



Press Information

June 30, 2014

Philips to set up stand-alone company consisting of its Lumileds and Automotive lighting businesses to accelerate growth and scale

Amsterdam, the Netherlands – Royal Philips (NYSE: PHG, AEX: PHIA) today announced that it will start the process to combine its Lumileds (LED components) and Automotive lighting businesses into a stand-alone company within the Philips Group. Philips will explore strategic options to attract capital from third party investors for this business. Philips intends to remain a shareholder and customer of the new company, and will continue the existing innovation collaboration.

“Guided by our long-term strategy, we continue to actively manage our portfolio of businesses,” said Frans van Houten, Chief Executive Officer of Royal Philips. “Philips’ strategy in Lighting is to intensify its focus on connected LED lighting systems and services, LED luminaires, and LED lamps for the professional and consumer markets. Both our Lumileds and Automotive lighting businesses are strong players in the lighting industry and ready to pursue more growth and scale, independently of Philips Lighting. As a world-leading lighting components business, they will have increased flexibility to attract additional investors to accelerate growth.”

“I am confident that the combined business will be able to extend its leading portfolio of digital lighting components and achieve robust growth, serving even more customers in the industry, including of course Philips Lighting,” said Philips Lighting Chief Executive Officer Eric Rondolat. “By combining Philips Automotive lighting and Lumileds, the Automotive lighting customers will continue to benefit from a fully integrated end-to-end R&D and supply chain, enabling the adoption of LED technology in automotive applications.”

Sales of the combined businesses were approximately EUR 1.4 billion in 2013. The chief executive officer of the new company will be Pierre-Yves Lesaichere, the current chief executive officer of Lumileds. The process to combine Lumileds and Automotive into an integrated business within the Philips Group is expected to be completed in the first half of 2015. Costs associated with setting up the combined business are expected to amount to EUR 30 million in the second half of 2014.



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About Royal Philips:

Royal Philips (NYSE: PHG, AEX: PHIA) is a diversified health and well-being company, focused on improving people's lives through meaningful innovation in the areas of Healthcare, Consumer Lifestyle and Lighting. Headquartered in the Netherlands, Philips posted 2013 sales of EUR 23.3 billion and employs approximately 112,000 employees with sales and services in more than 100 countries. The company is a leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as male shaving and grooming and oral healthcare. News from Philips is located at www.philips.com/newscenter.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.