



Our company

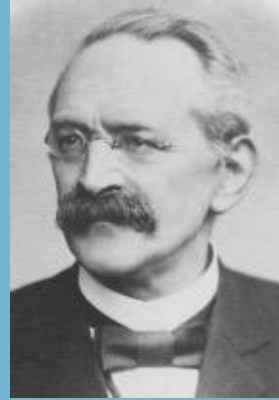
1. Facts and figures
2. Making the difference in health technology
3. Innovating for you
4. The Philips brand
5. Healthy people, sustainable planet
6. The Philips Foundation
7. Our transformation journey
8. Turning our vision into reality

1. Facts and figures

Philips, a born innovator

For over 125 years,
we have been
improving people's
lives with a steady
flow of ground-
breaking innovations

The founding fathers of Philips



Frederik



Gerard



Anton



We strive to make the world
healthier and more sustainable
through innovation

We're aiming to **improve the lives** of

3 billion
people a year
by 2025

Philips Group in 2016¹



2.1
billion
lives improved

EUR
24.5 billion
sales, 70% B2B

EUR
11.3 billion
brand value²

EUR 2
billion
invested in R&D
~79,000 patent rights
~49,000 trademarks

¹ Based on full-year consolidated results, including Lighting

² As measured by Interbrand

Philips HealthTech portfolio in 2016¹



EUR 17.4
billion sales

More than 1/4
of sales from solutions

5%

comparable sales growth

~71,000

employees in over
100 countries

~10%

of sales invested
in R&D

¹ Based on full-year 2016 results, excluding Lighting

Philips HealthTech portfolio in Q1 2017



EUR 4.0
billion sales

7.4% Adjusted
EBITA margin

3%
comparable sales growth

~70,000
employees in over
100 countries

Our businesses over the last 12 months¹

HealthTech portfolio

Personal
Health
businesses



30% of Group sales

15.9% Adjusted
EBITA margin

Diagnosis &
Treatment
businesses



28% of Group sales

9.8% Adjusted
EBITA margin

Connected Care &
Health Informatics
businesses



13% of Group sales

10.1% Adjusted
EBITA margin

Lighting²



29% of Group sales

9.4% Adjusted
EBITA margin

Sales of EUR 17.6 billion and Adjusted EBITA margin of 11.1%

¹ As per Q1 2017

² Following the listing of Philips Lighting, Philips currently holds a stake of approximately 55% and continues to consolidate Philips Lighting



HealthTech portfolio Sales in Q1 2017

+3%

Comparable sales
growth

Personal Health businesses

+5%

 to EUR 1.7 billion

Diagnosis & Treatment businesses

+2%

 to EUR 1.5 billion

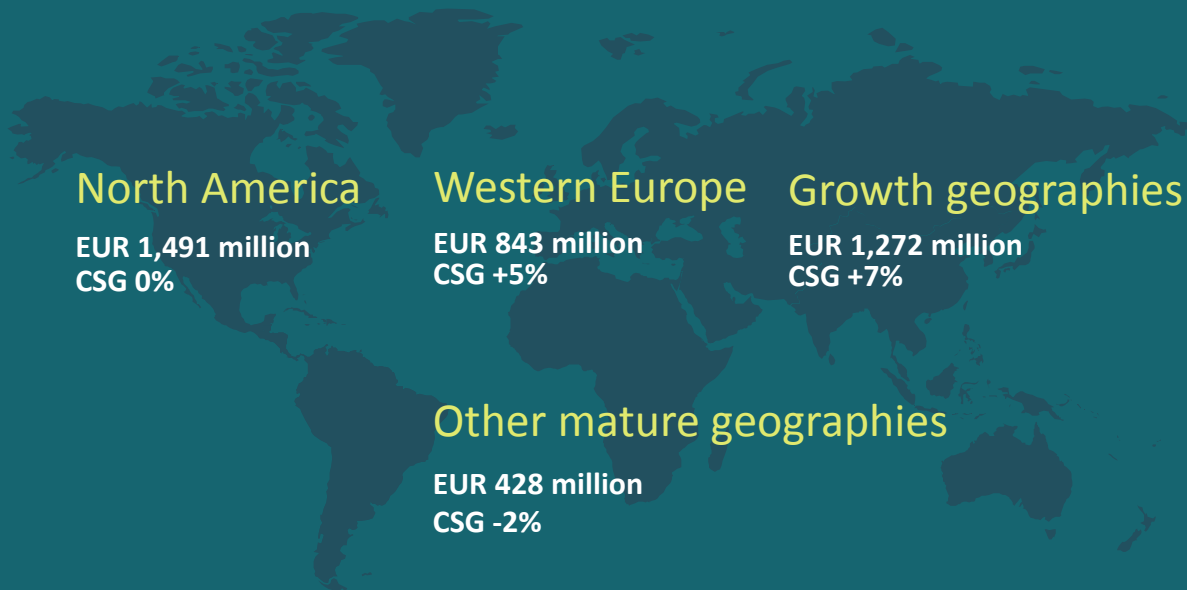
Connected Care & Health Informatics businesses

+1%

 to EUR 732 million

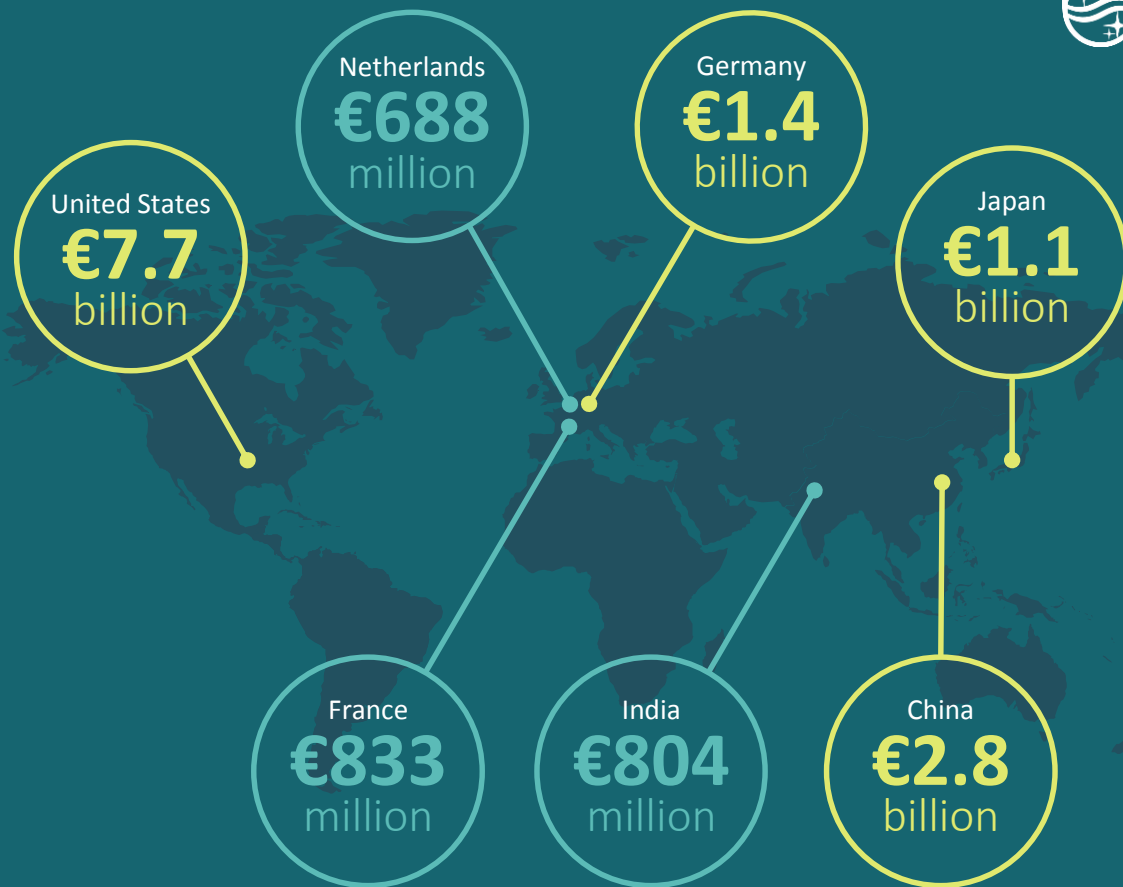
HealthTech portfolio

Q1 2017 sales
per geographic
cluster



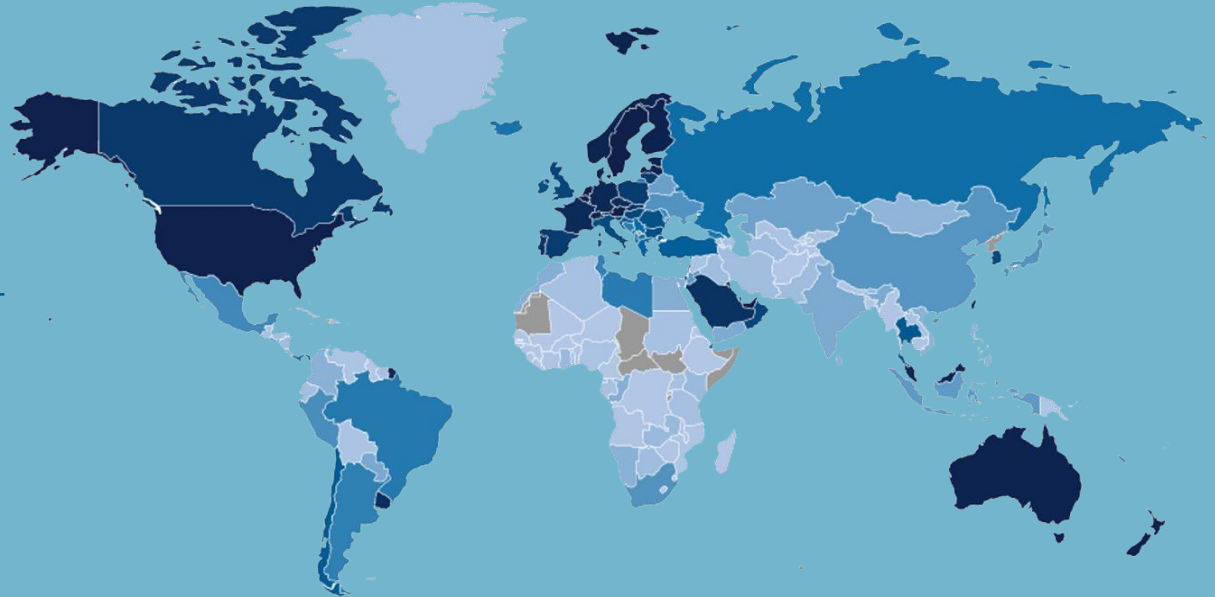
Sales and services
in 100+ countries

Philips' six largest
markets and the
Netherlands¹



¹ Seven largest markets by sales in 2016

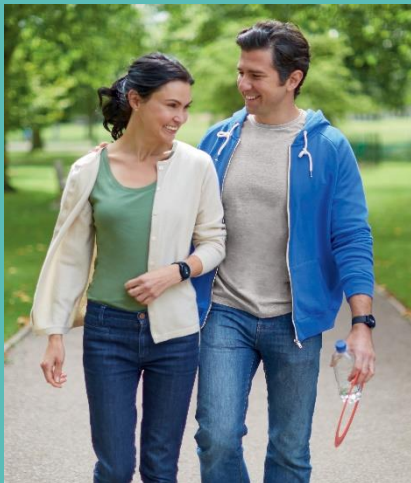
Lives improved
around the world
2.1 billion lives
improved in 2016¹



Source: Philips Annual Report 2016 – global distribution of Philips 'Lives Improved' metric
1 Color coded by percentage of country population

2. Making the difference in health technology

Trends in health technology



Increasing consumer engagement in their own health



Shift to value-based healthcare will reduce waste, increase access and improve outcomes



Care shifting to lower-cost settings and the home



Digitization of healthcare

We uncover
healthcare
needs through
extensive
international
perception
research



The Future Health Index provides valuable insight to identify areas of focus to help achieve a better long-term future for healthcare through health technology

www.futurehealthindex.com

Focus for 2017
Expanding from
13 to 19 countries
and adding
empirical data



Access

to healthcare across the
entire health continuum

Integration

of health systems

Adoption

of connected care
technology



We deliver innovative
solutions across the
health continuum,
empowering people to
live life to the full

Healthy living

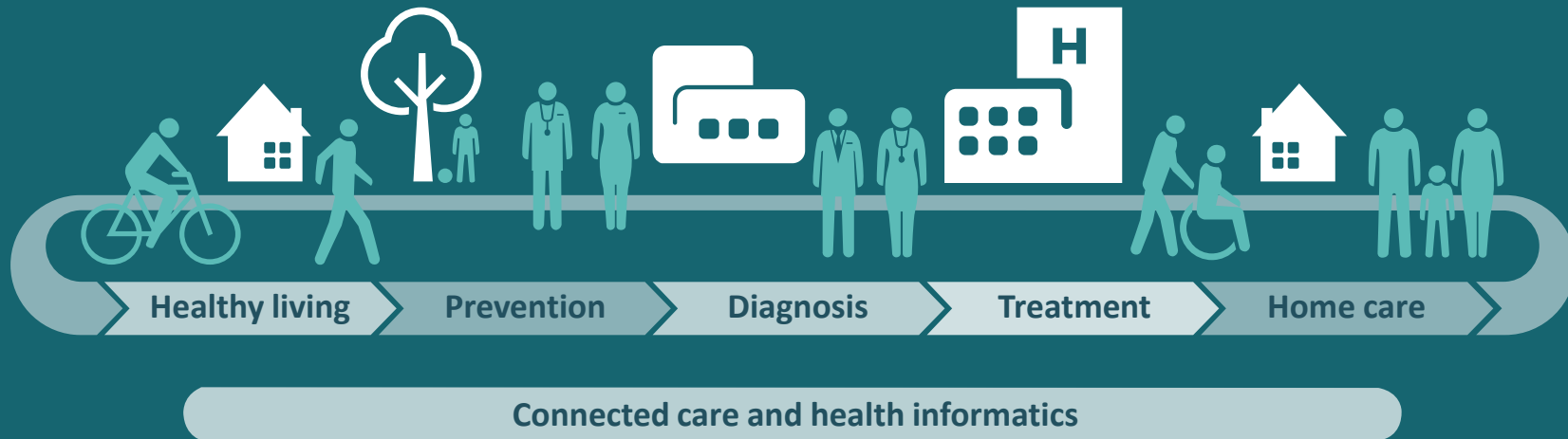
Prevention

Diagnosis

Treatment

Home care

We target healthcare customer and consumer needs along the **health continuum**



We innovate **across the health continuum**



Healthy living

Prevention

Diagnosis

Treatment

Home care



Providing propositions for
healthy living



Supporting predictive and
preventative care



Connecting care in the home
to improve quality of life



Winning propositions

>60% of sales from leadership positions¹

Personal Health	Male grooming Global leader	Oral healthcare Global leader	Sleep and respiratory care Global leader	Mother and child care Global leader	Air purifiers #1 in China
Diagnosis & Treatment	Diagnostic imaging Global top 3	Ultrasound Global leader	Image-guided therapy Global leader	Smart catheters Global leader	
Connected Care & Health Informatics	Patient monitoring Global leader	ICU remote monitoring #1 in North America	Non-invasive ventilation² Global leader	Personal emergency response #1 in North America	High-end radiology and cardiology informatics #1 in North America

¹ Leadership position refers to #1 or #2 position in Philips addressable market

² Based on non-invasive ventilators for the home

Source: GfK, Nielsen, Euromonitor, Frost and Sullivan, Home Healthcare TBS, PCMS market insight

Our unique approach to customer engagement

Co-creating solutions together



**Understanding the
entire experience**



**Giving stakeholders
a voice**



**Leveraging the
power of data**



**Co-creating the
solutions**



**Implementing
and transforming**

3. Innovating for you

Our innovation is based on **deep human insights**



Innovation

Philips is passionate
to invent and partner to
apply technology that
helps people succeed

People

Demanding professionals
and consumers want
innovation to be personal,
relevant and impactful



We turn
possibilities
into **great**
innovations

EUR 1.7 billion
invested in R&D in 2016

79,000 patents*

~60% of R&D work in software

*Including Philips Lighting



We
innovate
with our
partners

We are a world leader in
people-centric design

Philips consistently wins
more than **100 key design
awards** each year



red**dot** design award



4. The Philips brand



We improve
people's lives
through
**meaningful
innovation**



We deliver
innovation
that matters
to you

innovation  you



The Philips brand is **a vital asset**

Philips HealthTech portfolio



Deep market
insights



Technology
innovation



Global
footprint



Philips
brand



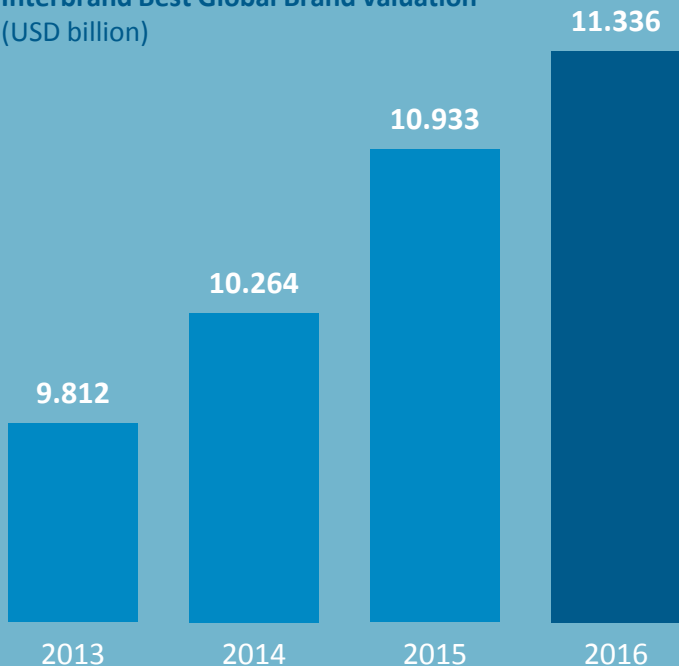
Our
people

Balance sheet



In 2016, ranked as third most purposeful brand and **most valuable Dutch brand**

Interbrand Best Global Brand valuation
(USD billion)



Brand value

**\$11.3
billion**

Growth (2016 vs 2015)

+4%

2016's most fit-for-purpose brands:

An index of the 100 brands best-placed to put purpose into practice

- #1 Unilever
- #2 Lloyds Banking Group
- #3 **Philips**
- #4 British Land
- #5 Novo Nordisk
- #6 Pearson

Sources: Radley Yelder study Sep 2016,
Interbrand Best Global Brand rankings 2016

5. Healthy people, sustainable planet

Sustainability is in our DNA – shifting focus



Since 1891:
Social programs for employees

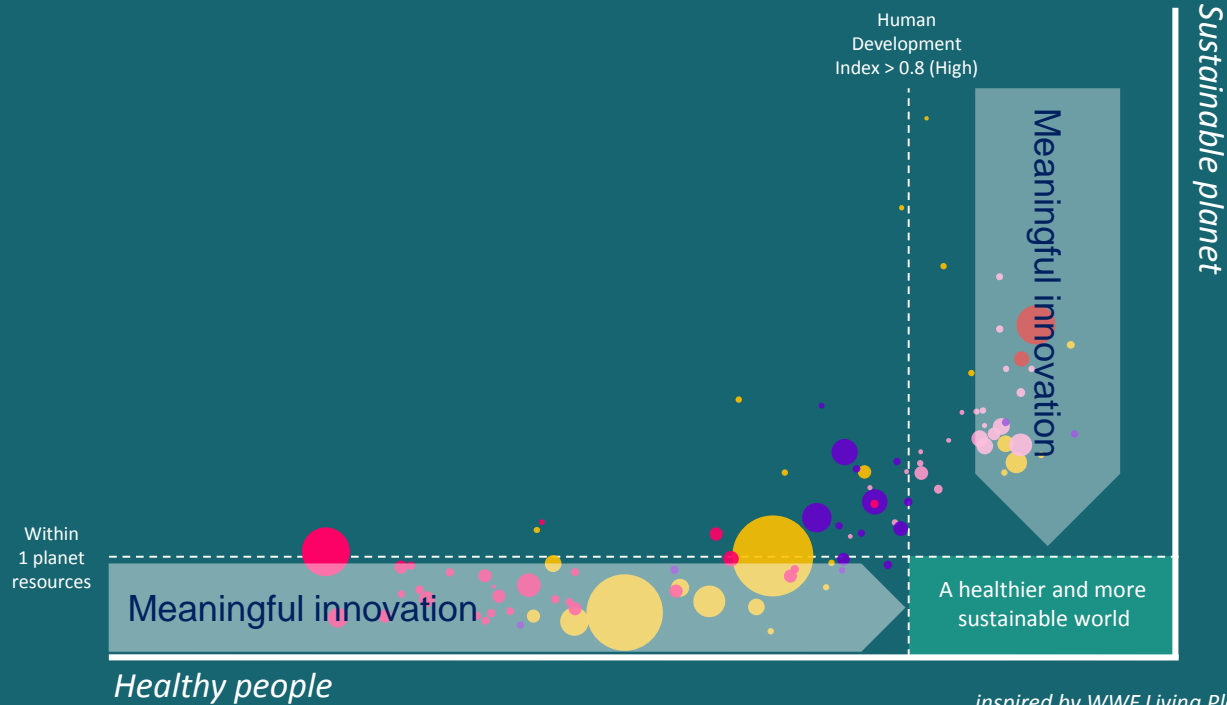


Since 1970:
Environmental agenda



Since 2000:
Accelerating sustainability

Healthy people, sustainable planet



inspired by WWF Living Planet Report



Three pillars
Healthy people,
sustainable
planet



Sustainable solutions

Create value for our customers

Sustainable operations

Lead by example

Sustainable supply chain

Multiply our impact

An overview of our most ambitious objectives for 2020

70%

of our turnover
coming from
Green solutions

100%

renewable
electricity

90%

of operational
waste recycled

Strive for a

zero

injury and illness
work environment

95%

of Philips' revenue
linked to the UN
Sustainable
Development Goals

15%

of our turnover
coming from
circular economy
solutions

A technician in a blue shirt is working on a large, circular medical device, likely an MRI scanner, with many metal rings and components. The technician is looking at a small screen or control panel. The device is illuminated with a green light.

Sustainable solutions

- *Inclusive health solutions*
- *Circular solutions*
- *Green solutions*

Sustainable operations

- *Carbon neutrality*
- *Health & safety*
- *Operational waste*

Sustainable supply chain

- *Supplier sustainability performance*
- *Supplier sustainability compliance*
- *Circular procurement*
- *Environmental footprint China*
- *Responsible sourcing*

6. The Philips Foundation



Philips
Foundation

We're
committed
to bringing
innovation
to those
most in need

Strategic partnerships:



ICRC

Together with our
partners we are
delivering on our
commitments to the
**United Nations'
Sustainable
Development Goals**

SDG 3



Ensure healthy lives and
promote well-being for
all at all ages

SDG 12



Ensure sustainable
consumption and
production patterns

7. Our transformation journey



Accelerate!

Our transformation



**Make us more
customer-focused**



**Resource our
business/market
combinations to win**



**Create lean
end-to-end customer
value chains**



**Implement a
simpler, standardized
operating model**



**Drive a growth and
performance culture**

Ensuring success is repeatable

The Philips Business System is the way we run our company to deliver on our mission and vision.



8. Turning our vision into reality

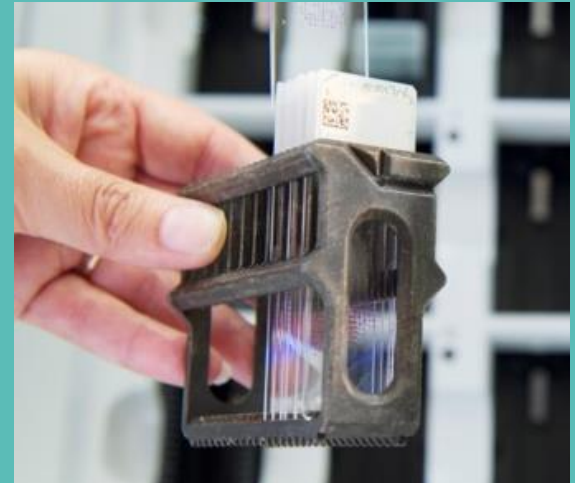
Our impact in the markets



In China, Philips partners with Alibaba on cloud-based applications for a smarter and healthier lifestyle.



In Indonesia, Philips and Bunda Hospital are seeking to reduce high maternal and fetal mortality rates.



In the US, Mount Sinai and Philips are partnering to advance clinical research and ultimately enable better care for complex diseases.

Bringing personalized care
to a wider community in
Kazakhstan

HealthCity, Kazakhstan

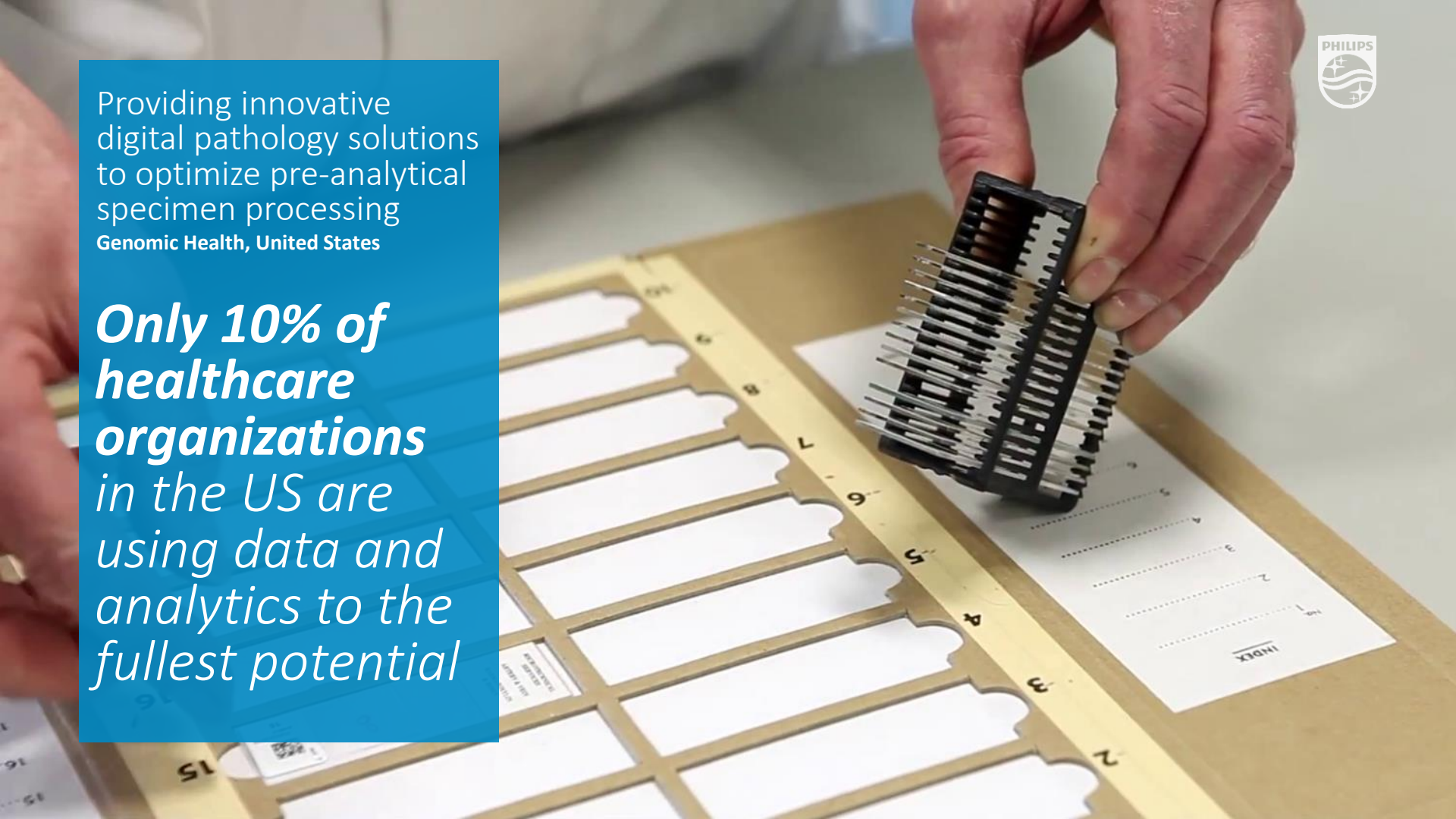
*In Kazakhstan
the government
controls **80%**
of medical
institutions*



Providing innovative
digital pathology solutions
to optimize pre-analytical
specimen processing

Genomic Health, United States

***Only 10% of
healthcare
organizations
in the US are
using data and
analytics to the
fullest potential***





Driving strategic healthcare delivery in Marin County

Marin General Hospital, United States

*Strategic partnership
based on enterprise
managed service model:*

***Philips will supply MGH
with a broad range of
advanced medical
technologies and
services***

***The hospital will engage
Philips' award-winning
design experts***

MARIN GENERAL HOSPITAL





Partnering to equip the smart hospital of the future
Mackenzie Health, Canada

*Mackenzie Health will have early
and ongoing access to the latest
Philips technology innovations
as well as Philips' clinical and
design expertise*

Cost savings, workflow efficiencies, and improving patient care

UCHealth, United States

- *Projected five-year, 11.1 million USD savings for UCHealth*
- *Improved workflow*
- *Ready access to images for enhanced patient care*
- *A flexible and nimble structure for future expansion*



Teaming up to provide top
quality care to oncology
patients in Russia

European Medical Center, Russia

*The partnership
resulted in:*

***Ability to provide high-
quality cancer diagnostic
and treatment***

***The possibility to supply
radionuclides to satellite
medical center or other
hospitals in the region***





Supporting confident
clinical management of
non-invasive ventilation at
home

St. George's Healthcare NHS Trust and
Bristol Royal Infirmary, United Kingdom

***Remote
monitoring***
*allows clinic time
to be used with
patients who
need it most*



Bringing a new experience
to children's imaging
department

Noah's Ark Children's Hospital for Wales,
Cardiff

72% of respondents say:

***The new
experience of
the imaging
procedure
itself is 'a lot
better'***



Helping to increase
process efficiency and
patient care in anesthesia
Hirslanden Klinik Aarau, Switzerland

*Turnover time
required for
anesthesia-
related tasks
in between
surgical cases
**reduced by
5.5 minutes***



Helping LabPON achieve
100 percent digital
diagnosis for clinical cases
LabPON, Hengelo, Netherlands

***300,000 slides
of human tissue
are prepared,
analyzed,
diagnosed,
reported and
archived
annually***





Advancing clinical research
through digital pathology
Mount Sinai Health System, New York

*Analyzing large
sets of clinical
data provides
new insights*

Improving care for people
with severe diabetic foot
complications

Academic Medical Center, Amsterdam

***Globally, 387
million people
are living with
diabetes – a
figure that will
almost double
in the next
twenty years***



Improving patient monitoring to help reduce costs and patient overflows
Catharina Hospital, Eindhoven, Netherlands

*78% of staff surveyed at the Catharina Hospital
agreed that **patient care has improved due to
the EWS practices***



Focused on the delivery
of first-class healthcare

OFM Antalya Hospital, Turkey

*Each day OFM Antalya
Hospital delivers:*



50 Ultrasounds



40 MRIs



30 CT scans





Providing cloud-based applications for a smarter and healthier lifestyle

Alibaba Group, China

*Cloud-based applications like Philips Smart Purifier can **empower people to live smarter and healthier lifestyles***

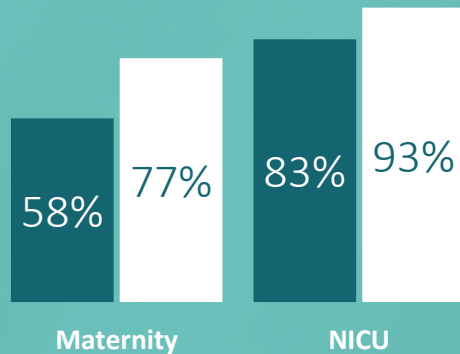



Easy access to innovative
skincare solutions
through beauty stores
Douglas AG, Europe

***Women are
embracing
technology
as part of their
beauty regime***

Breaking new ground
in family-centered care
Máxima Medical Center, Netherlands

Patient satisfaction increased in two years



A close-up photograph of a newborn baby lying in a hospital bed. The baby is wearing a white headband and has a clear nasal cannula taped to their face. A hand is gently holding the baby's head. The background is blurred, showing hospital equipment.

A benchmark for
neonatal intensive care
Mangiagalli Clinic, Milan

*Globally,
every year,
an estimated
15 million
babies are
born preterm*

Seeking to reduce high maternal and fetal mortality rates in Indonesia

Bunda Hospital, Indonesia

*Approximately **96% of the world population** has access to mobile phones*



Shaping the future of
healthcare for a rapidly
aging population in
Asia-Pacific

Eastern Health Alliance and Changi General
Hospital, Singapore

*Singapore is
one of the
fastest aging
countries in
the world**

*<http://www.channelnews-asia.com/news/singapore/nus-washington-university/1674920/html>



Providing transparency and process improvements in anesthesia

Klinikum Esslingen, Germany

Results include:

- *Improvement in **flow of information** and process streamlining*
- ***Better collaboration** with other departments*
- *Improvements in **patient care***
- *Improvements in **hygiene***



A shared commitment to positive change in healthcare

Westchester Medical Center Health Network, Valhalla, New York

A long-term partnership with Philips:

- *Access the latest technologies*
- *Extend care beyond the hospital*
- *Improve workflows and optimize efficiency*
- *Reduce technology spending*
- *Improve the patient experience*
- *Focus on care delivery innovation*

A large, modern hospital building with a white facade and red accents. The word "KAROLINSKA" is prominently displayed in blue letters on the side of the building. A helicopter is visible in the sky above the building.

KAROLINSKA
universitetssjukhuset

Creating a leading and highly specialized center of healthcare excellence
Karolinska University Hospital and Stockholm County Council, Sweden

*Karolinska University Hospital will take the role as
the 'engine' to make the **2025 Life Science ambition**
become real*

Teaming up to deliver
innovative, more
affordable care
GRHealth, United States

***\$7M in market savings vs.
“business as usual”
procurement in the first
18 months¹***

***Imaging volumes up to
39%***

1 Financial performance metrics report by Shawn Vincent,
VP Partnerships, International Healthcare & Strategic
Affiliations Georgia Regents Health System, April 2015.



ORTHOPEDICS
↑ STAIRWAY





Strengthening primary
care and enabling
community development
Kiambu County Government, Kenya

***The number
of patients
visiting
increased
to 4,000
per month,
from 1,000
previously***





Helping St. Antonius Hospital improve patient care
and staff satisfaction*

Sint Antonius Hospital, Netherlands

***A reduction of 40% in alarms
was achieved***



Helping people receive the care they need while
living at home

Banner Health, United States

Telehealth solutions give
*at-home patients access to
specialized service providers*





Philips delivers
**innovation that
matters to you**



