



Determination No. M/04/039 of the Competition Authority, dated 27 July 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/039 - Proposed acquisition by DCC plc of Bottle Green Limited

Introduction

1. On 8 July 2004 the Competition Authority, in accordance with Section 18(1) of the Competition Act, 2002 was notified, on a mandatory basis, of a proposal whereby DCC plc. ("DCC"), through its wholly owned subsidiary, DCC Food & Beverage UK Limited, would acquire the entire issued share capital of Bottle Green Limited ("Bottle Green") ("the proposed acquisition).

The Parties

2. DCC is a publicly listed company, headquartered in the State, which has divisions focused on the energy, IT, healthcare, and food and beverage industries. DCC mainly operates in the State and the UK. DCC Food & Beverage UK Limited markets and supplies own and third party branded food and beverage products, particularly snack and health foods, and ground coffee, soft drinks and wine.
3. Bottle Green is a private company. Its main activity is the importation of wine into the UK, and the wholesale supply of wine to UK supermarkets and other retailers.

Analysis

4. Bottle Green's wine importation and distribution business would, post-acquisition, form part of DCC's food and beverage division. DCC holds an estimated [0-10]% of the wine wholesale industry in the island of Ireland. Bottle Green is not involved in the wholesale supply of wine in the State. Bottle Green's worldwide sales for the financial year ended 31 August 2003 totalled approximately €51.31m: in that same period it sold approximately €[] worth of wine in the State, all to one customer.
5. Therefore, although the proposed acquisition does involve a horizontal product overlap in the Irish sector for the supply of wholesale wine, the overlap is so minimal that it will not result in a significant increase in concentration in any market as may be defined in the State.
6. Although DCC's increased wine product portfolio may allow it to increase its share of the Irish wine wholesale industry, post-acquisition, there is nothing to indicate that this would result in a



The Competition Authority
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substantial lessening of competition, particularly as several other competitors of substantial size operate in that industry.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the proposed acquisition by DCC of Bottle Green will not result in an substantial lessening of competition in any markets for goods and services in the State and, accordingly, that the proposed acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority