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September 26, 2006

VIA EMAIL

Mr. B. Michael Verne
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
7th & Pennsylvania Avenue, NW
Washington, DC 20580

Dear Mike:

I am writing to confirm my understanding of a telephone conversation we had on Monday, September 18, 2006 and a communication we had on Wednesday, September 20, 2006 concerning the non-reportability under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act") of proposed transactions discussed below.

Proposed transactions

Pursuant to a transaction that will be notified under the HSR Act (the "Merger"), a buyer intends to acquire all of the voting securities of Company A, a publicly traded company. Our inquiry relates to a warrant held by Warrant Holder for shares of Company A. If Warrant Holder fully exercised the warrant at one time, the Warrant Holder would hold approximately 25% of the voting securities of Company A. Those shares would have a value of approximately $200 million. The warrant has been in existence for some time, and has a very low exercise price. The voting securities that will be transferred to Warrant Holder upon the exercise are currently held by an individual shareholder of Company A. Warrant Holder also holds a negligible number of shares of Company A voting securities.

Warrant Holder has expressed an intent to exercise the warrant through a series of partial exercises. Two or more partial exercises are expected to occur in a period a month or two in advance of the closing of the Merger. As a result of these partial exercises done a month or two before the Merger closes, Warrant Holder would not at any one point hold in excess of $56.7 million in voting securities of Company A. For example, Warrant Holder may partially exercise the warrant to obtain approximately $50 million in voting securities of Company A and then sell those shares in advance of a second exercise for a similar amount. The series of partial exercises, as opposed to a larger single exercise, would be undertaken so that the Warrant Holder does not hold a reportable amount of voting securities at any point in order not to have a filing obligation under the HSR Act.

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The final exercise for the rest of the Warrant (the "Closing Exercise") would occur approximately five days before the anticipated closing of the Merger. The Closing Exercise would be intended to be as simultaneous as reasonably possible with the closing of the Merger. The Closing Exercise must be undertaken in order for the Warrant Holder to receive the cash merger consideration for the securities subject to the warrant. If Warrant Holder does not exercise the remainder of the warrant a number of days in advance of the Merger closing, Warrant Holder will not be able to receive the cash merger consideration. The multiple day time period for the exercise is required for logistical reasons as the shares must be physically transferred between countries in advance of Warrant Holder transferring the shares to the exchange agent in connection with the Merger. The shares received from the Closing Exercise may exceed $56.7 million in value and may represent in excess of 10% of the voting securities of Company A.

In conjunction with the definitive agreement related to the proposed Merger, the agreement granting the warrant to Warrant Holder recently was amended to grant Warrant Holder an "irrevocable proxy" to vote for all purposes the voting securities that are subject to the warrant. Prior to this recent amendment, the Warrant Holder had no voting rights with regard to the voting securities that are subject to the warrant. However, while the proxy is described as "irrevocable," the proxy is revoked prospectively upon the earlier of the closing of the Merger or the termination of the definitive agreement related to the proposed Merger. During the period in which the proxy is in place, there will not be an election for members of the board of directors of Company A. As Company A shareholder approval is one of the conditions to closing of the Merger, Warrant Holder will have by virtue of the proxy the opportunity and power to vote the shares subject to the Warrant in any shareholder vote on the proposed Merger.

Conclusions

You agreed that there is no HSR reportable event arising from the warrant held by Warrant Holder for Company A voting securities. Specifically, you confirmed the following:

(1) A series of partial exercises of the warrant will create no HSR obligation assuming that the Warrant Holder does not hold voting securities of Company A valued in excess of $56.7 million at any point. You agreed that even though a series of partial exercises, as opposed to a larger exercise, are being done solely for the purpose of not having to file under the HSR Act, this does not create a transaction or device for avoidance under 16 C.F.R. § 801.90. Rather, 16 C.F.R. § 801.90 is not applicable as the structure is not being done in order for Warrant Holder to hold a reportable amount of voting securities at any time.

(2) The Closing Exercise described above is not HSR reportable even if the value of the voting securities resulting from the exercise exceeds $56.7 million and/or more than 10% of the voting securities of Company A. You confirmed that this exercise in conjunction with

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the closing of the Merger, as described above, would qualify for the "continuum" theory. Under the continuum theory, Warrant Holder would not be deemed for HSR purposes to ever hold these voting securities which would be acquired during the Merger.

(3) The granting to the Warrant Holder of an irrevocable proxy to vote the voting securities subject to the warrant does not trigger a reportable event under the HSR Act. Although Informal Interpretation Number 70 in the Premerger Notification Practice Manual (3D ED. 2003) provides that the acquisition of convertible nonvoting securities coupled with irrevocable proxies to vote those shares may trigger a reporting obligation, you agreed that the proxy assignment to the Warrant Holder fell outside the scope of a reportable transaction under that interpretation. As we discussed, the proxy assignment in this instance does not result in the acquisition of voting securities for HSR purposes as (i) the warrant pre-dates the recent assignment of the proxy done in the context of the potential Merger; and (ii) although the proxy assigns to Warrant Holder all of the voting rights for the shares subject to the warrant while the proxy is in place, there will not be any election of directors before the proxy is revoked which is the earlier of the closing of the Merger or the termination of the definitive agreement for the Merger.

Please let me know as soon as possible if you disagree with any of the conclusions discussed above, or if I have misunderstood any aspect of your advice. Thank you for your assistance in this matter.

Sincerely,

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AGREE -
9/26/06