Philips to Acquire CDP Medical PACS Provider

Royal Philips Electronics (AEX: PHI, NYSE: PHG) has agreed to acquire the business of CDP Medical Ltd, an Israel-based provider of Picture Archiving and Communication Systems (PACS), and a subsidiary of medical device distributor Medtechnica Ltd (TASE: MEDI). This acquisition marks the next step in the execution of Philips Healthcare's strategy to expand its clinical informatics portfolio with solutions that increase its ability to meet the diverse and growing needs of the different markets around the world.

"This is an important step on our journey to complete our range of clinical informatics and patient care solutions that simplify clinician workflow, improve financial outcomes for our customer and help improve and save lives," said Steve Rusckowski, CEO for Philips Healthcare. "The acquisition of the CDP business complements our current iSite PACS offering and allows us to better tap into certain high-growth market segments, geographically."

PACS enable medical images to be stored electronically and viewed on doctor and clinician workstations in and outside hospitals, creating more efficient workflow and improved clinical results. PACS serves an increasingly crucial role in today's healthcare environment as the need to streamline workflow and manage costs, all while providing high-quality care, is universally top of mind for governments, insurers, hospital administrators, and medical teams.

The acquired CDP business, founded in 2000, is headquartered in Petah Tikva and has 20 employees and close to 300 hospital and clinic installations globally, with growth in the last year particularly coming from the Latin America region. Following the closing of the deal, expected in the coming months pending governmental approval, the business will become part of Philips Healthcare's Patient Care and Clinical Informatics business. It demonstrates Philips' continuing efforts to expand its offering in clinical informatics, and follows the recent acquisition of healthcare information system provider Tecso Informatica in Brazil.

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