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COMP/M.5033 - PHILIPS / RESPIRONICS

SECTION 1.2

Description of the concentration

Non-confidential summary

On 20 December 2007, Philips Holding USA Inc., Moonlight Merger Sub, Inc. and Respironics, Inc. signed an Agreement and Plan of Merger (“the Merger Agreement”). Moonlight Merger Sub, Inc. is a wholly owned subsidiary of Philips Holding USA Inc., which in turn is a wholly owned subsidiary of Koninklijke Philips Electronics N.V. (“Philips”). Under the Merger Agreement, Moonlight Merger Sub, Inc. on January 3 commenced a tender offer for all of the issued and outstanding shares of common stock of Respironics, Inc., and following the completion of the tender offer, Moonlight Merger Sub, Inc. will merge with and into Respironics, Inc., with Respironics, Inc. surviving the merger and becoming a wholly owned subsidiary of Philips Holding USA, Inc.

This transaction (the “Transaction”) will result in Philips ultimately acquiring control over Respironics, Inc. and thus constitutes an acquisition within the meaning of Article 3(1)(b) of the Merger Regulation .

Through the proposed Transaction Philips will add new product categories in obstructive sleep apnea and home-based ventilation to its existing home healthcare business. In addition, the Transaction will be complementary to Philips’ patient monitoring businesses in the hospital setting.