

PHILIPS

sense and simplicity

Growth category strategies *Health & Wellness*

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Key Takeaways

- Philips Sonicare and Philips AVENT are the **two growth engines** driving Health and Wellness
- Philips Sonicare has **superior technology** and a **proven track record** of growth which will continue via innovation, dental **professional endorsement**, and **geographic expansion**
- Discus expands our oral healthcare portfolio and creates **synergies** via **dental professional relationships**
- Philips AVENT is a leading brand with **superior NPS scores** which ensure a continued growth path
- We focus on **marketing innovation** and **expansion in BRIC** to capture the large growth opportunity



Philips Sonicare and Philips AVENT are the two growth engines driving Health and Wellness

Health & Wellness

The best choice over a lifetime, endorsed by professionals



A lifetime of better oral healthcare



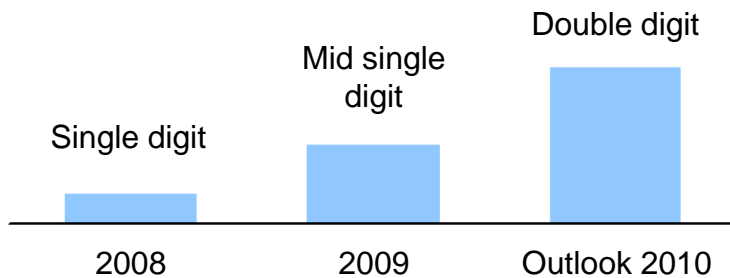
Mother's best choice from pregnancy to playground



Delivering growth in each quarter through the recession

Philips Sonicare has superior technology and a proven track record of accelerating profitable growth

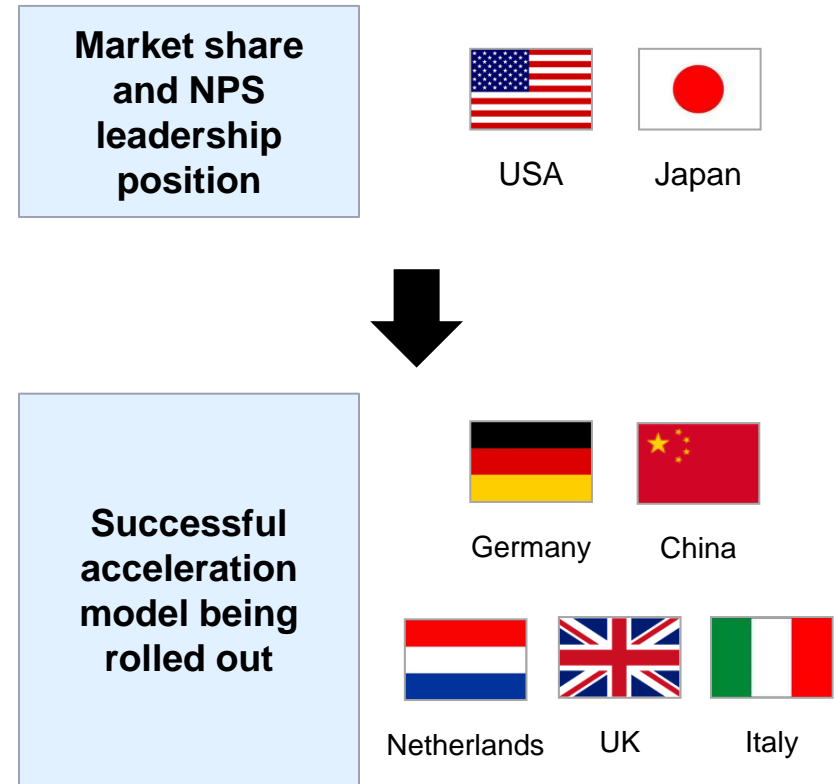
Sales growth



Superior technology



Market leadership



Profitable growth in each quarter through the recession

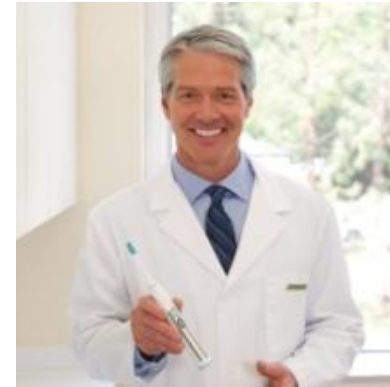
This growth will continue via innovation and dental professional endorsement

Product and marketing innovation



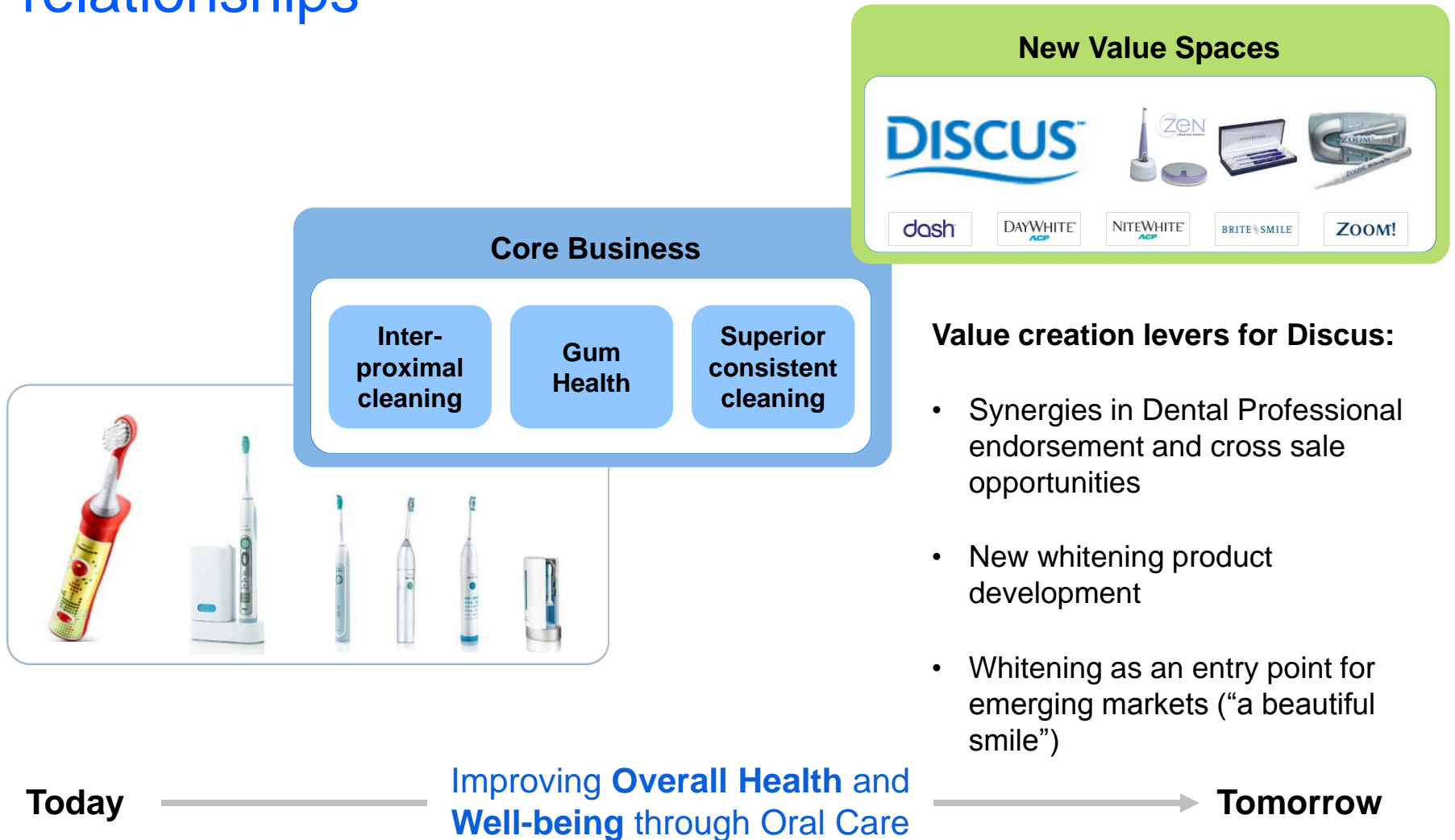
- Successful launch of Sonicare Kids
- Claims based marketing of exciting new products
- In-store excellence
- Channel expansion (e.g., Drug and Pharma)

Dental professional endorsement



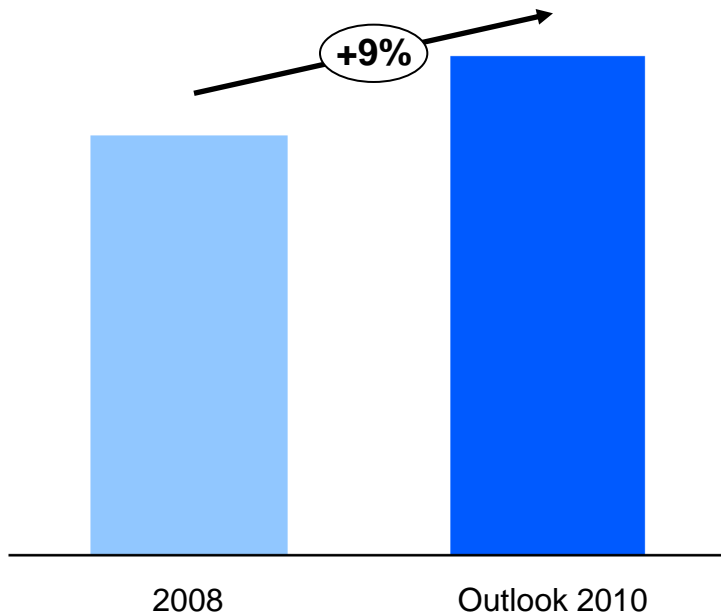
- >50% of Philips Sonicare sales are driven by dental professional endorsement
- Builds preference for superior technology
- Enables premium positioning / high ROI
- Accelerates category growth

Discus expands our oral healthcare portfolio and creates synergies via dental professional relationships



Philips AVENT is a leading brand with superior NPS scores which ensure a continued growth path

Sales growth



NPS leadership

■ NPS Leader ■ NPS Co-leader



Achieving growth since the acquisition

We focus on marketing innovation and expansion in BRIC to capture the large growth opportunity

Marketing innovation

Channel expansion (e.g. Pharmacies)



Philips Avent launch in Rossmann Germany

Claims-based marketing



Category management



Philips Avent Category presentation global roll-out

Geographic expansion in BRIC

- ~35% of births worldwide from BRIC
 - 21 million births in India every year
 - 16 million births in China every year
- Establishing business creation teams on the ground to develop local portfolio
- Market leader in Russia with #1 NPS position
- Replicating Russia's successful model in other emerging markets



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Growth category strategies

Personal Care

Caroline Janssen-Clarke

GM Business Group Personal Care

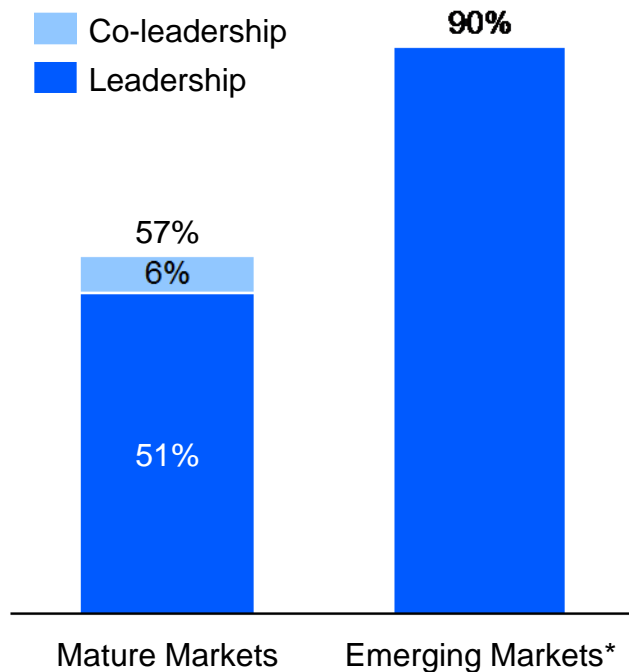
Key takeaways

- Personal Care is showing **double digit growth**
- We are creating **innovations** based on **strong consumer insights** and **superior technology** to **grow our leadership positions**
- We will **fuel further growth** by creating **relevant propositions** for emerging markets
- We will change the **rules of the game** by building access to **new channels**, innovating to **grow categories** and developing **new value spaces**



We will significantly grow our categories by innovating to drive NPS & leadership positions

Percent leadership & Co-leadership Market Share positions



Launching new innovations driving growth in our categories



product
design
award

2011

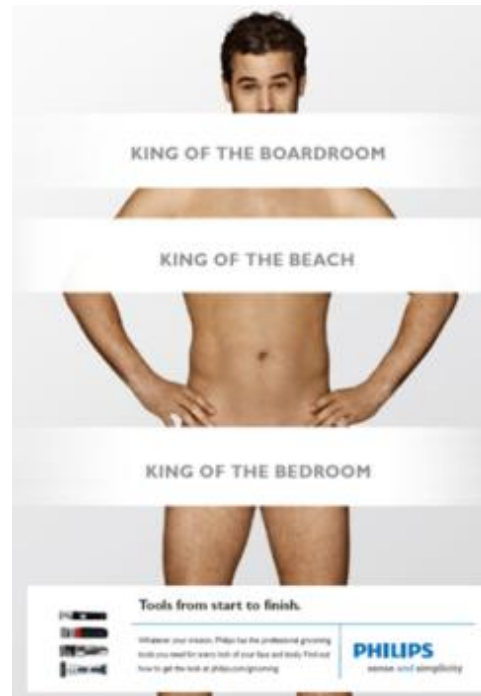


We are developing new channels & capabilities to better engage with our customers & consumers

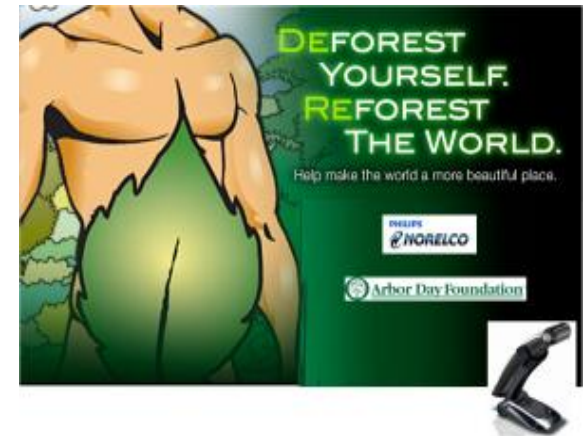
Developing access to New channels



Creating an Integrated communication platform



Leveraging Corporate Social Responsibility



87% of men, 20-49 say
“Preserving the Environment,” is important

We will build the new value space of Skincare by leading in product & marketing innovations

Successful launch of Lumea

- Fast growth of category, driven by Lumea; up to 20% value share
- In total female depilation, #1 position in light-based depilation
- Strong NPS results



Building pipeline of propositions

- Joint development program with Solta Medical on track to build skin rejuvenation portfolio. Very positive clinical results using premium laser technology
- IP acquisitions to further build technology platform
- Joint development with cosmetics player to develop synergetic propositions



Before 1st treatment



After 24th treatment

Very positive clinical results of joint development with Solta Medical



SOLTA MEDICAL™
THERMAGE® | ISOLAZ® | FRAXEL®

Benefits

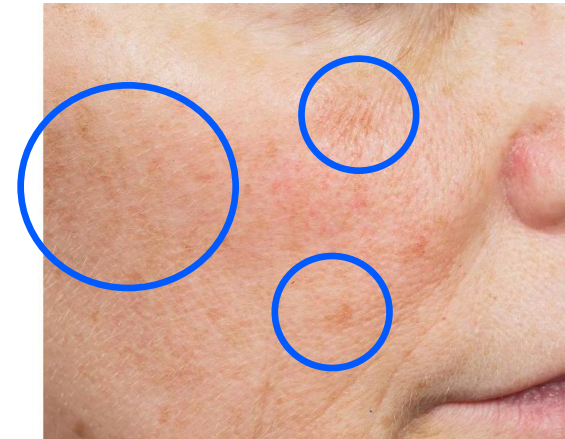
Before

After

Smooths skin texture



Evens skin tone –
reduces pigmentation



Key takeaways

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