Press Information

November 28, 2017

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 17.1 million shares in Philips Lighting N.V. ("Philips Lighting") currently owned by Royal Philips (the “Offering”), representing approximately 12% 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 2.8 million 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 58.6 million shares in Philips Lighting’s issued share capital, representing 40.97%. If all offered shares are sold, this stake will be reduced to approximately 29.01%. After cancellation of the 2.8 million shares that Philips Lighting intends to acquire in the Offering, Royal Philips' shareholding in Philips Lighting is expected to represent 29.59% 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 Friday 1 December, 2017.

Royal Philips has agreed to a lock-up in respect of its remaining stake in Philips Lighting being the earlier of (i) 60 days or (ii) the date of publication of Philips Lighting's full year 2017 results (subject to limited exemptions and the Joint Bookrunners’ customary right to waive the lock up restrictions).
Goldman Sachs International, Merrill Lynch International, Rabobank (in cooperation with Kepler Cheuvreux) and UBS Limited are acting as Joint Bookrunners for the transaction. Rothschild is acting as financial adviser to Royal Philips in connection with the transaction.

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

For further information, please contact:
Steve Klink
Philips Group Communications
Tel: +31 6 10888824
Email: steve.klink@philips.com

Ksenija Gonciarenko
Philips Investor Relations
Tel: +31 6 31914905
Email: 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 2016 sales of EUR 17.4 billion and employs approximately 73,000 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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(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

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The Joint Bookrunners, each of which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and N M Rothschild & Sons Limited (“Rothschild”) which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, are acting exclusively for Royal Philips and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than Royal Philips for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this press release or any transaction, arrangement or other matter referred to herein.

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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