

PHILIPS

sense **and** simplicity

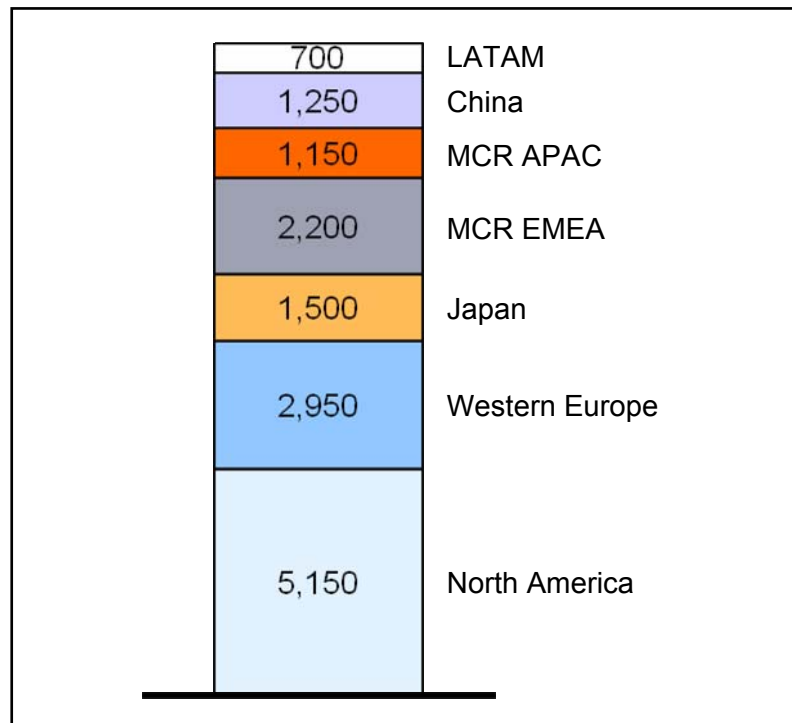
Imaging

Steve Rusckowski
CEO Philips Healthcare

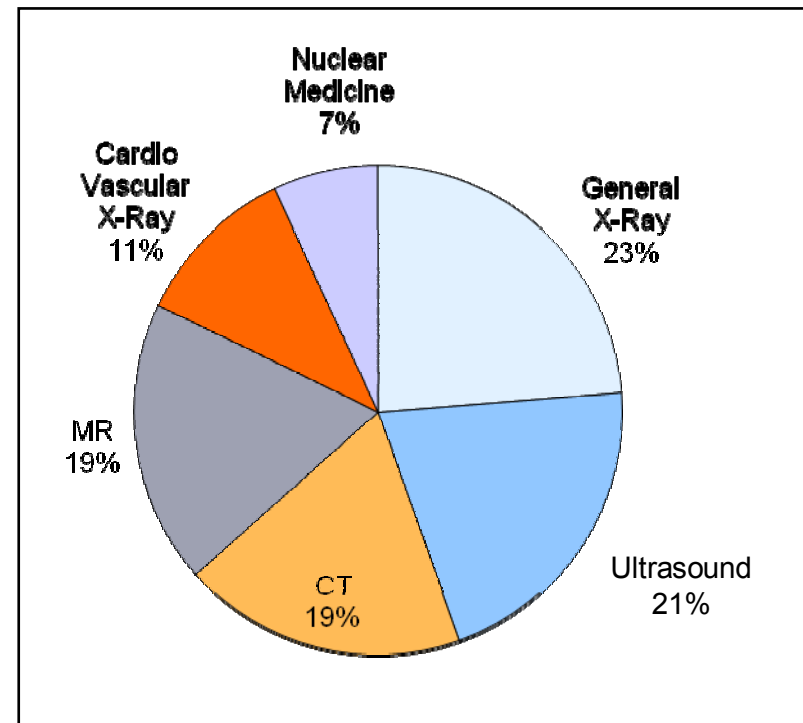
Imaging markets by region and modality

2008

Market by Region
2008, Total Market €14.900 M



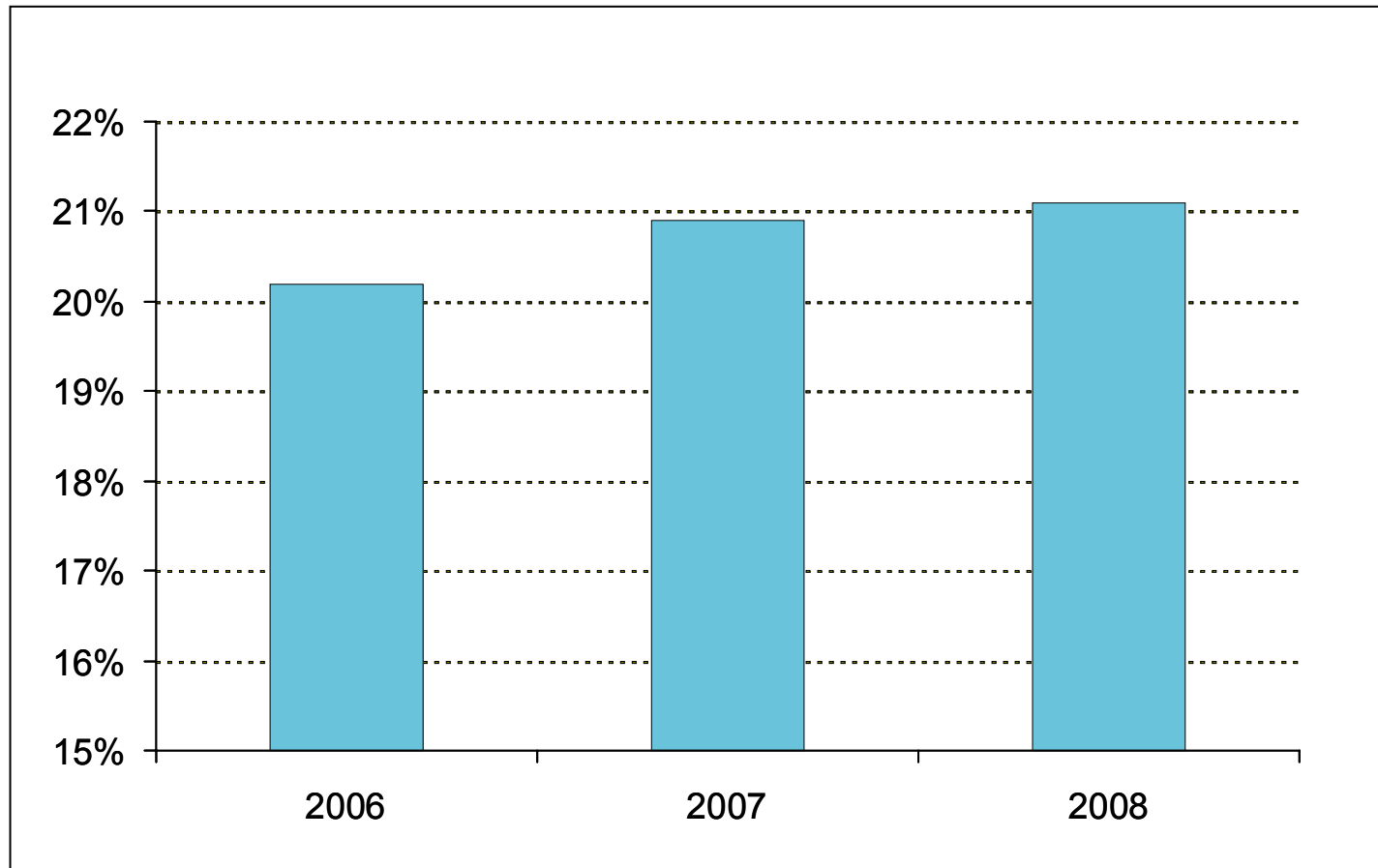
Market by Modality
2008



CAGR 2008 – 2012: 2%– 4%

Philips market share development

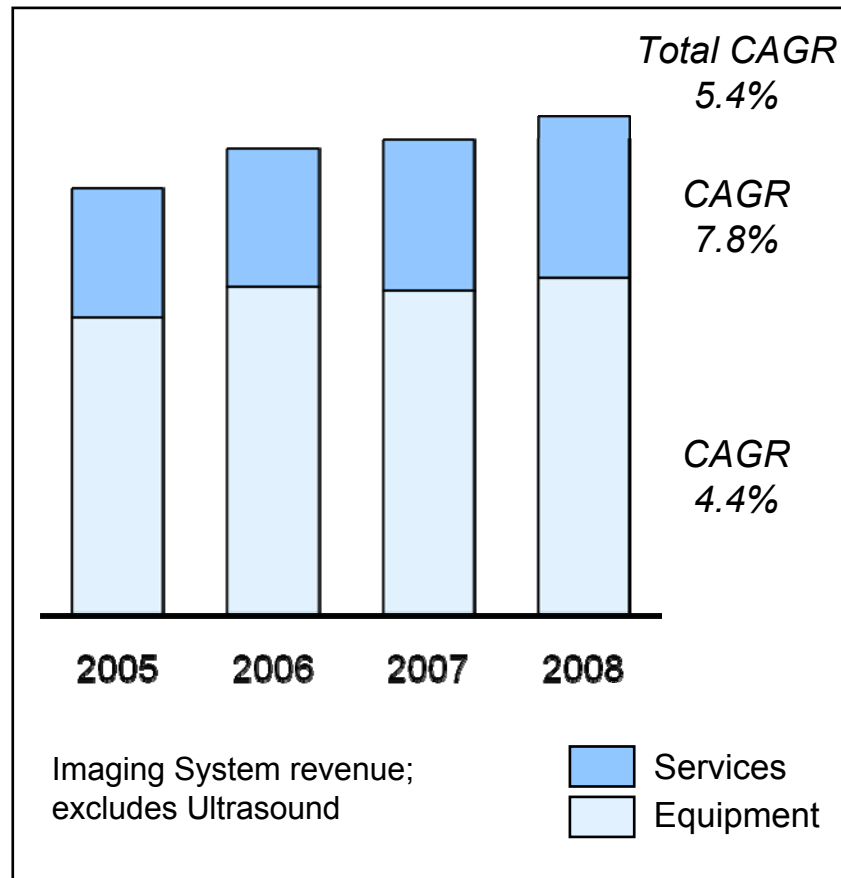
2006 – 2008



market share for imaging equipment – CT, MR, Ultrasound, CV, General X-Ray and Nuclear Medicine
Source: Philips analysis

Leverage services as an increasing source of revenue

Philips Imaging Systems: Equipment and Services revenue



- Service revenue growth outpaces equipment growth
- Emerging market growth provides new service opportunities
- Operational improvements will yield margin gains and enhanced customer satisfaction
- New business programs will accelerate growth

Imaging equipment

Market conditions

North America

- Short-term contraction – postponements of investments
- Demand building
- Solid long-term opportunity enhanced by ARRA and healthcare reform

International

- Slight short-term market decrease; some regions of growth
- Various stimulus packages in place
- Recovery of overall imaging market expected in 2010

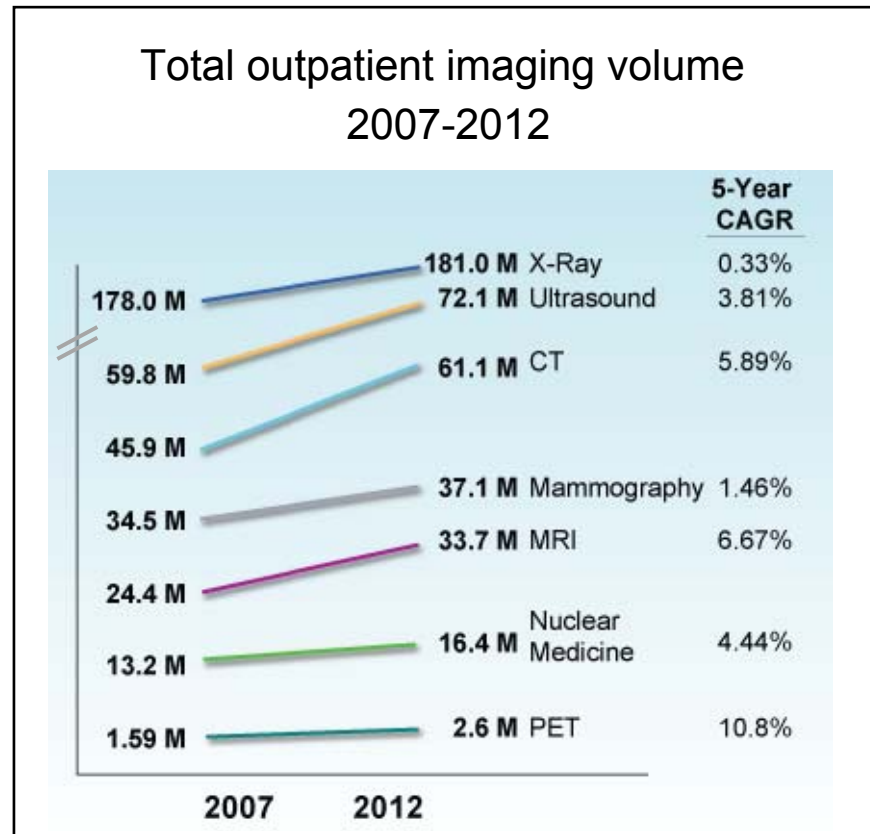
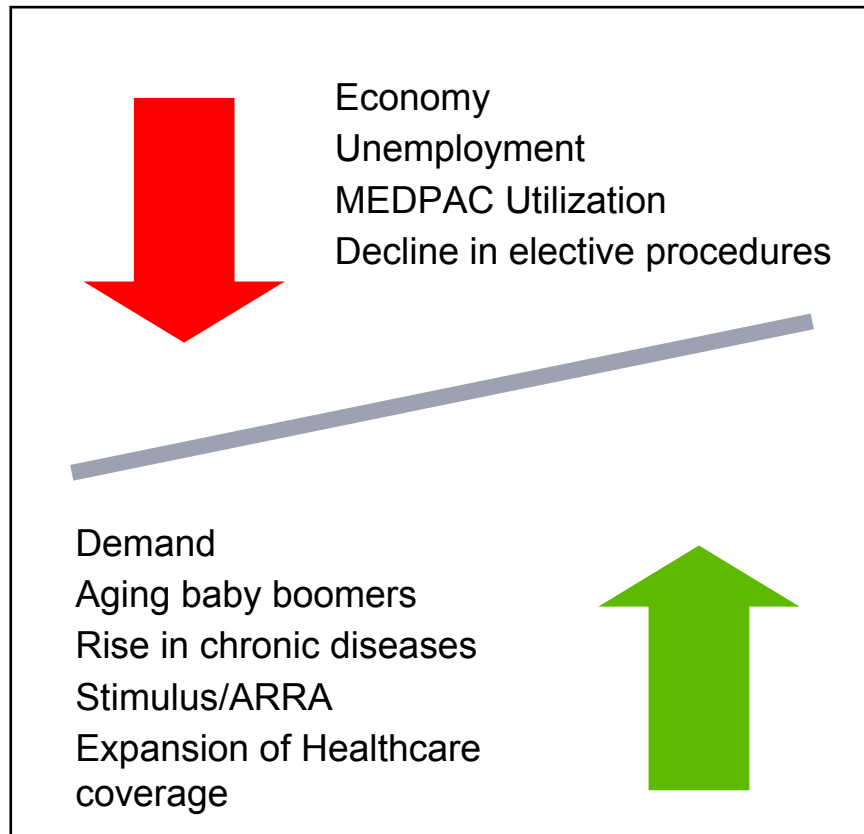
Emerging Markets

- Demographics drive increased procedures
- Healthy growth in China, India and LATAM
- New hospital building continues to drive demand

Fundamentals for Imaging business remain strong

Growth in procedure volume

Today's US market conditions are challenging, but we expect long term growth driven by increasing procedure volume



New products to serve the value segment

BrightView XCT

- Novel combination of SPECT molecular imaging and flat panel CT
- Ideally suited for hybrid imaging in Cardiac, Oncology and Orthopedic applications



CT MX 16

- Specifically designed to the demands of community hospitals and diagnostic outpatient centers
- Ideally suited when price/performance is a key decision parameter



Essenta DR Compact

- Right solution for smaller hospitals and private practices
- Drives digitization of radiography rooms

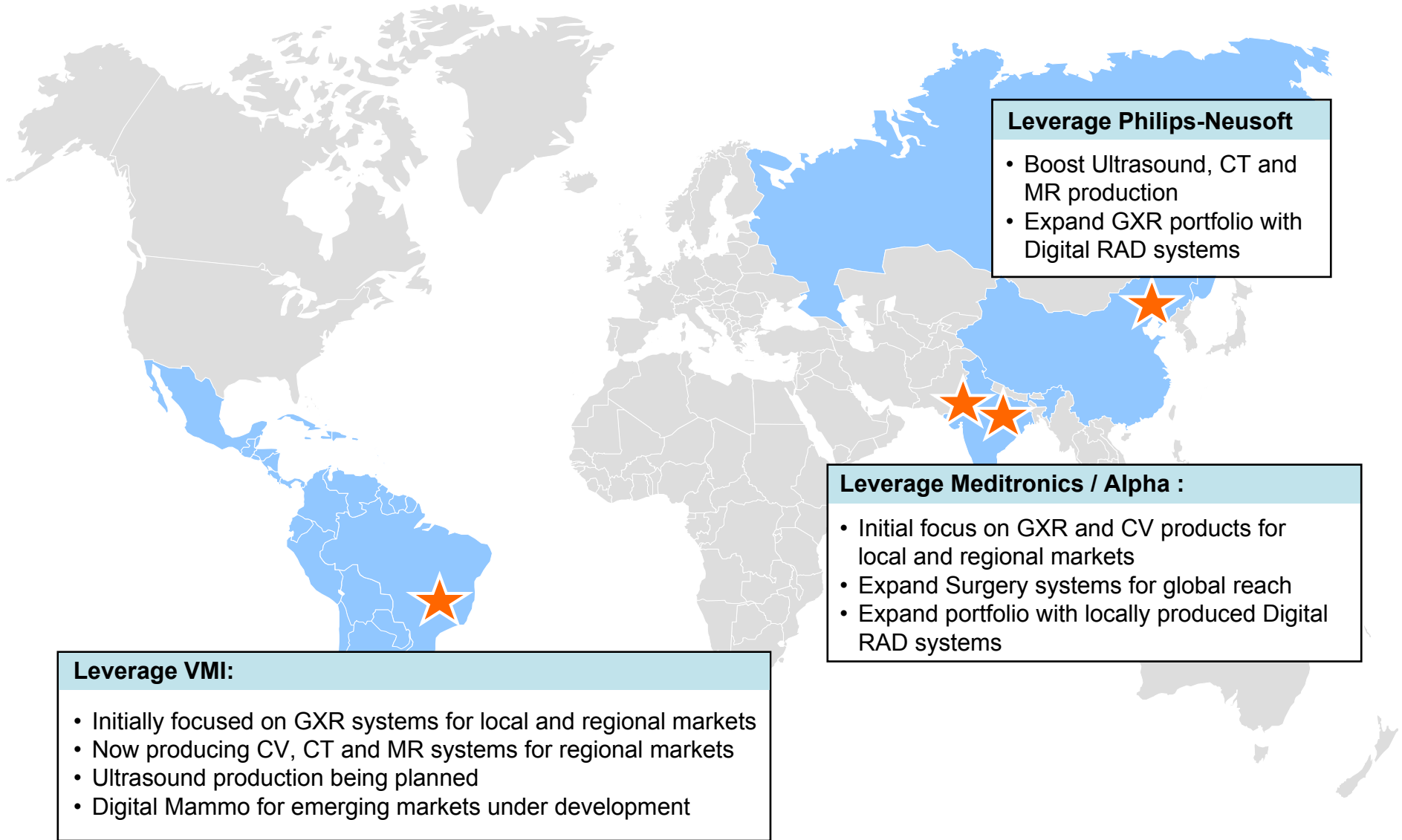


Essenta CV

- Solution designed to dedicated needs of Emerging Markets
- Optimal price/performance



We are leveraging our LCC industrial footprint



Leverage VMI:

- Initially focused on GXR systems for local and regional markets
- Now producing CV, CT and MR systems for regional markets
- Ultrasound production being planned
- Digital Mammo for emerging markets under development

Leverage Philips-Neusoft

- Boost Ultrasound, CT and MR production
- Expand GXR portfolio with Digital RAD systems

Leverage Meditronics / Alpha :

- Initial focus on GXR and CV products for local and regional markets
- Expand Surgery systems for global reach
- Expand portfolio with locally produced Digital RAD systems

We have a comprehensive Imaging portfolio to support our care cycle solutions



Cardiology



MR Angiography



Cardiac CT



Integrated Cathlab



Integrated EP lab

Oncology



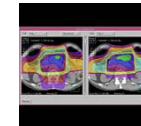
CT Virtual Colonography



PET / CT



Big Bore CT



RTP Pinnacle

Women's Health



Digital Mammography

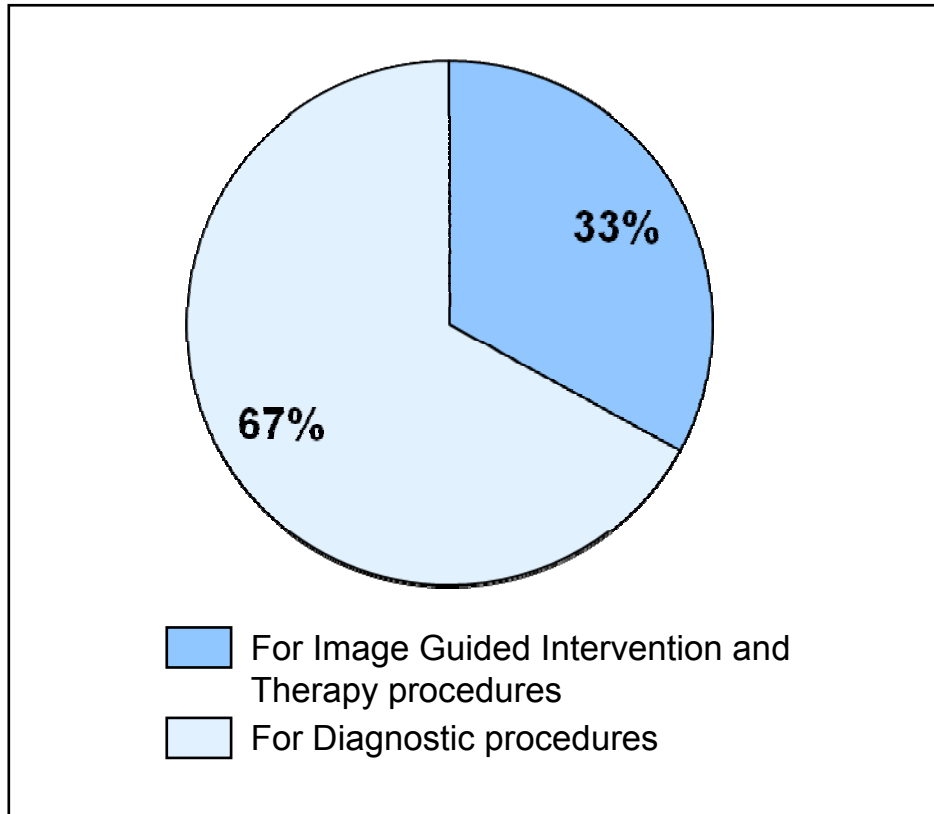


Mammotrak

Opportunity for Philips to expand into therapy spaces

Significant portion of Philips revenue from Image Guided Interventions and Therapy (IGIT)

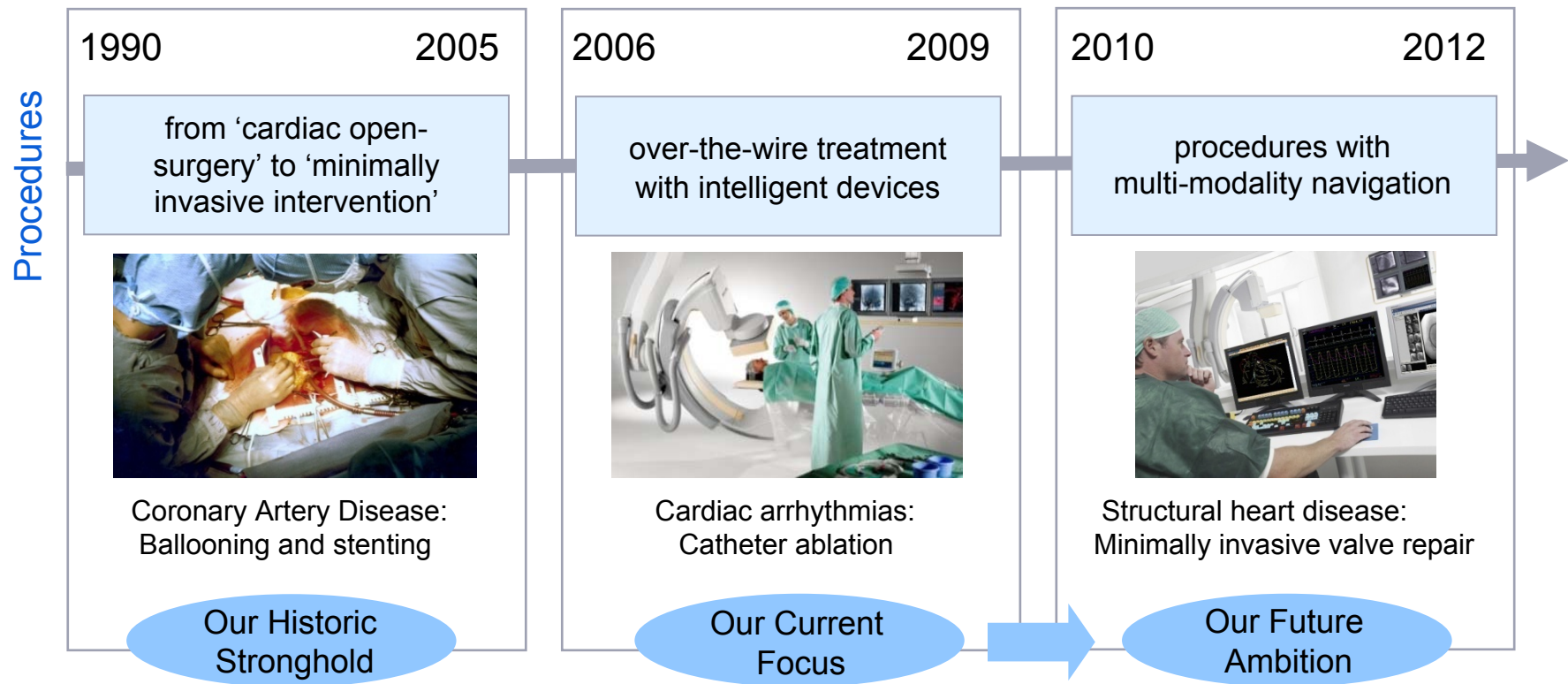
2008 Philips Imaging equipment revenue



Revenue growth from equipment for IGIT procedures more than twice as fast as revenue growth for equipment for Diagnostic procedures

Philips is recognized as a leader in Cardiology imaging


Focus shifts from diagnosis to therapy planning and image guided intervention




Opportunity for Philips to lead in image guided intervention and therapy

In Oncology, Philips leads in advanced applications

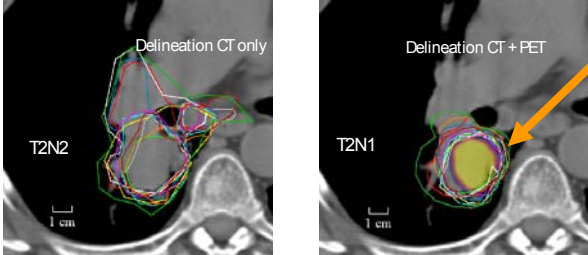
GEMINI TF
Big Bore
PET/CT



Pinnacle²
and
SmartArc



Big Bore PET/CT allows more accurate Radiation
Therapy Planning using Pinnacle

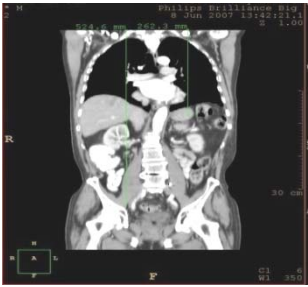


PET/CT and PROS has improved diagnosis
and planning by >10% ¹⁾

Brilliance Big
Bore
Oncology
Configuration



Ease of use allows
clinicians to
routinely image
organs in motion
(e.g., lung, liver)



Philips offerings in Oncology provide clear clinical benefits

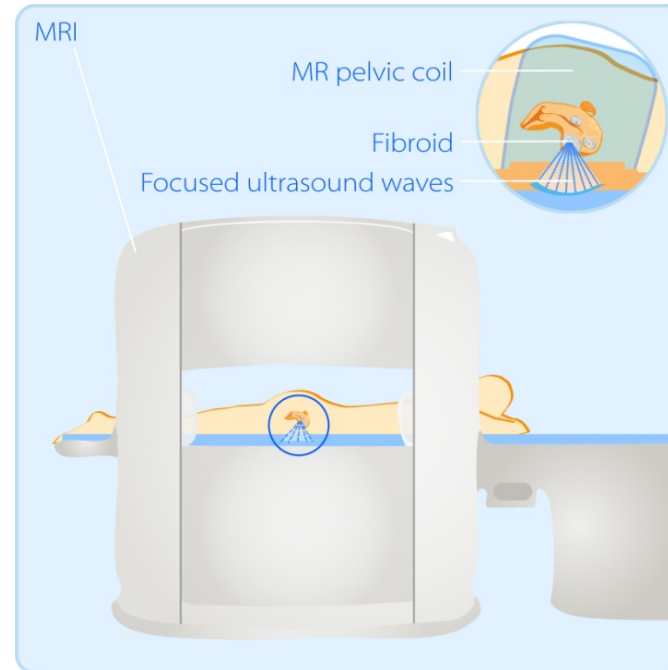
1) References:

- 1. Data: Improvements in Cancer Staging with PET/CT: Literature-Based Evidence as of September 2006, J. Czernin et al, J Nucl Med 2007, 48:78S-88S
- 2. Steenbakkers et al, NKI-AVL Amsterdam, Medica Mundi vol 51/2+3, November 2007

Philips continues to drive leadership in oncology by adding innovation

Moving into targeted Therapy with MR guided High Intensity Focused Ultrasound (HIFU)

- New treatment paradigm for various benign and malignant tumors
- Non-invasive procedure, easy to perform, short recovery time
- Leading technology position creates a unique, cost-effective add-on for use with existing MR scanners
- Clinical trials started in the U.S. and France



In summary

Current imaging market is challenging but ...

- Sales strong in selective markets
- Fundamental market drivers remain strong
- Image guided interventions will expand market
- Continued growing services business
- Philips well positioned for the future



PHILIPS

