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October 19, 2016

Koninklijke Philips N.V. Announces Final Results of Offer for Certain Outstanding Notes

Amsterdam, The Netherlands – Koninklijke Philips N.V. (“Royal Philips” or the “Company”) today announces the final results of its previously announced tender offer (the “Offer”) to purchase for cash up to \$400,000,000 combined aggregate principal amount of its outstanding 6.875% Notes due 2038, 7.200% Notes due 2026, 7^{1/8}% Series A Debentures due 2025 and 7^{3/4}% Series B Debentures due 2025 (collectively, the “Notes”). The Offer has been made in accordance with the terms and subject to the conditions set forth in the Offer to Purchase, dated September 20, 2016 (the “Offer to Purchase”), and the related Letter of Transmittal.

The Offer expired at 11:59 p.m., New York City time, on October 18, 2016 (the “Expiration Time”). As announced by the Company on October 4, 2016, approximately \$285 million in aggregate principal amount of Notes was validly tendered and not validly withdrawn at or before 5:00 p.m., New York City time, on October 3, 2016 (the “Early Tender Deadline”). All such Notes were accepted for purchase by the Company and settled on October 5, 2016. After the Early Tender Deadline, \$31 thousand in additional aggregate principal amount of 2038 Notes, \$10 thousand in additional aggregate principal amount of 2026 and no additional 2025 Series A & Series B Notes were validly tendered at or before the Expiration Time. The Company has accepted for purchase all such additional Notes validly tendered at or before the Expiration Time.

The table below sets forth the aggregate principal amount of each series of Notes validly tendered and accepted for purchase by the Company as of the Expiration Time.

Title of Notes	Security Identifier(s)	Acceptance Priority Level	Principal Amount Outstanding before the Offer	Principal Amount Tendered Prior to Early Tender Deadline	Principal Amount Tendered After Early Tender Deadline but Prior to Expiration Time	Total Principal Amount Accepted in the Offer
6.875% Notes due 2038	CUSIP: 500472AC9 ISIN: US500472AC95	1	\$1,000,000,000	\$201,540,000	\$31,000	\$201,571,000
7.200% Notes due 2026	CUSIP: 718337AE8 ISIN: US718337AE88	2	\$165,718,000	\$29,193,000	\$10,000	\$29,203,000
7 ^{1/8} % Series A Debentures due 2025	CUSIP: 718337AB4 ISIN: US718337AB40	3	\$102,675,000	\$18,506,000		\$18,506,000
7 ^{3/4} % Series B Debentures due 2025	CUSIP: 718337AC2 ISIN: US718337AC23	4	\$99,050,000	\$35,765,000		\$35,765,000

Holders of Notes validly tendered after the Early Tender Deadline, but at or before the Expiration Time and accepted for purchase will receive (i) the applicable Total Consideration (as set forth in the announcement on October 4, 2016) for such Notes minus (ii) the applicable Early Tender Premium (as set forth in the announcement on October 4, 2016) for such Notes plus paid accrued and unpaid interest from the last interest payment date for such Notes to, but not including, the settlement date for the Notes which is expected to be today, October 19, 2016.

This release is qualified in its entirety by the Offer to Purchase and the related Letter of Transmittal.

The Company has retained Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Mizuho Securities USA Inc. as Dealer Managers in connection with the Offer. Global Bondholder Services Corporation is the Depositary (the “Depositary”) and Information Agent (the “Information Agent”). For additional information regarding the terms of the Offer, please contact: Deutsche Bank Securities Inc. at +1 (212) 250-2955 (collect) or +1 (866) 627-0391 (toll free); Merrill Lynch, Pierce, Fenner & Smith Incorporated at +1 (980) 387-3907

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(collect), +1 (888) 292-0070 (toll free) or +44-20-7996-5420 (London); or Mizuho Securities USA Inc. at +1 (212) 205-7736 (collect) or +1 (866) 271-7403 (toll free).

Anticipated Cash Flow and Income Consequences

Based on the final results of the Tender Offer, the transaction will result in cash outflow in the fourth quarter of 2016 of approximately \$385 million (approximately EUR 345 million), calculated based on the purchase of \$201,571,000 aggregate principal amount of 2038 Notes, \$29,203,000 aggregate principal amount of 2026 Notes, \$18,506,000 aggregate principal amount of 2025 Series A Notes and \$35,765,000 aggregate principal amount of 2025 Series B Notes for the Total Consideration set forth in the table above. The transaction will also be reflected in the profit and loss account on the financial income and expenses line in the third quarter, resulting in a reduction of income before taxes by approximately \$109 million (approximately EUR 98 million). In accordance with IFRS accounting, the calculation for the third-quarter impact is based on the estimate for bonds offered as of Sept. 30. The difference between that assessment and the final tender results amount to a positive impact of approximately \$7 million (approximately EUR 7 million), which will be recognized on the financial income and expenses line in the fourth quarter. In each case, these amounts do not include accrued interest or fees and expenses related to the transaction. Going forward, the transaction is expected to result in recurring interest expense savings through to March 2038.

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. The Company leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. The Company, headquartered in the Netherlands, is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care. The Company's health technology portfolio generated 2015 sales of EUR 16.8 billion and employs approximately 69,000 employees with sales and services in more than 100 countries. News about the Company can be found at www.philips.com/newscenter.