



# Information Regarding **Optional Dividend** – Koninklijke Philips N.V. (Royal Philips)

The Board of Management **proposes to the Annual General Meeting of Shareholders** to be held on May 7, 2015 to approve the payment of a **distribution of EUR 0.80 per common share**.

The distribution will be payable in cash or shares, at the option of the shareholder, against the net income for 2014 and retained earnings 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 net income and retained 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, June 5, 2015 (03.00 P.M. CET) to indicate your choice. If no choice is made during this election period the dividend will be paid in shares. On Tuesday, June 9, 2015, 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 will be based on the volume weighted average price of all traded common shares Koninklijke Philips N.V. at Euronext Amsterdam on June 3, 4 and 5, 2015 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 rank for the dividend for 2015 and following financial years. Dividend rights will not be traded on Euronext Amsterdam.

The following timetable applies:

May 8, 2015	:	Ex-dividend quotation New York Stock Exchange
May 11, 2015	:	Ex-dividend quotation Euronext Amsterdam
May 12, 2015	:	Dividend record date Euronext & NYSE shares
May 13 - June 5, 2015 (03.00 P.M. CET)	:	Election period: cash or share dividend
June 9, 2015	:	Publication exchange ratio & number of shares to be issued
From June 10, 2015	:	Dividend payment in cash & 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.

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 10, 2015 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 8, 2015.

Holders of ordinary shares in the form of K-shares (K-stukken) who wish to collect their dividend after June 10, 2015, will receive the value of such dividend in cash.

The shares will be listed ex-dividend as of May 8, 2015 and May 11, 2015 at the New York Stock Exchange and Euronext Amsterdam, respectively. In compliance with the listing requirements of the New York Stock Exchange and the stock market of Euronext Amsterdam, the dividend record date will be May 12, 2015. Due to the different ex-dividend dates and resulting stock prices, it will not be possible to convert New York Registry Shares into Ordinary Shares and vice versa during the period May 8, 2015 up to and including May 12, 2015. 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 12, 2015. 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 10, 2015 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, February 24, 2015*

*Board of Management*

