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WRITER'S DIRECT DIAL NUMBER

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VIA FACSIMILE

April 5, 2001

Mr. Michael Verne
Premerger Notification Office, Room 303
Federal Trade Commission
6th Street & Pennsylvania Avenue, NW
Washington, D.C. 20580

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act")

Dear Mike:

Thank you for talking to me today. The purpose of this letter is to confirm your oral advice on behalf of the Premerger Notification Office of the Federal Trade Commission on the facts stated below which we discussed in our telephone conversation.

Fifteen (15) individual limited partnerships formed under the laws of England and Wales are proposing to purchase, through a newly formed corporation, the voting securities of a European corporation [redacted] for a purchase price in excess of $500 million. The initial purchase of voting securities will exceed 50% of the outstanding shares of [redacted] The initial purchase will be made through a newly formed Finnish corporation ("Newco") which initially will be owned equally by all 15 of the limited partnerships. Following this acquisition, a tender offer will be launched for the remaining shares of [redacted]. As part of the transaction for tax purposes, other newly formed European corporations will be created and come into the chain of ownership. The resulting structure will be a series of newly formed corporations which ultimately will be owned by the 15 limited partnerships and [redacted] will be the last corporation in the chain of ownership.

The limited partnerships have a common general partner and a common investment adviser and sub-adviser. However, with respect to each partnership, no person has the right to 50% or more of the profits of the partnership or of the assets upon dissolution. The general partner receives an annual management fee which is fixed. While the partnerships have advisory boards, they do not have boards of directors or similar governing boards.

by Company A, if any, in the Stand-By Rights Offering and whether the option is exercised within five (5) business days or forty-five (45) days after the expiration of the Rights Offering.

The Conversion of preferred shares into common stock will close on the earlier of July 31, 2001, or the closing of the Rights Offering or such earlier time as Company A chooses, provided certain conditions are fulfilled. The closing of the Stand-By Rights Offering, if any, is scheduled to take place on the fifth business day following notice to Company A that it must purchase the shares or at a mutually agreed time.

The Overallotment purchase will close on one or more days beginning on the fifth business day after Company A notifies Company B that it wishes to exercise the option or when mutually agreed upon. The Overallotment shares cannot be purchased until after the Rights Offering has expired, any Stand-By shares have been purchased by Company A and the Conversion has been consummated.

Analysis

Transaction 1: After Company A's Conversion of its preferred shares and related warrants into Company B common shares, Company A will hold stock valued at $30 million in accordance with HSR rules, which provide that publicly-traded stock (B is a public company) shall be valued at the market price or the acquisition price, whichever is greater. 16 C.F.R. § 801.10(a)(1)

The "market price" is the lowest closing quotation during the 45 days before the transaction is closed, but not earlier than the day before the agreement was signed. 16 C.F.R. § 801.10(c)(1) The agreement was signed on January 25, 2001. The lowest closing price between the date of this letter and the previous 45 days (beginning on February 20) is $0.0938. Since the Conversion price of $0.65 is higher than the market price, it is the price used to value the stock held after the Conversion. At $0.65, the value of the voting securities Company A will hold as a result of the Conversion is $30 million.

The recent HSR amendments, effective on February 1, 2001, provide that transactions closing after February 1, 2001, which result in stock holdings of $50 million or less do not require an HSR filing. 15 U.S.C. §18a(a)(2)(B) Thus, assuming that the "market price" calculated in accordance with the HSR rules, remains below $1.084, no HSR filing is necessary for the Conversion.

After the Conversion, Company A will control Company B by virtue of its ownership of more than 50% of the voting rights of Company B. 16 C.F.R. § 801.1 (b) Company A will hold 61.1% of the issued stock (46,153,846 shares owned by Company A plus 29,335,993 owned by others for total outstanding shares of 75,489,839. 46,153,846 divided by 75,489,839 gives Company A ownership of 61.1%).

Since Company A will hold 50% or more of the voting rights of Company B, it will become the ultimate parent entity of Company B after the Conversion. 16 C.F.R. § 801.1(a)(3)

[redacted]

Transactions 2 & 3. The issue I discussed with you was whether the Conversion can be considered to be a separate transaction from the Stand-By Rights Offering and/or the Overallotment, which will take place after the Conversion. You advised us that any purchase of Company B stock by Company A in the Stand-By Rights Offering does not need to be aggregated with the Conversion and considered as one transaction because the amount of stock, if any, that will be subscribed to by the shareholders is both unknown and outside the control of Company A. Accordingly, you confirmed that the Conversion is treated as a separate transaction from the Stand-By Rights Offering and the Overallotment. Thus, any further purchases of Company B's stock by Company A pursuant to the Stand-By Rights Offering or Overallotment will be exempt from an HSR filing as an intraperson transaction (so long as Company A continues to hold at least 50% of Company B common stock) because Company A will be the ultimate parent of both itself and Company B. 16 C.F.R. § 802.30

Thank you for your assistance. Please let me know if you disagree with the above conclusion [redacted]

Sincerely,

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AGREE –

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