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COMP/M.4300 – Philips / Intermagnetics

SECTION 1.2

Description of the concentration

On 14 June 2006, Philips Holding USA Inc., Jumbo Acquisition Corp. and Intermagnetics General Corporation signed an Agreement and Plan of Merger (“the Merger Agreement”). Jumbo Acquisition Corp. is a wholly owned subsidiary of Philips Holding USA Inc., which in turn is a wholly owned subsidiary of Koninklijke Philips Electronics N.V. Under the Merger Agreement Jumbo Acquisition Corp. and Intermagnetics General Corporation will merge. The Transaction will result in Philips ultimately acquiring control over Intermagnetics General Corporation and thus constitute an acquisition within the meaning of Article 3(1)(b) of the Merger Regulation (the “Transaction”).

Post-transaction, Philips will be better placed to integrate Intermagnetics’ core activities in the design and manufacture of superconducting magnets with Philips’ expertise in MRI system design and clinical applications. In addition, Philips’ global reach should allow Intermagnetics to expand its direct sales of radio frequency coils and patient monitors outside the US.

The proposed transaction relates primarily to medical diagnostic imaging equipment used to detect diseases (amongst others MRI) and high-field magnets that are included in those MRI devices. The proposed transaction will have no appreciable impact on any of the relevant affected markets identified, as it will not significantly change the current existing competitive conditions.