



May 26, 2016

## Philips Lighting IPO priced at €20.00 per ordinary share

Amsterdam, the Netherlands – Koninklijke Philips N.V. (“Royal Philips”) and Philips Lighting NewCo B.V. (“Philips Lighting” or the “Company”) today announced that the ordinary shares offered by Royal Philips in the initial public offering (the “IPO” or the “Offering”) of Philips Lighting on Euronext in Amsterdam have been priced at €20.00 per share. Listing and first trading of Philips Lighting’s issued ordinary shares (the “Shares”) on Euronext in Amsterdam are expected to commence tomorrow, Friday, 27 May 2016.

### Highlights

- Price per offered Share set at €20.00, implying a market capitalisation for Philips Lighting of €3.0 billion and implied enterprise valuation, including debt and debt-like items, of approximately €4.5 billion<sup>1</sup>.
- Total number of offered Shares is 37.5 million (representing 25% of the Shares, prior to exercise of the over-allotment option).
- Total proceeds of the Offering (before underwriting commissions and offering expenses) to be received by Royal Philips amount to €750 million (prior to exercise of an over-allotment option of up to 15% of the offered Shares).
- The Offering was multiple times oversubscribed at the price per offered Share with strong demand from both institutional and retail investors.
- Listing of and first trading in the Shares (on an “if-and-when-delivered” basis) on Euronext in Amsterdam under the symbol “LIGHT” is expected to commence at 09:00 hours CEST tomorrow, Friday, 27 May 2016.
- Closing and settlement of the Offering and the start of unconditional trading in the Shares is expected to take place on Tuesday, 31 May 2016, at 09.00 hours CEST.
- A pricing statement has been filed with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the “AFM”) and is available on the Philips Lighting IPO website ([www.lighting.philips.com/main/company](http://www.lighting.philips.com/main/company))

Frans van Houten, CEO of Royal Philips: “I am pleased with the response of investors towards Philips Lighting and the successful pricing of the IPO. This strategic milestone will allow Royal Philips to focus on the fast-growing health technology market. I am convinced that both Royal Philips and Philips Lighting will thrive as separate, listed companies, each focused on long-term value-creating growth opportunities.”

Eric Rondolat, CEO of Philips Lighting: “I am excited about the level of interest from both institutional and retail investors, which underpins our belief that our investment case is solid, supported by strong cash flow generation. We welcome our new shareholders and thank them for their trust in our

<sup>1</sup> Implied enterprise valuation is comprised of market capitalisation of €3.0 billion plus net financial debt of €950 million, net pension liability of €486 million (including retiree medical liabilities and adjusted for pension related deferred tax assets of €101 million) and non-controlling interest of €110 million. The implied enterprise valuation presented in this release reflects Royal Philips views and is calculated on the basis of a share price of €20.00 per share and in addition, certain other assumptions including as to the net financial indebtedness of the Company. Royal Philips has included this measure because it believes that it is an external valuation measure used by certain market participants and it is useful to provide insight in how the enterprise value of Philips Lighting is built up. Implied enterprise valuation, however, is not an IFRS accounting measure and should not be considered as a substitute for financial measures computed in accordance with IFRS. Further, implied enterprise valuation may not be indicative of the future price of the Shares. Implied enterprise valuation may not be calculated in the same manner or on a consistent basis with respect to all companies. As a result, implied enterprise valuation may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the implied enterprise valuation included in this release.

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strategy. With their support, we look forward to further expanding our global market-leading position by driving the transition to LED and connected lighting systems and services.”

### **Further details on the Offering**

Royal Philips has granted the Stabilization Manager (acting on behalf of the Underwriters) an over-allotment option of up to 15% of the offered Shares, which can be exercised to cover over-allotments or short positions, if any, in connection with the Offering. The over-allotment can be exercised until 30 calendar days after the first trading date, which is expected to be 27 May 2016. Assuming the over-allotment option is exercised in full, the total number of offered Shares will represent 28.75% of the Shares<sup>2</sup>.

Following closing of the Offering and assuming full exercise of the over-allotment option, Royal Philips will hold 71.25% of the Shares<sup>2</sup>. Royal Philips and Philips Lighting have agreed to a lock-up of 180 days and the Philips Lighting Board of Management has agreed to a lock-up of 360 days after the date of Closing of the Offering, subject to certain customary exceptions. Royal Philips aims to sell all of its remaining shares over the next several years as it will focus on its HealthTech businesses.

Royal Philips has appointed Goldman Sachs International and J.P. Morgan Securities plc as Joint Global Coordinators and Joint Bookrunners for the Offering. Citigroup Global Markets Limited, ING Bank N.V., Morgan Stanley & Co. International plc and Société Générale Corporate & Investment Banking are acting as Joint Bookrunners. ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. are acting as Co-Bookrunners. N M Rothschild & Sons Limited is acting as financial adviser to Royal Philips. ING Bank N.V. is acting as Listing & Paying Agent and Retail Coordinator. Goldman Sachs International will act as Stabilization Manager on behalf of the Underwriters (as defined in the prospectus).

### **Prospectus and pricing statement**

The Offering is being made only by means of a prospectus. Copies of the prospectus, subject to applicable securities law restrictions, can be obtained on the Philips Lighting website ([www.lighting.philips.com/main/company](http://www.lighting.philips.com/main/company)). The prospectus can also be found on the websites of the AFM ([www.afm.nl](http://www.afm.nl)) and of Euronext Amsterdam N.V. ([www.euronext.com](http://www.euronext.com)).

In connection with the pricing of the Offering a pricing statement has been filed with the AFM and is electronically available, subject to applicable securities law restrictions, on the Philips Lighting IPO website ([www.lighting.philips.com/main/company](http://www.lighting.philips.com/main/company)) and the website of Euronext Amsterdam N.V. ([www.euronext.com](http://www.euronext.com)). Printed copies are available at the registered office of Philips Lighting.

### **Stabilization**

In connection with the Offering, Goldman Sachs International, as Stabilization Manager, or its agents, on behalf of the Underwriters (as defined in the prospectus), may, to the extent permitted by applicable law, over-allot Shares offered or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. Such transactions may be effected on any securities market, over-the-counter market, stock

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<sup>2</sup> Excluding the effect of the sale of Shares by the Selling Shareholder to the CEO and CFO of the Company as disclosed in the Prospectus.

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exchange (including Euronext Amsterdam) or otherwise. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken. Such stabilization, if commenced, may be discontinued at any time and must be brought to an end within 30 calendar days after the first trading date, which is expected to be 27 May 2016. Save as required by law or regulation, neither the Stabilization Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions under the Offering. The Stabilization Manager may, for stabilization purposes, over-allot Shares up to a maximum of 15% of the offered Shares.

### **Listing and trading**

Philips Lighting Shares will be admitted to listing and trading on Euronext Amsterdam under the symbol "LIGHT". Conditional trading in the Shares (on an "if-and-when-delivered" basis) is expected to commence tomorrow, Friday, 27 May 2016, at 09.00 hours CEST. Settlement and the start of unconditional trading in the Shares is expected to take place on Tuesday, 31 May 2016, at 09.00 hours CEST.

### **Earlier announcements related to the Offering**

On 3 May 2016, Royal Philips and Philips Lighting announced the intention to launch an Initial Public Offering and listing of Philips Lighting on Euronext Amsterdam. On 16 May 2016, Royal Philips and Philips Lighting announced the indicative price range and offer size of the planned IPO of Philips Lighting and publication of the prospectus. The press releases and prospectus are available on the Philips Lighting website ([www.lighting.philips.com/main/company](http://www.lighting.philips.com/main/company)).

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### **For information about the offering:**

If Dutch retail investors have questions in relation to the Offering, they can call the following toll-free number: 00800 3816 3816. Direct number for institutional investors (excluding US institutions): +44 207 019 7134. This shareholder information line is available from 9:00 to 17:00 hours CEST from 16 May 2016 until 27 May 2016.

Please note that, for legal reasons, this information line will only be able to provide information contained in this prospectus and will be unable to give advice on the merits of the offering or provide financial, legal, tax or investment advice.

### **For further information, please contact:**

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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. 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. Headquartered in the Netherlands, Philips posted 2015 sales of €24.2 billion and employs approximately 105,000 employees with sales and services in more than 100 countries.

**About Philips Lighting**

Philips Lighting is a global leader in lighting products, systems and services. Our understanding of how lighting positively affects people coupled with our deep technological know-how enable us to deliver digital lighting innovations that unlock new business value, deliver rich user experiences and help to improve lives. Serving professional and consumer markets, we sell more energy efficient LED lighting than any other company. We lead the industry in connected lighting systems and services, leveraging the Internet of Things to take light beyond illumination and transform homes, buildings and urban spaces. In 2015, we had sales of EUR 7.5 billion and, as of 31 March 2016, the Group employed approximately 36,350 full time equivalent personnel in over 70 countries.

**Important Information**

This document and the information contained herein are not for distribution in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia) (the "United States"), Canada, Australia or Japan. This document does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities (the "Shares") of Philips Lighting Newco B.V. and, after its conversion, Philips Lighting N.V. (the "Company") in the United States. The Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any sale in the United States of the

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securities mentioned in this communication will be made solely to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the Securities Act.

The Company has not authorized any offer to the public of Shares in any Member State of the European Economic Area other than the Netherlands. With respect to any Member State of the European Economic Area, other than the Netherlands, and which has implemented the Prospectus Directive (each a “Relevant Member State”), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Shares may only be offered in that Relevant Member State (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression “offer of securities to the public” means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

This document does not constitute a prospectus within the meaning of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) and does not constitute an offer to acquire securities. Any offer to acquire Shares has been made, and any investor should make his investment, solely on the basis of information that is contained in the prospectus made generally available in the Netherlands in connection with such offering. Copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

In the United Kingdom, this communication is only being distributed to, and is only directed at “qualified investors” (as defined in section 86(7) of the Financial Services and Markets Act 2000) who are (i) investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Any person who is not a relevant person should not take any action on the basis of this communication and should not act or rely on it or any of its contents.

### **Forward-looking Information**

This document contains forward looking statements that reflect Royal Philips’ and the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates, including with respect to the completion and timing of the potential IPO and Listing and the subsequent sell down of the majority holding of Royal Philips. Forward-looking statements involve all matters that are not historical facts. Philips Lighting has tried to identify forward-looking statements by using words as “may”, “will”, “would”, “should”, “expects”, “intends”, “estimates”, “anticipates”, “projects”, “believes”, “could”, “hopes”, “seeks”, “plans”, “aims”, “objective”, “potential”, “goal” “strategy”, “target”, “continue”, “annualized” and similar expressions or negatives thereof or other variations thereof or comparable

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terminology, or by discussions of strategy that involve risks and uncertainties. The forward-looking statements are based on the Company's beliefs, assumptions and expectations regarding future events and trends that affect the Company's future performance, taking into account all information currently available to the Company, and are not necessarily indicative or guarantees of future performance and results. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the Company or are within the Company's control. If a change occurs, the Company's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in this document from third-party reports could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company, and its subsidiaries. Investors or potential investors should not place undue reliance on the forward-looking statements in this document. In light of the possible changes to the Company's beliefs, assumptions and expectations, the forward-looking events described in this document may not occur. Additional risks currently not known to the Company or that the Company has not considered material as of the date of this document could also cause the forward-looking events discussed in this document not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. The prospectus also contains a detailed description of risks related to investing in Philips Lighting shares.