

Press release

11th July 2011

Kansai appeals divestiture condition only

Kansai has requested the Competition Tribunal (“the Tribunal”) to consider the divestiture condition imposed by the Competition Commission (“the Commission”). Although the terminology used in the Competition Act is a “request for consideration”, in essence, the process is similar to an appeal. Kansai’s appeal will be limited to the divestiture condition only and does not affect any of the public interest conditions.

With respect to the divestiture condition, Kansai’s view is that the basis upon which the Commission imposed this structural remedy was flawed, and failed to appreciate the underlying characteristics of the automotive coatings market.

Kansai believes that the implementation of the divestiture condition may have a negative impact on the broader business of Freeworld and its wider stakeholders. Accordingly, Kansai believes that it is in the best interests of all relevant parties that the divestiture condition be appealed.

Kansai has also applied for interim relief to suspend the operation of the divestiture condition pending the outcome of the appeal. If the interim relief is granted, no further steps will be taken by Freeworld to divest of its automotive coatings business until the outcome of the appeal is known, a process that is anticipated to take 3 to 5 months to complete.

Freeworld will make periodic announcements to update the market on the progress of the appeal, as and when appropriate.

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