



Press Release

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AIR FRANCE –KLM SETTLES ITS US AIR CARGO CARTEL CLAIMS FOR \$87M BUT OFFERS ITS EUROPEAN INDIRECT PURCHASER VICTIMS NOTHING

Hausfeld & Co LLP and Claims Funding International plc (“CFI”) both express dismay at Air France-KLM compensating freight forwarders for the effects of the air cargo cartel whilst offering their European indirect shipper victims nothing.

Class Counsel in the United States, including international claimant law firm Hausfeld LLP (“Hausfeld”), has today announced an air cargo price-fixing settlement agreement with Société Air France – Air France, Koninklijke Luchtvaart Maatschappij N.V. – KLM -, and Martinair Holland N.V.

The airlines have agreed to pay an \$87 million settlement to a class of direct purchasers of airfreight services in respect of liability under United States law for their acknowledged part in an air cargo cartel that breached competition laws around the world but have refused to offer their European indirect purchaser victims any compensation. Airlines have already admitted to conspiring with competitors in order to fix fuel surcharges for air freight shipping services.

The claims arise out of a global cartel in international air freight services which is believed to have occurred between January 2000 and late 2006. Both Air France-KLM and Martinair have pleaded guilty to price fixing to regulatory authorities in the US, Australia and Canada and were recently fined by the regulatory authority in South Korea. Substantial fines have been paid by both airlines and a Martinair executive, Frank de Jong, has been sentenced to serve 8 months in prison.

Under today’s US settlement, Air France-KLM has agreed to pay money exclusively to direct purchasers (such as freight forwarders) but has refused to compensate the many

indirect purchasers of air freight services, including those in Europe, who have also suffered losses as a result of the cartel.

Commenting on the settlement, Michael Hausfeld of Hausfeld LLP, one of the co-lead counsel in the US case and who has been appointed the co-lead counsel principally responsible for foreign law claims, said:

*“This is an important settlement and a major step forward for Air France and KLM toward paying damages for their admitted price-fixing conduct. We now look forward to seeking appropriate redress for the indirect shippers who also suffered substantial unlawful overcharges as a result of the cartel.”*

CFI has signed a large group of European claimants who spent more than €3.35b on international air freight during the cartel period. CFI’s Managing Director Peter Koutsoukis, said:-

*“It is regrettable that one of Europe’s great airlines would decide to pay damages to their US customers but offer nothing to European based customers. European cartel victims have remained silent for too long but now they are standing up in large numbers and demanding their right to redress”*

Today’s settlement follows on from an \$85m price-fixing settlement secured in 2006 by US Class Counsel with German flag carrier Lufthansa on behalf of purchasers of air freight shipping services to, from and within the US. In this settlement Lufthansa did offer compensation to indirect purchasers of air freight.

Between them Hausfeld and CFI separately represent some US\$5 to 6 billion of combined air cargo traffic purchased by shippers in the cartel period located on multiple continents, including several among the Fortune Global 500 and Forbes Global 2000, as well as both the Business Week and Interbrand 100 Best Global Brand. These companies have claims for compensation in Europe resulting from the loss they suffered as a result of the actions of the cartel.

Hausfeld & CFI have signed a formal co-operation agreement to co-ordinate the pursuit of claims for shippers within the EU.

Accordingly, Hausfeld and CFI have today written a demand letter to Air France-KLM demanding compensation for European victims of the cartel and CFI are set to institute proceedings in the Netherlands against Air France-KLM imminently.

British Airways plc already faces an action brought by flower importers and a growing group of other shippers in the English High Court by Hausfeld & Co LLP. Other shipper actions are pending in Australia, Canada, New Zealand and South Korea.

The European Commission has still not delivered a decision on the cartel despite having investigated it since December 2007.

Further information can be viewed at [www.aircargoclaims.eu](http://www.aircargoclaims.eu). or at <http://www.claimsfunding.eu>

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## NOTES TO EDITORS

### About Hausfeld & Co LLP and Hausfeld LLP

Hausfeld & Co LLP, led by industry doyen Michael Hausfeld, is widely recognised as one of the leading and best-known claimant law firms in the world. It is at the forefront of numerous innovative legal actions that are expanding the quality and availability of legal recourse for aggrieved individuals and businesses around the world.

The partners of Hausfeld LLP have obtained numerous landmark judgments and settlements for individuals and businesses, and have been champions for the private enforcement of competition and antitrust laws globally for almost four decades. For further information please visit: [www.hausfeldllp.com](http://www.hausfeldllp.com)

### About Claims Funding International

Claims Funding International plc is a litigation funder specialising in multi party claims for the victims of corporate wrongdoing. It pays all the costs and assumes all the risk of the litigation in return for a commission, only if successful. Please visit [www.claimsfunding.eu](http://www.claimsfunding.eu)

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