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FINAL PUSH IN FERRY BATTLE

Grimaldi Group managing director Emanuele Grimaldi says he is getting closer to a majority stake in Hellenic Seaways. Page 16

PASSENGERSHIPS

Grimaldi confident of quick end to bitter HSW takeover

Italian company closing in on control of Greece's biggest ferry operator

Harry Papachristou Valletta

Ferry major Grimaldi is closing in on a majority stake in Hellenic Seaways (HSW) as a bitter battle over the future of Greece's biggest ferry operator enters the final straight.

"We are buying every day. Every day we are increasing our stake," Grimaldi Group managing director Emanuele Grimaldi told TradeWinds on the sidelines of the Malta Maritime Summit in Valletta this week.

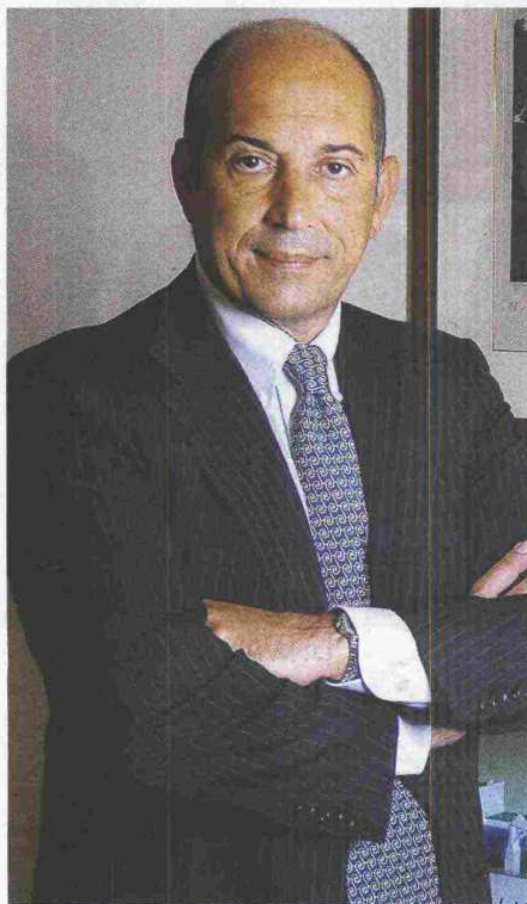
The Italian group is less than 2% short of a 51% majority in HSW. It may achieve that goal very soon, Grimaldi said, possibly even before Piraeus Bank, HSW's other major shareholder, offloads its stake in a planned public tender. "I would say that there is definitely a distinct possibility [for that]," he told TradeWinds.

The Italian owner has been locked in an acrimonious row over who will call the shots at HSW for eight months, facing off against an alliance between HSW's Greek management, Piraeus Bank and other minority shareholders.

Grimaldi has been making a slow, steady advance in that struggle. Since launching a public offer to minority shareholders in February, the Italians increased their HSW stake from 33% to 48%. It successively raised its offer from EUR 1.5 (\$1.68) per share to an eye-watering EUR 4 per share in the process. This values the company at more than EUR 300m.

The last piece in Grimaldi's conquest seemed to be finally falling into place last month, when Piraeus Bank announced after two years of dithering that it would finally sell its 40.4% stake en bloc to the highest bidder. Piraeus Bank, one of four Greek banks that had to be bailed out with European taxpayers' money, has already hired advisors to help it carry out the transaction.

Grimaldi confirmed he would take part in the Piraeus tender. "We have already demonstrated



'FINAL STRAIGHT': Emanuele Grimaldi in battle for HSW. Photo: GRIMALDI GROUP

our interest for the purchase of the Piraeus Bank shares," he told TradeWinds. However, he made it clear he would not pay anywhere near EUR 4 per share, except for the tiny remaining slice of ownership that will get him above the 50% threshold.

Any shares beyond that he

would only buy at a price reflecting HSW's real value, Grimaldi said, specifying that book value is not more than EUR 1 per share.

This is even more starkly presented in Grimaldi Lines' latest quarterly newsletter, published last week. "The Group is determined to finish the job we have

started [at HSW]," said an unsigned editorial. "We will participate in the [Piraeus Bank] tender... but we will pay a price we consider reasonable."

Distrust of Piraeus Bank runs deep at Grimaldi after the Greek bank allied itself with HSW management in an annual shareholder meeting this year to eject Grimaldi confidantes from HSW's board. The Italians have already filed lawsuits with Greek courts to challenge that meeting's result and are alleging that foul play was involved.

Grimaldi Group also launched a scathing attack on HSW's management board. "[They are] using every trick in the book to prevent us from crossing the 50% share ownership threshold... key executives [of HSW] are entangled in conflicts of interest and have concluded questionable deals, including, for example, the payment of abnormally high brokerage commissions," the newsletter said.

TradeWinds asked HSW management to comment on these statements but did not receive a response by the time of writing.

Emanuele Grimaldi said he wanted full control of HSW because it did not make sense for his company to remain a minority shareholder. "Why should we not be in control of a company where we are one of the biggest shareholders?"

Grimaldi already manages HSW rival Minoan Lines and plans synergies between them that he expects to benefit both companies. Encouraging the HSW shareholders who are holding out to accept his offer, he urged them to look at Finnish operator Finnlines, in which he recently bought out the last remaining shares he did not already own.

"Before buying the entire company in Finland, the value of the shares was EUR 3 [a share]," he said. "When I finished and we bought the shares last year, the value of the company was EUR 17 per share."



GRIMALDI GROUP

Luminaries put Malta on map at maritime forum

Harry Papachristou **Valletta**

It was about time that Malta — Europe's biggest and most quickly expanding flag — got its own slot on the international shipping calendar.

This week, nearly 200 top policy-makers, shipowners, lawyers and consultants gathered in the Mediterranean island's capital city, Valletta, to discuss latest developments, trends and problems in the industry.

Luminaries attending included International Maritime Organization secretary-general Kitack Lim and the shipping ministers from Greece, Cyprus and Malta, who used the opportunity for a behind-closed-doors meeting to co-ordinate strategy (see story, page 15).

Among the shipping heavyweights present were Turkey's Robert Yuksel Yildirim, George Procopiou of Greece's Dynacom and Italy's **Emanuele Grimaldi**.

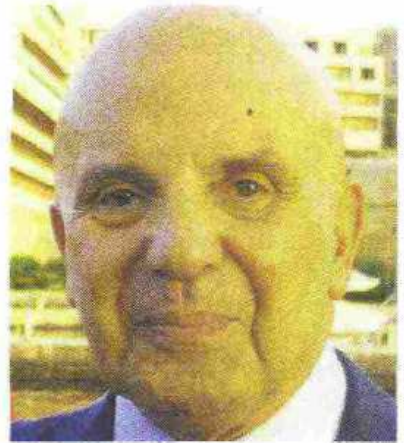
Malta's mighty fortress provided an impressive background to a versatile programme of parallel events that included a small art exhibition of seascape paintings.

The opening reception saw delegates gather at the Upper Barrakka Gardens, a part of the city's bastion offering spectacular, panoramic views of the Grand Harbour and docks.

Delegates had ample time to network before a boat ride around the fortress, which saw policy-makers and shipowners rub shoulders over a glass of champagne under the city's walls.



IN TOWN: Professor David Attard (above), Judge at the International Tribunal for the Law of the Sea, and Maltese shipping doyen John A Gauci-Maistre.



POWER MEN: Joe Mizzi (left), Malta's minister of transport and infrastructure, and **Grimaldi** Group managing director **Emanuele Grimaldi**.