



COMESA Competition Commission
Kang'ombe House, 5th Floor-West Wing
P.O.Box 30742
Lilongwe 3, Malawi
Tel: +26501 77246
Email- compcom@comesa.int



**Common Market for Eastern
and Southern Africa**

Merger Notice No. 1

Notice of the Transaction involving Koninklijke Philips Electronics N.V. (Philips) and Funai Electric Company Limited (Funai)

The Public is hereby notified that the COMESA Competition Commission (the 'Commission') has received an application for authorization a merger between Koninklijke Philips Electronics N.V. (Philips) and Funai Electric Company Limited (Funai) herein called the parties.

Funai, is a limited liability company incorporated in Japan and listed on the Tokyo stock exchange with its corporate seat in Osaka and address at 7-7-1 Nakagaito, Osaka, Japan. Funai is engaged in the development, manufacture, marketing and distribution of information and communication equipment, such as DVD and Blu-ray Disc-related products, LCD-television and receiver related products. Funai furthermore has a global sales system that consists of overseas subsidiaries in the United States, Europe and Asia.

Philips is a limited liability company incorporated under the laws of the Netherlands, with its primary listing on the Euronext Amsterdam stock exchange and secondary listing on the New York Stock Exchange, and having its corporate seat in Eindhoven, the Netherlands, and its address at High Tech Campus 5, 5656 AE, Eindhoven, the Netherlands.

Philips is active in more than 60 countries worldwide and is organized into three main divisions: Philips Lifestyle, Philips Healthcare and Philips Lighting. Philips Consumer Lifestyle carries on a business consisting of designing, manufacturing and selling lifestyle entertainment products in the categories audio, video and multimedia, home communication and accessories.

Philips' Lifestyle Entertainment business group ("**the Business**"), which is the target for purposes of the transaction, is headquartered in Hong Kong and forms part of the Philips Consumer Lifestyle Division. The Business designs, develops, manufactures and sells lifestyle entertainment products including audio video multimedia products (home audio, headphone, speaker and in-car audio), video related products (like portable audio players, portable video players and home media player), home communication products (DECT phone) and accessories (like batteries, cables/connectors, storage products, portable chargers for cell phones and antennae) ("**Consumer Electronics**").

In terms of the proposed merger, Funai will acquire control over Philips' Lifestyle Entertainment business group which is currently headquartered in Hong Kong ("**Business**"). As the Business is carried out as part of the business of various Philips Group companies, the Business will have to be "disentangled" before the proposed merger may be implemented. This

“disentanglement” process will be designed and carried out by Philips and involves the transfer of assets and liabilities of the Business from relevant members of the Philips Group to a new company (which will be incorporated in various other countries). Such Hong Kong company and its subsidiaries will be incorporated (and the Business will be transferred to them) before completion of the proposed merger.

Members of the public, interested parties and stakeholders are invited to submit comments and representation to the commission within 21 days of this notice.

If you wish to seek further details and/ or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. Willard Mwemba, Manager Mergers and Acquisitions.**

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5th Floor - West Wing, Kang'ombe House
P.O Box 30742
Lilongwe 3
Malawi
Cell: [+260 977 777361](tel:+260977777361)/[+265997941431](tel:+265997941431)
Tel: [+265 \(0\) 1 772466](tel:+265(0)1772466)
Email: wmwemba@comesa.int
willamweemba@yahoo.com
willard_mwemba@yahoo.co.uk
Compcom@comesa.int