



## **TIMTECH CHEMICALS LIMITED**

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# Media Release

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**FOR IMMEDIATE RELEASE**

## **CARTEL FINED \$5.5M - VICTIMS GET NOTHING**

AUCKLAND, 6 OCTOBER 2006, 17H00: The Commerce Commission today announced that Osmose New Zealand, Osmose Australia and two Australian-based executives pleaded guilty to bid rigging, price fixing and attempting to eliminate a new competitor, TimTech Chemicals, from the wood preservative chemicals market.

The Osmose companies were fined \$1.075m for price-fixing conduct, \$725,000 for the attempted exclusion of TimTech and costs of \$100,000.

Former Osmose general manager, Mark Greenacre was fined \$65,000 for price-fixing conduct, \$35,000 for exclusionary conduct and costs of \$5000. The highest penalty ever imposed in New Zealand on an individual cartel member. Former Koppers Arch managing director, Colin Newell was fined \$20,000 + \$5,000 costs.

In April this year The High Court imposed record penalties of \$3.6m on Koppers Arch Wood Protection (NZ) Limited and its Australian parent company, Koppers Arch Investments Pty Limited, after the companies admitted participating in a cartel with in the wood preservative chemicals industry.

“The Commerce Commission has done a good job, but it is very disappointing that despite the record fines totalling \$5.5m to date, the victims of this illegal cartel get nothing” says TimTech Managing Director, Ron Eddy.

“The Koppers - Osmose cartel’s illegal gains came at the expense of their timber treating customers who were paying artificially high prices for several years because of the bid rigging and price fixing. These customers get nothing”.

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“TimTech Chemicals suffered huge financial losses because Koppers & Osrose had an ‘overarching agreement’ to eliminate us from Australasia. We get nothing” says Mr Eddy.

The Koppers Arch & Osrose companies admitted breaching the Commerce Act by reaching agreements and putting them into effect. They admitted agreeing to:

- share pricing information;
- simultaneously raise prices;
- not compete on price;
- not compete for each other’s customers;
- attempt to exclude a new entrant, TimTech Chemicals Ltd, from the market; and
- attempt to eliminate TimTech from the market once it had entered.

TimTech Chemicals will shortly be filing claims for damages in the High Court against the Koppers & Osrose companies.

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