

# PHILIPS Lighting

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## Press Release

February 26, 2018

### **Philips Lighting intends to repurchase 2.2 million shares from Royal Philips**

**Eindhoven, the Netherlands** – Philips Lighting (Euronext: LIGHT), the world leader in lighting, today announces that it intends to repurchase 2.2 million of its ordinary shares from Royal Philips. Today Royal Philips announced its intention to offer approximately 16.2 million shares in Philips Lighting, currently owned by Royal Philips, to institutional investors by means of an accelerated bookbuild offering (the “Offering”). The Offering represents approximately 11.6% of Philips Lighting’s issued share capital. Philips Lighting will not receive any proceeds from the sale.

As part of this transaction, Philips Lighting has committed to participating in the Offering and placing an order to repurchase 2.2 million shares, up to a maximum of 25% of the total number of shares in the Offering (including the repurchase). Royal Philips will allocate Philips Lighting's order in whole. The share repurchase is subject to the satisfaction or Philips Lighting's waiver of a number of conditions, including the successful completion of the Offering and an offer price not exceeding today's closing price of the ordinary shares. Philips Lighting intends to cancel these shares.

The repurchase will be financed from Philips Lighting’s own funds and is in line with its previously announced intention to repurchase shares for an amount of up to EUR 150 million by participating in share disposals by Royal Philips in 2018.

Royal Philips holds approximately 41.5 million shares in Philips Lighting’s issued share capital, representing 29.59%. If all offered shares are sold, this shareholding will be reduced to approximately 18.0%. After cancellation of the 2.2 million shares that Philips Lighting intends to repurchase in the Offering, Royal Philips' shareholding in Philips Lighting is expected to represent 18.3% of Philips Lighting's issued share capital.

The offer price and final number of shares sold will be determined by Royal Philips at the conclusion of the bookbuilding process and will be announced by Royal Philips and Philips Lighting in separate press releases. The transaction is expected to settle on March 1, 2018.

Royal Philips has announced that it agreed to a lock-up in respect of its remaining stake in Philips Lighting until the publication of Philips Lighting's Q1 results on April 26, 2018 (subject to limited exemptions and the joint bookrunners’ customary right to waive the lock-up restrictions).

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## **About Philips Lighting**

Philips Lighting (Euronext: LIGHT), the world leader in lighting products, systems and services, delivers innovations that unlock business value, providing rich user experiences that help improve lives. Serving professional and consumer markets, we lead the industry in leveraging the Internet of Things to transform homes, buildings and urban spaces. With 2017 sales of EUR 7.0 billion, we have approximately 32,000 employees in over 70 countries. News from Philips Lighting is located at the [Newsroom](#), [Twitter](#) and [LinkedIn](#). Information for investors can be found on the [Investor Relations](#) page.

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This press release does not constitute (i) a public offer of securities in the Netherlands, (ii) a prospectus within the meaning of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) or (iii) an offer to acquire securities. No prospectus in accordance with the Prospectus Directive (as defined below), is required in respect of the Offering and no prospectus, offering circular or similar document will be prepared. Any investment decision in connection with the Offering must be made on the basis of all publicly available information relating to Philips Lighting and the offered shares. Such information has not been independently verified by the joint bookrunners.

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The securities being offered have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under any applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirements and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the securities discussed herein is being made in the United States.

The Offering is directed only at the following persons (all such persons together being "Relevant Persons"):

- (A) in member states of the European Economic Area (the "EEA") to persons who are "qualified investors" within the meaning of Article 2(1)(e) of the EU Prospectus Directive (Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the EEA (the "Prospectus Directive")) and includes any relevant implementing measure in each relevant member state of the EEA) (the "Qualified Investors");
- (B) in the United Kingdom, to Qualified Investors who are persons who (i) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (ii) who are high net worth entities falling within Article 49 of the Order 2005 (as amended); and
- (C) outside the EEA to other persons to whom it may otherwise lawfully be communicated.

If you are not a Relevant Person, you will not be eligible to participate in the Offering, and you should not act upon, or rely on, this press release.

## **Market Abuse Regulation**

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.