

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of)

GENCORP INC.,
a corporation.)

File No. 031-0152

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed acquisition by Respondent GenCorp Inc. (“GenCorp”) of certain assets of Atlantic Research Corporation (“ARC”), a subsidiary of Sequa Corporation, and it now appearing that GenCorp (“Proposed Respondent”) is willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”), to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent GenCorp Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at Highway 50 and Aerojet Road, Rancho Cordova, California 95670.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order and Order to Hold Separate and Maintain Assets, both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order or the Order to Hold Separate and Maintain Assets entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.

4. Because there may be interim competitive harm, the Commission may issue its Complaint and an Order to Hold Separate and Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
5. Proposed Respondent shall submit an initial report within thirty (30) days of the date on which it executes this Consent Agreement and every thirty (30) days thereafter until the Decision and Order becomes final, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, signed by the Proposed Respondent and setting forth in detail the manner in which the Proposed Respondent has to date complied or has prepared to comply, is complying, and will comply with the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
6. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the Complaint contemplated hereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its Complaint (in such form as the circumstances may require), and issue its Decision and Order, in disposition of the proceeding.
7. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.
8. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (1) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (2) issue and serve its Order to Hold Separate and Maintain Assets, and (3) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent, issue the attached Decision and Order containing an order to divest in disposition of the proceeding. When final, the Decision and Order and Order to Hold Separate and Maintain Assets shall have the same force and effect, and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and Order to Hold Separate and Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and Order to Hold Separate and Maintain Assets to Proposed Respondent by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4.(a), shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. The Complaint may be used in construing the terms of the Decision and Order and Order to Hold Separate and Maintain

Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, Order to Hold Separate and Maintain Assets, or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order and Order to Hold Separate and Maintain Assets.

9. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order and Order to Hold Separate and Maintain Assets (including effectuating all required divestitures, assignments, and transfers and obtaining all necessary approvals from third parties to effectuate the divestitures, assignments and transfers), and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to this Consent Agreement and are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the Decision and Order.
10. Proposed Respondent has read the draft of the Complaint, Decision and Order, and Order to Hold Separate and Maintain Assets contemplated hereby. Proposed Respondent understands that once the Decision and Order and Order to Hold Separate and Maintain Assets have been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order and Order to Hold Separate and Maintain Assets. Proposed Respondent agrees to comply with the proposed Decision and Order and Order to Hold Separate and Maintain Assets from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and Order to Hold Separate and Maintain Assets after they become final.

GENCORP INC.

FEDERAL TRADE COMMISSION

By: _____
Terry L. Hall
President and Chief Executive Officer
GenCorp Inc.

Dated: September ____, 2003

Tom D. Smith, Esq.
Mia F. Cohen, Esq.
Jones Day
Counsel for GenCorp Inc.

Dated: September ____, 2003

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