

Client Alert

Latham & Watkins
Antitrust Practice Group

Annual Revisions to the HSR Act Thresholds Effective February 28, 2008

On January 18, 2008, the US Federal Trade Commission (FTC) announced that it had approved adjustments to the premerger notification thresholds of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). Under the 2000 amendment to the HSR Act, the FTC is required to adjust the thresholds annually, based on the change in gross national product. These adjustments will be effective on February 28, 2008, and will affect all transactions closing on or after that date.

The adjustments include:

1. Increasing the minimum size-of-transaction test to \$63.1 million. This means acquisitions *below* \$63.1 million will not be reportable;
2. Increasing the size-of-transaction test to \$252.3 million. This means the size-of-person test will *not* apply to acquisitions of \$252.3 million or more.
3. Increasing the size-of-person tests to \$12.6 million and \$126.2 million. This means acquisitions of less than \$252.3 million are *not* reportable unless one person has assets or annual net sales of \$12.6 million or more and the other person has assets or annual net sales of \$126.2 million or more.

The new thresholds for 2008 are set out on the next page. The flow chart on page three of this *Alert* illustrates the application of the thresholds.

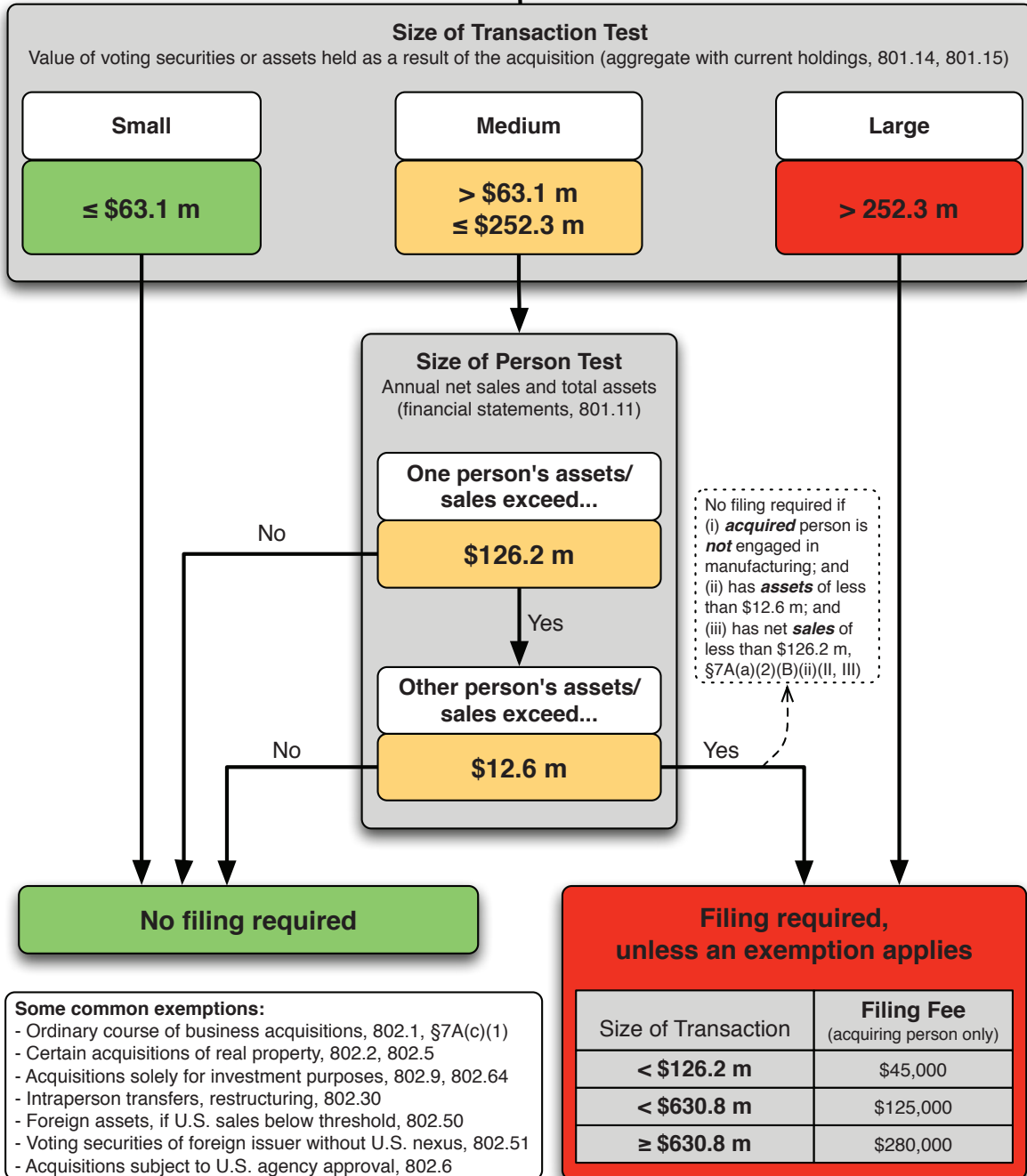
"These adjustments will be effective on February 28, 2008, and will affect all transactions closing on or after that date."

Type of Threshold	Original Threshold	Adjusted Threshold
Size of Transaction	\$50 million	\$63.1 million
Size of Persons	\$10 million and \$100 million	\$12.6 million and \$126.2 million
Size of Transaction above which Size-of-Person Test Does Not Apply	\$200 million	\$252.3 million
Notification thresholds:	\$50 million \$100 million \$500 million 25% of stock worth \$1 billion	\$63.1 million \$126.2 million \$630.8 million \$1.2615 billion
Filing fee thresholds:	\$50 million \$100 million \$500 million	\$63.1 million \$126.2 million \$630.8 million
Filing fee dollar amounts:	\$45,000 \$125,000 \$280,000	Unchanged

LATHAM & WATKINS LLP

HSR Reportability Thresholds
§7A(a)(2)

2008 adjusted Thresholds
effective February 28, 2008



Sources: HSR Act (§7A Clayton Act, 15 USC §18a), Coverage Rules and Exemption Rules (16 CFR Parts 801 and 802)

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