

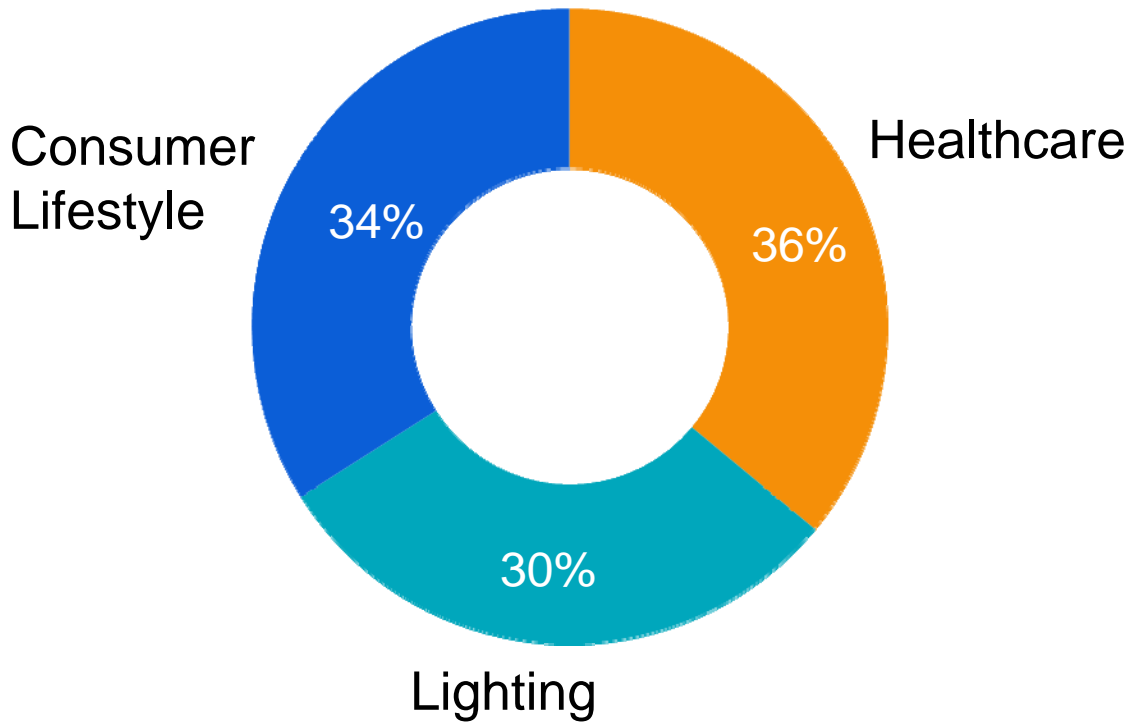
PHILIPS

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

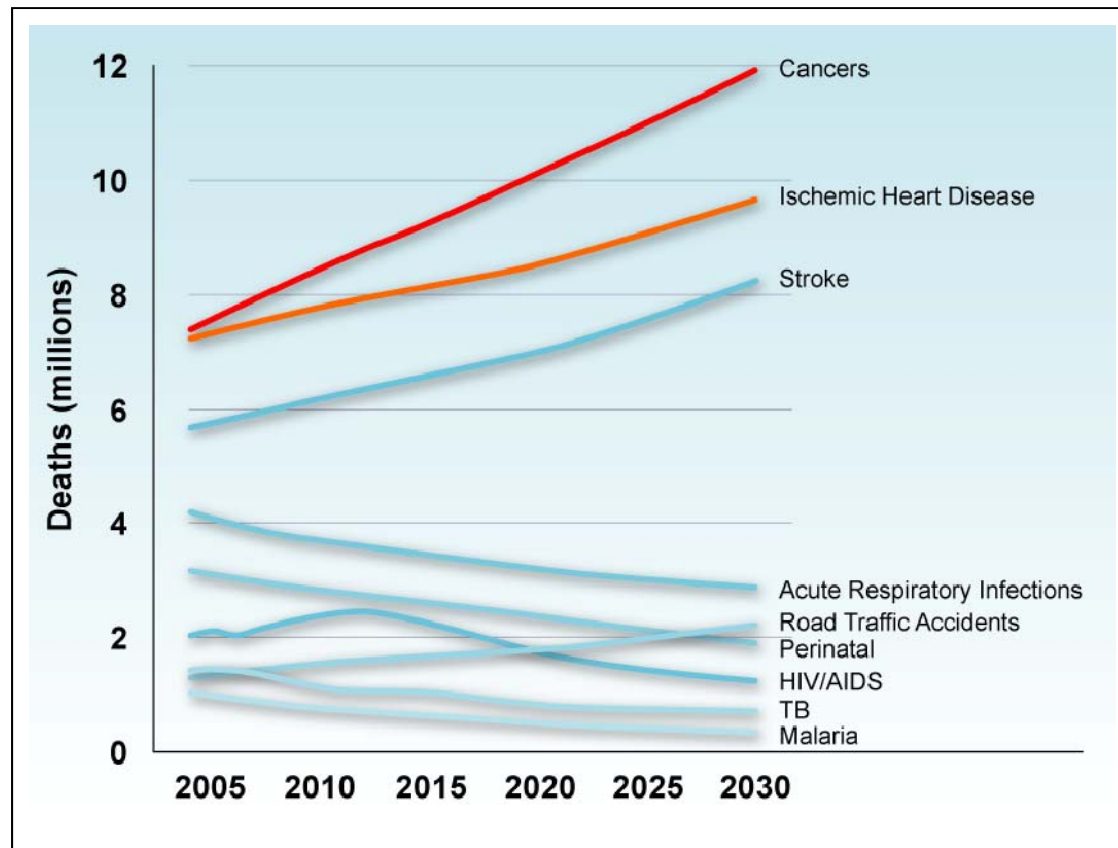


Site Planning & Project Management
Ambient Experience
Education Services
Performance Services
Managed Services
Equipment Maintenance

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

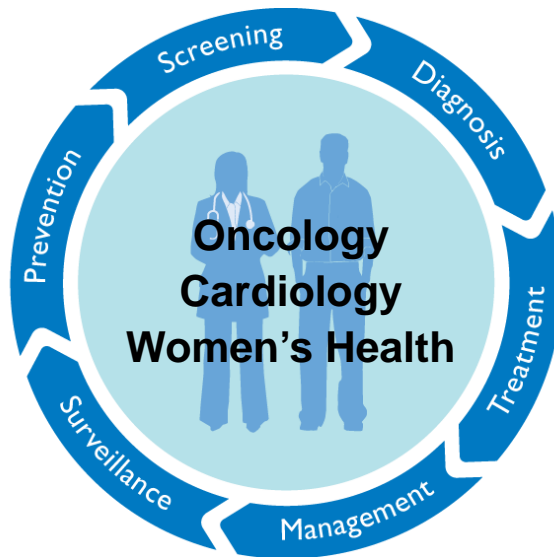
The Philips Healthcare difference

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



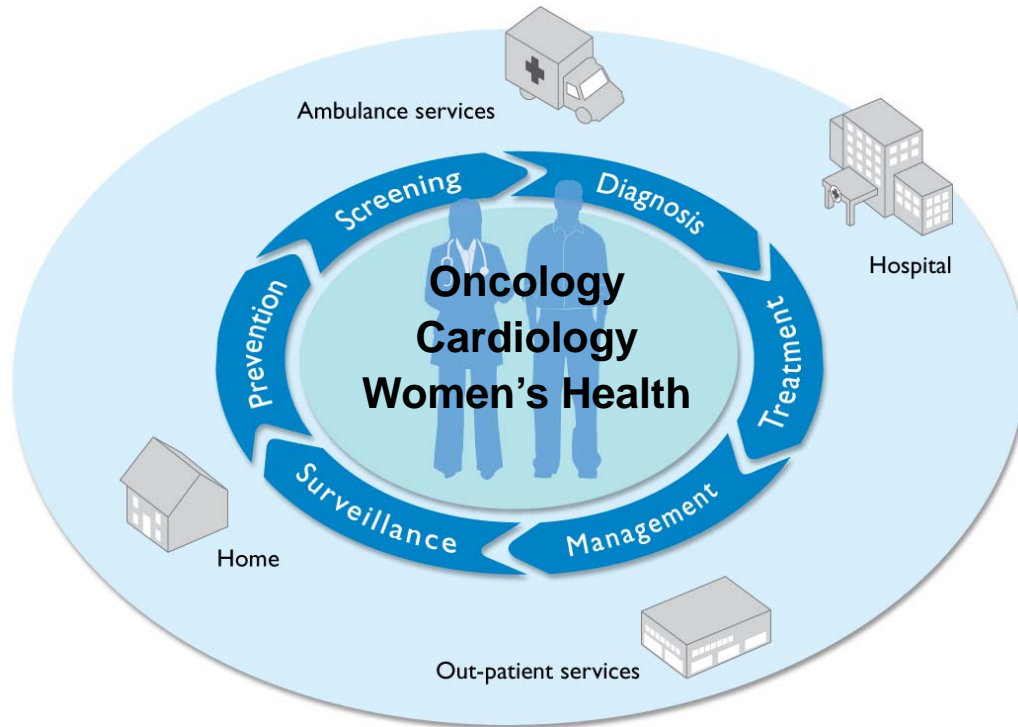
The Philips Healthcare difference

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



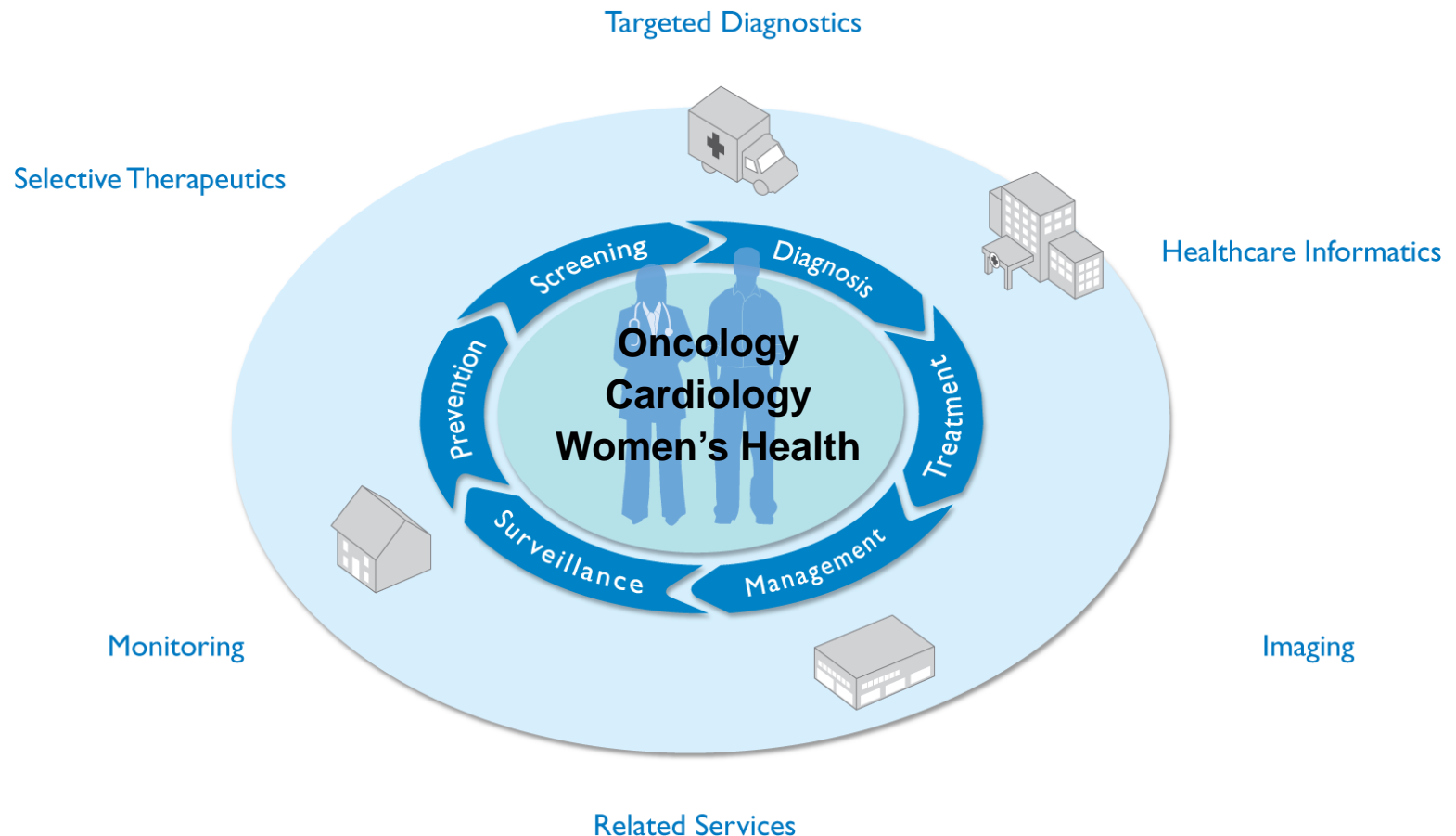
The Philips Healthcare difference

...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.

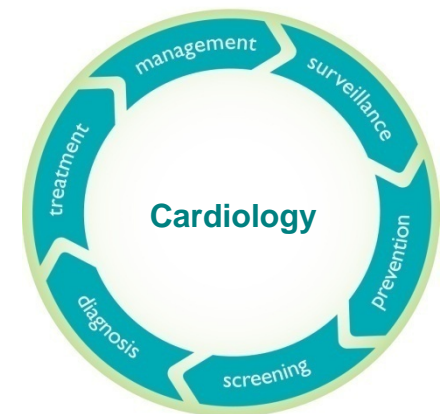
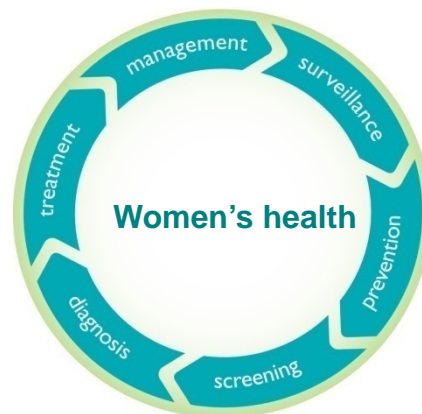


Care Cycles will be integral to Healthcare reform

“**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

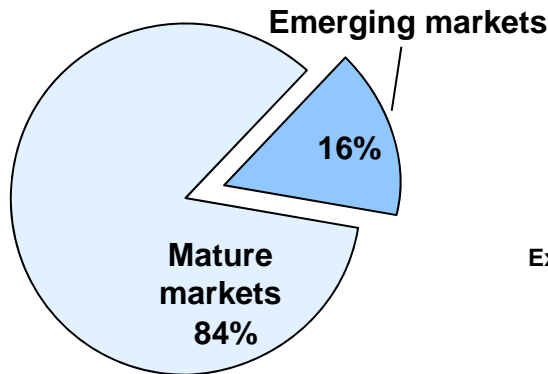
We need to reorganize care delivery around medical conditions.”

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



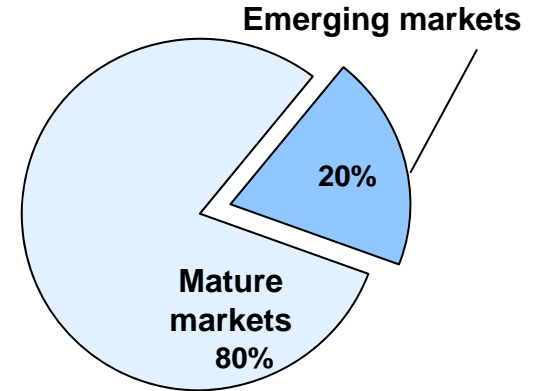
Continuing investments in geographies and businesses mean growth outside USA and Imaging Systems

2006 sales: Actual



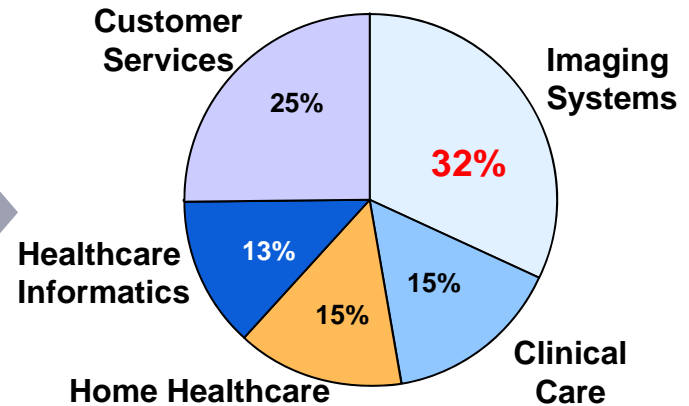
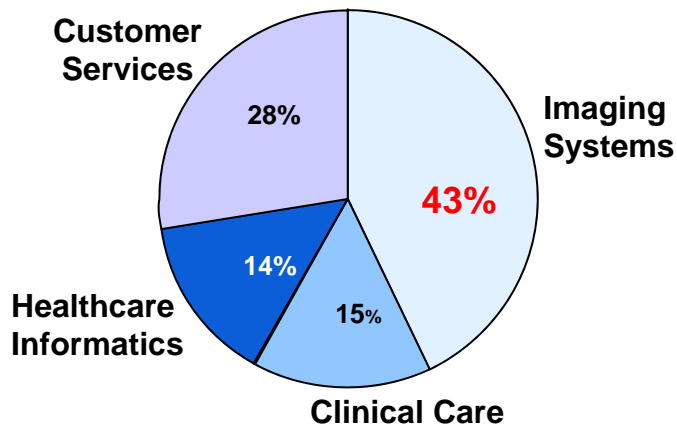
Of which USA is 42%

2009 Sales: Indication



Of which USA is 35%

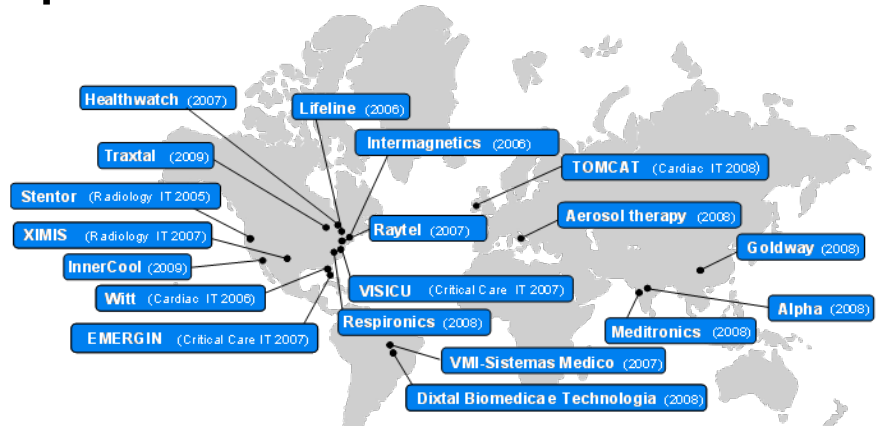
Excludes Home Healthcare Solutions



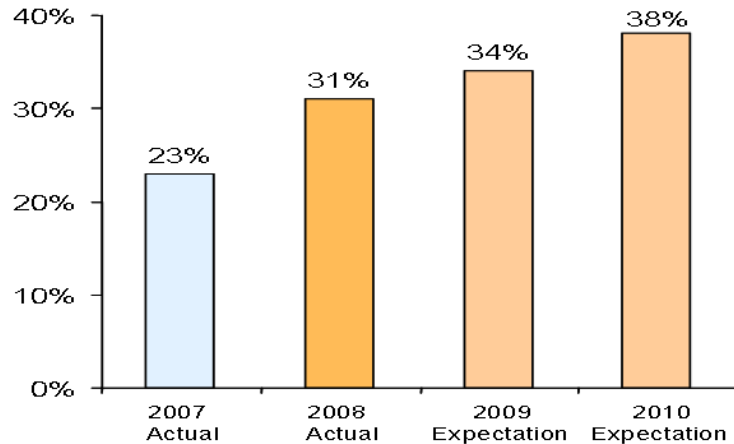
Solid progress in expanding our non-Imaging Systems portfolio

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

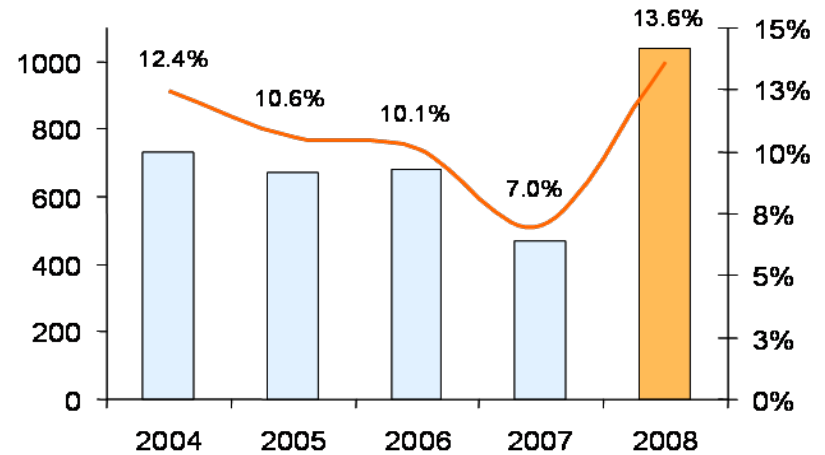


Reduce fixed cost levels



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

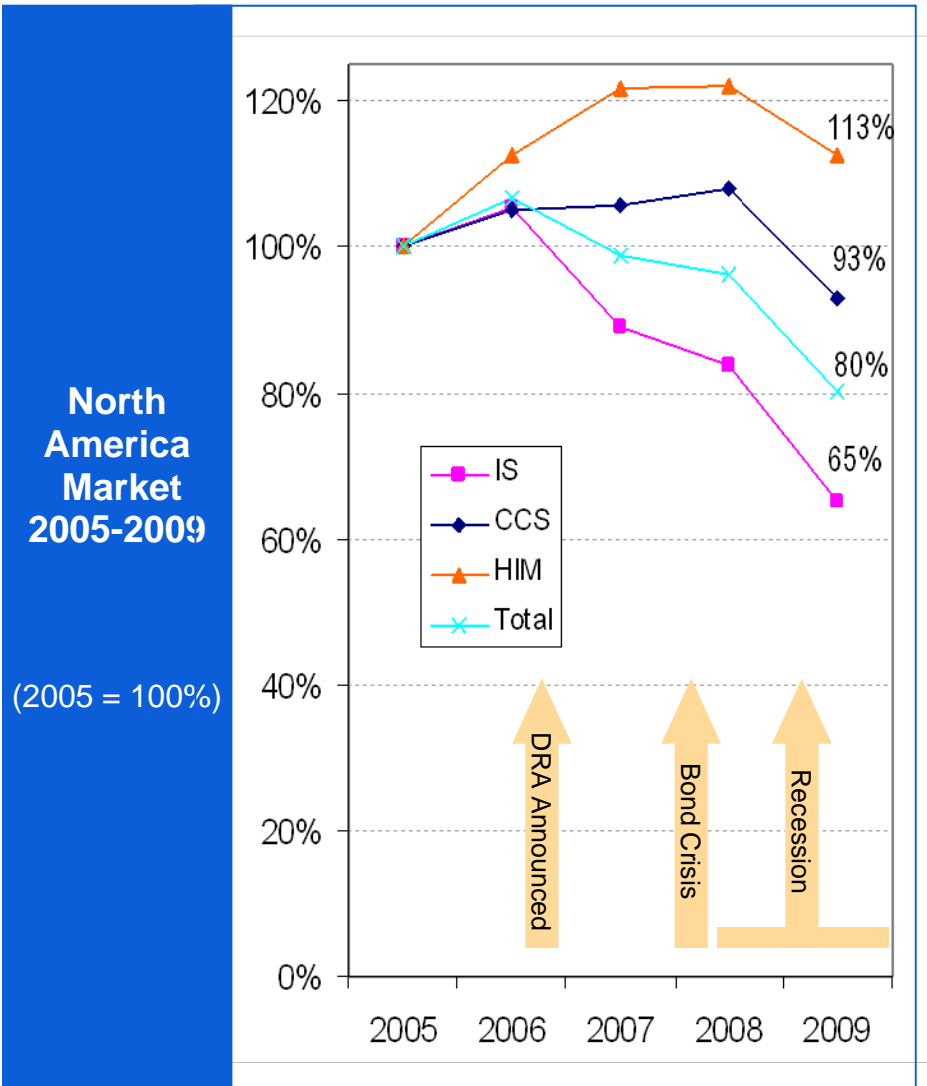
- Year-over-year comparables better
- Slightly more optimism

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.

