

Glossary

ACCC	Australian Competition and Consumer Commission, the competition authority for Australia.
AMS	Ascom Mailing Systems, the business unit of the Ascom group which manufactures franking machines . The proposed sale of AMS to Neopost is the subject of the inquiry.
APR	Annualized percentage rate.
Ascom	Ascom Holding AG.
ASL	Ascom Leasing Limited, the UK leasing subsidiary of MSL .
Bulk mail	Term used to refer to a number of services offered by Royal Mail and other national postal authorities for the bulk handling of customers' mail, as an alternative to the use of stamps or franking machines . See also permit mail .
Carve-out	Process of creating AMS by separating the mailing systems business of Ascom from some legal entities within the group that carried on other non-related business, which was not part of the sale.
CC	Competition Commission.
CHF	Swiss francs.
CIPS	Chartered Institute of Purchasing and Supply, an educational and qualifications body representing purchasing and supply chain professionals.
Consignia	Consignia plc, formerly the Post Office: a Government-owned company licensed by Postcomm to provide postal services in the UK. Owner of Royal Mail .
Consumables	Items such as envelopes, labels and ink or ink cartridges needed by franking machine users.
Counter-factual	The most likely alternative outcome if the merger had not been agreed.
Data room	A secure room in which confidential information about a company is made available to prospective bidders to enable them to decide whether or not to make an indicative offer for the company and, if so, how much to offer.
EBIT	Earnings before interest and taxation.
EBITDA	Earnings before interest, taxation, depreciation and amortization.
EEA	European Economic Area.
FEI	Federation of the Electronics Industries.
FMCS	Franking Machine Company Supplies Limited.
Folders/inserters	Machines which fold documents and insert them into envelopes.
Frama	Frama AG and its subsidiaries: a Swiss-owned group of companies producing franking machines .
Francotyp	Francotyp-Postalia AG & Co and its subsidiaries: a group of companies producing franking machines , owned by a Germany company, Röchling.

Franking machine	Machine which prints a franked impression on an envelope or label to record the amount of postage paid.
FTA	Fair Trading Act 1973.
FTC	Federal Trade Commission, one of the competition authorities in the USA.
Gearing	Measure of indebtedness, calculated by expressing total debt as a proportion of total debt plus shareholders' equity.
HHI	Herfindahl Hirschman Index: one measure of market structure and industry concentration.
HMSO	Her Majesty's Stationery Office.
IBI	Information-based indicia, new two-dimensional bar codes being promoted by the USPS . Such bar codes are capable of being printed only by digital franking machines .
IBIP	Information-based indicia programme: the USPS 's programme of work leading to the introduction of IBI .
IPMAR	International Postage Meter Approval Requirements, technical standards agreed by the Universal Postal Union, due to be introduced in the UK on 1 January 2003.
IPRs	Intellectual property rights.
Letter openers	Machines which automatically slice off the top of an envelope to speed up the processing of incoming mail.
Mailroom Innovations	Partnership group which markets mailroom equipment via regional exhibitions.
Meter migration	Programme launched in 1997 by Royal Mail to improve security of franking machines by phasing out mechanical machines and requiring that all franking machines in use in the UK be capable of being recredited remotely.
MMC	Monopolies and Mergers Commission, predecessor of the CC .
MSL	Mailing Systems Limited, the UK arm of AMS .
Neopost	Neopost SA, a main party to this inquiry; a manufacturer and supplier of franking machines , folders/inserters and other mailing equipment.
NFS	Nationwide Franking Sense Ltd.
OEM	Original equipment manufacturer. Term used when one company sells, under its own name, products sourced from another (the original equipment manufacturer).
OFT	Office of Fair Trading.
PASA	Purchase and sale agreement.
PC	Personal computer.
PC franking	Method of franking using franks printed by a conventional printer attached to a PC with Internet access. Also referred to as electronic stamps.
Permit mail	Another term for bulk mail .

PFE	PFE (International) Ltd, UK-based company specializing in folders/inserters .
Pitney Bowes	Pitney Bowes Inc and its subsidiaries: a US-based group of companies which is the largest supplier of franking machines and also supplies a wide range of other mailroom equipment.
Postal scales	Scales used to determine the correct value of postage for an item to be posted.
Postcomm	Postal Services Commission, a UK regulatory body, established in 2000, charged with promoting liberalization of postal services and the regulation of the postal services market.
Postwatch	Consumer watchdog for postal services, set up by Parliament to act as the voice of postal service users.
PPI	Printed postage impression, a method of bulk mail distribution using postage-paid envelopes.
Quick ratio	Measure of liquidity, defined as total current assets excluding inventory divided by total current liabilities.
Rate changes	Changes to postal scales which take account of alterations in postage rates.
Recrediting	The loading of additional credit on to the meter of a franking machine to pay future postage costs.
R&D	Research and development.
Royal Mail	Mail-handling arm of Consignia ; tests, approves and inspects franking machines .
Secap	Secap SA, a French-based producer of franking machines , acquired by Pitney Bowes in 2001.
SME	Small or medium-sized enterprise.
SSNIP test	Analytical tool used in the definition of markets. SSNIP stands for ‘small but significant non-transitory increase in prices’. The question is posed whether a hypothetical monopolist in the product or service concerned could profitably make such a price increase.
SoHo machines	Small office/home office, term used to refer to small franking machines used at home or in a small office.
TMS	Tele Meter Setting—system used by AMS for the remote recrediting of franking machines .
USPS	United States Postal Service.
XTML	Extensible Telephony Mark-up Language—interface and communication protocols for new digital franking machines .