



HELLENIC REPUBLIC
HELLENIC COMPETITION COMMISSION

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PRESS RELEASE

Decision approving the acquisition of BP Hellas by Hellenic Petroleum, subject to conditions in the retail markets for petrol and diesel in the prefectures of Heraklion, Rethymno, Lasithi, Chania, Dodecanese and Lesbos

On 10.7.2009, Hellenic Petroleum notified to the Directorate General for Competition of the Hellenic Competition Commission its proposed share purchase of BP Hellas SA Oil Trading. Upon completion of the conditions envisaged in the share purchase agreement, Hellenic Petroleum will acquire direct and sole control of BP Hellas pursuant to Article 4 paragraph 2b of Law 207/77 (as amended). The acquisition includes the entire network of BP in Greece which accounts for approx. 1,200 service stations, storage facilities throughout Greece, as well as the channel for commercial and industrial customers.

On 5.8.2009, the Competition Commission initiated Phase II proceedings on the basis that the concentration raised serious doubts as to its compatibility with effective competition in certain affected markets. In particular, the investigation focused on the retail markets for petrol and diesel in certain prefectures of Greece, where the new entity would obtain considerably high market shares (notably islands of Greece exhibiting particular market characteristics, such as Crete, Dodecanese and Lesbos), as well as on issues of access of third parties to the storage facilities of Hellenic Petroleum. The potential impact of the concentration in the wholesale trade markets for petrol and diesel was also examined.

Based on the evidence gathered during the course of the investigation, the Competition Commission concluded that the notified transaction could potentially impede effective competition through the creation of a dominant position in certain relevant retail markets for petrol and diesel, thus putting forward the need to take corrective measures as a condition for approving the concentration. Hellenic Petroleum subsequently submitted commitments pursuant to Article 4d of Law 703/77 with a view to rendering the concentration compatible with effective competition.

By decision dated 20.10.2009, the Competition Commission approved the notified concentration, while attaching conditions intended to ensure that the undertakings concerned comply with the commitments they have entered into vis-à-vis the Commission. In particular:

1. As regards the retail markets for petrol and diesel in the prefectures of Heraklion, Rethymno, Lasithi, Chania, Dodecanese and Lesbos, Hellenic

Petroleum should free from its network a number of service stations, equivalent to a reduction of volume sales and ensuing reduction of market share below 55% (a condition which essentially corresponds to the release of approx. 94 service stations in the relevant geographic areas, based on the average volumes sold by service station and prefecture in 2008).

2. It is further envisaged that the process, which remains subject to the approval of the Hellenic Competition Commission, must be completed within a few-months period, so that the reformation of the relevant markets takes place prior to the upcoming summer season. Hellenic Petroleum cannot re-acquire the released service stations for a period of six (6) years thereafter.
3. Hellenic Petroleum further commits to grant access to third parties to its storage facilities/depots in Crete, under fair and non-discriminatory terms, thereby ensuring the proper functioning of the relevant markets under conditions of effective competition.

The Hellenic Competition Commission will continue to monitor the implementation of the measures it proposed with Decision No. 418/V/2008 (sector inquiry proposing measures in the various markets for the refining, wholesale trade and retail sale of petroleum products), with a view to promoting effective competition and protecting the interests of consumers. Furthermore, the Commission will be cooperating with the Regulatory Authority for Energy (RAE) in the context of the latter's powers to regulate access of third parties to storage depots for petroleum products, as well as with the newly-established Committee for Monitoring the Petroleum Markets.