



## Updated reporting to reflect the treatment of segment Lighting as discontinued operations

Amsterdam, July 24, 2017

- On April 25, 2017, Philips sold 22.25 million shares in Philips Lighting, of which 3.5 million shares were acquired by Philips Lighting and were cancelled. Philips' shareholding in Philips Lighting decreased to 40.97% of Philips Lighting's outstanding share capital, down from 55.18% prior to the transaction.
- In addition Philips Lighting acquired 0.65 million of its own shares in connection with its long-term incentive programs. As of June 30, 2017, Philips' shareholding in Philips Lighting was 41.16% of the outstanding share capital.
- Philips continues to consolidate Philips Lighting under International Financial Reporting Standards (IFRS).
- As loss of control is highly probable within one year due to further sell-downs, Philips Lighting is presented as a discontinued operation in the financial statements of Philips as of the second quarter of 2017.
- Financial reporting according to IFRS unless otherwise stated.
- All the data included in this report are unaudited

## Key figures

### Sales per segment in millions of EUR

	2015	2016				2016	2017
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	6,751	1,610	1,661	1,663	2,165	7,099	1,719
Diagnosis & Treatment	6,484	1,419	1,600	1,635	2,032	6,686	1,491
Connected Care & Health Informatics	3,022	694	767	742	955	3,158	732
HealthTech Other	503	103	105	117	153	478	92
Legacy Items	46	-	-	-	1	1	-
<b>Philips</b>	<b>16,806</b>	<b>3,826</b>	<b>4,132</b>	<b>4,157</b>	<b>5,306</b>	<b>17,422</b>	<b>4,035</b>

### Comparable sales growth in %

	2015	2016				2016	2017
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	4.9	5.8	8.9	6.7	7.2	7.2	5.2
Diagnosis & Treatment	6.1	5.0	1.0	5.7	3.0	3.6	2.1
Connected Care & Health Informatics	0.4	8.8	5.8	(0.1)	4.0	4.5	1.5
<b>Philips</b>	<b>4.3</b>	<b>4.9</b>	<b>4.6</b>	<b>4.7</b>	<b>5.4</b>	<b>4.9</b>	<b>3.0</b>

### Income from operations (EBIT) per segment in millions of EUR

	2015	2016				2016	2017
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	736	190	199	217	347	953	231
Diagnosis & Treatment	322	10	111	165	260	546	43
Connected Care & Health Informatics	173	11	46	47	171	275	(12)
HealthTech Other	49	(9)	(18)	(15)	(87)	(129)	12
Legacy Items	(622)	(76)	(73)	(32)	1	(181)	(30)
<b>Philips</b>	<b>658</b>	<b>126</b>	<b>265</b>	<b>381</b>	<b>693</b>	<b>1,464</b>	<b>243</b>

### EBITA per segment in millions of EUR

	2015	2016				2016	2017
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	885	225	233	253	381	1,092	266
Diagnosis & Treatment	377	23	124	178	269	594	52
Connected Care & Health Informatics	227	23	57	58	184	322	0
HealthTech Other	64	(7)	(17)	(13)	(83)	(120)	18
<b>Philips</b>	<b>931</b>	<b>188</b>	<b>326</b>	<b>441</b>	<b>753</b>	<b>1,707</b>	<b>304</b>

### Adjusted EBITA per segment in millions of EUR

	2015	2016				2016	2017
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	966	227	234	253	394	1,108	268
Diagnosis & Treatment	515	32	131	184	284	631	63
Connected Care & Health Informatics	294	27	58	62	177	324	26
HealthTech Other	8	(9)	(14)	(14)	(29)	(66)	(38)
<b>Philips</b>	<b>1,688</b>	<b>253</b>	<b>383</b>	<b>474</b>	<b>811</b>	<b>1,921</b>	<b>298</b>

**Adjusted EBITDA per segment** in millions of EUR

	<b>2015</b>	<b>2016</b>				<b>2016</b>	<b>2017</b>
	FY	Q1	Q2	Q3	Q4	FY	Q1
Personal Health	1,188	287	294	311	461	1,353	325
Diagnosis & Treatment	648	75	176	228	329	808	106
Connected Care & Health Informatics	424	60	94	94	211	458	57
HealthTech Other	149	24	18	20	6	68	(6)
<b>Philips</b>	<b>2,307</b>	<b>422</b>	<b>555</b>	<b>646</b>	<b>991</b>	<b>2,613</b>	<b>463</b>

## Condensed consolidated statement of income

Condensed consolidated statements of income in millions of EUR

	2015		2016			2016		2017
	FY	Q1	Q2	Q3	Q4	FY	Q1	
<b>Sales</b>	16,806	3,826	4,132	4,157	5,306	17,422	4,035	
Cost of sales	(9,594)	(2,183)	(2,272)	(2,204)	(2,824)	(9,484)	(2,258)	
<b>Gross margin</b>	<b>7,212</b>	<b>1,644</b>	<b>1,860</b>	<b>1,953</b>	<b>2,482</b>	<b>7,939</b>	<b>1,777</b>	
Selling expenses	(4,048)	(989)	(999)	(988)	(1,166)	(4,142)	(1,024)	
General and administrative expenses	(1,003)	(145)	(181)	(158)	(173)	(658)	(151)	
Research and development expenses	(1,562)	(380)	(412)	(428)	(449)	(1,669)	(431)	
Impairment of goodwill			-	-		(1)		
Other business income	89	(1)	5	6	7	17	74	
Other business expenses	(30)	(2)	(7)	(5)	(9)	(22)	(3)	
<b>Income from operations</b>	<b>658</b>	<b>126</b>	<b>265</b>	<b>381</b>	<b>693</b>	<b>1,464</b>	<b>243</b>	
Financial income	94	25	10	13	16	65	23	
Financial expenses	(453)	(125)	(96)	(202)	(83)	(507)	(73)	
Investments in associates	30	3	2	7	-	11	(2)	
<b>Income before taxes</b>	<b>329</b>	<b>28</b>	<b>181</b>	<b>198</b>	<b>626</b>	<b>1,034</b>	<b>191</b>	
Income taxes	(162)	4	(63)	16	(161)	(203)	(63)	
<b>Income from continuing operations</b>	<b>167</b>	<b>33</b>	<b>118</b>	<b>214</b>	<b>465</b>	<b>831</b>	<b>128</b>	
Discontinued operations - net of income taxes	492	4	313	169	175	660	131	
<b>Net income</b>	<b>659</b>	<b>37</b>	<b>431</b>	<b>383</b>	<b>640</b>	<b>1,491</b>	<b>259</b>	
<b>Attribution of net income for the period</b>								
Net income attributable to Koninklijke Philips N.V. shareholders	645	32	420	370	626	1,448	232	
Net income attributable to Non-controlling interests	14	5	11	13	14	43	27	
<b>Earnings per common share attributable to shareholders</b>								
Weighted average number of common shares outstanding (after deduction of treasury shares) during the period (in thousands):								
- basic	916,087	913,929	910,496	924,670	923,018	918,016	921,917	
- diluted	923,625	924,706	917,744	930,752	933,552	928,789	937,102	
Net income attributable to shareholders per common share in EUR:								
- basic	0.70	0.04	0.46	0.40	0.68	1.58	0.25	
- diluted	0.70	0.03	0.46	0.40	0.67	1.56	0.25	

Amounts may not add up due to rounding.

