

Anticipated acquisition by Cochlear Limited of Demant A/S

Notice of Acceptance of Final Undertakings pursuant to sections 41, 82 and 90 of and Schedule 10 to the Enterprise Act 2002

Background

1. On 20 December 2022, the Competition and Markets Authority (**CMA**), in exercise of its duty under [section 33\(1\)](#) of the Enterprise Act 2002 (the **Act**), referred the anticipated acquisition by Cochlear Limited (**Cochlear**) of the hearing implants division (**Oticon Medical**) of Demant A/S (**Demant**) (the **Merger**) for further investigation and report by a group of CMA panel members (the **Inquiry Group**).
2. On 22 June 2023, the CMA published its Final Report pursuant to [section 38](#) of the Act (the **Report**) which concluded that:
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (**SLC**) in relation to the supply of BCS products in the UK; and
 - (c) the CMA should take action to remedy the SLC found and any adverse effects resulting from it.
3. As set out in the Report, the CMA has decided that a partial prohibition of the Merger, preventing the sale of the BCS business to Cochlear, with the separation overseen by the CMA to address the risks the CMA has identified, would be effective and proportionate to address the SLC and the resulting adverse effects.

Notice to accept Final Undertakings

4. The CMA has reached agreement with Cochlear and Demant as to the terms of final undertakings for the purpose of remedying, mitigating or preventing the SLC it has identified in the Report and any adverse effects resulting from the SLC (the **Final Undertakings**).
5. On 2 August 2023, the CMA gave notice of its proposal to accept the Final Undertakings on its website. The consultation closed on 16 August 2023 and one representation was received. No modifications to the Final Undertakings were made.

6. On 22 August 2023, Cochlear and Demant gave the CMA the Final Undertakings, giving effect to the CMA's decision as published in its Final Report and which are on the same terms as those consulted on.
7. The CMA, pursuant to [section 82](#) of the Act, now accepts the Final Undertakings as given by Cochlear and Demant. A copy of the Final Undertakings is attached to this Notice. The Final Undertakings now come into force and the reference is finally determined.
8. The Final Undertakings may be varied, superseded or released by the CMA pursuant to [section 82\(2\)](#) of the Act.
9. This notice and a non-confidential version of the Final Undertakings will be published on the CMA website. The CMA has excluded from the non-confidential version of the Final Undertakings information which it considers should be excluded, having regard to the considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Signed by authority of the CMA

Kip Meek

Inquiry Group Chair

24 August 2023