

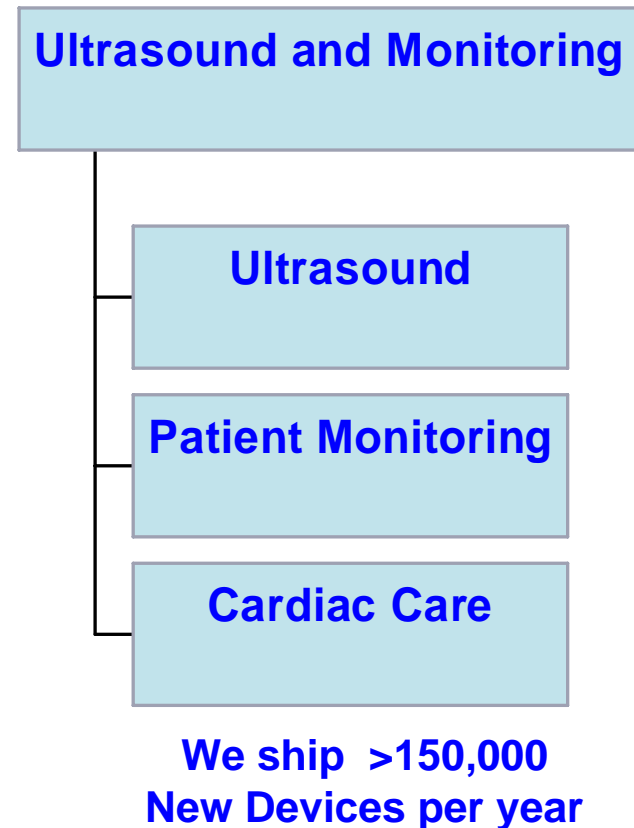
PHILIPS

Ultrasound and Monitoring

Barbara Franciose
CEO of Ultrasound & Monitoring
May 31st, 2007

The Ultrasound and Monitoring Business

- Three fast moving, higher volume business units
- Care cycle and Emerging Market synergies
- Business goal to **accelerate growth** – all have strong market shares and high EBIT



Ultrasound and Monitoring at Philips Medical

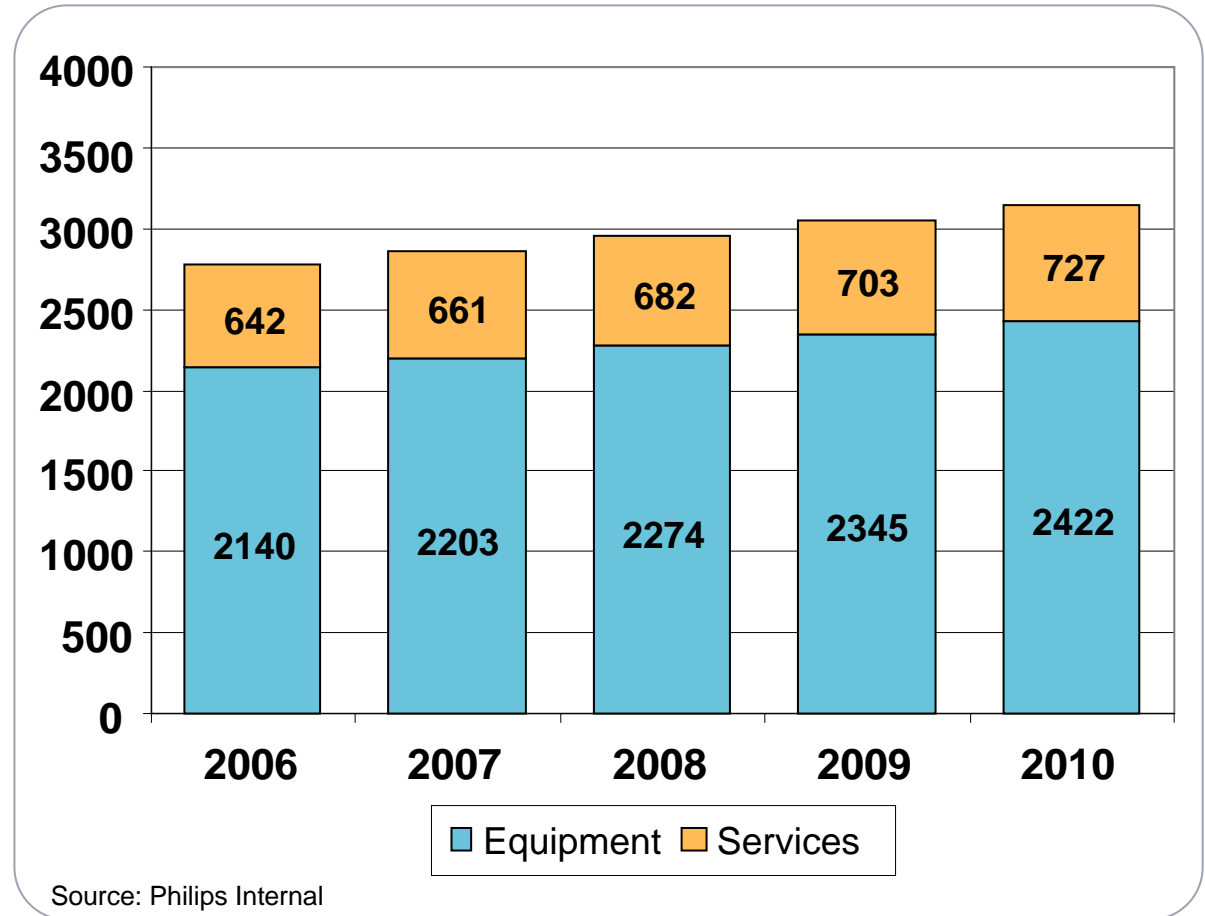
- **Markets and Share:**
 - **Ultrasound**
 - **Patient Monitoring**
 - **Cardiac Care**
- Emerging Markets
- Care Cycle and Clinical Decision Support Expansions
- Summary



Monitoring - Total Market Opportunity of €3.1B

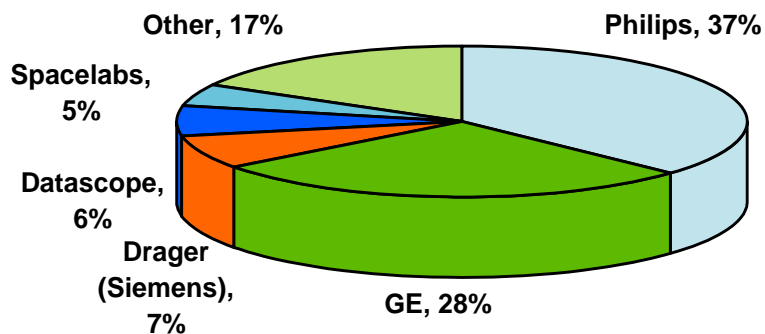
Equipment Revenue + Service Revenue (€M projected)

- 2010 projected market total **approx. €3.1B**
3% CAGR
- Growth in Emerging markets 6%, 2x rate of developed markets
- Expansion in SW systems and Clinical Decision Support

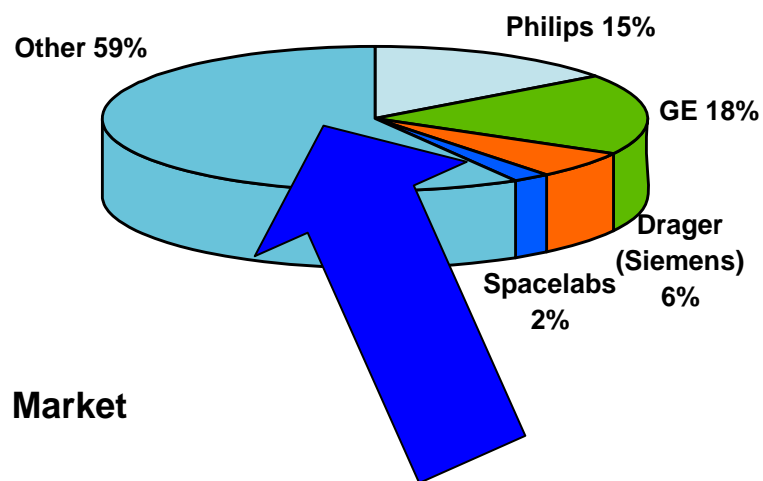


Monitoring – Slight Gain in 2006, more opportunity in EM

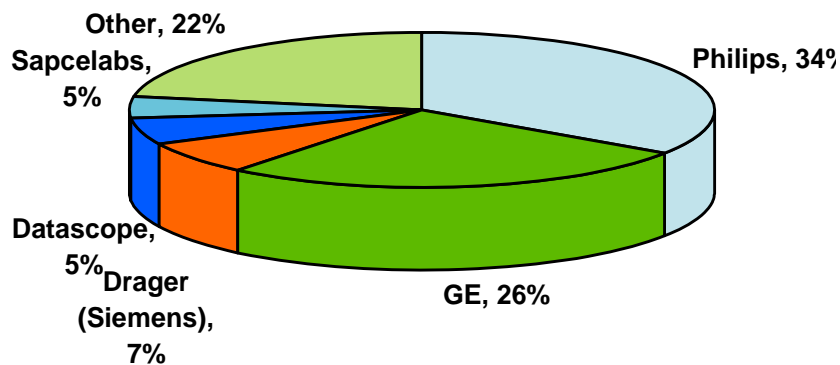
Share of Developed Market



Share of Emerging Market



Share of Total Market



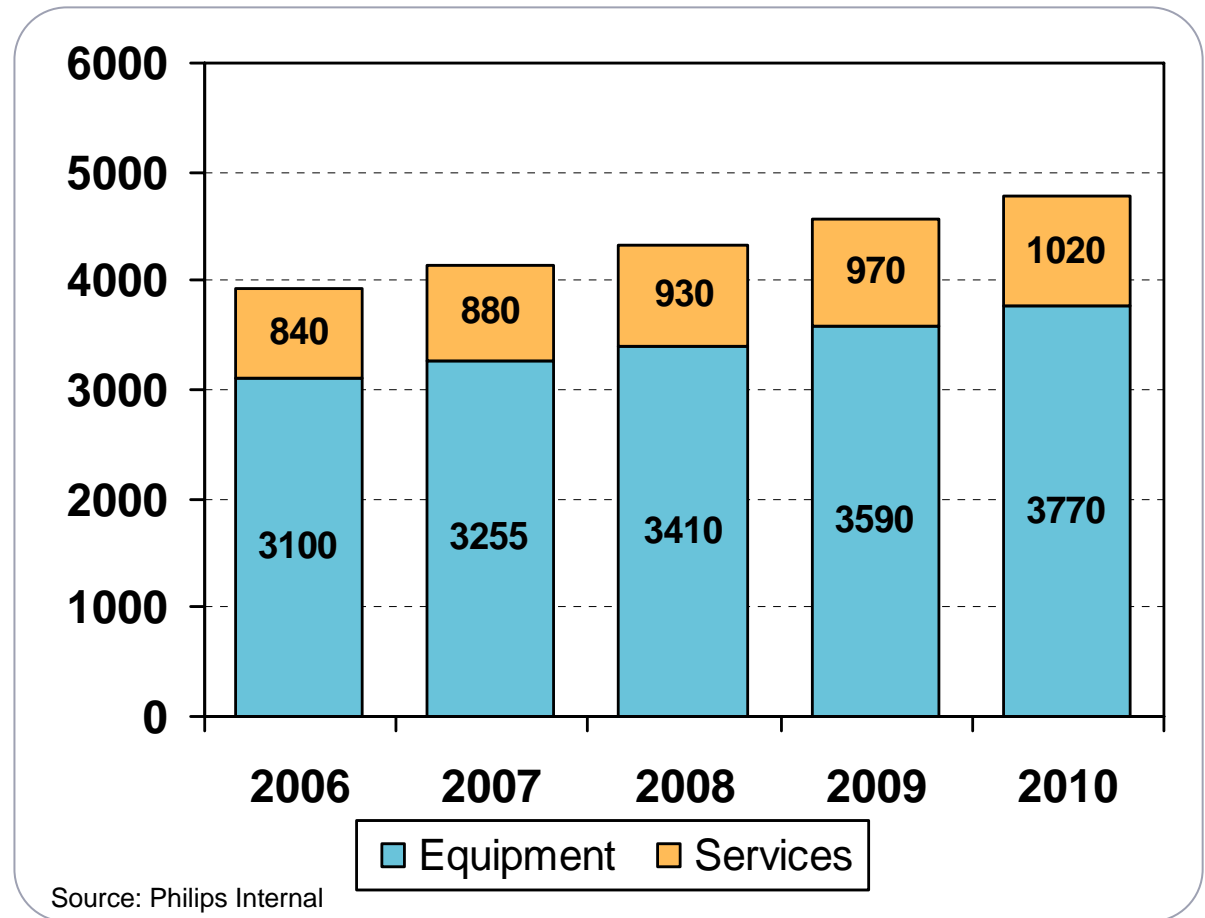
Ultrasound - Total Market Opportunity – €4.8B

Equipment Revenue + Service Revenue (€M projected)

- 2010 projected market **approx. €4.8B**

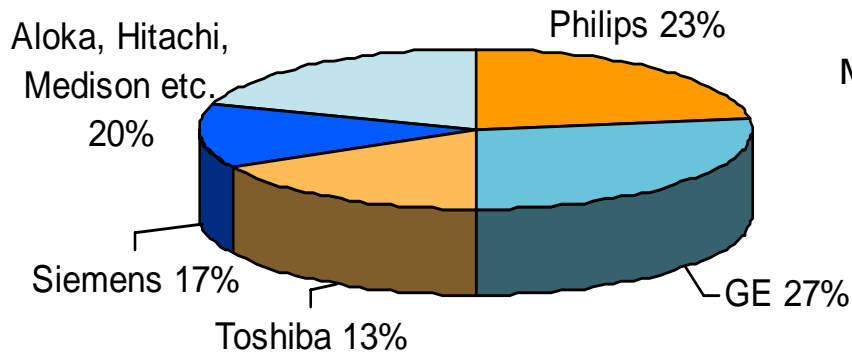
4% CAGR

- Includes Compact expansion
- **Services** continues to be more profitable than equipment

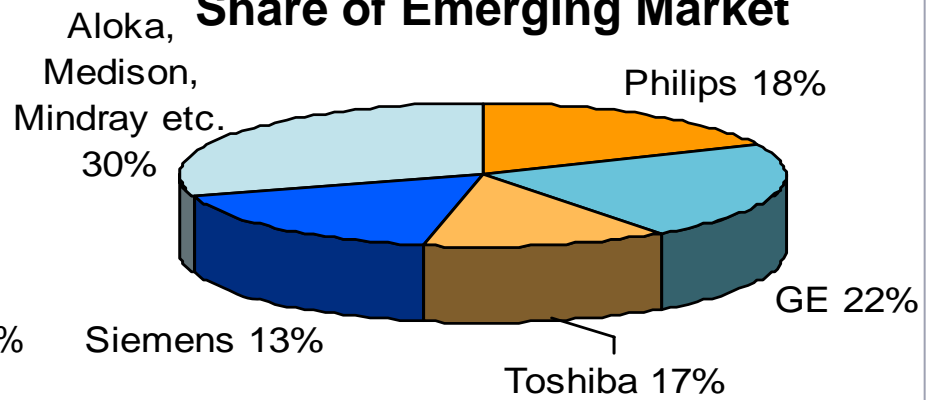


Ultrasound – slight share increase in 2006

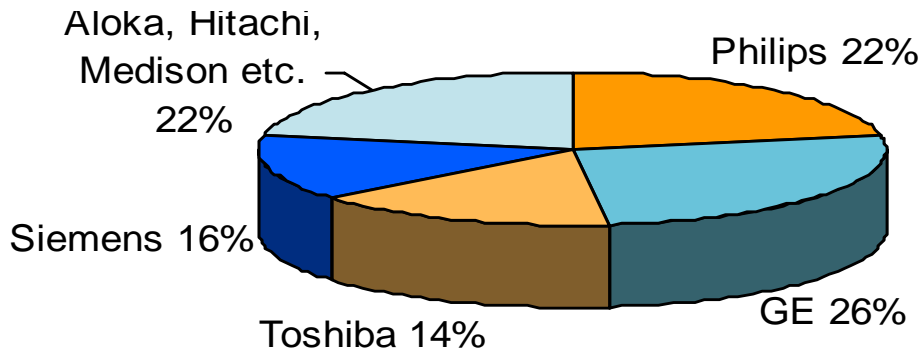
Share of Developed Market



Share of Emerging Market



Share of Total Market



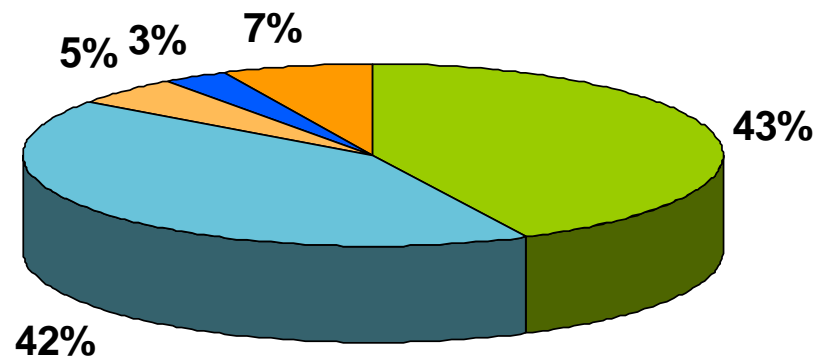
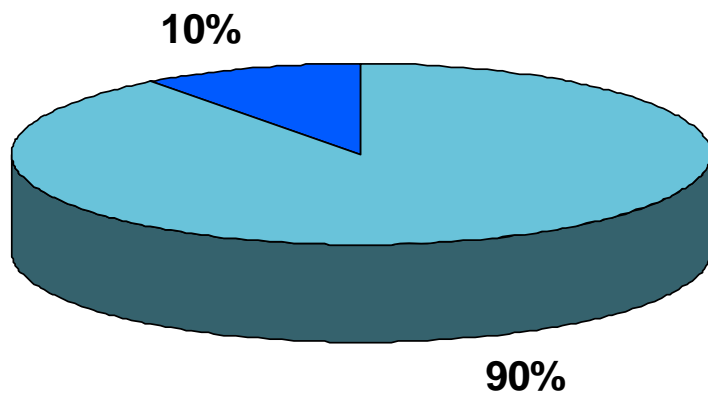
€3,100M

Source: Philips Internal

Gain in Radiology and Cardiology offset missing Compact Segment

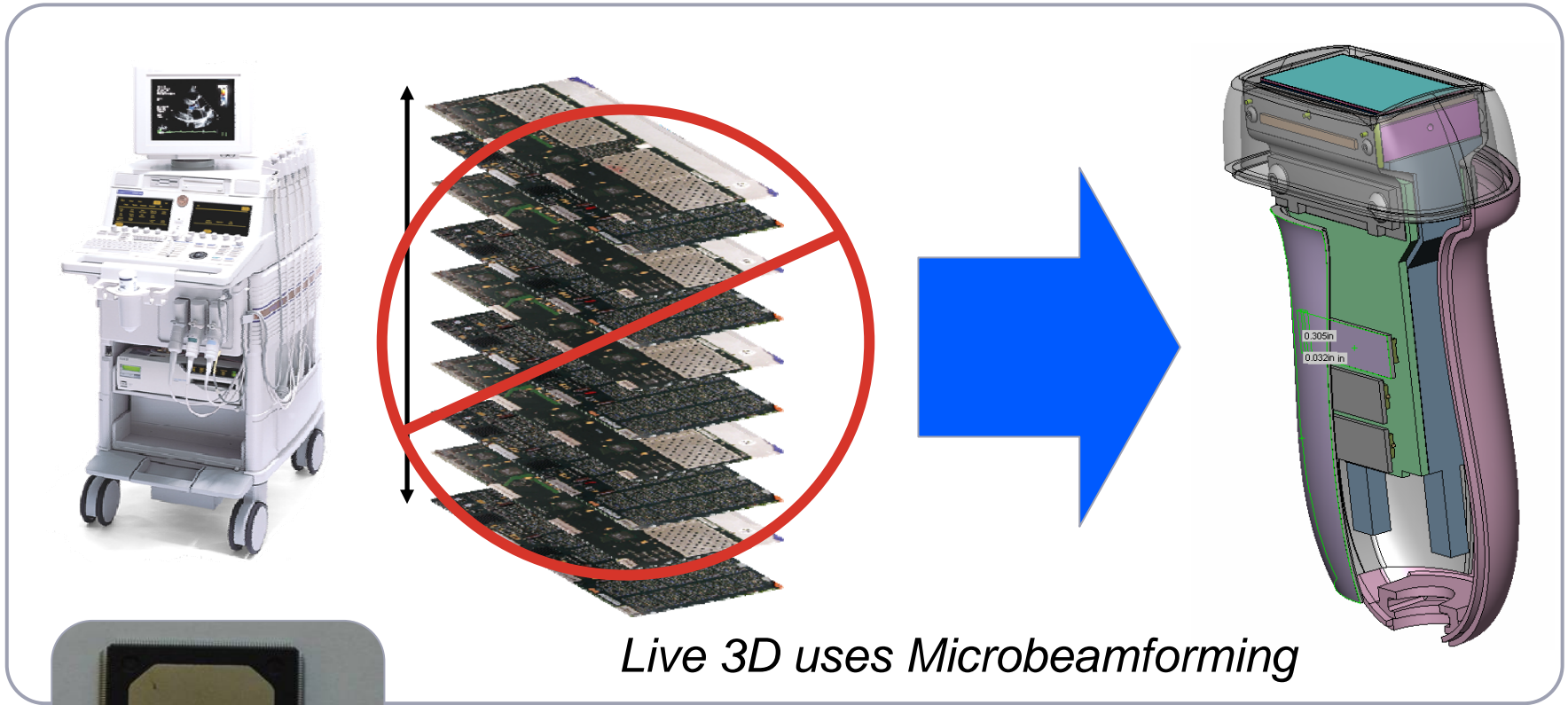
Ultrasound - Compact Market grew to 10% in 2006

Compact Market € 300M



Sonosite + GE control >85% of the market, paving ground for Philips future product introductions

Technological Building Blocks completed

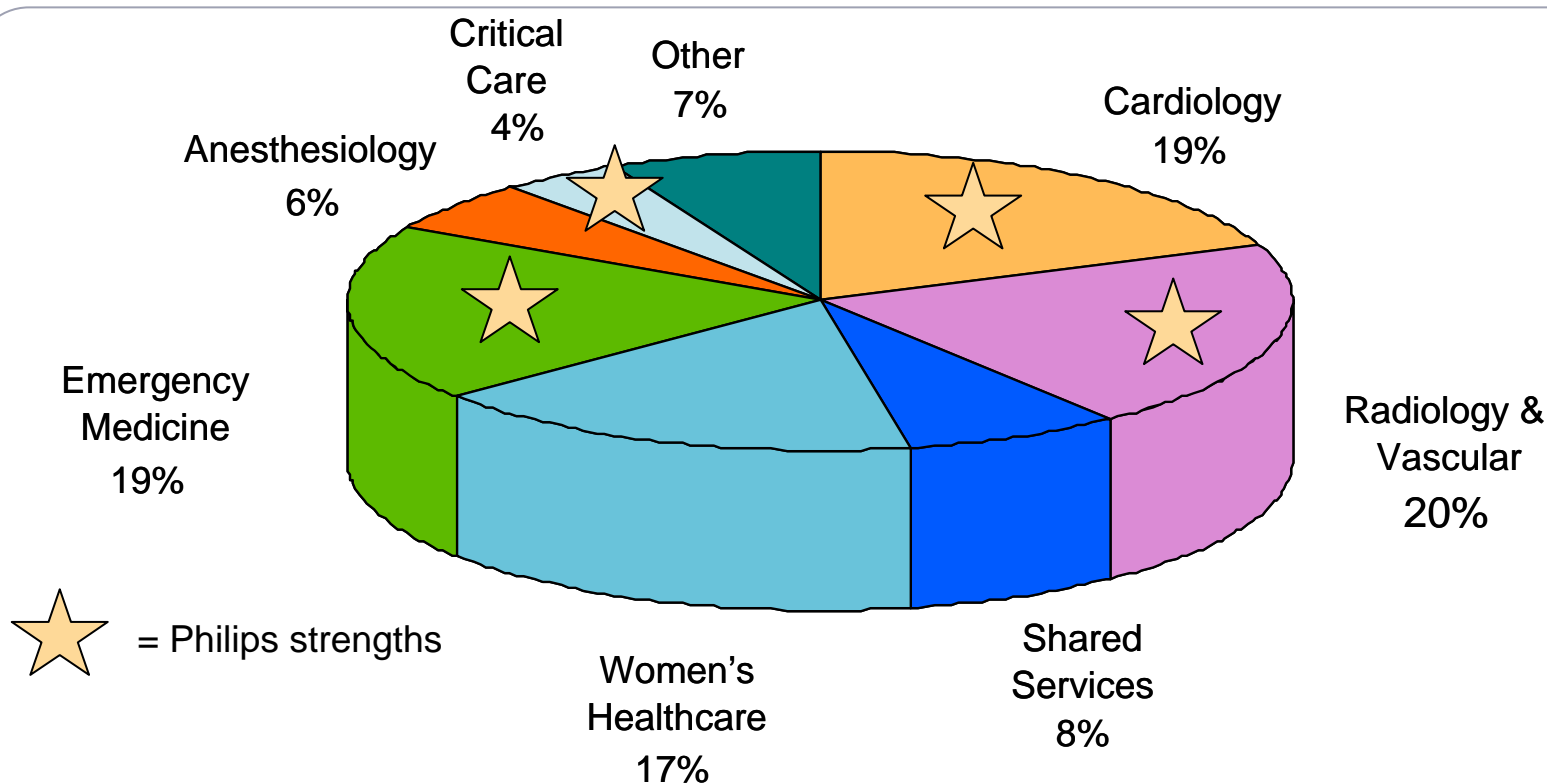


Live 3D uses Microbeamforming



ASICS

Ultrasound - Compact Adoption aligns with Philips Strengths



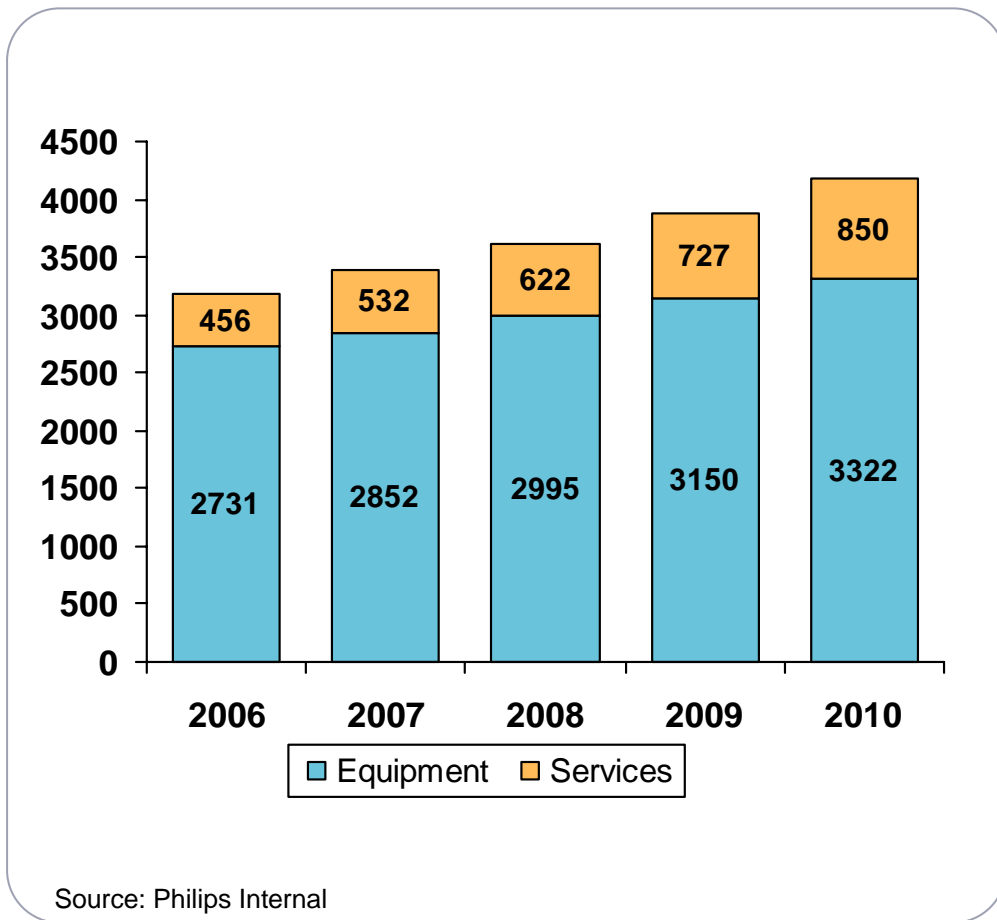
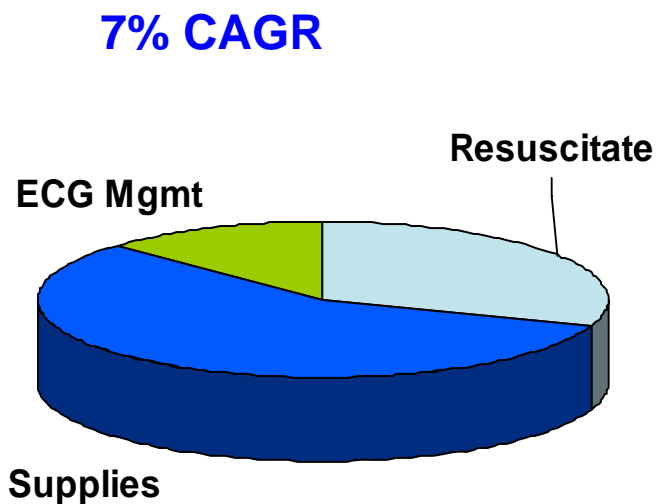
Projected Compact Ultrasound by Discipline

Projected CAGR 25% - €800M total market in 2010

Cardiac Care - Market Opportunity € 4.2B

Equipment Revenue + Service Revenue (€M projected)

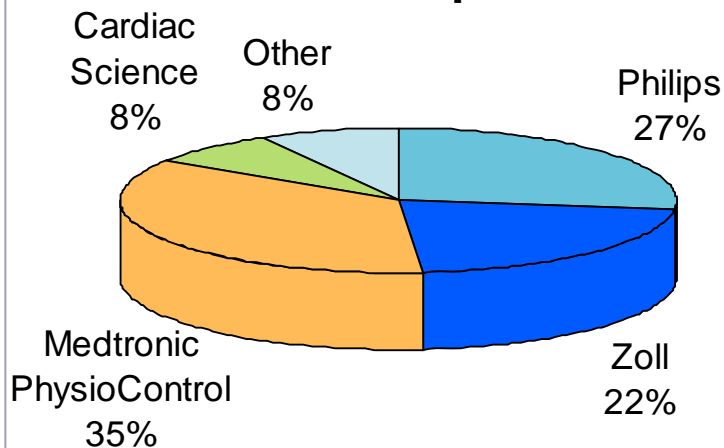
- 2010 projected market approx. €4.2B



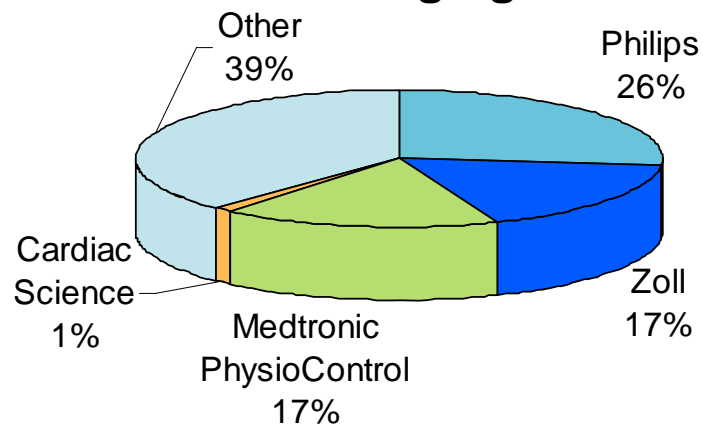
Philips Supply Business addresses only 50% of market today

Cardiac Resuscitation – Gaining Market Share

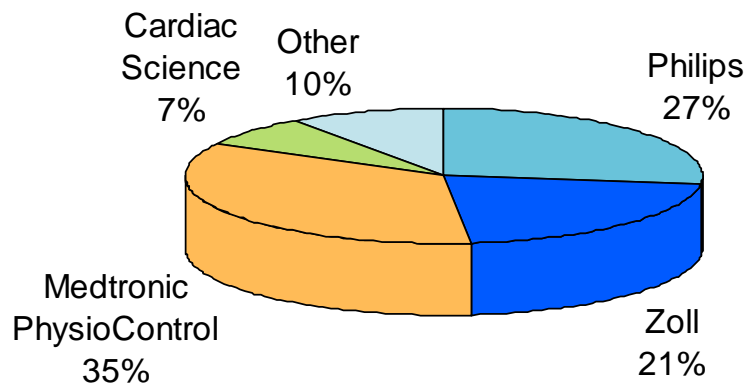
Share of Developed Market



Share of Emerging Market



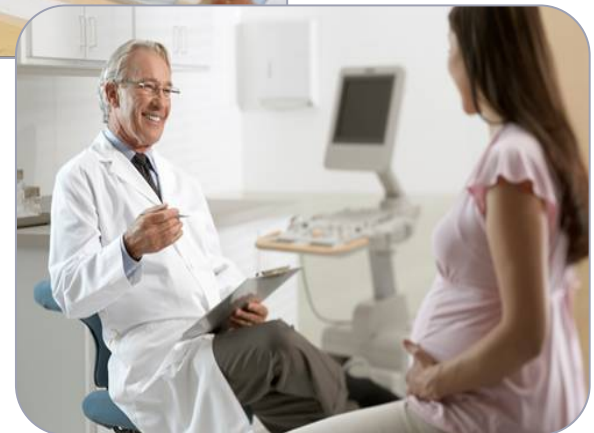
Share of Total Market



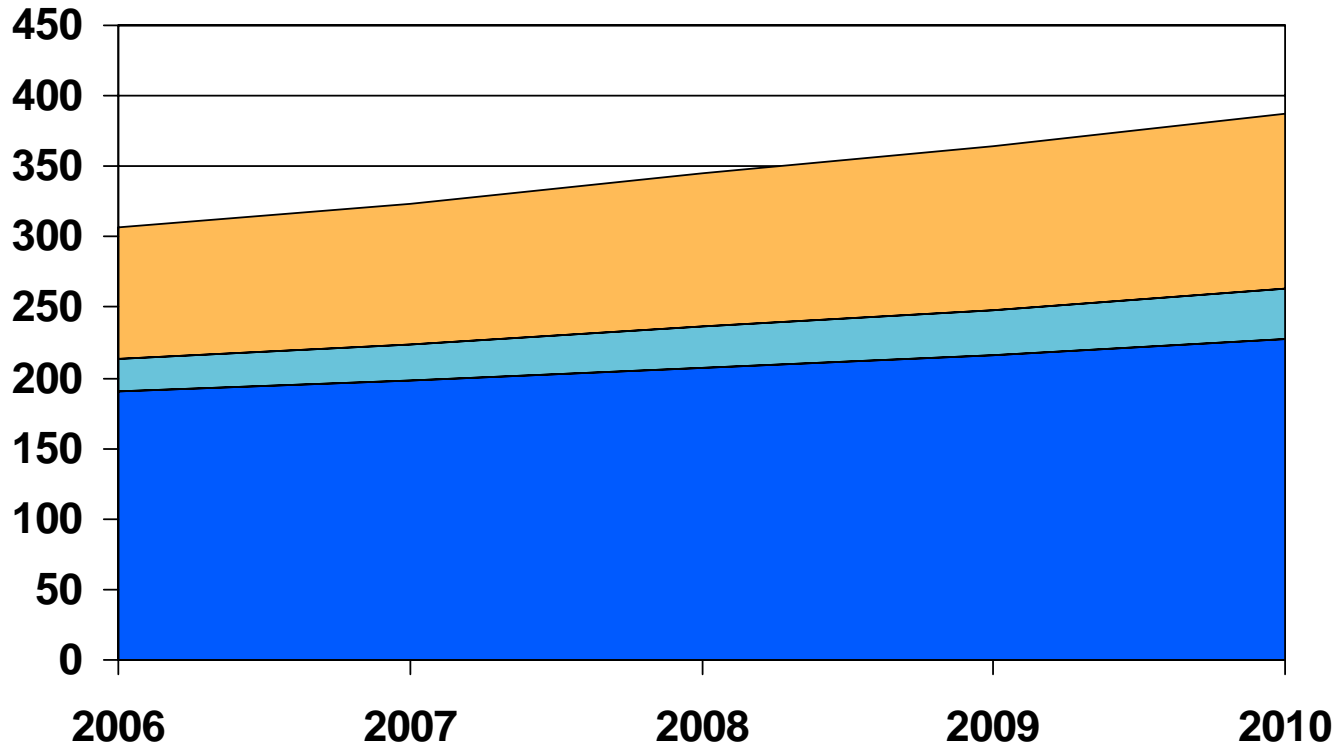
Source: 2006 public earnings reports

Ultrasound and Monitoring at Philips Medical

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Monitoring Emerging Market growing 6 – 7%



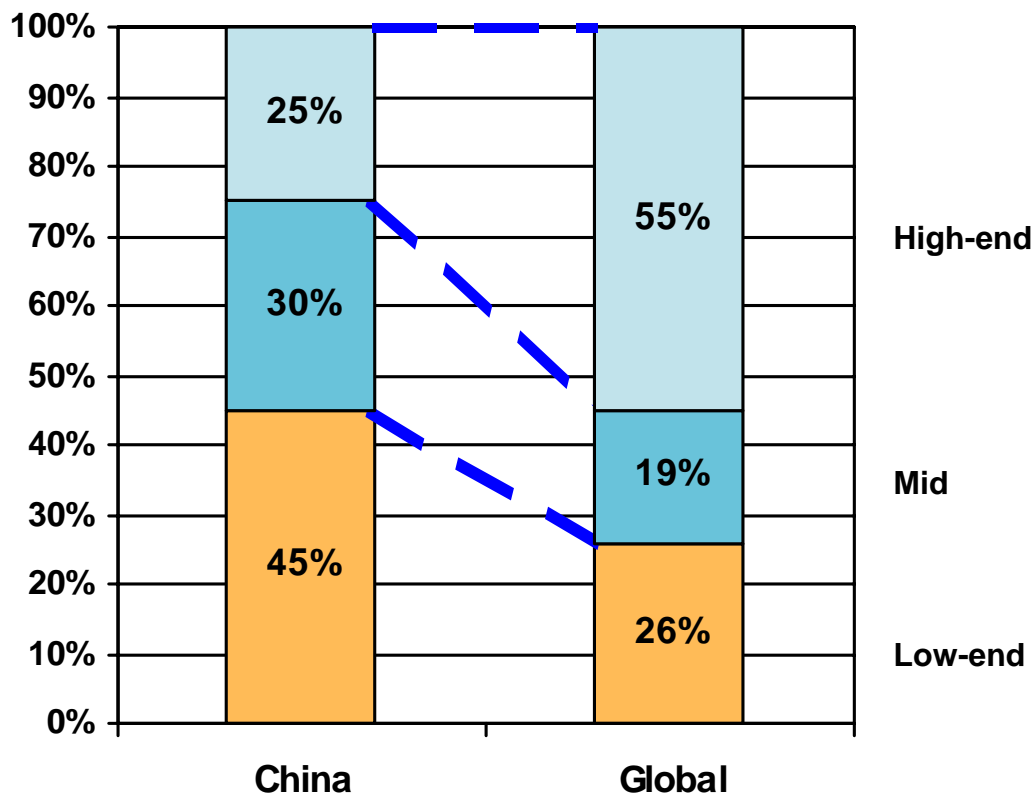
Source: Foster & Sullivan
January 2007 report.
Equipment only & includes
Spot Check market

China alone will reach €227M By 2010

In China Mid/low End Products = 75% of Market

Typical for emerging markets

System Equipment - Market Segmentation



**Targeted R&D
for
Low cost
Good Performance
Patient Centric**

System equipment:
CT, MR, X-ray
Source:
PMS Marketing
Working Group analysis

UM - Organic expansion in Emerging Markets



HD3 – introduced late 2005,
>3000 units to date



SureSigns and MP5, introduced
in 2006, >4000 units to date

Inorganic growth thru Partnering and M&A in Brazil, China and India

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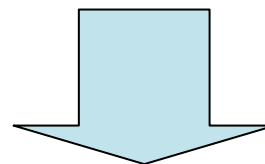
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Care Cycles within Ultrasound and Monitoring



- Preventative
- Predictive
- Diagnostic
- Therapeutic



- Ubiquitous

Clinical Decision Support – Protocol Watch

Clinical Goal: To Optimize the Care of Patients with Sepsis

- Early indication of the onset of sepsis
- Improve disease recognition and treatment
- Provide consistent clinical approach based on SSC driven protocols

Not Admitted Adult 31 Jan 11:06 Profiles 6 Waves A

Sinus Tach
Frequent SYPBs 6

HR 120
50

Pulse -?-

SpO₂ 100
90

Plath

ProtocolWatch - Severe Sepsis Screening (1002)

Inactive	Screening	Resuscitation	Management	Standby
Which of the following signs and symptoms of infection are both PRESENT and NEW to the patient?				
T < 36.0°C (96.8°F) or T > 38.3°C (100.9°F)				39.5°C <input checked="" type="checkbox"/>
Tachycardia (HR > 90bpm)				60bpm <input type="checkbox"/>
Tachypnea (RR > 20rpm) or mechanically ventilated				15rpm <input type="checkbox"/>
WBC > 12000/μl or < 4000/μl or > 10% immature forms				<input type="checkbox"/>
Acutely altered mental status				<input type="checkbox"/>
Chills with rigors				<input type="checkbox"/>
Hyperglycemia (Glucose > 6.7mmol/l or > 120mg/dl) in absence of diabetes				<input type="checkbox"/>

122/86 (104)

20

SSC Sepsis Screening

ProtocolWatch

Silence Enter Temp Enter RR Protocol Log Confirm Remind 15 min

Reducing the Door-to-Balloon time in Acute MI



The NEW ENGLAND JOURNAL of MEDICINE

Strategies for Reducing the Door-to-Balloon Time in Acute Myocardial Infarction

Volume 355:2321-2329

November 30, 2006

Number 22

New Campaign to Improve Door-To-Balloon Times Reflects a Rethinking of How Research Is Translated Into Practice



Hospitals too slow on heart attacks

Study finds only 35% react quickly enough

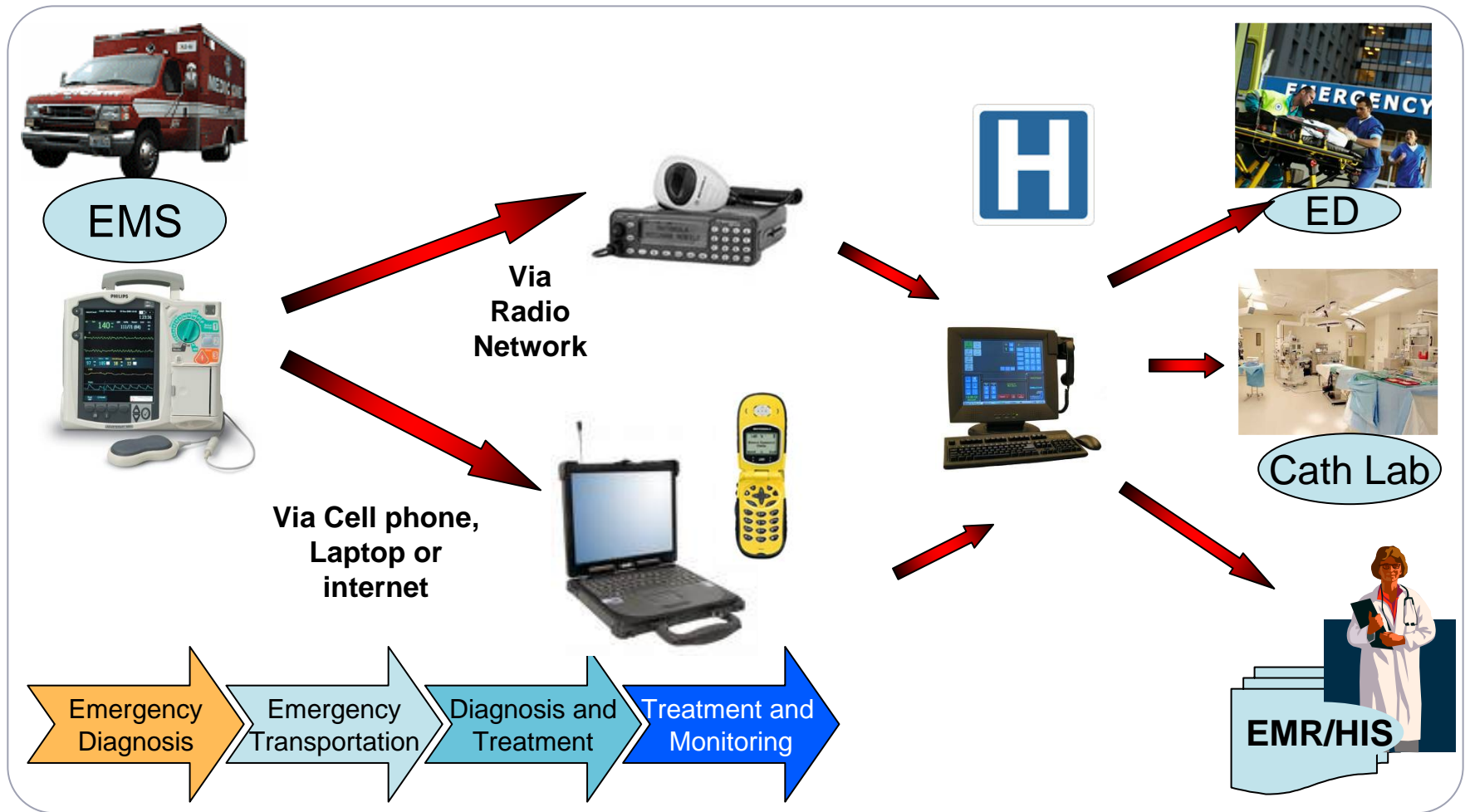
Study finds only 35% react quickly enough

By Steve Sternberg
USA TODAY
CHICAGO — Only about one-third of hospitals provide emergency care to heart-attack patients quickly enough to meet scientific guidelines for saving lives, researchers report today.
Even top-performing hospitals, American Heart Association and American College of Cardiology (ACC) guidelines for care in only half. Their cases, researchers say, "Even among the better hospitals, only a few hospitals routinely meet the recommended guidelines," says Yale cardiologist Peter A. Kravitz, a leader of the research team, and an architect of a national campaign launched Sunday to help hospitals improve their performance. "By next year, we're going to change the... About 200,000 people a year have heart attacks caused by blockages in crucial arteries supplying the heart with blood.



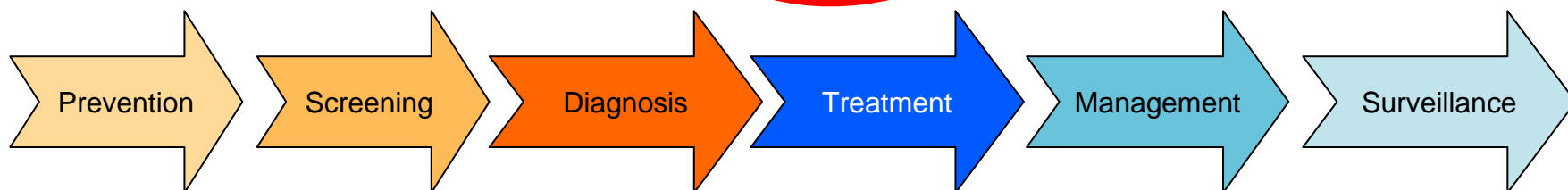
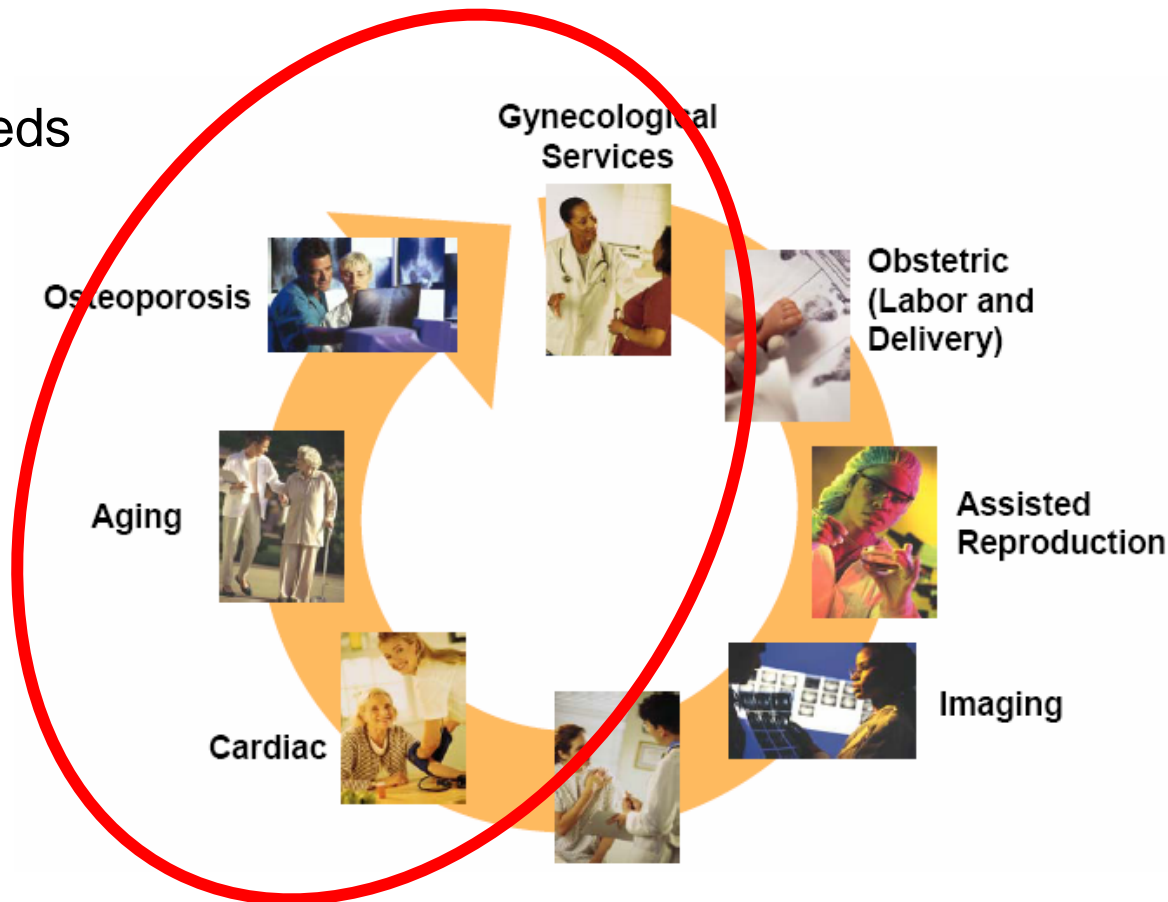
Paramedics Activate Cath Lab for STEMI Patients in Some Areas

Only Philips Offers Complete Discovery-to-Balloon (D2B) Solution



Patient Centric Care Cycles in Women's Health

- Women's healthcare needs change as they age
- Four opportunities relevant to "baby boomers"
 - Heart disease
 - Breast cancer
 - Gynecology
 - Osteoporosis



Heart Disease is NOT just a Man's Disease

- Heart disease - the # 1 killer in women (500,000 die each year of CVD versus 40,000 that die from breast cancer)
- Recent AHA survey - only 8% Primary-care Physicians knew heart disease kills more women than men each year, a fact since 1984
- Symptoms, tests and therapy are different for women; Philips will develop gender specific software and technology in this area



Philips strength in cardiology is vital in Women's Healthcare

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Summary – Ultrasound and Monitoring

- Strong Businesses Today – still taking market share
- Patient centric growth:
 - emerging markets
 - compact ultrasound
 - emergency medicine
 - women's health care
- Saving lives, improving clinical care and adding new value to Philips



