

Date : 15 July 2010
Re : **current status of 'real estate fraud'**

Dear [],

In November 2007 it was revealed that a number of individuals and legal entities are suspected of fraud with real estate (the so-called real estate fraud), with the Fund as one of the injured parties. I have previously informed you about this issue in several letters. This item was also on the agenda during the last three Annual Member Meetings. Furthermore, we have issued communications about the real estate fraud via the Fund's website (www.philipspensioenfonds.nl). The Board of Trustees has indicated it will take all possible steps to recover the losses suffered by the Fund from the responsible individuals or legal entities. Within this context the Fund has taken various steps, including joining the criminal proceedings as an injured party, legal attachments and instituting civil proceedings.

Why this letter?

I promised to keep you updated, should important developments occur in this case. Such important developments have recently occurred. Although we have reported these on our website and the media have also devoted considerable attention to these developments, we nonetheless felt it would be appropriate to inform you personally as well. We are doing this by means of this letter.

Settlements

The important developments I mentioned above, are the settlements recently reached with several parties. The Fund is willing to settle with individuals or legal entities suspected of involvement in the real estate fraud where this is felt to be in the Fund's interest, naturally after very careful consideration. The following arrangements have now been made:

- Philips Pensioenfonds has settled with Mr Hilders and his affiliate company, Ceylonstaete BV for € 25.5 million.
- Philips Pensioenfonds and Rabo Vastgoed have come to an arrangement with Mr Van Vlijmen and his companies. On the basis of this arrangement the latter parties will make almost all of their assets available to the injured parties. The amount involved is more than € 70 million of which the Public Prosecution will receive € 5 million and the remainder will go to Philips Pensioenfonds and Rabo Vastgoed. Proper arrangements have been made regarding allocation among the parties.

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- Philips Pensioenfonds and Rabo Vastgoed have reached an arrangement with Mr Floris and affiliated companies. On the basis of this arrangement the latter parties will pay a total of € 1.7 million in compensation. Proper arrangements have been made between the Fund and Rabo Vastgoed regarding allocation among the parties.

In reaching these agreements the Public Prosecution has played an important role. Philips Pensioenfonds is particularly grateful to the Public Prosecution for its efforts in achieving this combined result.

Further steps

The Board of Trustees will continue its maximum efforts to recover the losses incurred by the Fund from those liable. All possible resources will be deployed to this end, as has been the case to date. It cannot be excluded that we will also reach settlements with other parties.

I trust to have informed you sufficiently for now. Should there be any further developments, we will of course inform you on any further steps, by letter or via our website.

Would you like to have further information on the latest developments at Philips Pensioenfonds? Then please feel free to download the quarterly report from our website (www.philipspensioenfonds.nl/downloads).

Kind regards,
Stichting Philips Pensioenfonds

Harry Hendriks
Chairman of the Board of Trustees