May 31, 2016

Settlement of Philips Lighting IPO

Amsterdam, the Netherlands – Koninklijke Philips N.V. (“Royal Philips”) and Philips Lighting N.V. (“Philips Lighting” or the “Company”) today announced the settlement of the Initial Public Offering of Philips Lighting.

Today the Initial Public Offering of Philips Lighting N.V. (formerly named Philips Lighting NewCo B.V.) was settled. As a result Royal Philips has received €750 million in gross proceeds from the sale of 37.5 million existing ordinary shares in Philips Lighting (representing 25% of Philips Lighting’s share capital).

Royal Philips has granted the Underwriters an over-allotment option to purchase up to approximately 5.625 million additional shares in Philips Lighting (up to 15% of the offered shares) at the offer price of €20.00. The over-allotment option can be exercised until 30 days after 27 May 2016. If this option is fully exercised, Royal Philips’ ownership in Philips Lighting’s outstanding share capital will be further reduced to 71.25%. Royal Philips aims to sell all of its remaining shares over the next several years as Royal Philips will focus on its HealthTech businesses.

Philips Lighting shares were listed and started trading on Euronext Amsterdam (on an if-and-when-delivered basis) on 27 May 2016. As of today, the shares are traded unconditionally under the listing name ‘Philips Lighting’ and the symbol ‘LIGHT’. Philips Lighting announces that the Netherlands is its Home Member State for purposes of the EU Transparency Directive.

More information about Philips Lighting and the IPO is available in the prospectus dated 16 May 2016 and the pricing statement dated 26 May 2016, copies of which may, subject to securities law restrictions in certain jurisdictions, be obtained from the Philips Lighting website at www.lighting.philips.com/main/company. The prospectus can also be found on the website of the Netherlands Authority for the Financial Markets (“AFM”) at www.afm.nl.

Earlier announcements related to the Offering

On 3 May 2016, Royal Philips and Philips Lighting announced the intention to launch an initial public offering and listing of Philips Lighting on Euronext Amsterdam. On 16 May 2016, Royal Philips and Philips Lighting announced the indicative price range and offer size of the planned IPO of Philips Lighting and publication of the prospectus. On 26 May 2016, Royal Philips and Philips Lighting announced the pricing of the IPO and publication of the pricing statement. Philips Lighting announced its listing and trading on Euronext Amsterdam on 27 May 2016. The press releases, the prospectus and the pricing statement are available on the Philips Lighting website (www.lighting.philips.com/main/company).

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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. 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. Headquartered in the Netherlands, Philips’ 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.

About Philips Lighting

Philips Lighting is a global leader in lighting products, systems and services. Our understanding of how lighting positively affects people coupled with our deep technological know-how enable us to deliver digital lighting innovations that unlock new business value, deliver rich user experiences and help to improve lives. Serving professional and consumer markets, we sell more energy efficient LED lighting than any other company. We lead the industry in connected lighting systems and services, leveraging the Internet of Things to take light beyond illumination and transform homes, buildings and urban spaces. In 2015, we had sales of EUR 7.5 billion and, as of 31 March 2016, the Group employed approximately 36,350 full time equivalent personnel in over 70 countries.

Important Information

This document and the information contained herein are not for distribution in or into the United States of America (including its territories and possessions, any state of the United States of America
and the District of Columbia) (the “United States”), Canada, Australia or Japan. This document does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities (the “Shares”) of Philips Lighting N.V. (the “Company”) in the United States. The Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any sale in the United States of the securities mentioned in this communication will be made solely to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the Securities Act.

The Company has not authorized any offer to the public of Shares in any Member State of the European Economic Area other than the Netherlands. With respect to any Member State of the European Economic Area, other than the Netherlands, and which has implemented the Prospectus Directive (each a " Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Shares may only be offered in that Relevant Member State (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression “offer of securities to the public” means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

This document does not constitute a prospectus within the meaning of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) and does not constitute an offer to acquire securities. Any offer to acquire Shares has been made, and any investor should make his investment, solely on the basis of information that is contained in the prospectus made generally available in the Netherlands in connection with such offering. Copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

In the United Kingdom, this communication is only being distributed to, and is only directed at "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) who are (i) investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Any person who is not a relevant person should not take any action on the basis of this communication and should not act or rely on it or any of its contents.

**Forward-looking Information**

This document contains forward looking statements that reflect Royal Philips’ and the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and
opportunities and the markets in which the Company operates, including with respect to the sell
down of the majority holding of Royal Philips. Forward-looking statements involve all matters that
are not historical facts. Philips Lighting has tried to identify forward-looking statements by using
words as “may”, “will”, “would”, “should”, “expects”, “intends”, “anticipates”, “projects”, “believes”, “could”, “hopes”, “seeks”, “plans”, “aims”, “objective”, “potential”, “goal”
“strategy”, “target”, “continue”, “annualized” and similar expressions or negatives thereof or other
variations thereof or comparable terminology, or by discussions of strategy that involve risks and
uncertainties. The forward-looking statements are based on the Company’s beliefs, assumptions and
expectations regarding future events and trends that affect the Company’s future performance,
taking into account all information currently available to the Company, and are not necessarily
indicative or guarantees of future performance and results. These beliefs, assumptions and
expectations can change as a result of possible events or factors, not all of which are known to the
Company or are within the Company’s control. If a change occurs, the Company’s business, financial
condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary
materially from those expressed in, or suggested by, these forward-looking statements. In addition,
the forward-looking estimates and forecasts reproduced in this document from third-party reports
could prove to be inaccurate. A number of important factors could cause actual results or outcomes
to differ materially from those expressed in any forward-looking statement as a result of risks and
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place undue reliance on the forward-looking statements in this document. In light of the possible
changes to the Company’s beliefs, assumptions and expectations, the forward-looking events
described in this document may not occur. Additional risks currently not known to the Company or
that the Company has not considered material as of the date of this document could also cause the
forward-looking events discussed in this document not to occur. Forward-looking statements involve
inherent risks and uncertainties and speak only as of the date they are made. The Company
undertakes no duty to and will not necessarily update any of the forward-looking statements in light
of new information or future events, except to the extent required by applicable law. The prospectus
also contains a detailed description of risks related to investing in Philips Lighting shares.