



28/01/2009

### **Press Release**

The Hellenic Competition Committee issued the 428/V/2009 decision regarding the complaint of Sarlis Container Lines et.al. against PPA SA and MSC for alleged restriction of competition as a result of their contract for transshipment cargo.

According to the decision:

- The accusation of cross subsidy (as a result of differences in the applicable tariffs) is unanimously discharged.
- The accusation of abuse of dominant position and discriminatory pricing is also discharged by majority (with 8 votes for and 3 against).
- It is unanimously decided that there was no intention of the contracting parties to restrict competition, accepting the contract between PPA SA and MSC and the right of PPA to enter into similar contracts.
- It accepts, with a marginal majority of 6 votes for and 5 against, that the contract restricted competition in the way it operated within the period of 2<sup>nd</sup> semester 2002 until the end of 2004. The decision explicitly accepts however that since 2005 onwards the circumstances have significantly improved.
- A fine of €1.280.197,43 is imposed to PPA corresponding to 1.5% of its revenue from local cargo handling for the aforementioned 2002-2004 period. A similar fine of €1.283.871,27 is imposed to MSC for the same period, recognizing responsibility to a lesser degree.

PPA SA Management feels vindicated for its release with an overwhelming majority from the abuse of dominant position allegation as well as the one for cross subsidy and for all matters and allegations that were dismissed during the hearing procedure through data submitted, as it was expected from the beginning of the process and we had stated in all our releases.

We feel totally vindicated for the dismissal of charges in relation with the vertical agreement in the sense that the Commission accepted that there was no intention on the contracted parties.

Regarding the charges for the period between 1/7/2002-31/12/2004 with the thin majority of one and after taking into consideration that the Committee accepts that from 2005 on the problems were cured, we feel that the majority of the Commission failed to evaluate the benefits for PPA arising out of the contract, as the strong minority accepted, i.e. that the contract foresees

- Minimum cargo volume
- Fixed regular vessel calls
- Long term commitment
- Guaranteed productivity

Base on the above, the business rational of the contract was and still is indisputable. After all, as the minority states in the decision, the failure of PPA side of competitive terms would constitute discriminatory and unfair treatment of MSC.

The conviction of MSC is totally unfounded and is totally refuted as the Committee accepts that after 2005 following remedial action by PPA the “problems” were cured and thus PPA

could take action beforehand and therefore it is the latter in default for the period of conviction.

PPA SA Management believes that the fine imposed, although one of the lowest in the history of the Committee hurts the image and good name of the Company and it will utterly be acquitted from the Courts where a relevant appeal will be filed.

CEO PPA .SA

N. Anastassopoulos