

FTC REVISES HSR THRESHOLDS

The Federal Trade Commission has announced revised thresholds applicable to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), and its reporting requirements. As statutorily mandated, the various thresholds incorporated in the HSR Act and its rules and regulations are revised annually based on the change in the U.S. gross national product. These adjusted thresholds will be in effect for all transactions that will close on or after February 21, 2007.

Most significantly, effective February 21, the minimum notification threshold under the HSR Act will increase from \$56.7 million to \$59.8 million. Thus, an acquisition may only potentially trigger an HSR reporting obligation if, as a result of an acquisition, an acquirer would hold voting securities, noncorporate interests and/or assets of an acquired person valued in excess of \$59.8 million.

The following table sets forth the principal threshold adjustments applicable to the HSR Act:

Threshold	Original Threshold	2006 Threshold	Adjusted Threshold Effective February 21, 2007
Minimum Size of Transaction	\$50 million	\$56.7 million	\$59.8 million
Minimum Size of Transaction (above which the Size of Person Test will no longer apply)	\$200 million	\$226.8 million	\$239.2 million
Size of Person Test (applicable to transactions valued at less than \$239.2 million)	Person 1: \$10 million	\$11.3 million	\$12.0 million
	Person 2: \$100 million	\$113.4 million	\$119.6 million

Notification Thresholds	\$50 million	\$56.7 million	\$59.8 million (\$45,000 filing fee)
	\$100 million	\$113.4 million	\$119.6 million (\$125,000 filing fee)
	\$500 million	\$567.0 million	\$597.9 million (\$280,00 filing fee)
	25% of an issuer's voting securities if valued in excess of \$1 billion	25% of an issuer's voting securities if valued in excess of \$1.134 billion	25% of an issuer's voting securities if valued in excess of \$1,195.8 million (\$280,000 filing fee)

Wherever the rules and regulations promulgated under the HSR Act include thresholds or limitation values (for example, the exemptions that may be available for certain acquisitions of (i) foreign assets or stock of foreign issuers where the exemptions are dependent upon the nexus to U.S. commerce or (ii) carbon-based reserves), those thresholds and limitation values are similarly being adjusted. The FTC's complete announcement concerning the threshold adjustments can be accessed on the FTC's website via www.ftc.gov/opa/2007/01/fyi0708.htm.

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If you have any questions about this announcement, or the HSR Act generally, please contact Jonathan J. Konoff (212-728-8627, jkonoff@willkie.com) or the attorney with whom you regularly work.

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