



EUROPEAN COMMISSION

PRESS RELEASE

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Mergers: Commission clears acquisition of Life Technologies by Thermo Fisher, subject to conditions

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of Life Technologies Corp. by rival Thermo Fisher Scientific Inc., both US-based companies active in life science markets. Their activities overlap in the supply of laboratory instruments and consumables. The clearance is conditional on divestments of businesses producing and supplying (i) media and sera for cell culture, (ii) gene silencing products and (iii) polymer-based magnetic beads. In these areas, the merger, as initially notified, would have significantly reduced competition.

Commission Vice President in charge of competition policy Joaquín Almunia stated: *"The remedies preserve competition and innovation in the life sciences industry. The Commission's investigation of these complex markets was conducted in close cooperation with a significant number of competition authorities worldwide, such as the US FTC and the Australian ACCC, making this global case a good example of international cooperation"*

The transaction's value is approximately USD 13 billion. The investigation showed that the transaction, as initially notified, risked to significantly reduce competition in the European Economic Area (EEA) with respect to the production and supply of (i) media and sera for cell culture, (ii) gene silencing products and (iii) polymer-based magnetic beads.

Media and sera are respectively water-based and blood-based liquids used to supply nutrients to human, animal, insect and plant cells growing in vitro. Gene silencing products are used in research to inhibit the expression of a particular gene with a view to better understand the function of that gene. Polymer-based magnetic beads are particles used mainly in immunology and molecular biology instruments and sold by the parties to a number of Original Equipment Manufacturers (OEMs) of such instruments.

For cell culture media markets, these concerns were based on the large combined market shares of the merged entity and the presence of important barriers to entry, namely the significant time and investments needed to establish the necessary track record and reliability as a supplier.

For cell culture sera markets, the investigation revealed that the merged entity would occupy a too strong position as compared to its competitors, especially for the supply of sera from the safest and therefore most expensive origins: Australia and New Zealand. In addition, there are high barriers to entry and a limited availability of the required material (blood).

As regards gene silencing products, concerns stemmed from the strong position the merged entity would have with respect to small interfering RNA (siRNA) and microRNA (miRNA) reagents, the limited number of remaining significant competitors and the barriers to entry resulting in particular from existing patents.

The investigation on magnetic beads showed that the merged entity would have a strong position worldwide in the supply of polymer-based magnetic beads to OEMs, which use magnetic beads in their downstream instruments and kits. Concerns stemmed from the limited number of remaining competitors after the merger, from high barriers to entry linked to the presence of intellectual property rights, technical know-how and established commercial relationships, as well as from the closeness of competition of Life Technologies' and Thermo Fisher's products.

In order to remove those concerns, Thermo Fisher committed to divest:

- i. its HyClone business regarding media and sera for cell culture (excluding single use technologies, where the parties' activities do not overlap);
- ii. its gene modulation business (including gene silencing) in Lafayette, Colorado, US, including the Dharmacon and Open Biosystems brands, equipment, staff and its license regarding the Tuschl patents;
- iii. its polymer-based magnetic beads business (including the Sera-Mag brand and all other relevant IPRs, customer contracts, personnel and the necessary production equipment). In addition, Thermo Fisher would commit to a 2-year transitional agreement to supply magnetic beads to the purchaser.

These commitments address the competition concerns identified during the investigation. The Commission therefore concluded that the transaction, as modified by these commitments, would not raise competition concerns anymore. The decision is conditional upon full compliance with the commitments.

The Commission also found that the transaction would not lead to competitive concerns as regards a number of other products in the life science field, such as nucleic acid amplification products, human leukocyte antigen (HLA) typing kits, protein biology products and the distribution of laboratory and life science products.

Given the worldwide scope of the parties' activities, the Commission cooperated closely with the competition authorities of a significant number of countries outside the EU during the investigation. This involved a mutual exchange of views and evidence with the Federal Trade Commission (FTC) in the US and with the Australian Competition and Consumer Commission (ACCC). The Commission cooperated also with the Ministry of Commerce (MOFCOM) of China, the Japan Fair Trade Commission, the Competition Bureau of Canada and the Commerce Commission of New Zealand.

The transaction was notified to the Commission on 7 October 2013.

Companies and products

Thermo Fisher is active in the production and supply of analytical instruments and laboratory consumables (e.g. reagents) across almost all experimental science fields, including life sciences, chemistry and physics. Thermo Fisher also operates a strong multi-brand distribution business for scientific products, Fisher Scientific.

Life Technologies is specialised in producing analytical instruments and laboratory consumables for life sciences where it is the overall market leader and also market leader in a significant number of sub-markets.

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 EEA or any substantial part of it.

The vast majority of notified 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).

More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.6944](#).

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