

Press Information

June 27, 2013

Philips and Georgia Regents Medical Center sign a 15-year alliance to facilitate innovative and affordable care

- *Healthcare industry-defining model to improve patient outcomes and reduce costs through new technologies, operational planning, support and consulting services*
- *Long term alliance will support multiple GRMC sites, including its combined 632-bed medical center, cancer center, and children's hospital, with an order value of approximately USD 300 million*

Andover, MA and Augusta, GA – Royal Philips (NYSE: PHG, AEX: PHIA) and Georgia Regents Medical Center (GRMC), Georgia's public academic health center renowned for its top-ranked doctors, today announced a 15-year alliance to enable increasingly patient-centered approaches to care and to create an innovative business model that addresses current and future clinical, operational and equipment needs of GRMC's multiple sites.

The alliance is a first-of-its-kind delivery model in the United States. Through the agreement, worth approximately USD 300 million, the largest of its kind for Philips, the company will provide GRMC with a comprehensive range of consulting services, advanced medical technologies, and operational performance, planning and maintenance services with pre-determined monthly operational costs over a 15-year term.

The alliance will broadly support the Georgia Regents Medical Center, Children's Hospital of Georgia, Georgia Regents University Cancer Center and the health system's numerous outpatient clinics, which serve the medical needs of four to six million people, across Georgia and South Carolina. Philips and Georgia Regents will work closely to deliver faster, more effective and cost-efficient care from diagnostics to therapeutics, and inpatient and outpatient clinical services. The alliance will impact all care areas, including radiology, cardiology, neurology, oncology and pediatrics, and enhance medical research and clinical technology R&D initiatives for care delivery innovation.

The agreement encompasses Philips imaging systems, patient monitoring and clinical informatics solutions, as well as lighting and consumer products. Philips will also furnish GRMC rapid access to new equipment as well as educational resources. Philips and GRMC will work together to cost-effectively design and deploy innovative patient care strategies.

"By collaborating with Philips, we're bringing all the stakeholders together at the same table to better assess and plan health care for tomorrow. It's no longer a simple supply-and-demand business model," said David S. Hefner, Chief Executive Officer for Georgia Regents Medical Center. "Our goal is to foster an atmosphere of meaningful innovation that will have a significant and positive impact on the health of our patients."

“We are proud to embark on this transformational alliance with Georgia Regents Medical Center as we share the vision that we can create the future of health care by creatively and cost-effectively meeting the long-term needs of patients,” said Deborah DiSanzo, chief executive officer, Philips Healthcare.”

With more than 100 years of experience in health care, Philips’ aim is to provide innovative solutions that address the complexities of health care delivery by working in close partnership with healthcare providers. The long term alliance with GRMC in the U.S. follows collaborations with hospitals in Europe, Asia, the Middle-east and Africa that have resulted in improved clinical operations and care delivery performance.

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About Georgia Regents Medical Center

Georgia Regents Medical Center is a not-for-profit corporation in Augusta, Ga., that provides clinical operations as a cooperative organization for Georgia Regents University. The 478-bed Medical Center includes a Critical Care Center, housing the region’s only Level I trauma center ; the 154-bed Children’s Hospital of Georgia, providing the highest level of pediatric critical care and neonatal intensive care; and more than 80 outpatient clinics that provide primary and specialty care. Georgia Regents physicians are consistently ranked among the nation’s best in both America’s Top Doctors® and Best Doctors in America®.

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 2012 sales of EUR 24.8 billion and employs approximately 116,000 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.