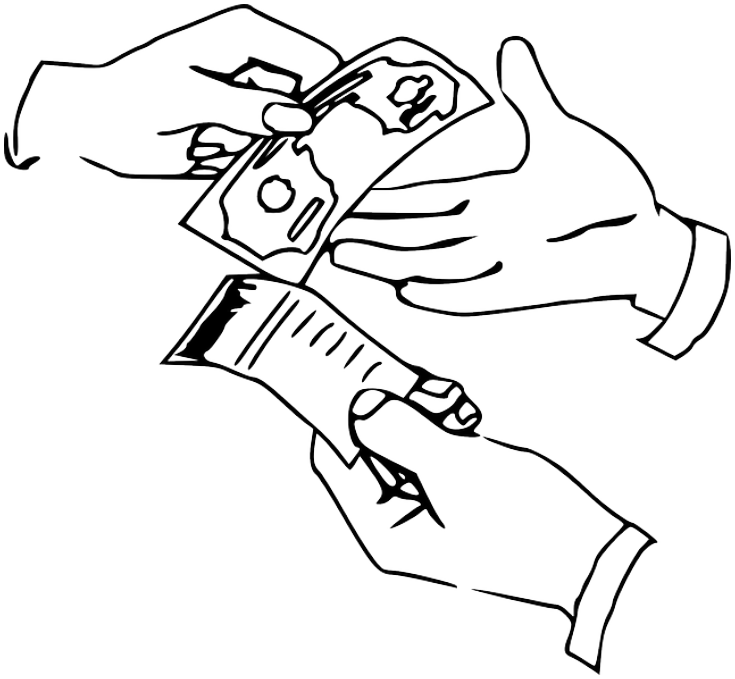
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Philips to acquire Volcano Corp

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Philips to acquire Volcano



Royal Philips and Volcano Corporation has announced that they have entered into a definitive merger agreement. As per the agreement, Philips will commence a tender offer to acquire all of the issued and outstanding shares of Volcano for $18.00 per share, or a total equity purchase price of $1 billion to be paid in cash upon completion. The board of directors of Volcano has unanimously approved the transaction and recommends the offer to its shareholders.

With 2013 sales of approximately $400 million,California-based Volcano is a catheter-based imaging and measurements for minimally invasive diagnostics and treatment of coronary artery disease and peripheral vascular disease company.

"The agreement to acquire Volcano significantly advances our strategy to become the leading systems integrator in image-guided therapies," said Mr Frans van Houten, CEO, Royal Philips. He added, "Volcano's impressive and unique product portfolio is highly complementary to our strong offering in live image-guidance solutions, creating an opportunity to accelerate the revenue growth for our image-guided therapy business to a high single-digit rate by 2017. Our combined sales forces will be able to capture immediate cross selling opportunities, while our joint R&D teams will be able to develop new solutions to address significant unmet needs in the minimally invasive treatment of cardiovascular diseases."

"I am very excited that Volcano will become part of Philips and join forces with its leading image guided therapy business. This transaction will be beneficial for our shareholders, customers, partners and employees. There is a large and growing global market opportunity for image-guided therapies, and as part of Philips, we gain the scale and resources needed to accelerate our goals of improving patient outcomes on a global basis, lowering cost and delivering innovative diagnostics and therapies in the coronary and peripheral markets. In addition, our shared expertise in the image-guided therapy market will allow us to further globalize our leading IVUS and FFR product offerings and enter new product areas. We look forward to working closely with Philips and ensuring a smooth transition and closing," said Mr Scott Huennekens, Volcano president and CEO.

Upon completion of the transaction, the Volcano business and its 1,800 employees will be part of a dedicated, new image-guided therapy business group within Philips, which will be led by Philips executive Mr Bert van Meurs. The transaction is expected to close in the first quarter of 2015.

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