KONINKLIJKE PHILIPS NV
Form 6-K
July 22, 2013
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

July 22, 2013

KONINKLIJKE PHILIPS N.V.

(Exact name of registrant as specified in its charter)

Royal Philips

(Translation of registrant s name into English)

The Netherlands

(Jurisdiction of incorporation or organization)

Breitner Center, Amstelplein 2, 1096 BC Amsterdam, The Netherlands

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule101(b)(1): ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule101(b)(7): ¨

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

Name and address of person authorized to receive notices

and communications from the Securities and Exchange Commission:

E.P. Coutinho

Koninklijke Philips N.V.

Amstelplein 2

1096 BC Amsterdam The Netherlands

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This report comprises a copy of the following press release:

- Philips Second Quarter Results 2013 and Semi-annual report , dated July 22, 2013.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf, by the undersigned, thereunto duly authorized at Amsterdam, on the 22nd day of July 2013.

KONINKLIJKE PHILIPS N.V.

/s/ **E.P. Coutinho**

(General Secretary)

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Q2 2013 Quarterly report and Semi-annual report

Philips reports second-quarter comparable sales growth of 3% to EUR 5.7 billion; operational results improve by 30% to EUR 530 million

- Comparable sales in growth geographies up 12%, driven by China
- EBITA was EUR 603 million, or 10.7% of sales, and included a EUR 78 million past-service pension cost gain in the US
- EBITA excluding restructuring and acquisition-related charges and other gains increased to EUR 530 million, or 9.4% of sales
- Net income of EUR 317 million, compared to EUR 102 million in Q2 2012
- Inventories as a percentage of sales at 15.7%, a reduction of 1.5 percentage points compared to Q2 2012
- EUR 2 billion share buy-back program completed

Frans van Houten, CEO:

We are pleased that in the second quarter our operational results improved year-on-year for the fifth quarter in a row and sales grew by 3% in a challenging economic environment, thanks to our highly engaged employees. The Accelerate! transformation program continues to drive performance improvement, resulting in a better product portfolio, higher gross margins, faster time to market, reduced inventory levels and a structurally lower cost base.

At Healthcare, order intake grew by 7%, supported by new product launches and significant customer wins. Sales were flat year-on-year, due to the weaker order intake growth in the previous quarters in the United States and Europe. Comparable sales at Consumer Lifestyle increased an impressive 13%, as locally relevant product launches and better operational execution helped to drive growth. At Lighting, all businesses delivered better operational results. We continued to see strong traction in LED, with LED-based sales growing 28% over the previous year.

Looking ahead to the second half of 2013, we are concerned about economic uncertainties around the world; however, we remain committed to reach our financial targets this year.

Q2 financials: Results improve across all sectors. Strong growth at Consumer Lifestyle, modest growth at Lighting. Healthcare order intake up by 7%.

Healthcare currency-comparable equipment order intake increased by 7% year-on-year, with both Imaging Systems and Patient Care & Clinical Informatics showing growth. Comparable sales were flat year-on-year as the growth at Customer Services, Patient Care & Clinical Informatics and Home Healthcare Solutions was offset by a decline at Imaging Systems due to soft order intake in the previous quarters. In growth geographies, comparable sales showed a double-digit increase. EBITA margin excluding restructuring and acquisition-related charges and the past-service pension cost gain in the US increased by 1.2 percentage points year-on-year to 14.3%.

Consumer Lifestyle comparable sales increased by 13%, driven by good growth in all businesses, i.e. Domestic Appliances, Personal Care, as well as Health & Wellness. In growth geographies, comparable sales showed a strong double-digit increase. EBITA margin excluding restructuring and acquisition-related charges and the past-service pension cost gain in the US increased to 7.8%, a year-on-year improvement of 2.8 percentage points.

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Lighting comparable sales increased by 2%, led by Automotive, Lumileds and Consumer Luminaires. LED-based sales grew by 28%, representing 25% of total Lighting sales. In growth geographies, comparable sales showed a double-digit increase. EBITA margin excluding restructuring and acquisition-related charges and the past-service pension cost gain in the US was 8.1%, a year-on-year improvement of 2.4 percentage points.

We have completed the EUR 2 billion share buy-back program that started in July 2011.

Accelerate! is driving performance improvement

Now in its third year, our change and performance improvement program Accelerate! continues to drive better results across the organization. The program, which runs through 2017, has five streams to enhance customer relevance, change company culture, reduce overhead costs, streamline our End2End customer value chains, and reallocate resources to profitable growth opportunities.

In the second quarter, Accelerate! initiatives to enhance customer relevance resulted in encouraging success in our markets. For example, we established an innovative alliance with Georgia Regents Medical Center, through which Philips will provide 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.

At Domestic Appliances, we have leveraged our Povos acquisition to make locally relevant and successful products, such as the Noodle Maker in China and the Multicooker in Russia. And underlining our leadership in innovative, energy-efficient lighting, we installed new lighting systems in Brazil and at The Change Initiative s retail space in Dubai, supporting its claim that it is the most sustainable commercial building in the world.

Over 1,200 senior leaders and 600 middle managers have participated in change programs to create a high-performance culture. Additionally, more than 1,300 people have received specialized Lean training to drive End2End transformation of customer value chains. Our overhead cost reduction program has resulted in EUR 673 million total gross savings to date, including EUR 202 million realized in the first half of 2013. In the quarter, we reduced inventory by 1.5 percentage points of sales year-on-year.

Please refer to page 18 of this press release for more information about forward-looking statements, third-party market share data, use of non-GAAP information and use of fair-value measurements.

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Philips Group

Net income

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Sales	5,570	5,654
EBITA	339	603
as a % of sales	6.1	10.7
EBIT	229	509
as a % of sales	4.1	9.0
Financial income and expenses	(99)	(78)
Income taxes	(59)	(121)
Results investments in associates	(9)	14
Income from continuing operations	62	324
Discontinued operations	40	(7)
Net income	102	317
Net income attributable to shareholders per common share (in euros) - basic	0.11	0.35

Net income

Net income amounted to EUR 317 million, an increase of EUR 215 million year-on-year, which reflected better operating results across all sectors, lower restructuring and acquisition-related charges and higher past-service pension cost gains in Q2 2013 compared to Q2 2012.

EBITA amounted to EUR 603 million, reflecting an increase of EUR 264 million year-on-year to 10.7% of sales. Q2 2013 included a gain of EUR 78 million relating to past-service pension costs in the US, EUR 26 million of restructuring and acquisition-related charges, and a EUR 21 million gain on the sale of a business in Healthcare. Q2 2012 EBITA included restructuring and acquisition-related charges of EUR 94 million and a gain of EUR 25 million relating to past-service costs in respect of a medical retiree benefit plan.

EBITA, excluding restructuring and acquisition-related charges, the gains on past-service pension costs in Q2 2013 and in Q2 2012, as well as the gain on the sale of a business in Healthcare, improved by 30% and amounted to EUR 530 million, or 9.4% of sales, compared to EUR 408 million, or 7.3% of sales, in Q2 2012.

Tax charges were EUR 62 million higher than in Q2 2012, mainly due to higher taxable earnings.

Income from discontinued operations was a loss of EUR 7 million, a year-on-year decline of EUR 47 million, and represents the results of the Television business and of the Audio, Video, Multimedia and Accessories business. The decline was attributable to a EUR 20 million gain on the Speech Processing divestment in Q2 2012 and lower results related to the Audio, Video, Multimedia and Accessories business and the Television business.

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Sales by sector

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013	nominal	% change comparable
Healthcare	2,413	2,362	(2)	0
Consumer Lifestyle	960	1,083	13	13
Lighting	2,026	2,048	1	2
Innovation, Group & Services	171	161	(6)	(14)
Philips Group	5,570	5,654	2	3

Sales per geographic cluster

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013	nominal	% change comparable
Western Europe	1,336	1,328	(1)	(1)
North America	1,881	1,782	(5)	(5)
Other mature geographies	449	441	(2)	7
Total mature geographies	3,666	3,551	(3)	(2)
Growth geographies	1,904	2,103	10	12
Philips Group	5,570	5,654	2	3

Sales per sector

Group sales amounted to EUR 5,654 million, an increase of 3% on a comparable basis. Group nominal sales increased by 2%, reflecting a 1% negative currency effect.

Healthcare comparable sales were flat year-on-year. Customer Services recorded mid-single-digit growth, while Patient Care & Clinical Informatics and Home Healthcare Solutions achieved low-single-digit growth. Imaging Systems saw a high-single-digit decline.

Consumer Lifestyle comparable sales were 13% higher year-on-year, driven by strong double-digit growth at Domestic Appliances and Personal Care, while Health & Wellness recorded mid-single-digit growth.

Lighting sales grew by 2% on a comparable basis, led by high-single-digit growth at Automotive and mid-single-digit growth at Lumileds and Consumer Luminaires. Light Sources & Electronics achieved low-single-digit growth, while Professional Lighting Solutions sales were slightly below the level of Q2 2012.

Sales per geographic cluster

Comparable sales in the mature geographies declined by 2% compared to Q2 2012, due to Healthcare and Lighting, while Consumer Lifestyle sales improved.

Growth geographies delivered 12% comparable growth, driven by all sectors. Particularly strong growth was seen in China, Latin America and Russia.

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EBITA

in millions of euros

	Q2 2012	Q2 2013
Healthcare	308	420
Consumer Lifestyle	40	82
Lighting	78	153
Innovation, Group & Services	(87)	(52)
Philips Group	339	603

EBITA

as a % of sales

	Q2 2012	Q2 2013
Healthcare	12.8	17.8
Consumer Lifestyle	4.2	7.6
Lighting	3.8	7.5
Innovation, Group & Services	(50.9)	(32.3)
Philips Group	6.1	10.7

Restructuring and acquisition-related charges

in millions of euros

	Q2 2012	Q2 2013
Healthcare	(8)	
Consumer Lifestyle	(8)	(3)
Lighting	(38)	(23)
Innovation, Group & Services	(40)	
Philips Group	(94)	(26)

EBIT

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Healthcare	259	379
Consumer Lifestyle	27	69
Lighting	34	115

Innovation, Group & Services	(91)	(54)
Philips Group	229	509
as a % of sales	4.1	9.0

Earnings

Healthcare EBITA increased by EUR 112 million year-on-year. Excluding restructuring and acquisition-related charges and other gains, EBITA improved by EUR 22 million. EBITA in the quarter included a EUR 61 million past-service pension cost gain in the US and a EUR 21 million gain on the sale of a business.

Consumer Lifestyle EBITA increased by EUR 42 million year-on-year. Excluding the EUR 3 million restructuring and acquisition-related charges and the EUR 1 million past-service pension cost gain in the US, EBITA was EUR 36 million higher, driven by higher sales across all businesses and improved gross margins.

Lighting EBITA increased by EUR 75 million year-on-year. Excluding the EUR 23 million restructuring and acquisition-related charges and the EUR 10 million past-service pension cost gain in the US, EBITA was EUR 50 million higher, driven by revenue growth and gross margin improvements. All businesses contributed to the EBITA improvement.

Innovation, Group & Services EBITA improved by EUR 35 million to a net cost of EUR 52 million. The improvement was driven by lower restructuring charges and the EUR 6 million past-service pension cost gain in the US, partly offset by the EUR 25 million past-service cost gain related to a medical retiree benefit plan in Q2 2012. Excluding restructuring and one-time gains, EBITA improved by EUR 14 million compared to Q2 2012, mainly related to the remeasurement of environmental provisions due to changes in discount rates.

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Financial income and expenses

in millions of euros

	Q2 2012	Q2 2013
Net interest expenses	(87)	(71)
Value adjustment to option in the UK pension plan	(2)	5
Other	(10)	(12)
	(99)	(78)

Cash balance

in millions of euros

	Q2 2012	Q2 2013
Beginning cash balance	4,225	3,066
Free cash flow	(162)	(122)
Net cash flow from operating activities	81	124
Net capital expenditures	(243)	(246)
Acquisitions and divestments of businesses	8	96
Other cash flow from investing activities	(23)	(7)
Treasury shares transactions	(288)	(265)
Dividend paid	(256)	(231)
Changes in debt/other	(274)	(137)
Net cash flow discontinued operations	(96)	(93)
Ending balance	3,134	2,307

Cash flows from operating activities

in millions of euros

Financial income and expenses

Financial income and expenses amounted to a net expense of EUR 78 million, an improvement of EUR 21 million compared with Q2 2012. This was partly attributable to lower interest expenses on pensions and debt, and a value adjustment to the option in the UK pension plan.

Cash balance

The Group cash balance decreased during Q2 2013 to EUR 2,307 million. This was largely due to a free cash outflow of EUR 122 million, the use of EUR 265 million in treasury shares transactions, primarily for our share buy-back program, EUR

231 million of cash dividend, as well as a net decrease of EUR 137 million mainly related to debt redemption.

In Q2 2012, the cash balance decreased to EUR 3,134 million, mainly due to a free cash outflow of EUR 162 million, the use of EUR 288 million in treasury shares transactions for our share buy-back program, EUR 256 million of cash dividend, as well as a net decrease of EUR 274 million mainly related to debt redemption.

Cash flows from operating activities

Operating activities resulted in a cash inflow of EUR 124 million, higher than the inflow of EUR 81 million in Q2 2012, mainly as a result of higher earnings.

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Gross capital expenditures[1)]

in millions of euros

[1)] Capital expenditures on property, plant and equipment only

Inventories

as a % of sales[1)]

[1)] sales is calculated over the preceding 12 months

Net debt and group equity

in billions of euros

Gross capital expenditures

Gross capital expenditures on property, plant and equipment were EUR 23 million lower than in Q2 2012, mainly due to lower investments at Lighting and Consumer Lifestyle.

Inventories

Inventory value at the end of Q2 2013 was EUR 3.7 billion and amounted to 15.7% of sales.

Compared to Q2 2012, inventories as a percentage of sales improved by 1.5 percentage points. This was attributable to all sectors, but mainly driven by inventory improvements at Healthcare and Lighting.

Net debt and group equity

At the end of Q2 2013, Philips had a net debt position of EUR 2.1 billion, compared to EUR 1.8 billion at the end of Q2 2012. During the quarter, the net debt position increased by EUR 568 million, mainly due to treasury shares transactions and the distribution of the annual dividend in Q2 2013.

Group equity decreased by EUR 395 million in the quarter to EUR 10.8 billion. The decrease was largely a result of treasury shares transactions and the distribution of the annual dividend, offset partially by net income earned during the period.

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Number of employees

in FTEs

1) Number of employees excludes discontinued operations. Discontinued operations, comprising the Audio, Video, Multimedia and Accessories business, had 1,958 employees at the end of Q2 2013 (Q2 2012: 2,166; Q1 2013: 1,970).

Employees

The number of employees decreased by 630 in the quarter, with most of the reduction centered on Consumer Lifestyle and Lighting. The decrease at Consumer Lifestyle was driven by the seasonal outflow of temporary workers, while the decrease at Lighting was largely attributable to activities to reduce the industrial footprint.

Compared to Q2 2012, the number of employees decreased by 4,354. This decrease includes 824 employees from divestments. Excluding divestments, the number of employees decreased by 3,530, mainly due to the company s overhead reduction program and the industrial footprint rationalization at Lighting.

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Healthcare

Key data

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Sales	2,413	2,362
Sales growth		
% nominal	16	(2)
% comparable	7	0
EBITA	308	420
as a % of sales	12.8	17.8
EBIT	259	379
as a % of sales	10.7	16.0
Net operating capital (NOC)	8,542	7,684
Number of employees (FTEs)	37,887	37,270

Sales

in millions of euros

EBITA

Business highlights

As a leader in image-guided interventions and therapies, Philips has received 510(k) clearance from the US Food and Drug Administration to market its low-dose AlluraClarity interventional X-ray system in the US. The innovative technology is also available as an upgrade for the majority of Philips installed base of interventional X-ray systems.

Executing on the strategy of delivering affordable solutions across the continuum of care, Philips and Georgia Regents Medical Center (US) entered into a 15-year alliance worth USD 300 million. Under the agreement, Philips will provide a comprehensive range of medical equipment, consulting and operational performance services with pre-determined monthly operational costs.

Highlighting the company s focus on locally relevant products for growth geographies, Philips introduced a broad range of mother and child care solutions in India and Africa, including the Efficia range of Infant Warmers and Incubators intended to help reduce infant mortality.

Further expanding its geographical reach, Philips will commence its joint venture with Al Faisaliah Medical Systems to provide Philips Healthcare solutions and services in the Kingdom of Saudi Arabia.

Combining its expertise in patient monitoring with clinical informatics technologies, Philips will carry out a hospital-wide installation of connected patient monitoring solutions at the VU Medical Center Amsterdam (Netherlands). This will enable remote monitoring from a central workstation and monitoring at an individual patient s bedside, as well as providing immediate access anywhere in the hospital to real-time centrally held patient data.

Financial performance

Currency-comparable equipment order intake grew 7% year-on-year. Double-digit growth was recorded at Patient Care & Clinical Informatics, while low-single-digit growth was seen at Imaging Systems. Equipment order intake in North America showed mid-single-digit growth, while orders in growth geographies increased by 19% compared to Q2 2012. Western Europe equipment order intake saw a low-single-digit decline.

Healthcare comparable sales remained flat year-on-year. Customer Services recorded mid-single-digit growth, while Patient Care & Clinical Informatics and Home Healthcare Solutions achieved low-single-digit growth. Imaging Systems saw a high-single-digit decline.

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From a regional perspective, comparable sales in growth geographies increased by 10% year-on-year, with strong growth in China and Latin America. Sales in mature geographies declined 3% year-on-year, with North America and Western Europe showing mid-single-digit and low-single-digit declines respectively.

EBITA was EUR 420 million, or 17.8% of sales, compared to EUR 308 million, or 12.8% of sales, in Q2 2012. Excluding restructuring and acquisition-related charges and other gains, EBITA amounted to EUR 338 million, or 14.3% of sales, compared to EUR 316 million, or 13.1% of sales, in Q2 2012. EBITA in the quarter included a EUR 61 million past-service pension cost gain in the US and a EUR 21 million gain on the sale of a business.

Net operating capital, excluding a currency translation impact of EUR 466 million, decreased by EUR 392 million to EUR 7.7 billion. This decrease was largely driven by improved working capital and lower fixed assets. Inventories as a percentage of sales improved by 2.6 percentage points year-on-year, with improvements seen across all businesses.

Compared to Q2 2012, the number of employees decreased by 617, as a result of reductions in North America and Europe.

Miscellaneous

Restructuring and acquisition-related charges in Q3 2013 are expected to total approximately EUR 5 million.

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Consumer Lifestyle

* Excluding the Audio, Video, Multimedia and Accessories business

Key data

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Sales	960	1,083
Sales growth		
% nominal	15	13
% comparable	8	13
EBITA	40	82
as a % of sales	4.2	7.6
EBIT	27	69
as a % of sales	2.8	6.4
Net operating capital (NOC)	1,514	1,182
Number of employees (FTEs)	16,540	16,414

Sales

in millions of euros

EBITA

Business highlights

Demonstrating the strength of its local-for-local business creation capabilities, Philips introduced the Noodle Maker in China. The appliance has already seen significant sales with leading Chinese online retailer T-mall.

Delivering on its strategy to attract younger customers, Philips latest introduction, the Philips Click & Style, is driving market share gains in North America. Click & Style is a multifunctional grooming tool designed specifically for younger men to groom their face and body.

Philips further strengthened its leadership in Oral Healthcare in Japan, investing in a celebrity-endorsed marketing campaign to stimulate consumers to start electric brushing, and driving professional endorsement via an education program for dentists.

Demonstrating Philips ability to quickly respond to local market opportunities, the company recorded strong sales growth in its air purifier business in China on the back of heightened awareness of outdoor air quality in the country.

Financial performance

Consumer Lifestyle comparable sales increased by 13%. Strong double-digit comparable growth was seen at Domestic Appliances and Personal Care, while Health & Wellness recorded mid-single-digit growth.

From a regional perspective, Consumer Lifestyle achieved a strong double-digit comparable sales increase in growth geographies and mid-single-digit growth in Western Europe and North America.

EBITA amounted to EUR 82 million, an increase of EUR 42 million compared to Q2 2012.

EBITA in Q2 2013 included EUR 3 million of restructuring and acquisition-related charges and a EUR 1 million past-service pension cost gain in the US, compared to EUR 8 million of restructuring and acquisition-related charges in Q2 2012.

Excluding restructuring and acquisition-related charges and the US past-service pension cost gain, EBITA was EUR 84 million, or 7.8% of sales, compared to EUR 48 million, or 5.0% of sales, in Q2 2012. The 2.8 percentage points improvement was largely attributable to higher sales and improved gross margins across all businesses.

EBITA included EUR 7 million of costs formerly reported as part of the Audio, Video, Multimedia and Accessories business in Consumer Lifestyle (Q2 2012 included EUR 9 million of costs related to the Audio, Video, Multimedia and Accessories business and EUR 9 million of costs related to the Television business).

Net operating capital, excluding a currency translation impact of EUR 66 million, decreased by EUR 266 million year-on-year. The decrease was largely driven by lower working capital.

The number of employees decreased by 126 year-on-year, largely due to the seasonal outflow of temporary workers, mainly in the Domestic Appliances business and the Asian region.

Miscellaneous

Restructuring and acquisition-related charges in Q3 2013 are expected to total approximately EUR 5 million.

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Lighting

Key data

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Sales	2,026	2,048
Sales growth		
% nominal	14	1
% comparable	6	2
EBITA	78	153
as a % of sales	3.8	7.5
EBIT	34	115
as a % of sales	1.7	5.6
Net operating capital (NOC)	5,287	4,732
Number of employees (FTEs)	52,749	49,148

Sales

in millions of euros

EBITA

Business highlights

Underlining Philips leadership in digital lighting, Philips Hue, the connected lighting system for the home, was named Best Product of 2012 by Forbes magazine. The latest version of the Hue App and the Software Development Kit (SDK) introduces functionality that allows Hue to connect to internet services, making it even more intelligent and attracting a large group of App developers across the globe.

As the leader in total lighting solutions and services, Philips has been selected as a provider of advanced lighting solutions for the 2014 FIFA World Cup Brazil . This includes interior, exterior and architectural lighting for the Maracanã, the main stadium in Rio de Janeiro.

Highlighting its expertise in energy-efficient lighting, Philips installed LED systems in The Change Initiative s retail space in Dubai. This contributed to a Platinum LEED certification from the US Building Council, making it the most sustainable commercial building in the world.

Reflecting its customer-centric approach and focus on LED lighting for its outdoor lighting business in the Nordics, Philips has gained market leadership in LED-based outdoor lighting in this region in the past 18 months.

Philips worked together with Disney to create a portfolio of innovative co-branded digital lighting products, which will be sold through a variety of retail channels starting in Europe and the US from September, with Asia and Canada to follow later this year.

Financial performance

Comparable sales were 2% higher year-on-year, led by high-single-digit growth at Automotive and mid-single-digit growth at Lumileds and Consumer Luminaires. Light Sources & Electronics achieved low-single-digit growth, while Professional Lighting Solutions sales were slightly below the level of Q2 2012.

From a geographical perspective, comparable sales showed a double-digit increase in growth geographies (8% increase in comparable sales excluding the OEM Lumileds sales), which was partly offset by a mid-single-digit decrease in mature geographies.

LED-based sales grew 28% compared to Q2 2012 and now represent 25% of total Lighting sales.

EBITA amounted to EUR 153 million, compared to EUR 78 million in Q2 2012, and included restructuring and acquisition-related charges of EUR 23 million (Q2 2012: EUR 38 million), as well as a past-service pension cost gain in the US of EUR 10 million.

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Excluding restructuring and acquisition-related charges and the past-service pension cost gain in the US, EBITA was EUR 166 million, or 8.1% of sales, compared to EUR 116 million, or 5.7% of sales, in Q2 2012. The year-on-year EBITA increase was driven by revenue growth and gross margin improvements. All businesses contributed to the EBITA improvement.

Net operating capital, excluding a currency translation impact of EUR 185 million, decreased by EUR 370 million year-on-year. The decrease was largely driven by an increase in provisions and improved working capital. Inventories as a percentage of sales improved by 1.2 percentage points year-on-year.

Compared to Q2 2012, the total number of employees decreased by 3,601, mainly driven by the rationalization of the industrial footprint.

Miscellaneous

Restructuring and acquisition-related charges in Q3 2013 are expected to total approximately EUR 40 million.

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Innovation, Group & Services

Key data

in millions of euros unless otherwise stated

	Q2 2012	Q2 2013
Sales	171	161
Sales growth		
% nominal	1	(6)
% comparable	(2)	(14)
EBITA of:		
Group Innovation	(41)	(34)
IP Royalties	51	56
Group and Regional Costs	(29)	(34)
Accelerate! investment	(34)	(40)
Pensions	25	(1)
Service Units and Other	(59)	1
EBITA	(87)	(52)
EBIT	(91)	(54)
Net operating capital (NOC)	(3,858)	(3,414)
Number of employees (FTEs)	12,459	12,449

Sales

in millions of euros

EBITA

in millions of euros

Business highlights

Philips has been recognized in Interbrand s annual ranking of the top 50 Best Global Green Brands, moving up eight places to 23rd.

Philips received four awards at the 2013 Australian International Design Awards presented by Good Design Australia. Two of the prestigious Design Awards went to Philips Healthcare products the SimplyGo oxygen system and the TrueBlue apnea mask. The PerfectCare Aqua iron and the Antumbra lighting user interface panel also received awards.

Philips is fostering the growth of the LED lighting industry by offering licensed companies access to its comprehensive portfolio of patented LED system technologies and solutions. The Philips LED luminaire and retrofit bulb licensing program grew by 50% in one year, reaching 300 licensees.

Capitalizing on its strong patent portfolio, Philips is the first company to offer 600 patents through the Intellectual Property Exchange International, the new financial exchange for licensing and trading intellectual property rights. The portfolio relates to OLED technologies for display screen applications.

Financial performance

Sales decreased from EUR 171 million in Q2 2012 to EUR 161 million in Q2 2013, mainly due to lower license income.

EBITA amounted to a net cost of EUR 52 million, including a EUR 6 million past-service pension cost gain in the US. The EBITA net cost of EUR 87 million in Q2 2012 included a past-service cost gain on a medical retiree benefit plan of EUR 25 million. Net restructuring charges in Q2 2013 were close to zero, while restructuring charges in Q2 2012 were EUR 40 million. EBITA excluding restructuring charges and past-service pension cost gains improved by EUR 14 million compared to Q2 2012, mainly related to the remeasurement of environmental provisions due to changes in discount rates.

EBITA of Service Units and Other included EUR 13 million of net costs formerly reported as part of the Audio, Video, Multimedia and Accessories business in Consumer Lifestyle (Q2 2012 included EUR 9 million related to the Audio, Video, Multimedia and Accessories business and EUR 9 million related to the Television business).

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Net operating capital increased by EUR 444 million year-on-year, mainly due to an increase in the value of currency hedges held at Group level as well as the reclassification of real estate assets from the sectors to Service Units.

Miscellaneous

In Q3 2013, a settlement result arising from a lump sum offering to terminated vested employees in our US pension plan will be reported as part of EBITA. This concerns the same US pension plan for which a past-service cost gain was reported in Q2 2013. The settlement result, which is dependent on the discount rate on the payment date in September, relates to inactive members and therefore will be reported in IG&S.

Restructuring charges in Q3 2013 are expected to total approximately EUR 10 million.

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Additional information on Audio, Video, Multimedia and Accessories business

AVM&A results reconciliation

	Q2 2012	Q2 2013
EBITA	29	(10)
Disentanglement costs		(7)
Former AVM&A net costs allocated to Consumer Lifestyle	9	7
Former AVM&A net costs allocated to IG&S	9	13
Eliminated amortization other AVM&A intangibles	(4)	
EBIT discontinued operations	43	3
Financial income and expenses		(1)
Income taxes	(10)	(2)
Net income from discontinued operations	33	
Number of employees (FTEs)	2,166	1,958

Following the agreement with Funai Electric Co. Ltd, as mentioned in the Q1 2013 press release, the results of the Audio, Video, Multimedia and Accessories (AVM&A) business are reported as discontinued operations in the Consolidated statements of income and Consolidated statements of cash flows. Prior-period comparative figures have been restated accordingly. Consequently, Audio, Video, Multimedia and Accessories sales and EBITA are no longer included in the Consumer Lifestyle and Group results of continuing operations.

The net income of discontinued operations attributable to the Audio, Video, Multimedia and Accessories business declined from EUR 33 million in Q2 2012 to zero in Q2 2013. The year-on-year decline in income was attributable to a EUR 20 million gain on the Speech Processing divestment in Q2 2012 and lower results related to the Audio, Video, Multimedia and Accessories business.

Since Q1 2013, the applicable net operating capital of this business is reported under Assets and Liabilities classified as held for sale in the Consolidated balance sheet.

The EBITA of Consumer Lifestyle includes net costs of EUR 7 million formerly reported as part of the results of this business. The EBITA of Innovation, Group & Services includes net costs of EUR 13 million formerly reported as part of this business.

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Forward-looking statements

*Forward-looking statement*s

This document and the related oral presentation, including responses to questions following the presentation, 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. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITA and future developments in our organic business. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include but are not limited to domestic and global economic and business conditions, developments within the euro zone, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where Philips operates, industry consolidation and competition. As a result, Philips actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Risk management chapter included in our Annual Report 2012.

Third-party market share data

Statements regarding market share, including those regarding Philips competitive position, contained in this document are based on outside sources such as research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Philips, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.

Use of non-GAAP information

In presenting and discussing the Philips Group financial position, operating results and cash flows, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. A reconciliation of these non-GAAP measures to the most directly comparable IFRS measures is contained in this document. Further information on non-GAAP measures can be found in our Annual Report 2012.

Use of fair-value measurements

In presenting the Philips Group financial position, fair values are used for the measurement of various items in accordance with the applicable accounting standards. These fair values are based on market prices, where available, and are obtained from sources that are deemed to be reliable. Readers are cautioned that these values are subject to changes over time and are only valid at the balance sheet date. When quoted prices or observable market data are not readily available, fair values are estimated using appropriate valuation models and unobservable inputs. Such fair value estimates require management to make significant assumptions with respect to future developments, which are inherently uncertain and may therefore deviate from actual developments. Critical assumptions used are disclosed in our Annual Report 2012. Independent valuations may have been obtained to support management s determination of fair values.

All amounts are in millions of euros unless otherwise stated. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2012, unless otherwise stated.

Prior-period financials have been restated for the treatment of Audio, Video, Multimedia and Accessories as discontinued operations, the adoption of IAS 19R, which mainly relates to pension reporting, and adjustments to the quarterly figures of 2012, which have already been included in the Annual Report 2012 (for an explanation refer to Annual Report 2012 section 12.10 Significant Accounting Policies). An overview of the revised 2012 figures per quarter is available on the Philips website, in the Investor Relations section.

Semi-annual report

Introduction

This report contains the semi-annual report of Koninklijke Philips N.V. (the Company), a company with limited liability, headquartered in Amsterdam, the Netherlands. The principal activities of the Company and its group companies (the Group) are described in note 4, Segment information.

The semi-annual report for the six months ended June 30, 2013 consists of the semi-annual condensed consolidated financial statements, the semi-annual management report and responsibility statement by the Company s Board of Management. The information in this semi-annual report is unaudited.

The semi-annual condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company s consolidated IFRS financial statements for the year ended December 31, 2012.

Responsibility statement

The Board of Management of the Company hereby declares that to the best of their knowledge, the semi-annual report, which has been prepared in accordance with the applicable financial reporting standards for interim financial reporting, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the semi-annual management report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het Financieel toezicht).

Amsterdam, July 22, 2013

Board of Management

Frans van Houten | Ron Wirahadiraksa

Pieter Nota

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Management report

The first six months of 2013

Group sales amounted to EUR 10.9 billion, a 2% comparable sales increase year-on-year, with strong double-digit growth at Consumer Lifestyle.

High-single-digit comparable sales increase in growth geographies and a mid-single-digit decline in North America.

Group EBITA improved by EUR 215 million compared to the first half of 2012.

Net income, at EUR 479 million, was EUR 194 million higher than in the first half of 2012, mainly as a result of higher earnings across all operational sectors.

Cash flow from operating activities was an outflow of EUR 104 million, compared to an inflow of EUR 378 million in the first half of 2012.

Net income

in millions of euros unless otherwise stated

	January to June	
	2012	2013
Sales	10,877	10,912
EBITA	790	1,005
as a % of sales	7.3	9.2
EBIT	570	814
as a % of sales	5.2	7.5
Financial income and expenses	(174)	(161)
Income taxes	(121)	(190)
Results investments in associates	(12)	15
Income from continuing operations	263	478
Discontinued operations	22	1
Net income	285	479
Net income attributable to shareholders per common share (in euros) - basic	0.31	0.52

Performance of the Group

Group sales amounted to EUR 10.9 billion, slightly above the first half of 2012. Adjusted for currency impacts and portfolio changes, sales increased 2% year-on-year, with strong double-digit growth at Consumer Lifestyle and low-single-digit growth at Lighting, while Healthcare comparable sales were slightly below the level of the first half of 2012.

Group EBITA improved by EUR 215 million compared to the first half of 2012. It included EUR 45 million of restructuring and acquisition-related charges, a EUR 78 million gain related to past-service pension costs in the US and a EUR 21 million gain on the sale of a business in Healthcare. The first half of 2012 included EUR 137 million of restructuring and acquisition-related charges, EUR 172 million of gains mainly related to the Senseo transaction and the sale of the High Tech Campus real estate, and a EUR 25 million past-service pension cost gain in the US.

Excluding the impact of restructuring and acquisition-related charges and other gains and losses, the improvement in EBITA was driven by gross margin improvements across all businesses in Lighting and Consumer Lifestyle, higher volumes at Consumer Lifestyle, and lower costs at Healthcare.

Net income, at EUR 479 million, was EUR 194 million higher than in the first half of 2012, mainly as a result of higher earnings across the operational sectors. The impact of lower restructuring and acquisition-related charges was offset by lower gains compared to the first half of 2012.

Cash flow from operating activities was an outflow of EUR 104 million, compared to an inflow of EUR 378 million in the first half of 2012. The cash flow in the first half of 2013 includes a working capital outflow of EUR 890 million compared to an outflow of EUR 373 million in the first half of 2012. The higher working capital outflow was mainly related to the EUR 509 million CRT fine payment.

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Sales by sector

in millions of euros unless otherwise stated

	January to June		% change	
	2012	2013	nominal	comparable
Healthcare	4,622	4,489	(3)	(1)
Consumer Lifestyle	1,883	2,086	11	12
Lighting	4,041	4,023	(0)	1
Innovation, Group & Services	331	314	(5)	(9)
Philips Group	10,877	10,912	0	2

EBITA

in millions of euros

	January to June	
	2012	2013
Healthcare	510	642
Consumer Lifestyle	251	180
Lighting	124	300
Innovation, Group & Services	(95)	(117)
Philips Group	790	1,005

EBITA

as a % of sales

	January to June	
	2012	2013
Healthcare	11.0	14.3
Consumer Lifestyle	13.3	8.6
Lighting	3.1	7.5
Innovation, Group & Services	(28.7)	(37.3)
Philips Group	7.3	9.2

Philips sectors

Healthcare

Equipment order intake at Healthcare increased 1% compared to the first half of 2012, with low-single-digit growth at Patient Care & Clinical Informatics and flat order intake at Imaging Systems. In North America, equipment orders declined by 2% year-on-year, while total mature geographies showed a low-single-digit decline. Growth geographies reported high-single-digit growth.

First-half sales at Healthcare amounted to EUR 4,489 million, a nominal decrease of 3%. Excluding currency effects and portfolio changes, comparable sales decreased by 1% year-on-year. Customer Services achieved mid-single-digit growth, while Patient Care & Clinical Informatics and Home Healthcare Solutions recorded low-single-digit growth. Imaging Systems saw a high-single-digit decline. From a regional perspective, comparable sales in growth geographies increased by 5%, while sales in mature geographies declined by 2%, with North America declining by 5%.

EBITA amounted to EUR 642 million, or 14.3% of sales, EUR 132 million higher than in the first half of 2012. EBITA in the first half of 2013 included a EUR 61 million gain on past-service pension costs in the US and a EUR 21 million gain on the sale of a business. EBITA excluding restructuring and acquisition-related charges and other gains amounted to EUR 562 million in the first half of 2013, which was EUR 35 million higher than in the first half of 2012.

Consumer Lifestyle

Sales amounted to EUR 2,086 million, a nominal increase of 11% compared to the first half of 2012, or 12% on a comparable basis. Domestic Appliances and Personal Care showed strong double-digit growth, while Health & Wellness recorded mid-single-digit growth. From a geographical perspective, a strong double-digit comparable sales increase in growth geographies was tempered by mid-single-digit growth in mature geographies.

EBITA amounted to EUR 180 million, or 8.6% of sales, EUR 71 million lower compared to the first half of 2012, which included the EUR 160 million gain from the Senseo transaction and EUR 19 million of restructuring and acquisition-related charges (first half of 2013: EUR 4 million).

EBITA excluding restructuring and acquisition-related charges and the gain on the Senseo transaction was EUR 73 million better compared to the first half of 2012. The EBITA improvement was driven by higher sales and gross margin improvements across all businesses.

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Lighting

Lighting sales, at EUR 4,023 million, were broadly in line with the first half of 2012. Excluding currency effects and portfolio changes, comparable sales increased by 1% year-on-year, led by double-digit growth at Lumileds and high-single-digit growth at Automotive. Both Light Sources & Electronics and Consumer Luminaires recorded low-single-digit growth, while Professional Lighting Solutions showed a low-single-digit decline. From a geographical perspective, comparable sales showed a 7% increase in growth geographies (4% excluding the OEM Lumileds sales), which was partly offset by a mid-single-digit decline in mature geographies.

EBITA amounted to EUR 300 million, or 7.5% of sales, EUR 176 million higher than in the first half of 2012. EBITA included restructuring and acquisition-related charges of EUR 42 million, compared to EUR 62 million in 2012. The first half of 2013 was also impacted by a past-service pension cost gain in the US of EUR 10 million, while the first half of 2012 included a EUR 25 million loss on the sale of industrial assets. EBITA excluding restructuring and acquisition-related charges and other gains and losses amounted to EUR 332 million, which was EUR 121 million higher than in the first half of 2012. This increase was driven by gross margin improvements across all businesses.

Innovation, Group & Services

EBITA amounted to a net cost of EUR 117 million, including a EUR 6 million past-service pension cost gain in the US. EBITA in the first half of 2012 included a EUR 37 million gain on the High Tech Campus real estate transaction and a EUR 25 million past-service cost gain related to a medical retiree benefit plan, resulting in a year-on-year net cost increase of EUR 22 million. Excluding these gains and restructuring and acquisition-related charges (EUR 39 million in 2012 and EUR 3 million release in 2013), EBITA was a EUR 8 million higher cost than in the first half of 2012. The EBITA decline compared to the first half of 2012 was largely due to higher costs in Service Units.

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Risks and uncertainties

Looking ahead to the second half of 2013, we are concerned about economic uncertainties around the world.

In our Annual Report 2012, we described certain risk categories and risk factors which could have a material adverse effect on our financial position and results. Those risk categories and risk factors should be read in conjunction with this semi-annual report.

Additional risks not known to us, or currently believed not to be material, could later turn out to have a material impact on our businesses, objectives, revenues, income, assets, liquidity or capital resources.

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Consolidated statements of income

all amounts in millions of euros unless otherwise stated

	2nd quarter		January to June	
	2012	2013	2012	2013
Sales	5,570	5,654	10,877	10,912
Cost of sales	(3,431)	(3,307)	(6,730)	(6,464)
Gross margin	2,139	2,347	4,147	4,448
Selling expenses	(1,314)	(1,245)	(2,510)	(2,435)
General and administrative expenses	(151)	(230)	(350)	(430)
Research and development expenses	(440)	(416)	(890)	(840)
Other business income	17	56	232	82
Other business expenses	(22)	(3)	(59)	(11)
Income from operations	229	509	570	814
Financial income	12	18	49	36
Financial expenses	(111)	(96)	(223)	(197)
Income before taxes	130	431	396	653
Income tax expense	(59)	(121)	(121)	(190)
Income after taxes	71	310	275	463
Results relating to investments in associates	(9)	14	(12)	15
Net income from continuing operations	62	324	263	478
Discontinued operations - net of income tax	40	(7)	22	1
Net income	102	317	285	479
Attribution of net income for the period				
Net income attributable to shareholders	102	317	284	478
Net income attributable to non-controlling interests			1	1
Weighted average number of common shares outstanding (after deduction of treasury shares) during the period (in thousands):				
- basic	922,862[1)]	906,446	923,037[1)]	911,622
- diluted	926,968[1)]	916,345	926,569[1)]	921,941
Net income attributable to shareholders per common share in euros:				
- basic	0.11	0.35	0.31	0.52
- diluted	0.11	0.35	0.31	0.52
Ratios				
Gross margin as a % of sales	38.4	41.5	38.1	40.8
Selling expenses as a % of sales	(23.6)	(22.0)	(23.1)	(22.3)
G&A expenses as a % of sales	(2.7)	(4.1)	(3.2)	(3.9)
R&D expenses as a % of sales	(7.9)	(7.4)	(8.2)	(7.7)
EBIT	229	509	570	814
as a % of sales	4.1	9.0	5.2	7.5

EBITA	339	603	790	1,005
as a % of sales	6.1	10.7	7.3	9.2

1) Adjusted to make 2012 comparable for the bonus shares (273 thousand) issued in June 2013

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Consolidated statements of comprehensive income

all amounts in millions of euros

	2nd quarter		January to June	
	2012	2013	2012	2013
Net income for the period	102	317	285	479
Other comprehensive income items that will not be reclassified to profit or loss:				
Pensions and other postemployment plans:				
Net current period change, before tax	8	(11)	12	(26)
Actuarial gains and losses	14		29	
Changes in the effect of the asset ceiling	(6)	(11)	(17)	(26)
Income tax on net current period change	(3)	3	(9)	7
Revaluation reserve:				
Release revaluation reserve	(4)	(4)	(8)	(8)
Reclassification into retained earnings	4	4	8	8
Total Other comprehensive income items that will not be reclassified to profit or loss	**5**	**(8)**	**3**	**(19)**
Other comprehensive income items that are or may be reclassified to profit or loss:				
Currency translation differences:				
Net current period change, before tax	327	(151)	172	(97)
Income tax on net current period change		10	(2)	4
Reclassification adjustment for (loss) gain realized	(3)	(8)	(1)	(8)
Available-for-sale financial assets:				
Net current period change, before tax	1	(15)	4	(5)
Income tax on net current period change		3	(1)	
Reclassification adjustment for (loss) gain realized		1		2
Cash flow hedges:				
Net current period change, before tax	(42)	23	(26)	32
Income tax on net current period change	10		6	(2)
Reclassification adjustment for (loss) gain realized	10	(25)	8	(31)
Total Other comprehensive income items that are or may be reclassified to profit or loss	303	(162)	160	(105)
Other comprehensive income (loss) for the period	308	(170)	163	(124)
Total comprehensive income for the period	410	147	448	355
Total comprehensive income attributable to:				
Shareholders	410	147	447	354
Non-controlling interests			1	1

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Consolidated balance sheets

in millions of euros unless otherwise stated

	July 1, 2012	December 31, 2012	June 30, 2013
Non-current assets:			
Property, plant and equipment	3,040	2,959	2,902
Goodwill	7,290	6,948	6,878
Intangible assets excluding goodwill	4,061	3,731	3,567
Non-current receivables	148	176	172
Investments in associates	203	177	164
Other non-current financial assets	576	549	567
Deferred tax assets	1,809	1,919	1,886
Other non-current assets	77	94	71
Total non-current assets	17,204	16,553	16,207
Current assets:			
Inventories - net	3,973	3,495	3,699
Other current financial assets			1
Other current assets	418	337	446
Derivative financial assets	172	137	157
Income tax receivable	137	97	82
Receivables	4,429	4,585	4,280
Assets classified as held for sale	48	43	446
Cash and cash equivalents	3,134	3,834	2,307
Total current assets	12,311	12,528	11,418
Total assets	29,515	29,081	27,625
Shareholders equity	12,114	11,151	10,763
Non-controlling interests	35	34	39
Group equity	12,149	11,185	10,802
Non-current liabilities:			
Long-term debt	4,123	3,725	3,501
Long-term provisions	1,890	2,119	2,015
Deferred tax liabilities	153	92	62
Other non-current liabilities	1,962	2,005	1,829
Total non-current liabilities	8,128	7,941	7,407
Current liabilities:			
Short-term debt	777	809	910
Derivative financial liabilities	845	517	505
Income tax payable	149	200	165
Accounts and notes payable	2,717	2,839	2,716
Accrued liabilities	2,990	3,171	3,049
Short-term provisions	691	837	684
Dividend payable			42
Liabilities directly associated with assets held for sale	53	27	238
Other current liabilities	1,016	1,555	1,107

Total current liabilities	9,238	9,955	9,416
Total liabilities and group equity	29,515	29,081	27,625

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	July 1, 2012	December 31, 2012	June 30, 2013
Number of common shares outstanding (after deduction of treasury shares) at the end of period (in thousands)	931,391	914,591	913,874
Ratios			
Shareholders equity per common share in euros	13.01	12.19	11.78
Inventories as a % of sales[1)]	17.2	14.3	15.7
Net debt: group equity	13:87	6:94	16:84
Net operating capital	11,485	9,316	10,184
Employees at end of period	121,801	118,087	117,239
of which discontinued operations	2,166	2,005	1,958

1) sales is calculated over the preceding 12 months

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Consolidated statements of cash flows

all amounts in millions of euros

	2nd quarter		January to June	
	2012	2013	2012	2013
Cash flows from operating activities:				
Net income	102	317	285	479
(Income) loss from discontinued operations	(40)	7	(22)	(1)
Adjustments to reconcile net income to net cash provided by (used for) operating activities:				
Depreciation and amortization	334	311	670	616
Impairment of other non-current financial assets	3	2	3	3
Net gain on sale of assets	(8)	(36)	(192)	(40)
(Income) loss from investments in associates	6	(13)	6	(15)
Dividends received from investments in associates	7	6	7	6
Decrease in working capital:	(319)	(427)	(373)	(890)
Decrease (increase) in receivables and other current assets	(153)	(128)	97	7
Increase in inventories	(65)	(192)	(286)	(397)
Decrease in accounts payable, accrued and other liabilities	(101)	(107)	(184)	(500)
Increase in non-current receivables, other assets and other liabilities	(44)	(62)	(129)	(139)
Increase (decrease) in provisions	29	(69)	56	(167)
Other items	11	88	67	