

PHILIPS Lighting

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Press Release

February 27, 2018

Philips Lighting repurchases shares from Royal Philips for an aggregate amount of approximately EUR 71 million

Eindhoven, the Netherlands – Philips Lighting (Euronext: LIGHT), the world leader in lighting, today announces that it has repurchased 2.2 million of its shares for an aggregate amount of approximately EUR 71 million. The repurchase is part of the accelerated bookbuild offering by Royal Philips to institutional investors of 16.22 million shares in Philips Lighting at a price of EUR 32.10 per share (the “Offering”) which was successfully completed today. Philips Lighting will not receive any proceeds from the sale and intends to cancel the shares it has repurchased.

The repurchase will be financed from the company’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.

This transaction reduces Royal Philips’ shareholding in Philips Lighting’s issued share capital from 29.59% to 18.0%. After cancellation of the shares that Philips Lighting repurchased in the Offering, Royal Philips’ shareholding in Philips Lighting is expected to represent 18.3% of Philips Lighting’s issued share capital.

Royal Philips has announced that the transaction is expected to settle on March 1, 2018 and 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.

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.

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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.