

PHILIPS

sense and simplicity

Philips Healthcare Overview

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CEO Philips Healthcare

Executive summary

Exited 2008 with solid growth

- Gained market share
- Slight improvement in margins
- Integrated acquisitions well

Entered 2009 with a very challenging market

- Real-time management of performance
- Focus on areas of growth such as services, home healthcare and emerging markets

Positioned well long-term as global healthcare needs increase

- Care cycle approach
 - Better patient outcomes
 - Reduced healthcare system costs

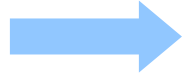


We continue to be focused on three areas

Focus Areas

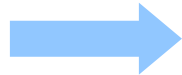
Initiatives

Accelerate Growth



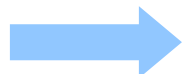
1. Increase presence in emerging markets
2. Expand mid / low-end product offering
3. Increase sales to home healthcare
4. Drive growth in healthcare informatics
5. Leverage patient/care provider brand

Increase Margins



1. Expand low cost country sourcing
2. Improve product reliability costs
3. Increase service productivity / effectiveness
4. Optimize market approach
5. Improve quote to cash

Capitalize on Acquisitions



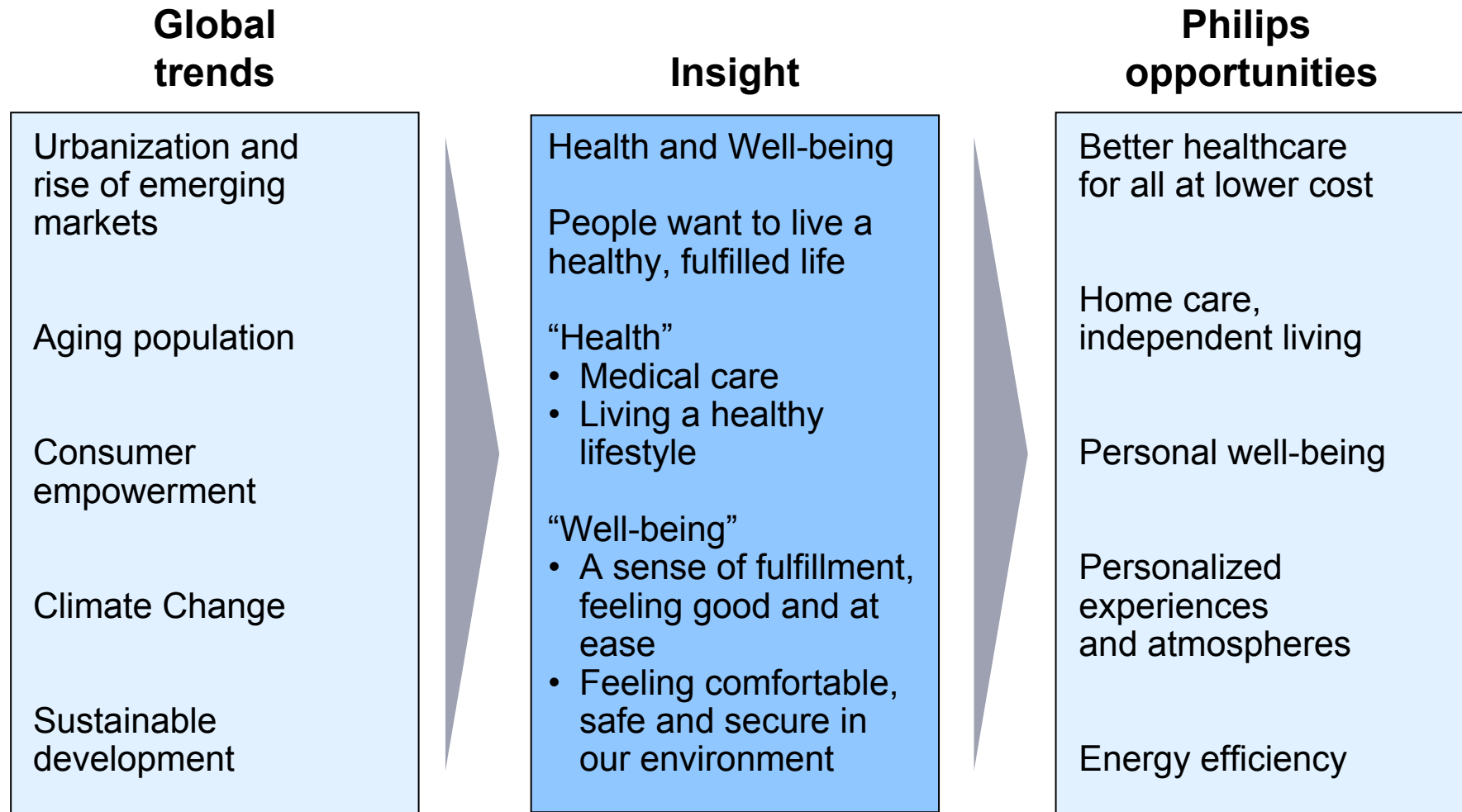
1. Capture value from existing acquisitions
2. Pursue new acquisitions in strategic areas

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Looking ahead



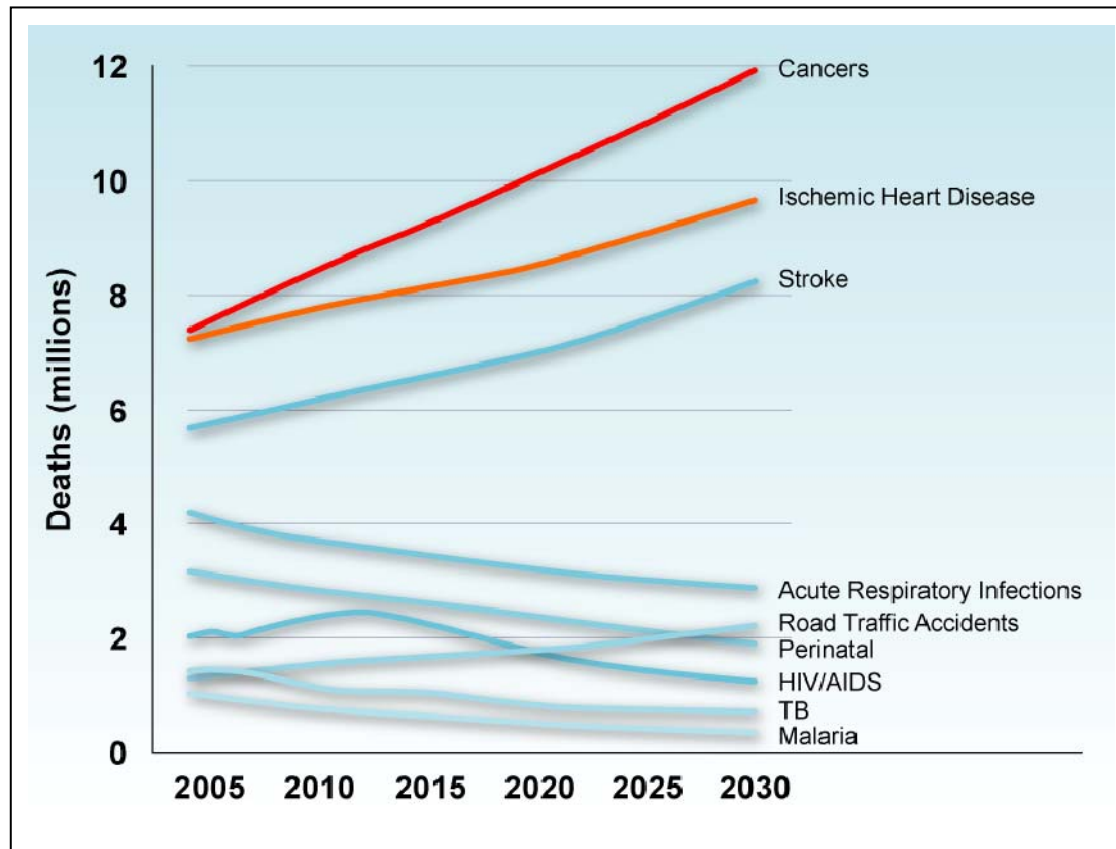
Philips is well positioned to address global trends to fuel our Health and Well-being opportunity



Focused on the greatest needs

Projected global deaths for selected causes

2004-2030



Cancers and cardiac disease:

- Are the **world's greatest killers**
- Present specific challenges in **women's health**

Women responsible for **90%** of healthcare decisions

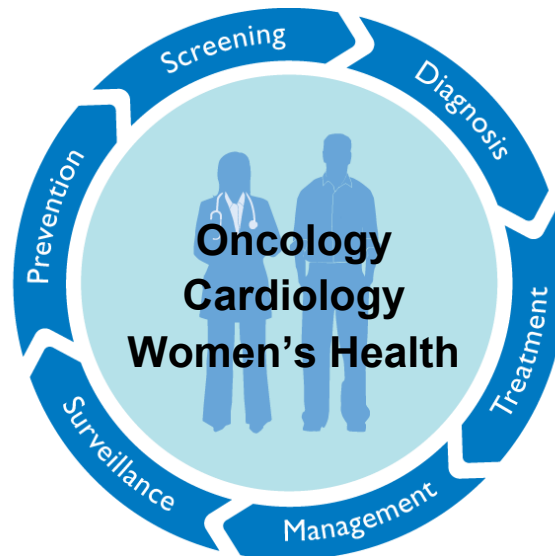
The Philips Healthcare difference

We start with the needs of **patients and their care providers** because understanding their experiences ensures we create solutions that best meet their needs.



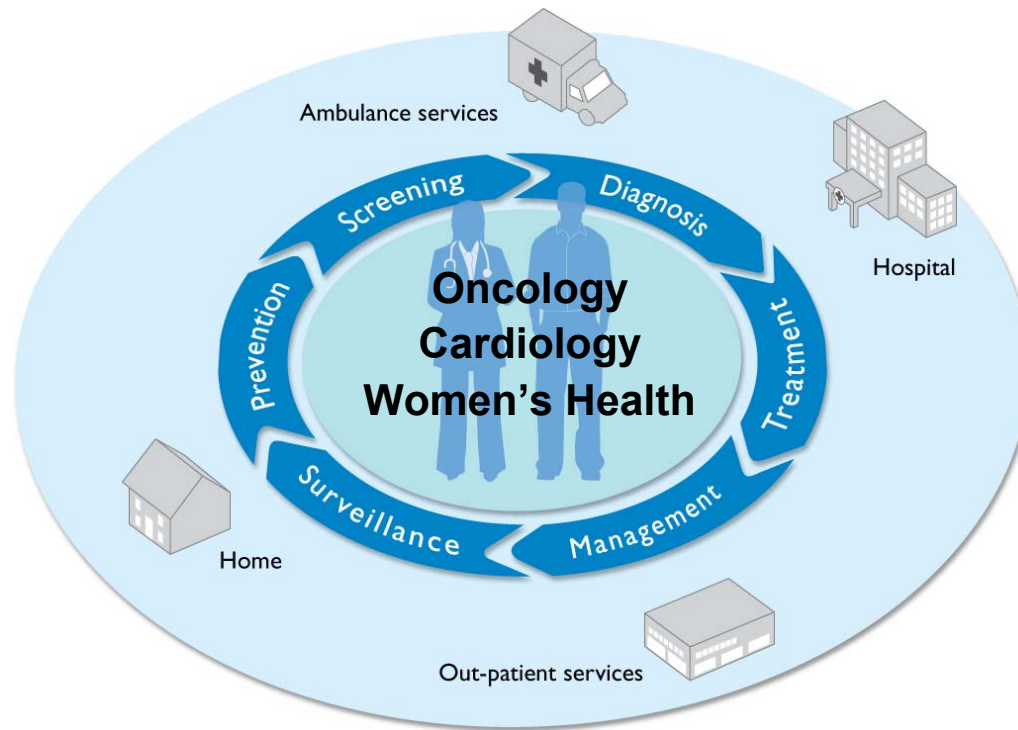
The Philips Healthcare difference

We focus on their **specific medical needs** throughout the **care cycle...**



The Philips Healthcare difference

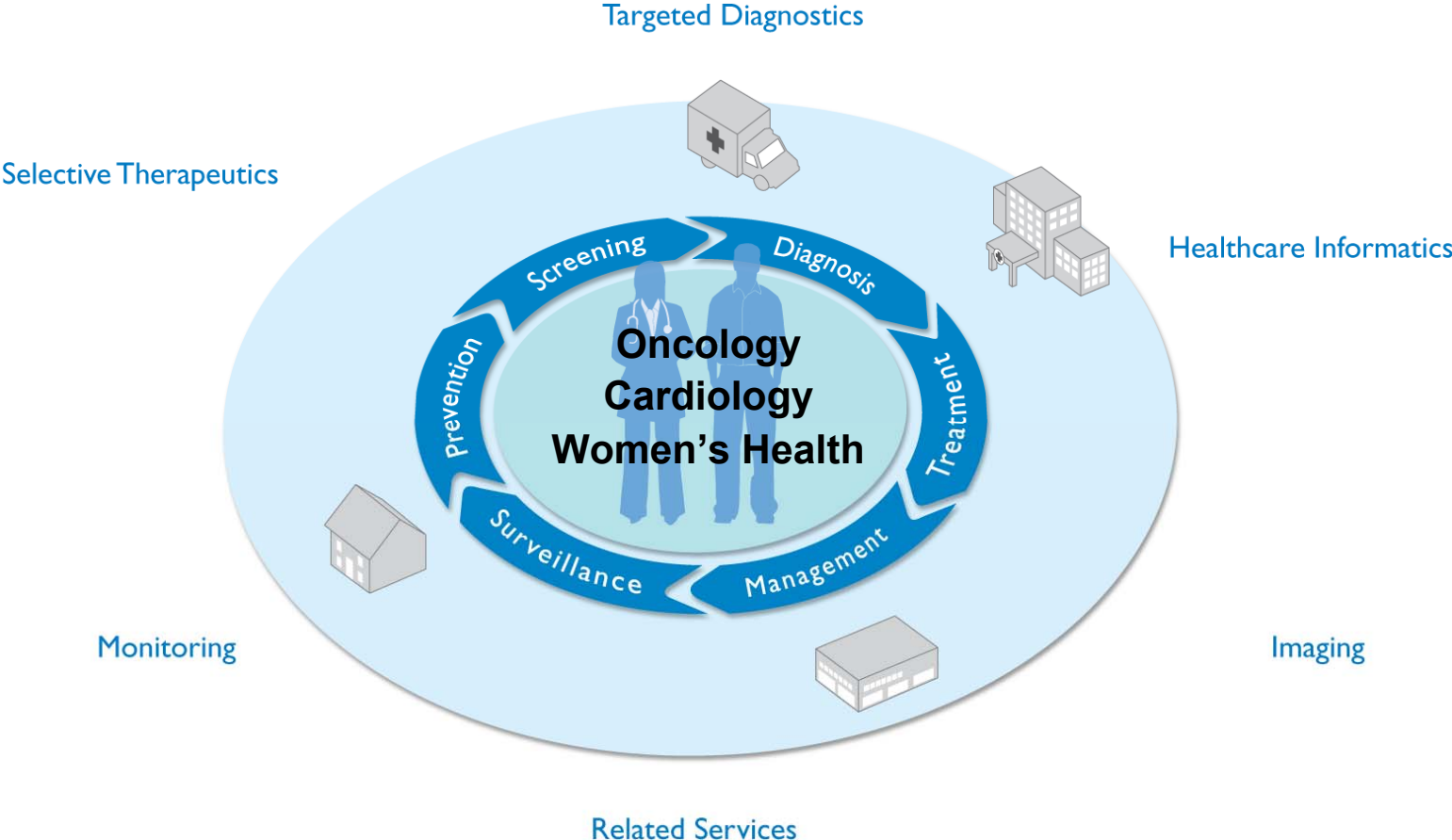
...wherever that **care occurs**.





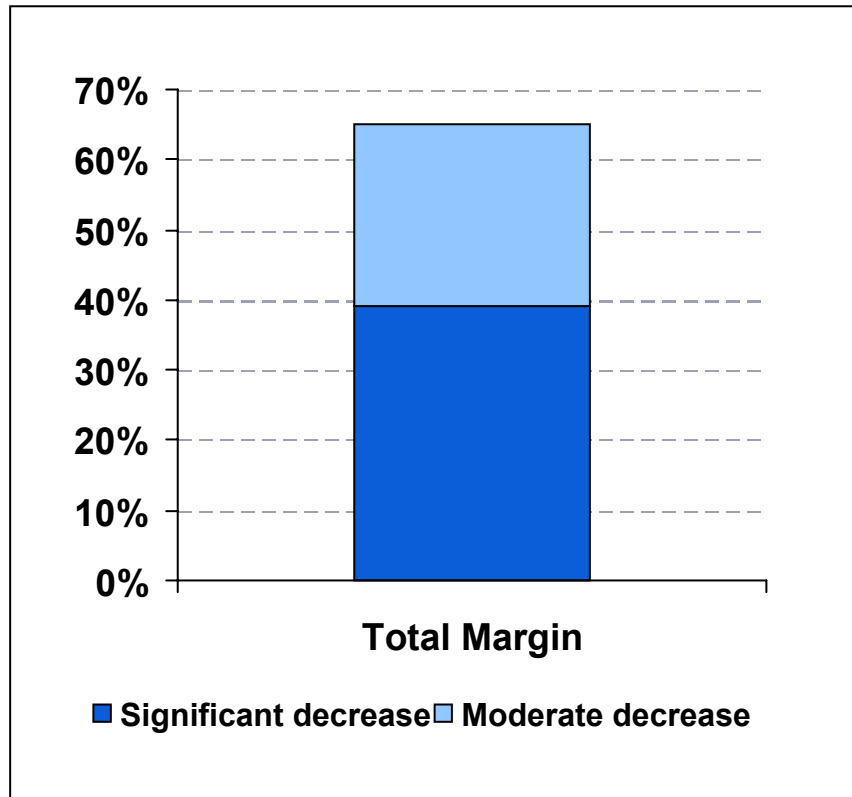
The Philips Healthcare difference

And we apply our **technology** to help improve healthcare quality and reduce cost because **meaningful innovations** create value for patients and care providers.



Hospitals continue to suffer from the increasing costs of providing healthcare

**% US hospitals reporting decreased margin performance
1st quarter 2009 versus 1st quarter 2008**



Requiring our solutions to deliver validated, improved patient outcomes at lower cost

Source: American Hospital Association Rapid Response Survey
The Economic Crisis: Ongoing Monitoring of Impact on Hospitals (March 2009)

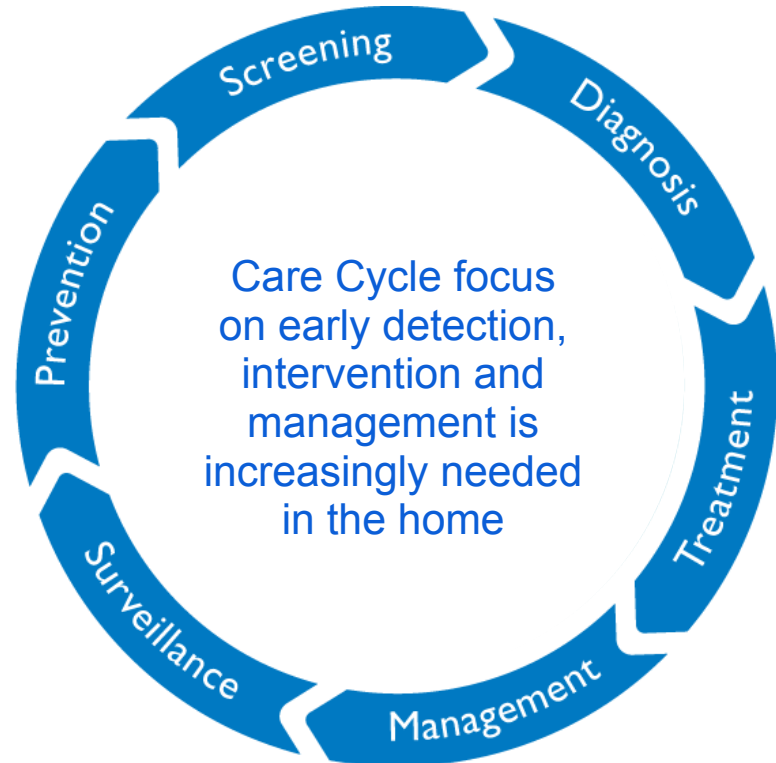
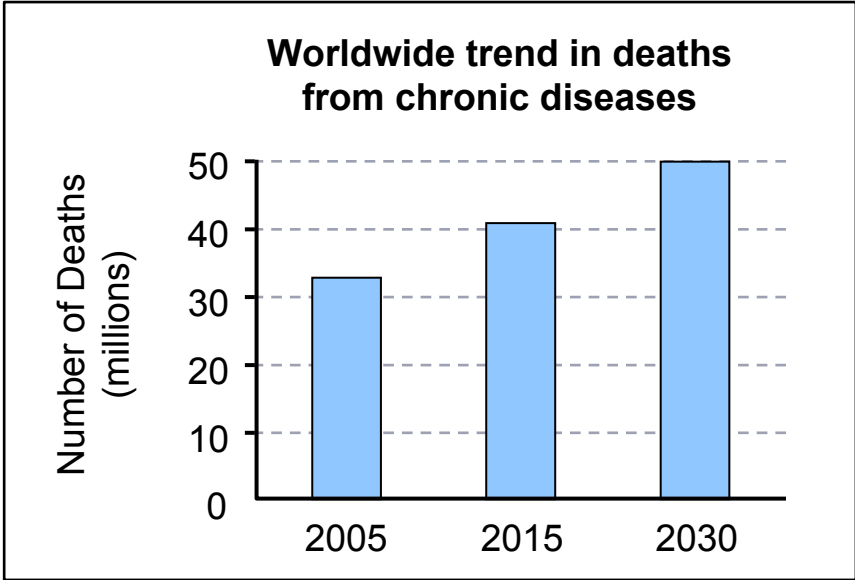
Home healthcare is required based on current realities

In the U.S. chronic disease represents

- 70% of all deaths
- 75% of healthcare costs

Worldwide chronic disease represents

- 60% of all deaths and growing



Source: World Health Organization, CDC

People Focused. Healthcare Simplified.

**People
focused**



**Care Cycle
driven**

**Care
anywhere**



**Meaningful
innovation**

Philips Healthcare organization



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