

# PHILIPS

## **Imaging Systems**

Steve Rusckowski  
CEO Imaging Systems

## Agenda

### Market Description

#### Innovation:

- Cardiovascular
- CT
- PET Time-of-Flight

#### Operational Excellence / EBIT Improvement

#### Care Cycle

#### Conclusions



# New Imaging Systems Business Group

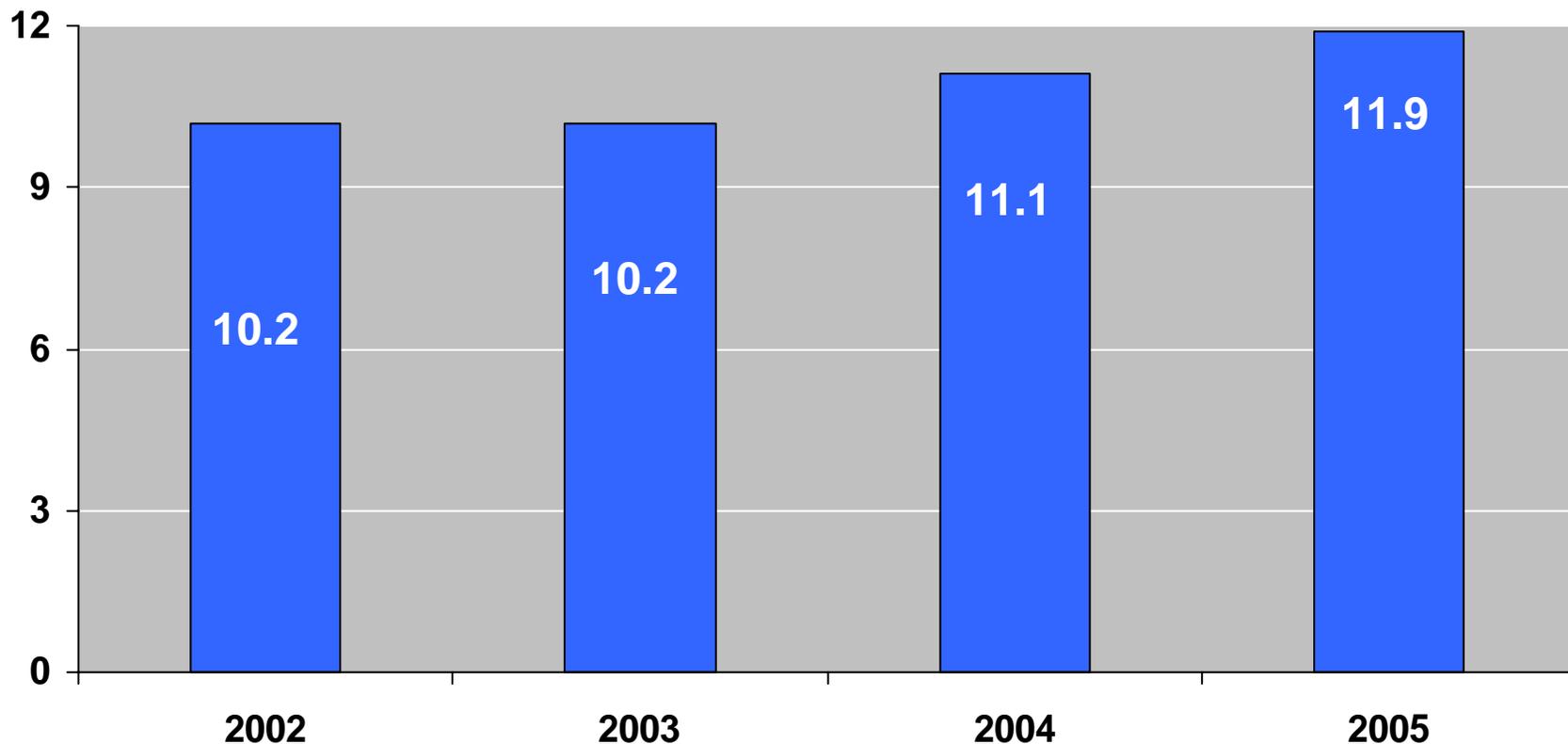
- A new business group to unify four imaging businesses.
- Focus will be on Innovation and Operational Excellence.
- Goal is to grow faster than the market and contribute to PMS' EBIT improvement.



# Imaging Systems - Continued Market Strength

*Market Size in EUR B*

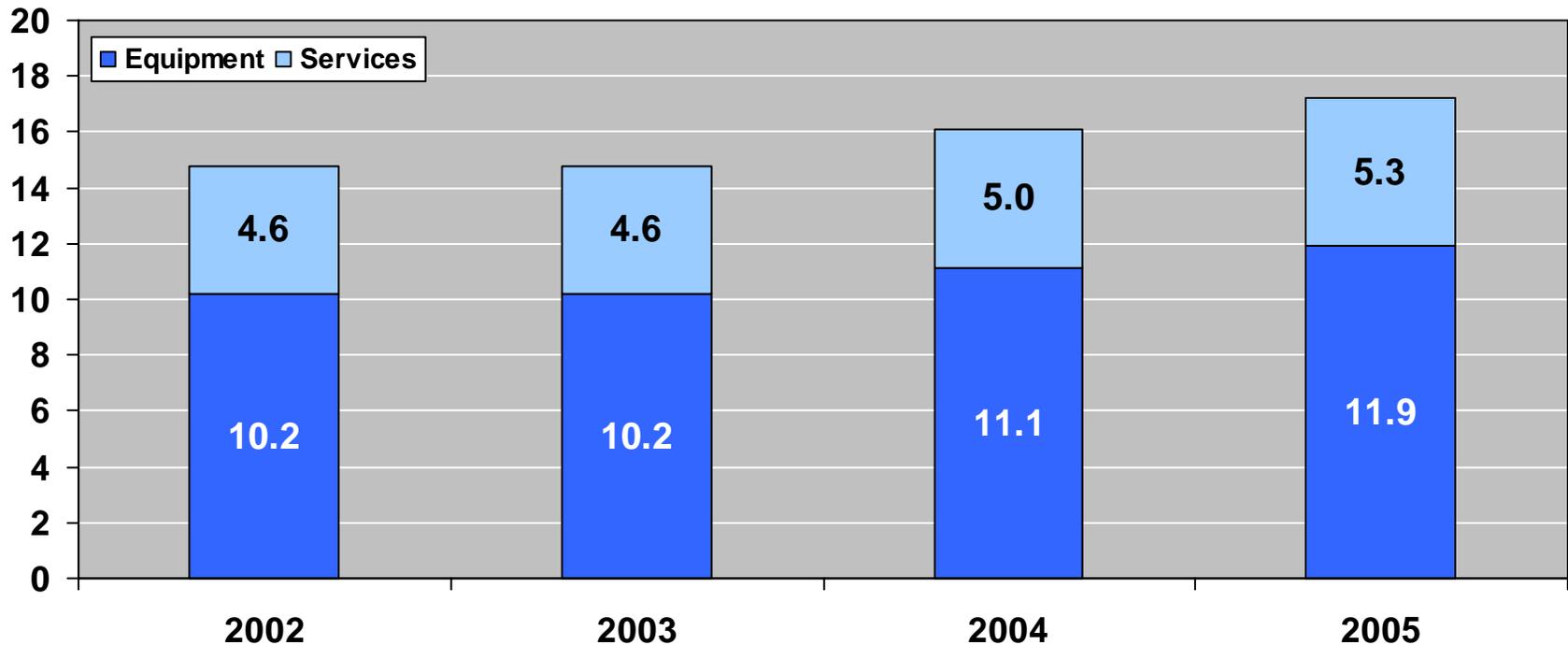
WW Imaging Systems Equipment Market  
5.4% CAGR 2002-2005



# Imaging Systems - Continued Market Strength

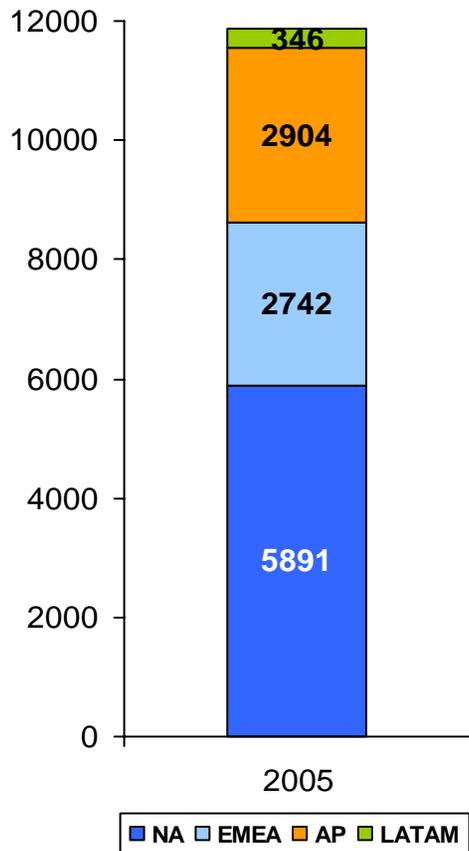
*Market Size in EUR B*

WW Imaging Systems Equipment & Service Market  
5.4% CAGR 2002-2005

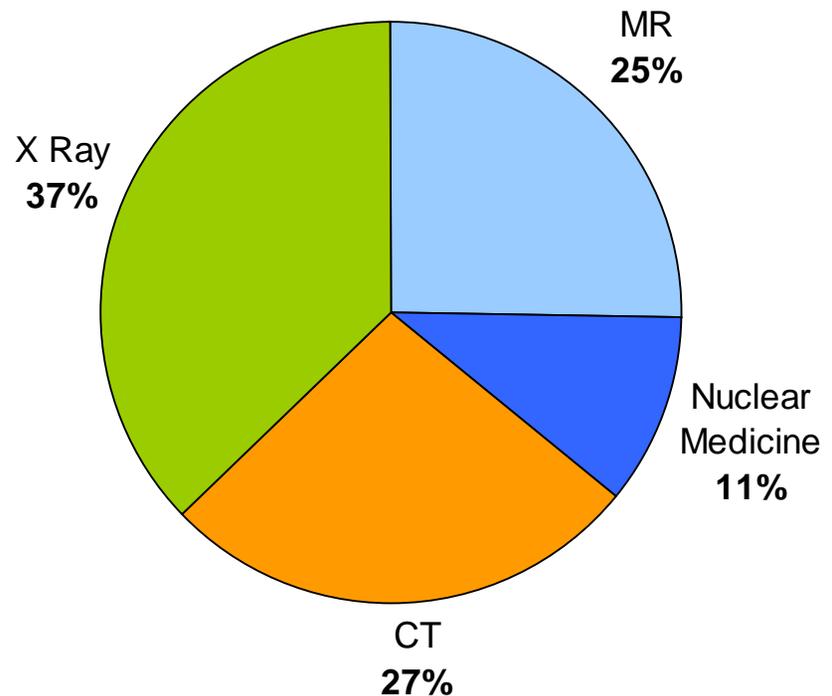


# Imaging Systems Markets - Regional and Modality

**Regional Market 2005 (€M)**



**2005 Market by Modality**



- North America leads with 50% of world market
- Market growth in 2005 lead by CT, Nuclear Medicine (PET)

# Market Share Trends - Imaging Systems

*Gained 2 points Since 2003*

	2003 - 2005	Q1 2006
MR	Increasing	No change
CT	Increasing	Increasing
X-Ray	Increasing	Increasing
Nuclear Medicine	No change	Increasing

- Increasing
- No change
- Decreasing

2005 Order  
Growth - 12%

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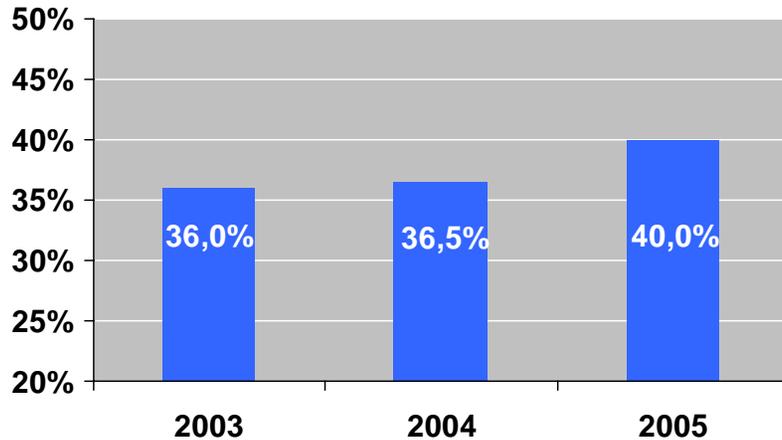
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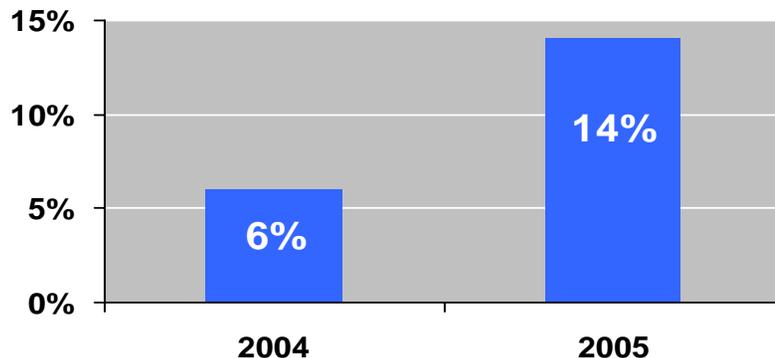


# CV X-Ray – Gained 4 points over past 2 years

**Market Share Equipment Orders (world)**



**Full Year Comparable Sales Growth %**



## Regained Market Share due to:

- Biplane Product Introductions completes FD portfolio
- Strong new product introductions based on Complete and Reliable systems
- High clinical added value from innovative interventional tools
- Strong partnerships with Key Opinion Leaders

# Combining strengths for integrated Cath Lab solutions

## PHILIPS

- Leading supplier of Cath Lab equipment, healthcare information technology and related healthcare services
- Global sales, service and delivery organization
- KLAS #1 in cardiology PACS domain (mid 2005)
- Top rankings in MD Buyline and Frost & Sullivan reports



## WITT

- Leading company in hemodynamic monitoring and reporting systems
- KLAS # 1 in 2005
- Global market share of 20% in the hemodynamic market and 40% in the USA market
- More than 900 facilities worldwide (~1000 units) use Witt Series IV® solutions
- Top rankings in MD Buyline



# Shaping the integrated Cath Lab

Hospital IT System / Cardiology Information System

Cardiovascular  
X-Ray



CV X-ray imaging

Hemodynamic  
monitoring & reporting



Hemo reporting, exam reporting and  
storing of exam data

Cardiology  
PACS



Multi modality image  
management, analysis,  
reporting and distribution  
to the enterprise

# CT Gained 5 points over past 2 years

## Product Innovations and Investment in Channels

### 2003

- New and improved multislice CT product line - “Brilliance”
  - Broadened portfolio (2, 6, 10, 16 slice products)
  - Introduced 40 slice
  - Introduced Workspace

### 2004

- Entry into Japan market
- Implemented refurbishment business

### 2005

- Brilliance 64 slice with strong cardiac application package
- Cardiac CT market expanded
- Introduced Oncology Big Bore 16 slice
- Growing ASPAC & LATAM markets

## PET Gained 5 points over the past 2 years (1)

### ***GEMINI TrueFlight PET/CT System***

### ***Breakthrough time of flight PET Technology***

First commercial PET/CT delivering clinical value from time of flight technology

- Improved image quality
- Smaller lesion detection
- Higher patient throughput

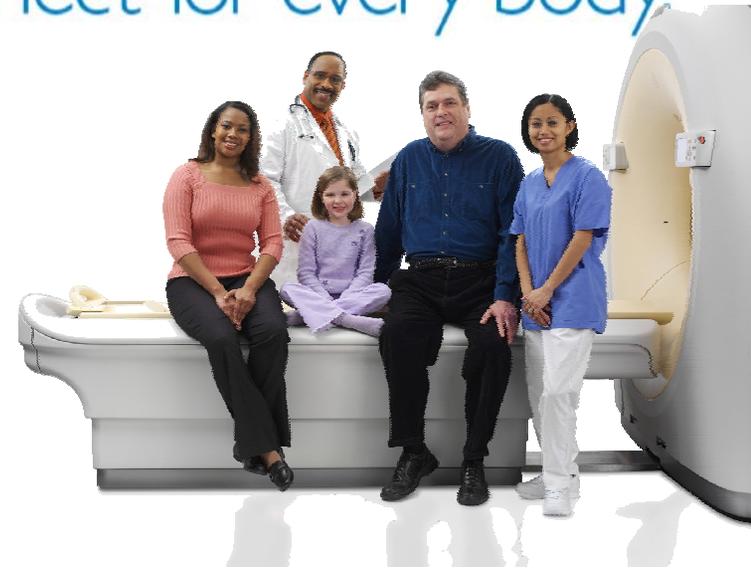
A new benchmark for consistent image quality

- Eliminates today's performance gap between large and small patient imaging

Pathway to Molecular Imaging (MI)

- Visualization of small concentrations of targeted new MI agents.

Perfect for every body



## PET Gained 5 points over the past 2 years (2)

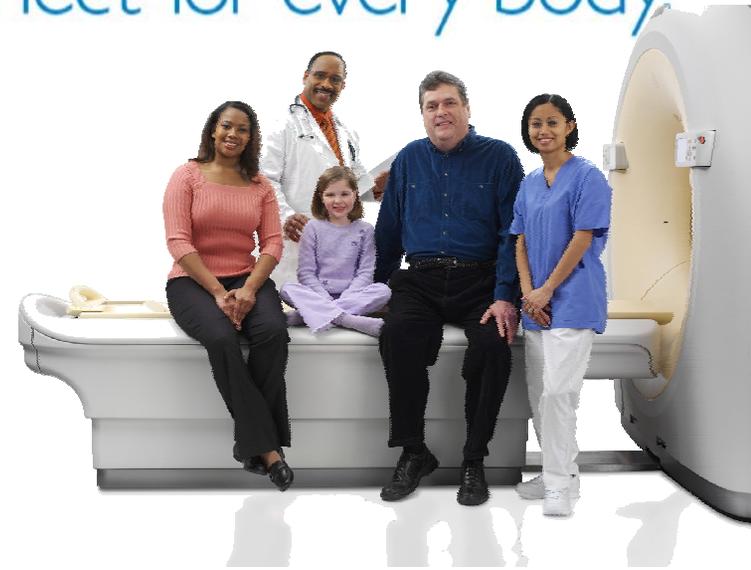
### ***GEMINI TrueFlight PET/CT System***

### ***Breakthrough *time of flight* PET Technology***

"We have found multiple lesions well under 1 centimeter using the Philips TF system. So we're finding very small lesions that previous generations of PET scanners have missed completely."

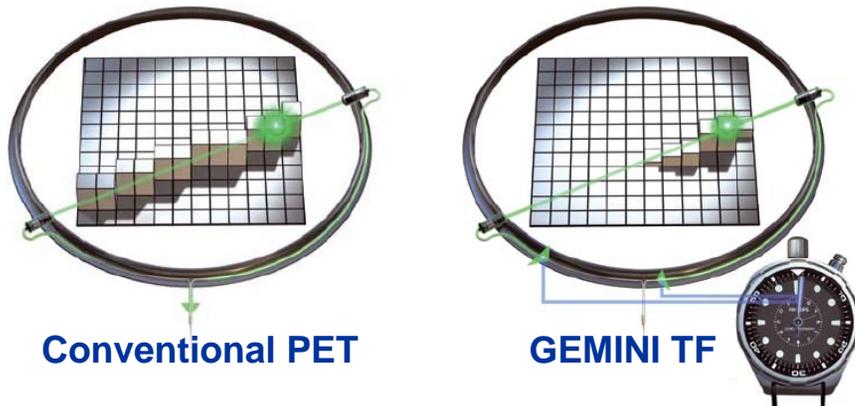
**James K. O'Donnell, M.D., Director of Nuclear Medicine at University Hospitals of Cleveland**

Perfect for every body

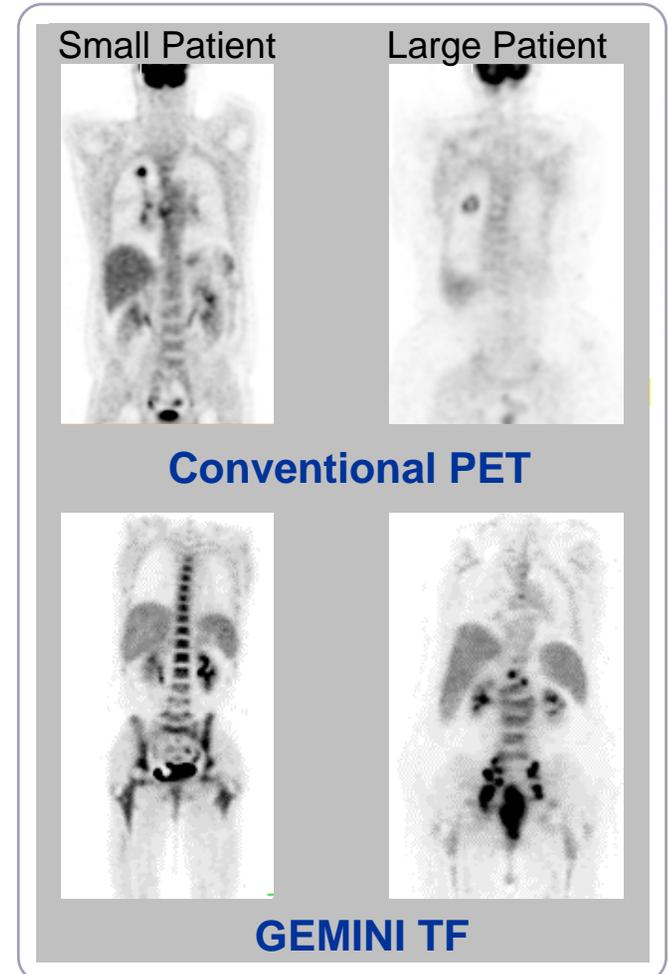


# GEMINI TF - Clinical Benefits

- Visualize smaller lesions through improved event accuracy and higher sensitivity.



- GEMINI TF technology
- measures small timing difference (pico seconds) between PET photon pairs
- more precisely localizes radioactivity (tumor) in the patient.



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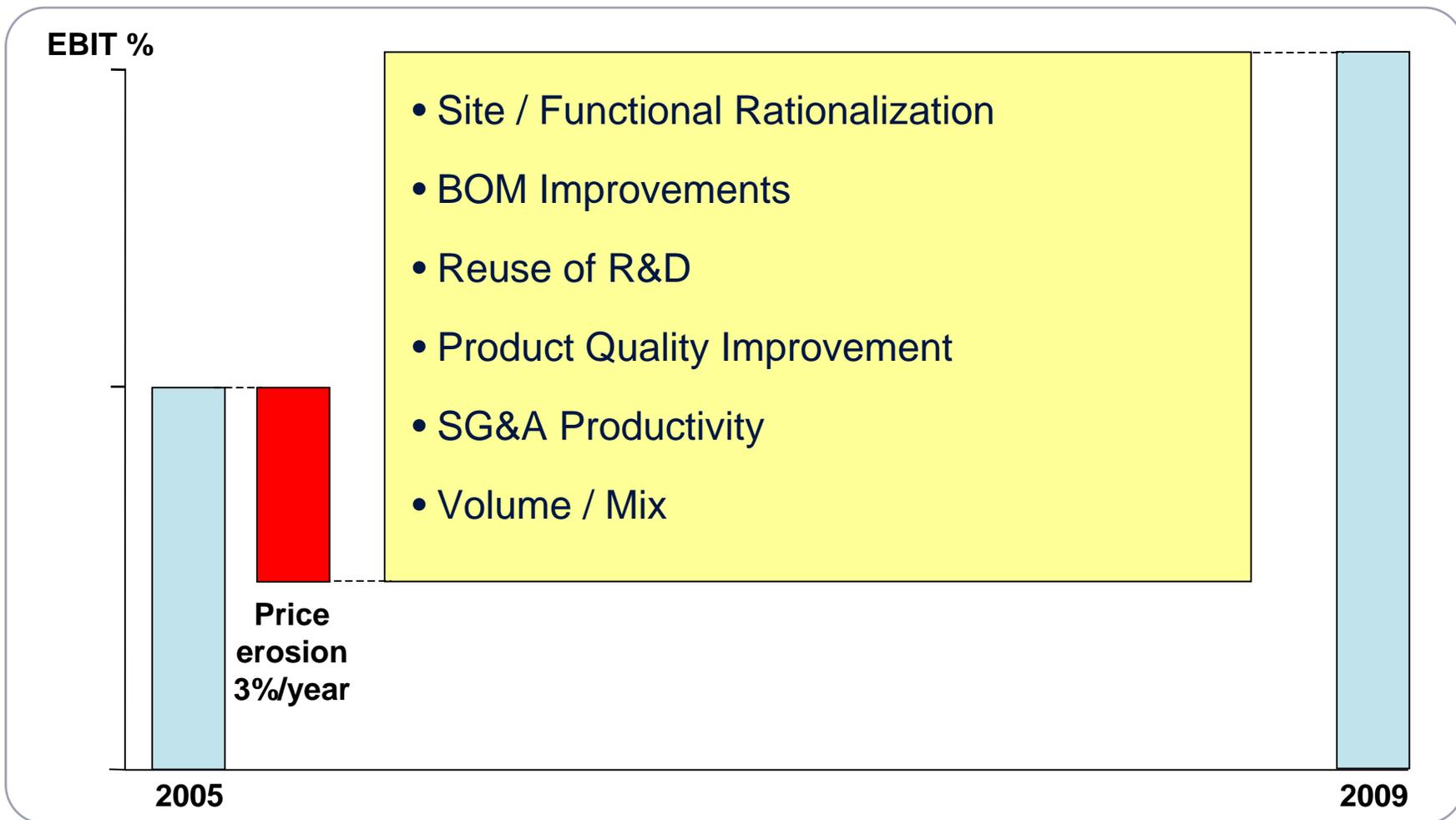
Care Cycle

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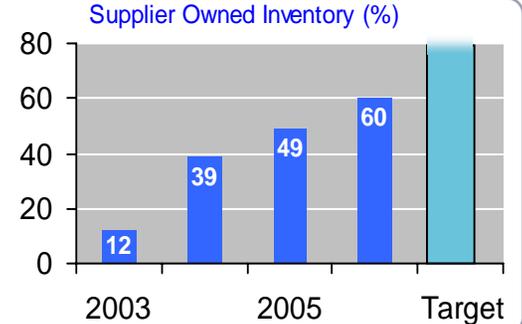
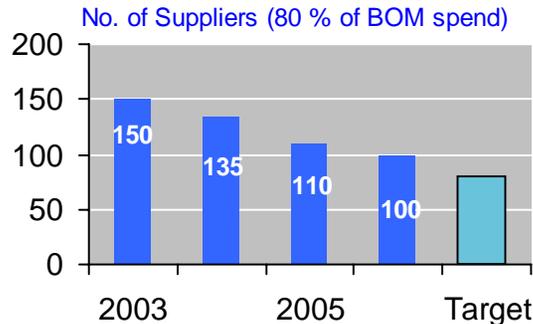
# Imaging Systems EBIT Improvement 2005-2009

*(includes Service)*

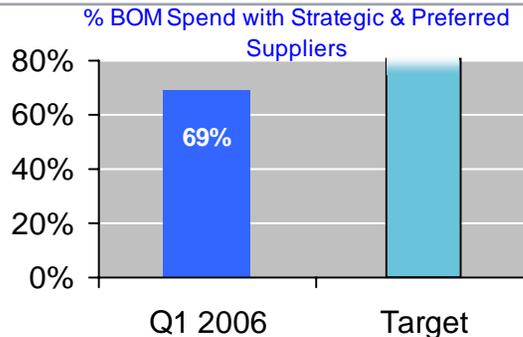


# Imaging Systems - Material Purchases Cost Reduction

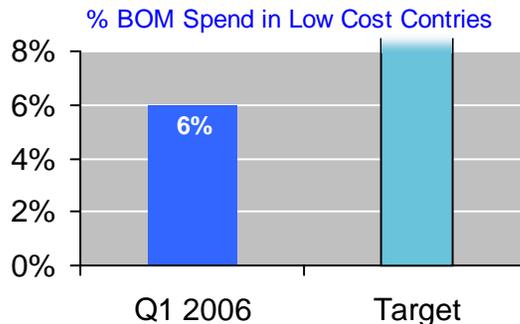
Accelerate Integration of Supply Base...



Concentrate our BOM spend with Selected Suppliers....



Drive our BOM Savings with worldwide supply base....



# R&D Reuse Opportunities in Imaging Systems

- Common imaging platform for workstations and workspots with standardized user interface, basic viewing functions, data handling, workflow & interfacing
- Advanced image processing and reconstruction with 4D visualization and analysis
- Clinical decision support systems with computer aided detection and diagnosis
- Materials and semiconductor technologies for radiation detection
- Common hardware modules with standardized control functions
- Multimodality prototypes for emerging clinical applications

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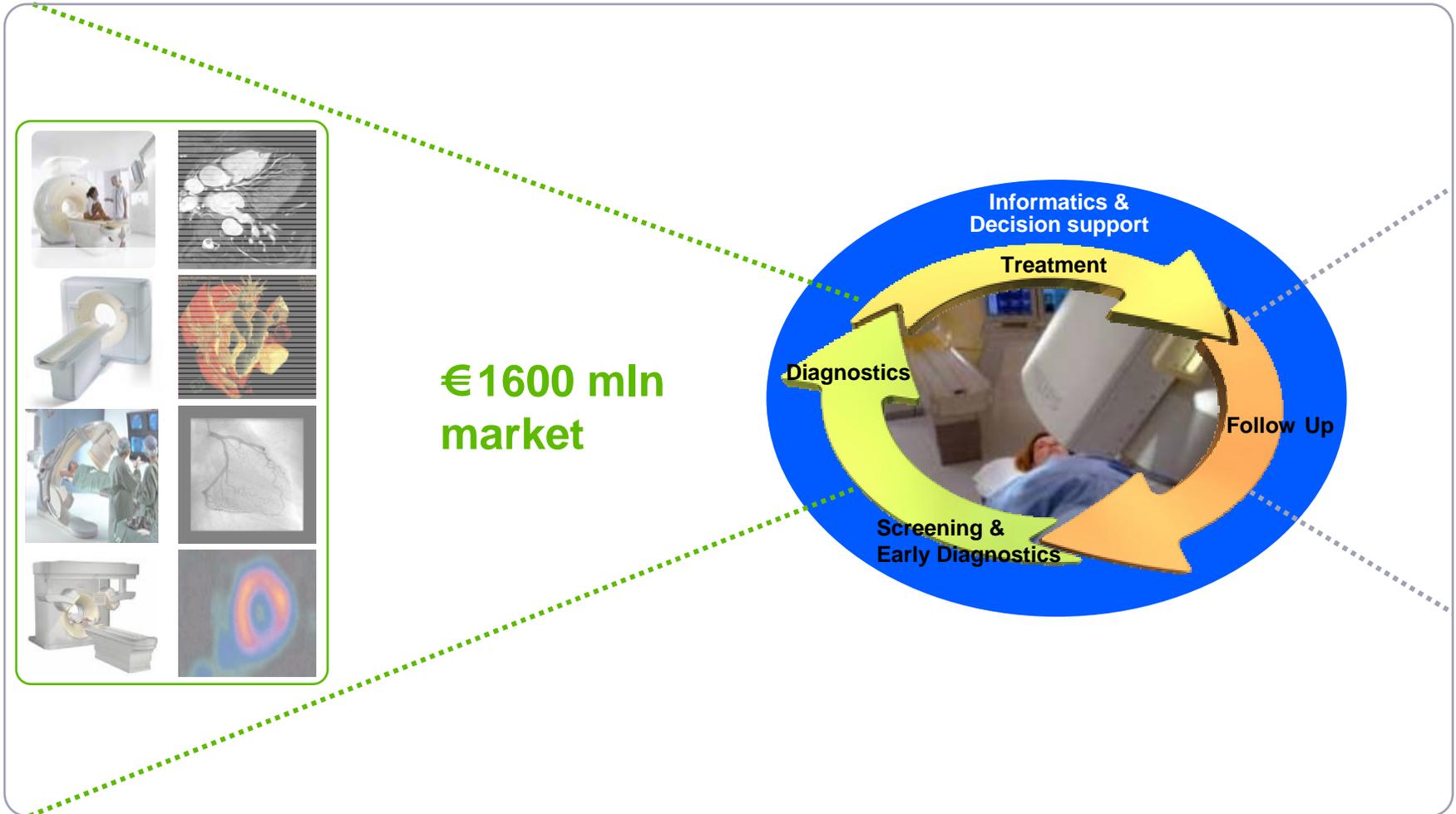
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# Cardiovascular Care Cycle - Imaging Systems

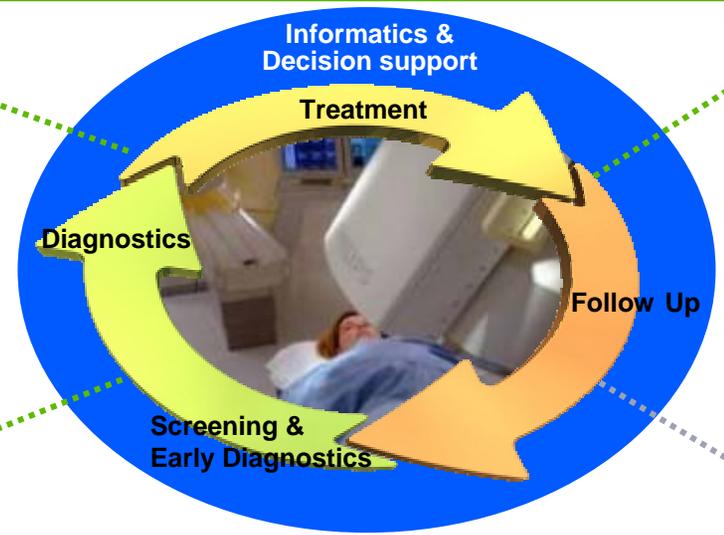
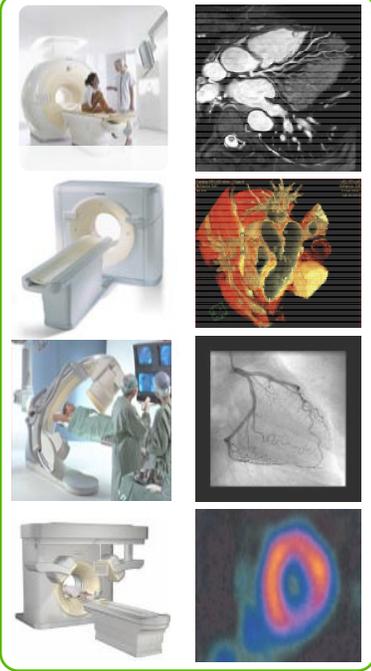


# Cardiovascular Care Cycle - Imaging Systems

**€700 mln  
market**



**€1600 mln  
market**

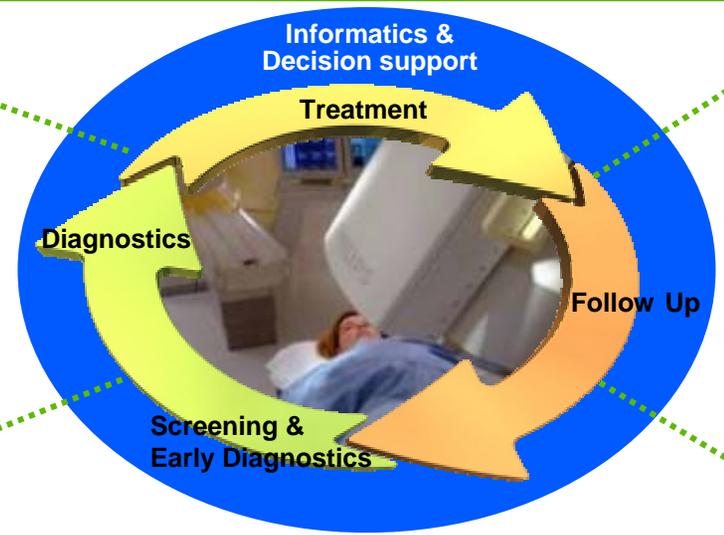


# Cardiovascular Care Cycle - Imaging Systems

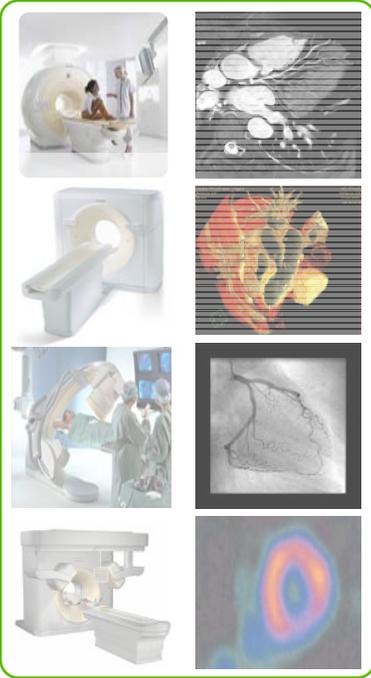
**€700 mln  
market**



**€1600 mln  
market**



**€50 mln  
market**



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# Imaging Systems - Conclusions

- The business has gained share over the past two years and its focus on innovation positions it well to gain more in the future
- There are a number of operational improvement opportunities which will contribute to PMS' EBIT improvement
- Imaging technology is a key component of Philips' value proposition to improve care cycles

