

ITEM 5

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, May 08, 2014 5:31 PM
To: Verne, B. Michael; Berg, Karen E.; Walsh, Kathryn
Cc: [REDACTED]
Subject: Question re: Itme 5 and intracompany services

Hi,
Hope you're all doing well. We have a question about Item 5 – when the US sub of a multinational company is paid by its non-US parent for rendering services, such as logistics, editorial, IT support etc., should those payments be counted in Item 5? Also, if the US sub pays its non-US parent company license or royalty fees, should those payments be counted in Item 5? We found the following interpretation that says that intracompany sales that should be included in Item 5 are limited to manufacturing revenues but since this pre-dates the revised rules/Form, we wanted to check with you. <http://www.ftc.gov/enforcement/premerger-notification-program/informal-interpretations/0511029>

Thanks,

[REDACTED]

[REDACTED]

That position has not changed. Only intracompany manufacturing revenues are reported.

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5/9/14

KW CONCERN