

### **Activities of KPPU's Regional Representatives Office in Medan**

The Commission for the Supervision of Business Competition [KPPU], through its Regional Representatives Office in Medan, organized a discussion with representatives of Lafarge, a world major cement producer which has its base in France, and which is also a majority shareholder in PT. Semen Andalas Indonesia. The discussion was conducted on Thursday, 23 October 2009 and took place at the 'meeting room' of KPPU's Regional Representatives Office in Medan. This discussion was prompted by the policy of Cement Monitoring conducted by KPPU's Regional Representatives Office in Medan. Participating during the discussion were Mr. Ahmad Ramadhan Siregar, KPPU's Commissioner, and Mr. Verry Iskandar, Chief of KPPU's Regional Representatives Office in Medan. Lafarge was represented by Mr. Mauricio Alvarez, Senior Legal Counsel, whom was planked by Mr. Aulia Zefriansyah from PT. Semen Andalas Indonesia.

During the occasion, KPPU delivered some enlightenment regarding KPPU establishment and its main tasks and functions in the implementation of Indonesia's Antitrust Law No. 5 of 1999. KPPU also informed audience on the monitoring activities relating to the alleged cartel practice within Indonesia's cement industry.

In other opportunity, Lafarge's representatives illustrated the extent of the Company's worldwide operation currently existing in 79 countries, employing as many as 84,000 people, and in some 2,200 industrial centers throughout the world. Lafarge's annual turnover stays at EU 19 trillion, with the current income at EU 3.5 trillion. The representatives then explained about its Lafarge Competition Compliance Program, a program which was designed by its Executive Committee and was put into practice in all Lafarge's business units worldwide. This program was meant to anticipate problems surrounding unfair business competition as well as business competition laws prevailing in countries in which it operate. Therefore, Lafarge has made available a business competition manual for all its business units therein specifying the Do's and the Don'ts within the laws prevailing in each of the countries in which they operate. In the implementation of this program, Lafarge organized various kinds of training for all its personnel in order for them to be conversant with the Competition Compliance Program. In Indonesia, Lafarge first opened its business unit back in 1980, i.e. PT Semen Andalas Indonesia, with factories located in Aceh. In December 2004, the factories of PT Semen

Andalas Indonesia were severely affected by the great tsunami rendering it inability to produce. Therefore, currently, PT Semen Andalas Indonesia has only been importing cements from Lafarge's business unit in Langkawi, Malaysia. As regards Indonesia's Antitrust Law, PT Semen Andalas Indonesia will submit to the law.

In response to Lafarge's description, KPPU conveyed its sincere appreciation particularly with the Competition Compliance Program which has been put into practice by Lafarge. KPPU further encouraged Lafarge to remain consistent with its fair business competition practice in line with the spirit of Indonesia's Law No. 5 of 1999. The discussion was closed with the delivery of some handouts, in the form of organizational profile of KPPU, to Lafarge's representatives.

Medan, 22 October 2009