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1 February 2024

Dear Valued Customer

### **PRICE INCREASE COMMUNICATION**

Within the context of the ongoing challenges within the South African macroeconomic environment, ongoing cost pressures affecting raw materials, production and transport costs and increasing excise tax in the first quarter of 2024, please be advised that Diageo South Africa will be taking price adjustments, **effective 1 March 2024**.

These adjustments are pre-emptively based on the expected excise tax increase announcement to be presented by the finance minister in February 2024. Diageo SA reserves the right – should inflation and tax increases be significantly different to what we would anticipate in the market – to adjust our position regarding the price increase.

The table below details the anticipated weighted average increase per category including the excise component. **These price increases are net of both any EDLPs you may receive, and deal reductions.** Diageo reserves the right to change pricing, including any EDLPs, when required. Please note that not all products in these categories will necessarily increase by these percentages.

CATEGORY	ANTICIPATED WEIGHTED AVG % INCREASE RANGE
Mainstream Scotch	3 - 5%

### **GENERAL NOTES**

- To benefit from the current list prices ahead of the price increase, orders must be placed, invoiced, and delivered, within the scope of your nominated delivery day, on or before **29 February 2024**.
  - 48-hour cut-off date (KZN deliveries) – last order date 27<sup>th</sup> February 2024
  - 72-hour cut-off date (Gauteng and PE deliveries) – last order date 26 February 2024
  - 96-hour cut-off date (Western Cape/ Inland deliveries) – last order date 23 February 2024.



BUCHANAN'S



- **All March deliveries will be at the new price.**
  - As a result of supply constraints, orders will be monitored and limited to 6 weeks stockholding – all caps are at group level, while stocks last.
  - In the event of any products being out of stock, no ‘back orders’ will be served, and Diageo South Africa reserves the right to not hold orders in the system.
  - The updated electronic price list will be available to all customers on or **before Friday, 23 February 2024.**

We would like to thank you for your on-going support.

Kind regards .



Desmond Mohapi  
*Commercial Director*  
*Diageo South Africa*