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Press Information

February 26, 2018

Royal Philips sells 16.22 million shares in Philips Lighting for total proceeds of approximately EUR 520.7 million

Amsterdam, the Netherlands - Today, Koninklijke Philips N.V. ("Royal Philips") announces that it has successfully completed the accelerated bookbuild offering to institutional investors of 16.22 million shares in Philips Lighting N.V. ("Philips Lighting") at a price of EUR 32.10 per share (the "Offering"), realizing total proceeds of approximately EUR 520.7 million. This transaction reduces Royal Philips' stake in Philips Lighting's issued share capital from 29.59% to 18.0%.

As part of this transaction, Philips Lighting will repurchase 2,200,000 shares in the Offering and intends to cancel these shares. After such cancellation, 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 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 exceptions and the Joint Bookrunners' right to waive the lock-up restrictions).

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

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

For further information, please contact:

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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.

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- (C) outside the EEA to other persons to whom it may otherwise lawfully be communicated.

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