



NEWS RELEASE

28th July 2004

The Competition Authority to carry out full investigation of IBM's acquisition of Schlumberger

The Competition Authority announced today (28th July) that it has decided to carry out a full (Phase 2) investigation in relation to the proposed acquisition by IBM Ireland Limited (IBM) of Schlumberger Business Continuity Services (Ireland) Limited (Schlumberger). Both parties are involved in provision of business recovery services. The acquisition is part of a global transaction whereby IBM is purchasing all of Schlumberger's business recovery operations.

The Competition Authority received notification of the proposed acquisition on 20th May 2004. The Authority is required under the Mergers and Acquisitions section of the Competition Act 2002 to determine whether the result of the proposed acquisition will "substantially lessen competition" in markets for goods or services in the State.

After a preliminary investigation (Phase 1), the Authority has been unable to conclude without further investigation that the transaction will not substantially lessen competition.

The Competition Authority has until 29th October 2004 to make a final determination on the transaction. The investigation of the proposed acquisition will examine the effect on competition in the provision of business continuity and disaster recovery services.

Interested parties are invited to make written or oral submissions, which must be made **no later than 12:30pm on Wednesday, 18th August 2004**. Submissions should be marked "M/04/032 - IBM / Schlumberger", and should be addressed to Rosemary O'Loughlin, Mergers Division, The Competition Authority, Parnell House, 14 Parnell Square, Dublin 1 or sent by e-mail to mergers@tca.ie

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NOTES FOR THE EDITOR

The Parties

IBM Ireland Limited (IBM) and Schlumberger Business Continuity Services Limited (Schlumberger) are Irish based companies. The acquisition is part of a global transaction whereby IBM is purchasing all of the Schlumberger business continuity operations. The transaction was notified to The Competition Authority on 20th May 2004. On 11th June 2004 a formal request for information was sent to the parties, to which they replied on 29th June 2004 (i.e. the new appropriate date).

IBM

IBM Ireland Limited provides business continuity/disaster recovery (BCDR) in addition to many other IT services. It is the second largest BCDR provider in Ireland. It has two recovery sites in Dublin and one in Cork.

Schlumberger

Schlumberger Business Continuity Services (Ireland) Limited concentrates exclusively on providing business continuity/disaster recovery services (BCDR). It is the largest provider of BCDR services in Ireland. It has seven recovery sites in Ireland (five of which are in Dublin area, the other two in Cork and Belfast).