

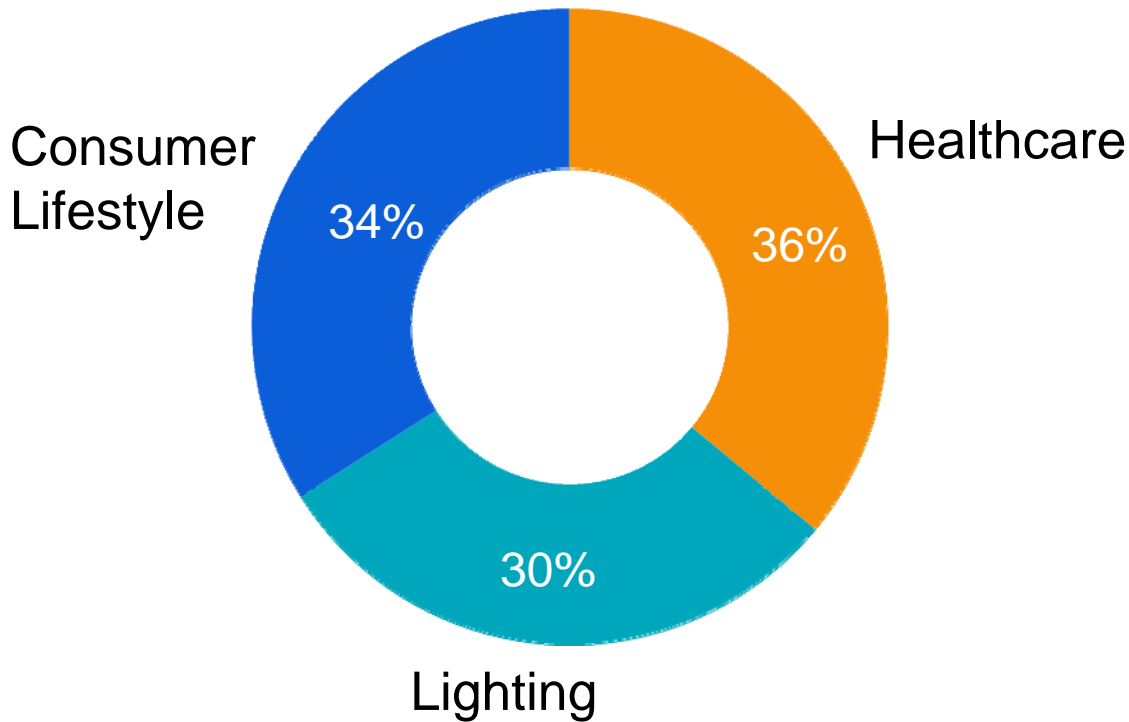
# PHILIPS

sense **and** simplicity

## Philips Healthcare

Steve Rusckowski  
CEO Philips Healthcare

# Philips Health & Well-being strategy powered by three businesses



# Depth and reach of Philips Healthcare

*What we do. Where we are.*



\* Approximate

**€7.6**  
Billion in sales  
in 2008

**30,000+**  
People employed  
worldwide in 100 countries

**11%**  
of system sales  
invested in R&D

**450+**  
Products and services  
offered in over 100 countries

## Key products and service of Philips Healthcare

*Providing comprehensive support*

### Philips Healthcare

#### Businesses

##### Imaging Systems



Cath Lab  
X-Ray  
CT  
MR  
SPECT  
SPECT/CT  
PET/CT

##### Home Healthcare Solutions



Sleep Disordered Breathing  
Medical Alert Services  
Home Cardiac Monitoring  
Home Respiratory  
Senior Living

##### Clinical Care Systems



Ultrasound  
Cardiac Resuscitation  
Ventilation  
ECG Solutions  
Children's Medical Ventures  
Medical Consumables & Supplies

##### Healthcare Informatics



Anesthesia Informatics  
Cardiology Informatics  
Critical Care Informatics  
Clinical Decision Support Systems  
Maternal & Perinatal Monitoring Solutions  
Patient Monitoring Systems  
Radiology Informatics

##### Services

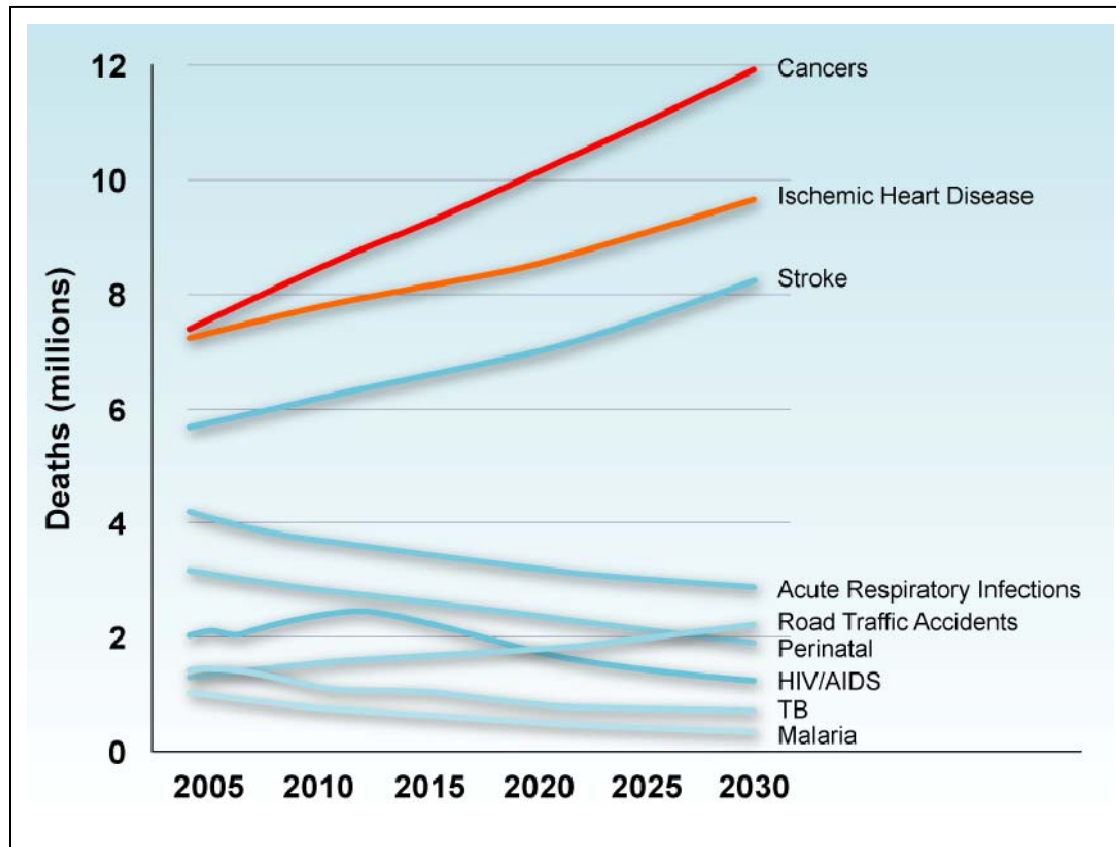


Site Planning & Project Management  
Ambient Experience  
Education Services  
Performance Services  
Managed Services  
Equipment Maintenance

# Philips Healthcare adopts a differentiated care cycle approach targeting the greatest medical 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

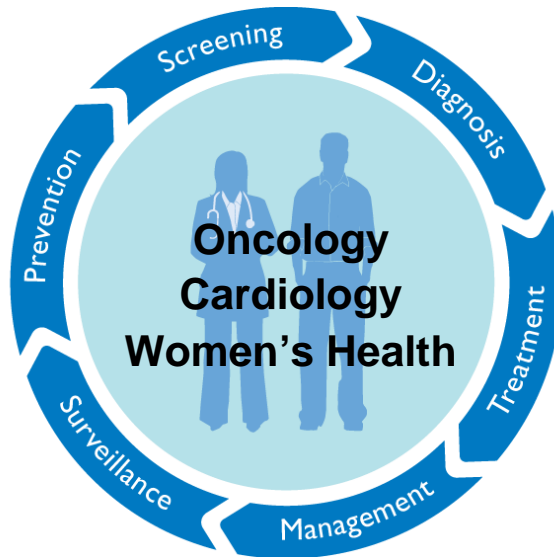
# The Philips Healthcare difference

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



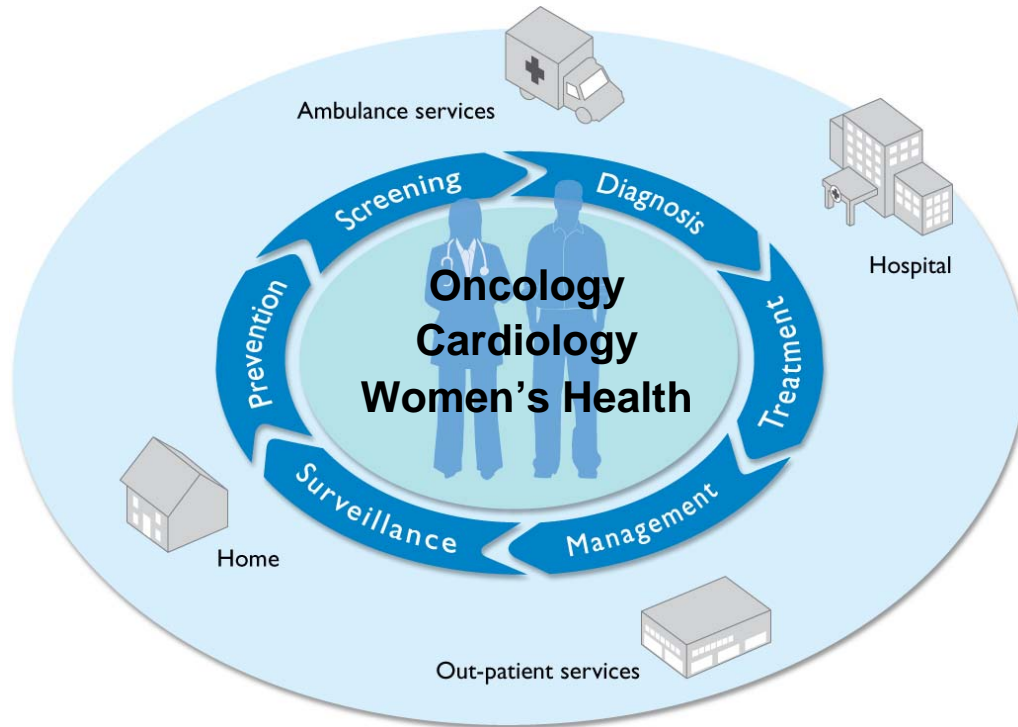
# The Philips Healthcare difference

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



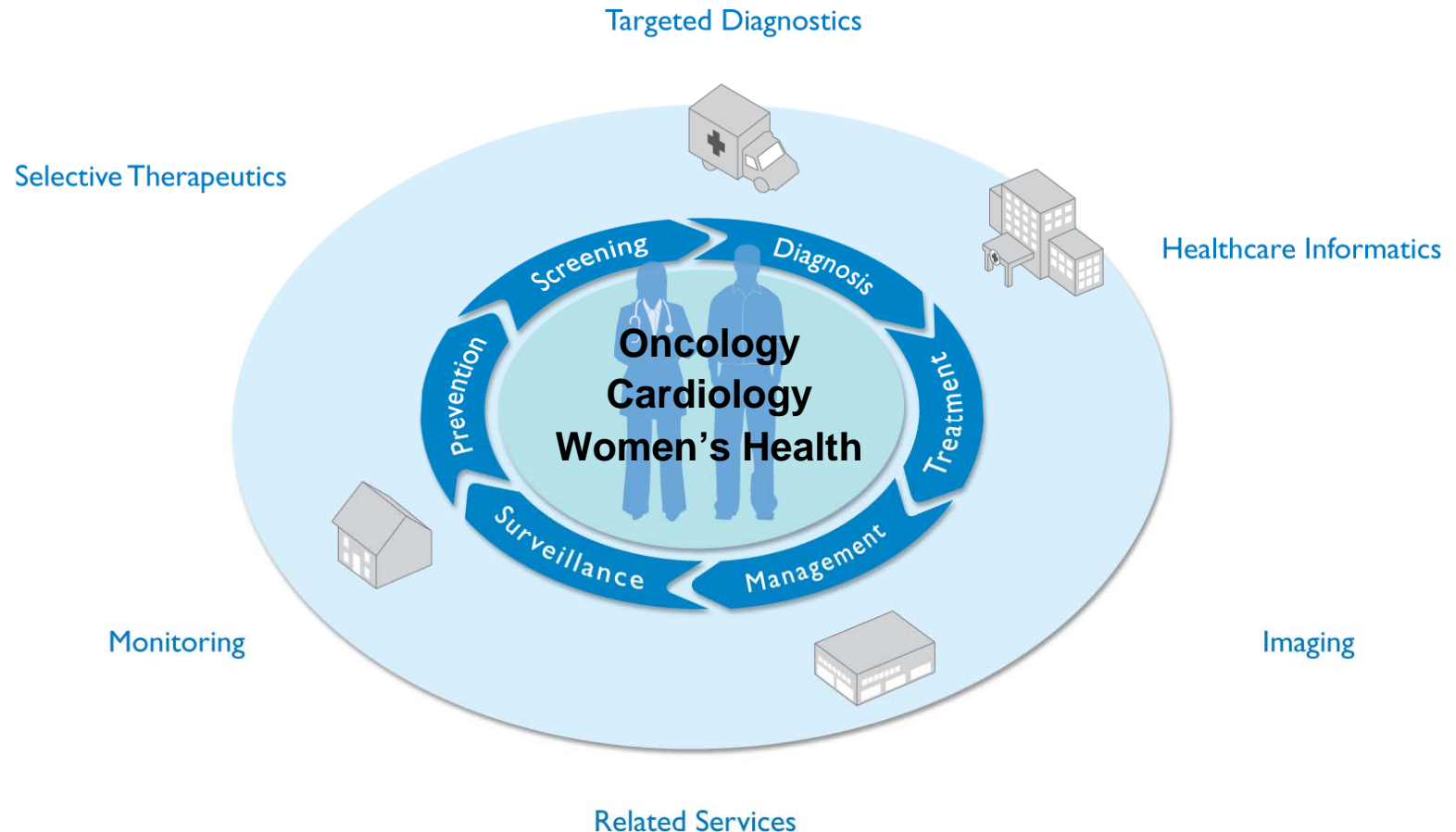
# The Philips Healthcare difference

...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.

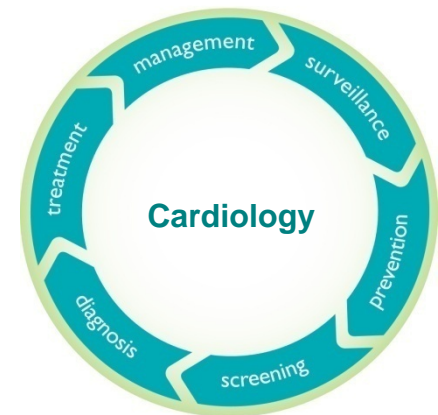
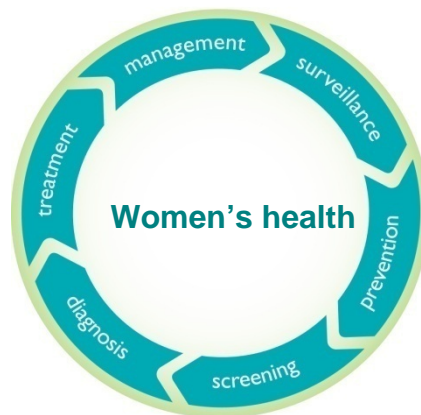


# Care Cycles will be integral to Healthcare reform

“**Outcomes** must be measured over the full cycle of care for a medical condition, not separately for each intervention. Outcomes of care are inherently multidimensional, including not only **survival** but also the degree of health or recovery achieved, the **time needed** for recovery, the **discomfort of care**, and the sustainability of recovery

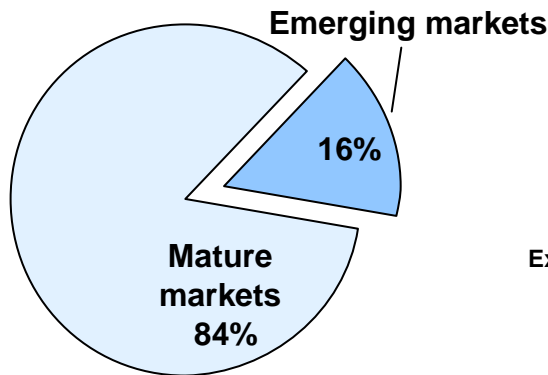
**We need to reorganize care delivery around medical conditions.”**

*Michael E. Porter, Ph.D. Healthcare Reform, July 9, 2009*



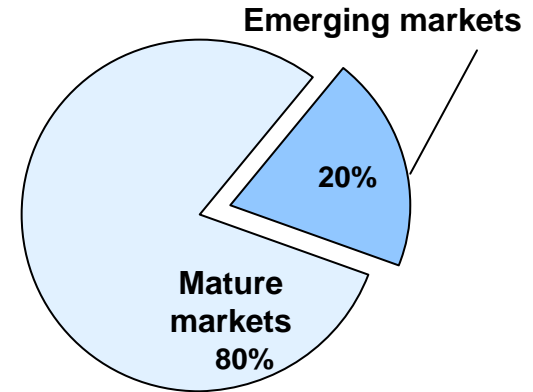
# Continuing investments in geographies and businesses mean growth outside USA and Imaging Systems

**2006 sales: Actual**

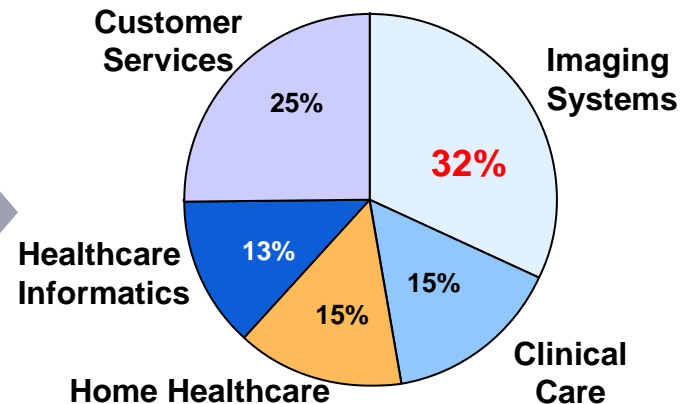
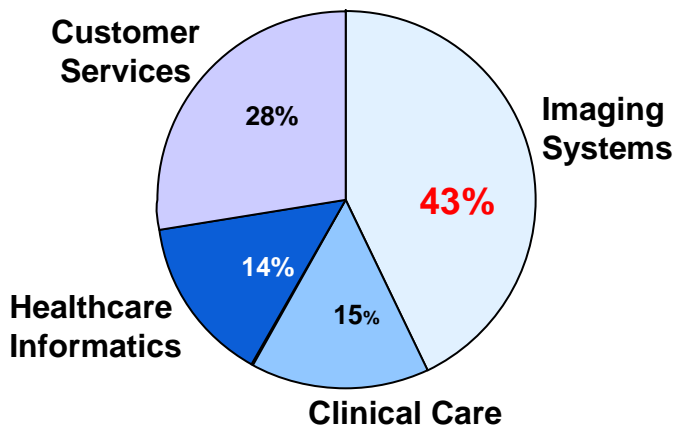
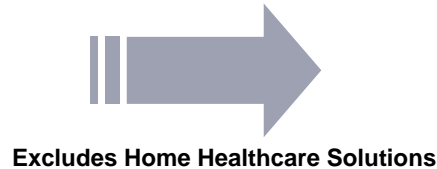


**Of which USA is 42%**

**2009 Sales: Indication**



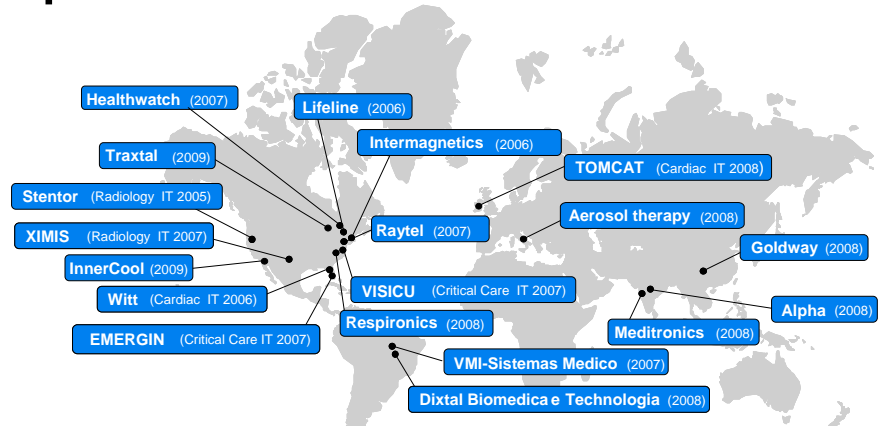
**Of which USA is 35%**



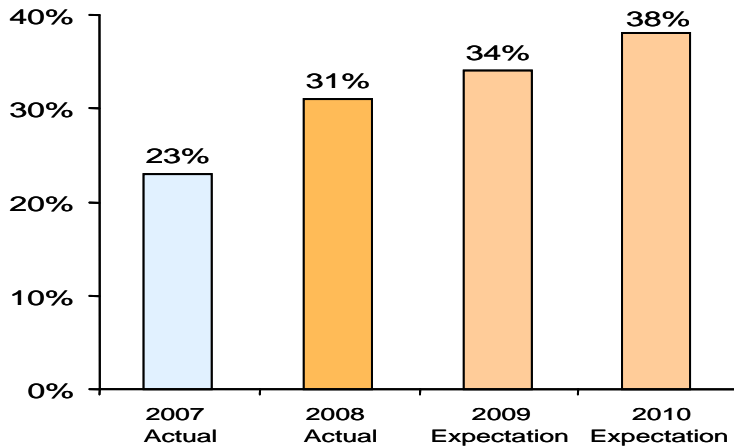
**Solid progress in expanding our non-Imaging Systems portfolio**

Short/medium term operational imperatives include lower cost, more cash, acquisitions and LCC sourcing

	2008	2009	2010
Restructuring Costs	(65)	(40)	
Fixed Cost Savings		65	~130

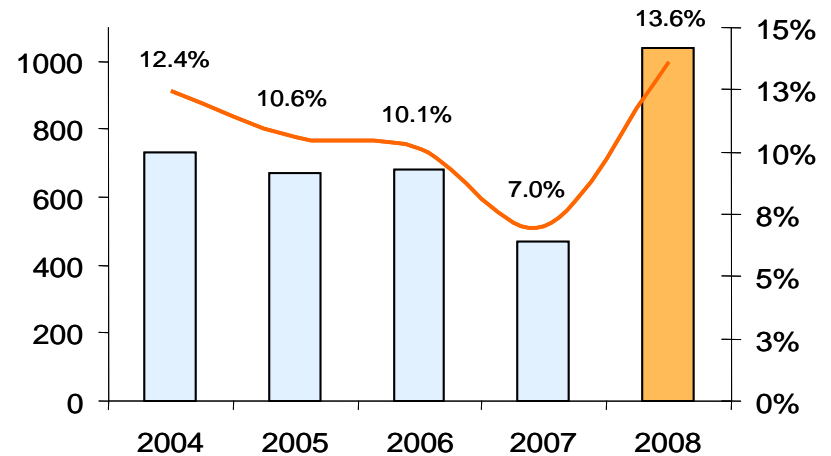


**Reduce fixed cost levels**



**Increase low cost sourcing**

**Deliver value from acquisitions**



**Enhanced focus on cash flow**

## Update: USA Market

### *A Perspective in Time*

#### Since 2005

- Overall market contracted 20%
- Imaging hit hardest - down 35%

#### 2009 First Half

- Substantial year-on-year contraction in all businesses

#### 2009 Second Half

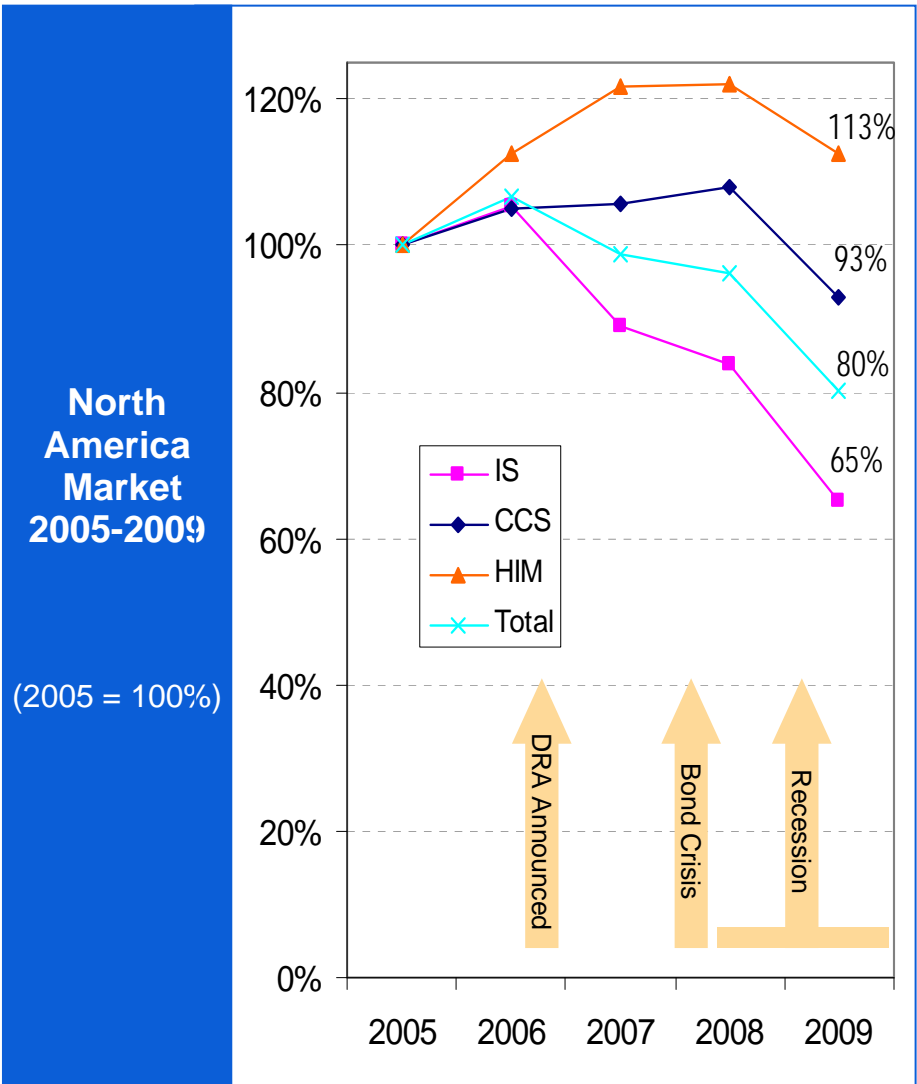
- Year-over-year comparables better
- Slightly more optimism

#### 2010

- Flat to very modest growth
- Imaging now makes up less than half of market

#### Complex Environment for Customers

- Impact of recession
- ARRA stimulus and requirements
- Uncertainty of healthcare reform



# Philips Healthcare Summary



- Healthcare is becoming the largest business within the Philips portfolio. Philips Healthcare is a top 3 player in the global professional and consumer healthcare market.
- Philips Healthcare differentiates itself through a care cycle approach which is increasingly recognized as ‘the’ solution to reducing Healthcare costs while improving patient care.
- We continue to invest in growth geographies and businesses to expand our Healthcare portfolio, including value products. This results in growth outside the USA and outside our core Imaging Systems business. The USA market itself remains challenging.
- We will continue to drive operational improvements including
  - Reduction in fixed (and discretionary) costs
  - An enhanced focus on cash flow
  - Leveraging of acquisitions
  - A significant increase in low cost country sourcing
- Philips Healthcare strategy - including our patient-centric care cycles and expanding home healthcare business - is becoming more relevant than ever.

