr>
<tr>
<td><strong>Innovation, Group &amp; Services</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>(65)</td>
<td>(51)</td>
</tr>
<tr>
<td><strong>Philips Group</strong></td>
<td>368</td>
<td>450</td>
</tr>
</tbody>
</table>

1. Q312 includes EUR (3)M of restructuring and acquisition-related charges; Q311 includes EUR (2)M of charges
2. Q312 includes EUR (9)M of restructuring and acquisition-related charges; Q311 includes EUR (10)M of charges
3. Q312 includes EUR (68)M of restructuring and acquisition-related charges and a EUR (34)M loss on the sale of the assets; Q311 includes EUR (11)M of charges
4. Q312 includes EUR 2M of restructuring gains; Q311 includes EUR (1)M of charges

Note - All figures exclude discontinued operations
# Adjusted EBITA by sector – Q3 2012

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2011</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Healthcare</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>263</td>
<td>333</td>
</tr>
<tr>
<td></td>
<td>12.7%</td>
<td>13.6%</td>
</tr>
<tr>
<td><strong>Consumer Lifestyle</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>72</td>
<td>133</td>
</tr>
<tr>
<td></td>
<td>5.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Lighting</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>121</td>
<td>149</td>
</tr>
<tr>
<td></td>
<td>6.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Innovation, Group &amp; Services</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>(64)</td>
<td>(53)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Philips Group</strong></td>
<td>392</td>
<td>562</td>
</tr>
<tr>
<td></td>
<td>7.3%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

1. Q312 excludes EUR (3)M of restructuring and acquisition-related charges; Q311 excludes EUR (2)M of charges
2. Q312 excludes EUR (9)M of restructuring and acquisition-related charges; Q311 excludes EUR (10)M of charges
3. Q312 excludes EUR (68)M of restructuring and acquisition-related charges and a EUR (34)M loss on the sale of the assets; Q311 excludes EUR (11)M of charges
4. Q312 excludes EUR 2M of restructuring gains; Q311 excludes EUR (1)M of charges

Note: All figures exclude discontinued operations
EBITA and Adjusted EBITA Margin development

Trend through Q3 2012

1 Consumer Lifestyle EBITA Q1 2012 includes a EUR 160M profit on the sale of the Senseo trademark
2 Adjusted EBITA is EBITA corrected for incidental charges (details on slide 88)
Note - All figures exclude discontinued operations
EBITA and Adjusted EBITA Margin development

Rolling last 12 months

<table>
<thead>
<tr>
<th>EBITA%: Rolling LTM to end of quarter shown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
</tr>
<tr>
<td>in %</td>
</tr>
<tr>
<td>14.3</td>
</tr>
<tr>
<td>12.9</td>
</tr>
<tr>
<td>12.9</td>
</tr>
<tr>
<td>13.0</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>13.2</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Adjusted EBITA%: Rolling LTM to end of quarter shown

<table>
<thead>
<tr>
<th>Adjusted EBITA%: Rolling LTM to end of quarter shown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
</tr>
<tr>
<td>in %</td>
</tr>
<tr>
<td>14.3</td>
</tr>
<tr>
<td>13.2</td>
</tr>
<tr>
<td>13.2</td>
</tr>
<tr>
<td>13.5</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>13.7</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

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

Note - All figures exclude discontinued operations
Working capital & Inventories over the last two years

**EUR million**

### Working capital as % of sales

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

### Inventories as % of sales

- **Inventories**
- **Inventories as % of LTM sales**

---

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

Note - All figures exclude discontinued operations
# Free Cash Flow – Q3 2012

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q3 2011</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from continuing operations</td>
<td>130</td>
<td>170</td>
</tr>
<tr>
<td>Depreciation/ amortization</td>
<td>308&lt;sup&gt;1&lt;/sup&gt;</td>
<td>355</td>
</tr>
<tr>
<td>Impairment of goodwill and other non-current financial assets</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Changes in Working Capital, of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- changes in Net inventories</td>
<td>(198)</td>
<td>(165)</td>
</tr>
<tr>
<td>- changes in Accounts receivable</td>
<td>(189)</td>
<td>(196)</td>
</tr>
<tr>
<td>- changes in Accounts payable</td>
<td>95</td>
<td>583</td>
</tr>
<tr>
<td>Increase in non-current receivables, other assets/ liabilities</td>
<td>(135)</td>
<td>(217)</td>
</tr>
<tr>
<td>Increase in provisions</td>
<td>1</td>
<td>54</td>
</tr>
<tr>
<td>Others</td>
<td>17&lt;sup&gt;1&lt;/sup&gt;</td>
<td>58</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>45</td>
<td>651</td>
</tr>
<tr>
<td>Purchase of intangible assets/ Expenditures on development assets</td>
<td>(72)</td>
<td>(98)</td>
</tr>
<tr>
<td>Capital expenditures on property, plant and equipment</td>
<td>(169)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(161)</td>
</tr>
<tr>
<td>Proceeds from property, plant and equipment</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td>Net capital expenditures</td>
<td>(217)</td>
<td>(256)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>(172)</td>
<td>395</td>
</tr>
</tbody>
</table>

<sup>1</sup> Revised to reflect an adjusted allocation of capital expenditures on property, plant and equipment

Note - All figures exclude discontinued operations
ROIC improves sequentially in 2012

Development of Return on Invested Capital (ROIC)

- ROIC excluding impairment increased sequentially due to improved earnings
- Higher restructuring and a loss on the sale of industrial assets had a negative impact in the quarter
- The EBIAT in Q3 2012 was positively impacted by higher sales and a lower effective tax rate
- Reported ROIC showed a steep improvement in Q2 2012 as the Q2 2011 impairment no longer affects the EBIAT calculation
- Discount rate now at 8.97%

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
Philips' debt has a long maturity profile

Debt maturity profile as of September 2012
Amounts in EUR millions

Characteristics of long-term debt
- Maturities up to 2042
- Average tenor of long-term debt is 13.3 years
- No financial covenants

1 Short term debt consists mainly of local credit facilities that are being rolled forward on a continuous basis
2 In April 2011 Philips extended the maturity of its EUR1.8B standby facility to February 2016. In April 2012 Philips canceled EUR 500M backstop facility that was related to Share Buy-Back
3 In March 2012 Philips issued USD 1,000M 10 years at 3.75% and USD 500M 30 years at 5.0%. On Apr 10th 2012, Philips early redeemed USD 500M originally maturing in March 2013
A history of sustainable dividend growth

"We are committed to a stable dividend policy with a 40% to 50% pay-out of continuing net income."
Disciplined Capital Use

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

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

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

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

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

*No acquisitions during the last 5 quarters*

## Healthcare

<table>
<thead>
<tr>
<th>Date</th>
<th>Entity</th>
<th>Industry/Department</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-2011</td>
<td>medSage</td>
<td>Home Healthcare</td>
<td>Strengthen portfolio with 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>Entity</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>Entity</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 Q3 2012

3. Accelerate! Change and performance

4. Portfolio strength and path to value

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

**End-to-End 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**
- Decrease number of layers to speed up decision making
- Reduce overhead and support costs by EUR 1.1 billion
- Performance Management for BMC’s implemented
- Implement collaborative P&L between businesses & markets with clear accountability

Supported by strong change and program management office to ensure execution

---

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

Examples of improvement actions in 2012

- 50% increase in Executive positions in markets
- Over 50% of top 200 managers have been replaced or reassigned
- Granular 2 year business plans for 100% of our BMC¹’s implemented and strengthened performance management
- Over 500 leaders have participated in the behavior change program to drive a performance culture
- Employees rating 4 out of 5 on impact of Accelerate!:
  - 83%, on uptake of new behaviors
  - 74%, on impact of new ways of working

Market impact of improvement actions

End-to-End projects scaling up to >40% of Philips revenue in 2013 from 15% in 2012

LED: North America
Growth rate doubled with significant improvement in profitability

Male Grooming: China
Time to market reduction of 50%. Significant reduction in development cost

PCCI: North America
Tiered offerings tailored to customer segments, increasing attach rates for Customer Service

Leadership in Turkey
Domestic Appliances takes #1 position with ~40% growth and ~30% growth in Floor Care

¹ BMC = Business Market Combination
Aligning the reward system with mid-term targets

Structural change in the reward system

Short-term incentive changes

• Incentives are now fully aligned with the 2013 mid-term financial parameters (comparable sales growth, EBITA, ROIC)

• New targets based on line-of-sight accountability

• Non-financial targets focused on strategic and operational improvement KPI’s

Long-term incentive changes

• As a first step a special Accelerate! grant\(^1\) was introduced;
  ▪ consisting of an equal balance of shares and options (1 to 1)
  ▪ future performance vesting based on achieving the 2013 mid-term targets of;
    • 4 to 6% Sales growth CAGR
    • 10 to 12% reported EBITA
    • 12 to 14% ROIC

• Mandatory share ownership for all key Executives

• Long term incentive plans for 2013 and beyond are being reviewed

\(^1\) The Supervisory Board is considering to introduce similar awards for the members of the Board of Management. This will be further reviewed in the course of 2012 and where necessary will be submitted to the AGM for approval.
Cost reduction program targeting overhead & indirect costs will bring EUR 1.1 billion in savings

Cost reduction scope

- Taking out overhead and support cost
  - All overheads, layers and support functions: IT, Finance, HR, Real Estate, Management, etc
  - Indirect business functions not directly involved in the customer value chain
  - Single added value layer (no duplication) and reduce complexity
- All savings against H1 2011 baseline
- Focus on sustainable structural savings instead of “variable” costs
Overhead cost savings to reach EUR 1.1 Billion
Program started in Q3 2011, expected to be completed by 2014

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earlier Plan</td>
<td>25</td>
<td>400</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>New Plan</td>
<td>25</td>
<td>450</td>
<td>900</td>
<td>1,100</td>
</tr>
</tbody>
</table>

Cumulative gross savings

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earlier Plan</td>
<td>(37)</td>
<td>(125)</td>
<td>(80)</td>
<td>(40)</td>
</tr>
<tr>
<td>New Plan</td>
<td>(37)</td>
<td>(210)</td>
<td>(125)</td>
<td>(60)</td>
</tr>
</tbody>
</table>

Annual restructuring costs

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earlier Plan</td>
<td>(37)</td>
<td>(120)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td>New Plan</td>
<td>(37)</td>
<td>(120)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Annual investments

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earlier Plan</td>
<td>(37)</td>
<td>(120)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td>New Plan</td>
<td>(37)</td>
<td>(120)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Additional savings

- Using the design principles of our overhead cost reduction program, operating teams have identified additional opportunities to reduce complexity and lean out processes.
- Overhead and duplication in the end-to-end customer value chains have now been included in the scope of savings.
- Among others, we see significant opportunities as Healthcare and Lighting deploy Accelerate! deeper.
- Head count reduction will go from 4,500 to approx. 6,700.

Note – All figures (except 2011) are estimated amounts.
### EUR 1.1 Billion cost reduction program - Results

**Approximately 40% of the targeted 6,700 headcount reduction completed by Q3 2012**

#### Actuals

<table>
<thead>
<tr>
<th>Cumulative gross savings</th>
<th>2011</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL EUR million</td>
<td>25</td>
<td>62</td>
<td>176</td>
<td>306</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restructuring costs</th>
<th>2011</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR million TOTAL</td>
<td>(37)</td>
<td>(9)</td>
<td>(41)</td>
<td>(22)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>2011</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR million TOTAL</td>
<td>(37)</td>
<td>(26)</td>
<td>(34)</td>
<td>(34)</td>
</tr>
</tbody>
</table>

**Restructuring costs (EUR million):**
- **2011**
  - Total: (37)
- **1Q12**
  - Total: (9)
- **2Q12**
  - Total: (41)
- **3Q12**
  - Total: (22)

**Investments (EUR million):**
- **2011**
  - Total: (37)
- **1Q12**
  - Total: (26)
- **2Q12**
  - Total: (34)
- **3Q12**
  - Total: (34)
Accelerating IT: Rebuilding the IT backbone of Philips

The 4 Initiatives

1. Robust portfolio management
   - Rigorous IT investment screening
   - Compliance with business - IT roadmaps
   - Service level optimization

2. LEAN operating model
   - Thin layer IT management with fast decision making
   - LEAN IT processes
   - Controlling the IT value chain

3. Optimized sourcing
   - From input (time & material contracting) to output (deliverables) to business outcomes
   - Strategic vendor partner management and scale efficiency

4. Overhaul and simplification of IT landscape
   - Radical IT landscape simplification in context of Accelerate! End-to-End
   - Legacy systems decommissioning
   - Infrastructure efficiency, cloud-based
Accelerating IT: Bringing IT costs to below 3% of sales

- 4 initiatives to reduce IT cost by 25% in 2015
- 15% run rate reduction by end of 2013
- Shift in allocation to support of business transformation and differentiating capabilities
Focused actions to drive Gross Margins

1. Rationalizing the industrial and distribution footprint to drive improved margins in Lighting and Healthcare. Higher restructuring costs in the second half of 2012

2. New product introductions will positively impact margins, e.g.:
   - Value segments products for the Imaging systems range
   - New design wins in Lumileds
   - Significant range renewal in Consumer Lifestyle

3. Significant opportunities to increase the annual savings in Bill of Materials with new initiatives led by newly appointed CPO Fredrick Spalcke

Accelerating Gross Margin improvement

Significant improvement opportunities for 2013 and beyond
Agenda

1. Management update

2. Group results Q3 2012

3. Accelerate! Change and performance

4. Portfolio strength and path to value

5. Group and sector overview
Improving our portfolio: Starting point of our journey

Portfolio now consists of ~65% B2B businesses

Large majority of our businesses have 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
## Strong assets underpin our portfolio

### Our assets

<table>
<thead>
<tr>
<th></th>
<th>Our track record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation capabilities</td>
<td>• Technology, know-how and strong IP positions (54,000 registered patents)</td>
</tr>
<tr>
<td>Global footprint</td>
<td>• Loyal customer base in 100+ countries</td>
</tr>
<tr>
<td></td>
<td>• 1/3 of group revenues from growth geographies</td>
</tr>
<tr>
<td>People</td>
<td>• Employee Engagement Index(^1) exceeds high performance benchmark value of 70%</td>
</tr>
<tr>
<td></td>
<td>• Culturally diverse top-200 leadership team</td>
</tr>
<tr>
<td>Domain leadership</td>
<td>• Global market leader in Lighting</td>
</tr>
<tr>
<td></td>
<td>• Top 3 Healthcare player</td>
</tr>
<tr>
<td></td>
<td>• Leading Consumer Lifestyle brands: E.g. Philips, Sonicare, Avent, Saeco</td>
</tr>
<tr>
<td>Solid balance sheet</td>
<td>• A3 rating by Moody’s and A- by Standard &amp; Poor’s</td>
</tr>
</tbody>
</table>

### Philips Brand

- World’s 41\(^{st}\) most valuable brand 2012 compared to the 65\(^{th}\) in 2004. For the first time in history, our brand value reached a level of more than 9 billion USD

---

\(^1\) Based on annual Philips’ Employee Engagement Survey
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 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
- 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
We have strong leadership positions in many markets across the globe

<table>
<thead>
<tr>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global</strong></td>
</tr>
<tr>
<td>Cardiovascular X-ray</td>
</tr>
<tr>
<td>Patient Monitoring</td>
</tr>
<tr>
<td>Cardiac Resuscitation</td>
</tr>
<tr>
<td>Sleep Therapy Systems</td>
</tr>
<tr>
<td>Regional Ultrasound</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer Lifestyle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global</strong></td>
</tr>
<tr>
<td>Male Electric Shaving</td>
</tr>
<tr>
<td>Garment Care</td>
</tr>
<tr>
<td>Rechargeable Toothbrushes</td>
</tr>
<tr>
<td>Regional Kitchen Appliances</td>
</tr>
<tr>
<td>Regional Electric Hair Care</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global</strong></td>
</tr>
<tr>
<td>Lamps</td>
</tr>
<tr>
<td>LED Lamps</td>
</tr>
<tr>
<td>Automotive Lighting</td>
</tr>
<tr>
<td>Professional Luminaires</td>
</tr>
<tr>
<td>High Power LEDs</td>
</tr>
</tbody>
</table>
Progressing on our Path to Value

Laying the foundation to improve performance

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

Transform Philips through Accelerate!

- Accelerate! Healthcare
- Restoring Lighting profitability, Leading the LED transformation
- Reshaping Consumer Lifestyle portfolio
- EUR 1.1 billion cost reduction program
- Bill of material procurement program
- Value delivery from past acquisitions
- Next value creation steps beyond 2013

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

**Philips Mid-Term Performance Box**

- **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

2011 EBITA incl.TV 7.4% 2011 EBITA 5.3% Headwinds (Pensions + Medical device excise tax) Investments Improve selected businesses Volume Margin Mix Overhead cost reductions Restr. & acq. related costs 2013 EBITA

Accelerate!
Agenda

1. Management update

2. Group results Q3 2012

3. Accelerate! Change and performance

4. Portfolio strength and path to value

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

<table>
<thead>
<tr>
<th>Businesses¹,²</th>
<th>Geographies¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>Western Europe</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
<td>North America</td>
</tr>
<tr>
<td>Lighting</td>
<td>Other Mature Geographies</td>
</tr>
<tr>
<td></td>
<td>Growth Geographies</td>
</tr>
</tbody>
</table>

Since 1891
Headquarters in Amsterdam, the Netherlands

- €22.6 Billion Sales in 2011. Portfolio consists of ~65% B2B businesses
- 121,000+ People employed worldwide in over 100 countries
- $9.1 Billion Brand value in 2012
- 7% of sales invested in R&D in 2011. 54,000 patent rights, 39,000 trademark rights, 70,000 design rights

¹ Last twelve months September 2012
² Excluding Central sector (IG&S)
Note - All figures exclude discontinued operations
Executive Committee

Frans van Houten  
CEO

Ron 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 39% of sales in 2011, up from 30% in 2009 driven by investments in Green Innovation.

EcoVision targets for 2015
• 50% of sales from Green Products
• EUR 2 billion Green Innovation investments
• To bring care to 500 million 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 was awarded sector and super sector leader in the Dow Jones Sustainability Index for the second consecutive year with highest scores ever
• Philips again achieved top scores in the Carbon Disclosure Project
• Top 50 position in Best Global Green Brands 2012
• Top 10 position in Newsweek Green ranking 2011
• Philips received the prestigious Giga Ton Award (known as the Green Oscar) for its long-standing business leadership to reduce carbon usage
• Philips received an overall global rating of 10.0 (“best in class”), the highest being assigned from GMI, an independent global company in Corporate Governance and ESG
Our focused health and well-being portfolio: Healthcare, Consumer Lifestyle and Lighting

*Last twelve months*

---

**Sales**

- *100% = EUR 23.9B*\(^1\)

**Adjusted EBITA**

- *100% = EUR 2.3B\(^1,2\)*

**Net Operating Capital**

- *100% = EUR 14.8B\(^1\)*

---

1 Excluding Central sector (IG&S)


Note - All figures exclude discontinued operations
Healthcare: Accelerate performance

- Driving to co-leadership in Imaging Systems and leadership in Patient Care and Clinical Informatics
- Invest for leadership in growth geographies
- International expansion of the home healthcare business
- Executing operational excellence initiatives to increase margin and time-to-market

Total sales EUR 9.8 billion

Last 12 months

Sept ’12

- Imaging: 26%
- Patient Care and Clinical Informatics: 22%
- Home Healthcare Solutions: 15%
- Customer Service: 25%
- 1999: 66%
- 8%
Healthcare

*What we do. Where we are.*

**Philips Healthcare**

**Businesses**

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

**Geographies**

<table>
<thead>
<tr>
<th>Western Europe</th>
<th>North America</th>
<th>Other Mature Geographies</th>
<th>Growth Geographies</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>45%</td>
<td>12%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Key Figures**

- €8.9 Billion sales in 2011
- 38,000+ People employed worldwide in 100 countries
- 8% of sales invested in R&D in 2011
- 450+ Products & services offered in over 100 countries

1 Last twelve months September 2012
Healthcare: Changing industry dynamics necessitates innovation

We face an aging population and in the U.S. alone:

“By 2030, there will be approximately 72.1 million older persons, more than twice the number in 2000.”

*Department of Health and Human Services Administration on Aging*

A rise in chronic disease

“Without action, almost 400 million people will die from chronic diseases in the next 10 years…”

*Dr. Catherine Le Galès-Camus, WHO Assistant Director-General, Non-communicable Diseases and Mental Health*

Together with a shortage of care providers = a perfect storm

“Between now and 2015…the shortage of doctors across all specialties will quadruple.”

*Association of American Medical Colleges, Center for Workforce Studies, 2011*

Source: United Nation, World Population Prospects, the 2010 Revision: Annual Population
Philips current expectation for the US Imaging Systems market for 2012-2015 is low- to mid-single-digit growth

Healthcare historical market development

North America Market Size/ Growth and Impacts

USD millions


Market Growth

4% -3% 9% 22% 3% 13% 10% 7% -7% -3% -11% 5% 2% 1%

Outpatient Imaging Paid 2.5% higher
Balanced Budget Act 2

Out of Hospital Imaging Growth

Economic Downturn

BBA Increases Outpatient Technical Charges

CMS P4P Reduces Reimbursement for 80% of Hospitals

Stark II Rules Limit Physician Ownership in Outpatient Imaging

DRA announced

Utilization, physician fee schedule

Bond crisis

Signing Healthcare Reform

ACA Supreme Court; Elections

Philips current expectation for the US Imaging Systems market for 2012-2015 is low- to mid-single-digit growth

Imaging Systems incl. Ultrasound

Patient Care and Clinical Informatics

CMS P4P Reduces Reimbursement for 80% of Hospitals

Stark II Rules Limit Physician Ownership in Outpatient Imaging

DRA announced

Utilization, physician fee schedule

ACA Supreme Court; Elections
Healthcare: 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**

---

1 Adjusted EBITA is EBITA corrected for incidental charges (details on slide 88)
Healthcare: Q3 2012 Sector analysis

EUR million

Key figures

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,077</td>
<td>2,413</td>
<td>2,443</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>EBITA</td>
<td>261</td>
<td>333</td>
<td>330</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>12.6</td>
<td>13.8</td>
<td>13.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>207</td>
<td>284</td>
<td>278</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>10.0</td>
<td>11.8</td>
<td>11.4</td>
</tr>
<tr>
<td>NOC</td>
<td>8,081</td>
<td>8,542</td>
<td>8,261</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>37,887</td>
<td>37,887</td>
<td>38,228</td>
</tr>
</tbody>
</table>

Sales per region

- Latin America: 5%
- North America: 44%
- Asia Pacific: 27%
- EMEA: 24%

Growth Geographies

- Growth: 24%
- Mature: 75%
- EBITA was EUR 330 million, or 13.5% of sales, compared to EUR 261 million, or 12.6% of sales in Q3 2011. Strong sales-driven gross margin, mainly at Imaging Systems, and productivity improvements at Customer Services drove the year-on-year EBITA improvement. Excluding restructuring and acquisition-related charges, EBITA grew to EUR 333 million, or 13.6% of sales, compared to EUR 263 million, or 12.7% of sales in Q3 2011.

- Net operating capital increased by EUR 180 million to EUR 8.3 billion, mainly due to currency effects, with all businesses showing improved efficiency in inventory usage y-o-y.
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
Indexed Equipment Order Book Development

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

~30% ~35% ~35%
Q+1 Q+2 to 4 > 1 year

Equipment book and bill sales
~15%
Equipment sales from order book - Leading indicator of future sales
~45%
~40%

Home Healthcare + Customer Services sales

• Approximately 60-65% of the current order book results in sales within next 12 months
Consumer Lifestyle: Reshaping the portfolio towards growth

- Right-size the organization post TV JV
- Address Lifestyle Entertainment portfolio and execute turn-around plan
- Continued growth investment in core businesses towards global category leadership
- Regional business creation; leverage acquisitions in China and India

Total sales EUR 5.9 billion

Total sales EUR 5.5 billion

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Appliances</td>
<td>32%</td>
</tr>
<tr>
<td>Health &amp; Wellness</td>
<td>24%</td>
</tr>
<tr>
<td>Personal Care</td>
<td>20%</td>
</tr>
<tr>
<td>Lifestyle Entertainment</td>
<td>16%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
<tr>
<td>Other categories</td>
<td>1%</td>
</tr>
</tbody>
</table>

2000

Last 12 months
Sept ’12
We are increasing focus
Towards the Health and Well-being domain

We have reduced our exposure to Consumer Electronics from ~75% towards ~28%

We see strong growth in the combined Personal Care, Health & Wellness and Domestic Appliances businesses

Excluding others
Note - All figures exclude discontinued operations

1 Excluding others

Sept '12
Last 12 months

2006
2009
2010
Q4'11 – Q3'12

High-single-digit growth
Mid-single-digit growth
Low-single-digit decline
## Philips Consumer Lifestyle

*What we do. Where we are.*

### Businesses\(^1, 2\) & Geographies\(^1\)

<table>
<thead>
<tr>
<th>Personal Care</th>
<th>Health &amp; Wellness</th>
<th>Domestic Appliances</th>
<th>Lifestyle Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>14%</td>
<td>32%</td>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Western Europe</th>
<th>North America</th>
<th>Other Mature Geographies</th>
<th>Growth Geographies</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>18%</td>
<td>5%</td>
<td>45%</td>
</tr>
</tbody>
</table>

### Key Figures

- **€5.6 Billion sales in 2011**
- **19,000+ People employed worldwide**
- **5% of sales invested in R&D in 2011**
- **27% of green product sales in 2011**

---

\(^1\) Last twelve months September 2012

\(^2\) Other category (2%) is omitted from this overview

Note - All figures exclude discontinued operations
Strong progress in driving scale and category leadership

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

Focusing on the following businesses:

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

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

### Oral Healthcare
- Increasing number of leadership positions\(^1\) from 5 to 13
- 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

---

\(^1\) #1 or #2 position
Source: GfK, ZYK YTD-Jun 2012
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 first half of 2012 driven by strong innovation impetus
  - Acquisitions and local product creation drive a strong increase of new product offers
  - Leadership in key markets strengthened through local relevance

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

- **Coffee**
  - New, long-term agreement with D.E. Master Blenders 1753 to further strengthen the Senseo business
  - Successfully launched the breakthrough innovation Senseo Sarista

Source: GfK, ZYK YTD-Jun 2012
We are transforming the Consumer Lifestyle portfolio

*Establishing new business models, driving more value in Lifestyle Entertainment*

- We created Lifestyle Entertainment by combining Accessories with Audio, Video and Multimedia: Eliminated management layers and headquartered the operation in Hong Kong

- We are transitioning the portfolio towards growing categories like connected entertainment, away from rapidly declining categories like MP3, MP4 and DVD players

- Cost base significantly reduced to adjust to lower revenue base, enabling mid-single-digit margin for the first half of 2012

- We are looking at new business models to further drive value, e.g. North American distribution agreement with Funai
Consumer Lifestyle: 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 - All figures exclude discontinued operations
Consumer Lifestyle: Q3 2012 Sector analysis

**EUR million**

### Key figures

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,332</td>
<td>1,356</td>
<td>1,453</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>EBITA</td>
<td>62</td>
<td>103</td>
<td>124</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>4.7</td>
<td>7.6</td>
<td>8.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>49</td>
<td>86</td>
<td>106</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>3.7</td>
<td>6.3</td>
<td>7.3</td>
</tr>
<tr>
<td>NOC</td>
<td>1,181</td>
<td>1,546</td>
<td>1,460</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>16,893</td>
<td>19,277</td>
<td>19,647</td>
</tr>
</tbody>
</table>

### Financial performance

- **Sales** increased 9% nominally year-on-year. On a comparable basis, sales increased 3%, driven by double-digit growth in the combined growth businesses, i.e. Personal Care, Health & Wellness and Domestic Appliances, partly offset by a double-digit decline at Lifestyle Entertainment. On a regional basis, comparable sales in growth geographies registered a high-single-digit increase. North America saw mid-single-digit growth while comparable sales in Western Europe declined 7%.

- **EBITA** included EUR 7 million of net costs formerly reported as part of the Television business in Consumer Lifestyle (Q3 2011: EUR 16 million).

- Excluding restructuring and acquisition-related charges of EUR 9 million in Q3 2012 and EUR 10 million in Q3 2011, EBITA margin increased from 5.4% to 9.2%. The EBITA improvement was driven by higher sales across all growth businesses, higher License revenue, non-manufacturing cost efficiencies, and lower net costs formerly reported as part of the Television business.

- Net operating capital increased by EUR 279 million as lower working capital was more than offset by higher intangible assets related to the Povos acquisition and by a reduction in the accounts payable balance related to the former Television business in Consumer Lifestyle. Inventories as a percentage of sales improved by 2.5 percentage points compared to Q3 2011.

---

**Note** - All figures exclude discontinued operations
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
- Deliver on turnaround of Consumer Luminaires and Lumileds

Total sales EUR 8.3 billion

Total sales EUR 4.9 billion

Last 12 months Sept '12

2000

73%

8%

19%

53%

9%

6%

28%

4%

Light Sources & Electronics

Consumer Luminaires

Lumileds

Professional Lighting Solutions

Automotive

1 Excluding batteries EUR 0.2 billion
# Lighting

**What we do. Where we are.**

<table>
<thead>
<tr>
<th>Philips Lighting</th>
<th>Businesses</th>
<th>Geographies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Sources &amp; Electronics</td>
<td>Professional Lighting Solutions</td>
<td>Lumileds</td>
</tr>
<tr>
<td>53%</td>
<td>28%</td>
<td>4%</td>
</tr>
</tbody>
</table>

- **€7.6 Billion sales in 2011**
- **51,000+ People employed worldwide in 60 countries**
- **5% of sales invested in R&D in 2011**
- **80,000+ Products & services offered in 2011**

---

1 Last twelve months September 2012

Note - All figures exclude discontinued operations
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 Segments$^1$</td>
</tr>
<tr>
<td>Homes</td>
</tr>
<tr>
<td><img src="image1" alt="Homes" /></td>
</tr>
<tr>
<td>25%</td>
</tr>
</tbody>
</table>

- ~75% of Lighting sales is B2B
- ~24% of the Lighting portfolio is LED lighting

$^1$ Indicative split based on last twelve months September 2012
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)
Lighting: Q3 2012 Sector analysis

EUR million

Key figures

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,886</td>
<td>2,026</td>
<td>2,139</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>8</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>EBITA</td>
<td>110</td>
<td>93</td>
<td>47</td>
</tr>
<tr>
<td>EBITA as % of sales</td>
<td>5.8</td>
<td>4.6</td>
<td>2.2</td>
</tr>
<tr>
<td>EBIT</td>
<td>86</td>
<td>49</td>
<td>1</td>
</tr>
<tr>
<td>EBIT as % of sales</td>
<td>4.6</td>
<td>2.4</td>
<td>0.0</td>
</tr>
<tr>
<td>NOC</td>
<td>5,238</td>
<td>5,343</td>
<td>5,107</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>54,140</td>
<td>52,749</td>
<td>51,751</td>
</tr>
</tbody>
</table>

Sales per region

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales as % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>7%</td>
</tr>
<tr>
<td>North America</td>
<td>25%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>33%</td>
</tr>
<tr>
<td>EMEA</td>
<td>35%</td>
</tr>
</tbody>
</table>

Financial performance

- Comparable sales were 4% higher year-on-year, driven by double-digit sales growth at Lumileds and Automotive, and low-single-digit sales growth at Light Sources & Electronics. Sales at Professional Lighting Solutions were flat, while Consumer Luminares’ sales were slightly below the Q3 2011 level. From a regional perspective, comparable sales in growth geographies increased by 11% compared to Q3 2011, partly offset by a low-single-digit decline in NA and Europe. LED-based sales grew 51% compared to Q3 2011, and now represent 24% of total Lighting sales.

- EBITA amounted to EUR 47 million, compared to EUR 110 million in Q3 2011. Earnings were impacted by an increase in restructuring and acquisition-related charges, as well as a loss on the sale of industrial assets. EBITA, excluding restructuring and acquisition-related charges of EUR 68 million (Q3 2011: EUR 11 million) and a loss on the sale of industrial assets of EUR 34 million, was EUR 149 million, or 7.0% of sales (Q3 2011: EUR 121 million, or 6.4% of sales). This year-on-year EBITA improvement was driven by revenue growth and improvements in the cost structure. Lumileds, Automotive and Professional Lighting Solutions were the main contributors to the EBITA improvement.

- Net operating capital decreased by EUR 131 million to EUR 5,107 million. The decrease was largely driven by improved working capital management and an increase in provisions related to restructuring charges, partly offset by the consolidation of Indal in Q1 2012 as well as currency impact. Inventories as a % of sales improved by 1% y-o-y.
The lighting market is large and attractive

*5 to 7% growth rate will take the market to EUR 80 billion in 2015*

- The world needs more light:
  - 3 billion more people in cities by 2050
  - New applications in healthcare, water purity and food

- The world needs more energy efficient lighting
  - Inefficient lighting technologies are being phased out
  - Digital lighting and controls can reduce worldwide electricity consumption by up to 16%

- Digitization enables new solutions and services business opportunities
  - Lighting solutions enabled by the integration of LED, luminaires, controls and software
  - Services enabled by the management and monitoring of connected light points

---

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

1 Excluding Automotive Lighting and LED components market
Source: Philips Lighting global market study 2010, updated for 2011
The leading global lighting company

Market leadership across most categories
Market share per Business Group by Region, as per Q1 2012

We are the largest lighting company…

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>North America</th>
<th>Latin America</th>
<th>Asia/Pacific</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamps</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Luminaires</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Luminaires</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems &amp; controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Power LEDs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Lighting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indexed sales of Philips lighting and top 5 competitors

Philips | 382
Competitor 1 | 252
Competitor 2 | 100
Competitor 3 | 65
Competitor 4 | 64
Competitor 5 | 41

Number 1 | Number 2 or 3 | Not in top 3

1 Source: customer panels and Industry associations
2 Excluding Japan
3 Sales for competitors based on latest fiscal year
4 Includes backlighting, display/flash, projector lighting and other non-general illumination categories
Sales recovery despite current weakness in the construction market in mature economies

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>Other</td>
<td>19%</td>
<td>8%</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>57%</td>
<td>43%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Soft construction activity and consumer confidence impact Luminaires market in mature economies

<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>

% comparable sales growth

- Prof. Lighting Solutions and Consumer Luminaires
- Light Sources & Electronics and other businesses
- Total lighting
We have a strategy to maintain leadership in conventional lighting and win in LEDs/applications.

Global General Illumination\(^1\) market

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

- **1.** Win “golden tail” in conventional lamp and drivers. Create flexibility to anticipate slower or faster phase out.
- **2.** Leverage growth opportunity in LED lamps and modules.
- **3.** Invest in LED luminaires and controls 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:
  - 80% LED related
  - 20% Conventional related
- 1400 Rights licensed
- Licensing Program has already 230 licensees

Robust growth across our LED portfolio

Last 12 months sales, EUR billion

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (EUR billion)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '10</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Q3 '11</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Q3 '12</td>
<td>1.6</td>
<td>+33%</td>
</tr>
</tbody>
</table>

Packaged LED’s, Lamps and Modules, Luminaires, Solutions
Vertical integration gives Philips a competitive advantage in the changing Lighting landscape.

We cover the entire value chain:

- LED components
- Modules/bulbs
- Luminaires
- Controls/solutions

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 2011\(^1\): EUR 55-60 billion

Source: Philips Lighting global market study 2010, updated for 2011

\(^1\) General illumination (excludes Automotive)
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
Costs related to consultancy, investments in IT, and internal departments dedicated to Accelerate! programs and expected to stop by the end of the program in 2014

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, TV stranded costs and other incidentals related to the legal liabilities of the Group
Sales decreased from EUR 99 million in Q3 2011 to EUR 92 million in Q3 2012, due to lower royalty income.

EBITA amounted to a net cost of EUR 51 million, which is a EUR 14 million lower net cost than in Q3 2011. The year-on-year change was largely due to legal and environmental expenses incurred in Q3 2011 (in Service Units and Other) and favorable results in Pensions, partly offset by higher investments in Group Innovation and Accelerate!.

Service Units and Other EBITA was negatively impacted in Q3 2011 by EUR 38 million of legal and environmental provisions related to a discount rate change, as well as EUR 17 million of net costs formerly reported as part of the Television business in Consumer Lifestyle (Q3 2012: EUR 3 million).

Compared to Q3 2011, the number of employees decreased by 676, primarily due to restructuring activities in the Service Units, particularly in IT.

Net operating capital decreased by EUR 858 million, mainly due to an increase in net pension liabilities in Q4 2011 and a decrease in the value of currency hedges held at Group level.

### Financial performance

<table>
<thead>
<tr>
<th>Key figures</th>
<th>3Q11</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>99</td>
<td>97</td>
<td>92</td>
</tr>
<tr>
<td>% sales growth comp.</td>
<td>(3)</td>
<td>(13)</td>
<td>(7)</td>
</tr>
<tr>
<td>EBITA: Group Innovation</td>
<td>(12)</td>
<td>(33)</td>
<td>(27)</td>
</tr>
<tr>
<td>IP Royalty</td>
<td>45</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Group &amp; Regional Costs</td>
<td>(30)</td>
<td>(28)</td>
<td>(36)</td>
</tr>
<tr>
<td>Accelerate! investments</td>
<td>(9)</td>
<td>(34)</td>
<td>(34)</td>
</tr>
<tr>
<td>Pensions</td>
<td>(12)</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Services Units &amp; Other</td>
<td>(47)</td>
<td>(50)</td>
<td>3</td>
</tr>
<tr>
<td>EBITA</td>
<td>(65)</td>
<td>(79)</td>
<td>(51)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(69)</td>
<td>(81)</td>
<td>(52)</td>
</tr>
<tr>
<td>NOC</td>
<td>(2,876)</td>
<td>(3,900)</td>
<td>(3,734)</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>12,334</td>
<td>11,888</td>
<td>11,658</td>
</tr>
</tbody>
</table>
Appendix
Publication and AGM dates 2012

January 30
Fourth quarterly and annual results 2011

February 23
Annual Report 2011

April 23
First quarterly results 2012

April 26
Annual General Meeting of Shareholders

July 23
Second quarterly and semi-annual results 2012

October 22
Third quarterly results 2012

January 29, 2013
Fourth quarterly and annual results 2012
# Depreciation and amortization

*EUR million*

<table>
<thead>
<tr>
<th>Category</th>
<th>Q3 2011</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>153</td>
<td>175</td>
</tr>
<tr>
<td>Amortization of development assets</td>
<td>39</td>
<td>46</td>
</tr>
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<td>Amortization intangibles</td>
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<td>Amortization of software</td>
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<td>Philips Group</td>
<td>308&lt;sup&gt;1&lt;/sup&gt;</td>
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</table>

<sup>1</sup> Revised to reflect an adjusted allocation of capital expenditures on property, plant and equipment
## Fixed assets expenditures & Depreciation by sector

**EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Gross CapEx(^1)</th>
<th>Depreciation</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Q3 2011(^2)</td>
<td>Q3 2012</td>
</tr>
<tr>
<td>Healthcare</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>Consumer Lifestyle</td>
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<tr>
<td>Lighting</td>
<td>68</td>
<td>57</td>
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<tr>
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<tr>
<td><strong>Group</strong></td>
<td><strong>169</strong></td>
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1 Capital expenditures on property, plant and equipment only
2 Revised to reflect an adjusted allocation of capital expenditures on property, plant and equipment
## Fixed assets expenditures & Depreciation by sector

### EUR million

<table>
<thead>
<tr>
<th>Sector</th>
<th>Gross CapEx&lt;sup&gt;1&lt;/sup&gt;</th>
<th>2010</th>
<th>2011&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Depreciation</th>
<th>2010</th>
<th>2011&lt;sup&gt;2&lt;/sup&gt;</th>
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<sup>1</sup> Capital expenditures on property, plant and equipment only

<sup>2</sup> Revised to reflect an adjusted allocation of capital expenditures on property, plant and equipment
## Development cost capitalization & amortization by sector

*EUR million*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capitalization Q3 2011</th>
<th>Capitalization Q3 2012</th>
<th>Amortization Q3 2011</th>
<th>Amortization Q3 2012</th>
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<tbody>
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## Development cost capitalization & amortization by sector

**EUR million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capitalization</th>
<th>Amortization</th>
</tr>
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<tbody>
<tr>
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<td>2010</td>
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<tr>
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## Restructuring, acquisition-related and other incidentals

**EUR million**

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<tr>
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<th>3Q11</th>
<th>4Q11</th>
<th>2011</th>
<th>1Q12</th>
<th>2Q12</th>
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<tr>
<td><strong>Consumer Lifestyle</strong></td>
<td>(13)</td>
<td>(13)</td>
<td>(10)</td>
<td>(18)</td>
<td>(54)</td>
<td>(14)</td>
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<td>Other Incidentals</td>
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<td>21</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Lighting</strong></td>
<td>(5)</td>
<td>(14)</td>
<td>(11)</td>
<td>(36)</td>
<td>(66)</td>
<td>(49)</td>
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<td>1</td>
<td>25</td>
<td>(23)</td>
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<td>(14)</td>
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<td>(9)</td>
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<td>(77)</td>
<td>(89)</td>
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<td>(87)</td>
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<td>(24)</td>
<td>(79)</td>
<td>(142)</td>
<td>127</td>
<td>(54)</td>
<td>(112)</td>
</tr>
</tbody>
</table>

1 Sale of the Senseo trademark

Note – Figures can be used to make the bridge between reported and adjusted EBITA numbers