Royal Philips sells 17.1 million shares in Philips Lighting for total proceeds of EUR 547 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 17.1 million shares in Philips Lighting N.V. (“Philips Lighting”) at a price of EUR 32 per share (the “Offering”), realizing total proceeds of approximately EUR 547 million. This transaction reduces Royal Philips’ stake in Philips Lighting’s issued share capital from 40.97% to 29.01%.

As part of this transaction, Philips Lighting will repurchase 2.8 million shares in the Offering and intends to cancel these shares. After cancellation of the 2.8 million shares that Philips Lighting has acquired 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 transaction is expected to settle on Friday December 1, 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 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 years.

Following the transaction, Royal Philips will no longer have control over Philips Lighting and will cease to consolidate Philips Lighting under International Financial Reporting Standards (IFRS). Philips Lighting is expected to be presented as investment included in 'Assets classified as held for sale' in the financial statements of Royal Philips as from end November 2017.

As Royal Philips’ shareholding in Philips Lighting now falls below 30%, Frans van Houten will step down from the Supervisory Board effective per the end of this year, in accordance with the Relationship Agreement between Philips Lighting and Royal Philips. Abhijit Bhattacharya will remain as Royal Philips nominee on the Supervisory Board of Philips Lighting.
Goldman Sachs International, Merrill Lynch International, Rabobank (in cooperation with Kepler Cheuvreux) and UBS Limited 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 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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