



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MAY 20, 2011
WWW.JUSTICE.GOV

AT
(202) 514-2007
TDD (202) 514-1888

VERIFONE, HYPERCOM AND INGENICO ABANDON PLANS TO DIVEST POINT OF SALE BUSINESS TO INGENICO FOLLOWING JUSTICE DEPARTMENT LAWSUIT

Department Said Divestiture Did Not Resolve Competitive Concerns

WASHINGTON —VeriFone Systems Inc., Hypercom Corp. and Ingenico S.A. have abandoned plans for Hypercom to divest its U.S. point-of-sale (POS) business to Ingenico, the Department of Justice announced today. Their decision to abandon the divestiture came just one week after the department’s Antitrust Division filed a lawsuit to block the proposed acquisition by VeriFone of Hypercom and to block the proposed divestiture of Hypercom’s U.S. business to Ingenico. The department’s lawsuit to block the overall deal between VeriFone and Hypercom is still pending, and as the companies have publicly reported, the department is in discussions with them to identify an alternative buyer that is acceptable to the department.

“We are gratified that the parties recognized the anticompetitive nature of the agreement and abandoned its divestiture plan promptly,” said Christine Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Our discussions with the companies will continue as they seek to find an alternative buyer that will resolve the department’s antitrust concerns.”

POS terminals are used by retailers and other firms to accept electronic payments such as credit cards and debit cards. The three companies manufacture more than 90 percent of all POS terminals in the United States.

The department’s complaint alleged that the merger of VeriFone and Hypercom would result in a dominant POS terminal manufacturer that would likely raise prices and reduce innovation, quality, product variety and service. The complaint also alleged that the proposed divestiture to Ingenico did not adequately resolve the competitive concerns raised by the VeriFone/Hypercom transaction.

VeriFone is a Delaware corporation headquartered in San Jose, Calif. VeriFone earned more than \$1 billion in worldwide revenues in its last fiscal year, ending in October 2010.

Hypercom is a Delaware corporation headquartered in Scottsdale, Ariz. Hypercom earned more than \$450 million in worldwide revenues in 2010.

Ingenico is a French corporation with worldwide revenues in 2010 of more than \$1.3 billion.

#

11-655