

Koninklijke Philips N.V.

High Tech Campus 5, 5656 AE Eindhoven, the Netherlands

INFORMATION REGARDING OPTIONAL DIVIDEND - KONINKLIJKE PHILIPS N.V. (Royal Philips)

The Annual General Meeting of Shareholders held on May 1, 2014 has approved the payment of a distribution of EUR 0.80 per common share of EUR 0.20 par value.

The distribution will be payable in cash or shares, at the option of the shareholder, against the net income for 2013 of the Company. The Company will calculate the number of share dividend rights entitled to one new common share, such that the gross dividend in shares will be approximately equal to the gross dividend in cash. Dividend in cash is in principle subject to 15% Dutch dividend withholding tax, which will be deducted from the dividend in cash paid to the shareholders. Dividend in shares paid out of earnings is subject to 15% dividend withholding tax, but only in respect of the par value of the shares (which value amounts to EUR 0.20 per share).

You are given the opportunity until the close of NYSE Euronext Amsterdam N.V. ("**Euronext Amsterdam**") on Friday, May 30, 2014 (15.00h CET) to indicate your choice. On Tuesday, June 3, 2014, the number of share dividend rights of the common shares entitling to one new share ("**exchange ratio**"), as well as the dividend withholding tax being withheld over the nominal value per new share, will be published. This exchange ratio is based on the volume weighted average price of all traded common shares Koninklijke Philips N.V. at Euronext Amsterdam on 28, 29 and 30 May 2014 and in such a manner that the gross dividend in shares will be approximately equal to the gross dividend in cash. The new common shares are entitled to the dividend for 2014 and dividend for the subsequent financial years. Dividend rights will not be traded on Euronext Amsterdam.

The following timetable applies:

May 5, 2014 : Ex-dividend quotation

May 7, 2014 : Dividend record date

May 8 – May 30, 2014 (15.00h CET): Election period: cash or share dividend

June 3, 2014 : Publication exchange ratio and number of shares to be issued

June 4, 2014 : Dividend payment in cash and delivery of new common shares

You are requested to indicate your choice within the determined period, through your bank or stockbroker to ABN AMRO Bank N.V. ("**ABN AMRO**"), f.a.o. Corporate Broking (HQ7050), Antwoordnummer 46340, 1060 VD Amsterdam, the Netherlands. If you hold your shares in a custody account with a bank or stockbroker, then the bank or stockbroker in question generally reports the dividend in shares, unless you choose differently. If no choice is made during this election period the dividend will be paid in shares.

Payment of the dividend on the common shares and delivery of new common shares, with settlement of fractions in cash, if required, will take place from June 4, 2014 on the basis of the delivered dividend rights. The distribution of dividend in cash to holders of New York registry shares will be made in USD at the USD/EUR rate fixed by the European Central Bank on June 2, 2014.

Holders of ordinary shares in the form of K-shares (*K-stukken*) who wish to collect their dividend after June 4, 2014, will receive the value of such dividend in cash.

The shares will be listed ex-dividend as of May 5, 2014. In compliance with the listing requirements of the New York Stock Exchange and the stock market of Euronext Amsterdam, the record date will be May 7, 2014. The dividend will be made available to you via the bank or stockbroker where your shares are administered at the close of trading on May 7, 2014. The new common shares to be issued as stock dividend will be admitted to trading without prospectus pursuant to article 5:4 sub e of the Financial Markets Supervision Act (*Wet op het financieel toezicht*). For the fractions price, the opening price of June 4, 2014 should be taken as reference.

Registered shares

Holders of registered shares, included in the register of holders of common shares will be notified separately of the final dividend to which they are entitled.

Amsterdam, May 1, 2014
Board of Management