



## **MERGER DECISION NO 8: 2016**

### **DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE AND TO BE ISSUED ORDINARY SHARE CAPITAL OF SABMILLER PLC BY ANHEUSER-BUSCH INBEV SA/NV**

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority in respect of the proposed acquisition of the entire issued and to be issued ordinary share capital in SABMiller Plc by Anheuser-Busch InBev SA/NV.

The Authority determined to conditionally authorise the proposed acquisition of the entire issued and to be issued ordinary share capital in SABMiller Plc by Anheuser-Busch InBev SA/NV given the fact that:

- i. The proposed transaction is not likely to result in substantial lessening of competition, due to the fact that product overlap is very minimal as the products of the acquirer are distributed independently by a third party; and
- ii. The proposed acquisition gives rise to public interest concerns under section 59(2) of the Competition Act, in that the manufacturing plant in Botswana could be affected in the future as a result of the merger. This is due to the fact that manufacturing costs are relatively cheaper in South Africa as compared to Botswana, which could provide an incentive for the merged entity to turn the Botswana business into a distribution centre.

Taking the public interest concern into account and pursuant to the provisions of section 55 of the Competition Act, the Authority has approved the proposed acquisition with the conditions that:

1. The merged entity shall use all its endeavours to ensure that the manufacturing business of KBL is maintained instead of turning it into a distribution point for imported products; and
2. In the event that the merged entity is compelled to change the business model into a distribution point, such intentions should be communicated to the Authority with a clear justification for their decision.

However, as stated under section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone, this 4<sup>th</sup> day of May, 2016

Tebelelo Pule, Acting Chief Executive Officer, Competition Authority, P/Bag 00101,  
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