



**Determination No. M/05/011 of the Competition Authority, 20<sup>th</sup> April 2005, under Section 21 of the Competition Act, 2002.**

**Notification No. M/05/011- IBM/Ascential**

**Introduction**

1. On the 24<sup>th</sup> of March 2005 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 ("the Act") was notified, on a mandatory basis, of a proposal whereby Ironbridge Acquisition Corporation ("Ironbridge"), a wholly owned subsidiary of IBM Corporation ("IBM"), would acquire Ascential Software Corporation ("Ascential").

**The Parties**

2. Ironbridge, the acquirer, is an acquisition vehicle set up by IBM to facilitate the proposed acquisition of Ascential. IBM is active worldwide in the development, production, and marketing of a variety of information technology solutions. IBM's business offerings include systems (servers and storage systems), software and services (business consulting and IT infrastructure services). Currently IBM has a limited offering in the data integration software market. Namely they offer a product with limited extract, transform and load ("ETL") capability
3. Ascential, the target, is active in the development and marketing of data integration software solutions. Ascential's offerings enable customers to automate the integration of data, refining and transforming the data from disparate sources into integrated and consistent data that can be managed and analysed. In 2004 Ascential generated turnover of [less than \$500,000] in the State.
4. The data integration software market includes four types of software according to industry analysts IDC. The four types of software are: (i) data analysis and reengineering tools; (ii) replication and synchronisation software; (iii) extract, transform and load ("ETL") software and (iv) data quality software. The functionality of Ascential's data integration software offerings extends mostly to the ETL functionality but also offers aspects of the type of software described in (i) and (iv).



## **Analysis**

5. The parties overlap in the supply of ETL software. ETL software is used for distributing and combining data among dissimilar databases so that it can be managed and analysed by the end user. The relevant geographic market for ETL software is likely to be a global market. In the global market the combined entity will have 20.6% (Ascential 19.5%, IBM 1.1%) of the ETL software market<sup>1</sup>. Thus there will only be an increment of 1.1% in the combined entity's market share. Furthermore there will remain strong players, including market leader Informatica (23.6%) and SAS Institute (10.9%) as well as a number of smaller players such as DataMirror (3.8%), Group 1 (3.8%) and Cognos (3.6%)<sup>2</sup>.
6. In the State IBM's revenue from its ETL software [was less than \$10,000] in 2004. Even if one takes the relevant geographic market as being the State, Ascential's turnover of [less than \$500,000] and IBM's nominal turnover indicate that the proposed transaction does not raise any competition concerns in the State. The global market leader Informatica and a number of other competitors such as SAS Institute, Group 1, Oracle and Microsoft are also present in the State. Thus, regardless of the exact geographic market definition the proposed transaction would not substantially lessen competition in any market for goods or services in the State.

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<sup>1</sup> Gartner Dataquest, *Market Share and Forecast: ETL Software*, Worldwide, 2003-2008.

<sup>2</sup> Gartner Dataquest, *Market Share and Forecast: ETL Software*, Worldwide, 2003-2008.



**The Competition Authority**  
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## **Determination**

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Ironbridge Acquisition Corporation, a wholly owned subsidiary of IBM Corporation, of Ascential Software Corporation will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Edward Henneberry**  
**Member of the Competition Authority**

**20 April 2005**