



DETERMINATION OF MERGER NOTIFICATION M/08/011 - HEINEKEN/SCOTTISH & NEWCASTLE

Section 21 of the Competition Act 2002

Proposed acquisition by Heineken B.V. of the Irish business of Scottish & Newcastle, namely, Beamish and Crawford

Dated 01/08/08

Introduction

1. On 3 April 2008, the European Commission (the "Commission") made a partial referral under Article 9 of the European Community Merger Regulation ("ECMR") of Case No. COMP/M.4999, Heineken/Scottish & Newcastle, to the Competition Authority (the "Authority"). In particular, the referred transaction is the proposed acquisition by Heineken N.V. ("Heineken") of Scottish & Newcastle's ("S&N") business in Ireland, namely, Beamish & Crawford plc ("B&C") ("Proposed Transaction").

The Undertakings Involved

The Acquirer

2. Heineken is the holding company of the international activities of the Heineken group. Based in the Netherlands, it is active on a worldwide basis in the production, commercialisation and distribution of beer and other beverages.
3. Regarding its operations in Ireland, Heineken is active through its 100% subsidiary Heineken Ireland Ltd ("Heineken Ireland"). Heineken Ireland has its head office in Cork, where it also operates its only Irish brewery (formerly known as Murphy Brewery Ireland) with a capacity of 1,030,000 hectolitres. Heineken acquired the former Murphy's Brewery in 1983. Through both its brewing facility and imports, Heineken Ireland offers various brands of beer in the State.

The Target

4. B&C was acquired by Scottish & Newcastle in 1995. Up to 28 April 2008, B&C was a wholly owned subsidiary of S&N. B&C operates one brewery in Cork with a capacity of 600,000 hectolitres. The head office of B&C is also located in Cork. B&C is active on the Irish beer market with different brands, which are partly owned and partly licensed brands. Through its brewing facilities B&C offers various brand of beer in the State¹.

¹ The cider activities of B&C in Ireland are limited to the sale of Scrumpy Jack and therefore negligible.

Analysis

5. The Authority is unable, at this stage, to reach a determination that the proposed acquisition would not lead to a substantial lessening of competition.

Determination

The Competition Authority, in accordance with section 21(2)(b) of the Competition Act 2002, has determined that it intends to carry out an investigation under section 22 of the Act in relation to the proposed acquisition by Heineken B.V. of the Irish business of Scottish & Newcastle, namely, Beamish and Crawford plc.

For the Competition Authority

Dr Paul K. Gorecki
Member of the Competition Authority