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Date:	December 10, 2002	No. of Pages (including cover):	6
To:	Weeun Wang, Esq. U.S. Department of Justice	Fax Number: Contact Number:	(202) 307-5802 (202) 307-3952
From:	M. Elaine Johnston	Reference No.:	
Re:	4 (c) Letter Agreement		

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Please see attached:

Attachment

12/10/2002 4:20 PM (2K)
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FROM WHITE & CASE LLP NY FAX DEPT (TUE)12.10.02 19:15/ST. 19:14/NO. 4864582920 P 1

U.S. Department of Justice

Antitrust Division

Litigation I Section
1401 H Street, NW, Suite 4000
Washington, DC 20530 0001

December 10, 2002

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White & Case
1155 Avenue of the Americas
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2200 Wells Fargo Center
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Re: Proposed Acquisition by UPM-Kymmene Oyj of Morgan Adhesives Co. from Bemis Company, Inc., 60-3225-0001

Dear Ms. Johnston and Mr. French:

On September 17, 2002, UPM-Kymenne Oye ("UPM") and Bemis Company Inc. ("Bemis") filed pre-merger notifications to the Department of Justice ("the Department") and the Federal Trade Commission in connection with Bemis' proposed sale of Morgan Adhesives Company, Inc. to UPM. Item 4(c) of the pre-merger filing instructions required UPM and Bemis to submit "all studies, surveys and reports which were prepared by or for any officer(s) or director(s) . . . for the purpose of evaluating or analyzing the acquisition with respect to market shares, competition, competitors, markets, potential for sales growth or expansion into product or geographic markets. . . ."

UPM and Bemis have advised the Department that their pre-merger notifications omitted certain documents that potentially were required to be produced pursuant to Item 4(c) (hereafter, "the omitted 4(c) documents"). Rather than submitting these documents with their pre-merger notifications, UPM and Bemis did not produce them until the week of November 18, 2002, as part of their responses to requests for additional information and documents ("second requests") issued on October 17, 2002. By the time the Department received the omitted 4(c) documents, the investigation had been under way for several weeks and the second requests had been issued without benefit of the information contained in the documents.

From our review of the documents and the background information provided about them to date, the Department has substantial reason to believe that the documents should have been submitted with the pre-merger notifications pursuant to Item 4(c). Moreover, the omitted 4(c) documents contain highly relevant information and raise substantial issues not disclosed in the pre-

merger notifications, and had they been submitted at the outset, the documents would have substantially assisted the Department's investigation, including the Department's preparation of interrogatory and document specifications in the second requests issued to UPM and Bemis. Not having these documents materially disadvantaged the Department's investigation by precluding the Department from identifying, evaluating, and seeking discovery with respect to potentially critical facts and issues on a timely basis.

The Department has considered asking the FTC Premerger Notification Office to require UPM and Bemis to recertify their pre-merger notifications and include the omitted 4(c) documents, thereby restarting the waiting period. However, UPM and Bemis have requested that the Department consider possible remedies that would not require the parties to recertify their pre-merger notifications. Upon consideration of the available alternatives, the Department will not seek to require UPM and Bemis to recertify the pre-merger notifications or take any other enforcement action with respect to the omitted 4(c) documents if they agree to the conditions set forth below.

A. Agreement to amend and modify the second requests

1. With respect to both UPM's and Bemis' second requests, Definition J, covering the term "relevant product," is replaced in its entirety with the following:

> The term "relevant product" as used herein means, <u>and information shall be provided separately for</u>, the following categories of pressure sensitive labelstock products as defined by the Tag and Label Manufacturers Institute:
>
> (1) Variable information printing (VIP) standard uncoated EDP paper labelstock;
>
> (2) VIP direct thermal paper labelstock;
>
> (3) VIP thermal transfer paper labelstock (including all thermal transfer stock);
>
> (4) VIP laser/copier/ink jet paper labelstock;
>
> (5) Foils (including all laminated and solid foils and metalized paper);
>
> (6) Standard white and tag paper permanent adhesive labelstock;
>
> (7) Standard white and tag paper removable adhesive labelstock;
>
> (8) Color paper labelstock;
>
> (9) Specialty paper labelstock;
>
> (10) VIP film labelstock;

(11) All other film labelstock;

(12) Multipass/piggyback labelstock.

2. With respect to both UPM's and Bemis' second requests, Specification 4 is replaced in its entirety with the following:

State the location of each of the company's facilities that employ coater lines to produce any relevant product, and for each such facility state:

(a) the date of the facility's opening or acquisition, the length of time and cost in dollars required to open the facility from initial plan to full production, and its current estimated replacement cost and time necessary to replace it;

(b) the number of coater lines employed to produce any relevant product at the facility, and for each such coater line, state

(1) the coater line's intended operational speed (in feet per minute), the maximum width of materials produced by it, and the year in which it was manufactured,

(2) for each relevant product produced with that coater line,

(i) the company's production of that relevant product in units and dollar volume,

(ii) the theoretical maximum capacity of that coater line to produce that relevant product (assuming no other product is produced with that coater line), specifying all factors used to calculate each such capacity figure, including the number of shifts per day and days per year of operation,

(iii) the current operational capacity of that coater line to produce that relevant product (assuming the currently prevailing operational product mix), specifying all factors used to calculate each such capacity including the number of shifts per day and days per year of operation,

(iv) the company's current unit variable costs to produce that relevant product at that coater line (assuming current levels of production and product mix), specifying all factors used to calculate such costs;

(c) submit all documents analyzing or discussing the company's costs with respect to the production or distribution of any relevant product produced at that facility.

3. Bemis' second request is amended to include the following Specification 20:

Identify and describe each product produced by UPM (including a description of the product's functional properties and its end-use applications) that the company has used or has considered using in the production of any relevant product, and separately for each such product identified:

(a) identify each person from which the company has purchased the product, and for each such person identified, state the company's purchases of that product from that person, in units (tons, millions of square inches, or other measure most often used by the company in stating such purchases) and dollar volume;

(b) submit all documents discussing the company's purchases of that product and discussing competitors, competition, market shares, competitive conditions, or pricing of any relevant product.

4. UPM's second request is amended to include the following Specification 20:

Identify and describe each product produced by the company (including a description of the product's functional properties and its end-use applications) that has been used in the production of any relevant product and sold to any producer of any relevant product, and separately for each such product identified:

(a) identify each subsidiary or division of the company that produced or sold the product;

(b) identify each producer of a relevant product to which the company has sold the product;

(c) for each producer of a relevant product identified in specification 20.b., state the company's sales of that product to that producer, in units (tons, millions of square inches, or other measure most often used by the company in stating such purchases) and dollar volume;

(d) for each subsidiary or division of the company that produced or sold the product, submit one copy of each organization chart and personnel directory in effect since January 1, 2000;

(e) submit all studies, surveys, analyses, or reports discussing the company's sales of that product to any producer of any relevant product;

(f) submit all documents discussing the company's sales of that product to any producer of any relevant product and discussing competitors, competition, market shares, competitive conditions, or pricing of any relevant product;

(g) submit all documents prepared on or after January 1, 2000, that constitute or contain the company's or any other person's plans relating to that product, including, but not limited to, business plans, short term and long range strategies and objectives, budgets and financial projections, expansion or retrenchment plans, research and development efforts, and presentations to management committees, executive committees, and boards of directors (for regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year to date documents for the current year).

5. UPM agrees that none of the previously discussed limitations on the scope of UPM's search for responsive documents (see the Department's letter of November 14, 2002) apply to its responses to Specification 20. Subject to the Department's review of UPM documents produced in response to Specification 20(d), the Department will consider reasonable proposals by UPM to limit its search for other documents responsive to Specification 20.

B. Agreement on Timing

UPM and Bemis agree that: (1) UPM and Bemis will not close the proposed transaction without first having provided the Department with 20 calendar days written notice of closing; and (2) UPM and Bemis will not give the 20-day notice of closing until 60 calendar days after they are both in compliance with their second requests.

Please signify acceptance of these agreements by signing and dating copies of this letter in the spaces provided below and returning the signed copies to me promptly.

Sincerely,

Wocun Wang

Agreed: _____ dated 12/10/02
Counsel for UPM

Agreed: _____ dated _____
Counsel for Bemis