

# Philips buys US cardiac-implant firm for 1.9 bln euros

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Dutch electronics giant Philips Wednesday announced it was buying for 1.9 billion euros (\$2.2 billion) a specialist US company manufacturing ground-breaking treatments for heart and vascular diseases to broaden its health portfolio.

The Amsterdam-based [company](#) said it would acquire Spectranetics, which has developed a range of lasers and balloons for treating blockages in cardio and arterial vessels.

Philips also simultaneously launched a two-year share buyback scheme of up to 1.5 billion euros, which will start in the third quarter and represent a total of some 46.1 million shares.

Spectranetics, which has 900 employees, is trialling a drug-coated balloon to treat calcified blood vessels from the inside and expects to get FDA approval in the United States soon, said Philips chief executive officer, Frans van Houten.

"The drug-coated balloon segment is one of the fastest growing segments in peripheral vessel procedures," Van Houten told reporters on an early conference call.

The treatment had so far shown "fantastic performance," he said, and Spectranetics, which is headquartered in Colorado Springs, is expected to see some \$300 million in revenues this year.

The Spectranetics portfolio will be joined with Philips' Volcano products to give the company "a nice line-up of devices for both heart, coronary and peripheral vascular" services.

In combination with its image-guided products which allow doctors "to see inside the body and use these tools, we have a very compelling market position," Van Houten said.

Spectranetics said on its website that some seven million people around the world have been implanted with cardiac devices, and annually another 700,000 are fitted.

The two companies have entered into "a definite merger agreement" and the 1.9 billion [euro](#) acquisition will be paid for through a mixture of cash and debt, Houten added.

Philips, founded in 1891, was once best known for the manufacture of lightbulbs, electrical appliances and television sets.

But it pulled out of these activities in face of fierce competition from Asia to focus on health technology such as computer tomography, and diagnostic and molecular imaging.

Employing about 70,000 people, it also manufactures such vital medical equipment as defibrillators, as well as household appliances—from hi-tech toothbrushes to kitchen equipment.

It listed its Philips Lighting division in May last year, netting proceeds of 750 million euros, and while it still holds a large stake in the Lighting division it intends to sell it entirely in the future.

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