

PHILIPS

sense and simplicity

Home Healthcare Solutions

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The transformation of care in the home is required to address demographic changes

The issues

We are getting older
And the longer we live, the more care we need.

The healthcare system is overburdened
There are simply not enough resources to cope with our demands.

Patients expect more
People are becoming more knowledgeable about their health and the system.

The consequences

- Aging population and an increase in chronic diseases will strain Healthcare systems and costs.

- Demand outstrips capacity. We are facing a global, and growing, deficit of healthcare professionals.

- There are higher expectations about care and patients will demand more choices in healthcare.

Our responses

- Focus on early detection, intervention and management of chronic disease.

- Focus on home healthcare to reduce hospitalization costs and the burden on resources.

- Help to drive awareness and education while providing flexible and optimal care at affordable costs.

Home Healthcare Solutions Vision and Mission

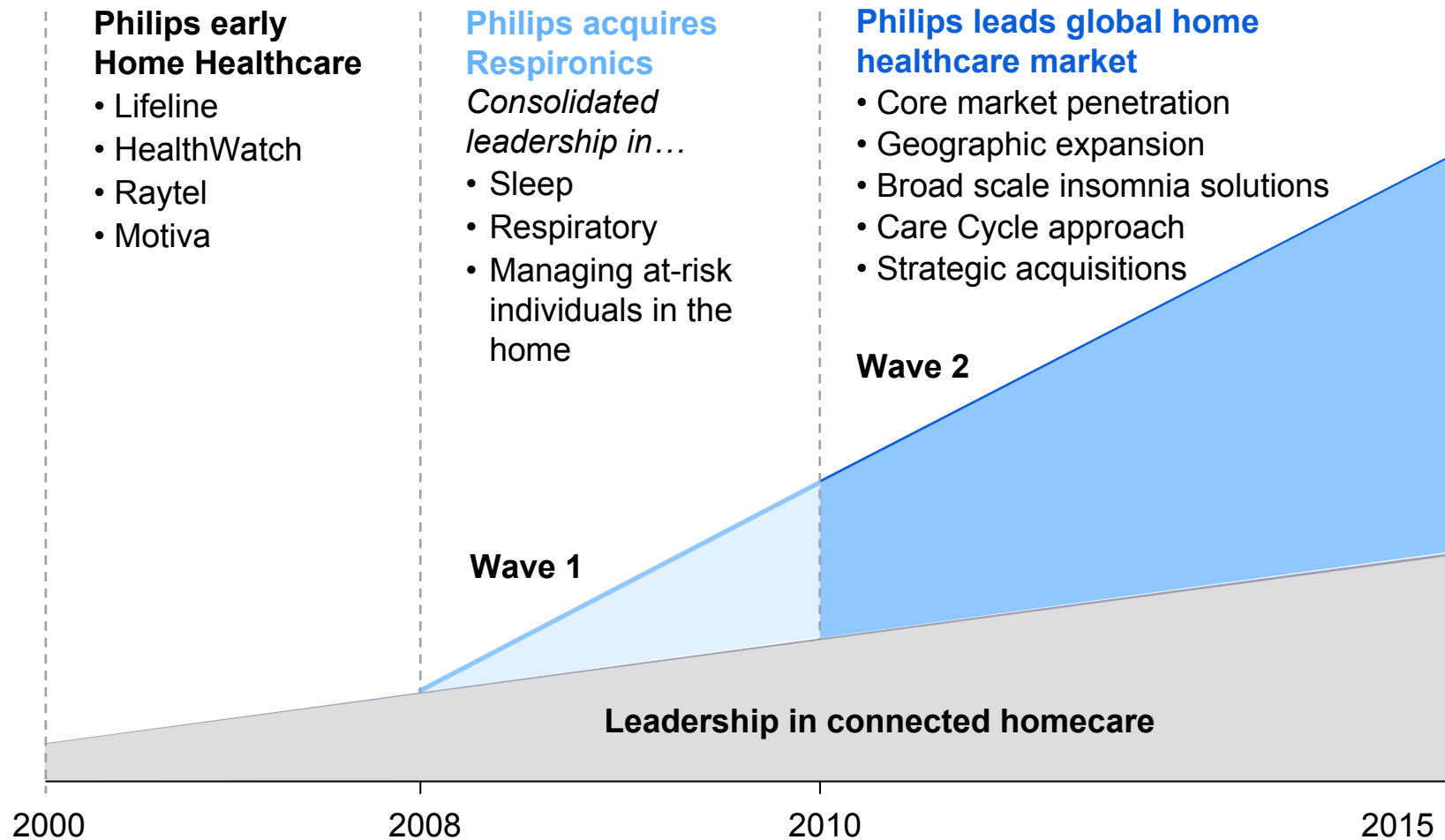
We will work hand-in-hand with our provider customers to transform the home healthcare market to meet the significant demands caused by the increase of chronic diseases and an aging society.

We will improve quality of life for at-risk individuals in the home through better awareness, diagnosis, treatment, monitoring, and management of their conditions.



Our Roadmap Towards Home Healthcare Leadership

Strong foundation. Market creation. Strategic investments.



Philips is Well Positioned

In key home healthcare segments

Sleep

- Sleep Disordered Breathing
- Problem Sleeper



Respiratory Drug Delivery

- Asthma
- Pharma Solutions
- COPD



Home Respiratory

- Oxygen
- Home Ventilation
- COPD



Home Monitoring

- Independent Living
- Remote Monitoring



Sleep Disordered Breathing

A chronic disease with significant co-morbidity

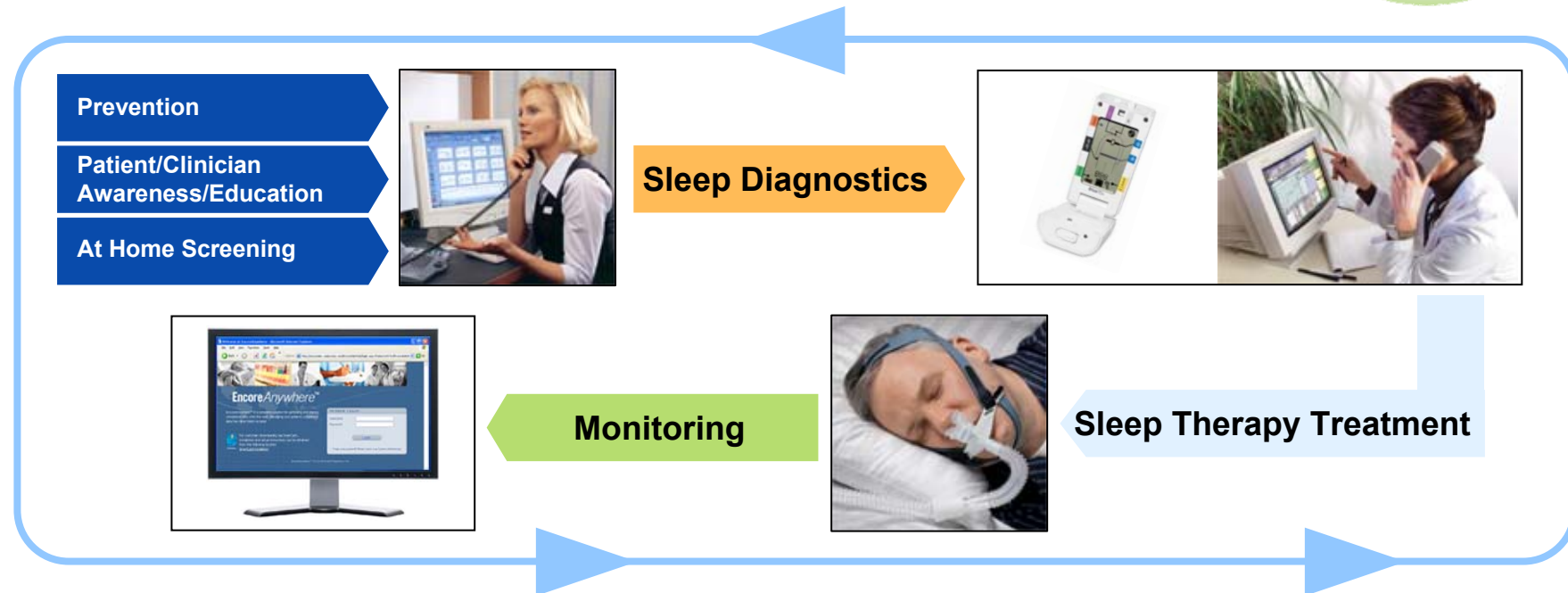
- Global market leader
- Under-penetrated market
- A Care Cycle approach
- Strong channel to market



Sleep Disordered Breathing: A Care Cycle Approach

Philips supports providers across the care cycle – from sleep lab to the home

- Awareness and educational programs
- Sleep disorder diagnostics in the sleep lab or the home
- Therapy offerings to drive compliance and patient satisfaction
- Products and programs to help our provider customers support on-going patient needs



Strong Product Line-Up and Robust Product Pipeline

Sleep Diagnostics

Alice 5

A black and white handheld device with a screen and a keypad, labeled 'Alice 5'.

Sleep Therapy Treatment

M Series REMstar CPAP

A black CPAP machine with a circular dial and a control panel, labeled 'M Series REMstar CPAP'.

Monitoring

Encore Anywhere Software

A person sitting at a desk using a computer, with the 'Encore Anywhere' software interface visible on the monitor.

Alice PDx

A white handheld device with a screen displaying a diagram of a person's head and neck, labeled 'Alice PDx'.

ComfortGel Full

A clear CPAP mask with a blue frame and a gel cushion, labeled 'ComfortGel Full'.

OptiLife

A clear CPAP mask with a white frame and a gel cushion, labeled 'OptiLife'.

Home Respiratory Care

Retaining quality of life

- Global market leadership
- Oxygen generation products to support the ambulatory patient
- Home ventilation
- Strong channel to market



Our Home Respiratory Solutions

Home Ventilation



Trilogy/BiPAP

- #1 in non invasive ventilation
- New market entrant with Trilogy

Airway Clearance



CoughAssist

- #1 position
- Focus on neuromuscular patients

Stationary Oxygen Therapy



EverFlo

- #2 position
- Market share gains
- Excellent quality record

Portable Oxygen Therapy



EverGo

- #2 position
- High growth
- Strong feature set

Respiratory Drug Delivery

Helping to make ordinary days extraordinary

- Global leader in cost-effective compressors through the acquisition of Medel SpA assets
- Proprietary drug delivery technology
- Strong channel to market



Independent Living

“My quality of life is better in my own home”

- Focus on the frail elderly
- More economical to manage the elderly in the home
- Falls are an evolving part of the risk profile
- Our call center and systems are a key competitive advantage



Remote Monitoring

Extending cardiac care into the home

- Will be a critical tool to transforming care in the home
- Clear economic benefit
- Cardiology patients are primary focus now
- Technology will play an important role



Opportunities For Market Creation and Growth

- Transforming home healthcare will require new solutions
- Opportunities exist in all our key markets including
 - Sleep (Broader insomnia solutions)
 - Remote Monitoring
- Philips global capability

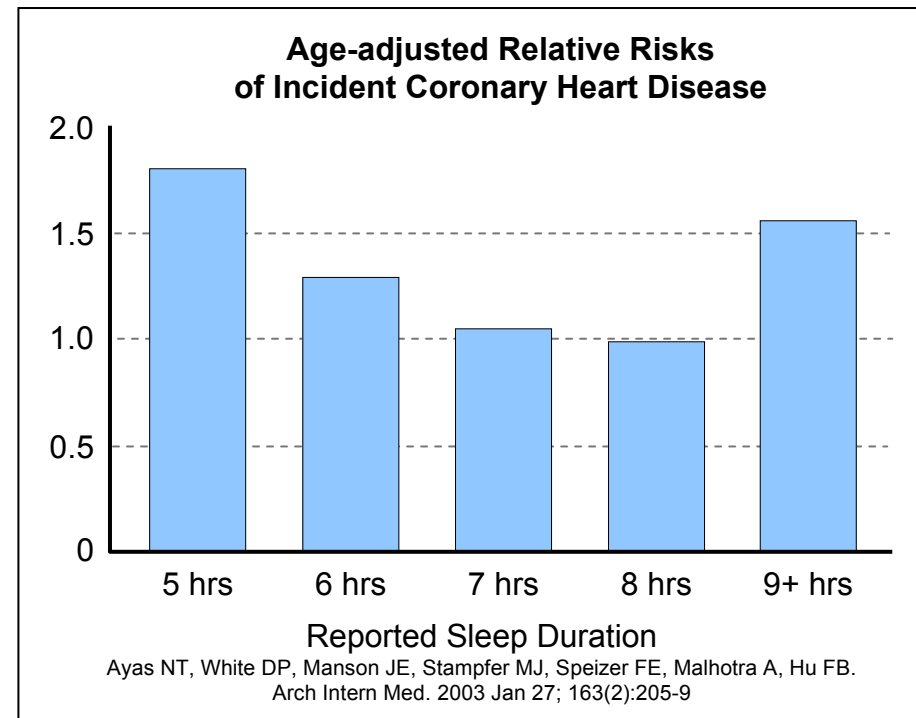


Lack of sleep has significant impact on health and well-being

- Diminished cognitive performance and vigilance
- Weight gain
- Insulin resistance (diabetes)
- Increased incident heart attacks
- Decreased immune function
- Decreased longevity

Sleep Curtailment in Healthy Young Men is Associated with Decreased Leptin Levels, Elevated Ghrelin Levels, and Increased Hunger and Appetite

Karine Spiegel, PhD; Esra Tasal, MD; Plamen Penev, MD, PhD; and Eve Van Cauter, PhD



Philips is uniquely positioned to leverage its cross sector strengths

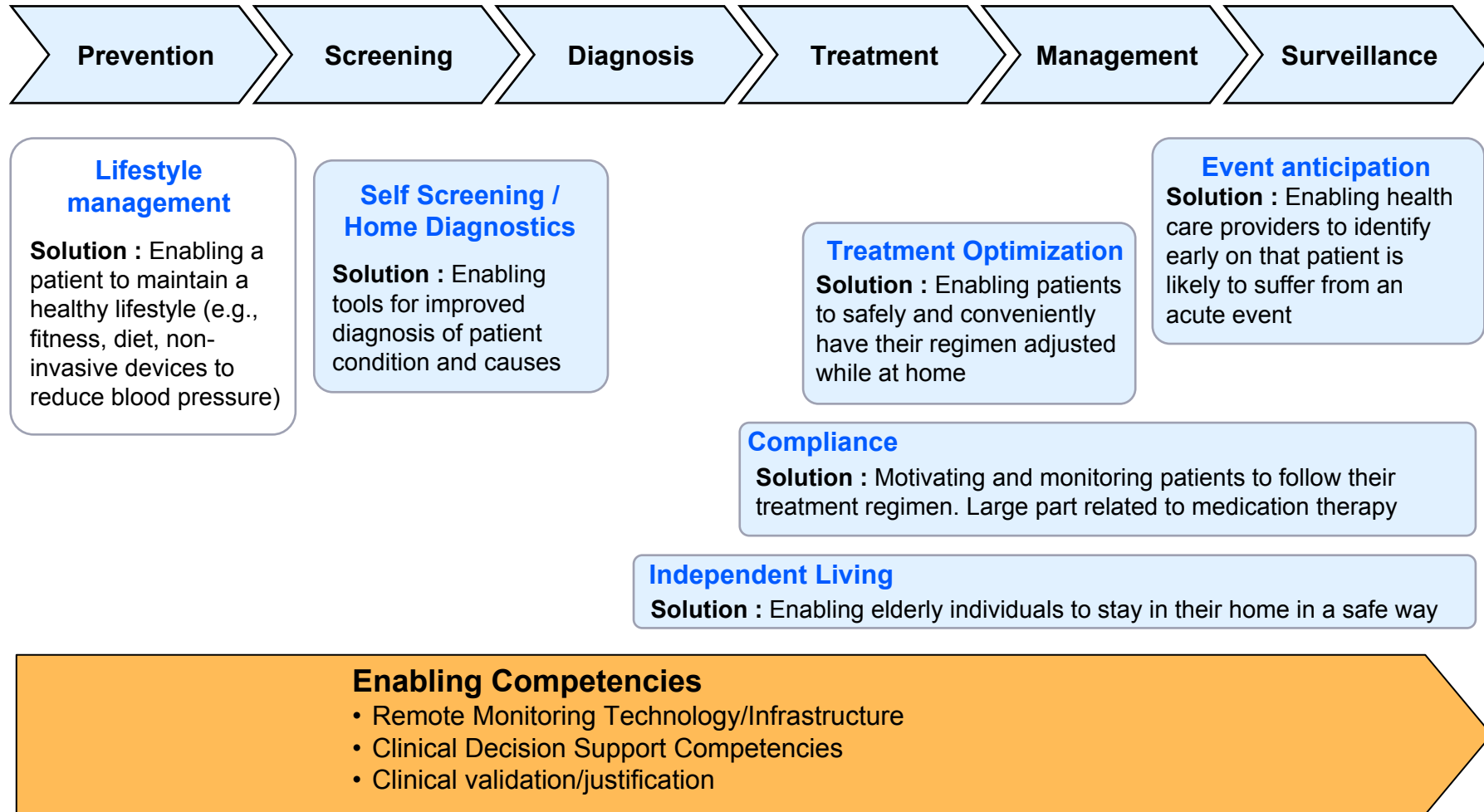
Philips unique strengths

- Home Healthcare Solutions strength and scientific knowledge around sleep
- Access to professional channels & key opinion leaders
- Technology and marketing competencies
- Strong Philips Brand

Philips One-Sleep Vision

Philips will create and lead the category of scientifically-based sleep management solutions addressing the needs of professionals and consumers worldwide

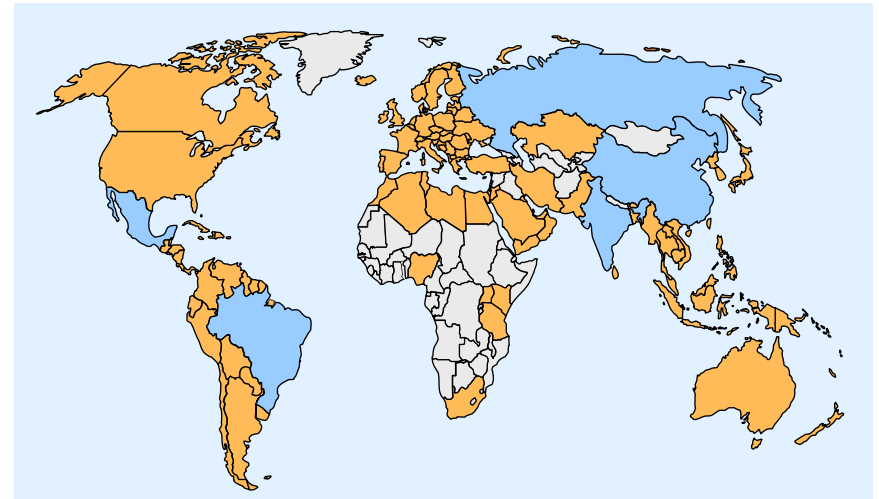
By understanding the care cycle we will develop solutions for our provider customers to better address patient needs in the home.



Note: Size of the boxes does not represent platform size

Channel Leverage

- In North America, Western Europe and most countries around the world we have built strong relationships with our provider customers.
 - We believe these relationships have enabled our success over the years and we plan to strengthen them further
- Philips Healthcare's strong global sales and service capabilities will be leveraged by HHS.



Summary

- Home Healthcare is evolving...and we feel it is our mission to help transform the market to support our provider customers.
- We are leaders in under-penetrated, growing and profitable markets of sleep, respiratory, independent living and remote monitoring.
- We plan to build on our existing businesses through continued innovation, geographic expansion, leveraging our channel strengths and small to mid-size acquisitions.
- There is much work to do and we are very excited about the future

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