



EUROPEAN COMMISSION

PRESS RELEASE

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Mergers: Commission approves acquisition of IBM's retail store solutions business by rival Toshiba

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of IBM's retail store solutions business by Toshiba Tec, a majority owned subsidiary of the Japanese company Toshiba. Retail solutions are integrated systems of hardware and software that are used for processing sales transactions by retail store customers. They are capable of connecting and interoperating with a retailer's other IT and software systems and are therefore distinguished from electronic cash registers. The Commission concluded that the transaction will not raise competition concerns because of the limited overlap between the parties' activities, in particular within the European Economic Area (EEA), and because the merged entity will face sufficient competition.

The proposed transaction would lead to an overlap between the parties' activities in the market for retail solutions, which includes point-of-sale ("POS") systems, PC-on-cash-drawer ("PCCD") systems and self-service-systems. The Commission investigated the transaction's competitive effects on this overall product market as well as its possible sub-markets segmented by type of retail solutions (such as POS, PCCD, etc.) or customer segments (such as food retailers, convenience stores and petroleum outlets etc.).

The Commission's investigation found that the merged entity will continue to face substantial competition from several well-established, strong and effective competitors in the market(s) concerned. In addition, the investigation revealed that the parties were not each other's' closest competitors and that customers can easily switch suppliers.

The Commission therefore concluded that the transaction does not raise serious doubts as to its compatibility with the internal market and with the EEA Agreement.

The operation was notified to the Commission on 24 May 2012.

Companies and products

Toshiba is a diversified manufacturer, providing a wide range of products and services on a global basis in four business domains: digital products, electronic devices, social infrastructure and home appliances. Toshiba **Tec** falls within Toshiba's digital products business domain and manufactures products and business solutions in four core areas: (i) retail solutions, (ii) office solutions, (iii) supply chain solutions and (iv) inkjet heads.

IBM is a U.S. public company active worldwide in the development, production, and marketing of a wide variety of information technology solutions. IBM's retail store solutions business is active within IBM's system and technology business segment and comprises the development and distribution of retail solutions, including POS systems, self-service-systems, and related maintenance and technical support services.

Merger control rules and procedures

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the European Economic Area (EEA) or any substantial part of it.

The vast majority of mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

A non-confidential version of today's decision will be available at:

http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=2_M_6606

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