



News Release

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FRANCISCO PARTNERS LP/G INTERNATIONAL INC ISSUES STATEMENT

The Competition Commission (CC) has today published an issues statement as part of its inquiry into the completed acquisition by Francisco Partners LP (Francisco Partners) of G International Inc (G International).

The CC has been asked to consider whether the acquisition may be expected to result in a substantial lessening of competition within the market (or any related market) for the supply of electronic data interchange value added networks (EDI VANs) in the UK. EDI VANs facilitate supply chain transactions such as ordering and invoicing between trading partners.

Francisco Partners, parent of Global Exchange Services (GXS), bought IBM's global EDI business (G International) in November 2004.

The issues statement follows the initial process of gathering information, views and evidence and identifies clearly for all interested parties the specific questions and areas the inquiry will be examining. This will form the basis for the hearings with Francisco Partners and other interested parties.

The full issues statement is available on the CC web site at www.competition-commission.org.uk/inquiries/ref2005/francisco/index.htm and raises issues concerning:

- (a) *Market definition*—including whether alternative products to EDI VANS should form part of the relevant market.
- (b) *Competitive conditions*—including the extent of competition between the two parties prior to the merger.
- (c) *The counterfactual*—what may be expected to happen in the absence of the merger.
- (d) *Competitive effects of the merger*—including whether the merger might lead to a rise in prices, or a reduction in service or choices for customers. Alternatively whether customers' buying power could offset any potential lessening in competition.
- (e) *Remedies*—if the CC concludes that the merger may be expected to result in a substantial lessening of competition, it will consider what remedies might be appropriate.

- (f) *Relevant customer benefits*—when deciding on remedies, the CC will consider any customer benefits that might arise from the merger such as lower prices, better quality or greater choice.

The issues statement should not be seen as implying that the inquiry group has identified any competition concerns—the CC has yet to reach any conclusions on this inquiry. The purpose of making the statement of issues public is to inform all interested parties and give them an opportunity to raise any further points with the CC.

The CC is expected to report by 5 September 2005.

The CC would like to hear from all interested parties, in writing, by 27 May 2005. To submit evidence, please write to:

Damien Kelly
Inquiry Secretary (Francisco Partners/GI merger inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Or email: FranciscoPartners.GI@competition-commission.gsi.gov.uk

Notes for editors

1. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
2. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
3. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: www.competition-commission.org.uk.
4. Enquiries should be directed to Francis Royle (email francis.royle@competition-commission.gsi.gov.uk or Rory Taylor on 020 7271 0242 (email rory.taylor@competition-commission.gsi.gov.uk).