

HSR REPORT FORM CHANGE TO NAICS CODES

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MAY 9, 2001

The Federal Trade Commission (the "FTC") issued an interim rule, effective as of July 1, 2001, that implements changes to certain reporting requirements on the Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvement Act (the "Form"). These changes will require the information submitted in response to Items 5, 7 and 8 of the Form to be reported using the North American Industrial Classification System ("NAICS") rather than the Standard Industrial Classification System ("SIC"). In addition, the base year on the Form will change from 1992 to 1997 and the Insurance Appendix to the Form will be deleted.

Currently, Item 5 of the Form requires information regarding dollar revenues and lines of commerce at three levels with respect to operations conducted within the United States. All persons must submit certain data at the 4-digit (SIC code) industry level. To the extent that dollar revenues are derived from manufacturing operations (i.e., products within industries in SIC major groups 20-39), data must also be submitted at the 5-digit Product Class and 7-digit Product Levels (SIC based codes).

Any Form submitted on or after July 1, 2001, will require the filing person to report its dollar revenues at the 6-digit (NAICS Code) industry level. To the extent that dollar revenues are derived from manufacturing operations (i.e., products within industries in NAICS Sectors 31-33), data must be submitted at the 7-digit Product Class and 10-digit Product Levels (NAICS based codes). The conversions for 4-digit SIC codes to 6-digit NAICS codes can be found on the Bureau of Census home page (<http://www.census.gov.epcd/www/naics.html>). Filing persons should be aware, however, that certain NAICS industry codes only contain 5-digits. In those instances, the filing person should add a zero (0) to the end of the 5-digit code when completing the Form. For comparisons of 1992 SIC Product Classes (5-digit) and Product Codes (7-digit) with 1997 NAICS Product Class (7-digit) and Product Codes (10-digit), you can refer to Appendix F in the 1997 Numerical List of Manufactured and Mineral Products (EC97M31R-NL), which can be found at <http://www.census.gov/prod/ec97/97numlist/97numlist.htm>.

In addition to the shift from SIC codes to NAICS codes, the base year will change from 1992 to 1997 and the Insurance Appendix to the Form will be deleted. Accordingly, filing persons will need to provide dollar revenues by NAICS code derived from operations conducted within the United States for 1997, the base year, and, as currently required, the most recent calendar or fiscal year for which the information is available. All insurance revenues currently reported in the Insurance Appendix, including those revenues classified under 2-digit SIC major group 63, will be required to be reported in Item 5 of the Form.

As stated above, the interim rule will become effective on July 1, 2001. The FTC, however, is soliciting comments regarding the July 1, 2001 effective date, which the FTC will change if appropriate. We will inform you if the FTC changes the effective date. If you have any questions regarding converting SIC codes to NAICS codes, please call Jack D'Angelo (212-455-2722; jdangelo@stblaw.com) or Ken Ehrhard (212-455-2403; kehrhard@stblaw.com) of the Antitrust Practice Group.

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