

Winning in Europe

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Key takeaways

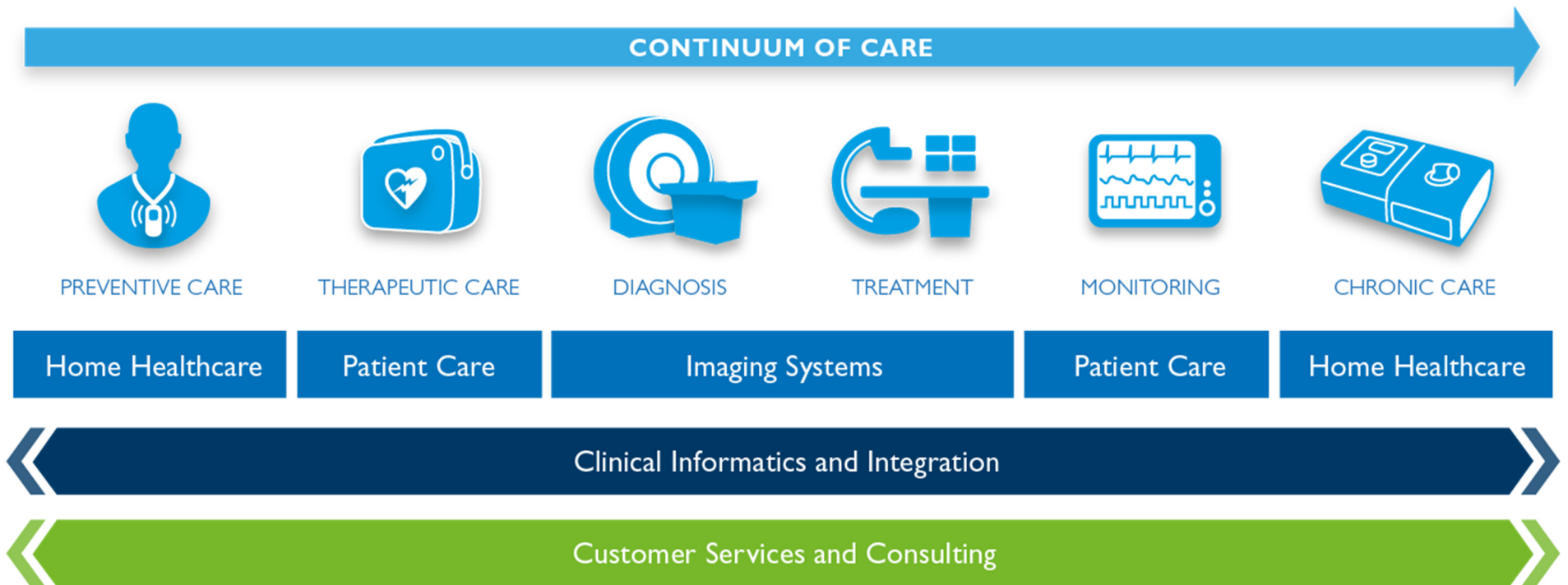
- We have strengthened our market position in a declining market
- Demographics will drive medium-term demand, although short-term market outlook is stable
- Health care industry dynamics drives demand for innovative solutions
- Long-term partnerships, innovation capabilities, large installed base and strong position in Home Healthcare Solutions will drive future growth



Philips Healthcare Guiding Statement

We are dedicated to creating the future of health care and saving lives.

We develop innovative solutions across the continuum of care in partnership with clinicians and our customers to improve patient outcomes, provide better value and expand access to care.



Market trends



















Health care trends

- Life expectancy increased by six years since 1980
- Future shortage of health care professionals
- Growth in health care spend has slowed or fallen in many European countries
- Care is shifting from hospital to lower cost settings, including the home

Health care industry dynamics drives demand for innovative solutions

- Adoption of minimally invasive interventions
- Home care to avoid hospital (re-)admissions for chronically ill people
- Multi-year partnerships with customers
- Improve equipment utilization, workflow and clinical integration

European market outlook is stable

| Market | Actual Market 2012 | 2013 remarks | Market outlook 2013 |
|----------------|---|--|---|
| Germany |  | Delayed decisions in 2012 |  |
| Nordics |  | Stable in 2013 Growth expected in 2014/2015 |  |
| Benelux |  | Overall stable |  |
| UK and Ireland |  | Moderate growth in interventional X-ray and defibrillators |  |
| France |  | New authorizations to increase number of MR/CT scanners |  |
| Iberia |  | 2013 will remain difficult |  |
| Italy |  | New government. Uncertainty. Tenders postponed |  |
| Greece |  | 2013 will remain difficult |  |

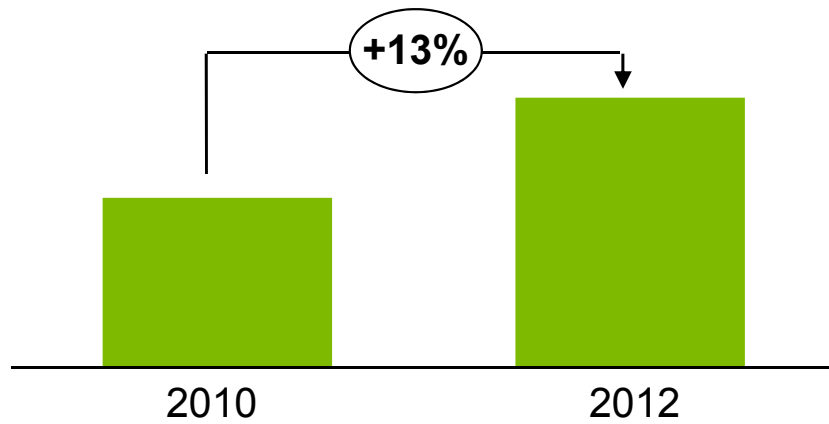
 Market growth

 Market flat

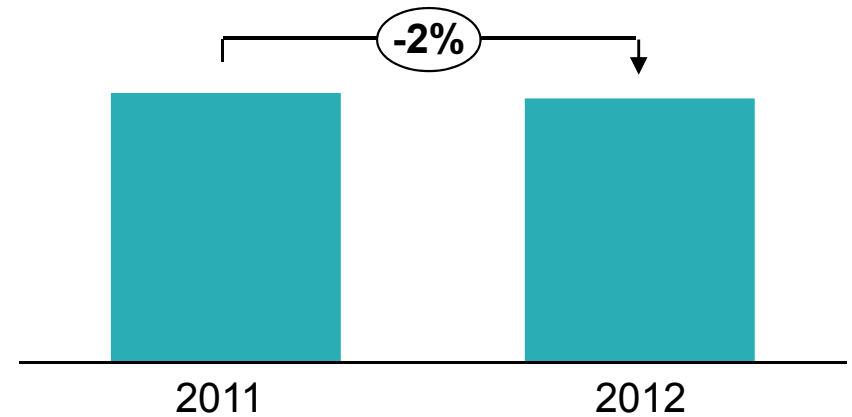
 Market decline

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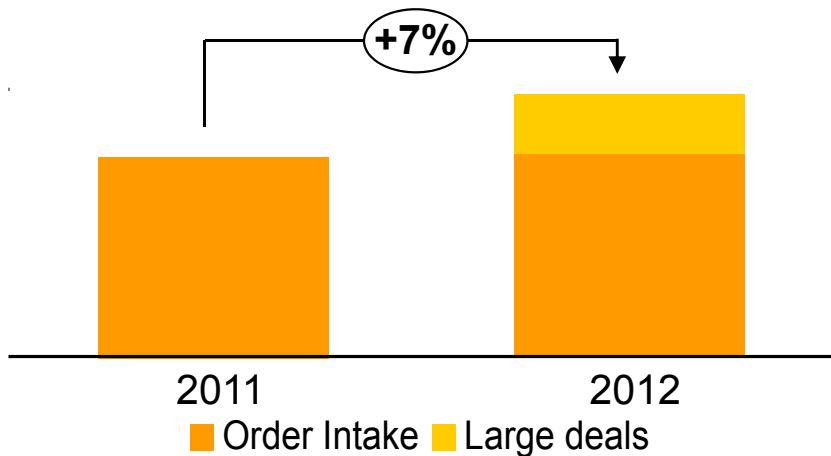
Customer satisfaction trend



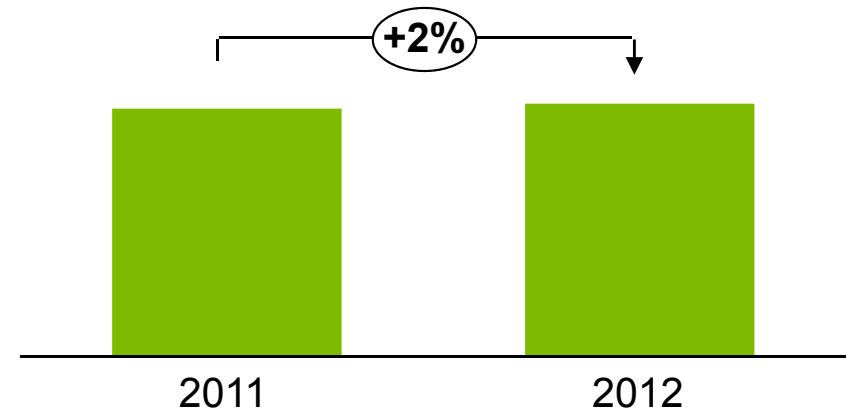
Market size trend



Philips order intake

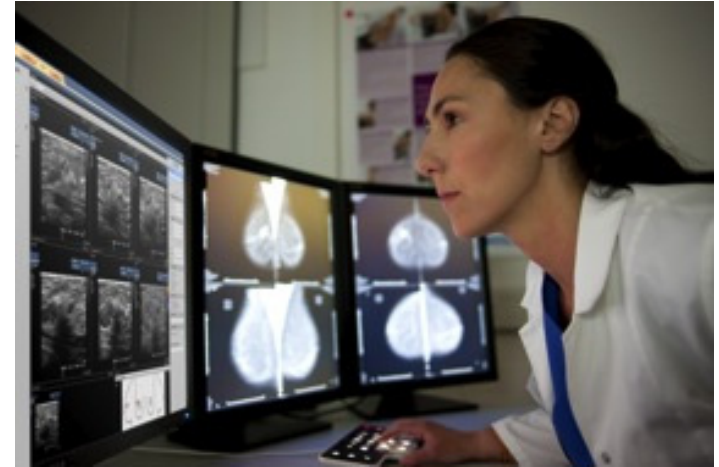


Philips market share



Why we win

- Customer centric organization delivering three consecutive years of improved customer satisfaction
- Large installed base across Europe driving recurring revenues and upgrade business
- Research collaboration with our customers leveraging strong innovation infrastructure in Europe
- Strong position in Home Healthcare Solutions supporting continued growth
- Long-term strategic partnerships delivering efficient and affordable health care and improving patient outcomes



Long-term partnerships driving growth

More than 30 long-term partnerships in Europe



Sint Maartenskliniek
NIJMEGEN



Wolverhampton
New Cross, UK



Sant Pau



Isala Klinieken awards Philips Partnership contract in 2012

- Multi-year collaboration to improve patient care
- Joint research program to innovate for diagnosis and treatment of cardiovascular disease and cancer



“There is an urgent need to partner with a shared purpose to guarantee improved medical care for our patients.”

Mrs. Marjanne Sint, CEO

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