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Press Information

February 8, 2017

Royal Philips sells 26.0 million shares in Philips Lighting for total proceeds of EUR 608 million

Amsterdam, the Netherlands - Today, Koninklijke Philips N.V. ("Royal Philips") announced that it has successfully completed the accelerated bookbuild offering to institutional investors of 26.0 million shares in Philips Lighting N.V. ("Philips Lighting") at a price of EUR 23.40 per share (the "Offering"), realizing total proceeds of EUR 608 million. The transaction was upsized from the original announced offering of 22.25 million shares. This transaction reduces Royal Philips' stake in Philips Lighting's outstanding share capital from 71.225% to approximately 53.892%.

As part of this transaction, Philips Lighting will repurchase 3.5 million Shares in the Offering and intends to cancel these Shares. After cancellation of the 3.5 million Shares that Philips Lighting has acquired in the Offering, Royal Philips' shareholding in Philips Lighting is expected to represent 55.180% of Philips Lighting's outstanding share capital. Philips Lighting will not receive any proceeds from the Offering.

The transaction is expected to settle on 13 February 2017. Royal Philips has agreed to a lock-up in respect of its remaining stake in Philips Lighting until 21 April 2017 (subject to limited exceptions and the Joint Bookrunners' right to waive the lock-up restrictions).

The transaction is in line with Royal Philips' stated objective to fully sell down its stake in Philips Lighting over the next several years.

Citi, Goldman Sachs International, ING and J.P. Morgan acted as Joint Bookrunners for the transaction. Rothschild acted as financial adviser to Royal Philips in connection with the transaction.

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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 2016 sales of EUR 17.4 billion and employs approximately 71,000 employees with sales and services in more than 100 countries. News about Philips can be found at www.philips.com/newscenter.

Important Notice

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This press release does not constitute (i) a public offer of securities in the Netherlands, (ii) a prospectus within the meaning of the Dutch Financial Markets Supervision Act (Wet op het 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"):

- (A) in member states of the European Economic Area (the "EEA") to persons who are "qualified investors" within the meaning of Article 2(1)(e) of the EU Prospectus Directive (Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the EEA (the "Prospectus Directive"))) and



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- includes any relevant implementing measure in each relevant member state of the EEA) (the "Qualified Investors");
- (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); or (iii) are persons to whom it may otherwise be lawfully communicated; and
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If you are not a Relevant Person, you will not be eligible to participate in the offering, and you should not act upon, or rely on, this press release.

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