

Panasonic, Sanyo win EU takeover approval

September 29 2009

(AP) -- Panasonic Corp. and Sanyo Electric Co. must sell off a European plant that makes batteries to win EU antitrust approval for the \$9 billion deal creating one of the world's biggest electronics makers, the EU said Tuesday.

Panasonic, the world's biggest plasma TV maker, is launching a tender offer to take over struggling Sanyo, hoping to take advantage of the smaller rival's green businesses in solar panels and rechargeable batteries.

The European Commission said the deal could go ahead only because the two Japan-based companies had agreed to sell a battery factory to resolve possible competition problems.

Otherwise, it said the new company would have "a significant market share" for primary cylindrical lithium batteries used for alarms and utility makers, portable rechargeable nickel-metal hydride batteries for power tools and shavers as well as rechargeable coin-shape batteries based on lithium that provide back-up power for mobile phone clocks, cameras and watches.

The EU executive did not identify the location or the current owner of the plant that the companies will have to sell off.

Regulators said they also looked at how the takeover would affect competition for camcorders and flat panel televisions. It said the company would gain a limited increase in market share but this wouldn't

cause problems because they would still face many other rivals.

Japan's Fair Trade Commission approved the takeover earlier this month. It will also need clearance from the U.S. and China.

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