



MERGER NOTICE NO 41: 2019

THE PROPOSED ACQUISITION OF ALL THE ISSUED SHARES OF PIONEER FOODS GROUP LTD BY PEPSICO, INC., THROUGH SIMBA (PTY) LTD

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 all the issued shares of Pioneer Foods Group Ltd ["Pioneer Foods"] by PepsiCo, Inc. ["PepsiCo"], through Simba (Pty) Ltd ["Simba"].

The primary acquiring enterprise, Simba, is a company incorporated in accordance with the Laws of South Africa; and is a subsidiary of PepsiCo. Simba does not control any enterprise. PepsiCo, is a public company incorporated in accordance with the Laws of New York; with a primary listing on the NASDAQ Stock Market and a secondary listing on the SIX Swiss Exchange.

PepsiCo, supplies various packaged foods, snacks and beverages worldwide; and in Africa its principal operating entity is Simba, which operates out of South Africa, with a distribution network extending into Botswana. In Botswana, Simba sells a number of ready-to-eat snack products under the Simba, Lays, Dorito, NikNaks and Ghost Pops brands. Simba's savoury snack products include peanuts and raisins, chips, ready-to-eat popcorn and pretzels.

Furthermore, there are several carbonated soft drinks or non-alcoholic ready-to-drink beverages sold under the Pepsi, 7Up, Mirinda and Mountain Dew brands, which are available in Botswana. These carbonated soft drinks are not actually sold or manufactured by PepsiCo itself. Rather, PepsiCo sells concentrate to Little Green Beverages (Pty) Ltd, a South African firm, which sells these into Botswana under the authority of PepsiCo.

The Directors of Simba are Tyrone Reis and Edward Willcox (both South African).

The target enterprise, Pioneer Foods, is a public company incorporated in accordance with the Laws of South Africa. It is listed on the Johannesburg Stock Exchange and is not controlled by any single entity or individuals. Pioneer Foods, manufactures and supplies food and beverage products to wholesale, retail and other trade customers in South Africa and exports its products to countries worldwide, including Botswana.

Pioneer Foods, sells its products under various well-known household brands including Sasko, Bokomo, Weetbix, Safari, Wellington's, Ceres, Liquifruit, spekko, White Star, Crossbow, Imbo, Blue Bird, Champion, Select Rice, Grande, Lipton, Moirs, Wild Island, Daly's, Maizena, Caribbean, Werda, Smash, Fruitree, Marmite, Heinz, Bovril, John West, Peck's Anchovette, Redro, HP Sauce, Today, Mama's, Big Jack and Man's Meal.

Pioneer Foods delivers its products to its joint venture subsidiary, Bokomo Botswana (Pty) Ltd ["Bokomo Botswana"], with P.F. Brink (Pty) Ltd, a Botswana registered company; wholly owned by the Brink family, all Botswana citizens.

In addition to the warehousing and distribution of Pioneer Foods' products, Bokomo Botswana produces and sells wheaten flour and maize meal, and is also involved in the packaging of sugar.

The Directors of Pioneer Foods are Abdus Karaan; Sango Ntsaluba; Nonhlanhla Mjoli-Mncube; Norman Thomson; Felix Lombard; Tertius Carstens; Zitulele Combi; Norman Celliers; Petrus Mouton; Lindiwe Mthimunya; Andile Sangqu and Christoffel Botha (all South African).

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:

Director, Mergers and Monopolies
Competition Authority
Private Bag 00101
Plot 28, Matsitama Road, Main Mall
Gaborone
Tel: +267 3934278 Fax: +267 3121013
Email: CA@competitionauthority.co.bw