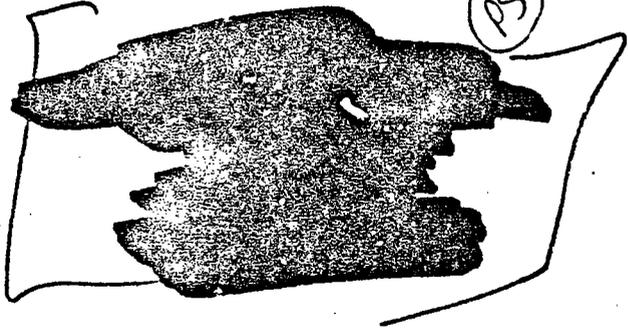


2/27/84

(PS)



FEDERAL EXPRESS

Mr. Patrick Sharpe
Federal Trade Commission
Premerger Notification Office
Bureau of Competition
Room 301
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

FEDERAL EXPRESS
COMMUNICATIONS
CORPORATION

Dear Mr. Sharpe:

This letter supplements our previous letter and summarizes the additional information conveyed during our telephone conversation this morning concerning [redacted] one of the two companies being acquired in the proposed transaction.

As previously indicated, [redacted] organized under the laws of England. It is a member of a British group of companies, some of which are organized or situated in the Netherlands and the Netherlands Antilles. All of the directors of [redacted] including its Chairman, are resident in the Netherlands where [redacted] maintains offices. As I explained, European companies such as [redacted] are managed by a board of directors, some or all of whom are "executive" or "managing" directors. This is in contrast to American companies which normally have a board of directors and a group of officers (President, Treasurer, etc.) who manage the business and report to the board.

[redacted] is organized into six operating divisions with each division having a chief executive officer. All six of the divisional chief executives are based at [redacted] U.K. offices where there is a staff of approximately 200 employees. As noted in our earlier letter, there are six employees in the New York liaison office. Operational management is based in London, where virtually all management meetings of the company are held.

Mr. Sharpe
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Of the six operating divisions, one has operations in the United States with the sales and assets described in our earlier letter. Those operations are conducted through six U.S. subsidiaries under a U.S. sub-holding company ultimately owned by [REDACTED]. The New York liaison office established in August, 1983 coordinates the activities of those companies.

[REDACTED] annual reports show its London office as its registered office, although the reports of its directors are issued from Rotterdam. Shareholder proxies to be solicited in connection with the proposed transaction in question will be returned to the company or its agent in the United Kingdom.

As I explained, we are advising the acquiring company on matters potentially involving the U.S. but the basic transaction is being handled by the Company's solicitors in London. Consequently, we have not been as conversant as we might be with the complicated organizational structure of the companies being acquired but trust that the additional information we have now obtained sufficiently responds to the questions raised last Friday. Based on this, we would appreciate your telephone confirmation regarding the applicability of the 16 C.F.R. §802.51(b) exemption to the proposed transaction.

Again, thanks for your cooperation and assistance.

Very truly yours,

[REDACTED]

[REDACTED]