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## Press Information

February 26, 2018

### **Royal Philips announces intended sale of part of its stake in Philips Lighting**

**Amsterdam, the Netherlands** - Today, Koninklijke Philips N.V. ("Royal Philips") announces the launch of an accelerated bookbuild offering to institutional investors of approximately 16.2 million shares in Philips Lighting N.V. ("Philips Lighting") currently owned by Royal Philips (the "Offering"), representing approximately 11.6% of Philips Lighting's issued share capital.

As part of this transaction, Philips Lighting has irrevocably committed to place an order in the Offering to repurchase 2,200,000 shares, up to a maximum of 25% of the total number of shares in the Offering (including the repurchase). Royal Philips will allocate Philips Lighting's order in whole. The share repurchase is subject to the satisfaction or Philips Lighting's waiver of a number of conditions, including the successful completion of the Offering in which the price does not exceed today's closing price of the ordinary shares. Philips Lighting intends to cancel these shares.

Royal Philips holds in total approximately 41.5 million shares in Philips Lighting's issued share capital, representing 29.59%. If all offered shares are sold, this stake will be reduced to approximately 18.0%. After cancellation of the shares that Philips Lighting intends to repurchase in the Offering, Royal Philips' shareholding in Philips Lighting is expected to represent 18.3% of Philips Lighting's issued share capital. Philips Lighting will not receive any proceeds from the Offering.

The offer price and final number of shares sold will be determined by Royal Philips at the conclusion of the bookbuilding process and will be announced in a separate press release. The book is open with immediate effect. The transaction is expected to settle on March 1, 2018.

Royal Philips has agreed to a lock-up in respect of its remaining stake in Philips Lighting until the publication of Philips Lighting's Q1 results on April 26, 2018 (subject to limited exemptions and the Joint Bookrunners' customary right to waive the lock up restrictions).

ABN AMRO Bank N.V., Goldman Sachs International, Société Générale Corporate & Investment Banking and Morgan Stanley & Co. International plc are acting as Joint Bookrunners for the transaction. Rothschild is acting as financial adviser to Royal Philips in connection with the transaction.





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The intended transaction is in line with Royal Philips' stated objective to fully sell down its stake in Philips Lighting.

**For further information, please contact:**

Ben Zwirs  
Philips Group Press Office  
Tel: +31 6 15213446  
Email: [ben.zwirs@philips.com](mailto:ben.zwirs@philips.com)

Ksenija Gonciarenko  
Philips Investor Relations  
Tel: +31 20 59 77055  
Email: [ksenija.gonciarenko@philips.com](mailto:ksenija.gonciarenko@philips.com)

**About Royal Philips**

Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and enabling better outcomes across the health continuum from healthy living and prevention, to diagnosis, treatment and home care. Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care. Philips' health technology portfolio generated 2017 sales of EUR 17.8 billion and employs approximately 74,000 employees with sales and services in more than 100 countries. News about Philips can be found at [www.philips.com/newscenter](http://www.philips.com/newscenter).

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financieel toezicht) or (iii) an offer to acquire securities. No prospectus in accordance with the Prospectus Directive (as defined below), is required in respect of the Offering and no prospectus, offering circular or similar document will be prepared. Any investment decision in connection with the Offering must be made on the basis of all publicly available information relating to Philips Lighting and the offered shares. Such information has not been independently verified by the Joint Bookrunners.

The securities being offered have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under any applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirements and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the securities discussed herein is being made in the United States.

This press release is directed only at the following persons (all such persons together being "Relevant Persons"):

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- (B) in the United Kingdom, to Qualified Investors who are persons who (i) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (ii) who are high net worth entities falling within Article 49 of the Order 2005 (as amended); and
- (C) outside the EEA to other persons to whom it may otherwise lawfully be communicated.

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judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond Royal Philips' control. Although Royal Philips believes that the expectations reflected in such forward looking statements are based on reasonable assumptions, Royal Philips' actual results and performance could differ materially from those set forth in the forward looking statements.

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In connection with the Offering of the shares, each of the Joint Bookrunners and any of their affiliates may take up a portion of the shares in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of Philips Lighting or related investments in connection with the Offering or otherwise. In addition each of the Joint Bookrunners and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Joint Bookrunners and any of their affiliates may from time to time acquire, hold or dispose of shares. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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