

**Statement of the Commission
Concerning Google/AdMob**
FTC File No. 101-0031

May 21, 2010

The Federal Trade Commission has voted 5-0 to close its investigation of Google's proposed acquisition of AdMob. The decision was a difficult one because the parties

As a result of Apple's entry, AdMob's success to date on the iPhone platform is unlikely to be an accurate predictor of AdMob's competitive significance going forward, whether AdMob is owned by Google or not. This is particularly important given that AdMob's revenue and market share are derived largely from the iPhone platform.

AdMob also competes with Google in the sale of mobile advertising on Google's Android platform. Competitive harm from the acquisition appears unlikely there as well. Android and iPhone compete against each other as platforms, and the availability of free or low-cost applications helps drive that competition. Thus, Google has a strong incentive to encourage the development of applications on Android to maintain the competitiveness of Android against the iPhone. As discussed above, these applications are often made available to consumers in their current low- or no-cost form through advertising provided by mobile ad networks like AdMob. To the extent Google were to exercise market power on Android after this acquisition, it would risk making Android less competitive against the iPhone and other platforms.

Further, as has been reported in the financial press, a number of firms appear to be developing or acquiring smartphone platforms to better compete against Apple's iPhone and Google's Android. Because of the importance of advertising-supported content to the success of smartphone platforms, these firms would have a strong incentive to facilitate competition among mobile advertising networks, including through self-supply.

In sum, the Commission voted unanimously to close its investigation of Google's acquisition of AdMob because it lacked reason to believe that the transaction would likely result in a substantial lessening of competition, especially in light of marketplace developments that occurred during the course of its investigation, including Apple's acquisition of Quattro and its subsequent introduction of iAd. In any nascent market there will be uncertainty about the path of competition and the durability of early leads in market share. In order to fully protect consumers, however, the Commission must subject mergers