

New developing markets: Automatic External Defibrillators

Deborah DiSanzo

December 5, 2001

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Don McQuinn

Sudden Cardiac Arrest Survivor

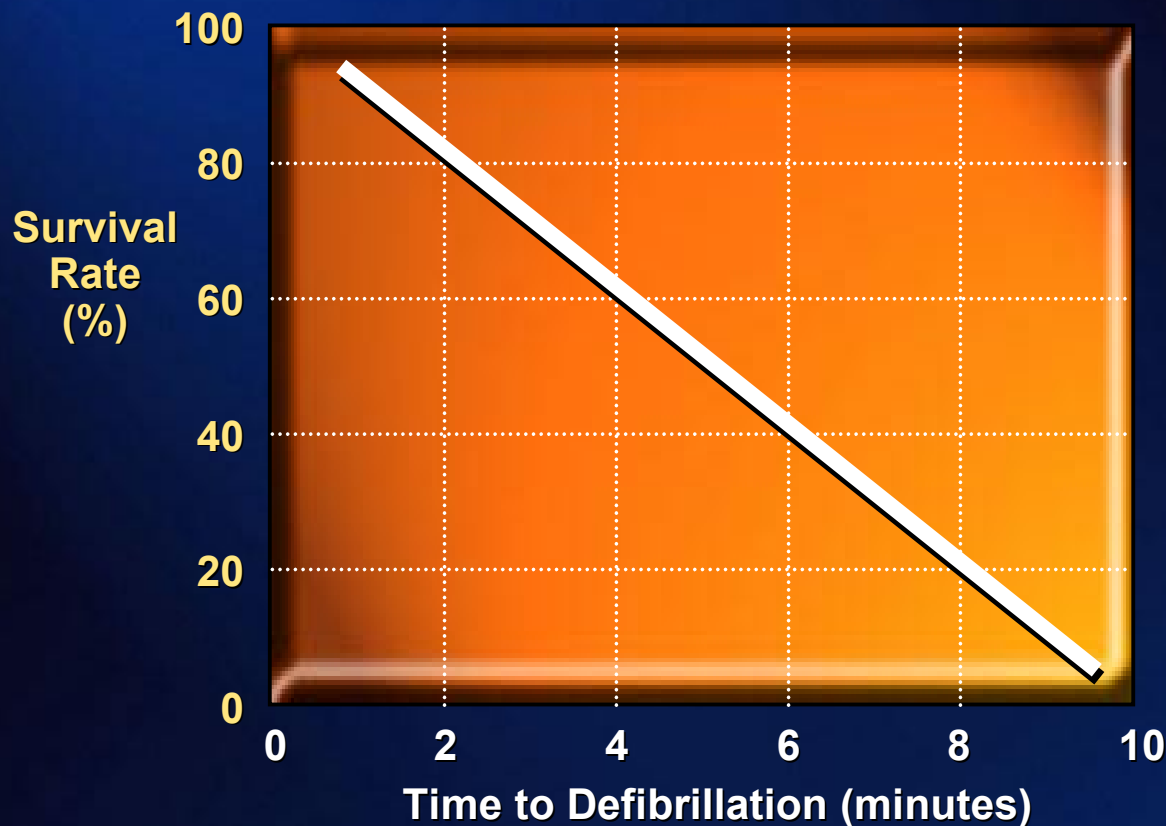
**Collapsed while playing volleyball
during stay in Hawaii**

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The Critical Early Minutes of SCA



Cummins RO, et al. Guidelines 2000 for
Cardiopulmonary Resuscitation and Emergency
Cardiovascular Care (ECC)

- 225,000 people die each year of Sudden Cardiac Arrest (U.S.).
- Survival reduced by 10% each minute defibrillation is delayed
- “...the widespread deployment of automated external defibrillators ...could save as many as 100,000 lives each year...”
June 17, 1998 - American Heart Association

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Time to Defibrillation is the Major Determinant of Survival

Collapse-to-arrival	Survival	Location
11.4 minutes	1.4%	New York City, Emergency Services Response
5-6 minutes	40%	Rochester, MN, Police
2.2 minutes	70%	Las Vegas, NV, Casinos
2 minutes	82%	Chicago, IL, Airport System

*Lombardi G, JAMA 1994; White RD, Resuscitation, 1998;
Valenzuela TD, Acad Emerg Med 1998; USA Today, December 28, 1999*

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Our Success = Smaller, Lighter, Easier to Use

- Philips acquired Heartstream as part of Agilent HSG
- Heartstream spent over 9000 hours studying AED users
- Study determined that 6th graders could place pads and deliver shock within 90 seconds



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Our Success = Innovation in Therapy

- **First external defibrillator to use low-energy biphasic**
- **Only company to sponsor a large randomized trial**
 - **Superior 1st Shock Efficacy:**
 - 96% vs. 59% with high-energy monophasic
 - **Superior Brain Function:**
 - 87% of survivors had good brain function vs. 53% with high-energy monophasic

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Our Success = Science and Research (1995 - 2001)

	Peer-Reviewed Manuscripts	Peer-Reviewed Human Studies	Peer-Reviewed Sudden Cardiac Arrest
Philips	18	13	10
Physio Control	5	2	1
Zoll	1	1	0
Survivalink	2	2	2

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Heartstream Shipped 1st Generation in 1996

First Generation
Dec 1996



Second Generation
May 1999



Advantages

First Biphasic
First Smaller, Lighter
First Easier-to-use
Ready-to-use
Less expensive

First pediatric application
Enhanced user-interface
Longer battery life
Improved EMS hand-off

Target market

1 Airlines 26/35
1 Police
2 Fire

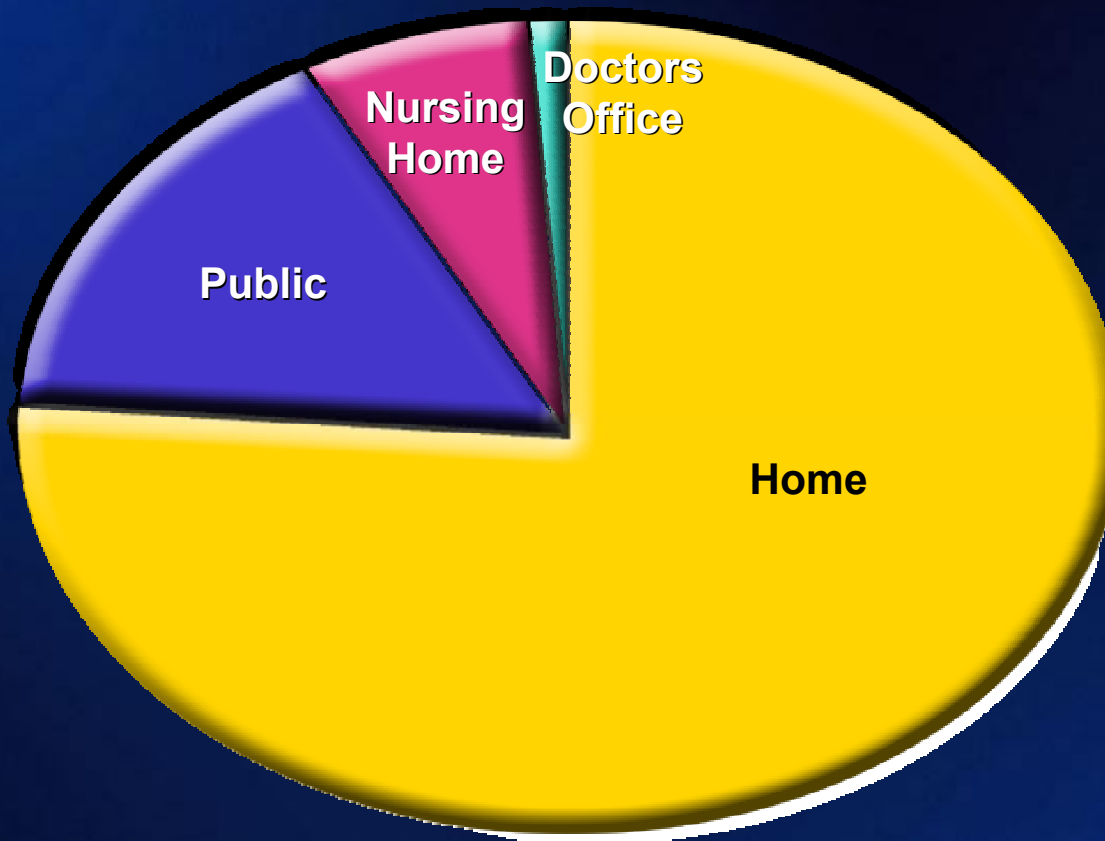
1 Public access
1 Industry

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Over 75% of Cardiac Arrests Occur at Home



American Heart Association, Public Access Defibrillation Conference,
Linda Becker, King County Health Department

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Philips will Ship 3rd Generation in 2002

**Third Gen
Q2 2002**

**Fourth Gen
2003**

Advantages

Smaller
Lighter
Easier-to-use
Less expensive

Smaller
Lighter
Connected
Cardiac care kit
Less expensive

Target market

Community access
Home

Home

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The Defibrillator Market is Rapidly Growing

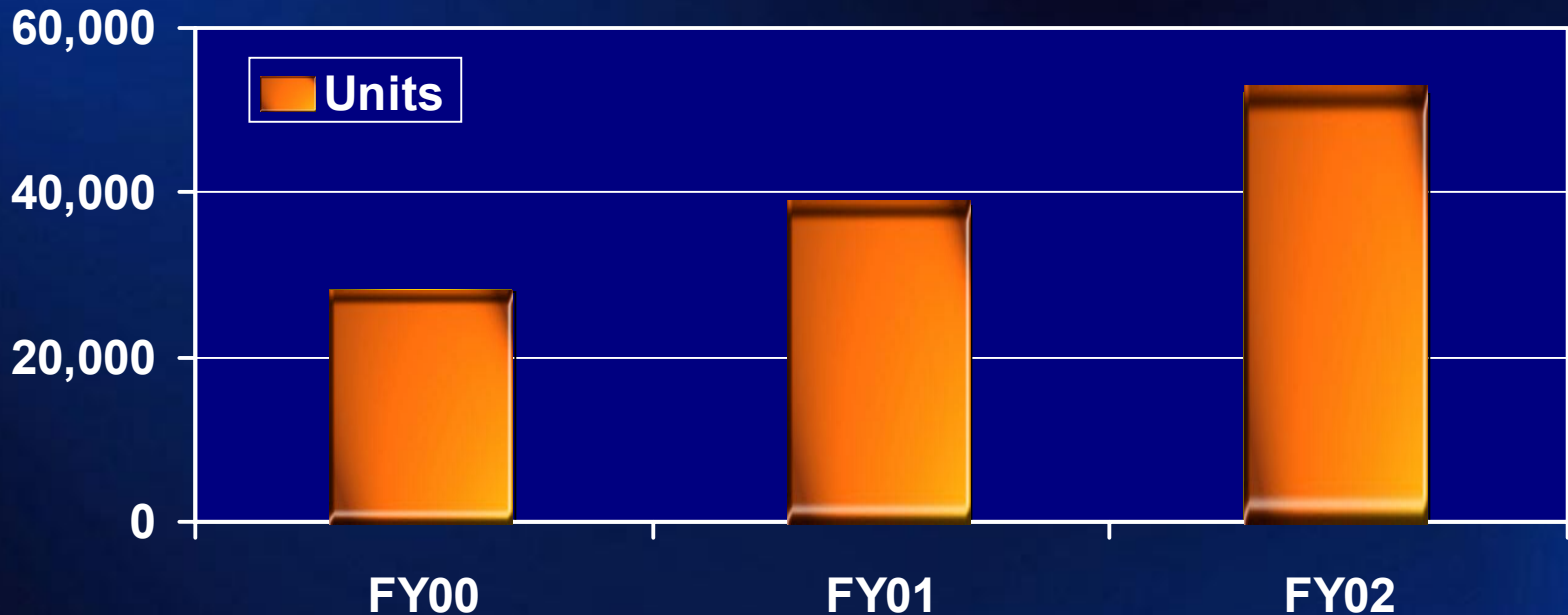
	Hospital Clinicians	Paramedics	EMT / First Responders	Targeted Responders	Lay Responders
Description	ER, ICU, OR Traditional	EMS - ALS	EMS - BLS Ambulance Fire	Police Cars Aviation Industry Clinics	Public Assbly Gov't Bldings Office Bldings Homes
Size 2001*	\$161m	\$97m	\$77m	\$93m	\$52m
Size 2004*	\$212m	\$109m	\$95m	\$186m	\$180m
CAGR	9.5%	4.1%	7.3%	25.8%	51.3%
Philips Share**	29% #2 (#1 units)	9.5% #3	32.7% #1	44% #1	44% #1

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Philips Cardiac Resuscitation is Growing



- Philips unit growth in 2001 is 38%
- Philips is number 1 in AEDs with over 80,000 installed
- Philips is number 1 Biphasic with over 90,000 installed

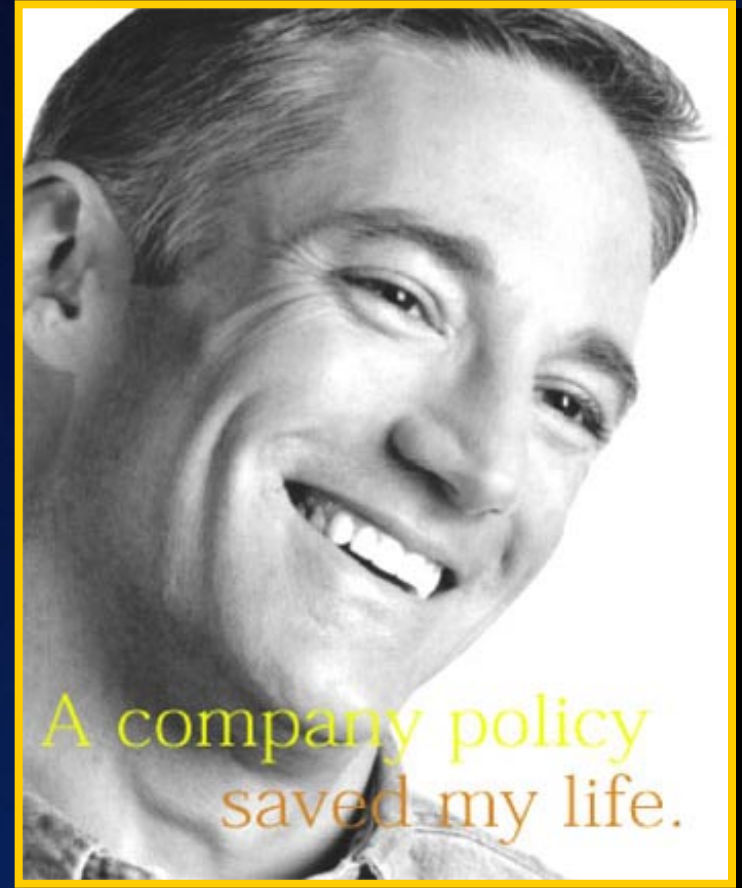
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Why will Philips Win?

- Focus on design, simplicity, and ease of use
- Lead in innovative research
- Pioneer new therapies
- Drive new market development



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Philips Cardiac Resuscitation - Mission

We design and produce every device as if the life of someone we love depends on it



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