

SAFENET/NCIPHER MERGER INQUIRY

Cancellation of merger reference

The Competition Commission (CC) has cancelled the reference concerning the proposed acquisition by Safenet, Inc of the ordinary share capital of nCipher plc.

The reference was made to the CC on 30 March 2006 by the Office of Fair Trading under section 33 of the Enterprise Act 2002. The terms of reference required the CC to examine:

- (a) whether arrangements were in progress or in contemplation which, if carried into effect, would result in the creation of a relevant merger situation; and
- (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition in relation to the market for the provision of Hardware Security Modules in the UK.

The CC has received assurances from Safenet that its proposed acquisition of nCipher has been abandoned. The Chairman of the CC, Mr Peter Freeman is satisfied that Safenet 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. The Chairman 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.