

IBM Acquires Clarity Systems

Expands Business Analytics Portfolio to Drive Financial Governance Initiatives and Reduce Risk

Armonk, N.Y. (October 21, 2010)

IBM (NYSE: IBM) today acquired Clarity Systems, a privately-held company based in Toronto, Canada. Financial terms were not disclosed.

Clarity Systems delivers financial governance software that enables organizations to automate the process of collecting, preparing, certifying and controlling financial statements for electronic filing, in support of mandates by the SEC and other financial regulatory agencies. To significantly reduce the risks of potential error and the lengthy times required to create and file financial documents, Clarity Systems software allows finance professionals to seamlessly integrate information for more efficient planning, consolidation and financial reporting.

The acquisition of Clarity Systems extends IBM's business analytics initiatives, and represents IBM's commitment to address financial governance and risk management challenges faced by financial departments in virtually every industry. With today's news, IBM now has a comprehensive portfolio of business analytics software for financial professionals to plan, forecast and analyze performance, identify and manage key business risks, and report to external stakeholders with confidence.

Finance departments in organizations are relied upon to provide accurate data more quickly, improve risk management and forecasting decisions, and meet financial business goals. To address these demands, CFOs and finance managers are increasingly relying on business analytics software to make faster decisions to anticipate performance gaps, prioritize resources, and gain insight into profit and growth.

A recent IBM study of 1,900 global CFOs and senior finance leaders revealed enterprises that have adopted standards and increased finance efficiency are performing 25 percent better by strengthening compliance programs and internal controls. The study also indicated that enforcing data standards, integrating information and applying business analytics are key capabilities that enable improved business insight and risk management.

With Clarity Systems, organizations can easily combine financial statements, operational details, commentary, notes, charts and pictures – virtually an unlimited assortment of content – into a single document. By integrating all of these information resources, customers are able to reduce the possibility of errors and late filings, and quickly and easily produce documents for external filing.

Today, 600 global clients across multiple industry segments are using Clarity Systems software to improve business processes and increase efficiency and accountability. In fact, some of the world's largest transportation, financial services, and energy and utility organizations address financial reporting and risk management with Clarity Systems software, including British Airways, WSFS Financial Corporation, Young & Co.'s Brewery plc, Five Star Quality Care, Inc., Oglethorpe Power Corporation and Semptra Energy Utilities.

"Smarter decisions thrive on accurate financial information, and it is therefore imperative that financial governance systems reduce risk of error and provide confidence in the external reporting process," said Rob Ashe, general manager, business analytics, IBM. "Clarity Systems extends IBM's business analytics capabilities to the office of finance by enabling organizations to help businesses automate complex governance processes, improve data accuracy and provide the foundation for addressing a wide array of regulatory reporting mandates."

Clarity Systems complements IBM's recent acquisition of OpenPages that helps companies more easily identify and manage governance, risk and compliance activities across the enterprise through a single management system. The addition of Clarity Systems and OpenPages gives the office of the CFO a comprehensive set of solutions for financial performance and strategy management, risk management and compliance, and financial governance.

"Clarity System's unified approach offers the flexibility, security, and control needed to make more informed business decisions while meeting compliance requirements," said Mark Nashman, president & CTO, Clarity Systems. "As a part of IBM, we can bring our leading financial governance solution to an established set of customers who need to effectively and efficiently execute the creation and delivery of external regulatory filings."

Clarity Systems also has strong capabilities in core performance management, such as budgeting, planning and forecasting. Client and partner investments in existing IBM and Clarity Systems technologies will be preserved, allowing customers to take advantage of the broader set of capabilities without the need to replace existing systems.

IBM adds more than 400 financial management experts across products, sales, services, and support, and a growing network of financial governance and performance management partners worldwide. IBM will integrate Clarity Systems within its Business Analytics software portfolio.

In just four years, IBM has invested more than \$14 billion in 24 analytics related acquisitions, dedicated 7,000 consultants and opened eight analytics Centers of Excellence around the world to help clients uncover hidden insights within their data.