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COMP/M. 6279 - TOSHIBA / LANDIS+GYR

SECTION 1.2

Description of the concentration

On 1 June 2011, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 (the “Merger Regulation”) by which Toshiba Corporation (“Toshiba”) acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of Landis+Gyr AG and its subsidiaries (“Landis+Gyr”) by way of purchase of shares.

Toshiba is a multinational corporation which manufactures and markets a diverse range of high technology electronic and electrical products.

Landis+Gyr manufactures and sells electricity, gas and water metering products to utilities and consumers which improve energy efficiency and the sustainable use of energy resources.

Toshiba entered into a securities purchase agreement with the shareholders of Landis+Gyr dated 18 May 2011 to acquire the entire share capital of Landis+Gyr (subject to regulatory clearance).

The proposed concentration is notifiable under the EU Merger Regulation as the parties combined worldwide turnover exceeds EUR 5 billion, both Toshiba and Landis+Gyr have Community wide turnover exceeding EUR 250 million and the two-thirds rule is not met.

The relevant product and geographic markets have been considered in a previous Commission decision. In Case M.913 *Siemens/Elektrowatt*, the Commission considered the market for “energy meters, ripple control technology, energy-management systems, network control technology (command and control equipment for energy suppliers)”. The Commission also considered the following market segments: (i) gas meters; (ii) electricity meters; (iii) heat meters; (iv) ripple control and transmitters; (v) energy management systems; and (vi) network control technology. It may be that smart meters constitute a separate segment of the market to traditional meters for each of these market segments due to their sophisticated functionality. At the time, it was left open as to whether the markets were national or EEA-wide with respect to gas, electricity and heat meters whereas the other product markets were considered as being EEA-wide in scope. However, there is evidence to suggest that the market is now EEA-wide.

Irrespective of the market definition that is applied, there are no horizontal or vertical overlaps between the parties as Toshiba does not sell energy meters in the EEA and is not directly upstream or downstream from any markets in which Landis+Gyr are active or operating in any markets closely related to those markets.