



MERGER NOTICE NO 19: 2015

THE PROPOSED ACQUISITION OF THE APPLÉTISER AND THE SOURCE WATER BRANDS FROM SABMILLER PLC BY THE COCA-COLA COMPANY

Pursuant to section 56(1) of the Competition Act (Cap 46:09), the Competition Authority has received a merger notification for the proposed acquisition of Appletiser and Source Water brands owned by SABMiller Plc by The Coca Cola Company.

The acquiring firm, The Coca Cola Company (TCCC), is a multinational owner of numerous well-known non-alcoholic beverage brands. TCCC is a publicly listed company incorporated under the laws of Delaware, United States of America, with its registered office in Atlanta, Georgia. TCCC's business model is to separate ownership of brands and bottling activities and as such has its products prepared, bottled and distributed by authorised entities, referred to as 'bottlers'. Kgalagadi Breweries (Pty) Ltd is an authorised Coca Cola bottler in Botswana, authorised to produce, sell and distribute finished products including Coca Cola, Fanta, Sprite, Tab, Stoney and Sparletta.

SABMiller Plc is a public company in the alcoholic and non-alcoholic drinks business, with a primary listing in the London Stock Exchange and a secondary listing in the Johannesburg Stock Exchange. SABMiller Plc is the parent company to SABMiller International BV, a subsidiary owning the rights, title and interest in and to all trademarks related to the Appletiser brands and Source Water brand. SABMiller Plc directly and indirectly controls a number of undertakings throughout the world. In Botswana, SABMiller Plc controls and operates through Kgalagadi Breweries (Pty) Ltd as one of its key principal subsidiaries.

Kgalagadi Breweries (Pty) Ltd sources and imports from Appletiser South Africa (Pty) Ltd some of the finished Appletiser branded products (specifically, Appletiser and Grapetiser), for distribution within Botswana. Appletiser South Africa (Pty) Ltd is a wholly owned subsidiary of the South African Breweries (Pty) Ltd which is, in turn, a subsidiary of SABMiller Plc.

On the other hand, Source, a water brand is, manufactured and distributed in Botswana by Kgalagadi Breweries (Pty) Ltd under the Source brand. In the proposed transaction, TCCC seeks to acquire the rights, title and interest in and to all trademarks related to the Appletiser and Source brands, owned by SABMiller International BV, a subsidiary to SABMiller Plc.

According to section 57(3), of the Competition Act, “any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger”.

The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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