

PHILIPS

sense and simplicity

Emerging Markets

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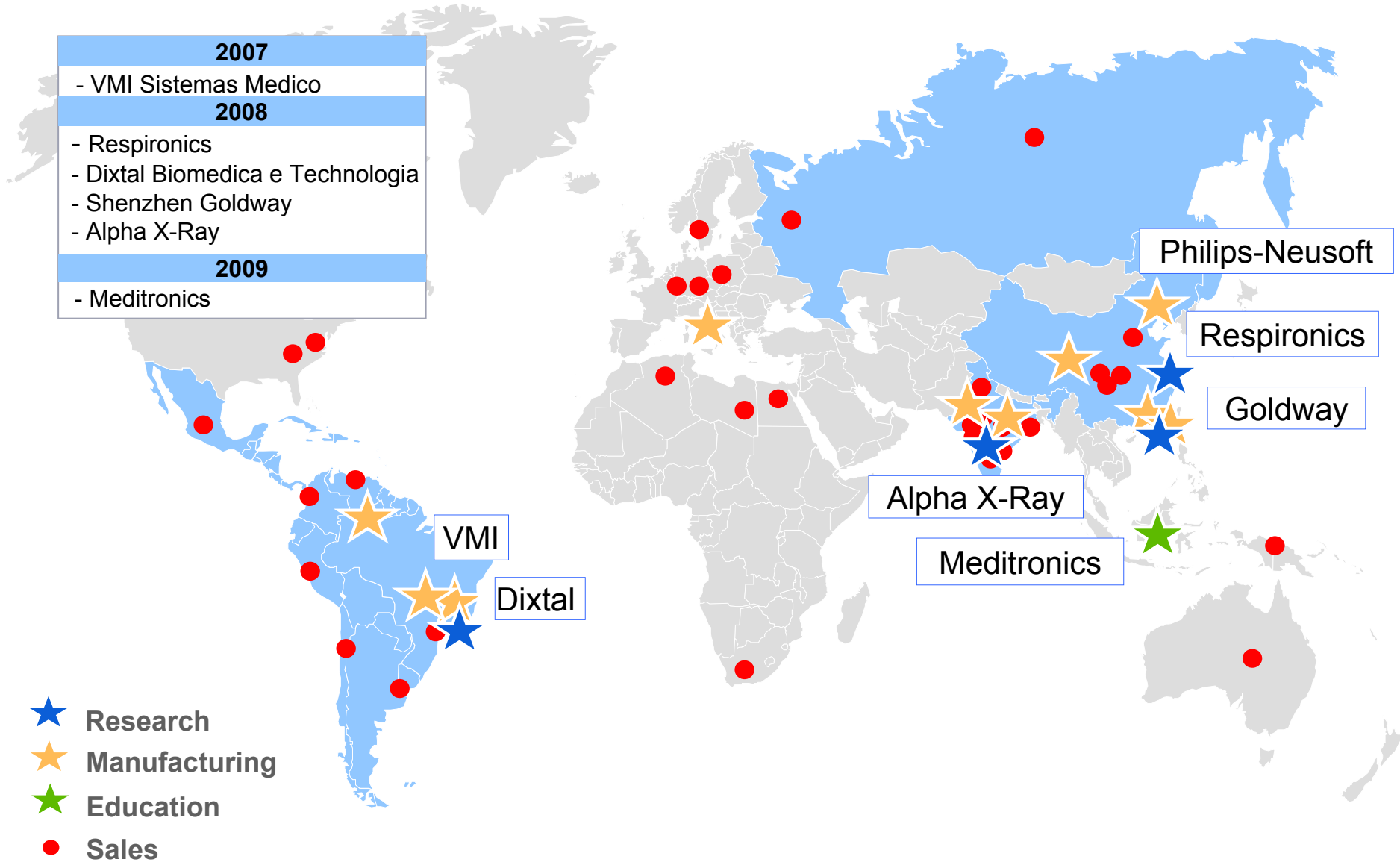


Over the last 24 months, we have made a lot of progress...

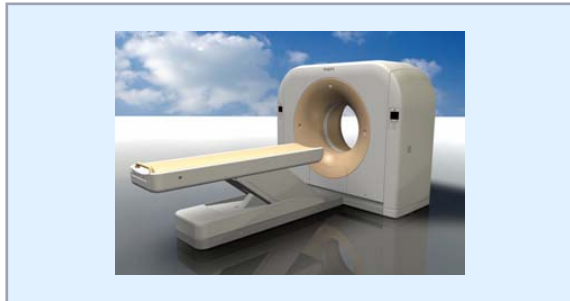
1. expanded our industrial and commercial footprint
2. extended our product offering
 1. Introduced more than 10 new healthcare products that we are building locally and selling globally
 2. Leveraged our industrial footprint by starting SKD/CKD* operations (e.g. CT and MR in Brazil)
3. grew our Customer Services business ~ twice the rate in Emerging Markets as compared to other geographies over the last 2 years
4. added close to EUR 100 million top line through recent acquisitions
5. grew our market share and became market leader in Latin America

*SKD = Semi Knock Down. CKD = Complete Knock Down

Radically expanded the commercial- and industrial footprint



Extended product and service offering for emerging markets



CT

- China PNMS: Local solution for Global market
- MX 4000D / 600D , MX 16-slice



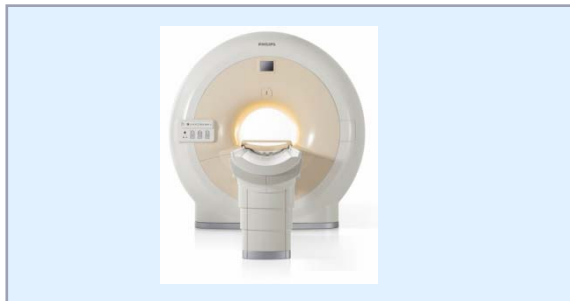
Ultrasound Systems

- HD7: China, WW sales >1000 in 2008
- HD9: Korea, affordable 4D launched in 2009 for WW market



X-ray Systems

- China: Essenta RC, Essenta Rad,
- Brazil: Compacto DR-2D, Cenos
- India: HFX60/100, Floatex



MR

- Brazil: Achieva 1.5 Tesla
- First MR production facility in the region



Patient Monitoring

- China: UT 4000A, UT 6000A, UT 4000, G30, G40, G3 (Goldway)
- Brazil: DX2020/1/3 (Dixtal)



Customer Services

- Life Cycle solutions fit for emerging markets; e.g. upgrades, options
- Flexible service offerings for value segment
- New Value Added Services

Emerging markets remain engines of economic growth...

GDP Forecast (as of March 25, 2009)

	US	UK	Euro-zone	Japan	Brazil	China	India	Russia
2009	-2.5	-3.3	-2.8	-5.9	0.8	6.5	6.3	-0.8
2010	1.8	0.4	0.55	0.55	3.4	8	5.3	3.15

And offer interesting opportunities for our healthcare business...

Demand for care is growing

- India and China represent ~40% of world population
- Growth of world population to 9 billion in 2050 will take place in emerging markets

Lifestyle changes bring new problems

- By 2015, China and India will be biggest global cardiac markets
- By 2020, 75% of cancer deaths in emerging markets
- Biggest number of diabetes patients live in India

Economic climate is changing

- Governmental stimulus plans
- Increased demand for value products
- Increased preference for local production

Governmental stimulus plans in most emerging markets ...

China	<ul style="list-style-type: none">• Healthcare remains a top priority on the central and regional government agenda• The Chinese government has announced a €85 bln stimulus package for the healthcare sector
India	<ul style="list-style-type: none">• Strong government commitment for the Healthcare sector• Healthcare expenditures as % of GDP will triple by 2015
Latin America	<ul style="list-style-type: none">• Brazil and Mexico remain strong• Some postponement in investment decisions in the rest of Latin America
Russia	<ul style="list-style-type: none">• Government has issued healthcare reform plan• Russian healthcare expenditures will double to 6.4% of GDP by 2015

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We will bring new solutions
to new healthcare systems

Home Healthcare Solutions

- Provide care outside the hospital

Care Cycle Localization

- Emerging markets quickly become the chronic disease centers of the world

Philips Healthcare Solutions

- Economic crisis and healthcare reforms drive demand for new solutions across all markets



Home Healthcare Solutions

Leverage Respironics acquisition and enter respiratory home market

- Study: about 200 million people in emerging markets with serious respiratory disease – sleep apnea and COPD*
- Leverage strength as consumer brand

In China we are a strong consumer brand. Philips is associated to a **variety of product categories** including lighting, home appliances (vacuum cleaning and irons) and personal care (beauty/shaving).**

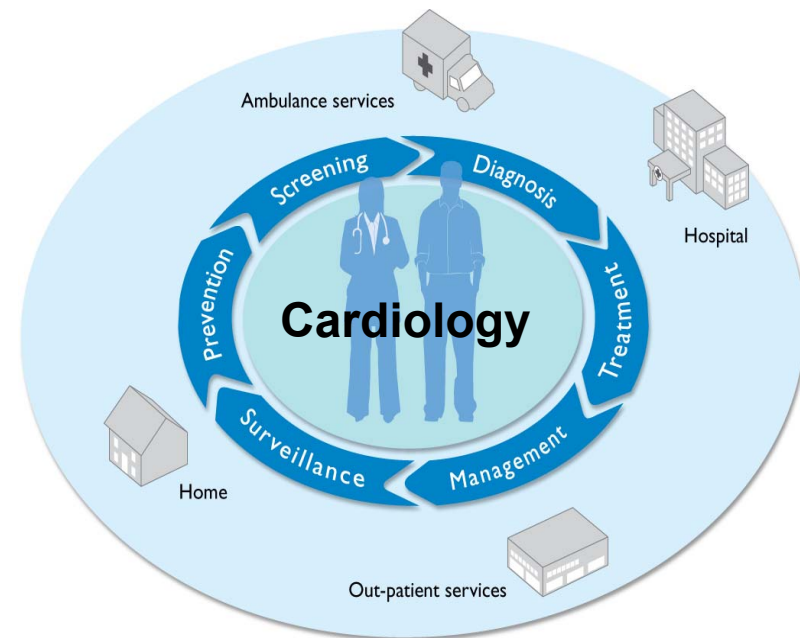
* COPD= 'Chronic Obstructive Pulmonary Disease'

** Interbrand 2008

Care Cycle Localization

By 2015 China and India will be the largest cardiac markets

- Strong position to become the recognized leader in cardiology amongst key stakeholders
- Target prevalent diseases:
 - coronary artery disease
 - heart failure
 - stroke
- Focus on addressing early diagnosis, prevention, interventional cardiology and home monitoring



Going forward, it is our objective to...

- Achieve >20% market share in the addressable healthcare market
- Export value products to all mature markets out of our industrial hubs in Emerging Markets
- Be a leader in home healthcare solutions reducing the burden of chronic disease
- Be the leader for cardiology care solutions in the emerging markets

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