



MERGER NOTICE NO 20: 2023

THE PROPOSED TERMINATION OF A DISTRIBUTION AGREEMENT BETWEEN DIAGEO SOUTH AFRICA (PTY) LTD AND, CASTLE WINE AND E K GREEN LIMITED RELATING TO THE SALE AND DISTRIBUTION OF THE GORDON'S LONDON DRY GIN AND PIMM'S NO.1 CUP PRODUCTS

Pursuant to section 49(1) of the Competition Act, 2018, the Competition and Consumer Authority ("the Authority") has received a merger notification for the proposed termination of a distribution agreement between Diageo South Africa (Pty) Ltd ("Diageo South Africa" or the "Acquiring Enterprise") and Castle Wine & E K Green Limited ("Castle Wine" or the "Target Enterprise") relating to the sale and distribution of The Gordon's London Dry Gin ("Gordon's Gin") And Pimm's No.1 Cup ("Pimm's") products (collectively, the "Target Products"). As a result of the proposed transaction, Diageo will re-establish sole control over, and management of the Target Products from Castle Wine, and assume sole responsibility for the distribution, marketing and sale of the Target Products in Southern Africa, including Botswana.

The Acquiring Enterprise, Diageo South Africa is a company incorporated in terms of the laws of South Africa. Diageo South Africa is controlled by Diageo Great Britain Limited and ultimately wholly owned by Diageo plc ("Diageo"). Diageo is a public company incorporated in terms of the laws of the United Kingdom with a primary listing on the London Stock Exchange and a secondary listing on the New York Stock Exchange, and it is controlled by any one shareholder. Diageo owns the brands and trademarks both internationally and in South Africa in respect of Gordon's Gin and Pimm's and is currently responsible for production of these products in South Africa. The sale of Diageo's products occurs throughout Botswana. Diageo South Africa and Diageo do not control any enterprises in Botswana.

The Target Products, Gordon's Gin and Pimm's are licensed by Diageo Brand BV ("Diageo Brands"), to United Distillers Southern Africa (Pty) Ltd ("United Distillers") in order to enable the Target Products to be sold in Southern Africa. Diageo Brands is a Diageo Group company which is the brand owner and the licensor of the brands. United Distillers is a Diageo Group company incorporated under the laws of South Africa. United Distillers manufactures (distils) the base over proof spirit of the Target Products in South Africa.

The Directors of Diageo South Africa are Arlene Yvette Abrahams, Ludwick Sibani Mngadi, Gavin Pike (all South African) and Olaitan Adetoke Aremu (Nigerian).

The Target Enterprise, Castle Wine is incorporated in terms of the laws of South Africa and is controlled by South African Distilleries and Wines (SA) Ltd ("SADW"), a company incorporated in accordance with the laws of South Africa. SADW is controlled by Distell Group Limited ("DGL"), a company incorporated in accordance with the laws of South Africa.

DGL is controlled by Remgro-Capevin Investments Proprietary Limited ("RCI"), a company incorporated in accordance with the company laws of South Africa. RCI is controlled by Capevin Holdings Proprietary Limited ("Capevin"), a company incorporated in accordance with the company laws of South Africa. Capevin is controlled by Remgro Limited, a company incorporated with the company laws of South Africa. Castle Wine has a branch office in Botswana which is not active and is thus effectively dormant.

United Distillers, as the licensee, appointed Castle Wine as the bottler and distributor of the Target Products in Southern Africa. Castle Wine currently bottles, markets, distributes and sells the Target Products in various Southern African countries, including Botswana.

The Directors of Castle Wine are Kate Rycroft, Werner Nolte and Wulrich van Wyk (all South African).

According to section 50 (3) of the Competition Act 2018, "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 and Consumer 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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