Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN COMMSCOPE'S ACQUISITION OF ANDREW CORPORATION

Enforcement Action Maintains Competition in Drop Cable Industry

WASHINGTON, D.C. — The Department of Justice announced today that it has reached a settlement requiring CommScope Inc. (CommScope) and Andrew Corporation (Andrew) to divest Andrew's minority interest in Andes Industries Inc. (Andes), in order to proceed with CommScope's $2.6 billion acquisition of Andrew. The Department said that the transaction, as originally proposed, would have substantially lessened competition in the development, manufacture, and sale of drop cable, which is coaxial cable used by cable television companies to connect their transmission systems to their customers' premises, and to the customers' equipment inside the premises. It also would have given CommScope the ability to appoint directors to the board of Andes, a substantial competitor, in violation of a law governing interlocking directorates between competing companies.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"This settlement ensures continued competition in a key component necessary for the transmission of cable television, which is an important product for millions of consumers," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

As the transaction was originally structured, CommScope, by acquiring Andrew, would have obtained Andrew's 30 percent ownership interest in Andes, including the right to appoint members to Andes' board of directors and substantial governance rights. CommScope and a subsidiary of Andes, PCT International Inc. (PCT), are currently two of only four companies that provide drop cable to cable television companies in the United States. The U.S. market for drop cable comprises sales of approximately $500 million per year. The Department concluded that the acquisition, as originally proposed, would substantially reduce competition in drop cable by giving CommScope the incentive and ability to coordinate the activities of CommScope and PCT, or undermine PCT's ability to compete against CommScope, resulting in higher prices and reduced innovation. The Department also concluded that the acquisition, as originally structured, would give CommScope the ability to participate on both its own board of directors and on the board of directors of its competitor, Andes, in violation of Section 8 of the Clayton Act.

Under the proposed consent decree, CommScope and Andrew must divest all of Andrew's stock ownership and other interests in Andes. Upon completion of the divestiture, neither CommScope nor Andrew will have any rights to appoint Andes directors or otherwise control or influence the business operations of Andes.

CommScope is a leading manufacturer and provider of wire and cable products. It manufactures, among other things, drop cable used by cable television companies and associated hardware. For fiscal year 2006, CommScope reported total revenues in excess of $1.6 billion, with $550 million coming from its broadband business segment, which includes cable and hardware products sold to cable television and telecommunications companies.

Andrew is a global designer, manufacturer and supplier of communications equipment and systems. For fiscal year 2006, it reported total sales in excess of $2.1 billion, with approximately $1.3 billion coming from its antenna and cable business segment. Andrew was a manufacturer of drop cable until it sold this business in March 2007 to Andes. Andes' subsidiary, PCT, is a manufacturer of broadband hardware products used with drop cable installations. PCT and another Andes subsidiary, PCT Broadband Communications (Yantai) Co. Ltd., manufacture and sell drop cable.

As required by the Tunney Act, the proposed settlement will be published in *The Federal Register*, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Nancy M. Goodman, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 8000, Washington, D.C. 20530 202-514-5621.

At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed consent decree upon finding that it is in the public interest.

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