

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS DOCUMENT FORMS AN EXPLANATORY STATEMENT IN ACCORDANCE WITH PART 26 OF THE COMPANIES ACT 2006 IN RESPECT OF THE SCHEME.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or if you are not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all or part of your SABMiller plc shares, please send this document and the accompanying Forms of Proxy or Voting Instruction Forms at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



SABMiller plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 3528416)

Proposed broad-based black economic empowerment transaction in South Africa and

Notice of a Court Meeting and of a General Meeting to consider a Scheme of Arrangement

Notice of a meeting of SABMiller plc convened by order of the Court pursuant to Part 26 of the Companies Act 2006 (the "**Court Meeting**") to be held at the Grosvenor House hotel, Park Lane, London W1K 7TN, England at 11.00 am (U.K. time) on 13 January 2010 commences on page 41 of this document. Shareholders will find enclosed a Form of Proxy or Voting Instruction Form for use at the Court Meeting (the "**Court Meeting Form of Proxy**" or the "**Court Meeting Voting Instruction Form**"). Notice of a General Meeting of SABMiller plc to be held at the same venue immediately after the conclusion of the Court Meeting is set out on pages 43 to 45 of this document. A Form of Proxy or Voting Instruction Form for the General Meeting (the "**General Meeting Form of Proxy**" or "**General Meeting Voting Instruction Form**") is also enclosed. Shareholders who are not registered on the South African section of the register, should complete, sign and return the Court Meeting Form of Proxy in accordance with the instructions printed on it so as to be received by SABMiller's Registrars at the return address specified therein, as soon as possible and in any event no later than 11.00 am (U.K. time) on 11 January 2010 but, if forms are not so lodged, they may be handed to the Chairman at the Court Meeting. Shareholders who are not registered on the South African section of the register, should complete, sign and return the General Meeting Form of Proxy in accordance with the instructions printed on it so as to be received by SABMiller's Registrars at the return address specified therein, as soon as possible and in any event no later than 11.15 am (U.K. time) on 11 January 2010.

Shareholders registered on the South African section of the register who hold certificated Ordinary Shares should return the Court Meeting Form of Proxy and the General Meeting Form of Proxy to Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, PO Box 61051, Marshalltown 2107, South Africa, as soon as possible and to be received by no later than 1.00 pm (South African time) on 11 January 2010. Beneficial owners of Ordinary Shares contained in the South African section of the register who have dematerialised their holdings of Ordinary Shares in the context of Strate and are holding such shares through a CSDP or broker must provide their CSDP or broker with their Court Meeting Voting Instruction Form and General Meeting Voting Instruction Form in good time, in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker, should they not wish to attend the Court Meeting or the General Meeting in person but wish to be represented thereat, and the enclosed Court Meeting Voting Instruction Form and General Meeting Voting Instruction Form may be used for this purpose. Alternatively, such beneficial owners may contact their CSDP or broker to obtain a Letter of Representation to enable them to attend the Court Meeting or the General Meeting in person.

Completion and return of a Court Meeting Form of Proxy, General Meeting Form of Proxy, Court Meeting Voting Instruction Form or General Meeting Voting Instruction Form will not preclude Shareholders from attending and voting in person at the Court Meeting or General Meeting, should they so wish. Information on completing and returning Court Meeting Forms of Proxy, General Meeting Forms of Proxy, Court Meeting Voting Instruction Forms and General Meeting Voting Instruction Forms is set out on those respective forms and in the notes on pages 43 to 45 of this document.

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EXPECTED TIMETABLE OF EVENTS

Last day to trade Ordinary Shares on the JSE in order to be recorded in the register of members of SABMiller to vote at the Court Meeting and the General Meeting	4 January 2010
Last day to trade Ordinary Shares on the LSE in order to be recorded in the register of members of SABMiller to vote at the Court Meeting and the General Meeting	8 January 2010
Latest time and date for receipt of Court Meeting Forms of Proxy and CREST voting instructions for Shareholders who are not registered on the South African section of the register of members	11.00 am on 11 January 2010
Latest time and date for receipt of General Meeting Forms of Proxy and CREST voting instructions for shareholders who are not registered on the South African Section of the register of members	11.15 am on 11 January 2010
Latest time and date for receipt of Court Meeting Forms of Proxy for Shareholders who are registered on the South African section of the register of members	1.00 pm (South African time) on 11 January 2010
Latest time and date for receipt of General Meeting Forms of Proxy for Shareholders who are registered on the South African section of the register of members	1.15 pm (South African time) on 11 January 2010
Record date – time by which Shareholders must be recorded in SABMiller’s register of members in order to attend and/or vote at the Court Meeting and the General Meeting	6.00 pm on 11 January 2010
Court Meeting	11.00 am on 13 January 2010
General Meeting	11.15 am on 13 January 2010, or immediately after conclusion or adjournment of the Court Meeting, if later
Announcement of results of the General Meeting and the Court Meeting	13 January 2010
<i>The following dates are subject to change:</i>	
Court hearing to sanction the Scheme	3 February 2010
If the Scheme is sanctioned	
Announcement regarding the sanctioning of the Scheme	4 February 2010
Effective date of the Scheme	4 February 2010

The timetables set out in paragraph 6 of Part 2, paragraph 7 of Part 3 and paragraph 5 of Part 4 provide further information on the proposed timetable for implementation of the Employee Offer, the Retailer Offer and the issue of SAB Shares to The SAB Foundation, respectively.

Notes:

1. References to times and dates in this document are to London times and dates unless otherwise stated.
2. Shareholders are advised that, as trading in the Ordinary Shares on the JSE is settled within the Strate environment (five business days following the trade), shareholders acquiring dematerialised shares after 4 January 2010 will not be eligible to vote at the Court Meeting or the General Meeting.
3. If the date of the Court Meeting or General Meeting is adjourned or postponed, Court Meeting Forms of Proxy and General Meeting Forms of Proxy or Court Meeting Voting Instruction Forms and General Meeting Voting Instruction Forms (as the case may be) must be received by no later than 24 hours prior to the time of the adjourned or postponed meeting, provided that for the purposes of calculating the latest time by which such Forms of Proxy and Voting Instruction Forms must be received, Saturdays, Sundays and public holidays will be excluded.

The dates given in this expected timetable are based on SABMiller’s current expectations and may be subject to change. If any of the scheduled dates change, SABMiller will give notice of the change by issuing an announcement through a Regulatory Information Service and, in South Africa, through SENS.

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LETTER FROM THE CHAIRMAN



SABMiller plc

Incorporated in England and Wales
(Registered Number 3528416)

Head Office: One Stanhope Gate, London W1K 1AF
Registered Office: SABMiller House, Church Street West,
Woking, Surrey GU21 6HS, England

Telephone: +44 1483 264000

9 December 2009

Dear Shareholder,

PROPOSED BROAD-BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION IN SOUTH AFRICA

1. INTRODUCTION

On 1 July 2009, SABMiller announced that it proposed to enter into a broad-based black economic empowerment transaction in South Africa. The detailed terms of the transaction were set out in our announcement dated 8 December 2009.

In summary, the Transaction involves the issue of shares in The South African Breweries Limited ("**SAB**") to an employee share trust for the benefit of black employees of SAB, to black-owned licensed liquor retailers and liquor licence applicants, as well as black-owned customers of ABI, the soft drinks division of SAB, and to an SAB foundation for the benefit of the broader South African community. At the end of the transaction period (which is expected to be approximately 10 years), participants will exchange their indirect shareholdings in SAB for shares in SABMiller.

The economic cost of the proposed Transaction to SABMiller as at 27 November 2009 (the "**Latest Practicable Date**"), using financial risk pricing and valuation methodologies derived from International Financial Reporting Standard 2 – *Share-Based Payments*, is calculated at approximately US\$279 million (R2.1 billion). This equates to 0.6% of the SABMiller market capitalisation as that date of US\$46.3 billion (R342.2 billion). The economic cost represents the estimated economic dilution of Shareholders' interest in the SABMiller Group during and at the end of the Transaction Period.

The Board believes that, in view of the dilutive effect that the Transaction will have on current Shareholders, it is appropriate for the Transaction to be sanctioned by way of a scheme of arrangement in accordance with the procedure under Part 26 of the Companies Act 2006.

Shareholder approval is also being sought for the Transaction at a general meeting of Shareholders because this is required under the Companies Act 2006 for the issue of the New SABMiller Shares at the end of the Transaction Period, and, under the UKLA Listing Rules, for the establishment of The SAB Zenzele Employee Trust, which will constitute an employee share scheme for the purpose of those rules.

The resolution to be proposed to Shareholders at the Court Meeting is set out in the notice of Court Meeting commencing on page 41 and asks Shareholders to approve the scheme of arrangement pursuant to Part 26 of the Companies Act 2006 between the Company and the Shareholders.

The resolutions to be proposed at the General Meeting are set out in the notice of General Meeting on page 43 and ask Shareholders to:

- (a) approve the Transaction;
- (b) authorise the directors to implement the arrangements in the Exchange Agreement, Implementation Agreement and additional arrangements contemplated in this document;
- (c) authorise the directors under section 551 of the Companies Act 2006 to allot ordinary shares for the purposes of the Transaction; and
- (d) authorise the directors of SAB to adopt The SAB Zenzele Employee Trust.

Approval of the Scheme by the requisite shareholder majorities and the sanction of the Court is a condition precedent to the implementation of the Transaction as a whole, unless SABMiller agrees to waive this condition.

The purpose of this document is to explain the rationale for the Transaction, to provide further detailed information on the Transaction and its impact on SABMiller, and to seek shareholder approval for its implementation.

2. TRANSACTION RATIONALE

SABMiller believes that broad-based black economic empowerment is a key requirement for the promotion of sustainable economic growth and social development in South Africa.

In line with SAB's empowerment objectives, the Transaction is therefore designed to increase black participation in SAB by providing long-term economic benefits to a broad range of black South Africans. The Transaction will involve the issue of shares in SAB (either directly or indirectly) to three groups, comprising employees of SAB or the SABMiller Group resident in South Africa ("**Employees**"); licensed liquor retailers, liquor licence applicants and registered customers of ABI, the soft drinks division of SAB ("**Retailers**"); and the broader South African community through the creation of an SAB foundation ("**The SAB Foundation**"). A total of 46,173,100 SAB Shares will be issued pursuant to the Transaction, representing 8.45% of SAB's enlarged issued share capital.

SABMiller believes that the Transaction, through the inclusion of these participant groups as indirect shareholders in SAB, will facilitate the closer alignment of SAB's interests with its many stakeholders, and will mean SAB is better able to ensure continuing compliance in the event of future changes in regulatory requirements. Through the Transaction, SAB seeks to support the licensing process in South Africa and believes that there are considerable socio-economic benefits to be derived from a normalised and regulated industry in which liquor retailers, the vast majority of whom are currently unlicensed, are formally incorporated into the economy and liquor industry.

The structure of the Transaction, including the use of a trust for the Employee Offer, the establishment of The SAB Foundation and the special purpose vehicle SAB Zenzele, together with the long Transaction Period, has been designed to encourage long-term participation by the relevant stakeholders coupled with meaningful economic benefits from the first year.

Further, the South African Government has promulgated the country's Codes of Good Practice on Broad-Based Black Economic Empowerment (the "**Codes**") as a means of reducing the effects of entrenched inequalities and improving the participation of previously disadvantaged people in effective economic activity.

A key component of the Codes is the balanced scorecard which measures a company's empowerment status in seven core areas. The ratings achieved by businesses are important because the South African Government has set specific targets for Government departments and organs of state in relation to providing business to black empowered organisations. In some industries, a minimum BBBEE score is a requirement for the issue or maintenance of an operating licence from a Government regulator. In order to enhance their scores, companies can also benefit by doing business with suppliers with a high BBBEE status, thereby earning points in the preferential procurement area and ultimately providing positive empowerment effects throughout the value chain.

Further information on the Codes is set out in Part 1 of this document.

SAB is currently recognised as a Level Five Contributor in terms of the Codes. SAB is required to demonstrate a commitment to BBBEE in line with its regulatory commitments (including in respect of its operating licences) to attain at least Level Four Contributor status on the basis of the scorecard contained in the Codes by 2012. The Transaction will make a material contribution towards achieving this committed objective. However, due to the possibility of future regulatory changes, the Transaction, by itself, may not be sufficient to ensure that SAB attains Level Four Contributor status. Based on current assumptions, the Transaction will constitute an effective 14.1% broad-based black economic empowerment ownership transaction in terms of the Codes, after adjusting for mandated investments, as explained in further detail in paragraph 2 of Part 1 of this document. If the proposed Transaction is implemented, SABMiller believes that it will have a positive impact on future growth. SABMiller also believes that its position as a leading corporate citizen in South Africa will be enhanced through the proposed Transaction.

Consequences of not approving the Transaction

SABMiller believes that the proposed Transaction is necessary in order to comply with existing regulatory commitments in South Africa and to provide SAB the continuing ability to adapt to any future changes in regulatory requirements. If the proposed Transaction is not implemented, SAB's ability to fulfil its licensing commitment to attain at least Level Four Contributor status in a timely manner could be prejudiced and SAB will not be as well placed to adapt to future developments in the South African regulatory landscape.

If the Transaction is not approved by the Shareholders, SAB will continue to be recognised as a Level Five Contributor and the proposed benefits outlined above will not be realised. In this event, SAB would have to examine other means of increasing its BBBEE score in order to achieve Level Four Contributor status by 2012, for example by revising its recruitment and human resource management policies, reviewing its skills development programme and increasing its corporate social responsibility spending, which would be likely to have significant cost implications and may not be achievable, particularly within the required timescale.

If SAB fails to achieve Level Four Contributor status by 2012, this is likely to lead to a breach of its BBBEE commitments. A breach of SAB's BBBEE commitments would result in the failure by SAB to support broad-based black economic empowerment which SAB believes is a key requirement for the promotion of sustainable economic growth and social development in South Africa. It may also result in:

- (a) an adverse impact on SAB's public reputation, in particular with its retailer distributor base, which may in turn lead to a loss of sales as SAB's competitors seek to capitalise on SAB's loss of public reputation;
- (b) SAB's relationships with employee unions being adversely affected and a reduction in SAB's ability to attract and retain employees which may increase employee turnover within SAB's business;
- (c) possible revisions to the terms of SAB's operating licences in South Africa, including the imposition of additional or more onerous conditions; and
- (d) it being more difficult for SAB to adapt to future change in regulatory requirements.

All of these factors may have an adverse impact on SAB's operations and ability to conduct its business as it currently conducts it.

The Transaction is of considerable significance to the SABMiller Group as a whole. If implemented, the Board believes that the Transaction will promote the success of SABMiller and should lead to benefits for SABMiller in terms of sustained growth over the longer term in one of its most important market places.

3. TRANSACTION STRUCTURE

Outline

The Transaction will be implemented through the creation of three separate investment entities (The SAB Zenzele Employee Trust, SAB Zenzele (in respect of the Retailer Offer) and The SAB Foundation), which will each subscribe for new separate classes of shares in SAB (the "**SAB Shares**"). "Zenzele" is a Nguni word meaning "do it (for) yourself", and is an expression of SAB's commitment to igniting and nurturing South Africa's entrepreneurial spirit.

The three investment entities will, in aggregate, hold 46,173,100 SAB Shares representing 8.45% of SAB's issued share capital following the Transaction. This equates to a value of approximately US\$988 million (approximately R7.3 billion at the exchange rate as at the Latest Practicable Date). Prior to the Transaction, none of the three investment entities hold any shares in SAB.

The SAB Shares will be issued as follows:

- (a) 18,532,491 SAB Shares (representing 40.14% of the SAB Shares issued under the Transaction and 3.39% of SAB's issued share capital following the Transaction) will be issued to The SAB Zenzele Employee Trust;
- (b) 19,228,250 SAB Shares (representing 41.64% of the SAB Shares issued under the Transaction and 3.52% of SAB's issued share capital following the Transaction) will be issued to SAB Zenzele; and
- (c) 8,412,359 SAB Shares (representing 18.22% of the SAB Shares issued under the Transaction and 1.54% of SAB's issued share capital following the Transaction) will be issued to The SAB Foundation.

The three investment entities will hold the interests of the participants in SAB, and participants will, from inception, have the economic rights associated with the respective investment entities' interests in SAB. Voting rights in SAB will be exercised by The SAB Zenzele Employee Trust, the directors of SAB Zenzele and The SAB Foundation, on behalf of the participants. Cash dividends are expected to be paid to all participants in respect of their indirect holdings of SAB Shares from the first year. By way of example, had the transaction been implemented on 1 April 2008, the aggregate amount of dividends payable to holders of the SAB Shares would have totalled approximately R77 million in respect of SAB's financial year ended 31 March 2009. This amount, net of any costs and administration expenses, would have been distributed to the participants in the Transaction. However, this example should not be construed as an indication of future financial performance and is included for illustrative purposes only.

Shareholders in SAB Zenzele (the "**SAB Zenzele Shareholders**") will be required to make a relatively small cash investment as part of the subscription for their shares in SAB Zenzele (the "**SAB Zenzele Shares**"). This cash investment will be based on a sliding scale relative to the number of SAB Zenzele Shares subscribed for and allocated to each SAB Zenzele Shareholder.

Licensed liquor retailers participating in the Retailer Offer will need to make an equity contribution of R100 (approximately US\$13.53 based on the exchange rate of R to US\$ of 7.39) for a minimum application of a value of R50,000 (approximately US\$6,766) up to a maximum equity contribution of R25,000 (approximately US\$3,383) for a maximum application of a value of R500,000 (approximately US\$67,659).

For liquor licence applicants, participation will require an equity contribution of R100 for a minimum application of a value of R50,000 or a maximum equity contribution of R2,500 for a maximum application of a value of R100,000. Initially, liquor licence applicants may only apply either for the minimum application valued at R50,000 or a maximum application valued at R100,000, but additional SAB Zenzele Shares may be issued to a liquor licence applicant at no further cost if the liquor licence applicant is granted a qualifying liquor licence during the three year period following the Retail Allocation Date.

For ABI Customers, participation will require an equity contribution of R100 for a minimum application of a value of R50,000 up to a maximum equity contribution of R10,000 for a maximum application of a value of R250,000.

Employees participating in The SAB Zenzele Employee Trust, and The SAB Foundation, will not be required to make any cash or other investment toward their respective participations.

Funding

The Transaction will not require any cash funding, whether from SABMiller or an external bank, apart from the small cash investment required from SAB Zenzele Shareholders.

Repurchase and exchange

At the end of the Transaction Period, a portion of the SAB Shares will be repurchased by SAB for an amount equal to the par value per share as at the subscription date (which equals R0.000 001) and:

- (a) in the case of the Employee Offer and The SAB Foundation, the Class E Shares and Class F Shares, respectively, remaining after the repurchase; or
- (b) in the case of the Retailer Offer, all of the SAB Zenzele Shares,

will be compulsorily acquired by SABMiller (or a member of the SABMiller Group nominated by SABMiller) in exchange for the issue of the New SABMiller Shares which will be credited as fully paid-up.

The number of SAB Shares to be repurchased and the number of New SABMiller Shares to be issued will be determined in the manner described in Parts 2, 3 and 4 of this document and will depend on the performance of SAB over the Transaction Period. A practical example of how this repurchase and exchange mechanic will operate is set out in paragraph 3.3 of Part 2 of this document.

Pursuant to the terms of the Exchange Agreement and SAB Zenzele's articles of association, the repurchase and exchange of the SAB Shares and SAB Zenzele Shares will occur at the end of the Transaction Period and there are no criteria (other than the lapse of the relevant time period) that must be met for this to take place.

Further details of the Employee Offer are set out in Part 2 of this document; further details of the Retailer Offer are set out in Part 3; and further details of The SAB Foundation are set out in Part 4.

4. **NEW SABMILLER SHARES**

The New SABMiller Shares will, when issued, rank *pari passu* in all respects with the then existing ordinary shares in SABMiller, including the right to receive all dividends and distributions having a record date for payment after the date of issue. It is expected that the New SABMiller Shares will be capable of being held in certificated and uncertificated form. The New SABMiller Shares will be in registered form and will be transferable in the usual way. Fractions of New SABMiller Shares will not be allotted or issued under the Transaction. All fractions of New SABMiller Shares will be aggregated (rounded down to the nearest whole share) and donated to The SAB Foundation.

Application will be made for the New SABMiller Shares to be issued on the South African section of the SABMiller share register and listed on all stock exchanges on which the ordinary shares in SABMiller are listed at the time of allotment.

The number of New SABMiller Shares to be issued to The SAB Zenzele Employee Trust, to SAB Zenzele Shareholders and to The SAB Foundation will largely depend upon the performance of SAB during the Transaction Period, and will be determined in the manner set out in Parts 2, 3 and 4 respectively of this document. The value of the SAB Shares at the end of the Transaction Period will be determined by reference to the number of outstanding SAB Shares following the repurchase by SAB and by applying the SABMiller Group's implied trading enterprise value ("**EV**") to EBITA multiple at the time to SAB's last 12 months' published consolidated EBITA. "**EBITA**" for these purposes means operating profit before exceptional items and amortisation of intangible assets, excluding software but including the relevant group's share of associates' and joint ventures' operating profit, on a similar basis.

The total number of New SABMiller Shares issued pursuant to the Transaction may not in any circumstances exceed 165,196,002 New SABMiller Shares (representing 10% of SABMiller's issued share capital as at 7 December 2009), but in practice, the expected dilution of SABMiller's issued share capital resulting from the Transaction, based on SABMiller's current assumptions and on market conditions as at the Latest Practicable Date, is currently expected to be less than 1%.

Any shares issued to The SAB Zenzele Employee Trust will not count towards the limits that apply to the SABMiller Group Share Plans.

5. **IMPACT ON SABMILLER AND ON SHAREHOLDERS**

The value of the Transaction based on current assumptions is calculated as US\$988 million (R7.3 billion based on the exchange rate of R to US\$ of 7.39). However, the economic cost of the transaction to the SABMiller Group (based on SABMiller's current assumptions and on market conditions as at the Latest Practicable Date and applying the option valuation methodology that is common practice for transactions of this nature) is calculated at approximately US\$279 million (R2.1 billion). This same option pricing methodology is used to value the IFRS 2 expense as described below.

The value of SAB, for the purposes of the Transaction, was calculated using the implied trading EV/EBITA multiple of the SABMiller Group. The EV is based on the volume weighted average price of R196.38 per SABMiller ordinary share on the JSE for the 60 trading days ended at the close of trading on 27 November 2009 and the average R/US\$ exchange rate of 7.47 over that period. The consolidated EBITA for SABMiller and SAB were both based on the results of the 12 months to 30 September 2009.

The Transaction is expected to become effective in the financial year beginning on 1 April 2010, and as such will not impact the SABMiller Group's adjusted earnings for the current financial year. Under International Financial Reporting Standard 2 (or IFRS 2), the Transaction will result in a share-based payment expense being reflected in the income statement of SABMiller over the Transaction Period, with the majority of this expense being charged in the financial year ending 31 March 2011. This non-cash expense, and the cash costs of the Transaction, will be excluded for the purposes of calculating adjusted earnings.

More details on the calculation of the share-based payment expense and its accounting treatment are set out in Part 5 of this document.

The Board believes the only material risks to Shareholders arising from the Transaction will be the decrease in earnings attributable to equity shareholders as a result of the payment of dividends on the SAB Shares during the Transaction Period and the dilutive effect that the issue of the New SABMiller Shares at the end of Transaction Period will have on current Shareholders.

6. SHAREHOLDER APPROVAL

Court Meeting

The issue of the New SABMiller Shares under the Transaction is to be implemented in accordance with a formal procedure, requiring both the approval of Shareholders and the sanction of the Court in London. The Board believes that, in view of the dilutive effect that the Transaction will have on current Shareholders, it is appropriate for the Transaction to be sanctioned in accordance with the procedure under Part 26 of the Companies Act 2006. On sanction of the arrangement (the “**Scheme**”) by the Court, its terms will be binding on all Shareholders.

For this purpose, a meeting of Shareholders has been convened at the direction of the Court, to seek approval to implement the Scheme. The Meeting will be held at the Grosvenor House hotel, Park Lane, London W1K 7TN, England and will commence at 11.00 am (U.K. time) on 13 January 2010. Voting at the Court Meeting will be by poll and each holder of Ordinary Shares who is present in person or by proxy will be entitled to one vote for each share held. The approval required at the Court Meeting is that those voting in favour of the Transaction should:

- (a) represent a simple majority in number of those Shareholders present and voting in person or by proxy; and
- (b) also represent at least three-quarters in value of the Ordinary Shares held by those Shareholders present and voting in person or by proxy.

Sanction of the Scheme by the Court is dependent on such approval being given and the sanction of the Court is a condition precedent to the implementation of the Transaction as a whole. SABMiller has retained the ability to waive this condition, but, unless it does so, implementation of the Transaction is subject to the Scheme being sanctioned by the Court. As the approval of the Transaction by way of a scheme of arrangement is not a legal requirement, it is possible that the Court will refuse to exercise its discretion to sanction the Scheme and, if this were to occur, SABMiller may waive this condition precedent. SABMiller would only waive this condition if the Board believed, taking into account the circumstances at the time, that it was in the best interests of SABMiller and Shareholders to do so.

General Meeting

Shareholder approval is also being sought for the Transaction at a general meeting of Shareholders because this is required under the Companies Act 2006 for the issue of the New SABMiller Shares at the end of the Transaction Period, and, under the UKLA Listing Rules, for the establishment of The SAB Zenzele Employee Trust, which will constitute an employee share scheme for the purpose of those rules.

A notice convening a General Meeting of SABMiller, which will also take place at the Grosvenor House hotel, Park Lane, London W1K 7TN, England at 11.15 am (U.K. time) on 13 January 2010 (or as soon thereafter as the Court Meeting referred to above shall have concluded or been adjourned) is set out on pages 43 to 45 of this document.

The Resolutions to be proposed are as follows:

Resolution 1 – Resolution to approve the Transaction and to allot shares

Resolution 1 seeks Shareholder approval of the Transaction as a whole. This resolution would also allow the directors to implement the Transaction even if the proposed scheme of arrangement under Part 26 of the Companies Act referred to above does not proceed for any reason.

If passed, Resolution 1 also grants authority for the directors of SABMiller to allot the New SABMiller Shares in exchange for the transfer of the Class E Shares and Class F Shares, in the case of The SAB Zenzele Employee Trust and The SAB Foundation, respectively, and the transfer of the SAB Zenzele Shares, in the case of the Retailer Offer, up to an aggregate nominal value of US\$16,519,600.20, representing up to 165,196,002 New SABMiller Shares. This authority is in addition to the general authority to allot shares

that was granted to the directors at the Annual General Meeting of SABMiller on 31 July 2009, but can only be used for the specific purpose of issuing the New SABMiller Shares pursuant to the Transaction, and for no other purpose. The authority shall commence on the date Resolution 1 is passed and expire at the end of 13 January 2015, save that SABMiller may allot ordinary shares pursuant to the Exchange Agreement for the purposes of the Transaction after that date as if the authority conferred hereby had not expired.

This authority equates to some 10% of the current issued ordinary share capital as at 7 December 2009, but, as noted above, in practice, the expected dilution of SABMiller's issued share capital resulting from the Transaction, based on SABMiller's current assumptions and on market conditions as at the Latest Practicable Date, is currently expected to be less than 1%.

Resolution 2 – The SAB Zenzele Employee Trust

The SAB Zenzele Employee Trust constitutes an employee share scheme for the purpose of the UKLA Listing Rules and therefore requires specific shareholder approval under those rules. Details of The SAB Zenzele Employee Trust are set out in Part 2 of this document.

Resolutions 1 and 2 are interconditional and the Transaction will not proceed unless both the resolution to approve the Transaction as a whole and the resolution to approve the establishment of The SAB Zenzele Employee Trust have been passed.

Eligibility to vote

All Shareholders entered on the register of members of SABMiller (other than Shareholders registered on the South African section of the register) at 6.00 pm (U.K. time) on 11 January 2010 will be entitled to attend and vote at the General Meeting in respect of the number of Ordinary Shares registered in their name at that time. All Shareholders registered on the South African section of the register of members of SABMiller at 6.00 pm (South Africa Time) on 11 January 2010 will be entitled to attend and vote at the General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the register after that time will be disregarded in determining the rights of any person to attend or vote at the General Meeting. Voting on all the Resolutions will be conducted by a poll. When voting, each Shareholder of SABMiller who is present in person or by proxy will, on a poll, have one vote for each Ordinary Share held.

The Scheme

The detailed proposals relating to the issue of the New SABMiller Shares in exchange for Class E Shares, Class F Shares and the SAB Zenzele Shares described in this document, which forms the explanatory statement to shareholders as required by Part 26 of the Companies Act 2006, are set out in the Exchange Agreement, in the Implementation Agreement, in the memorandum and articles of association of SAB Zenzele and in the Scheme. A copy of the Exchange Agreement and the Implementation Agreement, along with the deed setting out the rules of The SAB Zenzele Employee Trust, is available for inspection as described on pages 34 and 35 of this document.

The Scheme, which is set out on pages 46 to 51 of this document, is an arrangement between SABMiller and its Shareholders, which, if sanctioned by the Court, takes effect in accordance with Part 26 of the Companies Act 2006.

The purpose of the Scheme is to give effect to an arrangement between SABMiller and its Shareholders pursuant to which the directors of SABMiller are authorised to issue the New SABMiller Shares in exchange for the transfer of Class E Shares, Class F Shares and SAB Zenzele Shares on and subject to the terms and conditions of the Exchange Agreement, the Implementation Agreement and the memorandum and articles of association of SAB Zenzele and to carry out, implement and complete the provisions of the Exchange Agreement.

As explained above, implementation of the Scheme is a condition precedent to the Transaction. This means that in order for the Transaction to be carried into effect the Scheme must either be approved by the Shareholders and sanctioned by the Court, or SABMiller must agree to waive this condition.

Court Hearing

If the resolution at the Court Meeting and the Resolutions at the General Meeting of SABMiller are passed, SABMiller intends to petition the Court to sanction the Scheme. Any Shareholder is entitled to attend the Court hearing in person or through legal representation to support or oppose the sanctioning of the Scheme. The Scheme will become effective upon the delivery to the Registrar of Companies in England and Wales of a copy of the order of the Court sanctioning the Scheme and registration of such order. Subject to the requisite approvals of the Scheme being obtained from Shareholders and to the sanction of the Court, this is expected to occur on or around 4 February 2010. If the Scheme does not become effective by 31 March 2011 (or such later date as may be determined by SABMiller), it will not become effective at all.

Action to be taken

Implementation of the Transaction is subject to the approval of the Shareholders of SABMiller and it is important that you use your votes at both the Court Meeting and the General Meeting.

To make sure that your votes are counted, please complete the accompanying Forms of Proxy or Voting Instruction Forms and return them in accordance with the instructions printed on them and on pages 43 to 45 of this document.

Apart from completing and returning the Forms of Proxy or Voting Instructions Forms, Shareholders need take no further action. However, the return of Forms of Proxy will not preclude you from attending and voting at the General Meeting or the Court Meeting, should you so wish.

The directors of SABMiller and the effect of the Scheme on their interests

The effect of the Transaction on the interests of the directors of SABMiller does not differ from their effect on the like interests of any other holder of Ordinary Shares in SABMiller.

7. SHAREHOLDER INDICATIONS OF SUPPORT

SABMiller's two major shareholders, Altria Group, Inc and BevCo Limited, have each indicated to the Board their support for the Transaction and have confirmed that they intend to vote in favour of the resolution to be proposed at the Court Meeting and the Resolutions to be proposed at the General Meeting in respect of their beneficial holdings of Ordinary Shares, which amount to 430,000,000 shares and 225,000,000 shares, respectively (representing in total 41.60% of the total shares eligible to be voted at the meetings).

8. RECOMMENDATION

The Board believes that the Scheme and the Transaction are in the best interests of Shareholders as a whole, and unanimously recommends Shareholders to vote in favour of the resolution to be proposed at the Court Meeting and the Resolutions to be proposed at the General Meeting.

The directors intend to vote in favour of these resolutions in respect of their own beneficial holdings of Ordinary Shares, which amount in total to 3,445,460 shares (representing 0.22% of the total shares eligible to be voted at the meetings).

Yours faithfully,

J Meyer Kahn
Chairman

Part 1

The Codes

1. BACKGROUND TO THE CODES

On 7 January 2004, the South African Government passed into law the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (the “**Act**”). The Act provides for the enactment of certain codes governing the practical implementation of the Act, the Broad-Based Black Economic Empowerment Codes of Good Practice (the “**Codes**”), and these became operational as of the date of publication in the Government Gazette, No. 29617, on 9 February 2007.

This Act was passed against a background of economic imbalances in the South African economy, which had resulted in the majority of the country’s citizens being excluded from the economic mainstream. Despite the progress made in the period since democratic elections in 1994, such imbalances continue to restrict the ability of the country to achieve its full economic potential. The intention of BBBEE is to address these inequalities by working towards sustained economic growth, development and social change by substantially increasing the number of black people who manage, own and control the economic resources of South Africa.

The Act states that every organ of state and public entity must take into account the Codes when: determining qualification criteria for issuing of licences; developing and implementing a preferential procurement policy; determining qualifications for the sale of state-owned enterprises; and developing criteria for entering into partnerships with the private sector.

2. ADJUSTMENTS FOR “MANDATED INVESTMENTS”

Mandated investments may be described as investments made through any third party which is regulated by legislation (for example, a pension fund), on behalf of the actual investor. When determining the level of equity ownership of an enterprise in terms of the Codes, up to 40% of the total ownership rights of that enterprise that is attributable to these mandated investments may be excluded. This exclusion is in recognition of the fact that some of the beneficiaries of mandated investments may be historically disadvantaged people or groups and this proportion may be administratively burdensome to verify.

3. THE GENERIC SCORECARD

A key component of the Codes is the balanced scorecard which measures a company’s empowerment status in seven core areas. Each area is allocated a weighting and compliance target, and the overall score determines the rating of the entity being measured; 20 points of the scorecard are attributed to equity ownership of the entity by historically disadvantaged people or groups.

BBBEE elements	Code reference	Points
<i>Direct empowerment</i>		
1. Equity Ownership	100	20
<i>Human Resources Development</i>		
2. Management Control	200	10
<i>Indirect empowerment</i>		
3. Employment Equity	300	15
4. Skills Development	400	15
5. Preferential Procurement	500	20
6. Enterprise Development	600	15
7. Socio-economic Development	700	5

The BBBEE status of an enterprise is based on the score achieved using the generic scorecard (below). Recognition is expressed in terms of eight levels and Level Four is recognised as to 100%. For example, a company that scores 70 points is classified as a Level Four contributor. Thus, in measuring Code 500 (Preferential Procurement), any procurement from a Level Four contributor will be regarded as 100% BBBEE spend.

BBBEE status	Qualification (<i>generic scorecard points</i>)	Recognition level
Level 1 contributor	≥ 100	135%
Level 2 contributor	≥ 85 but < 100	125%
Level 3 contributor	≥ 75 but < 85	110%
Level 4 contributor	≥ 65 but < 75	100%
Level 5 contributor	≥ 55 but < 65	80%
Level 6 contributor	≥ 45 but < 55	60%
Level 7 contributor	≥ 40 but < 45	50%
Level 8 contributor	≥ 30 but < 40	10%
Non-compliant	< 30 points	0%

The ratings achieved by businesses are important as the South African Government has set specific targets for Government departments and organs of state in relation to providing business to black empowered organisations. In some industries, a minimum BBBEE score is a requirement for the issue or maintenance of an operating licence from a Government regulator. In order to enhance their scores, companies can also benefit by doing business with suppliers with a high BBBEE status, thereby earning points in the preferential procurement area and ultimately providing positive empowerment effects throughout the value chain.

For the purposes of the Codes, direct black ownership means beneficial ownership of an equity interest by black people together with control over the voting rights attaching to that equity interest by those black people. In contrast, indirect black ownership occurs where an institution or other investor owns equity in a company on behalf of black beneficiaries and there is no direct participation by the beneficiaries in the voting of those shares. The black ownership that will result from the Transaction means that these requirements should be met for SAB.

The Transaction has been constructed in order to be consistent with the Act and the Codes, which the Board believes will ensure that the Group is able to maintain and obtain all necessary operating licences in South Africa with relative ease.

4. CURRENT SCORECARD AND LEVEL FOUR STATUS FOLLOWING IMPLEMENTATION OF THE TRANSACTION

SAB is currently recognised as a Level Five Contributor in terms of the Codes. Pursuant to its operating licences, SAB has committed to attaining at least Level Four Contributor status on the basis of the scorecard contained in the Codes by 2012.

The Transaction will make a material contribution towards achieving SAB's committed objective of attaining Level Four contributor status on the basis of the scorecard contained in the Codes. Based on current assumptions, the Transaction will constitute an effective 14.1% broad-based black economic empowerment ownership transaction in terms of the Codes, after adjusting for mandated investments.

Part 2

The Employee Offer

1. INTRODUCTION

The inclusion of employees in the Transaction is intended to create broad-based ownership in SAB and to spread a significant portion of the benefits of the Transaction among SAB's employees. The sustainability and growth prospects of SAB will be enhanced by improving SAB's ability to attract and retain employees, aligning the interests of employees and shareholders and recognising and rewarding employees who have enabled the success of SAB.

The Employee Offer will include all permanent employees of SAB and the SABMiller Group who are Black Persons and are permanently resident in South Africa. It will also include those permanent employees of SAB and the SABMiller Group who are not Black Persons but are permanently resident in South Africa and are not normally eligible for participation in the SABMiller Group share incentive plans. SAB expects that approximately 9,400 employees of the SABMiller Group will be eligible to participate in the Employee Offer.

The SAB Zenzele Employee Trust will subscribe for 18,532,491 Class E Shares at their par value of R0.000 001 per share for a total consideration of R19, funded by means of a one-off grant from SAB. The Class E Shares will represent 3.39% of the enlarged issued share capital of SAB following the Transaction and 40.14% of the SAB Shares to be issued under the Transaction. This equates to a value of approximately US\$396 million (approximately R2.9 billion at the exchange rate as at the Latest Practicable Date).

The Class E Shares will rank *pari passu* in all respects with the other shares in SAB except as set out in paragraph 3.2 of this Part 2 below.

At the end of the Transaction Period, some of the Class E Shares (determined as set out in paragraph 3.2(c) of this Part 2 below) will be repurchased by SAB for an amount equal to the par value per Class E Share as at the subscription date (which equals R0.000 001) and the Class E Shares remaining after that repurchase will be compulsorily acquired by SABMiller (through its nominated recipient) in exchange for the issue of New SABMiller Shares as described in paragraph 5 of this Part 2 below.

2. ESTABLISHMENT OF THE SAB ZENZELE EMPLOYEE TRUST

2.1 Trustees

It is envisaged that there will be a total of eight trustees of The SAB Zenzele Employee Trust who will be appointed as follows:

- (a) three trustees, who will be employees of SAB or a member of the SABMiller Group permanently resident in South Africa, will be appointed by the board of directors of SAB;
- (b) two trustees, at least one of whom must be a Black Person, who will be beneficiaries and will be appointed by a process conducted by trade unions (of which employees of SAB and the SABMiller Group are members) recognised by SAB and whose members constitute at least 25% of the beneficiaries of The SAB Zenzele Employee Trust;
- (c) two trustees, at least one of whom must be a Black Person, will be elected by the beneficiaries from amongst the beneficiaries based on a three-yearly vote conducted for such purpose; and
- (d) one trustee, who will be an independent person who is neither an employee of a member of the SABMiller Group nor a member or official of a trade union recognised by SAB, who will be appointed by SAB in consultation with the recognised union(s).

At all times a majority of the trustees (that is, at least five trustees) have to be Black Persons.

The chairman of The SAB Zenzele Employee Trust will be elected by the trustees and must be a trustee who has either been appointed by a recognised trade union or elected from amongst the beneficiaries. In the case of deadlock, the chairman will have a casting vote.

2.2 Administration

The administration of The SAB Zenzele Employee Trust will be performed by SAB pursuant to the terms of an administration agreement to be entered into between The SAB Zenzele Employee Trust and SAB.

The costs incurred by The SAB Zenzele Employee Trust in respect of administration will be borne by SAB, but will be set-off to the extent that dividends are received by The SAB Zenzele Employee Trust on Class E Shares which have not been allocated to beneficiaries.

2.3 Amendments

The trustees may amend the Employee Trust Deed with the prior written consent of SAB. No amendment may be made to the disadvantage of any beneficiary without the prior written consent of that beneficiary. The rules of the Employee Trust Deed relating to eligibility, limits, adjustments for a variation of capital and to the amendment of the trust deed may not, however, be amended to the advantage of existing or future participants without the prior approval of the shareholders in general meeting. However, the trustees may make changes necessary pursuant to any change in legislation, taxation, exchange control or regulatory treatment; and minor administrative changes.

SAB may instruct the trustees to amend the Employee Trust Deed if the Act or the Codes are amended and the amendment causes the points attributable to SAB in respect of the ownership element of broad-based black economic empowerment to be reduced.

3. SUBSCRIPTION FOR CLASS E SHARES

3.1 Subscription

The SAB Zenzele Employee Trust will subscribe for 18,532,491 Class E Shares at their par value of R0.000 001 per share for a total consideration of R19.

3.2 Rights attaching to the Class E Shares

The Class E Shares will rank *pari passu* in all respects with the SAB Ordinary Shares, except as follows:

- (a) prior to the repurchase by SAB described in paragraph 5 of this Part 2 below, the Class E Shares will not be transferable;
- (b) if a dividend is declared on the SAB Ordinary Shares in respect of any financial half-year of SAB, the Class E Shares will be entitled to receive an interim and/or final dividend per Class E Share equal to 25% of SAB's Adjusted Attributable Profit divided by the total number of SAB Ordinary Shares and SAB Shares;
- (c) the terms of issue of the Class E Shares will contain a buyback provision (the "**Repurchase Right**") under which SAB will have the right, at the end of the Transaction Period, to purchase for an amount equal to the par value per Class E Share as at the subscription date (which equals R0.000 001) a number of Class E Shares calculated in accordance with the following formula:
 - (i) the initial value of a Class E Share on the Latest Practicable Date (determined using the valuation methodology set out in Part 6 below) less the value of the subscription amount per Class E Share received by SAB from The SAB Zenzele Employee Trust will be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;
 - (ii) the escalated value in (i) above will be reduced by the differences between the dividends actually received on a Class E Share and the dividends which would have been paid on a Class E Share, had SAB pursued a 100% dividend policy during the Transaction Period, which amounts will also be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;
 - (iii) the net effect of (i) and (ii) above per Class E Share will be measured as a percentage of the value of a Class E Share at the end of the Transaction Period (determined as set out in paragraph 5.6 of this Part 2 below); and
 - (iv) that percentage of the Class E Shares will then be repurchased by SAB for an amount equal to their par value as at the subscription date.

The maximum number of Class E Shares that can be repurchased by SAB is all of the Class E Shares in issue at the end of the Transaction Period, and the minimum number that can be repurchased is none of the Class E Shares, with no further rights for SAB or for the holders of the Class E Shares in respect of the settlement of the Repurchase Right above or below these limits.

The remaining Class E Shares which are not repurchased by SAB will then be exchanged for New SABMiller Shares.

3.3 Practical example of Repurchase Right and exchange for New SABMiller Shares

Set out below is an example of how the Repurchase Right and the exchange for New SABMiller Shares will operate. Please note that this example is included for illustrative purposes only and should not be construed as an indication of future financial performance.

If The SAB Zenzele Employee Trust is issued 50,000 Class E Shares (with an initial aggregate value of R5,000,000 at the start of the Transaction Period) for R1 and receives dividends amounting to R600,000 over the course of the Transaction Period, the calculations described in paragraph 3.2(c) of this Part 2 above would operate as follows:

- (a) The initial value of a Class E Share less the subscription amount received by SAB per Class E Share will be R100, which will be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period. Assuming the Transaction Period is 10 years and the Prime Rate was 10% for each of those 10 years, the escalated value of the Class E Share will be R233.
- (b) The differences between the dividends actually received on a Class E Share and the dividends which would have been paid, had SAB pursued a 100% dividend policy during the Transaction Period will be, in aggregate R2,700,000, or R54 per Class E Share. Assuming that the interim and final dividends were equal in value and spread evenly over the 10-year period, these differences, once escalated over the 10-year period, will be R82 per Class E Share.
- (c) The difference between (a) and (b) above is R151. Assuming the value of a Class E Share at the end of the Transaction Period (determined as set out in paragraph 5.6 of this Part 2 below) is R300, the percentage of Class E Shares repurchased by SAB at their par value (R0.000 001) will be 50.26% which equals 25,132 Class E Shares.
- (d) The remaining 49.74% of the Class E Shares, being 24,868 Class E Shares, will be exchanged for an equivalent value (i.e. an aggregate of R7,460,476) of New SABMiller Shares based on the SABMiller share price at that time as described in further detail in paragraph 5.2 of this Part 2 below.

4. ALLOCATION OF PARTICIPATION RIGHTS

- 4.1 The board of directors of SAB has established a committee (the "**Allocation Committee**") which will be responsible for the allocation of participation rights in The SAB Zenzele Employee Trust.
- 4.2 To be eligible for an allocation of participation rights, an employee must be a permanent employee of SAB or the SABMiller Group permanently resident in South Africa, except that permanent employees who are not Black Persons and who qualify to participate in any other share incentive scheme established within the SABMiller Group will not be eligible for participation in The SAB Zenzele Employee Trust.
- 4.3 Allocations to participating employees will be made on the basis of each employee's annual remuneration as at the Employee Allocation Date, with employees who are not normally eligible for participation in the SABMiller Group Share Plans (the "**General Staff**") being entitled to further participation rights based on number of years of service with the SABMiller Group. In terms of allocation of value of participation rights, each participating employee will receive a common multiple of their annual remuneration, with an increase of up to 25% for employees categorised as General Staff, relating to number of years of service. There will be no maximum restriction on the value of participation rights that any one participating employee may receive.
- 4.4 The Allocation Committee will notify the trustees of The SAB Zenzele Employee Trust which employees are to be allocated participation rights and will specify the number of rights to be allocated to each such employee. A participation right specified by the Allocation Committee will entitle the participating employee to the economic rights attributable to that number of Class E Shares.
- 4.5 A number of Class E Shares will be reserved for allocation to future eligible employees who join during the Transaction Period.
- 4.6 **Forfeiture profile**

Each beneficiary of The SAB Zenzele Employee Trust is required to remain in the employ of a company in the SABMiller Group for certain periods of time in order to benefit from the participation rights allocated to them. If the beneficiary's employment terminates prior to the specified periods having elapsed, the beneficiary will retain a percentage of their participation rights and forfeit the balance as broadly indicated below:

- (a) if a participating employee leaves the employment of SABMiller Group through dismissal (due to the employee's misconduct, poor work performance or other reason justified by law), they will forfeit all participation rights;
- (b) if a participating employee leaves the employment of the SABMiller Group through resignation, they will retain and forfeit the percentages of their participation rights as prescribed by the Employee Trust Deed. If a participating employee resigns within 12 months of the Employee Allocation Date, they will not retain any of their participation rights. However, if a participating employee resigns after four years have elapsed from the Employee Allocation Date, they will be entitled to retain all of their participation rights. The trust deed establishing The SAB Zenzele Employee Trust sets out a scale of retention and forfeiture rights which vary depending on at what stage between 12 months and four years after the Employee Allocation Date a participating employee resigns; and
- (c) participating employees who leave the employment of a member of the SABMiller Group by retirement (including those who retire early) or retrenchment, become permanently disabled or are transferred to a new employer as a result of the transfer of a business, will retain the percentages of their participation rights as prescribed by the Employee Trust Deed. Such employees will be entitled to retain between 32.5% and 100% of their participation rights depending on at what stage between the Employee Allocation Date and four years following the Employee Allocation Date their employment terminates.

Participation rights which are forfeited as set out above will be re-allocated (for as long as the scheme remains open) by the trustees of The SAB Zenzele Employee Trust to other (current and/or future) qualifying employees in a manner determined by the Allocation Committee.

SAB will have the right, but not the obligation, to cash-settle the total net equity value of the rights attributable to a participating employee who dies.

From the date five years after the initial Employee Allocation Date, the Allocation Committee will have the sole discretion to vary the time periods referred to in this paragraph 4.6 that apply to new allocations made after that date.

5. REPURCHASE AND EXCHANGE

- 5.1 At the end of the Transaction Period, a number of Class E Shares determined in accordance with the formula described in paragraph 3.2(c) of this Part 2 above will be repurchased by SAB for an amount equal to the par value per Class E Share as at the subscription date (which equals R0.000 001).
- 5.2 Pursuant to the Exchange Agreement, the remaining Class E Shares will be transferred to SABMiller (or such other member of the SABMiller Group as SABMiller may nominate) in exchange for the issue of New SABMiller Shares either to The SAB Zenzele Employee Trust or directly to participating employees in accordance with their participation rights. The number of New SABMiller Shares to be issued will be determined by reference to the value of the remaining Class E Shares at the end of the Transaction Period (determined as set out in paragraph 5.6 of this Part 2 below) and the 60-day volume weighted average price of an SABMiller share traded on the JSE as at the close of trading 10 Business Days prior to that date. The aggregate number of New SABMiller Shares to be issued in exchange for the Class E Shares, the Class F Shares and the SAB Zenzele Shares may not in any circumstances exceed 165,196,002 New SABMiller Shares (representing 10% of SABMiller's issued share capital as at 7 December 2009) and the number of New SABMiller Shares to be issued in exchange for the Class E Shares in respect of the Employee Offer may not exceed 66,304,697 New SABMiller Shares (representing approximately 4.0% of SABMiller's issued share capital as at 7 December 2009).
- 5.3 If a change of control occurs either at the level of SAB or SABMiller, SABMiller will have the right to either:
 - (a) accelerate the repurchase and exchange of the Class E Shares; or
 - (b) develop a proposal including such steps as SABMiller in its sole discretion considers necessary to ensure that The SAB Zenzele Employee Trust and participating employees enjoy a benefit at least equal to the benefit they would have enjoyed if the repurchase and exchange had taken place as contemplated by the terms of the Exchange Agreement and the Transaction. Any proposal developed will be subject to verification by an independent expert.

- 5.4 If any share buyback, rights issue, capitalisation award, consolidation or subdivision of shares, unbundling of an asset or the disposal of a material asset occurs in respect of SAB which SABMiller considers will adversely affect the benefit that the SAB Zenzele Employee Trust would have enjoyed if such event had not occurred, SABMiller will have the power to propose adjustments, subject to verification by an independent expert, to the repurchase and exchange calculations to ensure that The SAB Zenzele Employee Trust will enjoy a benefit that is at least equal to that which it would otherwise have enjoyed.
- 5.5 If the New SABMiller Shares are issued to The SAB Zenzele Employee Trust, The SAB Zenzele Employee Trust will then distribute those shares to participating employees in accordance with their participation rights.
- 5.6 For the purposes of determining the number of Class E Shares to be repurchased as described in paragraph 5.1 of this Part 2 above and the number of New SABMiller Shares to be issued as described in paragraph 5.2 of this Part 2 above, a valuation of the Class E Shares as at the end of the Transaction Period will be carried out by SABMiller.

The value of the Class E Shares at the end of the Transaction Period will be determined by applying the SABMiller Group's implied trading EV/EBITA multiple at the time to SAB's last 12 months' published consolidated EBITA and adjusting that value for SAB's consolidated position with respect to the book value of minorities, preference share funding and net debt, as well as the outstanding Repurchase Right attributable to the Class R Shares, Class E Shares and Class F Shares. Further adjustments may be made in respect of relevant events that are not captured in the financial accounts of SABMiller or SAB, subject to verification by an independent expert. Details of the valuation methodology are set out in Part 6 of this document below.

- 5.7 No benefits provided to participants under The SAB Zenzele Employee Trust will be pensionable.

6. **TIMETABLE**

The initial Employee Allocation Date is expected to be in May 2010.

Part 3

The Retailer Offer

1. INTRODUCTION

SAB believes that participation by retailers and liquor licence applicants will create genuine broad-based empowerment, by improving the social well-being and sustainability of retailers, and in supporting the normalisation and regulation of the South African liquor industry.

SAB Zenzele Shareholders (described in paragraph 2 of this Part 3 below) will be offered the opportunity to subscribe for shares in SAB Zenzele (details of which are set out in paragraph 3 of this Part 3 below). SAB Zenzele will apply the amounts received in subscribing for 19,228,250 Class R shares. The Class R Shares will represent 3.52% of the enlarged issued share capital of SAB following the Transaction and 41.64% of the SAB Shares to be issued under the Transaction. This equates to a value of approximately US\$411 million (approximately R3.0 billion at the exchange rate as at the Latest Practicable Date).

In addition to the shares in SAB Zenzele subscribed by SAB Zenzele Shareholders, The SAB Foundation will hold The SAB Foundation Special Share and SAB will hold the SAB Special Share. The role and objectives of The SAB Foundation are set out in Part 4 below. Further details of the rights attaching to The SAB Foundation Special Share are set out in paragraph 3.5 of this Part 3 below. Further details of the rights attaching to the SAB Special Share are set out in paragraph 3.6 of this Part 3 below.

The Class R Shares will rank *pari passu* in all respects with the other shares in SAB except as set out in paragraph 4.2 of this Part 3 below.

At the end of the Transaction Period some of the Class R Shares (determined as set out in paragraph 4.2(c) of this Part 3 below) will be repurchased by SAB for an amount equal to the par value per Class R Share as at the subscription date (which equals R0.000 001) and all of the SAB Zenzele Shares will be compulsorily acquired by SABMiller (through its nominated recipient) in exchange for the issue of New SABMiller Shares to SAB Zenzele Shareholders as described in paragraph 5 of this Part 3 below.

2. SAB ZENZELE SHAREHOLDERS

The pool of retail beneficiaries is made up of three components and each applicant must meet specific criteria in order to qualify to receive shares in SAB Zenzele.

2.1 Licensed liquor retailers

- (a) The applicant individual or entity must hold a valid retail liquor licence, including temporary liquor permits issued in the Gauteng Province of South Africa.
- (b) The applicant individual or entity must be a Black Person or at least 51% beneficially black owned (as defined in the Codes).
- (c) Participation will require an equity contribution of R100 (approximately US\$13.53 based on the exchange rate of R to US\$ of 7.39) for a minimum application of a value of R50,000 (approximately US\$6,766) up to a maximum equity contribution of R25,000 (approximately US\$3,383) for a maximum application of a value of R500,000 (approximately US\$67,659).

2.2 Liquor licence applicants

- (a) As proof of intention lawfully to sell liquor in the future, an applicant must provide a certified copy of a liquor licence application with proof that the application was accepted for consideration by the relevant South African licensing authorities or provide a sequentially numbered letter signed by a senior liquor licensing assistant appointed by SAB, which certifies that the applicant has materially completed certain defined licensing requirements that are within its control, and intends to lodge a liquor licence application with the relevant South African licensing authorities once the outstanding licensing requirements have been completed.
- (b) The applicant individual or entity must be a Black Person or at least 51% beneficially black owned (as defined in the Codes).

- (c) Participation will require an equity contribution of R100 for a minimum application of a value of R50,000 or a maximum equity contribution of R2,500 for a maximum application of a value of R100,000. Initially, liquor licence applicants may only apply either for the minimum application valued at R50,000 or a maximum application valued at R100,000, but additional SAB Zenzele Shares may be issued to a liquor licence applicant at no further cost if the liquor licence applicant is granted a qualifying liquor licence during the three-year period following the Retail Allocation Date.

2.3 **ABI customers**

- (a) The applicant individual or entity must be a current ABI customer. ABI customers must have an ABI outlet number, as reflected on SAB's register of ABI customers as at 1 July 2009.
- (b) The applicant individual or entity must be a Black Person or at least 51% beneficially black owned (as defined in the Codes).
- (c) Participation will require an equity contribution of R100 for a minimum application of a value of R50,000 up to a maximum equity contribution of R10,000 for a maximum application of a value of R250,000.

3. **SAB ZENZELE**

3.1 **Establishment**

SAB Zenzele is a public company. It was incorporated in South Africa on 23 November 2009.

SAB Zenzele's registered and business address is 65 Park Lane, Sandown, Sandton, 2196.

SAB Zenzele's sole objective is to subscribe for and hold the Class R Shares in SAB for the benefit of the shareholders of SAB Zenzele and making and implementing the Retailer Offer. It will not undertake any other business activities.

The SAB Zenzele Shares will not be listed on any stock exchange and will not be transferable, save in the exceptional circumstances described in paragraph 6 of this Part 3 below.

3.2 **Board of directors**

It is envisaged that there will be at least five directors on the board of SAB Zenzele who will be selected as follows:

- (a) Initially, the board of SAB Zenzele will consist of five directors who will all be nominated by SAB.
- (b) At the first AGM of SAB Zenzele (expected to be held by 30 November 2010), and at every subsequent AGM, the board of directors will be reconstituted as follows:
 - (i) two directors appointed by SAB as the holder of the SAB Special Share; and
 - (ii) at least three directors appointed by the shareholders.

At all times, at least three (or a majority) of the directors should be Black Persons.

The directors of SAB Zenzele will be responsible for, *inter alia*, the day-to-day administration of SAB Zenzele and voting the shares held by SAB Zenzele in SAB.

3.3 **Administration**

Certain administration services for SAB Zenzele will be performed by SAB or a third party that is appointed by SAB to perform those services.

3.4 **Share capital of SAB Zenzele**

The share capital of SAB Zenzele will consist of ordinary shares to be issued to SAB Zenzele Shareholders, The SAB Foundation Special Share to be held by The SAB Foundation, and the SAB Special Share to be held by SAB.

3.5 Foundation Special Share

The SAB Foundation Special Share entitles The SAB Foundation to one vote at general meetings of SAB Zenzele and to economic rights in SAB Zenzele in proportion to the number of authorised but unissued shares relative to the total authorised shares, but excluding shares in SAB Zenzele's authorised share capital repurchased for value from the estate of SAB Zenzele Shareholders that have died, as set out in paragraph 6(d) of this Part 3 below.

There will be a certain number of unissued SAB Zenzele Shares from the outset to facilitate future allocation of shares for unlicensed liquor retailers who become licensed within three years of the Retail Allocation Date as described in paragraph 2.2 of this Part 3 above. The economic rights of The SAB Foundation Special Share will be achieved through enhanced rights to dividends.

For example, if there are: 100 authorised shares, 90 issued shares, and 10 authorised but unissued shares; then The SAB Foundation would be entitled to 10/100 of the economic rights of SAB Zenzele. The SAB Foundation Special Share will however be entitled to only one vote at general meetings of SAB Zenzele.

Further details on the role and objectives of The SAB Foundation are set out in Part 4 below.

3.6 SAB Special Share

The SAB Special Share will confer the following rights:

- (a) the holder of the SAB Special Share will have the requisite majority of votes at general meetings of the shareholders of SAB Zenzele in respect of any resolution relating only to the issue or buyback of SAB Zenzele Shares, the cancellation of authorised, but unissued, share capital of SAB Zenzele and any resolutions to ratify any breach of any special condition contained in SAB Zenzele's memorandum of association. This means that SAB, as the holder of the SAB Special Share, will be able to control the determination of these matters at shareholder level. In addition, pursuant to the memorandum of association of SAB Zenzele, certain matters, including any changes to the memorandum or articles of association of SAB Zenzele, or the winding-up of SAB Zenzele, may not be undertaken without the prior written consent of the holder of the SAB Special Share; and
- (b) from the first annual general meeting of SAB Zenzele, the holder of the SAB Special Share will be entitled to nominate and appoint two directors to the board of directors of SAB Zenzele; but
- (c) the SAB Special Share will confer no economic rights on its holder.

4. SUBSCRIPTION FOR CLASS R SHARES

4.1 Subscription

SAB Zenzele will subscribe for 19,228,250 Class R shares for an amount equal to the aggregate of the equity contributions received from SAB Zenzele Shareholders.

4.2 Rights attaching to the Class R Shares

The Class R Shares will rank *pari passu* in all respects with the SAB Ordinary Shares, except as follows:

- (a) prior to the repurchase by SAB described in paragraph 5 of this Part 3 below, the Class R Shares will not be transferable;
- (b) if a dividend is declared on the SAB Ordinary Shares in respect of any financial half-year of SAB, the Class R Shares will be entitled to receive an interim and/or final dividend per Class R Share equal to 25% of SAB's Adjusted Attributable Profit divided by the total number of SAB Ordinary Shares and SAB Shares;
- (c) the terms of issue of the Class R Shares will contain a buyback provision (the "**Repurchase Right**") under which SAB will have the right, at the end of the Transaction Period, to purchase for an amount equal to the par value per Class R Share as at the subscription date (which equals R0.000 001) a number of Class R Shares calculated in accordance with the following formula:
 - (i) the initial value of a Class R Share on the Latest Practicable Date (determined using the valuation methodology set out Part 6 below), less the value of the subscription amount per Class R Share received by SAB from SAB Zenzele, will be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;

- (ii) the escalated value in (i) above will be reduced by the differences between the dividends actually received on a Class R Share and the dividends which would have been paid on a Class R Share, had SAB pursued a 100% dividend policy during the Transaction Period, which amounts will also be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;
- (iii) the net effect of (i) and (ii) above per Class R Share will be measured as a percentage of the value of a Class R Share at the end of the Transaction Period (determined as set out in paragraph 5.5 of this Part 3 below); and
- (iv) that percentage of the Class R Shares will then be repurchased by SAB for an amount equal to their par value as at the subscription date.

The maximum number of Class R Shares that can be repurchased by SAB is all of the Class R Shares in issue at the end of the Transaction Period, and the minimum number that can be repurchased is none of the Class R Shares, with no further rights for SAB or for the holders of the Class R Shares in respect of the settlement of the Repurchase Right above or below these limits.

All of the SAB Zenzele shares will then be exchanged for New SABMiller Shares by reference to the value of the remaining Class R Shares which are not repurchased by SAB. See paragraph 3.3 of Part 2 of this document above for a worked example of how the Repurchase Right and the exchange for New SABMiller Shares will operate in practice.

5. REPURCHASE AND EXCHANGE

- 5.1 At the end of the Transaction Period, a number of Class R Shares determined in accordance with the formula described in paragraph 4.2(c) of this Part 3 above will be repurchased by SAB for an amount equal to the par value per Class R Share as at the subscription date (which equals R0.000 001).
- 5.2 Pursuant to the Exchange Agreement and the terms of the memorandum and articles of association of SAB Zenzele, all of the SAB Zenzele Shares will be transferred to SABMiller (or such other member of the SABMiller Group as SABMiller may nominate) in exchange for the issue of New SABMiller Shares to the SAB Zenzele Shareholders. The number of New SABMiller Shares to be issued will be determined by reference to the value of the remaining Class R Shares at the end of the Transaction Period (determined as set out in paragraph 5.5 of this Part 3 below) and the 60-day volume weighted average price of an SABMiller share traded on the JSE as at the close of trading 10 Business Days prior to that date. The aggregate number of New SABMiller Shares to be issued in exchange for the Class E Shares, the Class F Shares and the SAB Zenzele Shares may not in any circumstances exceed 165,196,002 New SABMiller Shares (representing 10% of SABMiller's issued share capital as at 7 December 2009) and the number of New SABMiller Shares to be issued in exchange for the SAB Zenzele Shares in respect of the Retailer Offer may not exceed 68,793,951 New SABMiller Shares (representing approximately 4.2% of SABMiller's issued share capital as at 7 December 2009).
- 5.3 If a change of control occurs either at the level of SAB or SABMiller, SABMiller will have the right to either:
 - (a) accelerate the repurchase of the Class R Shares and exchange of the SAB Zenzele Shares; or
 - (b) develop a proposal including such steps as SABMiller in its sole discretion considers necessary to ensure that SAB Zenzele enjoys a benefit at least equal to the benefit it would have enjoyed if the repurchase and exchange had taken place as contemplated by the terms of the Exchange Agreement, the memorandum and articles of association of SAB Zenzele and the Transaction. Any proposal developed will be subject to verification by an independent expert.
- 5.4 If any share buyback, rights issue, capitalisation award, consolidation or subdivision of shares, unbundling of an asset or the disposal of a material asset occurs in respect of SAB which SABMiller considers will adversely affect the benefit that SAB Zenzele would have enjoyed if such event had not occurred, SABMiller will have the power to propose adjustments, subject to verification by an independent expert, to the repurchase and exchange calculations to ensure that SAB Zenzele will enjoy a benefit that is at least equal to that which it would otherwise have enjoyed.
- 5.5 For the purposes of determining the number of Class R Shares to be repurchased as described in paragraph 5.1 of this Part 3 above and the number of New SABMiller Shares to be issued as described in paragraph 5.2 of this Part 3 above, a valuation of the Class R Shares as at the end of the Transaction Period will be carried out by SABMiller.

The value of the Class R Shares at the end of the Transaction Period will be determined by applying the SABMiller Group's implied trading EV/EBITA multiple at the time to SAB's last 12 months' published consolidated EBITA and adjusting that value for SAB's consolidated position with respect to the book value of minorities, preference share funding and net debt, as well as the outstanding Repurchase Right attributable to the Class R Shares, Class E Shares and Class F Shares. Further adjustments may be made in respect of relevant events that are not captured in the financial accounts of SABMiller or SAB, subject to verification by an independent expert. Details of the valuation methodology are set out in Part 6 of this document below.

5.6 Following the repurchase and exchange described above, SAB Zenzele will be a wholly-owned subsidiary of the SABMiller Group.

6. FORFEITURE TERMS

SAB Zenzele Shares will be subject to the following restrictions:

- (a) they will not be transferable, save in exceptional circumstances such as the death, sequestration or liquidation of the shareholder;
- (b) they will be forfeited if the holder fails to remain a minimum 51% beneficially black owned entity (as defined in the Codes);
- (c) SAB Zenzele Shareholders who die will not forfeit their SAB Zenzele Shares, provided the shares are transferred to a qualifying Black Person; and
- (d) SAB will have the right, but not the obligation, to cash-settle the total net equity value of the shares held by an SAB Zenzele Shareholder who dies.

7. TIMETABLE

The dates below are based on SAB's current expectations and may be subject to change:

Retailer Offer opens	February 2010
Retailer Offer closes	April 2010
Allotment and issue of SAB Zenzele Shares	May 2010

Part 4

The SAB Foundation

1. INTRODUCTION

The primary focus of The SAB Foundation will be to engage in community development initiatives that provide benefits to historically disadvantaged South Africans. Through the board of trustees, and its independent chairman, The SAB Foundation will aim to distribute its returns from its participation in the Transaction (including from the New SABMiller Shares which it receives following the conversion of the Class F Shares) to a wide group of beneficiaries, and to oversee the creation and maintenance of a visible, sustainable fund of a meaningful size that is able to commence operations within the first year of the Transaction being implemented.

The SAB Foundation will primarily focus on supporting entrepreneurship development and community development as the Group believes this will deliver broad sustainable economic benefits for South Africa. It will target historically disadvantaged people with a priority on women and the youth in rural areas.

The SAB Foundation will establish and support:

- (a) community building projects which seek to empower Black Persons by providing them with necessary skills to effect change in their community; and
- (b) programmes and initiatives that educate and train Black Persons to build their own entrepreneurial abilities.

It is intended that The SAB Foundation will continue in existence indefinitely, not just for the Transaction Period, to become a lasting contributor to community development. The SAB Foundation may only be terminated by agreement between SAB and the trustees of The SAB Foundation.

The SAB Foundation will subscribe for 8,412,359 Class F Shares at their par value of R0.000 001 per share for a total consideration of R8, funded by means of a one-off grant from SAB. The Class F Shares will represent 1.54% of the enlarged issued share capital of SAB following the Transaction and 18.22% of the SAB Shares to be issued under the Transaction. This equates to a value of approximately US\$180 million (approximately R1.3 billion at the exchange rate as at the Latest Practicable Date).

The Class F Shares will rank *pari passu* in all respects with the other shares in SAB except as set out in paragraph 3.2 of this Part 4 below.

At the end of the Transaction Period some of the Class F Shares (determined as set out in paragraph 3.2(c) of this Part 4 below) will be repurchased by SAB for an amount equal to the par value per Class F Share as at the subscription date (which equals R0.000 001) and the Class F Shares remaining after that repurchase will be compulsorily acquired by SABMiller (through its nominated recipient) in exchange for the issue of New SABMiller Shares as described in paragraph 4 of this Part 4 below.

2. THE SAB FOUNDATION

2.1 Trustees

It is envisaged that there will be a minimum of three and a maximum of ten trustees of The SAB Foundation (the "**SAB Foundation Trustees**") who will be appointed by SAB.

At all times:

- (a) at least half of the trustees, and the chairman, will be independent;
- (b) up to half of the trustees will be SAB employees;
- (c) none of the trustees will be employed by, or be beneficiaries of, The SAB Foundation; and
- (d) the composition of the trustees will comply with the requirements of the Codes, which require that at least 25% of the trustees will be women who are Black Persons.

Mr. Cyril Ramaphosa has agreed to act as the chairman of The SAB Foundation. Mr. Ramaphosa is an independent non-executive director of SABMiller.

The other independent trustees to be appointed are Dr William Rowland, Honorary President of the South African National Council for the Blind and Honorary President of Disabled People of South Africa, and Polo Radebe, CEO of the Identity Development Fund (Pty) Ltd.

SAB's trustees are Norman Adami (Managing Director), Vincent Maphai (Corporate Affairs and Transformation Director) and Hepsy Mkhungo (Head of Department: Transformation, CSI and Enterprise Development).

2.2 Control

The SAB Foundation Trustees will vote the Class F Shares at general meetings of SAB in their discretion in accordance with their fiduciary duties and in the best interests of the beneficiaries.

The powers, duties and privileges of the SAB Foundation Trustees are limited to the specific purpose of The SAB Foundation and the SAB Foundation Trustees are not entitled to act beyond that specific purpose.

2.3 Operation and Administration

The SAB Foundation will be administered by SAB on terms agreed in writing pursuant to an administration agreement (the "**SAB Foundation Administration Agreement**"). Pursuant to the terms of the trust deed of The SAB Foundation and the SAB Foundation Administration Agreement, SAB will identify potential beneficiaries that fall within the ambit of the object of The SAB Foundation, and provide project management and execution support. SAB will present the credentials of the identified potential beneficiaries to the SAB Foundation Trustees, who will consider the information provided to them and appoint beneficiaries. The SAB Foundation Trustees will also determine the amounts to be paid to beneficiaries, and any conditions pertaining to the payment of benefits to those beneficiaries.

The costs incurred by The SAB Foundation in respect of administration, including the amount payable to SAB in terms of the SAB Foundation Administration Agreement, will be borne by The SAB Foundation, but will be limited to a maximum of 15% of the annual income received by The SAB Foundation, as required under the Codes.

3. SUBSCRIPTION FOR CLASS F SHARES

3.1 Subscription

The SAB Foundation will subscribe for 8,412,359 Class F Shares at their par value of R0.000 001 per share for a total consideration of R8.

3.2 Rights attaching to the Class F Shares

The Class F Shares will rank *pari passu* in all respects with the SAB Ordinary Shares, except as follows:

- (a) prior to the repurchase by SAB described in paragraph 4 of this Part 4 below, the Class F Shares will not be transferable;
- (b) if a dividend is declared on the SAB Ordinary Shares in respect of any financial half-year of SAB, the Class F Shares will be entitled to receive an interim and/or final dividend per Class F Share equal to 25% of SAB's Adjusted Attributable Profit divided by the total number of SAB Ordinary Shares and SAB Shares;
- (c) the terms of issue of the Class F Shares will contain a buyback provision (the "**Repurchase Right**") under which SAB will have the right, at the end of the Transaction Period, to purchase for an amount equal to the par value per Class F Share as at the subscription date which equals R0.000 001 a number of Class F Shares calculated in accordance with the following formula:
 - (i) the initial value of a Class F Share on the Latest Practicable Date (determined using the valuation methodology set out in Part 6 below) less the value of the subscription amount per Class F Share received by SAB from The SAB Foundation will be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;
 - (ii) the escalated value in (i) above will be reduced by the differences between the dividends actually received on a Class F Share and the dividends which would have been paid on a Class F Share, had SAB pursued a 100% dividend policy during the Transaction Period, which amounts will also be escalated by 85% of the Prime Rate per annum, compounded monthly, during the Transaction Period;
 - (iii) the net effect of (i) and (ii) above per Class F Share will be measured as a percentage of the value of a Class F Share at the end of the Transaction Period (determined as set out in paragraph 4.5 of this Part 4 below); and
 - (iv) that percentage of the Class F Shares will then be repurchased by SAB for an amount equal to their par value as at the subscription date.

The maximum number of Class F Shares that can be repurchased by SAB is all of the Class F Shares in issue at the end of the Transaction Period, and the minimum number that can be repurchased is none of the Class F Shares, with no further rights for SAB or for the holders of the Class F Shares in respect of the settlement of the Repurchase Right above or below these limits.

The remaining Class F Shares which are not repurchased by SAB will then be exchanged for new SABMiller Shares. See paragraph 3.3 of Part 2 of this document above for a worked example of how the Repurchase Right and exchange for New SABMiller Shares will operate in practice.

4. REPURCHASE AND EXCHANGE

- 4.1 At the end of the Transaction Period, a number of Class F Shares determined in accordance with the formula described in paragraph 3.2(c) of this Part 4 above will be repurchased by SAB for an amount equal to the par value per Class F Share as at the subscription date (which equals R0.000 001).
- 4.2 Pursuant to the Exchange Agreement, the remaining Class F Shares will be transferred to SABMiller (or such other member of the SABMiller Group as SABMiller may nominate) in exchange for the issue of New SABMiller Shares to The SAB Foundation. The number of New SABMiller Shares to be issued will be determined by reference to the value of the remaining Class F Shares at the end of the Transaction Period (determined as set out in paragraph 4.5 of this Part 4 below) and the 60-day volume weighted average price of an SABMiller share traded on the JSE as at the close of trading 10 Business Days prior that date. The aggregate number of Ordinary Shares to be issued in exchange for the Class E Shares, the Class F Shares and the SAB Zenzele Shares may not in any circumstances exceed 165,196,002 New SABMiller Shares (representing 10% of SABMiller's issued share capital as at 7 December 2009) and the number of Ordinary Shares to be issued to The SAB Foundation in exchange for the Class F Shares may not exceed 30,097,354 New SABMiller Shares (representing approximately 1.8% of SABMiller's issued share capital as at 7 December 2009).
- 4.3 If a change of control occurs either at the level of SAB or SABMiller, SABMiller will have the right to either:
 - (a) accelerate the repurchase and exchange of the Class F Shares; or
 - (b) develop a proposal including such steps as SABMiller in its sole discretion considers necessary to ensure that The SAB Foundation enjoys a benefit at least equal to the benefit it would have enjoyed if the repurchase and exchange had taken place as contemplated by the terms of the Exchange Agreement and the Transaction. Any proposal developed will be subject to verification by an independent expert.
- 4.4 If any share buyback, rights issue, capitalisation award, consolidation or subdivision of shares, unbundling of an asset or the disposal of a material asset occurs in respect of SAB which SABMiller considers will adversely affect the benefit that The SAB Foundation would have enjoyed if such event had not occurred, SABMiller will have the power to propose adjustments, subject to verification by an independent expert, to the repurchase and exchange calculations to ensure that The SAB Foundation will enjoy a benefit that is at least equal to that which it would otherwise have enjoyed.
- 4.5 For the purposes of determining the number of Class F Shares to be repurchased as described in paragraph 4.1 of this Part 4 above and the number of New SABMiller Shares to be issued as described in paragraph 4.2 of this Part 4 above, a valuation of the Class F Shares as at the end of the Transaction Period will be carried out by SABMiller.

The value of the Class F Shares at the end of the Transaction Period will be determined by applying the SABMiller Group's implied trading EV/EBITA multiple at the time to SAB's last 12 months' published consolidated EBITA and adjusting that value for SAB's consolidated position with respect to the book value of minorities, preference share funding and net debt, as well as the outstanding Repurchase Right attributable to the Class R Shares, Class E Shares and Class F Shares. Further adjustments may be made in respect of relevant events that are not captured in the financial accounts of SABMiller or SAB, subject to verification by an independent expert. Details of the valuation methodology are set out in Part 6 of this document below.

5. TIMETABLE

The Class F Shares are expected to be allotted and issued to The SAB Foundation in May 2010.

Part 5
Unaudited 2

Financial Information

A UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE SABMILLER GROUP

The following unaudited *pro forma* financial information of the SABMiller Group is based on the historical consolidated income statement of SABMiller for the six months ended 30 September 2009 and the historical consolidated balance sheet of SABMiller as at 30 September 2009.

The unaudited *pro forma* financial information set out below has been prepared to show the effect of the Transaction on the consolidated balance sheet of SABMiller as if the Transaction had occurred on 30 September 2009 and to show the effect on the consolidated income statement of SABMiller as if the Transaction had occurred on 1 April 2009. The unaudited *pro forma* financial information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation, and therefore does not represent the SABMiller Group's actual financial position or results.

Although the inclusion of this information is not a requirement prescribed by the Listing Rules or the Prospectus Rules or by the listings requirements of the JSE, the directors have voluntarily elected to include this information and have ensured that this unaudited *pro forma* financial information fully complies with the requirements of the Prospectus Rules in respect of the preparation of *pro forma* financial information.

The unaudited *pro forma* financial information is compiled on the basis set out in the notes below.

**UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET OF SABMILLER
AS AT 30 SEPTEMBER 2009**

	SABMiller ⁽¹⁾ 30 September 2009 US\$m	Pro forma Adjustments ⁽²⁾ US\$m	Notes	Pro forma adjusted US\$m
ASSETS				
Non-current assets	33,411	–		33,411
Goodwill	11,608	–		11,608
Intangible assets	4,369	–		4,369
Property, plant and equipment	8,883	–		8,883
Investments in joint ventures	5,638	–		5,638
Investments in associates	2,136	–		2,136
Available for sale investments	34	–		34
Derivative financial instruments	413	–		413
Trade and other receivables	155	–		155
Deferred tax assets	175	–		175
Current assets	3,754	(9)		3,745
Inventories	1,424	–		1,424
Trade and other receivables	1,711	–		1,711
Current tax assets	143	–		143
Derivative financial instruments	12	–		12
Cash and cash equivalents	464	(9)	2(a), (b)	455
Total assets	37,165	(9)		37,156
LIABILITIES				
Current liabilities	(5,214)	–		(5,214)
Derivative financial instruments	(128)	–		(128)
Borrowings	(1,172)	–		(1,172)
Trade and other payables	(3,040)	–		(3,040)
Current tax liabilities	(561)	–		(561)
Provisions	(313)	–		(313)
Non-current liabilities	(12,071)	–		(12,071)
Derivative financial instruments	(212)	–		(212)
Borrowings	(8,844)	–		(8,844)
Trade and other payables	(235)	–		(235)
Deferred tax liabilities	(561)	–		(561)
Provisions	(313)	–		(313)
Total liabilities	(17,285)	–		(17,285)
Net assets	19,880	(9)		19,871
EQUITY				
Total shareholders' equity	19,214	(9)		19,205
Share capital	165	–		165
Share premium	6,255	–		6,255
Other reserves	5,963	–		5,963
Retained earnings	6,831	(9)	2(a), (b)	6,822
Minority interests in equity	666			666
Total equity	19,880	(9)		19,871

**UNAUDITED *PRO FORMA* CONSOLIDATED INCOME STATEMENT OF SABMILLER
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

	SABMiller ⁽¹⁾ 30 September 2009 US\$m	<i>Pro forma</i> Adjustments ⁽²⁾ US\$m	Notes	<i>Pro forma</i> adjusted US\$m
Revenue	8,846	–		8,846
Net operating expenses	(7,632)	(138)	2(b),(c),(d)	(7,770)
Operating profit	1,214	(138)		1,076
Operating profit before exceptional items	1,425	(1)	2(d)	1,424
Exceptional items	(211)	(137)	2(b),(c)	(348)
Net finance costs	(266)	–		(266)
Share of post-tax results of associates and joint ventures	550	–		550
Profit before taxation	1,498	(138)		1,360
Taxation	(436)	4	2(b)	(432)
Profit for the financial period	1,062	(134)		928
Profit attributable to minority interests	89	–		89
Profit attributable to equity shareholders	973	(134)		839
	1,062	(134)		928
Basic earnings per share (US cents)	63.0		3	54.1
Adjusted earnings per share (US cents)	80.0		4	79.7

Notes to the unaudited *pro forma* consolidated balance sheet and unaudited *pro forma* consolidated income statement

- The financial information has been extracted, without material adjustment, from SABMiller's published unaudited interim financial information for the six months ended 30 September 2009.
- The *pro forma* adjustments have been calculated on the assumption that SAB, a wholly-owned, indirect subsidiary of SABMiller, enters into a broad-based black economic empowerment transaction in South Africa, whereby SAB issues an additional 8.45% equity to participants including employees of SAB and its subsidiaries; black-owned licensed liquor retailers and liquor licence applicants, as well as registered black-owned customers of ABI, the soft drinks division of SAB ("**Retailers**"); and the broader South African community through a newly established SAB Foundation.

Under the Transaction, SAB will issue three new classes of ordinary shares in SAB (the "**SAB Shares**"), in aggregate comprising 8.45% of SAB's enlarged issued share capital, to three separate investment entities, which will hold the interests of the participants, as follows:

- SAB's employees will in aggregate hold 18,532,491 Class E Shares through The SAB Zenzele Employee Trust, being 3.39% of SAB's enlarged issued share capital;
- Retailers will in aggregate hold 19,228,250 Class R Shares through an investment entity, SAB Zenzele, being 3.52% of SAB's enlarged issued share capital; and
- The SAB Foundation will hold 8,412,359 Class F Shares, being 1.54% of SAB's enlarged issued share capital.

The value of SAB, and resultant value of the SAB Shares for the purposes of the Transaction, was calculated using the implied trading EV to EBITA multiple of the SABMiller group. The EV is based on the volume weighted average price of R196.38 per SABMiller ordinary share on the JSE for the 60 trading days ended at the close of trading on 27 November 2009 and the average exchange rate over that period. The consolidated EBITA for SABMiller and SAB were both based on the results of the 12 months ended 30 September 2009.

The Transaction Period is assumed to be ten years.

If SAB declares and pays dividends in respect of any six-month period ending either 30 September or 31 March during the Transaction Period, each class of SAB Shares will have the right to receive a dividend per SAB Share equal to 25% of SAB's adjusted attributable profit for that period, divided by the number of all the issued ordinary shares in the share capital of SAB (including the SAB Shares). Adjusted attributable profit is defined as the profit of SAB attributable to equity shareholders of SAB, plus or minus exceptional non-cash items which have been declared distributable by the board of directors of SAB, plus or minus gains (+) or losses (–) that are directly accounted for in SAB's equity statement (in terms of International Financial Reporting Standards and SAB's accounting policies) and not accounted for in SAB's income statement, which have been declared distributable by the board of directors of SAB.

At the end of the Transaction Period, the Class E Shares and Class F Shares, as well as the SAB Zenzele Shares in the case of the Retailers, will be re-purchased by SABMiller and, in return, participants will receive shares in SABMiller plc which, broadly, will have a value linked, *inter alia*, to the operating performance of SAB over the Transaction Period. The value of the New SABMiller Shares received will be calculated by taking into account the difference between:

- the initial value of the SAB Shares, net of any cash investment received, escalated at an interest rate equal to 85% of the South African prime interest rate during the Transaction Period, and offsetting against that escalated value the difference between the dividends which would have been paid on SAB ordinary shares, had SAB pursued a 100% dividend policy during the Transaction Period (escalated at the same rate), and the actual dividends paid on the SAB Shares; and
- the actual value of the SAB Shares at the end of the Transaction Period, as determined using the same valuation methodology as that used to determine the value of the SAB Shares issued at the beginning of the Transaction Period.

The *pro forma* adjustments comprise:

- (a) an adjustment to debit cash and cash equivalents relating to the consideration for subscription of SAB Shares received from Retailers of US\$1 million in aggregate and the associated credits to the share-based payment reserve within retained earnings of US\$1 million, and assuming the closing R/US\$ exchange rate at 30 September 2009 of R7.55:US\$1;
- (b) an adjustment to credit cash and cash equivalents and to debit retained earnings to reflect the estimated one-off costs of the Transaction, net of the tax impact at the South African statutory rate of 28%, of US\$10 million assuming a weighted average exchange rate for the six months ended 30 September 2009 of R8.12:US\$1, and the associated charge to net operating expenses of US\$14 million and credit to the taxation charge of US\$4 million in the income statement;
- (c) an adjustment to debit net operating expenses in the income statement, relating to the IFRS 2 share-based payments charge in relation to the Employee and Retailer offers, amounting to US\$123 million.

Assuming the weighted average R/US\$ exchange rate for the six months ended 30 September 2009 of R8.12:US\$1, the total share-based payment charge for the Transaction amounts to US\$208 million for the full Transaction Period.

- The share-based payment charge associated with the Employee offer amounts to US\$103 million for the full Transaction Period and will be expensed in the income statement over the Transaction Period. The charge for the six months ended 30 September 2009 amounts to US\$18 million. It is assumed that approximately 34% of the share-based payment charge relating to the Employee offer will be expensed in the first year, with the remaining 66% being expensed over the remainder of the Transaction Period. Not all of the share-based payment charge is incurred in year 1 due to the fact that certain service conditions are attached to the employee allocations, whereby employees forfeit their effective entitlement to the Class E Shares, according to a predetermined forfeiture profile, should they leave the employ of the SABMiller Group under certain conditions. Effective rights to forfeited shares are then reallocated at SAB's discretion.
- A one-off share-based payment charge of US\$105 million attributable to the participation of the Retailers.
- There is no share-based payment charge associated with the shares issued to The SAB Foundation.

The charge to the income statement is assumed to be exceptional.

- (d) an adjustment to net operating expenses in the income statement to reflect dividends paid to The SAB Foundation of US\$1 million, assuming the weighted average R/US\$ exchange rate for the six months ended 30 September 2009 of R8.12:US\$1, based on these dividends having been distributed in the form of donations to social investment beneficiaries, (assuming all dividends received by The SAB Foundation are paid out in the same period). The associated Secondary Tax on Companies ("STC") charge on the dividends is US\$ nil. This adjustment will have a continuing impact.
3. *Pro forma* basic earnings per share has been calculated by dividing *pro forma* profit attributable to equity shareholders of US\$837 million less an adjustment of US\$3 million for SAB dividends paid to SAB Zenzele and to The SAB Zenzele Employee Trust (assuming the dividends paid to SAB Zenzele and to The SAB Zenzele Employee Trust are equivalent to 25% of the adjusted attributable profits of SAB divided by the total number of SAB ordinary shares, including the SAB Shares) and the weighted average exchange rate for the six months ended 30 September 2009 of R8.12:US\$1, by 1,545 million shares, being the SABMiller weighted average number of basic shares in issue for the six months ended 30 September 2009. The associated STC charge on those dividends is US\$ nil. The dividend adjustment will have a continuing impact.
 4. *Pro forma* adjusted earnings per share has been calculated by dividing *pro forma* adjusted earnings by 1,545 million shares, being the SABMiller weighted average number of basic shares in issue for the six months ended 30 September 2009. *Pro forma* adjusted earnings are the sum of adjusted earnings of US\$1,236 million less an adjustment of US\$3 million for SAB dividends assumed to be paid to SAB Zenzele and to The SAB Zenzele Employee Trust, as described in note 3 above, less the non-exceptional income statement costs associated with the Transaction of US\$1 million as detailed in note 2(d) above. The dividend adjustment will have a continuing impact.
 5. No account has been taken of any trading or transactions of SABMiller since 30 September 2009.
 6. The unaudited *pro forma* consolidated balance sheet and the unaudited *pro forma* consolidated income statement have been prepared in accordance with SABMiller's accounting policies as applied in SABMiller's interim financial information for the six months ended 30 September 2009.

B REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE SABMILLER GROUP



PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The Directors
SABMiller plc
SABMiller House
Church Street West
Woking
Surrey GU21 6HS

9 December 2009

Dear Sirs

SABMiller plc (the “Company”)

We report on the unaudited *pro forma* consolidated balance sheet of the SABMiller Group and the unaudited *pro forma* consolidated income statement of the SABMiller Group (the “**Pro forma financial information**”) set out in section A of Part 5 of the Company’s circular dated 9 December 2009 (the “**Circular**”) which has been prepared on the basis described in the notes to the *Pro forma* financial information, for illustrative purposes only, to provide information about how the Transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 30 September 2009 (the “**Accounting Policies**”).

Responsibilities

As the Company has voluntarily elected to include the *Pro forma* financial information in the Circular and to comply fully with the requirements of the PD Regulation, it is the responsibility of the directors of the Company to prepare the *Pro forma* financial information in accordance with items 1 to 6 of Annex II to the PD Regulation.

It is our responsibility to form an opinion as to the proper compilation of the *Pro forma* financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *Pro forma* financial information, nor do we accept responsibility for such reports or opinions, beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *Pro forma* financial information with the directors and management of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *Pro forma* financial information has been properly compiled on the basis stated and that such basis is consistent with the Accounting Policies of the Company.

Opinion

In our opinion:

- (a) the *Pro forma* financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the Accounting Policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Part 6

Valuation of SAB

The value of SAB for the purposes of the Transaction will be calculated in accordance with the methodology as set out below. For the purposes of this Part 6, the following definitions shall apply:

"EBITA"	means operating profit before exceptional items and amortisation of intangible assets, excluding software but including the relevant group's share of associates' and joint ventures' operating profit, on a similar basis;
"Expert"	means the auditors of SAB for the time being;
"R/USD Exchange Rate"	means the 60-day average R/USD exchange rate at 5.00 pm (South African time) on each of the 60 trading days up to (but not including) the 10th (tenth) Business Day prior to the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively, as certified by any manager of Standard Bank, whose appointment or determination it shall not be necessary to prove;
"SAB Accounts"	means the most recent consolidated interim or year-end accounts (reviewed or audited) of SAB as at the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively;
"SAB EBITA"	means the latest 12 month consolidated EBITA of SAB, based on the most recent SAB Accounts as at the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively;
"SABMiller Accounts"	means the most recent consolidated interim or year-end accounts (reviewed or audited) of SABMiller as at the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively;
"SABMiller EBITA"	means the latest 12 month consolidated EBITA of SABMiller, based on the most recent SABMiller Accounts as at the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively; and
"VWAP"	means the volume weighted average price.

1.1 Determine the EV/EBITA multiple to be used in the calculation

The determination pursuant to this paragraph 1.1 shall be made by SAB.

- (a) Determine the Rand market capitalisation of SABMiller
 - (i) Determine the Rand 60-day VWAP of an SABMiller Share traded on the JSE as at the close of trading on the 10th (tenth) Business Day prior to the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively (the "**SABMiller VWAP**").
 - (ii) In order to determine the Rand market capitalisation of SABMiller, multiply the SABMiller VWAP by the 60-day volume-weighted average number of all SABMiller Shares in issue, excluding treasury shares, as at the close of trading on the 10th (tenth) Business Day prior to the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively.
- (b) Determine the USD market capitalisation of SABMiller
In order to determine the USD market capitalisation of SABMiller, multiply the Rand market capitalisation of SABMiller by the R/USD Exchange Rate.
- (c) Determine the USD enterprise value of SABMiller
In order to determine the USD enterprise value of SABMiller:
 - (i) add to the USD market capitalisation of SABMiller:
 - (1) book value of minorities;
 - (2) preference share funding; and
 - (3) net debt,

all as per the SABMiller Accounts, as those terms are understood in the SABMiller Accounts for the year ended 31 March 2009.
- (d) Determine the EV/EBITA multiple
In order to determine the EV/EBITA multiple, divide the USD enterprise value of SABMiller by the SABMiller EBITA.

1.2 Determine the Rand value of SAB

The determination pursuant to this paragraph 1.2 shall be made by SAB.

(a) Determine the Rand enterprise value of SAB

In order to determine the Rand enterprise value of SAB, multiply the EV/EBITA multiple determined pursuant to paragraph 1.1(d) of this Part 6 above by the SAB EBITA.

(b) Determine the Rand equity value of SAB

In order to determine the Rand equity value of SAB:

(i) deduct from the Rand enterprise value of SAB:

- (1) book value of minorities;
- (2) preference share funding; and
- (3) net debt,

all as per the SAB Accounts as those terms are understood in the SAB Accounts for the year ended 31 March 2009.

(c) Determine the Rand value of SAB

In order to determine the Rand value of SAB, including the outstanding Repurchase Right, add to the Rand equity value of SAB the outstanding Repurchase Right.

(d) Determine the Rand value of an SAB Share

In order to determine the Rand value of an SAB Share, divide the Rand value of SAB by the number of SAB Ordinary Shares and SAB Shares, in issue as at the close of trading on the 10th (tenth) Business Day prior to the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively.

1.3 Adjustments

(a) Notwithstanding anything to the contrary contained in paragraphs 1.1 and/or 1.2 of this Part 6 above, in the event that, prior to the E Repurchase Date, R Repurchase Date and F Repurchase Date respectively, an event (the "**Relevant Event**") occurs that:

- (i) is not reflected in the financial information contemplated in the SABMiller Accounts, SAB Accounts, SABMiller EBITA and/or SAB EBITA;
- (ii) results in a calculation of the EV/EBITA multiple which, in the reasonable opinion of SABMiller and/or SAB, will result in a calculation of the enterprise value of SABMiller and/or SAB that will deviate by 5% or more from the enterprise value had that financial information been contemplated in the SABMiller Accounts, SAB Accounts, SABMiller EBITA and/or SAB EBITA,

SAB will procure that SABMiller proposes such adjustments and/or material alteration to the calculations set out in paragraphs 1.1 and 1.2 of this Part 6 above that SABMiller considers necessary to ensure that the holders of the SAB Shares will enjoy a benefit at least equal to the benefit that would the holders of the SAB Shares would have enjoyed absent the Relevant Event (the "**Calculation Proposal**") and shall refer the Calculation Proposal to the Expert for certification.

(b) In the event that the Expert certifies that the Calculation Proposal will, in its view, result in the holders of the SAB Shares enjoying a benefit at least equal to the benefit that the holders of the SAB Shares would have enjoyed absent the Relevant Event, SAB shall implement the Calculation Proposal.

(c) In the event that the Expert notifies SAB and/or SABMiller that the Calculation Proposal, will not, in its view, result in the holders of the SAB Shares enjoying a benefit at least equal to the benefit that the holders of the SAB Shares would have enjoyed absent the Relevant Event, SAB shall procure that SABMiller shall, in its sole discretion, revise the Calculation Proposal, and SABMiller shall submit the revised Calculation Proposal to the Expert for certification.

(d) The process contemplated in paragraph 1.3(c) of this Part 6 above shall be repeated until such time as the Expert certifies that, in its view, the Calculation Proposal will result in the holders of the SAB Shares enjoying a benefit at least equal to the benefit that the holders of the SAB Shares would have enjoyed absent the Relevant Event, at which time SAB shall implement the Calculation Proposal.

Part 7

Additional Information

1. DIRECTORS

The directors of SABMiller at the date of this document are:

JM Kahn (*Chairman*)

EAG Mackay (*Chief Executive*)

MI Wyman (*Chief Financial Officer*)

GC Bible (*Non-executive director*)

DS Devitre (*Non-executive director*)

ME Doherty (*Non-executive director*)

Lord Fellowes (*Non-executive director*)

PJ Manser (*Non-executive director*)

JA Manzoni (*Non-executive director*)

MQ Morland (*Non-executive director*)

DF Moyo (*Non-executive director*)

CA Perez (*Non-executive director*)

R Pieterse (*Non-executive director*)

MC Ramaphosa (*Non-executive director*)

A Santo Domingo (*Non-executive director*)

HA Willard (*Non-executive director*),

each care of SABMiller House, Church Street West, Woking, Surrey GU21 6HS, United Kingdom.

2. GENERAL

PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion in this document of its report on the unaudited *pro forma* financial information of the SABMiller Group set out in Section B of Part 5 of this document in the form and context in which it appears.

The registered office of SABMiller is SABMiller House, Church Street West, Woking, Surrey, GU21 6HS, England.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents:

- (a) the Scheme;
- (b) the final form Exchange Agreement;
- (c) the Employee Trust Deed;
- (d) the SAB Foundation Trust Deed;
- (e) the draft replacement memorandum and articles of association of SAB Zenzele;
- (f) the current memorandum and articles of association of SAB and draft amendments to the articles of association of SAB;
- (g) the draft SAB Zenzele Prospectus;
- (h) the final form Subscription Agreements;
- (i) the final form Administration Agreements;
- (j) the final form Implementation Agreement; and

(k) the consent letter from PricewaterhouseCoopers LLP referred to in paragraph 2 of this Part 7 above, will be available for inspection at the following addresses during normal business hours on each business day from the date of this document until the General Meeting:

(a) the registered office of SABMiller at SABMiller House, Church Street West, Woking, Surrey, GU21 6HS, England;

(b) the offices of Lovells LLP, Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, England; and

(c) the offices of Bowman Gilfillan Attorneys, 165 West Street, Sandton, Johannesburg, South Africa.

They will also be available for inspection at the Grosvenor House hotel, Park Lane, London W1K 7TN, England from at least 15 minutes prior to the Court Meeting until the conclusion of the General Meeting.

DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply throughout this document and the accompanying Forms of Proxy or Voting Instruction Forms unless the context requires otherwise:

"ABI" means Amalgamated Beverage Industries, the soft drinks division of SAB;

"Act" means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (South Africa);

"Adjusted Attributable Profit" means the profit of SAB attributable to equity shareholders of SAB, plus or minus exceptional non-cash items and any other items which have been declared distributable by the board of directors of SAB, plus or minus gains (+) or losses (–) that are directly accounted for in SAB's equity statement (in terms of International Financial Reporting Standards and SAB's accounting policies) and not accounted for in SAB's income statement, which have been declared distributable by the board of directors of SAB;

"Administration Agreements" means the Employee Trust Administration Agreement, the SAB Zenzele Administration Agreement and the SAB Foundation Administration Agreement;

"Allocation Committee" means the committee established by SAB for the purposes of allocating participation rights in The SAB Zenzele Employee Trust;

"BBBEE" means Broad-Based Black Economic Empowerment as described more fully in the Codes and the Act;

"Black Person" means a "Black Person" as defined in the Codes from time to time and includes an African, Coloured (including Chinese) or an Indian person who is a natural person and:

- (a) is a citizen of South Africa by birth or by descent; or
- (b) became a citizen of South Africa by naturalisation before the commencement date of the Interim Constitution of the Republic of South Africa Act, 1993; or
- (c) became a citizen of South Africa under the commencement date of the Interim Constitution of the Republic of South Africa Act, 1993, who but for the Apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date;

"Board" means the directors of SABMiller, whose names are set out at page 34 of this document;

"Business Day" means any day, other than a Saturday or Sunday, on which banks in Johannesburg, South Africa, and the City of London, United Kingdom are generally open for business;

"Class E Shares" means the "E" ordinary shares in SAB to be issued to The SAB Zenzele Employee Trust pursuant to the Transaction described in this document;

"Class E Subscription Agreement" means the subscription agreement to be entered into between SAB and The SAB Zenzele Employee Trust pursuant to which The SAB Zenzele Employee Trust subscribes for the Class E Shares;

"Class F Shares" means the "F" ordinary shares in SAB to be issued to The SAB Foundation pursuant to the Transaction described in this document;

"Class F Subscription Agreement" means the subscription agreement to be entered into between SAB and The SAB Foundation pursuant to which The SAB Foundation subscribes for the Class F Shares;

"Class R Shares" means the "R" ordinary shares in SAB to be issued to SAB Zenzele pursuant to the Transaction described in this document;

"Class R Subscription Agreement" means the subscription agreement to be entered into between SAB and SAB Zenzele pursuant to which SAB Zenzele subscribes for the Class R Shares;

"Codes" means the Codes of Good Practice on BBBEE gazetted on 9 February 2007 by the Department of Trade and Industry of South Africa in terms of the Act, and any replacement or amended Codes of Good Practice issued from time to time by the South African Minister of Trade and Industry in terms of the Act;

"Court" means the High Court of Justice in England and Wales;

"Court Meeting" means the court meeting which will be held at the direction of the Court in London at 11.00 am on 13 January 2010 for the purposes of seeking approval to implement the Transaction;

"EBITA" has the meaning given to it in paragraph 4 of the Chairman's letter;

"Employee Allocation Date" means the date stipulated in a written notice sent by the trustees of The SAB Zenzele Employee Trust to an eligible employee in terms of which such eligible employee is appointed as a beneficiary of The SAB Zenzele Employee Trust and is awarded participation rights in The SAB Zenzele Employee Trust;

"Employee Offer" means the offer of Class E Shares to eligible employees of the SABMiller Group details of which are set out in Part 2 of this document;

"Employee Trust Administration Agreement" means the agreement to be entered into between SAB and The SAB Zenzele Employee Trust in respect of the administration of The SAB Zenzele Employee Trust;

"Employee Trust Deed" means the trust deed establishing The SAB Zenzele Employee Trust which has been or will be registered at the South African Master's Office;

"E Repurchase Date" means the date between the first day of the tenth year after the allotment and issue of the Class E Shares and the first day of the eleventh year after the allotment and issue of the Class E Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class E Shares as described in paragraphs 3.2 and 5 of Part 2 of this document;

"EV" has the meaning given to it in paragraph 4 of the Chairman's letter;

"Exchange Agreement" means the agreement to be entered into between SAB, The SAB Zenzele Employee Trust, The SAB Foundation, SAB Zenzele and SABMiller pursuant to which SABMiller will acquire all of the outstanding Class E Shares and Class F Shares and all of the SAB Zenzele Shares in exchange for the issue of New SABMiller Shares;

"F Repurchase Date" means the date between the first day of the tenth year after the allotment and issue of the Class F Shares and the first day of the eleventh year after the allotment and issue of the Class F Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class F Shares as described in paragraphs 3.2 and 4 of Part 4 of this document;

"General Meeting" means the General Meeting of SABMiller to be held at 11.15 am (or as soon thereafter as the Court Meeting shall have concluded or been adjourned) on 13 January 2010, notice of which is set out at the end of this document;

"Implementation Agreement" means the agreement to be entered into between SAB, SABMiller, The SAB Zenzele Employee Trust, The SAB Foundation and SAB Zenzele, pursuant to which the parties agree to implement the Transaction;

"JSE" means the stock exchange operated by the JSE Limited;

"Latest Practicable Date" means 27 November 2009;

"Listing Rules" means the rules and regulations made by the UKLA, and contained in the UKLA's publication of the same name;

"LSE" means the London Stock Exchange plc;

"New SABMiller Shares" means the new ordinary shares in SABMiller to be issued pursuant to the Exchange Agreement;

"Official List" means the Official List of the UKLA;

"Ordinary Shares" means the ordinary shares of US\$0.10 each in the capital of SABMiller;

"PD Regulation" means Prospectus Directive Regulation (No. 2004/809/EC);

"Prime Rate" means, in respect of any period, the published overdraft rate of interest ruling from time to time, expressed as a rate per annum and applied as a rate of compound interest, at which Standard Bank in South Africa lends on overdraft to its customers from time to time during that period, as certified by any manager of Standard Bank;

"Prospectus Rules" means the rules for the purposes of Part VI of the Financial Services and Markets Act 2000 in relation to the offers of securities to the public and the admission of securities to trading on a regulated market;

"Rand" or **"R"** means the lawful currency of South Africa for the time being;

"Registrars" means Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;

"Repurchase Right" means the right of SAB to acquire certain of the Class E Shares, Class R Shares and Class F Shares as described in paragraph 3.2 of Part 2, paragraph 4.2 of Part 3 and paragraph 3.2 of Part 4 respectively;

"Resolutions" means the resolutions to be proposed at the General Meeting in order to implement the Transaction, as set out in the notice of General Meeting;

"Retail Allocation Date" means the date of allotment and issue of SAB Zenzele Shares to successful applicants under the Retailer Offer, being a date and time to be determined by SAB, in its sole discretion, during May 2010;

"Retailer Offer" means the offer of SAB Zenzele Shares to eligible retailers and liquor licence applicants, details of which are set out in Part 3 of this document;

"R Repurchase Date" means the date between the first day of the tenth year after the allotment and issue of the Class R Shares and the first day of the eleventh year after the allotment and issue of the Class R Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class R Shares as described in paragraphs 4.2 and 5 of Part 3 of this document;

"SAB" means The South African Breweries Limited, incorporated in South Africa with registered number 1998/006375/06, which is an indirect wholly-owned subsidiary of SABMiller;

"SAB Foundation Administration Agreement" means the agreement to be entered into between SAB and The SAB Foundation in respect of the administration of The SAB Foundation;

"SAB Foundation Trustees" means the trustees appointed to The SAB Foundation;

"SAB Foundation Trust Deed" means the trust deed establishing The SAB Foundation which has been or will be registered at the South African Master's Office;

"SABMiller" or **"Company"** means SABMiller plc, incorporated in England and Wales with registered number 3528416;

"SABMiller Group" or the **"Group"** means SABMiller plc, its subsidiaries and subsidiary undertakings, any holding company of SABMiller plc and all other subsidiaries and subsidiary undertakings of any such holding company from time to time;

"SABMiller Group Share Plans" means the SABMiller plc Approved Executive Share Option Plan 2008, the SABMiller plc Executive Share Option Plan 2008, the SABMiller plc South African Executive Share Option Plan 2008, the SABMiller plc Executive Share Award Plan 2008, the SABMiller plc Stock Appreciation Rights Plan 2008 and the SABMiller plc Associated Companies Employee Share Plan 2008;

"SAB Ordinary Shares" means the ordinary shares of R0.000 001 par value each in the capital of SAB (excluding the SAB Shares);

"SAB Shares" means the Class E Shares, the Class F Shares and the Class R Shares;

"SAB Special Share" means the share in the capital of SAB Zenzele issued to SAB;

"SABSA" means SABSA Holdings (Proprietary) Limited, incorporated in South Africa with registered number 1998/005173/07;

"SAB Zenzele" means SAB Zenzele Holdings Limited, a public company incorporated in South Africa with registration number 2009/022656/06, details of which are set out in Part 3 of this document;

"SAB Zenzele Administration Agreement" means the agreement to be between SAB and SAB Zenzele in respect of the administration of SAB Zenzele;

"SAB Zenzele Shareholders" means those persons who subscribe for shares in SAB Zenzele pursuant to the Retailer Offer and whose names are entered in the register of members of SAB Zenzele;

"SAB Zenzele Prospectus" means the draft prospectus for the offer of SAB Zenzele Shares to licensed liquor participants, liquor licence applicants and ABI customers, to be registered by the South African Registrar of Companies;

"SAB Zenzele Shares" means the ordinary shares of R0.000 001 par value each in the capital of SAB Zenzele;

"Scheme" means the proposed scheme of arrangement between SABMiller plc and its members under Part 26 of the Companies Act 2006;

"Shareholders" means the holders of Ordinary Shares in SABMiller;

"South Africa" or **"SA"** means the Republic of South Africa;

"Sterling" or **"£"** means the lawful currency of the United Kingdom for the time being;

"Strate" means Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa which is a registered Central Securities Depository responsible for the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;

"Subscription Agreements" means the Class E Subscription Agreement, the Class R Subscription Agreement and the Class F Subscription Agreement;

"The SAB Foundation" means the trust which has been or will be established for the purposes of the Transaction as described in Part 4 of this document;

"The SAB Foundation Special Share" means the share in the capital of SAB Zenzele issued to The SAB Foundation;

"The SAB Zenzele Employee Trust" means the employee share trust which has been or will be established for the purposes of the Transaction, details of which are set out in Part 2 of this document;

"Transaction" means the BBBEE transactions proposed by SABMiller and SAB (including the establishment of SAB Zenzele, The SAB Foundation and The SAB Zenzele Employee Trust), the details of which are set out in this document and which must be approved by the Shareholders and sanctioned by the Court pursuant to the Scheme, unless SABMiller has agreed to waive this condition;

"Transaction Period" means the period commencing on the date of the first allocation of any of the SAB Shares and ending on the latest to occur of the E Repurchase Date, the R Repurchase Date and the F Repurchase Date;

"UKLA" means the Financial Services Authority Limited acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000; and

"USD" or **"US\$"** means the lawful currency of the United States of America for the time being.

2.2 Interpretation

All references to time in this document are to times in London, England, unless otherwise specified.

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SABMiller plc

NOTICE OF COURT MEETING

**The High Court of Justice
Chancery Division
Companies Court**

No 21425 of 2009

Registrar: Simmonds

In the matter of SABMiller plc

– and –

In the matter of the Companies Act 2006

NOTICE IS HEREBY GIVEN that by an order dated 7 December 2009 made in the above matters, the Court has directed that a meeting be convened of the holders of ordinary shares in the capital of SABMiller plc (the “**Company**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 proposed to be made between the Company and the holders of its ordinary shares and that such meeting will be held at the Grosvenor House hotel, Park Lane, London W1K 7TN, England at 11.00 am (U.K. time) on 13 January 2010 at which place and time all holders of ordinary shares in the capital of the Company are invited to attend.

A copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 is incorporated in the document of which this notice forms part and a copy of the scheme of arrangement is available for inspection or can be obtained in the manner described in the said statement.

Holders of ordinary shares in the capital of the Company may vote in person at the meeting or they may appoint another person as their proxy to attend and vote in their stead. A proxy need not be a member of the Company. A form of proxy for voting at the meeting is enclosed with this notice. Completion of the form will not preclude a holder of ordinary shares in the capital of the Company from attending and voting in person at the meeting.

In the case of joint holders of ordinary shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holdings.

Holders of ordinary shares who are not registered on the South African section of the register should lodge the forms of proxy with the Registrars, Capita Registrars, by 11.00 am (U.K. time) on 11 January 2010 but, if forms are not so lodged, they may be handed to the Chairman at the meeting. Holders of ordinary shares who are registered on the South African section of the register who hold certificated ordinary shares should lodge the forms of proxy with Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, PO Box 61051, Marshalltown 2107, South Africa by 11.00 am (U.K. time) (1.00 pm (South African time)) on 11 January 2010 but, if forms are not so lodged, they may be handed to the Chairman at the meeting. Beneficial owners of ordinary shares contained in the South African section of the register who have dematerialised their holdings of ordinary shares in the context of Strate and are holding such shares through a CSDP or broker must provide their CSDP or broker with their voting instructions in good time, in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker, should they not wish to attend but wish to be represented thereat. A voting instruction form which may be used for this purpose is enclosed with this notice. Alternatively, such beneficial holders may contact their CSDP or broker to obtain a letter of representation to enable them to attend in person.

Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.00 pm (U.K. time) on the record date, being the day prior to the day immediately before the meeting or any adjourned meeting (as the case may be).

By the said order, the Court has appointed Mr Meyer Kahn or, failing him, Mr Graham Mackay to act as Chairman of the meeting and has directed the Chairman to report the result of the meeting to the Court.

The said scheme of arrangement will be subject to the subsequent sanction of the Court.

Dated 9 December 2009

LOVELLS LLP

Atlantic House
Holborn Viaduct
London EC1A 2FG
Solicitors for the Company

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of SABMiller plc (the “**Company**”) will be held at the Grosvenor House hotel, Park Lane, London W1K 7TN, England at 11.15 am (U.K. time) (or so soon thereafter as the Court Meeting convened for the same day shall have concluded or been adjourned) on 13 January 2010 for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions

1. That, subject to and conditional upon the approval of ordinary resolution 2 set out below:
 - (a) the Transaction (as defined and described in the circular dated 9 December 2009 from the Company to its shareholders (the “**Circular**”)) be and is hereby approved;
 - (b) the Directors be and are hereby authorised, if they shall see fit to do so, to implement:
 - (i) the arrangements set out in the Exchange Agreement and the Implementation Agreement (each as defined in the Circular) and the deeds and instruments ancillary thereto; and
 - (ii) the additional arrangements contemplated in the Circular so that the Transaction (as outlined in the Circular) can be carried into effect in accordance with the arrangements described in the Circular, with such non-material modifications as the Directors may think fit; and
 - (c) pursuant to section 551 of the Companies Act 2006, and in addition to any previously existing authority conferred upon the Directors of the Company under that section (or under section 80 of the Companies Act 1985), the Directors be and they are hereby authorised unconditionally to allot ordinary shares for the purposes of the Transaction as described in the Circular, up to an aggregate nominal amount of US\$16,519,600.20, which authority shall commence on the date this resolution is passed and expire at the end of 13 January 2015, save that the Company may allot ordinary shares for these purposes pursuant to the Exchange Agreement (as defined in the Circular) after that date as if the authority conferred hereby had not expired.
2. That, subject to and conditional upon the approval of ordinary resolution 1 as set out above, the directors of The South African Breweries Limited be authorised to adopt The SAB Zenzele Employee Trust, the principal features of which are described in Part 2 of the circular dated 9 December 2009 from the Company to its shareholders, a copy of the trust deed of which is produced to this meeting and which has been signed for the purposes of identification by the Chairman, and do all acts and things necessary to implement The SAB Zenzele Employee Trust, including the making of any changes to the trust deed as may be necessary to obtain any approvals the directors of The South African Breweries Limited or of the Company may consider necessary or desirable and/or to take account of the requirements of the London Stock Exchange plc and/or the requirements of any other stock exchange on which any shares or depository receipts of SABMiller plc may from time to time be listed.

By order of the Board

John Davidson
General Counsel and Group Company Secretary
9 December 2009

Registered Office:

SABMiller House
Church Street West
Woking
Surrey GU21 6HS
England

Explanatory notes on the above Resolutions are contained in the Chairman’s Letter.

Notes:

Resolutions to be decided by a poll

1. The directors of the Company have decided that in order to reflect more accurately the views of all members, all resolutions at the General Meeting will be put to a vote on a poll, rather than being determined simply on a show of hands. SABMiller plc has a large number of members and it is not possible for them all to attend the meeting. In view of this and because voting on resolutions at general meetings of SABMiller plc is regarded as of high importance, putting all resolutions to a vote on a poll

takes account of the wishes of those members who are unable to attend the meeting in person, but who have completed a Form of Proxy or a Voting Instruction Form. A vote on a poll also takes into account the number of shares held by each member, which the board believes is a more democratic procedure.

2. The results of the polls will be announced to the London Stock Exchange and the JSE Limited as soon as practicable following the meeting. The results of the polls will also be published on the Company's website (www.sabmiller.com).

Entitlement to attend and vote

3. Registered holders of ordinary shares are entitled to attend and vote at the meeting. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at 6.00 pm (UK time) on 11 January 2010 will be entitled to attend and to vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting. For the purposes of the South African section of the register of members, the reference in this note to 'registered holders' means certificated shareholders and dematerialised shareholders with 'own name' registration.

Appointment of proxies

4. A member of the Company entitled to attend and vote at the General Meeting may appoint (a) proxy(ies) to attend and, on a poll, vote on his or her behalf. A proxy need not be a member of the Company. Beneficial shareholders who have dematerialised or immobilised their shareholdings in Strate may provide their CSDP or broker with voting instructions in accordance with the applicable custody agreement or may apply to that CSDP or broker for a letter of representation from the registered shareholder to enable them to attend the meeting in person.
5. CREST members who wish to appoint a proxy or proxies for the General Meeting and any adjournment(s) of that General Meeting may do so by utilising the procedures in the CREST manual. In order for a proxy appointment or instruction made using the CREST service to be valid the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. To be effective, the form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received at the return address specified on the form of proxy or voting instruction form or, in respect of the shareholders not registered on the South African section of the register of members, by the Company's Registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by not later than 11.15 am (UK time) on 11 January 2010. If your ordinary shares are contained in the South African section of the register and no return envelope is enclosed with the voting instruction form, this will be because the records available to the Company show your shareholding to have been dematerialised in the context of Strate through a CSDP or broker other than under the Issuer-Sponsored Nominee Programme. In that case, you should contact your CSDP or broker to ascertain the return address for it to process your voting instructions. It is recommended that, because of the requirement for votes in relation to shares dematerialised or immobilised in the context of Strate to be collated through CSDPs and brokers and then reconciled through PLC Nominees (Proprietary) Limited, voting instructions by beneficial owners of such shares be submitted so as to arrive no later than 10.00am (South African time) on 8 January 2010.

The message appointing or instructing a proxy making use of the CREST services must be transmitted so as to be received by Capita Registrars (ID RA10) not later than 48 hours before the time fixed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted.

CREST members and, where applicable their CREST sponsors or voting service providers should note that CRESTCo does not make available any special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting services provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instructions in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.

7. The completion and return of a General Meeting or Court Form of Proxy or General Meeting or Court Voting Instruction Form will not preclude a member entitled to attend and vote at the meeting from doing so if he or she wishes.

Entitlement to ask questions

8. Shareholders attending the General Meeting will be entitled to ask questions relating to the business being dealt with at the General Meeting, although no answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting for the question to be answered.

Corporate representatives

9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

Issued shares and total voting rights

10. As at 7 December 2009, the Company's share capital consisted of 1,574,591,684 ordinary shares with voting rights, and a further 77,368,338 ordinary shares held in treasury representing 4.68% of the Company's share capital. Therefore, the total number of voting rights in the Company as at that date was 1,574,591,684.
11. Further information can be found at: www.sabmiller.com about (i) the matters set out in this notice; (ii) the total number of shares in the Company and the shares of each class in respect of which shareholders are entitled to exercise voting rights at the General Meeting; (iii) the total number of voting rights that shareholders are entitled to exercise at the General Meeting in respect of the shares of each class; and (iv) any shareholders' statements, shareholders' resolutions and shareholders' matters of business received by the Company after the date of this notice. This information will be available on the Company's website from the date of this notice for a period of two years.

Receipt of documents or information

12. All documents or information sent to the Company in relation to the proceedings at this meeting, including voting forms for the meeting, must be in hard copy form. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this notice or in any related documents to communicate with the Company for any purpose other than those expressly stated.

SCHEME OF ARRANGEMENT

**In the High Court of Justice
Chancery Division
Companies Court**

No: 21425 of 2009

Registrar: Simmonds

**IN THE MATTER OF SABMILLER PLC
– and –
IN THE MATTER OF THE COMPANIES ACT 2006**

SCHEME OF ARRANGEMENT

(Under Part 26 of the Companies Act 2006 of England and Wales)

BETWEEN

SABMILLER PLC

– and –

ITS SCHEME MEMBERS

(as hereinafter defined)

PART I
PRELIMINARY

Recitals

DEFINITIONS

A. In this Scheme, unless the context otherwise requires or unless otherwise expressly provided for:

" Act "	means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (South Africa);
" Articles "	means SABMiller's articles of association from time to time;
" BBBEE "	means Broad-Based Black Economic Empowerment as described more fully in the Codes and the Act;
" Class E Shares "	means the "E" ordinary shares in SAB to be issued to The SAB Zenzele Employee Trust pursuant to the Transaction;
" Class E Subscription Agreement "	means the subscription agreement to be entered into between SAB and The SAB Zenzele Employee Trust pursuant to which The SAB Zenzele Employee Trust subscribes for the Class E Shares;
" Class F Shares "	means the "F" ordinary shares in SAB to be issued to The SAB Foundation pursuant to the Transaction;
" Class F Subscription Agreement "	means the subscription agreement to be entered into between SAB and The SAB Foundation pursuant to which The SAB Foundation subscribes for the Class F Shares;
" Class R Shares "	means the "R" ordinary shares in SAB to be issued to SAB Zenzele pursuant to the Transaction;
" Class R Subscription Agreement "	means the subscription agreement to be entered into between SAB and SAB Zenzele pursuant to which SAB Zenzele subscribes for the Class R Shares;
" Codes "	means the Codes of Good Practice on BBBEE gazetted on 9 February 2007 by the Department of Trade and Industry of South Africa in terms of the Act, and any replacement or amended Codes of Good Practice issued from time to time by the South African Minister of Trade and Industry in terms of the Act;
" Companies Act "	means the Companies Act 2006 in England and Wales;
" Court "	means the High Court of Justice in England and Wales;
" Effective Date "	means the date on which this Scheme shall become effective in accordance with clause 7;
" E Repurchase Date "	means the date between the first day of the tenth year after the allotment and issue of the Class E Shares and the first day of the eleventh year after the allotment and issue of the Class E Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class E Shares;
" Exchange Agreement "	means the agreement to be entered into between SAB, The SAB Zenzele Employee Trust, The SAB Foundation, SAB Zenzele and SABMiller pursuant to which SABMiller will acquire all of the outstanding Class E Shares and Class F Shares and all of the SAB Zenzele Shares in exchange for the issue of New SABMiller Shares;
" Explanatory Statement "	means the explanatory statement dated 9 December 2009 required to be provided to the Scheme Members pursuant to section 897 of the Companies Act;

"F Repurchase Date"	means the date between the first day of the tenth year after the allotment and issue of the Class F Shares and the first day of the eleventh year after the allotment and issue of the Class F Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class F Shares;
"Implementation Agreement"	means the agreement to be entered into between SAB, SABMiller, The SAB Zenzele Employee Trust, The SAB Foundation and SAB Zenzele, pursuant to which the parties agree to implement the Transaction;
"New SABMiller Shares"	means the new ordinary shares in SABMiller to be issued pursuant to the Exchange Agreement;
"Ordinary Shares"	means ordinary shares of US\$0.10 each in the share capital of SABMiller, having the rights set out in the Articles;
"R" or "Rand"	means the lawful currency of South Africa for the time being;
"Registrar of Companies"	means the registrar or other officer performing under the Companies Act the duty of registration of companies in England and Wales;
"R Repurchase Date"	means the date between the first day of the tenth year after the allotment and issue of the Class R Shares and the first day of the eleventh year after the allotment and issue of the Class R Shares or such other date as SABMiller may specify on which SAB exercises its right to repurchase certain of the Class R Shares;
"SAB"	means The South African Breweries Limited, incorporated in South Africa with registered number 1998/006375/06, which is an indirect wholly-owned subsidiary of SABMiller;
"SABMiller"	means SABMiller plc, a company incorporated in England and Wales (registered number 3528416) whose registered office is at SABMiller House, Church Street West, Woking, Surrey GU21 6HS;
"SABMiller Group"	means SABMiller, its subsidiaries and subsidiary undertakings, any holding company of SABMiller and all other subsidiaries and subsidiary undertakings of any such holding company from time to time;
"SAB Shares"	means the Class E Shares, the Class F Shares and the Class R Shares;
"SAB Zenzele"	means SAB Zenzele Holdings Limited, a public company incorporated in South Africa with registration number 2009/022656/06;
"SAB Zenzele Shareholders"	means those persons who subscribe for shares in SAB Zenzele pursuant to the offer to be made to eligible retailers, and whose names are entered in the register of members of SAB Zenzele;
"SAB Zenzele Shares"	means the ordinary shares of R0.000 001 each in the capital of SAB Zenzele;
"Scheme"	means this scheme of arrangement under Part 26 of the Companies Act in its present form or with or subject to any modification or condition approved or imposed by the Court;
"Scheme Member"	means any person who is or agrees to become a member of SABMiller and has his name entered in the register of members of SABMiller;
"SPVs"	means The SAB Foundation, SAB Zenzele and The SAB Zenzele Employee Trust;
"Subscription Agreements"	means the Class E Subscription Agreement, the Class R Subscription Agreement and the Class F Subscription Agreement;

“The SAB Foundation”	means the trust which has been or will be established for the purposes of the Transaction;
“The SAB Zenzele Employee Trust”	means the employee share trust which has been or will be established for the purposes of the Transaction;
“Transaction”	means the BBBEE transactions proposed by SABMiller and SAB (including the establishment of SAB Zenzele, The SAB Foundation and The SAB Zenzele Employee Trust), the details of which are set out in the Explanatory Statement;
“Transaction Period”	means the period commencing on the date of the first allocation of any of the SAB Shares and ending on the latest to occur of the E Repurchase Date, the R Repurchase Date and the F Repurchase Date; and
“USD” or “US\$”	means the lawful currency of the United States of America for the time being.

SABMILLER

- A. SABMiller was incorporated in England and Wales on 17 March 1998 with registered number 3528416 and its registered office is situated at SABMiller House, Church Street West, Woking, Surrey GU21 6HS.
- B. As at 30 November 2009, SABMiller had an issued share capital of 1,651,555,114 ordinary shares of US\$0.10 each and 50,000 deferred shares of £1 each, which were fully paid-up or credited as fully paid-up.

THE PURPOSE OF THE SCHEME

- C. SABMiller believes that BBBEE is a key requirement for the promotion of sustainable economic growth and social development in South Africa. In line with SAB’s empowerment objectives, the Transaction is designed to increase black participation in SAB by providing long-term economic benefits to a broad range of black South Africans.
- D. SABMiller believes that the proposed Transaction is necessary in order to comply with existing regulatory commitments in South Africa and to provide SAB the continuing ability to adapt to any future changes in regulatory requirements. If the proposed Transaction is implemented, SABMiller believes that it will have a positive impact on future growth. SABMiller also believes that its position as a leading corporate citizen in South Africa will be enhanced through the proposed Transaction.
- E. The Transaction will involve the issue of shares in SAB (either directly or indirectly) to an employee share trust for the benefit of employees resident in South Africa, black-owned licensed liquor retailers and liquor licence applicants, as well as black-owned customers of ABI, the soft drinks division of SAB, and The SAB Foundation for the benefit of the broader South African community. At the end of the Transaction Period (which is expected to be approximately 10 years), participants will exchange their indirect shareholdings in SAB for shares in SABMiller.
- F. The number of New SABMiller Shares to be issued to The SAB Zenzele Employee Trust, to SAB Zenzele Shareholders and to The SAB Foundation will largely depend upon the performance of SAB during the Transaction Period, and will be determined in the manner set out in the Exchange Agreement. The total number of New SABMiller Shares issued pursuant to the Transaction may not in any circumstances exceed 10% of SABMiller’s issued share capital as at 7 December 2009.
- G. The purpose of the Scheme is to give effect to an arrangement between SABMiller and the Scheme Members pursuant to which the Transaction can become effective and SABMiller will ultimately issue ordinary shares to The SAB Zenzele Employee Trust, The SAB Foundation and the SAB Zenzele Shareholders on terms which are financially beneficial to those recipients, thereby enabling SABMiller to achieve the objectives described above.
- H. SAB and each of the SPVs will agree to be bound by the terms of the Scheme in the relevant Subscription Agreement to which SAB and each of the SPVs will be a party.

PART II

THE SCHEME

Effect of the Scheme

1. The directors of SABMiller shall be entitled to:
 - (a) issue the ordinary shares of US\$0.10 each in the capital of SABMiller in accordance with the terms of the Implementation Agreement and on and subject to the terms and conditions of the Exchange Agreement at the end of the Transaction Period, up to a maximum of 165,196,002 New SABMiller Shares (representing 10% of SABMiller's issued ordinary share capital as at 7 December 2009); and
 - (b) carry out, implement and complete the provisions of each of the Implementation Agreement and the Exchange Agreement including (without limitation) all of the provisions in those agreements governing the terms and conditions of the consideration due to SABMiller in respect of the New SABMiller Shares.
2. The New SABMiller Shares shall be treated as fully paid-up in exchange for the Class E Shares, the Class F Shares and the SAB Zenzele Shares pursuant to the terms of the Exchange Agreement and shall rank *pari passu* in all respects with the Ordinary Shares in issue on the date of allotment of such New SABMiller Shares.

PART III

GENERAL SCHEME PROVISIONS

Costs

3. SABMiller shall pay in full all costs, charges, expenses and disbursements incurred by SABMiller in connection with the preparation and implementation of this Scheme as and when they arise, including the costs of holding the meeting of Scheme Members convened pursuant to the order of the Court to consider this Scheme, the costs of obtaining the sanction of the Court and the costs of making any notifications required by this Scheme. Except as otherwise specified in this clause or as otherwise agreed, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of the transactions contemplated by the Implementation Agreement.
4. SAB shall be responsible for the costs of creating and incorporating each SPV, the amount of the fees of the legal advisers of each SPV (as agreed between SAB and the SPV) in connection with the negotiation, preparation and execution of the relevant Subscription Agreement and, in respect of The SAB Foundation and The SAB Zenzele Employee Trust, the trust deeds establishing those trusts.
5. The costs associated with the activities of The SAB Zenzele Employee Trust will be borne by SAB, but will be set-off to the extent that dividends are received by The SAB Zenzele Employee Trust on Class E Shares which have not been allocated to beneficiaries. The costs incurred by The SAB Foundation in respect of administration will be borne by The SAB Foundation, but will be limited to a maximum of 15% of the annual income received by The SAB Foundation, which is a requirement under the Codes. The administrative costs of SAB Zenzele will be deducted from the proceeds of any dividends received by SAB Zenzele from SAB before such proceeds are distributed to the SAB Zenzele Shareholders.

Modifications of this Scheme

6. SABMiller may, at any hearing of the Court to sanction this Scheme, consent on behalf of all Scheme Members to any modification of this Scheme or any terms or conditions which the Court may think fit to approve or impose.

Operation

7. This Scheme shall become effective when an office copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies for registration.
8. Unless this Scheme shall become effective on or before 31 March 2011 or such later date, if any, as SABMiller may agree and the Court may allow, this Scheme shall never become effective.

9. For a period of 11 (eleven) years from the Effective Date, SABMiller shall be at liberty to apply to the Court for any ancillary or amending order as may be expedient or necessary in order to fulfil the purpose of this Scheme.

Governing Law and Jurisdiction

10. On and from the Effective Date, the operative terms of this Scheme shall be governed by, and construed in accordance with, the laws of England and Wales. The Scheme Members hereby agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with the terms of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme. For such purposes, the Scheme Members irrevocably submit to the jurisdiction of the Court, provided, however, that nothing in this clause shall affect the validity of other provisions determining governing law and jurisdiction as between SABMiller and any of its Scheme Members, whether contained in any contract or otherwise.

IMPORTANT NOTES ABOUT THE COURT MEETING AND THE GENERAL MEETING

Date

Wednesday, 13 January 2010 at 11:00am.

Venue

The Grosvenor House hotel, Park Lane, London W1K 7TN, England.
<http://www.marriott.co.uk/hotels/travel/longh-grosvenor-house-a-jw-marriott-hotel/>

The Meetings will be held in the Ballroom, and Shareholders should use the Ballroom entrance off Park Lane.

Timing

Shareholders wishing to attend are advised to be in the venue no later than 10:45am. The Court Meeting will start promptly at 11:00am. The General Meeting will start at 11:15am or as soon as the Court Meeting is finished, if later.

The reception area will be open from 10:00am, from which time refreshments will be served.

Please note that refreshments will NOT be served after the conclusion of the Meetings.

Travel Information

By Underground

The nearest tube stations are Marble Arch and Bond Street.

By car

There is car parking at the hotel, available to attendees for a charge of £11 for up to two hours (£30 for two to four hours), bookable in advance by telephoning the hotel on (+44) (0) 20 7499 6363.

Admission

Shareholders are asked to register at the registration desk in the Ballroom reception area at the venue. Shareholders and proxies may be required to provide proof of identity. Shareholders who hold their shares in nominee shareholdings should request a letter of representation if they wish to attend and vote in person at the meetings. The admission process could take longer without identification.

Shareholders and joint holders are asked to limit themselves to one guest each.

Security

There will be a security check in the Ballroom reception area at the venue. Please try not to bring any large bags or suitcases with you to the Meetings as they will delay admission.

We ask you also not to bring cameras, laptop computers or tape recorders. Mobile phones should be switched off from admission for the duration of the proceedings.

Facilities

The Ballroom has full wheelchair access. If you are hard of hearing and would like access to supportive facilities, or if you have a query about any other disability, please let us know in advance (telephone numbers for queries are given below) so that we can make the appropriate arrangements.

Enquiries and questions

Shareholders who intend to ask a question related to the business of the Meetings or on related matters are asked to register their name, address and question at the Question Registration desk. Personnel will be on hand to provide any advice and assistance required.

Questions about the Court Meeting or General Meeting

If you have any questions about the Court Meeting or General Meeting, please telephone (+44) (0)1483 264268 in the United Kingdom or (+27) (0)11 407 1762 in South Africa.

We wish you a pleasant journey and look forward to welcoming you to the Grosvenor House hotel, Park Lane, London W1K 7TN, England.