Samsung Enters Ultrasound Market

Samsung has bought a majority stake in South Korean ultrasound manufacturer Medison Co., as it aims to compete with global rivals General Electric and Philips in the healthcare market.

The purchase of 43.5 percent stake in fellow Korean company Medison is believed to be worth 300 billion won, or almost 200 million euro, according to industry reports, although terms of the deal were not disclosed. Samsung outbid South Korean business SK Group and tobacco firm KT&G Co. in the auction for the stake, run by Seoul-based private equity firm Consus Asset Management Co., which owned the Medison stock. Samsung added it would purchase a 100 percent stake in Prosonic Co., a South Korean maker of ultrasound cables and transducers, also from Consus.

"The ultrasound diagnostics device segment provided a logical entry point into the healthcare equipment market due to technological similarities and potential synergies with Samsung's existing consumer electronics, and IT products and technologies," the Suwon, South Korea-based electronics company said in a statement. In May, Samsung chairman Lee Kun-hee said the company was seeking new growth engines and would invest 1.2 trillion won (0.7 billion euro) in healthcare by 2020.

Twenty-five-year-old Medison is the sixth-largest ultrasound maker, and is believed to control around 7 percent of the global ultrasound diagnostics market. The company, which started off as a venture capital firm, declared bankruptcy eight years ago when it couldn't meet its debts, and was bought by Consus in 2006.

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