

**AAH Pharmaceuticals Ltd and East Anglian Pharmaceuticals Ltd cancellation of merger reference**

The CC has cancelled the reference concerning the proposed acquisition by AAH Pharmaceuticals Limited (AAH) of East Anglian Pharmaceuticals Limited (EAP).

The reference was made to the CC on 3 December 2003 by the Office of Fair Trading under section 33 of the Enterprise Act 2002. The terms of reference required the CC to examine:

- whether arrangements were in progress or in contemplation which, if carried into effect, would result in the creation of a relevant merger situation in that enterprises carried on by or under the control of EAP will cease to be distinct from enterprises carried on by or under the control of AAH; and
- if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services, namely the supply of pharmaceutical products to retail pharmacies, dispensing doctors, and hospitals in the East Anglia region, extending to parts of the East Midlands and the South-East of England.

The CC has received assurances from AAH and from EAP that the proposed arrangements concerning EAP have been abandoned and that, in particular, the agreements under which the acquisitions were to be made have been terminated. The Chairman of the CC, Sir Derek Morris, is satisfied that AAH has, within the terms of section 37(1) of the Enterprise Act 2002, abandoned the proposal to make arrangements of the kind mentioned in the reference. He has consequently cancelled the reference in accordance with his powers under Schedule 7 to the Competition Act 1998.

This cancellation is published in accordance with requirements laid down by sections 107(2)(a) and 107(4) of the Enterprise Act 2002.

23<sup>rd</sup> December 2003