

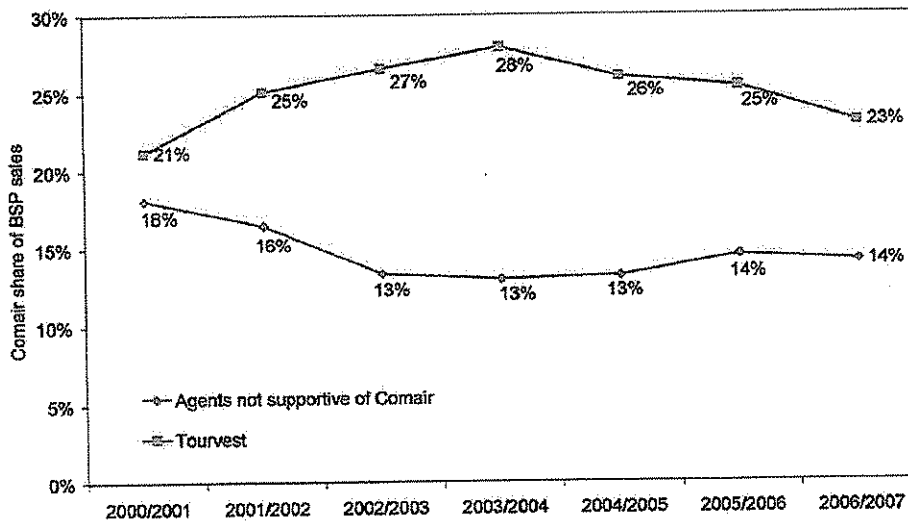
<b>ANNEXURE 1</b>		
<b>Item no.</b>	<b>Date</b>	<b>Event</b>
1	Circa 1994	SAA starts implementation of override schemes with local travel agents
2	In 1997	SAA forms strategic alliance with SA Airlink ('SAL') and SA Express ('SAX')
3	14 July 1999	European Commission issues decision in case of Virgin Atlantic Airways v. British Airways finding BA's override agreements with UK travel agents to be an abuse of dominance in contravention of Article 82 of the European Community Treaty (Commission Decision 2000/74/EC) (a decision later upheld on appeal before the European Court of First Instance (case T-219/99) and on further appeal by the European Court of Appeal (Case C-95/04/P, [2007] ECR I 2331))
4	13 October 2000	Companies in the Nationwide Group lodge first complaint with Commission (concerning allegations that SAA, together with SA Airlink and SA Express, abused its dominant position by entering into override agreements with travel agents as well as their consultants and employees, which had an exclusionary effects, and that these agreements created very strong incentives for travel agents to reach particular targets for growth in sales of SAA, SAX and SAL tickets, consequently acting as a barrier to entry into and expansion within the market, and further that these incentive schemes constituted a contravention of section 8(d)(i), alternatively 8(c) of the Act) (based on SAA's 1st G agreement)
5	April 2001	SAA introduces new series of agreements with travel agents, ending Explorer scheme and introducing TRUST ('trust') payments ( based on SAA's 2nd G agreement)
6	01 August 2001	Comair launches Kulula as low-cost carrier in South African passenger air transportation market
7	18 May 2001	Commission refers Nationwide's first complaint to Tribunal
8	12 October 2003	Comair lodges complaint with Commission (concerning allegation that SAA paid loyalty based incentives which induced travel agents to book passengers on SAA rather than on competing airlines such as Comair, irrespective of Comair's competitiveness on price and service) (based on SAA's 3rd G agreement)
9	In 2004	One-Time owned by One-Time Holdings launches low-cost carrier in South African passenger air transportation market
10	12 October 2004	Commission refers Comair's complaint to Tribunal
11	30 April 2004	Tribunal issues decision refusing application by SAA for consolidation of Nationwide's first complaint and Comair's complaint, and granting stay of proceedings (case no. 18/CR/Mar01)
12	27 September 2004	CAC issues order dismissing appeal by SAA against Tribunal's decision in consolidation and stay application (CAC case no 42/CAC/May04)
13	Nov/Dec 2004	Tribunal holds hearing on Nationwide's first complaint
	May 2005	SAA lodges two objections <i>in limine</i> to the Comair complaint (the objections being contained in an affidavit by AN Viljoen lodged as SAA's answering evidence in the complaint by Comair)
14	28 July 2005	Tribunal issues decision in case concerning Nationwide's first complaint, finding an abuse of dominance amounting to a contravention of the Act has occurred, and imposing penalty of R45m on SAA (case no. 18/CR/Mar01)

15	01 December 2005	Appeal lodged by SAA in CAC against Tribunal's decision of 28 July 2005, and cross-appeal by Commission, are withdrawn following confirmation by Tribunal of settlement agreement
16	06 April 2006	Tribunal issues decision authorising Nationwide to intervene in Comair's complaint
17	22 May 2006	Nationwide files second complaint with Commission (in this complaint Nationwide alleged that SAA's anti-competitive conduct was ongoing beyond 2001 and asked that SAA's override agreements after 2001 be declared a prohibited practice in terms of section 8(d)(i))
18	24 May 2006	Commission and SAA conclude agreement settling Commission-referred case based on Comair's complaint. SAA undertakes to pay R15m penalty payment without admission of liability. SAA undertakes that no agreements with local travel agents containing provisions held to be anticompetitive are in force and undertakes to refrain from re-introducing similar provisions. SAA undertakes to carry out internal compliance programme compiled with assistance from Commission.
19	25 May 2006	Tribunal issues order permitting Nationwide to intervene in Comair's complaint
20	08 June 2006	Nationwide (as intervening complainant) lodges its particulars of claim in the Comair complaint
21	01 July 2006	Nationwide starts civil action in High Court against SAA for damages following Tribunal's finding of contravention by SAA of Competition Act. This case subsequently settled.
22	04 December 2006	Tribunal issues decision conforming settlement agreement between Commission and SAA, rejecting objections to it by Comair and Nationwide (case no. 83/CR/Oct04)
23	20 September 2006	Commission issues notice of non-referral of Nationwide's second complaint
24	21 September 2006	Nationwide self-refers to the Tribunal its second complaint against SAA
25	13 March 2007	Comair applies on notice of motion for order declaring override commissions and trust payments made by SAA to travel agents during period 1 September 1999 to 2007, prohibited practice in contravention of section 8(c) and/or section 8(d)(i) of the Act, as well as declaring void all existing agreements, arrangements and/or understandings between SAA and travel agents, containing provisions held to be anti-competitive
26	07 November 2007	Tribunal issues decision (in application made by SAA) consolidating Comair's complaint under S. 49D(4)(a) and Nationwide's second complaint
27	17 March 2008	Hearing starts in Tribunal on consolidated case of Comair and Nationwide v. SAA, based on Comair's application under S. 49(4)(a) and Nationwide's second complaint, and SAA's objection in limine
28	02 May 2009	Hearing resumes in Tribunal on consolidated case
29	27/28 May 2009	Closing argument heard by Tribunal in consolidated case

**ANNEXURE 2**

**CRA Report - Slide 8: Overall evidence on directional selling and effects**

**Overall evidence on directional selling and effects**  
Two natural experiments



Source: BSP data from Comair

Notes: Agents not supportive of Comair refer to agents that have not supported Comair at any point during the period between 2001/02 and 2004/05. These agents exclude Tourvest, Concorde and Prestige and account for roughly 80% of BSP over the period.



**ANNEXURE 3****Table: Marginal commission rates for SAA's agreements with Sure Travel<sup>1</sup>**

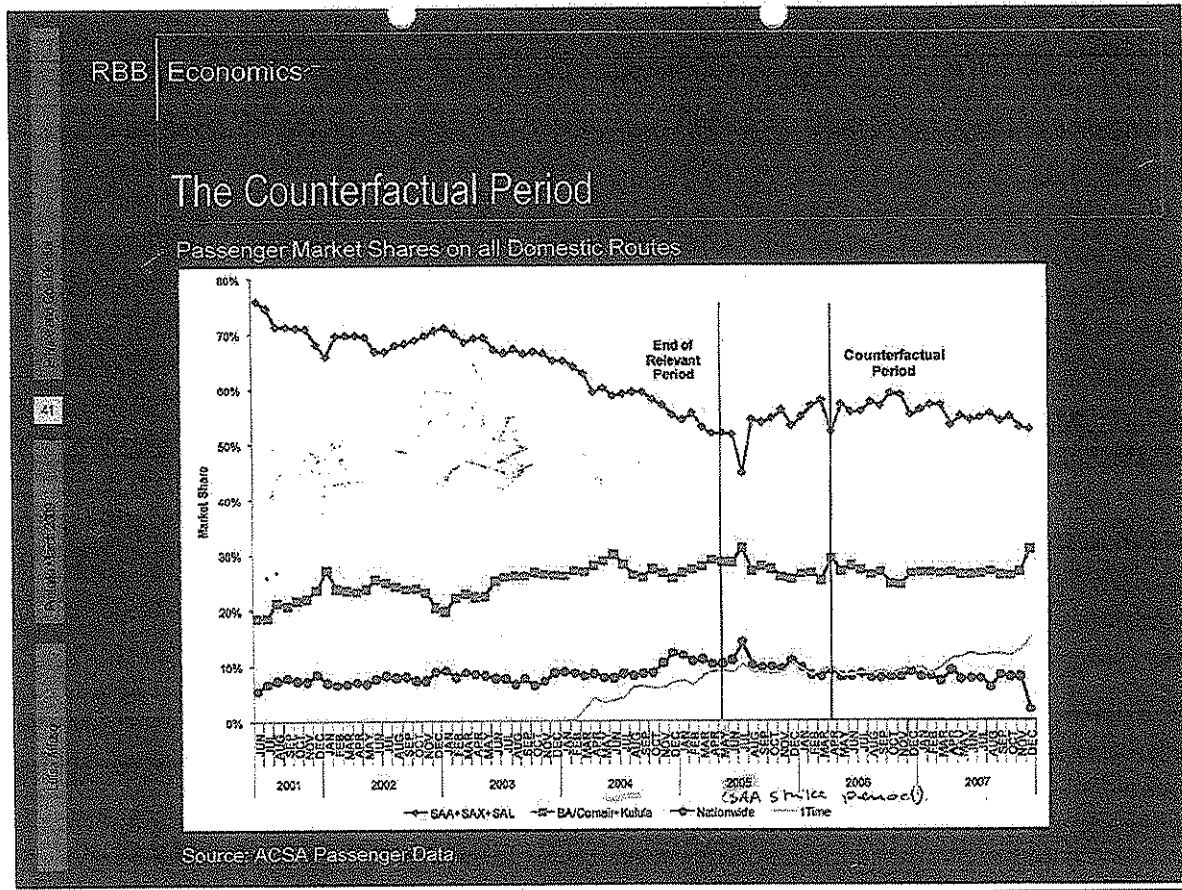
	2000/01	2001/02	2002/03	2003/04	2004/05
Base -10%	7.0	7.0	7.0	52.0	7.1
Base -9%	7.0	7.0	7.0	7.0	7.0
Base-8%	7.0	7.0	7.0	7.0	64.8
Base -7%	7.0	7.0	7.0	7.0	7.0
Base -6%	7.0	7.0	7.0	7.0	7.0
Base -5%	7.0	7.0	7.0	104.4	136.6
Base-4%	7.0	7.0	7.0	7.0	7.0
Base -3%	7.0	7.0	7.0	7.0	7.0
Base-2%	7.0	7.0	7.0	7.0	7.0
Base - 1%	7.0	7.0	7.0	7.0	7.0
Base	57.0	157.0	189.5	158.6	53.5
Base +1%	12.6	8.5	7.0	7.0	7.0
Base +2%	11.6	8.5	7.0	7.0	7.0
Base +3%	12.7	8.5	7.0	7.0	7.0
Base +4%	12.8	8.5	7.0	7.0	7.0
Base +5%	24.5	8.5	16.1	21.7	19.3
Base +6%	17.4	8.5	7.0	7.0	7.0
Base +7%	15.4	8.5	7.0	7.0	7.0
Base +8%	14.5	8.5	7.0	7.0	7.0
Base +9%	19.0	8.5	7.0	7.0	7.0
Base +10%	13.7	8.5	16.1	21.7	19.3
Base +11%	34.9	8.5	7.0	7.0	7.0
Base +12%	40.9	8.5	7.0	7.0	7.0
Base +13%	18.9	8.5	7.0	7.0	7.0
Base +14%	24.8	8.5	7.0	7.0	7.0
Base+15%	22.8	8.5	16.1	21.7	19.3
Base+16%	23.0	8.5	7.0	7.0	7.0

<sup>1</sup> Oxera report pg. 232. In these reasons this is only calculated up to +20% post base.

<b>Base+17%</b>	<b>19.7</b>	<b>8.5</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Base+18%</b>	<b>21.1</b>	<b>8.5</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Base+19%</b>	<b>20.1</b>	<b>8.5</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Base+20%</b>	<b>25.1</b>	<b>8.5</b>	<b>16.1</b>	<b>21.7</b>	<b>19.3</b>

**ANNEXURE 4**

**RBB SLIDES: Slide 41**



## ANNEXURE 5

### RBB Slide 52: Directional Sale: No robust Evidence of Effect

