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## **COMP/M.5445 - MYTILINEOS / MOTOR OIL / CORINTHOS POWER**

### **SECTION 1.2**

#### **Description of the concentration**

The notification concerns the proposed acquisition of **joint control** of **Corinthos Power S.A. (hereinafter, Corinthos Power)** by the **Mytilineos group** (hereinafter, **MYTILINEOS**) and **MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.** (hereinafter, **MOH**).

**MYTILINEOS** is one of the largest diversified industrial groups in Southeastern Europe. It consists of companies engaging in various fields such as: metallurgy and mining, EPC (engineering, procurement and construction) projects, energy, defense vehicle manufacturing. **MYTILINEOS HOLDINGS S.A.**, a company incorporated under the laws of Greece, is the ultimate holding company (parent) of the group.

**MOH**, a company incorporated under the laws of Greece, is active (itself or via its subsidiaries) in the following sectors: a) petroleum refining, where it owns Greece's second-largest refinery, b) non-retail and retail sales of petroleum products (gasoline, diesel, jet fuel, fuel oil, lubricants and LPG).

**Corinthos Power** is a company incorporated under the laws of Greece. The company holds an installation license for the development of a gas fired power plant of 395.9MW capacity, on a specified part of the same plot of land, where the refinery of MOH is located. The said license has not yet been used. Therefore, the company is present – though not yet active – on the market for generation and wholesale supply of electricity.

Currently MOH owns 100% of the total shares and voting rights in Corinthos Power.

Pursuant to a joint venture agreement dated 3/11/2008 between MYTILINEOS and MOH, “**ARGYRITIS GH AVEE**”, a special purpose vehicle wholly owned by the Mytilineos group, will acquire a 65% stake in Corinthos Power through a share capital increase, with MOH retaining a 35% stake. Corinthos Power will be jointly controlled by MYTILINEOS and MOH due to certain veto rights that MOH shall exercise.

The purpose of the agreement is the construction, operation and exploitation through Corinthos Power of a 395.9MW combined cycle, natural gas fired power station within the MOH facilities in Ag. Theodori, Corinthia.

At a second stage all shares of Mytilineos in Corinthos Power may be transferred to Endesa Hellas, yet the exact timeline for this subsequent change of control is not foreseen. Endesa Hellas S.A. is a Greek company in which Mytilineos owns 49,99% of the total shares (Endesa S.A controls the remaining 50,1% of the shares).

**Relevant product and geographic market:** The proposed concentration mainly concerns the market for the generation and wholesale supply of electricity, since this is the business field of the Corinthos Power plant. From a geographical perspective, the Commission has consistently considered generation/wholesale supply of electricity markets to be national in scope.

The present transaction does not create any competition law concerns in Greece, in the Community or in any other geographic market.