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## **COMP/M.4987 – IBM/COGNOS**

### **SECTION 1.2**

#### **Description of the concentration**

International Business Machines Corporation (“IBM”), through its wholly-owned indirect subsidiary 1364514 Alberta ULC, will acquire sole control over Cognos Incorporated (“Cognos”).

The business activities of the undertakings concerned are as follows:

- For IBM: development, production, and marketing of IT solutions, comprising a wide variety of software, computer systems, storage devices, microelectronics, and services.
- For Cognos: development, production, and marketing of specialized Enterprise Applications Systems software, in particular Business Analytics software tools and applications.

IBM’s and Cognos’ business activities have virtually no overlap. In Business Analytics software tools and applications, they have complementary offerings. Cognos is almost exclusively active in the Performance Management software tools and applications segment – IBM has only *de minimis* sales in this segment. Conversely, IBM is active principally in the Data Warehouse Platform software segment – Cognos is not active in this segment.

With the proposed acquisition of Cognos, IBM will be able to respond to a significant growth in demand for comprehensive and integrated solutions spanning a broad spectrum of Business Analytics software, hardware, and services. This trend has driven recent consolidation in the Business Analytics software area, as witnessed by Oracle’s recent acquisition of Hyperion and SAP’s recently announced proposed acquisition of Business Objects. With the proposed acquisition of Cognos, IBM will be able to offer customers a similarly comprehensive set of Business Analytics solutions.