PRESS RELEASE

The Government of Djibouti announces the nationalization of the shares held by Port of Djibouti, S.A. in Doraleh Container Terminal

Republic of Djibouti, September 10 2018 - On 22 February 2018, the State of Djibouti terminated the concession for the Doraleh container terminal, granted in 2006 to Doraleh Container Terminal (DCT), a company controlled de facto by the minority shareholder, DP World (33.33%). The implementation of this concession contract was severely prejudicial to the fundamental interests of the Republic of Djibouti, to the development of the country and to the control of its most strategic infrastructure asset.

Taking into account the early termination of the concession contract, Port de Djibouti SA (PDSA), which is the majority shareholder in DCT (66,66%), terminated the shareholders agreement (joint venture) entered into with DP World on 27 July 2018.

This shareholders agreement had granted all powers to the minority shareholder and transformed the majority shareholder into a mere observer. The termination was made in the strictest compliance with Djiboutian law, which governs the joint venture and the statutes of DCT.

In practice, DCT has been operated, through the shareholders agreement, for the sole purpose of serving DP Word's interests. DP World Group is involved in a judicial and media guerrilla warfare against the Republic of Djibouti, in an attempt to come back to Doraleh at any cost.

In a press release dated 5 September 2018, DP World stated that the High Court of England and Wales had enforced the shareholders' agreement and prohibited PDSA from dismissing the directors of DCT.

This decision was obtained by DP World without PDSA having been warned beforehand of the commencement of this legal procedure and without any adversarial debate taking place.

DP World's press release does not emphasise, though, that the decision of the English Court is merely a provisional measure which is neither final nor res judicata and is therefore not conclusive.

Following the Order of the President of the Republic dated 9 September 2018, the Republic of Djibouti, has decided to nationalize with immediate effect all the shares and corporate rights of PDSA in the DCT company to protect the fundamental interests of the Nation and the legitimate interests of its partners, and to ensure that the situation of the DCT company – which is no longer in charge of the Doraleh container terminal since the contract termination – aligns with reality.

The representatives of the State in the governing bodies of the company will be appointed by decree.

DP World will therefore have the State of Djibouti as a single interlocutor for all the discussions regarding the consequences of the concession contract termination.

PDSA, for its part, intends to assert its rights before the competent jurisdictions and will demonstrate that the decision to terminate the shareholders' agreement taken before the nationalization of its shareholding was legitimate and justified in law and in fact.

Once again, the Republic of Djibouti clearly reaffirms that the DCT company cannot under any circumstances "come back" under the control of DP World.

The concession contract was terminated, the concession staff and assets were transferred to a public company specifically created to manage this infrastructure: SGTD (Société de Gestion du Terminal de Doraleh). SGTD, whose sole shareholder is the State of Djibouti, has successfully taken over the operations of the Doraleh container terminal.

DP World's "strategy", which consists in trying to oppose the will of a sovereign state, is both unrealistic and destined to fail.

In any case, the proliferation of legal procedures, the "fake news" campaigns, the intimidation attempts against Djibouti or its strategic and commercial partners will have no effect. That is why a fair compensation outcome is the only possible option for DP World, in line with the principles of international law.

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