

Claim No. HQ08X03773

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION

BETWEEN:

HALYVOURGIKI INC.

Claimant

- and -

CITIGROUP GLOBAL MARKETS LIMITED

Defendant

STATEMENT IN OPEN COURT

SOLICITOR FOR THE CLAIMANT

May it please your Lordship, in this matter I appear on behalf of the Claimant and my learned friend appears on behalf of the Defendant.

The Claimant, Halyvourgiki Inc., is a steel manufacturing company, based in Greece. It is one of the three manufacturers in the Greek steel market.


The Defendant is a financial services company. It provides a range of services to customers around the world, including the preparation and distribution of reports containing economic and market research and analysis, and product-specific or company-specific equity research and analysis.

In October 2007, the Defendant published a research report entitled "Sidenor and Corinth Pipeworks", which focussed on the financial performance of Sidenor, one of the other manufacturers in the Greek steel market. The Report contained inaccurate data concerning the Claimant.

The Defendant joins with the Claimant in making this Statement in Open Court.

SOLICITOR FOR THE DEFENDANT

My Lord, on behalf of the Defendant in this action, I accept what my learned friend has said. Through me the Defendant accepts that the Report contained some inaccurate data concerning the Claimant, who was not contacted for verification purposes prior to the publication of the Report. The Report was inaccurate in the following ways:



- The Defendant understated the Claimant's turnover figures for 2005 and 2006; stating that the Claimant's turnover was 116.9m Euros for 2005 and 159.1m Euros for 2006 when in fact its turnover (according to its publically available audited financial statements for those years) was 154.2m Euros and 217.2m Euros respectively;
- The Defendant consequently underestimated the Claimant's share of the Greek domestic steel market for 2005 and 2006 and overestimated the market share of its principal competitors Sidenor and Halyvourgia Ellados. The Defendants stated that the Claimant's market share amounted to 13.9% for 2005 and 14% for 2006, whereas, had the Defendant applied a more appropriate methodology and used publically available data (including published financial statements, data from the Hellenic National Statistical Service) the Defendant could reasonably have reached the conclusion that the Claimant's share of the domestic steel market for those years was at least 19.7% and 20.1% respectively;
- The Defendant estimated that the Claimant's share of the market for 2007 would decrease from 14% in 2006 to 11.1% in 2007 and would continue to decrease. In fact, had the Defendant assessed the Claimant's market share and applied a more appropriate methodology (referred to above), and in view of the Claimant's increased production capacity (referred to below), it would have been a reasonable assumption that market share would increase. Analysis of the same type of publically available data from the same sources that were available at the time, could reasonably have resulted in the estimate that the Claimant's share of the Greek domestic steel market would grow significantly in 2007 (as it in fact did) and would probably increase further following the Claimant's capacity investment completed in November 2006;
- The Defendant stated that the Claimant "may" be investing in its production capacity over the next few years after 2007. The Defendant accepts that readers of the Report could have understood that to mean that there was some uncertainty surrounding the Claimant's investment. In fact, prior to the publication of the Report, it was publically available information that the Claimant had already doubled its production capacity from its previous 2006 levels.

The Defendant regrets these inaccuracies and unreservedly apologises to the Claimant. The Defendant is pleased to be able to set the record straight, and has paid the Claimant a sum in respect of damages and its legal costs.

CLAIMANT'S SOLICITOR

My Lord, it only remains for me to ask for leave that the record be withdrawn.

Barlow Lyde & Gilbert LLP

Barlow Lyde & Gilbert LLP
Solicitors to the Claimant

Benjamin Beabey
Benjamin Beabey
Farrer & Co
Solicitors for the
Defendant