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M.7585 - NXP SEMICONDUCTORS / FREESCALE SEMICONDUCTOR

SECTION 1.2

Description of the concentration

The proposed transaction involves the acquisition by NXP Semiconductors N.V. of Freescale Semiconductor Ltd. by way of a share and a cash transaction.

The business activities of the undertakings concerned are the development, manufacture and sale of semiconductors and semiconductor devices. These products are first and foremost bought by equipment manufacturers in virtually all sectors within the electronic equipment industry. The end-products that contain semiconductor devices range from mobile phones, computers, domestic appliances and cars to medical and aerospace equipment, identification systems and large-scale industry electronics.

- NXP's semiconductor products are among others applied in the secure identification solutions, secure connected devices, automotive, and secure interface and power business segments.
- Freescale's semiconductor products, which are predominantly complementary to NXP products, are among others applied in the automotive, networking, industrial and consumer business segments.

The proposed transaction will lead to an affected market only in relation to RF power transistors. NXP will divest its RF Power business, thereby removing the entire overlap in the Parties' activities with respect to RF power transistors.

The economic and strategic rationale of the proposed concentration is to facilitate the Parties' expansion into new product segments and to enable the development and manufacturing of more complete solutions combining processing, security and connectivity. In addition, the proposed concentration broadens the Parties' portfolio and R&D capabilities and it supports NXP's expansion into relatively underrepresented areas such as the United States.