



SABMiller plc

(incorporated with limited liability in England and Wales)

(Registered Number 3528416)

U.S.\$5,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), SABMiller plc (the “**Issuer**” or “**SABMiller**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (“**FSMA**”) (the “**UK Listing Authority**”) for Notes issued under the Programme for the period of 12 months from the date of approval of this Prospectus to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s Regulated Market (the “**Market**”). References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market.

Each Series (as defined in “Overview of the Programme – Method of Issue”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche (as defined in “Overview of the Programme – Method of Issue”) to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”.

The Programme has been rated Baa1/stable by Moody’s Investors Service Limited (“**Moody’s**”) and BBB+/stable by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”). Each of Moody’s and S&P is established in the European Union (“**EU**”) and registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”). Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

Arranger and Dealer

Barclays

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/ 71 /EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries, associated bodies corporate and joint venture companies taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Overview of the Programme”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons who come into possession of this Prospectus are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and

Sale”. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (THE “**STABILISING MANAGER(S)**”) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “**euro**” and “**€**” are to the single currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on the EU and the Treaty of Amsterdam, references to “**GBP**”, “**sterling**” and “**£**” are to pounds sterling, references to “**U.S.\$**” or “**U.S. dollars**” are to the lawful currency of the United States of America, references to “**South African rand**”, “**rand**” or “**R**” are to the lawful currency of the Republic of South Africa, references to “**Colombian pesos**” or “**COP**” are to the lawful currency of Colombia, references to “**Peruvian Nuevos Soles**” and “**PEN**” are to the lawful currency of Peru and references to “**Australian dollars**” and “**A\$**” are to the lawful currency of the Commonwealth of Australia.

Sources of information

The information contained in this Prospectus includes statements relating to the market positions and market shares of the Group and other companies in individual markets and the respective consumption figures and rates of growth in those markets. Unless otherwise stated, these statements are SABMiller management (“**Management**”) estimates, based, where available, on the most recent available beer industry reports relevant to those markets published on a worldwide or country basis. Other sources of information include

Plato Logic Limited (“**Plato Logic**”), Euromonitor International Limited (“**Euromonitor**”), Canadean Limited (“**Canadean**”), the Czech Beer and Malt Association (“**CBMA**”), Nielsen Consumer (“**Nielsen**”), CCR Audit (“**CCR**”), Frontline Market Research (“**Frontline**”), MK Trends (“**MK Trends**”) and SymphonyIRI Group (“**SymphonyIRI**”).

Although SABMiller believes these sources to be reliable, the accuracy or completeness of these materials has not been independently verified and, accordingly, SABMiller makes no representation with respect thereto. Similarly, while SABMiller believes that internal research is reliable, this research has not been assessed or confirmed by any independent sources.

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with (i) the audited consolidated financial statements of SABMiller for the financial years ended 31 March 2011 and 31 March 2012, respectively, together in each case with the notes to the relevant audited consolidated financial statements and the audit reports thereon, (ii) the Terms and Conditions set out on pages 19 to 37 of the prospectus dated 25 July 2008 relating to the Programme, (iii) the Terms and Conditions set out on pages 19 to 37 of the Prospectus dated 9 July 2009 relating to the Programme and the Terms and Conditions set out on pages 19 to 37 of the Prospectus dated 9 July 2010 relating to the Programme, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Financial Services Authority. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from (i) the registered office of the Issuer and the specified offices of each of the Agents and (ii) the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Supplementary Prospectus

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to section 87G of the FSMA, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by the UK Listing Authority and section 87G of the FSMA.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such amendment, supplement or, as the case may be, replacement Prospectus as such Dealer may reasonably request.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Prospective investors should consider carefully the specific investment considerations set out below, in addition to the other information contained in this document, before making an investment decision in relation to the Notes.

Risk Factors relating to the Group

The Group may be negatively impacted by fluctuations in exchange rates.

The majority of the Group's business is transacted in euro, South African rand, sterling, U.S. dollars, Colombian pesos and other local currencies. The functional and presentation currency of the Group is and will remain the U.S. dollar, although dividends are also payable in sterling and rand. In each country of operation, the Group generates revenue and incurs costs primarily in local currency. Fluctuations in the relative values of these currencies, or of any local currency, may adversely affect the results of the Group when translated into U.S. dollars. The Group seeks to manage currency exposure wherever possible through hedging and funding activity.

The Group operates in many developing markets, which exposes it to certain political and economic risks in these markets.

A substantial proportion of the Group's principal operations are in developing markets, including South Africa, China, India, Tanzania, Botswana, Mozambique, certain emerging European markets and Latin America. In particular, a significant proportion of the Group's earnings comes from its lager and other operations in South Africa and Colombia.

The Group's operations in these markets are subject to the usual risks of operating in developing countries, which include potential political and economic uncertainty, application of exchange controls, nationalisation or expropriation, empowerment legislation and policy, crime and lack of law enforcement, political insurrection, external interference, currency fluctuations, lack of upkeep of public infrastructure and changes in government policy. Such factors could affect the Group's results by causing interruptions to its operations or by increasing the costs of operating in those countries or by limiting the ability of the Group to extract profits from those countries.

Moreover, the economies of developing countries are often affected by developments in other emerging market countries, and, accordingly, adverse changes in developing markets elsewhere in the world could have a negative impact on the markets in which the Group operates.

The Group is exposed to the risks and effects of economic recession and to falls in per capita income, which could adversely affect the demand for its products.

The Group is exposed to the effects of global recession and of a recession in one or more of its key markets, including lower revenue and reduced income. For the beer business, recession adversely affects demand, and therefore the prices that can be achieved for beer in the relevant markets.

Beer consumption in many of the countries in which the Group operates is closely linked to general economic conditions, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income. Additionally, per capita consumption is inversely related to the sale price of the Group's products.

Besides moving in concert with changes in per capita income, beer consumption also increases or decreases in accordance with changes in disposable income. Currently, disposable income is low in many of the countries in which the Group operates relative to disposable income in more developed countries. Any further decrease in disposable income resulting from an increase in income taxes, the cost of living or other factors would likely adversely affect demand for beer.

Changes or uncertainties in economic conditions may adversely impact the Group's sales, earnings and financial position. Whilst the Group takes steps to alleviate the impact of adverse economic conditions on its business, there can be no guarantee that these will be effective, and to the extent that such conditions do not improve or any improvement takes place over an extended period of time, the Group's business, results of operations and financial condition may be materially adversely affected.

The Group may be unable to influence its strategic partnerships.

A proportion of the Group's global portfolio consists of strategic partnerships in new or emerging markets such as China, Turkey and the CIS states, and a number of countries in Africa. There are challenges in influencing these diverse cultures to ensure that the Group integrates these business interests successfully into its wider global portfolio. In addition, the Group has a partnership in the United States, where decision making is shared equally. There can be challenges in ensuring that decisions are taken in such partnerships which promote the strategic and business objectives of the Group.

The Group may not be able successfully to carry out further acquisitions, or to integrate acquired businesses, including Foster's Group Pty. Ltd. (previously Foster's Group Limited) ("Foster's"), with the Group's businesses.

The Group's overall business strategy and focus is to be a significant participant in the consolidation of the global beer industry. In recent years, the Group has made numerous acquisitions of companies and businesses, including in Europe, Africa, Asia, Latin America, the United States and Australia. Although further consolidation of the beer industry is expected, the Group will be able to make further acquisitions only if it identifies suitable targets and agrees on terms attractive to it. When considering an acquisition, the Group makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of the target and the potential return on investment. These estimates may prove to be incorrect, rendering the Group's further consolidation unsuccessful, with consequent negative effects for the Group's business, financial condition and results of operations.

Any acquisition which the Group has completed (including its recent acquisition of Foster's) or does complete is accompanied by the risks commonly encountered with acquisitions of companies or businesses, such as the difficulty of integrating the acquired businesses, the potential disruption to its own businesses, the retention of

key management personnel, the assumption of unexpected liabilities and the possibility that indemnification agreements with the sellers of such assets may be insufficient to cover potential liabilities, the establishment and maintenance of common standards, controls, procedures and policies, and the impairment of relationships with employees and counterparties as a result of difficulties arising out of integration. In the case of any acquisition, there can be no assurance that these risks will not materialise, and such matters could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be impacted by changes in the availability or price of raw materials.

The supply and price of raw materials used to produce the Group's products can be affected by a number of factors beyond its control, including the level of crop production around the world, export demand, government regulations and legislation affecting agriculture, adverse weather conditions, currency fluctuations, economic factors affecting growth decisions, various plant diseases and pests. The Group cannot predict future availability or prices of the products and materials required for its products. The markets in the relevant commodities may continue to experience price increases or suffer from disruptions in supply. The foregoing may affect the price and availability of ingredients that the Group uses to produce its products as well as the cans and bottles in which the Group's products are packaged. In particular, in recent years the Group has experienced significant input cost increases in the market prices of malt, barley and hops. Rising prices of oil, gasoline, natural gas and diesel fuel have also led to an increase in the cost of transport, glass and aluminium. The impact of this on the Group's profitability has been tempered through supply contracts for future requirements and an active hedging programme, combined with programmes to support development of local barley farming in India and China, and similar initiatives in a number of countries in Africa. However, such hedging measures may not provide complete protection over the longer term. If the Group cannot recapture these price increases through its sales to customers, or if volumes decrease as a result, the Group's revenues and/or profits may decrease, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, water availability is of utmost concern to the Group as the Group requires access to significant water resources to continue its operations. The Group has entered into partnerships with global, local and governmental partners in different regions to engineer a co-ordinated response to water stress. Despite these efforts, any stoppage, scarcity or interruption in water supply could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on its senior management and may fail to identify, develop and retain its current and future global management capability.

In order to develop, support and market its products, the Group must hire and retain skilled employees with particular expertise. Failure to maintain this capacity at a high level or maintain its effective organisational leadership process, which can capture shared learning and leverage global synergies and expertise, could jeopardise its growth potential.

In addition, various aspects of the Group's business depend on the continuing services and skills of key individuals of the Group, in particular, its senior management and executive directors. The Group has entered into employment contracts and taken other steps to encourage the retention of these individuals, and to identify and retain additional personnel, but if one or more of these key individuals retire or are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily or at all and its business, results of operations and financial condition could be materially adversely affected if certain key individuals either cease to be employed by the Group or their services cease to be available to the Group.

The Group operates in highly competitive markets.

Globally, brewers compete mainly on the basis of brand image, price, customer service, distribution networks and, particularly in developed markets, quality. While globally the beer industry is not highly concentrated, in

many of the countries in which the Group has operations, including the United States, two or three brewers account for a very large proportion of the market and smaller local brewers make up the balance. Consolidation has significantly increased the capital base and geographic reach of the Group's other competitors in some of the markets in which they operate, as well as increasing the cost of competition, and competition is expected to increase further as the trend towards consolidation among companies in the beer industry continues. Examples of this trend include the acquisition in 2008 by InBev S.A.-N.V. of Anheuser-Busch Companies Inc. to form Anheuser-Busch InBev S.A.-N.V. ("**A-B InBev**"), the acquisition by Heineken N.V. of the Mexican and Brazilian beer businesses of Fomento Económico Mexicana S.A.B. de C.V. ("**FEMSA**") in 2010, the Kirin Group's acquisition of Lion Nathan National Foods in 2009 and the Schincariol Group in 2011, the recently completed acquisition by Molson Coors of StarBev LP, and the recently announced proposed acquisition by A-B InBev of the remaining 50 per cent. interest in Grupo Modelo, S.A.B. de C.V. which it does not already own.

In addition to competition among brewers, the Group competes against alternative beverages on the basis of factors over which the Group has little or no control and that may result in fluctuations in demand for the Group's products. Such factors include variation and perceptions in health consciousness, changes in prevailing economic conditions, changes in the demographic make-up of target consumers, changing social trends and attitudes regarding alcoholic beverages and changes in consumer preferences for beverages. Consumer tastes and behaviours are constantly evolving, and at an increasingly rapid rate. Competition in the beverage industry is expanding and becoming more fragmented, complex and sophisticated.

Competition with brewers and producers of alternative beverages in its various markets could cause the Group to reduce pricing, increase capital, marketing and other expenditure or lose market share, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The jurisdictions in which the Group operates may adopt regulations that could increase costs and liabilities or could limit business activities.

The Group's business is highly regulated by the European Union and other national and local government entities and, in the case of MillerCoors LLC ("**MillerCoors**"), is subject to extensive regulation in the United States by federal, state and quasi-governmental authorities. These regulations govern many parts of the Group's operations, including brewing, bottling, branding, marketing and advertising, transportation, distributor relationships and sales. Other regulations governing taxation, environmental impact and labour relations also affect the Group's operations. Changes in any of the relevant regulations could have a material adverse effect on the Group's business, results of operations, cash flows or financial condition. There can be no assurance that the Group will not incur material costs or liabilities in connection with its compliance with current applicable regulatory requirements or that such regulations will not interfere with, restrict or affect the Group's businesses.

The level of regulation to which the businesses of the Group are subject can be affected by changes in the public perception of beer consumption. Governmental bodies may respond to any public criticism by implementing further regulatory restrictions on opening hours, drinking ages or advertising, or by varying, revoking or suspending the licenses, permits or approvals under which the Group operates. Such steps could adversely affect the sale and consumption of beer and have a material adverse effect on the Group's business, financial condition and results of operations.

Tax, fees and excise costs in excess of the Group's existing provisions may arise from fiscal reforms, discriminatory excise taxes and restrictive legislative environments.

Various legislative authorities in those countries in which the Group operates consider proposals from time to time to impose additional excise and other taxes or fees on the production and sale of alcoholic beverages, including beer. Changes in such duties applicable to the Group's products affect the prices at which they are

sold. Increases in the levels of fees, excise and other tax (either on an absolute basis or relative to the levels applicable to other alcoholic beverages) could have a significant adverse impact on sales volumes. In addition, there is no assurance that the operations of the Group's breweries and other facilities will not become subject to increased taxation by national, local or foreign authorities. Changes in corporate income tax rates or regulations on repatriation of dividends and capital could also adversely affect the Group's cash flow and its ability to distribute earnings to the Group.

The Group is facing increasing restrictions on the marketing, distribution and sale of alcohol.

In recent years, there has been increased social and political attention directed at the alcoholic beverage industry, particularly in the United States. The Group believes that this attention is the result of public concern over alcohol-related problems, including drunk driving, underage drinking and the health consequences of the misuse of alcohol. Such public concerns and any resulting restrictions may cause consumption trends to shift away from beer to non-alcoholic beverages. If, as a result of such concerns and restrictions, the social acceptability of beer were to decline significantly, sales of the Group's products could materially decrease.

The Group is exposed to financial market risks, including fluctuations in foreign exchange and interest rates, which create volatility in relation to its derivative contracts.

The Group uses derivative financial instruments to manage foreign exchange rate and interest rate risks, which expose the Group to movements in foreign exchange and interest rates. The Group's derivatives include interest rate swaps, cross currency swaps and forward foreign currency contracts. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the Group in line with its risk management policies.

The accounting for these interest rate and foreign exchange rate hedging activities results in volatility in the Group's net assets caused by marking to market these derivative contracts at each balance sheet date. In addition, if derivatives are fixed at rates in excess of actual market rates, this may in the future reduce the Group's profitability. To the extent that the Group does not, or does not effectively, hedge its exposure to interest rate and foreign exchange rate fluctuations, the Group may incur higher than expected interest and foreign exchange expenses, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Group has exposure to the risk of litigation.

Companies in the alcoholic beverage industry are, from time to time, exposed to litigation relating to alcohol advertising, alcohol abuse problems or health consequences from the excessive consumption of alcohol. Increasing restrictions over the advertising of alcoholic beverages increases the risk of non-compliance with applicable regulations, which may increase the likelihood of litigation claims. Moreover, changes in applicable laws regarding claimant's rights and collective action and the growing claim culture potentially increase the risks of litigation. If any such litigation results in fines, liability to pay damages or reputational damage to SABMiller or any member of the Group or its brands, this could have a material adverse effect on the Group.

Negative publicity against consumption of alcoholic beverages in general and beer consumption in particular may adversely affect the Group.

Negative publicity regarding alcohol consumption generally and beer consumption specifically, whether medical in nature or otherwise, could adversely affect public perception of alcoholic beverages and negatively impact demand for the Group's products, which may result in a material adverse effect on the Group's business, results of operations and financial condition.

The Group's future capital needs may require that the Group seek debt financing, refinancing or additional equity funding, which may not be available or may be materially more expensive.

From time to time, the Group may be required to raise additional funds for its future capital needs or refinance its current funding through public or private financing, strategic relationships or other arrangements. However, due to the continuing economic uncertainty and recent crises in the global financial markets, there can be no assurance that such funding, if needed, will be available on attractive terms, or at all. Furthermore, any additional financing arrangements may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants.

In addition, debt financing, refinancing or additional equity funding may be materially more expensive due to the lack of liquidity in the market and the general lack of confidence in the markets. The Group's failure to raise capital when needed could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to environmental regulation by national, state and local agencies, including, in certain cases, regulations that impose liability without regard to fault.

The Group's operations are subject to environmental regulation by national and local agencies. These can result in liability or increased costs of operations which might adversely affect the Group's profits. The environmental regulatory climate in the markets in which the Group operates is becoming stricter, with greater emphasis on enforcement. It is anticipated that, in the medium to long term, environmental controls in most of the jurisdictions in which the Group operates will be brought up to the same standards as those existing in the United States, Australia and Western Europe.

While the Group has budgeted for future capital and operating expenditure to maintain compliance with environmental laws and regulations, there can be no assurance that the Group will not incur any environmental liability or that applicable environmental laws and regulations will not change or become more stringent in the future.

Change in the competition regulations in certain jurisdictions in which the Group has a leading market share may restrict the Group's ability to expand through strategic acquisitions.

In many of the countries in which the Group operates, including South Africa, Australia, the United States and countries in Africa, Europe and Latin America, the Group has a leading position in the local beer markets. There can be no assurance that the introduction of new competition regulations in these markets would not have a material adverse effect on the Group's business by restricting the Group's ability to expand its operations through strategic or incremental acquisitions.

Certain of the Group's operations depend on independent distributors to sell its products.

Certain of the Group's operations, including MillerCoors, are highly dependent on independently owned wholesale distributors for distribution of their products for resale to retail outlets. There can be no assurance that these distributors, who often act both for the Group and its competitors, will not give the Group's competitors' products higher priority, thereby reducing their efforts to sell the Group's products. In addition, the regulatory environment of many states in the United States makes it very difficult to change distributors. In most cases, poor performance by a distributor is not a ground for replacement. The consequent inability of the Group to replace unproductive or inefficient distributors could have a material adverse effect on the Group's business.

The Group is dependent on sole suppliers for some of its key materials.

Certain companies within the Group currently purchase nearly all of their key packaging materials from sole suppliers under multi-year contracts. The loss or temporary discontinuity of supply from any of these

suppliers without sufficient time to develop an alternative source could cause the Group to spend increased amounts on such supplies in the future.

If any of the Group's products are found to contain contaminants, the Group may be subject to product recalls or other liabilities which could cause it to incur significant additional costs.

The Group takes precautions to ensure that its beverage products are free from contaminants. Such precautions include quality-control programmes for primary materials, the production process and the Group's final products. The Group has established procedures to correct any problems that are detected. Although the Group has not had any material problems in the past with contamination of any of its products, in the event that contamination occurs in the future, it may lead to business interruption, product recalls or liability, each of which could have an adverse effect on the Group's business, reputation, prospects, financial condition and results of operations. Although the Group maintains insurance policies against certain of these risks, it may not be able to enforce its rights in respect of these policies and, in the event contamination occurs, any amounts that the Group does recover may not be sufficient to offset any damage it may suffer.

The Group's results of operations depend heavily on maintaining good relations with its workforce.

The success of the Group depends upon maintaining good relations with its workforce. Management believes that the Group's relations with its employees and unions are satisfactory. A substantial majority of the Group's workforce in various of its operations is unionised. Any work stoppages or strikes could adversely affect the Group's ability to operate its businesses. There can be no assurance that any increase in labour costs would not have a material adverse effect on the Group's business.

There is a high incidence of HIV/AIDS in certain of the developing markets in which the Group operates.

The incidence of HIV/AIDS infection in developing markets, especially sub-Saharan Africa, is high, and prevalence rates are forecast to increase over the next decade, particularly in Africa, India and China. Those at risk may include both the Group's employees, giving rise to increased sickness and disability costs for the Group, and customers and consumers, resulting in a reduction in sales. There can be no assurance that the incidence of HIV/AIDS infection in the markets in which the Group operates will not have a material adverse effect on the Group's business.

The Group is reliant on the reputation of its brands and the protection of its intellectual property rights.

An event, or a series of events, that materially damages the reputation of one or more of the Group's brands could have an adverse effect on the value of that brand and subsequent revenue from that brand or business. The Group has invested considerable effort in protecting its brands, including the registration of trademarks and domain names. If the Group is unable to protect its intellectual property, any infringement or misappropriation could materially harm its future financial results, and its ability to develop its business. Also, if the Group fails to ensure the relevance and attractiveness of its brands, and the enhancement of brand marketing, there is a risk that significant growth opportunities may not be realised and this could have a material adverse effect on the Group's business.

The Group is reliant on its information technology to conduct its business in the different regions in which the Group operates.

The Group is increasingly reliant on its information technology and systems as the Group maintains operations in different regions and relies on its information systems to maintain and improve its operational efficiency. Although the Group takes preventative measures to protect and secure its information systems, these systems may be vulnerable to different operational or security challenges including telecommunications

failures, interruptions, security breaches and other types of interference. Any such interference may have a material adverse effect on the Group's business, results of operations and financial condition.

Failure by the Group to complete the delivery of its current business capability programme could have a negative impact.

The Group is executing a major business capability programme designed to simplify its business processes, reduce costs and allow local management teams to focus more closely on their own markets. If the Group fails for any reason to successfully deliver this programme as planned or to derive the expected benefits from the programme, there is a risk of increased programme costs, delays in benefit realisation, disruption to the business or a reduced competitive advantage. This could have a material adverse effect on the Group's business, results of operations and financial condition.

Adverse weather conditions may reduce the demand for the Group's products.

Demand for the Group's products may be affected by adverse weather conditions. Demand is affected by seasonal consumption cycles whereby the Group experiences the strongest demand for its products during the summer months in each of the regions in which the Group operates. Adverse weather conditions, especially in the summer months, when unseasonably cool or wet weather can affect sales volumes and therefore may have a material adverse effect on the Group's results of operations and financial condition.

The Group may be negatively impacted by natural and other disasters.

The Group's business and operating results could be negatively impacted by natural, social, technical or physical risks or disruptions or disasters such as earthquakes, hurricanes, flooding, fire, water scarcity, power loss, loss of water supply, telecommunications failures, labour disputes, political instability, military conflict and uncertainties arising from terrorist attack, a global economic slowdown, the economic consequences of any military action and associated political instability.

Risks related to the structure of a particular issue of Notes.

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/ Floating Rate Notes may be less favourable than then prevailing spreads

on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

The Notes are unsecured obligations.

The Notes will constitute unsecured obligations of SABMiller and will rank junior to all of SABMiller's existing and future secured obligations.

The Issuer must rely on payments from its subsidiaries to fund payments on the Notes.

The Issuer is a holding company with limited assets and limited ability to generate revenues. As such, the Issuer is wholly dependent on funding arrangements with its subsidiaries to meet its cash requirements, including to pay amounts due under the Notes. If payments of dividends or other distributions from the Issuer's subsidiaries are not made, for whatever reason, the Issuer may not have sufficient sources of funds available to make payments on the Notes. Holders will not have a direct claim on the cash flows or assets of the Issuer's subsidiaries. In addition, the ability of the Issuer's subsidiaries to make payments, loans or advances to the Issuer may be limited by the laws of the jurisdiction in which such subsidiaries are organised or located.

Modification and waiver.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive.

Under European Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual or to certain other persons in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of non-EU countries and territories have adopted similar measures.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a

result of the imposition of such withholding tax. However, pursuant to Condition 7 of the Notes the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Change of law.

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Integral multiples of less than €100,000.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and greater price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms in respect of the issue of any Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer	SABMiller plc, a public limited company incorporated in England
Description	Euro Medium Term Note Programme
Size	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger and Dealer	<p>Barclays Bank PLC</p> <p>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “Permanent Dealers” are to Barclays Bank PLC and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Fiscal Agent	The Bank of New York Mellon, London Branch
Method of Issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “Final Terms”).</p>
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes	<p>The Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”). Each Tranche of Bearer Notes that is a “registration required obligation” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) will be (i) represented on issue by a temporary Global Note and exchanged into a permanent Global Note following the expiry of 40 days after their issue date or (ii) represented on issue by a Global Note that will not be offered, sold or delivered, directly or indirectly, within the United States or its possessions and otherwise will be issued in compliance with the C Rules (as</p>

defined in “Selling Restrictions” below). Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “**Global Certificates**”.

Clearing Systems

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Initial Delivery of Notes

On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

Maturities

Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one year.

Specified Denomination

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Fixed Rate Notes

Fixed Rate Notes will bear interest payable in arrear on the date or dates in each year and at the rate(s) specified in the relevant Final Terms.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as specified in the relevant Final Terms and as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified

Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or

(ii) by reference to LIBOR or EURIBOR

as adjusted for any applicable margin.

Interest payment dates and periods will be specified in the relevant Final Terms.

Zero Coupon Notes

Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption

The relevant Final Terms will specify the basis for calculating the redemption amounts payable.

Optional Redemption

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Redemption upon a Change of Control Put Event

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the holders upon the occurrence of a Change of Control Put Event as further described in “Terms and Conditions – Redemption at the Option of Noteholders on a Change of Control Put Event”.

Status of Notes

The Notes will constitute direct, unconditional and unsecured obligations of the Issuer all as described in “Terms and Conditions of the Notes – Status”.

Negative Pledge

See “Terms and Conditions of the Notes – Negative Pledge”.

Cross Default

See “Terms and Conditions of the Notes – Events of Default”.

Ratings

The Programme has been rated Baa1/stable by Moody’s and BBB+/stable by S&P. Each of Moody’s and S&P is established in the EU and registered under the CRA Regulation.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption

Except as provided in “Optional Redemption” and “Redemption

upon a Change of Control Put Event” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.

Withholding Tax

All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes imposed by the United Kingdom, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer will, subject to customary exceptions (including the ICMA standard EU tax exemption tax language), be required to pay such additional amounts to cover the amounts so withheld or deducted, all as described in “Terms and Conditions of the Notes – Taxation”.

Governing Law

English.

Listing and Admission to Trading

Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market and references to “listing” (and related references) shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Selling Restrictions

The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, The Netherlands and Japan. See “Subscription and Sale”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.

The Notes will be issued, sold or exchanged in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) or any rules identical thereto unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or any rules identical thereto or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the relevant Bearer Notes or on the Certificates relating to the relevant Registered Notes. All capitalised terms that are not defined in these terms and conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these terms and conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an Amended and Restated Agency Agreement (as amended or supplemented at the Issue Date, the “**Agency Agreement**”) dated 12 October 2012 between SABMiller plc (the “**Issuer**”), The Bank of New York Mellon, London Branch as fiscal agent and the other agents named in it and with the benefit of an Amended and Restated Deed of Covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 12 October 2012 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 **Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) shown hereon.

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and

regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered in the Register (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered in the Register (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchange of Notes and Transfers of Registered Notes

(a) Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or

otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date as defined in Condition 7(b)(ii).

3 Status

The Notes and the Coupons constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 4, at all times rank at least equally with all other unsecured indebtedness and monetary obligations of the Issuer, present and future.

4 Negative Pledge

So long as any Note or Coupon remains outstanding the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”) (other than a Permitted Security Interest), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or payment under any guarantee or indemnity granted by the Issuer or any Subsidiary in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

“**Permitted Security Interest**” of any person at any particular time means:

- (a) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the Notes;
- (b) any Security Interest arising by operation of law (including in favour of a tax authority in any jurisdiction) or incidental to the conduct of the business of that person or any Subsidiary of that person or the ownership of their property or assets, that do not materially impair the usefulness or marketability of those property or assets to that person;
- (c) any Security Interest on property or assets or shares or stock or other equity equivalents of a company or other legal entity existing at the time that company or other legal entity becomes a Subsidiary of the

relevant person, or is liquidated or merged into, or amalgamated or consolidated with, the relevant person or a Subsidiary of the relevant person or at the time of the sale, lease or other disposition to that person or a Subsidiary of the relevant person of all or substantially all of the properties and assets of a company or other legal entity; and

- (d) any renewal, refunding or extension of any Security Interest referred to in paragraphs (a) to (c) (inclusive) above, provided that the principal amount of indebtedness secured by that Security Interest after the renewal, refunding or extension is not increased and the Security Interest is limited to the property or assets originally subject to the Security Interest and any improvements on the property or assets.

“**Relevant Indebtedness**” means any indebtedness for or in respect of borrowed money which is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which in each case for the time being are, or are intended to be, or capable of being and customarily are, quoted, listed or dealt in or traded on any stock exchange or over-the-counter securities market and which have a maturity of more than 365 days.

“**Subsidiary**” of any person means any company, partnership or other business entity of which more than 50 per cent., of the outstanding shares or other equity interests (as the case may be) carrying the right to vote in the election of directors, managers or trustees (without regard to the occurrence of any contingency), as the case may be, are directly or indirectly owned by that person or by one or more Subsidiaries of that person.

5 Interest and other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the

next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(c) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(1)).

(d) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise specified hereon, the Minimum Rate of Interest shall be zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country or countries, as the case may be, of such currency.

(f) Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a

leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30.

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(i) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a Floating Rate Note, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) Redemption at the Option of the Issuer

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or, in the case of Registered Notes, shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders**

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of a Bearer Note) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of a Registered Note) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Redemption at the Option of Noteholders on a Change of Control Put Event**

If Change of Control Put Option is specified hereon and a Change of Control Put Event occurs, the holder of each Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its Optional Redemption Amount together with interest accrued to (but excluding) the Optional Redemption Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 (as amended)) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 (as amended)) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a "**Change of Control**"); and
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
 - (A) an investment grade credit rating (*Baa3/BBB-, or equivalent, or better*) from any Rating Agency and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (B) a Non-Investment Grade Rating from any Rating Agency and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (*by way of example, Ba1 to Ba2 being one rating category*) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade as specified in sub-paragraph A above, then sub-paragraph (A) only will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) or (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer (whether at the request of the Issuer or otherwise) that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly following the end of any Change of Control Period during which a Change of Control Put Event has occurred, the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 14 specifying the nature of the relevant Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (an “**Exercise Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Optional Redemption Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed by the Paying Agent to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Exercise Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Exercise Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. An Exercise Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Exercise Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Exercise Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes in respect of which the Change of Control Put Option has been validly exercised in accordance with the provisions of this Condition 6(f) on the Optional Redemption Date unless previously redeemed (or purchased) and cancelled.

Any Exercise Notice shall be irrevocable except where prior to the Optional Redemption Date an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Exercise Notice and instead to declare such Note immediately due and payable pursuant to Condition 10.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Optional Redemption Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at its Optional Redemption Amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody's or S&P are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(f) shall be construed accordingly.

In this Condition 6(f):

"Change of Control Period" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **"Negative Rating Event"** shall be deemed to have occurred, at any time, if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer (or any subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

"Rating Agency" means Moody's France S.A.S. ("**Moody's**") or Standard & Poor's Credit Market Services Europe Limited ("**S&P**") or any of their respective successors or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them by the Issuer from time to time; and

"Relevant Potential Change of Control Announcement" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

(g) Purchases

Each of the Issuer and its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of a Bearer Note, by surrendering such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of a Registered Note, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender or in the case of part payment of any sum endorsement of the Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. For the purpose of this Condition 7, “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender or in the case of part payment of any sum endorsement, of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) of this Condition 7.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and unexchanged Talons

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all

unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, levies, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) Other connection

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon or

(b) Presentation more than 30 days after the Relevant Date

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day or

(c) Withholding pursuant to EU Savings Directive

where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or

(d) Payment by another Paying Agent

(except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union or

(e) Where holder able to avoid taxation

to a holder who would have been able to lawfully avoid such withholding or deduction by complying with any statutory requirement or any procedural formality or by making a declaration of non-residence or any other claim for exemption or any filing (including pursuant to a double taxation agreement), but fails to do so or

(f) in case of any combination of the taxes and circumstances described in (a) through (e) above.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable has not been duly received by the Fiscal Agent on or prior to such date) the date on which payment in full of the amount outstanding (notice to that effect shall have been given to the Noteholders) is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the holders of not less than 25 per cent., in aggregate principal amount of the outstanding Notes may give written notice to the Issuer and the Fiscal Agent at its specified office that the Notes shall become immediately due and payable,

whereupon the Early Redemption Amount of each Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

(i) Non-Payment

Default is made for more than 14 days (in the case of interest) or seven London Business Days (in the case of principal) in the payment on the due date of interest or principal, as the case may be, in respect of any of the Notes, or

(ii) Breach of Other Obligations

The Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after written notice of such default shall have been given to the Issuer and Fiscal Agent at its specified office by the holders of at least 25 per cent., in principal amount of the outstanding Notes, specifying such default and requiring it to be remedied and stating in such notice that it is a “Notice of Default” under the Notes or

(iii) Cross-Default

- (A) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, or event of default (howsoever described), or
- (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or
- (C) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) or

(iv) Enforcement Proceedings

A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries where such distress, attachment, execution or other legal process relates to an obligation the aggregate amount payable in respect of which exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) following upon a decree or judgment of a court of competent jurisdiction and is not discharged or stayed within 90 days or

(v) Security Enforced

Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries in respect of an obligation the aggregate amount payable in respect of which exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person) or

(vi) Insolvency

The Issuer or any of its Principal Subsidiaries is insolvent or bankrupt or unable to pay its debts as they fall due, or stops, suspends or threatens to stop or suspend payment of any indebtedness of an amount greater than U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting any indebtedness of an amount greater than U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) of the Issuer or any of its Principal Subsidiaries or

(vii) Winding-up

An administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries or

(viii) Authorisation and Consents

Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of England is not taken, fulfilled or done or

(ix) Analogous Events

Any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (iv), (v), (vi) and (vii).

In these Conditions:

“**Consolidated Subsidiary**” means, in relation to a company, a Subsidiary of that company or any other person whose affairs are required to be consolidated in the audited consolidated financial statements of that company; and

“**Principal Subsidiary**” means:

- (i) at any relevant time, a Consolidated Subsidiary of the Issuer whose net profits or gross assets (consolidated if such Consolidated Subsidiary itself has Consolidated Subsidiaries) attributable to the Issuer are not less than 10 per cent., of the consolidated net profits or, as the case may be, gross assets of the Issuer (attributable to the shareholders of the Issuer, as at the date of the then most recent published consolidated audited income statement or, as the case may be, balance sheet of the Issuer; provided that (a) if since the date of the most recent published consolidated audited income statement or, as the case may be, balance sheet of the Issuer, a Principal Subsidiary shall have ceased to be a

Consolidated Subsidiary of the Issuer (if such Principal Subsidiary was, at such date, a Consolidated Subsidiary of the Issuer), it shall cease to be a Principal Subsidiary and (b) in the case of a Consolidated Subsidiary acquired after the date of the then most recent published consolidated audited income statement or, as the case may be, balance sheet, of the Issuer, for the purpose of applying each of the foregoing tests, the reference to the most recent published consolidated audited income statement or, as the case may be, balance sheet, shall be deemed to be a reference to such income statement of the Issuer or, as the case may be, balance sheet as if such Consolidated Subsidiary had been shown therein by reference to its then latest relevant statement or, as the case may be, balance sheet, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; and

- (ii) any person to which is transferred all or substantially all of the business, undertaking and assets of a Consolidated Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (a) the transferor shall immediately cease to be a Principal Subsidiary and (b) the transferee shall immediately become a Principal Subsidiary, provided that on or after the date as of which the consolidated audited income statement or, as the case may be, balance sheet of the Issuer for the end of the financial period current at the date of such transfer is published, whether such transferor or such transferee is or is not a Principal Subsidiary shall be determined pursuant to the provisions of subparagraph (i) above.

11 Meeting of Noteholders and Modifications

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent., in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to change the governing law of the Notes, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, as the case may be, to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other

currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law

The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Euroclear and Clearstream, Luxembourg will be notified whether the Global Notes or the Global Certificates to be issued in NGN form or to be held under the NSS (as the case may be) are intended to be held in a manner which will allow Eurosystem eligibility.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note issued in compliance with the D Rules (as defined in “Subscription and Sale – U.S. Tax Selling Restrictions” below) will be exchangeable for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes, free of charge to the holder, on or after its Exchange Date (as defined in paragraph 3.6 below), but not later than 180 days after the date such temporary Global Note was issued, upon delivery of a written certification by the beneficial holder of an interest in the temporary Global Note (unless such certification has been previously provided) to the relevant clearing system and from such clearing system to the Fiscal Agent that such holder:

- (i) is not a United States person as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”); or
- (ii) is a United States person that (a) is a foreign branch of a U.S. financial institution (as defined in U.S. Treas. Reg. §1.165-12(c)(1)) purchasing for its own account or for resale or (b) acquired the Bearer Note through a non-U.S. branch of a U.S. financial institution and that holds the Bearer Note through such U.S. financial institution on the date of such certification (provided in either case that such financial institution certifies that it will comply with Section 165(j)(3)(A), (B) or (C) of the Code and the Treasury Regulations promulgated thereunder); or
- (iii) is a financial institution that acquired the Bearer Note for purposes of resale during the period prior to the Exchange Date, and such financial institution further certifies in writing that it has not acquired the Bearer Note for purposes of resale directly or indirectly to a United States person or to a person within the United States.

A financial institution, whether or not described in (i) or (ii) above, that purchases the Bearer Note for purposes of resale during the period prior to the Exchange Date may only give the certification described in (iii) above.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes (a) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or (b) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuer and the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the

Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Notes is not paid when due; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(a) or 3.3(b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or (iii) if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

Each temporary Global Note, permanent Global Note and Global Certificate will contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation outside the United States of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement and as summarised in paragraph 3.1 above. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement outside the United States and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/ or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent (except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised), and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuer and the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of an Amended and Restated Deed of Covenant executed as a deed by the Issuer on 12 October

2012 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used by the Issuer to repay existing indebtedness and for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

SABMILLER PLC

Description of the Group

Save where otherwise indicated, the financial information relating to the Group contained in this section has been extracted from the annual reports and accounts of the Group for the years ended 31 March 2012, 2011 and 2010, without material adjustment.

Overview

SABMiller, together with its subsidiaries, its associated companies and joint ventures, is, according to Canadean, one of the world's largest brewers, occupying a top-two market position by volume in many markets in which it operates, with group revenue¹, operating profit and lager volumes for the year ended 31 March 2012 of U.S.\$31,388 million, U.S.\$5,013 million and 229 million hectolitres respectively. As at 31 March 2012, the Group's total assets were U.S.\$55,651 million. The Group is also one of the largest bottlers and distributors of Coca-Cola products outside the United States.

The Group has brewing interests and distribution agreements across six continents, with a balance between fast-growing developing markets and cash-generative mature markets. The Group has a diverse portfolio of local, regional and global brands, including international premium beers such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft (“**MGD**”) and Grolsch, along with leading local brands such as Aguila, Castle Lager, Miller Lite, Snow, Tyskie and Victoria Bitter.

SABMiller is a FTSE-100 company listed on the London and the Johannesburg stock exchanges. The Group has demonstrated significant growth, with market capitalisation growing from U.S.\$5,421 million as at 31 December 2000 to approximately U.S.\$68,088 million as at 10 October 2012. Since the Group was first rated in 2003, and until 2 July 2012, SABMiller was rated Baa1/stable outlook by Moody's and BBB+/stable outlook by S&P. On 2 July 2012, S&P revised its rating to BBB+/positive outlook; Moody's rating remains unchanged.

The registered office of SABMiller is SABMiller House, Church Street West, Woking, Surrey, England, GU21 6HS and its telephone number is +44 (0) 1483 264000.

Highlights of the Group's Operations

Latin America

The Group initially invested in El Salvador and Honduras in 2001, gaining full ownership in 2005. On 12 October 2005, the Group completed a transaction through which it obtained a controlling interest in the second largest brewer in South America, Bavaria SA (“**Bavaria**”), a Colombian company (the “**Bavaria Transaction**”), and on 24 November 2010 the Group acquired Cervecería Argentina SA Isenbeck (“**CASA Isenbeck**”), the third largest brewer in Argentina. As at 31 March 2012, Group companies were the number one brewer, in terms of lager market share, in Colombia, Ecuador, El Salvador, Honduras, Panama and Peru. The Group bottles soft drinks for The Coca-Cola Company in El Salvador and Honduras and for Pepsico International and Schweppes in Panama.

Europe

The Group's expansion into Europe began in 1993 with the acquisition of Dreher Sörgyárak Zrt (“**Dreher**”) in Hungary. On 6 March 2012, the Group completed its strategic alliance with Anadolu Efes Biracılık ve Malt Sanayii AS (“**Anadolu Efes**”). The Group's Russian beer business, SABMiller RUS LLC, and Ukrainian beer

¹ Group revenue comprises revenue together with the Group's share of revenue from associates and joint ventures.

business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes in exchange for a 24 per cent. equity stake in the enlarged Anadolu Efes. Anadolu Efes is now the vehicle for both groups' investments in Turkey, Russia, the Commonwealth of Independent States ("CIS"), Central Asia and the Middle East. The Group now has brewing operations in eight countries in Europe: the Netherlands, Poland, the Czech Republic, Italy, Romania, Hungary, Slovakia and the Canary Islands (Spain). The Group also sells significant volumes to a further eight European markets of which the largest are the United Kingdom and Germany, and a further 16 countries including Russia, Turkey and the Ukraine are covered in the strategic alliance with Anadolu Efes through either brewing, soft drinks or export operations.

North America

The Group acquired Miller Brewing Company ("Miller"), the United States' second largest brewer, in 2002. On 1 July 2008, the MillerCoors joint venture was established through the combination of the operations of SABMiller's and Molson Coors Brewing Company's ("Molson Coors") respective subsidiaries (Miller and Coors Brewing Company) located in the United States and Puerto Rico (the "MillerCoors Transaction"). As a result, SABMiller has a 58 per cent. economic interest and Molson Coors has a 42 per cent. economic interest in MillerCoors. Voting interests in MillerCoors are shared equally between SABMiller and Molson Coors, and each of SABMiller and Molson Coors has equal board representation.

The North America segment includes the Group's 58 per cent. share in MillerCoors and 100 per cent. of Miller Brewing International.

Africa

The Group operates in 15 countries in Africa: Botswana, Comores, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mayotte, Mozambique, Nigeria, South Sudan, Swaziland, Tanzania, Uganda and Zambia. In addition, the Group has a strategic alliance with Société des Brasseries et Glacières Internationales and BIH Brasseries Internationales Holding Limited ("Castel"), pursuant to which Castel's holding company has a 38 per cent. economic interest in SABMiller's principal African holding company and the Group has a 20 per cent. economic interest in Castel. This alliance capitalises on the complementary nature of the companies' geographic portfolios. Castel has lager and soft drinks interests in 22 largely French-speaking countries of West, Central and North Africa and the Indian Ocean. Its operations cover Algeria, Angola, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Gambia, Guinea, Madagascar, Mali, Mauritius, Morocco, Niger, Senegal, Togo and Tunisia. In addition, the Group has associated undertakings in Algeria, Angola, Morocco and Zimbabwe, and a procurement company in Mauritius. With effect from 1 January 2012, the Group and Castel implemented a number of organisational changes in their African operations as part of their strategic alliance agreement. Operational management of the Nigerian businesses is now with SABMiller and the Angolan businesses with Castel.

Asia Pacific (formerly Asia)

The Group has operations in Australia, India, South Korea and Vietnam, and in China through an associated company.

On 16 December 2011, the Group completed the acquisition of Foster's, and the Asia segment was renamed the Asia Pacific segment. Following the Foster's acquisition, on 13 January 2012 the Group acquired the 50 per cent. interest which it did not already own in Pacific Beverages Pty Limited ("Pacific Beverages"). See "Group – Overview of Foster's Acquisition."

South Africa

The South African Breweries (Pty) Limited ("SAB") is the Group's original brewing company. Founded in 1895, SAB has since become one of South Africa's leading companies as well as Africa's largest brewer. The soft drinks division of SAB, ABI, is South Africa's largest bottler for The Coca-Cola Company.

The Group also has hotel and gaming interests through its associate, Tsogo Sun Holdings Limited, which is listed on the Johannesburg Stock Exchange and is also the largest black empowerment company in the leisure industry in South Africa.

Group

Business Capability Programme

In the year ended 31 March 2010, the Group commenced a major business capability programme that will simplify processes, reduce costs and allow local management teams to enhance focus on their markets. Information and processes will be standardised based on a single, integrated information technology system across back, middle and front office and selectively certain back office activities will be outsourced. The programme will take four years to complete.

Trinity Procurement GmbH, the Group's global procurement organisation, is well established and is beginning to demonstrate its significant potential.

The Group had incurred cumulative exceptional costs of U.S.\$873 million in relation to, and realised U.S.\$890 million of cumulative financial benefits from, the business capability programme by 31 March 2012.

Overview of Foster's Acquisition

On 16 December 2011, the Group acquired a 100 per cent. interest in Foster's at an enterprise value of U.S.\$11,786 million, comprising cash consideration of U.S.\$10,598 million, together with acquired net debt and non-controlling interests, less a net present value attributed to cash receivable for historical tax losses, and the Asia segment was renamed the Asia Pacific segment.

Following the Foster's acquisition, on 13 January 2012 the Group acquired the 50 per cent. interest which it did not already own in Pacific Beverages for cash consideration of U.S.\$343 million. The acquisition took the Group's effective interest in Pacific Beverages to 100 per cent. and Pacific Beverages has now been integrated into the newly acquired Foster's business.

Subsequent to the Foster's acquisition the Group reached agreement with Coca-Cola Amatil Limited ("CCA") for the sale of Foster's interests in Foster's Group Pacific Ltd, which is the holding company for Foster's operations in Fiji and Samoa, and of Foster's non-alcoholic brands and inventory, both subject to regulatory approvals as at 31 March 2012. Subsequent to the necessary regulatory approvals being obtained, the Group completed the disposal of Foster's interests in Foster's Group Pacific Ltd on 7 September 2012, and of Foster's non-alcoholic brands and inventory on 28 September 2012.

As a result of the Foster's acquisition, certain licence and import arrangements such as Corona, Stella Artois, Asahi, Carlsberg and Guinness with a combined annual volume base of approximately 915,000 hl were terminated towards the end of the year ended 31 March 2012. The loss of these rights was a known risk at the time of the acquisition, in light of typical change of control provisions applicable to those arrangements.

Strategy

Business strategy

The Group's business strategy is based upon the following four strategic priorities:

Creating a balanced and attractive global spread of businesses

The wide geographic spread of the Group's operations allows it to benefit from growth in volumes and value in beer markets around the world. The Group continues to look for opportunities to strengthen its geographic

footprint in both developing and developed markets through greenfield entries, alliances, mergers and acquisitions.

Developing strong, relevant brand portfolios that win in the local market

The Group seeks to develop attractive brand portfolios that meet consumers' needs in each of its markets. This includes expanding its offerings to address new consumer segments and drinking occasions, strengthening its mainstream brands, building a differentiated portfolio of global and local premium brands and channelling the right brands to the right outlets at the right time and price.

Constantly raising the profitability of local businesses, sustainably

The Group's aim is to keep enhancing its operational performance through top-line growth and continuous improvement in costs and productivity. It is also important that it maintains and advances its reputation, protects its licence to trade and develops its businesses sustainably for the benefit of its stakeholders.

Leveraging the Group's skills and global scale

The Group's global spread presents increasing opportunities to gain value from the scale and skills of the Group, not least by leveraging its scale and expertise in procurement, standardising its back-office functions and integrating its front-office systems. The Group is also benefiting from ongoing collaboration and the sharing of skills between its businesses.

Financial strategy

The Group is committed to maintaining a prudent financial profile that is reflected in a high quality investment-grade credit rating. Consistent with this commitment is the Group's objective to optimise its overall capital structure, which it maintains by funding acquisitions where necessary through an appropriate mix of equity and debt. The Group's strong financial structure also helps to ensure that adequate resources are available to it from a variety of market sources to meet ongoing business needs, as well as to provide medium-term flexibility to assess investments in appropriate markets.

Competitive strengths

Management believes that the Group's key competitive strengths are:

Leading market positions

The Group is one of the world's largest brewers, occupying a top-two market position by volume in many markets in which it operates. Group associates and joint ventures hold the number one position in China and the number two position in the United States by volume, the two largest markets for beer globally. The U.S. market accounts for the largest profit pool in the global beer market, and the Chinese market is among the fastest growing markets globally in terms of volume. The Group enjoys a leading position in South Africa, with a 90 per cent. market share by volume, and it holds strong market positions in the countries in which it operates in Europe, Latin America, Africa and Asia Pacific. The Group is also one of the largest bottlers and distributors of Coca-Cola products outside the United States.

Geographic diversification

The Group believes it has a well-balanced spread of brewing interests and major distribution agreements across six continents with a balance between fast-growing developing markets and cash-generative mature markets, which reduces the Group's exposure to any single market, currency or brand.

A strong and comprehensive brand portfolio

The Group has a broad portfolio of local lager brands, with more than 200 brands and strong regional and local market positions.

In the longer term, the Group expects to see a natural consumer move towards higher value, global brands and Management believes that Pilsner Urquell, Peroni Nastro Azzurro, MGD and Grolsch provide the Group with a strong global brand portfolio well placed to capture growth.

A strong cash generative business

The Group has historically provided a strong and stable source of sales and operating cash flows from its breadth of product offerings, diversity of consumers and broad international operations in geographical regions following different economic cycles.

Conservative financial policies

The Group has consistently implemented conservative financial policies and maintained a strong financial profile, with minimal working capital requirements and strong interest cover. The Group maintains a strong liquidity position with cash balances and short-term investments and access to significant undrawn committed borrowing facilities, allowing the Group a high degree of financial flexibility.

A highly experienced management team with an outstanding track record in integrating and managing assets

Management has a proven track record in successfully integrating acquisitions and through the breadth of its operations is experienced in managing a diverse portfolio of markets in highly-competitive business environments. The current management team is highly experienced and is recognised within the industry for successfully driving the Group's strong growth in recent years through organic growth and acquisitions.

Licences

Within Europe, Compañía Cerveçera de Canarias (in the Canary Islands) brews Carlsberg under licence and Dreher (in Hungary) brews Hofbräu under licence. Additionally Compañía Cerveçera de Canarias has an agreement to distribute Guinness (Guinness and Kilkeny brands) in the Canary Islands. In Europe, the Group has an agreement to distribute beer under the St Stefanus brand. MillerCoors produces and markets Molson Ice, Molson Golden and George Killian's under licence in the United States of America. Honduras, El Salvador, ABI and certain businesses in Africa are reliant on franchise agreements with The Coca-Cola Company for their soft drinks businesses. The business in Panama produces and bottles PepsiCo soft drinks under an exclusive bottling agreement, and also bottles Schweppes soft drinks under licence. CASA Isenbeck in Argentina produces and distributes the Warsteiner brand under a long-term licence agreement.

New products, research and development

The Group invests in research and development enabling it to develop new products, packaging and processes, as well as new manufacturing technologies to improve overall operational effectiveness. The Group's upstream scientific research yields solid progress in brewing, raw materials, flavour stability, packaging materials and energy and water saving. The aggregate amount spent by the Group on research and development was U.S.\$7 million in each of the years ended 31 March 2012 and 31 March 2011.

Overview by business segment

	Year ended 31 March		
	(audited)		
	2012	2011	2010
	<i>(U.S.\$ millions)</i>		
Group Revenue (including share of associates and joint ventures)			
Latin America	7,158	6,335	5,905
Europe	5,482	5,394	5,577
North America	5,250	5,223	5,228
Africa	3,686	3,254	2,716
Asia Pacific	3,510	2,026	1,741
South Africa: Beverages	5,815	5,598	4,777
South Africa: Hotels and Gaming	487	481	406
Total	<u>31,388</u>	<u>28,311</u>	<u>26,350</u>

	Year ended 31 March		
	(audited)		
	2012	2011	2010
	<i>(U.S.\$ millions)</i>		
Revenue			
Latin America	7,148	6,324	5,894
Europe	5,347	5,379	5,558
North America	134	117	107
Africa	2,299	2,059	1,774
Asia Pacific	1,682	564	473
South Africa: Beverages	5,150	4,965	4,214
South Africa: Hotels and Gaming	—	—	—
Total	<u>21,760</u>	<u>19,408</u>	<u>18,020</u>

Latin America

From 2002 to 2005, the Group conducted business activities in Central America through Bevco Limited (“Bevco”), the leading brewer and soft drinks bottler in Honduras and El Salvador, and in November 2005, the Group acquired the remaining 41.8 per cent. non-controlling interest in Bevco, increasing SABMiller’s interest to 100 per cent.

In October 2005, the Group completed the Bavaria Transaction, involving the second largest brewer in South America in terms of volume of beer and malt beverage sales, with established local brands, an established production footprint and an efficient distribution network. This extended the Group's operations in the region to Colombia, Peru, Ecuador and Panama and provided a strong platform for further expansion. In addition, these operations have a presence in the non-alcoholic beverage markets in all these countries.

In November 2010, the Group acquired CASA Isenbeck, the third largest brewer in Argentina. CASA Isenbeck produces and distributes the Warsteiner brand under a long-term licence agreement.

As at 31 March 2012, Group companies were the number one brewer, in terms of lager market share, in Colombia, Ecuador, El Salvador, Honduras, Panama and Peru. The Group bottles soft drinks for The Coca-Cola Company in El Salvador and Honduras and for Pepsico International and Schweppes in Panama. The Group has a total of 17 breweries and 14 soft drinks bottling plants in Latin America. Key local lager brands include: Águila, Águila Light, Arequipeña, Atlas, Balboa, Barena, Club, Club Colombia, Cordillera, Costeña, Costeñita, Cristal, Cusqueña, Golden, Imperial, Isenbeck, Pilsen, Pilsen Callao, Pilsen Trujillo, Pilsener, Poker, Poker Ligera, Redd's and Salva Vida. The Group also distributes and sells Group international brands such as Miller Lite, MGD and Peroni Nastro Azzurro in the region.

Details of the Group's operations in Latin America are shown in the table below:

Country	Number of breweries⁽²⁾	Total lager volume for year ended 31 March 2012⁽¹⁾ <i>(million hl)</i>	Number of soft drinks bottling plants⁽²⁾	Total soft drinks volume for year ended 31 March 2012⁽¹⁾ <i>(million hl)</i>
Colombia	6	19.3	5	2.7
Peru.....	5	12.4	2	1.7
Ecuador.....	2	5.6	2	0.3
Panama	1	1.8	2	1.5
Honduras.....	1	1.1	1	5.2
El Salvador	1	0.8	2	6.0
Argentina	1	0.6	—	—
Total	17	41.6	14	17.4

Source: SABMiller

Notes:

- (1) Includes 100 per cent. of subsidiaries' volumes, and the Group's share of associates' volumes
- (2) Breweries and soft drinks bottling plants relate to subsidiaries only

The Group's average number of employees in Latin America for the year ended 31 March 2012 was approximately 26,933.

Colombia

The Group carries out its lager and soft drinks operations in Colombia principally through Bavaria. As at 31 March 2012, the Group had an effective economic interest of 99 per cent. in Bavaria. Bavaria is the largest

beverage company in Colombia based on sales volumes according to Canadean. Lager production is Bavaria's principal operating activity in Colombia, generating sales volumes of 19.3 million hl for the year ended 31 March 2012. Bavaria also produces non-alcoholic malt beverages for the Colombian market.

Lager

Bavaria currently operates six breweries in Colombia.

Bavaria serves all the provinces of Colombia and its brands are Águila, Poker, Costeña, Pilsen, Costeñita, Cola y Pola, Águila Light, Poker Ligera, Club Colombia, Club Colombia Roja, Club Colombia Negra, Peroni Nastro Azzurro, MGD and Redd's. Poker and Águila are Bavaria's leading Colombian beer brands, accounting for 40 per cent. and 20 per cent. respectively of Bavaria's total beer sales in Colombia for the year ended 31 March 2012. Bavaria's share of the total Colombian alcohol market in that period was approximately 61 per cent. according to Nielsen.

Bavaria's distribution fleet is operated by third party crews who deliver Bavaria's products to a fragmented customer base across most of the country. Van selling exists in some rural areas, but is being gradually replaced by a combination of presales and telesales.

Soft drinks

Bavaria produces malt beverages under the Pony Malta and Maltizz brands. For the year ended 31 March 2012, these brands constituted approximately 8 per cent. volume share of the Colombian total non-alcoholic beverages market, and approximately 100 per cent. of the non-alcoholic malt beverages market according to Nielsen. Bavaria's sales volume of malt beverages for the year ended 31 March 2012 was 2.7 million hl.

Bavaria's average number of employees in Colombia for the year ended 31 March 2012 was approximately 8,056.

Peru

The Group carries out its lager and soft drinks operations in Peru principally through Unión de Cervecerías Peruanas Backus y Johnston S.A.A. ("**Backus**"). As at 31 March 2012, the Group had an effective economic interest of 93.6 per cent. in Backus. Backus is the largest beer company in Peru by volume according to CCR.

Lager

Backus currently operates five breweries in Peru. Backus' most popular brand in Peru is Cristal which accounted for 45 per cent. of Backus' Peruvian lager sales for the year ended 31 March 2012 and 42 per cent. of the total Peruvian beer market in 2012 according to CCR. Backus' volume share of the total Peruvian beer market for the year ended 31 March 2012 was approximately 93 per cent. according to the same source.

Backus' other main brands in Peru include Cusqueña, Malta Cusqueña, Pilsen Polar, MGD and Peroni Nastro Azzurro in the premium segment, Arequipeña, Pilsen Callao, San Juan and Barena in the mainstream market and Pilsen Trujillo in the economy segment. The Pilsen Trujillo brand has been successfully repositioned nationally to provide effective defence against competitor economy brands.

Backus also produces the Cordillera brand for export to Bolivia.

Soft drinks

Backus produces, bottles and distributes the Agua Tónica Backus, Guaraná Backus, and Viva Backus soft drink brands throughout Peru. According to Management estimates, these brands represented approximately 7 per cent. of the Peruvian sparkling soft drinks market in the year ended 31 March 2012. Backus also produces both sparkling and still bottled water under the Cristalina Backus and San Mateo brands. In the year ended 31 March 2012, Backus' water brands represented approximately 15 per cent. of the Peruvian bottled water

market according to Management estimates. In addition, Backus produces a malt-based non-alcoholic beverage, Maltin Power, being the only producer in this category.

Backus' average number of employees in Peru for the year ended 31 March 2012 was approximately 7,651.

Ecuador

The Group carries out its operations in Ecuador through Cervecería Nacional (CN) SA (“**CN Ecuador**”). As at 31 March 2012, the Group's effective interest in CN Ecuador was 95.6 per cent.

Lager

According to MK Trends, the Group had approximately a 50 per cent. share of the alcohol market in Ecuador for the year ended 31 March 2012. The principal brands sold in Ecuador are Pilsener, Club, Conquer, Pilsener Light, Dorada and MGD.

Soft drinks

CN Ecuador produces malt beverages under the Pony Malta brand and bottles both still and sparkling water under the Manantial brand.

The average number of employees in Ecuador for the year ended 31 March 2012 was approximately 3,225.

Panama

Cervecería Nacional SA (“**Cervecería Nacional**”) is the Group's principal lager and beverage producer in Panama. As at 31 March 2012, the Group's effective interest in Cervecería Nacional was 97.3 per cent.

Lager

Cervecería Nacional's beer sales in Panama represented approximately 67 per cent. of the total Panamanian market for the year ended 31 March 2012, according to Nielsen. Cervecería Nacional produces the Atlas, Balboa and Miller Lite brands in Panama. Cervecería Nacional also imports and distributes Corona Extra and MGD. Cervecería Nacional's most popular brand in Panama is Balboa, which accounted for approximately 46 per cent. of Cervecería Nacional's lager sales for the year ended 31 March 2012.

Soft drinks

The Group's Panamanian subsidiaries produce, bottle and distribute Malta Vigor, a non-alcoholic malt beverage brand. For the year ended 31 March 2012, Malta Vigor constituted approximately 89 per cent. of the non-alcoholic malt beverages market according to Nielsen. Cervecería Nacional also produces and bottles PepsiCo soft drinks, including Pepsi, Mirinda and 7UP, pursuant to exclusive bottling agreements with PepsiCo International dating back to 1946 and also produces and bottles Schweppes soft drinks including Orange Crush, Squirt and Canada Dry Ginger Ale. The Group has approximately 33 per cent. by volume share of the Panamanian sparkling soft drinks market.

Cervecería Nacional produces and distributes fresh milk products at its Nevada plant, principally through its Nevada and La Chiricana brands. Cervecería Nacional sells juice under the Tutti Frutti brand and water under the Brisa brand.

The Group's average number of employees in Panama for the year ended 31 March 2012 was approximately 1,779.

Honduras

The Group operates in Honduras principally through its subsidiary Cervecería Hondureña SA de CV (“**CHSA**”). As at 31 March 2012, the Group's effective interest in CHSA was 99.6 per cent.

Lager

According to Nielsen, the Group's brands account for approximately 53 per cent. of the Honduran alcohol market by volume. CHSA is the sole domestic brewer in Honduras. The Group's proprietary domestic brands in Honduras include Barena, Imperial, Port Royal and Salva Vida. In addition, CHSA imports and distributes Corona Extra, Miller Lite and MGD.

Soft drinks

According to Nielsen, CHSA is the market leader for sparkling soft drinks in Honduras, accounting for approximately 56 per cent. of the Honduran sparkling soft drinks market by volume for the year ended 31 March 2012. CHSA is the exclusive bottler in Honduras of the Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca, Powerade and Canada Dry brands. CHSA started producing and selling a licensed flavoured tea, Nestea, in September 2010, and in December 2010 launched Jugos del Valle. Both brands are owned by The Coca-Cola Company. CHSA also owns, produces and sells Tropical, which is a sparkling soft drink brand, and has recently launched ActiMalta in the non-alcoholic malt beverages category.

The Group's average number of employees in Honduras for the year ended 31 March 2012 was approximately 3,271.

El Salvador

The Group operates in El Salvador principally through its wholly owned subsidiary, Industrias la Constancia SA de CV ("ILC").

Lager

The Group's brands accounted for approximately 89 per cent. of the Salvadoran beer market by volume for the year ended 31 March 2012, according to Nielsen. The Group's domestic brands in El Salvador include Suprema, Golden, Pilsener, Pilsener Lite and Regia Extra. It also imports and distributes Corona Extra and MGD.

Soft drinks

ILC is also a significant producer and distributor of sparkling soft drinks in El Salvador, with approximately 53 per cent. by volume of the market for the year ended 31 March 2012 according to Nielsen. It has the exclusive bottling and distribution rights for all of The Coca-Cola Company's brands in El Salvador including Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca, Powerade and Tropical. In addition, the Cristal water division is primarily a bottler and distributor of purified water to homes and offices. It also produces and distributes a wide range of still soft drinks, including the Jugos del Valle brand in the juices category and flavoured teas. ILC has recently launched ActiMalta in the non-alcoholic malt beverages category.

The Group's average number of employees in El Salvador for the year ended 31 March 2012 was approximately 2,217.

Argentina

The Group operates in Argentina principally through its subsidiary, CASA Isenbeck.

Lager

The Group's brands accounted for approximately 3 per cent. of the Argentinian beer market by volume for the year ended 31 March 2012, according to Nielsen. The Group's brands in Argentina include Isenbeck, Isenbeck Dark, Diosa Tropical and MGD. CASA Isenbeck produces and distributes the Warsteiner brand under a long-term licence agreement.

The Group's average number of employees in Argentina for the year ended 31 March 2012 was approximately 405.

Europe

The Group's expansion into mainland Europe began in 1993 with the acquisition of Dreher in Hungary, followed by further significant investments in Poland, the Czech Republic, Italy and, in 2008, the Netherlands. On 6 March 2012, the Group completed its strategic alliance with Anadolu Efes. The Group's Russian beer business, SABMiller RUS LLC, and Ukrainian beer business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes in exchange for a 24 per cent. equity stake in the enlarged Anadolu Efes. Anadolu Efes is now the vehicle for both groups' investments in Turkey, Russia, the CIS, Central Asia and the Middle East. The alliance has resulted in the enlarged Anadolu Efes strengthening its market position in the large Russian beer market; it is the leading beverage producer in Turkey and has leading market positions in the growth beer markets of Kazakhstan, Moldova and Georgia.

The Group is one of the region's leading brewers, with brewing operations in eight countries: the Netherlands, Poland, the Czech Republic, Italy, Romania, Hungary, Slovakia and the Canary Islands (Spain). The Group currently owns 17 breweries across Europe. The Group also sells significant volumes to a further eight European markets, of which the largest are the United Kingdom and Germany. A further 16 countries including Russia, Turkey and the Ukraine are covered in the strategic alliance with Anadolu Efes through either brewing, soft drinks or export operations.

At the end of 2011, Group companies held the number one or two market position, by volume, in six European countries in which the Group operated, according to Canadean. The Group's earnings in Europe are principally derived from its operations in the Czech Republic and Poland.

Operations

Details of the Group's lager operations in Europe are shown in the table below:

Country	Number of breweries⁽¹⁾	Total lager volume for year ended 31 March 2012⁽⁴⁾ <i>(million hl)</i>
Poland	3	13.5
Czech Republic	3	7.9
Russia ⁽²⁾	—	5.2
Romania	3	4.5
Italy	3	3.3
Hungary.....	1	2.0
The Netherlands	1	1.6
Ukraine ⁽²⁾	—	1.6
Miller Brands (UK) ⁽³⁾	—	1.4
Slovakia.....	1	1.3
Canary Islands.....	2	0.9
Anadolu Efes ⁽²⁾	—	0.8
Total	17	44.0

Source: SABMiller

Notes:

- (1) Breweries relate to subsidiaries only
- (2) In March 2012, the Group entered into a strategic alliance with Anadolu Efes which is now the vehicle for both groups' investments in Turkey, Russia, the CIS, Central Asia and the Middle East
- (3) The Group has no brewery facilities in the United Kingdom
- (4) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes. The total lager volume shown for Anadolu Efes represents the Group's proportionate share of Anadolu Efes' volumes for the period from 6 March 2012 to 31 March 2012

Employees

The Group's average number of employees in Europe for the year ended 31 March 2012 was approximately 14,095.

Poland

The Group owns 100 per cent. of Kompania Piwowarska SA in Poland.

In Poland, beer consumption per capita grew by 49 per cent. between 1999 and 2011, according to Canadean. According to Management estimates, the Group's volume market share in Poland was 37 per cent. for the year ended 31 March 2012.

As at 31 March 2012, the Group had three Polish breweries: one in Poznan in Western Poland, one in Tychy in Southern Poland and one in Bialystok in North Eastern Poland.

The Group's Tyskie brand is the leading beer brand in Poland, with sales of 4.8 million hl for the year ended 31 March 2012. The Zubr brand remained the number two beer brand in Poland for the year ended 31 March 2012 according to Nielsen.

The Group's average number of employees in Poland for the year ended 31 March 2012 was approximately 3,137.

Czech Republic

The Group owns 100 per cent. of Plzeňský Prazdroj as in the Czech Republic.

The Group is the leading brewer in the Czech Republic according to CBMA, with an estimated 50 per cent. share of the beer market by volume for 2011, primarily due to the Group's brands, Gambrinus and Kozel, which are number one and two brands in the country, respectively. It also brews Pilsner Urquell, the brand leader in the premium segment. The Group's operations comprise three breweries: Plzeňský Prazdroj, Pivovar Radegast and Pivovar Velké Popovice. Major brands sold in the Czech Republic are Pilsner Urquell, Gambrinus, Radegast and Kozel, and the non-alcoholic Birell.

The Group aims to establish the Pilsner Urquell brand among the leading international beer brands. Management believes this brand is the world's oldest "golden" beer and is leveraging this heritage in the development of the brand internationally through focused positioning and the targeting of particular countries (including the United States, Germany and the United Kingdom) as well as specific cities in other countries.

The Group's average number of employees in the Czech Republic for the year ended 31 March 2012 was approximately 2,312.

Romania

The Group's Romanian business, Ursus, had a market share of approximately 26 per cent. for the year ended 31 March 2012. Its main proprietary domestic brands are Ursus Premium, Timisoreana Lux and Ciucas, and it is expanding its premium portfolio by selectively rolling out Peroni Nastro Azzurro and Grolsch Premium Pilsner.

The Group's average number of employees in Romania for the year ended 31 March 2012 was approximately 1,358.

Italy

The Group's effective interest in Birra Peroni is 99.9 per cent.

According to Canadean, in 2011 the Italian beer market was Western Europe's fifth largest by volume. According to SymphonyIRI, Birra Peroni had an approximate 19 per cent. share of the Italian beer market for branded volume at 31 March 2012. According to the same source, the Peroni brand is number one in Italy with an estimated 13 per cent. share of the market in the year ended 31 March 2012 and is one of the oldest brands in the country, dating back to 1846. Nastro Azzurro, another of the Birra Peroni brands, is among the top premium brands in the country, with an estimated 4 per cent. share of the Italian market premium segment in the year ended 31 March 2012. Birra Peroni primarily exports its brands to the United Kingdom and the United States, and continues to develop and grow its export revenues.

Birra Peroni has three breweries in Italy located in Rome, Padua and Bari.

The Group's average number of employees in Italy for the year ended 31 March 2012 was approximately 1,756.

The Netherlands

The Group owns 100 per cent. of Koninklijke Grolsch NV ("**Royal Grolsch**"). Royal Grolsch is a brewer based in the Netherlands with an international presence in the United Kingdom, the United States, Canada, France, Australia and New Zealand.

According to Canadean, in 2011 the Netherlands beer market was Western Europe's sixth largest by volume (and is now estimated at 12 million hl). According to Management estimates, Royal Grolsch had an estimated 12 per cent. share of the Netherlands beer market by volume for the year ended 31 March 2012. Its primary brand is Grolsch Premium Lager, which is an iconic Dutch brand with almost 400 years of brewing heritage and represents approximately 89 per cent. of Royal Grolsch's domestic volumes. Other Group brands sold in the Netherlands are Peroni Nastro Azzurro, Pilsner Urquell, Tyskie, Lech, Grolsch Premium Weizen, Lentebok and Herfstbok as well as the Amsterdam brand.

Grolsch Premium Lager is currently sold in approximately 60 countries, including Russia, Poland, Romania, South Africa, the United States of America, the United Kingdom, Canada and Australia. Potential growth of the Grolsch Premium Lager brand is expected across Africa and Latin America, where the premium segment is still in its infancy, and in the more developed markets of Central and Eastern Europe.

The average number of employees for Royal Grolsch for the year ended 31 March 2012 was 760.

Anadolu Efes

In March 2012, the Group completed its strategic alliance with the Turkish beer and soft drinks business, Anadolu Efes, under which the Group transferred its Russian and Ukrainian beer businesses to Anadolu Efes in return for a 24 per cent. equity stake in the enlarged Anadolu Efes. The Group accounts for its investment in Anadolu Efes as an associate using equity accounting. As a result, the Group's share of profits in Anadolu Efes is reflected in the Group's share of post-tax results of associates, but not in the Group's revenue,

operating profit or EBITDA. The Europe segment includes the Group's 24 per cent. share of Anadolu Efes from the date of acquisition.

Anadolu Efes's activities are conducted by two divisions, one of which is primarily responsible for beer and the other for soft drinks. Anadolu Efes is Turkey's largest brewer controlling 87 per cent. of the local market as of 31 December 2011. Outside Turkey, Anadolu Efes has brewing operations in Russia, Kazakhstan, Ukraine, Moldova, and Georgia. Following the strategic alliance, the combined business has a strong number two position in Russia, which according to Canadean is the world's fourth largest beer market. Anadolu Efes's international operations are carried out through its wholly-owned subsidiary, Efes Breweries International NV. Anadolu Efes also exports its primary brand Efes to more than 70 countries.

Anadolu Efes owns a 50.3 per cent. share in Coca-Cola İçecek A.Ş. ("CCİ"), which is the sixth largest bottler in the Coca-Cola system, based on volume. CCİ manufactures, sells and distributes The Coca-Cola Company branded beverages in Turkey, Azerbaijan, Jordan, Kazakhstan, Kyrgyzstan, Pakistan, Iraq and Turkmenistan. Management estimates that CCİ is number one or number two, by volume, in all of the carbonated soft drinks markets in which it has production activities. Its products are also exported to Syria and Tajikistan.

Other European operations

In Hungary, the Group's subsidiary, Dreher, maintains a well-positioned portfolio of brands covering all popular lager segments, including the Dreher brand, which is a leading local premium brand, and Arany Ászok. Dreher also brews Hofbräu under licence. Dreher had a market share of approximately 30 per cent. for the year ended 31 March 2012, according to Nielsen.

In Slovakia, Pivovary Topvar is the second largest brewing company by volume according to Canadean. The premium brand, Pilsner Urquell, and several of the Group's Czech brands are sold alongside Šariš, Topvar and Smadny Mních in the Slovakian brand portfolio.

Compañía Cervecería de Canarias in the Canary Islands produces Dorada and Tropical, which are local brands.

In 2005, the Group set up Miller Brands (UK) Limited ("**Miller Brands**") for the sale, marketing and distribution of the Group's international premium brands in the United Kingdom. Miller Brands sells Peroni Nastro Azzurro, MGD and Pilsner Urquell and other Group brands such as Tyskie, Lech and Kozel, in a variety of formats for consumption in both the on-premise and off-premise channels.

North America

Until 30 June 2008, the Group's subsidiary Miller conducted its operations predominantly in the United States, where it was the second-largest brewing company. Up to that date Miller's results were consolidated within the Group's financial statements. On 1 July 2008, the MillerCoors Transaction was completed, resulting in the creation of the MillerCoors joint venture. As a result, SABMiller has a 58 per cent. economic interest and Molson Coors has a 42 per cent. economic interest in MillerCoors. As part of the MillerCoors Transaction, Miller transferred substantially all of its operating assets (excluding its international assets, which represent a small percentage of Miller's total operating assets) to MillerCoors. MillerCoors is accounted for as a joint venture using equity accounting by SABMiller. As a result, after the completion of the MillerCoors Transaction, the Group's share of profits in MillerCoors is reflected in the Group's share of post-tax results of joint ventures, but not in the Group's revenue, operating profit or EBITDA. The North America segment includes the Group's 58 per cent. share in MillerCoors and 100 per cent. of Miller Brewing International.

Products

MillerCoors brews, markets and sells the MillerCoors portfolio of brands in the U.S. and Puerto Rico. It competes in every major category of the U.S. beer industry, including the Import, Premium Light, Premium Regular, Below Premium and Craft categories.

MillerCoors' core brand families, Miller Lite, Coors Light and Miller64 (Premium Light), MGD and Coors Banquet (Premium Regular), Miller High Life, Keystone and Milwaukee's Best (Below-Premium) accounted for approximately 85 per cent. of MillerCoors' total domestic shipment volume in the United States during the year ended 31 March 2012, excluding contract brewing.

In August 2010, MillerCoors established the Tenth and Blake Beer Company, its craft and import division. It imports Peroni Nastro Azzurro, Pilsner Urquell and Grolsch and features craft brews from the Jacob Leinenkugel Brewing Company, Blue Moon Brewing Company and the Blitz-Weinhard Brewing Company. To expand its portfolio, Tenth and Blake acquired The Crispin Cider Company, including its affiliate Fox Barrel Cider Company, in February 2012 to capitalise on the fact that cider is now the fastest growing category in the U.S. beer industry.

MillerCoors believes that the enhanced brand portfolio, scale and combined management strength of the joint venture allows the combined businesses to compete more vigorously in the aggressive and rapidly changing U.S. marketplace and thus improves the operational and financial performance through:

- building a stronger brand portfolio and giving consumers more choice;
- cost reductions and improving productivity;
- creating a more effective competitor;
- improving the route to market and benefiting distributors and retailers; and
- optimising organisational strength.

Employees

MillerCoors had approximately 8,812 employees as at 31 March 2012.

Sales and Distribution

In the United States, beer is generally distributed through a three-tier system consisting of manufacturers, distributors and retailers. A national network of approximately 454 independent distributors purchases MillerCoors' products and distributes them to retail accounts.

Brewing Facilities

MillerCoors operates eight major breweries in the U.S., as well as the Leinenkugel's craft brewery in Chippewa Falls, Wisconsin, and two microbreweries, the 10th Street Brewery in Milwaukee, the Blue Moon Brewing Company at Coors Field in Denver and The Crispin Cider Company cidery in Colfax, California.

Contract Manufacturing

MillerCoors has a contract brewing agreement with Pabst Brewing Company. Additionally, MillerCoors produces beer under contract for Miller Brewing International, Molson Coors and Foster's (USA) LLC.

Competitive Conditions

The beer industry in the United States is highly competitive. U.S. beer industry shipments had a low single digit annual growth rate for the 10 years ended 2009, compared with low single digit declines in 2010, 2011 and 2012. Front-line pricing pressure and discounting in the U.S. beer industry has been less intense in recent years.

The combination of Miller and Coors in mid-2008 was designed to create a stronger U.S. brewer with the scale, operational efficiency and distribution platform to compete more effectively against larger brewers, both domestic and global. The MillerCoors' portfolio of beers competes with numerous above premium, premium, low-calorie, popular priced, non-alcoholic, and imported brands. These competing brands are produced by international, national, regional and local brewers. MillerCoors competes most directly with A-B InBev, but also competes with imported and craft beer brands. According to Nielsen estimates, MillerCoors is the nation's second-largest brewer by volume, selling approximately 29 per cent. of the total 2011 U.S. brewing industry volume in off-premise channels. This compares to A-B InBev's 53 per cent. share according to Nielsen.

MillerCoors' alcoholic malt beverages also compete with other alcoholic beverages, including wine and spirits, and thus its competitive position is affected by consumer preferences between and among these other categories. Sales of wine and spirits have grown faster than sales of beer in recent years, resulting in a reduction in the beer segment's lead in the overall alcoholic beverage market.

Africa

The Group operates in 15 countries in Africa and as at 31 March 2012 had 17 lager breweries, 19 soft drinks bottling plants and 15 sorghum breweries. Tanzania has the highest volume of lager sales in the Group's Africa operations.

The Group has a strategic alliance with Castel pursuant to which Castel has a 38 per cent. economic interest in SABMiller's principal African holding company and the Group has a 20 per cent. economic interest in Castel. This alliance capitalises on the complementary nature of the companies' geographic portfolios. Castel has lager and soft drinks interests in 22 largely French-speaking countries of West, Central and North Africa and the Indian Ocean. Its operations cover Algeria, Angola, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Gambia, Guinea, Madagascar, Mali, Mauritius, Morocco, Niger, Senegal, Togo and Tunisia. In addition, the Group has associated undertakings in Algeria, Angola, Morocco and Zimbabwe, and a procurement company in Mauritius. With effect from 1 January 2012, the Group and Castel implemented a number of organisational changes in their African operations as part of their strategic alliance agreement. Operational management of the Nigerian businesses is now with SABMiller and the Angolan businesses with Castel.

It is intended that any future entry into the remaining African markets will be undertaken in conjunction with Castel, with day to day management allocated according to geographical proximity to their respective operations and language capabilities. For the year ended 31 March 2012, the Group's share of Castel's African beverage operations' lager volumes was 5.6 million hl and the Group's share of Castel's African beverage operations' soft drinks volumes was 4.5 million hl.

The Group also bottles soft drinks for The Coca-Cola Company in 20 African markets (in alliance with Castel in 14 of these markets).

The Group's average number of employees in Africa for the year ended 31 March 2012 was approximately 13,596.

Operations

Details of the Group's operations in Africa are shown below:

Country	Number of breweries⁽¹⁾	Total lager volume for year ended 31 March 2012⁽²⁾ <i>(million hl)</i>	Number of soft drinks bottling plants⁽¹⁾	Total soft drinks volume for year ended 31 March 2012⁽²⁾ <i>(million hl)</i>
Angola	—	0.4	—	2.4
Algeria	—	0.2	—	0.4
Botswana	1	0.4	1	0.7
Comores	—	—	1	—
Ethiopia	—	—	1	0.3
Ghana	1	0.5	4	1.2
Kenya	—	0.5	1	0.3
Lesotho	1	0.4	1	0.1
Mayotte	—	—	1	0.1
Morocco	—	0.2	—	0.1
Mozambique	3	1.9	—	—
Nigeria	2	0.2	2	0.5
South Sudan	1	0.2	1	0.2
Swaziland	1	0.2	1	0.2
Tanzania	4	3.1	—	0.1
Uganda	1	1.7	2	1.0
Zambia	2	1.1	3	0.8
Zimbabwe	—	0.8	—	0.6
Castel (including Angola)	—	5.6	—	4.5
Total	17	17.4	19	13.5

Source: SABMiller

Notes:

- (1) Breweries and soft drinks bottling plants relate to subsidiaries only; excludes sorghum breweries
- (2) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes

Tanzania

Tanzania Breweries Limited ("Tanzania Breweries"), which is listed on the Dar-es-Salaam Stock Exchange, owns Tanzania's most popular beer brands (Kilimanjaro and Safari Lager) according to Management estimates and is licensed to produce and distribute other brands, including Castle Lager and Castle Lite in Tanzania.

According to Plato Logic, the Tanzanian beer market has experienced a steady rate of growth in per capita consumption in recent years, although the per capita beer consumption in 2011 remained low at 8.5 litres per annum.

The Group's share of the Tanzanian beer market was approximately 73 per cent. for the year ended 31 March 2012, according to Frontline.

In November 2011, East African Breweries Limited launched a public offer through the Dar-es-Salaam Stock Exchange for the sale of its 20 per cent. interest in Tanzania Breweries, as a result of which SABMiller Africa BV was allocated a further 4.72 per cent. interest in Tanzania Breweries, giving the Group an effective economic interest of 36 per cent. in Tanzania Breweries as at 31 March 2012.

Mozambique

The Group has an effective economic interest of 49 per cent. in its listed operation in Mozambique.

The Group's share of the beer market in the area of the capital city of Mozambique, Maputo, was approximately 90 per cent. for the year ended 31 March 2012, according to Frontline.

The Group's portfolio of brands in Mozambique includes 2M, Laurentina Preta and Manica.

Uganda

The Group has an effective economic interest of 62 per cent. in Uganda's Nile Breweries Limited, which has a strong portfolio of brands including Nile Special, Nile Gold, Club Pilsener, Chairman's ESB, Eagle Extra and Eagle Lager.

The Group's share of the Ugandan beer market was approximately 55 per cent. for the year ended 31 March 2012, according to Frontline.

Zambia

The Group has an effective economic interest of 54 per cent. in Zambian Breweries plc, a company listed on the Lusaka Stock Exchange.

The Group's share of the Zambian beer market was approximately 84 per cent. for the year ended 31 March 2012, according to Frontline.

The Group's key local brand in Zambia is Mosi.

Angola

With effect from 1 January 2012, together with Castel the Group implemented a number of organisational changes in its African operations as part of its strategic alliance agreement. As a result operational management of the Angolan businesses is now with Castel.

Botswana

Kgalagadi Breweries (Pty) Limited is the only domestic producer of lager in Botswana, with an overall market share of approximately 82 per cent. for the year ended 31 March 2012, according to Frontline.

Its main brands are St. Louis, Castle Lager, Carling Black Label and Hansa Pilsener.

The Group has an effective economic interest of 31 per cent. in Kgalagadi Breweries (Pty) Limited.

Lesotho

The Group is the only brewer in Lesotho, operating through Maluti Mountain Brewery (Pty) Limited ("**Maluti Mountain Brewery**").

The Group has an effective economic interest of 24 per cent. in Maluti Mountain Brewery.

The Group had an approximate 99 per cent. share of the beer market in Lesotho for the year ended 31 March 2012, according to Management estimates.

The key local brand in Lesotho is Maluti.

Ghana

The Group has an effective economic interest of 60 per cent. in Accra Brewery Limited, which in the year ended 31 March 2012 had an approximate 38 per cent. share, by volume, of the Ghanaian beer market, according to Management estimates.

The Group's key local brands in Ghana are Club and Stone.

Swaziland

The Group is the only brewer in Swaziland, operating through Swaziland Beverages Limited, in which it has an effective economic interest of 37 per cent.

The Group's share of the beer market in Swaziland was approximately 85 per cent. for the year ended 31 March 2012, according to Frontline.

The Group's key local brand in Swaziland is Sibebe.

Nigeria

Until 31 December 2011, the Group had an effective economic interest of 59 per cent. in Pabod Breweries Ltd ("**Pabod**") in Nigeria, an effective economic interest of 80 per cent. in Voltic Nigeria Ltd ("**Voltic Nigeria**") in Nigeria and an effective economic interest of 41 per cent. in Intafact Beverages Limited ("**Intafact**"), which is building a new greenfield brewery in Onitsha, in south eastern Nigeria. With effect from 1 January 2012, together with Castel the Group implemented a number of organisational changes in its African operations as part of its strategic alliance agreement. As a result the Group acquired a 65 per cent. interest (effective 33 per cent. interest) in International Breweries plc in Nigeria, from Brasseries Internationales Holding Ltd, part of the Castel group, in exchange for cash and a dilution of the Group's effective interests in its existing Nigerian businesses, Pabod and Voltic Nigeria. As at 31 March 2012, the Group had an effective economic interest of 38 per cent. in Pabod, an effective economic interest of 50 per cent. in Voltic Nigeria and an effective economic interest of 41 per cent. in Intafact.

The Group's key local brands in Nigeria are Grand Lager and Trophy.

South Sudan

In May 2009, the Group's subsidiary Southern Sudan Beverages Limited commenced production of the region's first locally produced beer from its new brewery in South Sudan's capital city, Juba.

The Group has an effective economic interest of 80 per cent. in Southern Sudan Beverages Limited.

The Group's key local brand in South Sudan is White Bull.

Zimbabwe

Following the purchase of additional shares in Delta Corporation Limited ("**Delta**") during the financial year ended 31 March 2012, the Group has an effective economic interest of 25 per cent. in Delta, which is listed on the Zimbabwe Stock Exchange, and in the year ended 31 March 2012, had an approximate 96 per cent. share, by volume, of the Zimbabwean beer market, according to Frontline.

Its largest brands are Castle Lager, Lion and Carling Black Label.

Kenya

On 25 November 2011, the Group disposed of its 20 per cent. interest (12 per cent. effective economic interest) in its associate Kenya Breweries Limited.

Other operations - soft drinks

The Group has an effective economic interest of 54 per cent. in Zambian Breweries plc, the operator of the Zambian Coca-Cola franchise.

The Group also bottles and distributes Coca-Cola products in Botswana, Comores, Lesotho, Mayotte and Swaziland.

The Group has an effective interest of 80 per cent. in the Voltic (GH) Limited water business in Ghana, a 50 per cent. effective interest in the Voltic Nigeria water business in Nigeria, a 40 per cent. effective interest in the Ambo Mineral Water Share Company in Ethiopia, a 62 per cent. effective interest in a maheu business in Zambia, an 80 per cent. effective interest in the Rwenzori water business in Uganda and an 80 per cent. effective economic interest in the Crown Beverages Limited (previously Crown Foods Limited) water bottling and distribution business in Kenya.

Other operations

The Group operates 15 sorghum beer breweries: five in Zambia, four each in Botswana and Malawi, one in Ghana and one in Swaziland, with a total sales volume of 5.1 million hl for the year ended 31 March 2012. The sales volumes of wines and spirits was 0.2 million hl for the year ended 31 March 2012.

Asia Pacific (formerly Asia)

In Asia Pacific, the Group conducts business primarily in Australia, China and India, with operations also in South Korea and Vietnam. In December 2011, the Group completed the acquisition of a 100 per cent. interest in Foster's and in January 2012 the Group acquired the 50 per cent. interest which it did not already own in Pacific Beverages. In Australia, the Group operates principally through Carlton and United Breweries ("CUB"), which is the Australian beverage business of Foster's, and the second largest brewer in Australia with a portfolio of brands produced by CUB that includes the leaders in the traditional regular and domestic premium segments. Now in its eighteenth year, the Group's associate in China is the biggest brewer by volume in China. The Group is the second largest brewer by volume in India, with eleven breweries. The Group has a subsidiary in Vietnam. The Group's average number of employees in Asia Pacific for the year ended 31 March 2012 was approximately 3,804 (5,384 on an annualised basis).

China

According to Canadean, China is the largest beer market in the world by volume, with volumes in excess of 487 million hl for the year ended 31 December 2011. Between 1999 and 2011, the Chinese beer market grew by 138 per cent. and accounted for 48.6 per cent. of growth in the world beer market, according to Canadean. The Chinese beer industry is consolidating with a number of Chinese brewers being acquired by the leading international brewers.

In China, the Group owns 49 per cent. of China Resources Snow Breweries Limited ("CR Snow"), a partnership with China Resources Enterprise Limited ("CRE"), which holds the remaining 51 per cent. CRE is listed on the Hong Kong Stock Exchange and is included in the Hang Seng Index.

Through CR Snow, the Group operates in 24 provinces in China. According to Canadean, CR Snow is the largest brewer in China by volume with strong market positions in both the northeast and the west and a growing market position in the central region. For the year ended 31 March 2012, the Group's share of CR Snow's lager volumes was 50.5 million hl. The Group's lager volume growth in China for the year ended 31

March 2012 was 9 per cent., within which underlying organic growth of 4 per cent. was achieved with acquisitions enhancing market share. In 2011 CR Snow sold in excess of 100 million hl in a 12 month period for the first time. During the year ended 31 March 2012, CR Snow's national brand, Snow, grew by 8 per cent. and now constitutes 89 per cent. of the Group's total China lager volumes. Snow is the top-selling lager brand (by volume) in China. CR Snow also continued to expand its presence in the premium segment through the expansion of Snow Draft in particular. In 2011 CR Snow's national market share was estimated to exceed 20 per cent according to Management estimates.

India

The Group has operated in India since October 2000, when it acquired Narang Breweries, located near Lucknow in the state of Uttar Pradesh. In June 2001, the Group acquired a controlling interest in Mysore Breweries Limited ("**Mysore**") and in November 2001 announced the acquisition of a controlling interest in Rochees. In May 2003, Mysore entered into a joint venture with Shaw Wallace and in May 2005, Mysore acquired the remainder of Shaw Wallace's interest in the joint venture in India. The joint venture has been consolidated into Skol Breweries Limited, which owns 99 per cent. of these brewing operations. In September 2006, the Group acquired a 100 per cent. interest in Foster's operations and brand in India which has been integrated into the existing Indian business. In 2011 the Group's brewing operations in India were the country's second largest by volume according to Canadean.

The Group has 11 breweries in India. During the year ended 31 March 2012, the Group sold 4.6 million hl of lager in India.

The Group's key brands in India include Haywards, Royal Challenge, Knockout, Foster's and Indus Pride.

The Group's average number of employees in India for the year ended 31 March 2012 was approximately 2,796.

Australia

On 16 December 2011, the Group acquired a 100 per cent. interest in Foster's at an enterprise value of U.S.\$11,786 million, comprising cash consideration of U.S.\$10,598 million, together with acquired net debt and non-controlling interests, less a net present value attributed to cash receivable for historical tax losses, and the Asia segment was renamed the Asia Pacific segment.

Until 13 January 2012, the Group owned 50 per cent. of Pacific Beverages, a joint venture with CCA in Australia. Pacific Beverages commenced trading during the second half of the financial year ended 31 March 2007. In December 2007, Pacific Beverages acquired the premium Australian brewer Bluetongue Brewery Pty Limited. Pacific Beverages invested in the construction of a new brewery at Warnervale in the Central Coast region of New South Wales which was commissioned in June 2010. Following the Foster's acquisition, on 13 January 2012 the Group acquired the 50 per cent. interest which it did not already own in Pacific Beverages for cash consideration of U.S.\$343 million. The acquisition took the Group's effective interest in Pacific Beverages to 100 per cent. and Pacific Beverages has now been integrated into the newly acquired Foster's business.

Subsequent to the Foster's acquisition, the Group reached agreement with CCA for the sale of Foster's interests in Foster's Group Pacific Ltd, the holding company for Foster's operations in Fiji and Samoa, and of Foster's non-alcoholic brands and inventory, both subject to regulatory approvals as at 31 March 2012. Subsequent to the necessary regulatory approvals being obtained, the Group completed the disposal of Foster's interests in Foster's Group Pacific Ltd on 7 September 2012, and of Foster's non-alcoholic brands and inventory on 28 September 2012.

Foster's is an iconic Australian beverages company and its products are sold in more than 45 countries worldwide. The majority of its sales revenue is generated by CUB, its Australian beer business.

CUB is one of the largest brewers in Australia and has a portfolio of beer, cider, spirits/ready-to-drink and non-alcoholic beverage master brands. CUB's brand portfolio includes iconic Australian beer brands such as Victoria Bitter ("VB"), Carlton Draught (number one draught beer, according to Nielsen) and Crown Lager (number one domestic premium beer, according to Nielsen). It also includes craft beer brands such as Matilda Bay's Redback, Fat Yak and Big Helga. CUB also leads the market in the Australian cider category with popular cider brands Strongbow, Mercury, Bulmers Original, and Matilda Bay's Dirty Granny. The Group's key brands in Australia, other than CUB brands, are Peroni Nastro Azzurro, Miller Chill, Bluetongue Premium Lager, Peroni Leggera, MGD and Grolsch. As a result of the Foster's acquisition, certain licence and import arrangements such as Corona, Stella Artois, Asahi, Carlsberg and Guinness with a combined annual volume base of approximately 915,000 hl were terminated towards the end of the year ended 31 March 2012. The loss of these rights was a known risk at the time of the acquisition, in light of typical change of control provisions applicable to those arrangements.

According to Nielsen, Foster's share of the national beer market by volume, excluding terminated licensed brands, was 44 per cent. at 31 March 2012.

As at 31 March 2012, the Group had six Australian breweries: the Yatala Brewery in Queensland, the Abbotsford Brewery in Melbourne, two on the historic Cascade Brewery site in Hobart, the Bluetongue Brewery in Warnervale NSW and a craft brewery in Melbourne. The Group also operated two breweries in Fiji, one in Samoa and cideries in both Campbelltown NSW and New Zealand.

The Group's average number of employees in Australia for the year ended 31 March 2012 was approximately 650 (2,230 on an annualised basis).

Vietnam

The Group initially commenced operations in Vietnam through a joint venture which was established in 2006 and commenced trading in the second half of the year ended 31 March 2007 following the establishment of a greenfield brewery near Ho Chi Minh City. In March 2009, the Group acquired its joint venture partner's interest and now owns 100 per cent. of SABMiller Vietnam Company Ltd.

The Group's key brand in Vietnam is Zorok. During the year ended 31 March 2012, Gambrinus was launched as a premium brand and Peroni Nastro Azzurro as a super premium brand.

The Group's average number of employees in Vietnam for the year ended 31 March 2012 was approximately 287.

South Africa: Beverages

SAB is the founding business of the Group and has been operating since 1895. It is the leading brewer in South Africa and competes in every segment of the brewing industry. Major local brands include Castle Lager, Carling Black Label, Castle Milk Stout, Hansa Pilsener and Castle Lite. This segment also includes the Group's non-beer beverage operations in South Africa. The non-beer beverage operations currently comprise:

- 100 per cent. of ABI, the soft drinks division of SAB, the largest bottler for The Coca-Cola Company in South Africa;
- 100 per cent. of Appletiser, an international producer of non-alcoholic fruit drinks; and
- 29 per cent. of Distell, a major manufacturer and distributor in the South African wines and spirits sector.

Black Economic Empowerment Transaction

In July 2009, the Group entered into a broad-based black economic empowerment transaction in South Africa (the “**Black Economic Empowerment Transaction**”), with the purpose of placing approximately 10 per cent. of SAB under black ownership. The initial allocation of shares in the Black Economic Empowerment Transaction was made on 9 June 2010 and placed 8.45 per cent. of SAB under black ownership, in three groups comprising employees (“**Employees**”); licensed liquor retailers, liquor licence applicants and customers of ABI (“**Retailers**”); and the broader South African community, through the creation of the SAB Foundation. Employees now own 3.39 per cent. of SAB through The SAB Zenzele Employee Trust, participation rights in which have been granted to 11,511 Employees. Retailers in aggregate own 3.52 per cent. of SAB through SAB Zenzele Holdings Limited in which there are 29,461 black shareholders. The SAB Foundation owns 1.54 per cent. of SAB. At the end of the ten year transaction period, participants will exchange their shareholdings in SAB for shares in SABMiller.

Rationale for the Black Economic Empowerment Transaction

SABMiller believes that broad-based black economic empowerment is a key requirement for the promotion of sustainable growth and social development in South Africa. The Black Economic Empowerment Transaction is designed to increase black participation in SAB by providing long term economic benefits to a broad range of black South Africans. SABMiller believes that the Black Economic Empowerment Transaction, through the inclusion of Employees, Retailers and the SAB Foundation as shareholders, has facilitated the closer alignment of SAB’s interests with its many stakeholders and will maximise long-term shareholder value. The SAB Foundation is primarily focusing on supporting entrepreneurship development, as SABMiller believes this will deliver broader economic benefits for South Africa. It is targeting historically disadvantaged people with a priority on women and the youth, particularly in rural areas.

The Black Economic Empowerment Transaction has also materially enhanced SAB’s compliance with the South African Government’s Codes of Good Practice on Black Economic Empowerment and, in addition, seeks to support the normalisation of the South African liquor industry by supporting liquor licensing in South Africa. The Black Economic Empowerment Transaction is contributing towards achieving SAB’s committed objective of attaining Level Four Contributor status on the basis of the scorecard contained in the Codes of Good Practice.

Impact on SABMiller

The Black Economic Empowerment Transaction became effective in the financial year which began on 1 April 2010. Under IFRS 2, the Black Economic Empowerment Transaction results in a share-based payment expense being reflected in the income statement of SABMiller over the transaction period with the majority of this expense having been charged in the financial year ended 31 March 2011.

Market

According to Euromonitor in respect of 2011, South Africa is the 10th largest beer market in the world by volume. As at March 2012, South Africa: Beverages’ sales represented approximately 90 per cent. of total lager beer consumption in South Africa, according to Management estimates.

South Africa: Beverages’ main competition is from other liquor products, including wines, spirits and sorghum. A significant percentage of wine sold in South Africa is in the form of low priced wine which does interact with beer. The beer category share of alcohol has been largely stable over the last 10 years. The increasing urbanisation of the South African population has also contributed to a move from sorghum to clear beer. Within the beer market, the largest competitor is Brandhouse Beverages (Pty) Ltd (“**Brandhouse**”), a joint venture between Heineken International, Diageo and Namibia Breweries Ltd, selling such brands as Heineken, Windhoek and Amstel. Brandhouse opened its first South African brewery during 2009.

ABI produces and bottles products in South Africa under franchise agreements with The Coca-Cola Company, which give ABI exclusive distribution rights in certain geographic areas. These areas cover approximately 51 per cent. of the South African population and currently generate approximately 58 per cent. of total South African Coca-Cola sales volumes. Coca-Cola and Schweppes products have a combined market share of approximately 90 per cent. of the soft drinks market in ABI's territories in South Africa and 69 per cent. of the total soft drinks including waters, sports and energy drinks and iced tea.

Operations

The principal activity of South Africa: Beverages is the production, marketing and distribution of beer, soft drinks and non-alcoholic beverages throughout South Africa. For the year ended 31 March 2012, South Africa: Beverages sold 26.9 million hl of lager and 18.0 million hl of soft drinks (including sparkling soft drinks, fruit juices and water).

Products

Lager

South Africa: Beverages has ten brands of lager and four flavoured alcoholic beverages ("FAB") brands. The three mainstream lager brands are Castle Lager, Carling Black Label and Hansa Pilsener, with Castle Lager being the company's flagship brand. There are three brands in the Local Premium category: Castle Lite, Castle Milk Stout and Hansa Marzen Gold. There are four brands in the Global Brands category: MGD, Pilsner Urquell, Peroni Nastro Azzurro and Grolsch. The brands in the FAB segment are Redd's Premium Cold, Redd's Premium Dry, Brutal Fruit and Sarita.

Soft drinks

Coca-Cola products

ABI conducts essentially all of its business under five-year renewable franchise agreements with The Coca-Cola Company, and this relationship is fundamental to ABI's business. Management believes that ABI enjoys an open and constructive relationship with The Coca-Cola Company. ABI's current franchise agreements with The Coca-Cola Company expire on 30 March 2013.

Appletiser

Appletiser produces natural and non-alcoholic sparkling fruit juices.

The core brands of Appletiser are "Appletiser", "Grapetiser" and "Peartiser" sparkling fruit juices.

Marketing, sales and distribution

In respect of its beer-related operations, South Africa: Beverages maintains an extensive distribution network throughout South Africa, comprising 40 depots, 14 appointed independent distributorships and an expanding network of owner-drivers. The owner-driver initiative has enabled South Africa: Beverages to reduce delivery fleet sizes and head-count and to benefit from higher delivery volumes from motivated entrepreneurial drivers.

South Africa: Beverages sells beer to approximately 50,000 licensed customers, who are in turn licensed to sell beer and other alcohol for either on-premise or off-premise consumption. However, South Africa: Beverages estimates that there are around 180,000 informal outlets which are unlicensed, commonly referred to as shebeens, in South Africa. This is a phenomenon peculiar to the history of South Africa where prohibition was effectively enforced on black South Africans. South Africa: Beverages is doing its utmost to work with the South African Government to normalise the industry. Whilst South Africa: Beverages does not sell directly to these shebeens, Management estimates that approximately 40 per cent. of its volume is consumed within these informal channels.

Coca-Cola and Schweppes products are marketed jointly by ABI and The Coca-Cola Company, with The Coca-Cola Company undertaking all national and primary media advertising while ABI undertakes promotion and marketing on a local level in its own territories.

ABI sells to approximately 85,000 customers, varying from large retail outlets to small rural stores. Approximately 44,000 outlets receive direct delivery via Direct Sales Distribution or market logistic partners and distributors, while the balance obtain stock indirectly through the wholesale channel.

Manufacturing and properties

South Africa: Beverages operates seven breweries.

In order to ensure world-class standards of production, South Africa: Beverages' breweries are regularly upgraded and refurbished, and brewing capacity is continually under review. Four of the seven breweries could be expanded at a relatively low incremental cost.

South Africa: Beverages also has two malting plants and one hop-processing plant.

ABI has five bottling plants and Appletiser has one bottling plant.

Employees

South Africa: Beverages' average number of employees for the year ended 31 March 2012 was approximately 11,939.

South Africa: Hotels and Gaming

Tsogo Sun Holdings Limited ("**Tsogo Sun**") is Southern Africa's premier gaming, hotel and entertainment company and the largest black empowerment company in the leisure industry in South Africa. It is listed on the Johannesburg Stock Exchange.

By December 2008, Tsogo Sun Holdings (Pty) Ltd (in which the Group had a 49 per cent. interest) had acquired a 23 per cent. interest in Gold Reef Resorts Limited, a listed casino operator with seven casino licences in South Africa, and subsequently increased its interest to 25 per cent. In February 2011, Tsogo Sun Holdings (Pty) Ltd merged into Gold Reef Resorts Limited through an all-share merger. As a result SABMiller exchanged its 49 per cent. interest in Tsogo Sun Holdings (Pty) Ltd for a 39.7 per cent. interest in the enlarged business, which was renamed Tsogo Sun Holdings Limited.

The Tsogo Sun Group operates two separately focused divisions: Tsogo Sun Gaming and Tsogo Sun Hotels.

Tsogo Sun Gaming owns 13 and operates 14 casinos in South Africa, including Montecasino and Gold Reef City casinos in Johannesburg and the Suncoast Casino in Durban, with a total of approximately 8,844 slot machines and 316 gaming tables.

Tsogo Sun Hotels operates 94 hotels comprising 14,639 rooms. The hotels cover all segments of the industry from 5 star deluxe to budget hotels. The company operates primarily under its own brands, including Southern Sun, Garden Court and StayEasy, and in addition operates two Intercontinental hotels in South Africa. In March 2012, the Tsogo Sun Group completed the acquisition of the remaining 53 per cent. interest in the local Formula 1 hotel chain, giving it an effective shareholding of 100 per cent. in that business. Tsogo Sun Hotels trades primarily in South Africa, but also in seven other countries across Africa and the Middle East. Tsogo Sun's hotel portfolio includes owned hotels, properties leased from third parties and operated for Tsogo Sun's own account and hotels managed on behalf of third parties in return for a management fee.

Principal shareholders

SABMiller is not aware of any person who, prior to, or immediately following the publication of this Prospectus, directly or indirectly, jointly or severally, exercises or could exercise control over SABMiller or any arrangement the operation of which may, following the publication of this Prospectus, result in a change of control of SABMiller.

In so far as is known to SABMiller, as at 28 September 2012 (the latest practicable date prior to the publication of this Prospectus), the following are beneficially interested, directly or indirectly, in 2 per cent. or more of SABMiller's issued voting share capital or could directly or indirectly, jointly or severally exercise control over SABMiller:

	28 September 2012
	<hr/> (%)
Altria Group, Inc.	26.96
BevCo Limited	14.11
Public Investment Corporation	4.99
Kulczyk Holding S.A.	3.01
BlackRock Inc	2.73
Allan Gray Investment Council	2.30
Legal & General Investment Management Ltd	2.15

The Issuer is neither owned nor controlled directly or indirectly by any person.

MANAGEMENT

The Board of Directors

SABMiller was incorporated on 17 March 1998 as a public limited company under the Companies Act 1985. The directors of SABMiller, each of whose business address is One Stanhope Gate, London W1K 1AF, United Kingdom are:

	Date appointed to the board	Date of most recent letter of appointment	Date last elected/re- elected	Date next due for re-election
EAG Mackay	08/02/1999	27/02/1999	26/07/2012	July 2013
A J Clark	26/07/2012	26/07/2012	26/07/2012	July 2013
JS Wilson	21/07/2011	17/08/2011	26/07/2012	July 2013
MH Armour	01/05/2010	14/04/2010	26/07/2012	July 2013
GC Bible	01/08/2002	27/09/2002	26/07/2012	July 2013
DS Devitre	16/05/2007	16/05/2007	26/07/2012	July 2013
LMS Knox	19/05/2011	17/05/2011	26/07/2012	July 2013
PJ Manser	01/06/2001	20/06/2001	26/07/2012	July 2013
JA Manzoni	01/08/2004	12/05/2004	26/07/2012	July 2013
MQ Morland	08/02/1999	23/02/1999	26/07/2012	July 2013
DF Moyo	01/06/2009	26/05/2009	26/07/2012	July 2013
CA Pérez	09/11/2005	12/10/2005	26/07/2012	July 2013
MC Ramaphosa	08/02/1999	23/02/1999	26/07/2012	July 2013
A Santo Domingo	09/11/2005	12/10/2005	26/07/2012	July 2013
HA Weir	19/05/2011	17/05/2011	26/07/2012	July 2013
HA Willard III	01/08/2009	01/08/2009	26/07/2012	July 2013

Graham Mackay

Executive Chairman

Graham Mackay joined The South African Breweries Limited in 1978 and has held a number of senior positions in the Group, including Executive Chairman of the beer business in South Africa. He was appointed Group Managing Director in 1997 and Chief Executive of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He is the Senior Independent Non-Executive Director of Reckitt Benckiser Group plc and a non-executive director of Philip Morris International Inc. He became Executive Chairman of SABMiller at the conclusion of the 2012 annual general meeting, with the intention that he will continue in that role for one year before becoming non-executive Chairman at the 2013 annual general meeting.

Alan Clark

Chief Operating Officer

Alan Clark was appointed Managing Director of SABMiller Europe in 2003. He joined SAB Ltd as Training and Development Manager. He has since held a number of senior positions in the Group, including Marketing Director of SAB Ltd, Managing Director of ABI and Chairman of Appletiser South Africa (Pty) Ltd. Before joining the Group, he practised as a clinical psychologist and lectured in psychology at Vista University in South Africa.

He became an Executive Director and Chief Operating Officer of SABMiller at the conclusion of the 2012 annual general meeting, and it is intended that he will become Chief Executive in succession to Graham Mackay at the conclusion of the 2013 annual general meeting.

Jamie Wilson

Chief Financial Officer

Jamie Wilson joined SABMiller in 2005 and was elected as a Director and appointed Chief Financial Officer in 2011. He has held a number of senior positions in the Group, including Senior Vice President, Market Development and Strategy, Miller Brewing Company; Managing Director, SABMiller RUS; Managing Director for SABMiller's Central European businesses, and Finance Director for SABMiller Europe.

Before joining SABMiller he held a number of senior roles in the global beverage industry, notably as Group Finance Director and Managing Director - Operations of Highland Distillers plc; Executive Chairman of Maxxium; Managing Director of Orpar SA, the parent company of Remy Cointreau; Strategy/Finance Director for Scottish Courage Ltd; and Strategy/ Projects Director for Scottish & Newcastle plc.

John Manser

Deputy Chairman and Senior Independent Director

John Manser joined the board in 2001. He is Chairman of Shaftesbury PLC and was Chairman of Intermediate Capital Group plc and Deputy Chairman of Colliers CRE plc until 2010. He was previously Chairman of Delancey PLC, Hiscox Investment Management Ltd, and Robert Fleming Holdings Limited, a former member of the President's Committee of the British Banking Association, a director of the Securities and Investments Board between 1986 and 1993 and is a past Chairman of the London Investment Banking Association. He became Deputy Chairman of SABMiller at the conclusion of the 2012 annual general meeting.

Mark Armour

Mark Armour joined the board in May 2010. He is the Chief Financial Officer of Reed Elsevier Group plc and of its two parent companies, Reed Elsevier plc and Reed Elsevier NV. He will retire from Reed Elsevier Group plc at the end of 2012. Prior to joining Reed Elsevier in 1995 he was a partner in the London office of Price Waterhouse. From 2002 until 2004, Mr Armour was Chairman of The Hundred Group of Finance Directors. He was a member of the Finance and Reporting Working Group of the UK Government's Company Law Review Steering Group, which reported in 2001, and is a member of the board of the Financial Reporting Council.

Geoffrey Bible

Geoffrey Bible joined the board in 2002 as a nominee of the Altria Group following completion of the Miller Brewing Company transaction. He served as Chief Executive Officer of Altria Group, Inc. from 1994 until April 2002 and as Chairman of the Altria board from January 1995 until August 2002, when he retired. He also served as Chairman of the board of Kraft Foods Inc. from March 2001 until his retirement in August 2002.

Dinyar Devitre

Dinyar Devitre joined the board in 2007 as a nominee of Altria Group, Inc. He is a member of the board of Altria. Between April 2002 and March 2008 he was Senior Vice President and Chief Financial Officer of Altria and prior to his appointment to this position had held a number of senior management positions within the Altria group. He is a director of Western Union Company, and a special adviser to General Atlantic LLC. He was a director of Kraft Foods Inc. from 2002 until March 2007. He serves as a Trustee of the Brooklyn

Academy of Music, is a director of the Lincoln Center for the Performing Arts, Inc and is a Trustee Emeritus of the Asia Society.

Lesley Knox

Lesley Knox joined the board in 2011. She is a Non-Executive Director of Centrica plc, a Trustee of the Grosvenor Estates and Chairman of Grosvenor Group Limited. She originally qualified as a solicitor and then spent 15 years with Kleinwort Benson from 1981 to 1996, first in corporate finance, where she became a director in 1986, and then as Chief Executive of the institutional asset management business. In 1997 she moved to the British Linen Bank, becoming Governor in 1999, and was subsequently a founder director of British Linen Advisers from 1999 to 2003. She was until April 2012 Chairman of Alliance Trust plc, has held a variety of non-executive directorships with international and British companies, and is involved with a number of arts and charitable organisations.

John Manzoni

John Manzoni joined the board in 2004. Between 2007 and 2012 he was President and Chief Executive Officer of Talisman Energy Inc. Prior to joining Talisman Energy Inc. he was Chief Executive of Refining and Marketing of BP plc. He joined BP in 1983 and was appointed to the BP plc board in January 2003. He is a member of the Accenture Energy Advisory Board.

Miles Morland

Miles Morland joined the board in 1999. He is founder and Chairman of two companies investing in Africa, Blakeney Management and Development Partners International. He is also a director of various companies investing in the emerging world.

Dambisa Moyo

Dambisa Moyo joined the board in June 2009. She is an international economist and commentator on the global economy and worked at Goldman Sachs for eight years. A Non-Executive Director of Barclays PLC and Barrick Gold Corporation, Dambisa previously worked at the World Bank in Washington D.C. She is a Patron for Absolute Return for Kids, a hedge fund supported children's charity.

Carlos Pérez

Carlos Pérez joined the board in 2005, following completion of the Bavaria Transaction. He is a Managing Director at Quadrant Capital Advisors, Inc, President of Caracol Television S.A. and serves on the board and executive committee of Valorem S.A. He is also a Director of Comunican S.A., Cine Colombia S.A. and the Queen Sofia Spanish Institute. He was previously an investment banker at Goldman Sachs & Co., S.G. Warburg & Co. and Violy, Byorum & Partners.

Cyril Ramaphosa

Cyril Ramaphosa joined the board of The South African Breweries Limited in 1997 and was appointed to the board of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He is the founder and chairman of Shanduka Group and Joint Non-Executive Chairman of Mondi Group. He holds directorships in Macsteel Global B.V., MTN Group Ltd, The Bidvest Group, Lonmin plc, Standard Bank, Optimum Coal Holdings Limited and Alexander Forbes. He is a former Secretary General of the African National Congress and was chairman of the Constitutional Assembly, which negotiated South Africa's first democratic constitution.

Alejandro Santo Domingo

Alejandro Santo Domingo joined the board in 2005, following completion of the Bavaria Transaction. He is a Managing Director at Quadrant Capital Advisors, Inc., and serves on the boards of Valorem S.A., Comunican S.A. and Caracol Television S.A. He is the treasurer of Aid for AIDS Charity, a member of the board of

trustees of The Metropolitan Museum of Art and is also a member of the board of the US-based DKMS Americas Foundation and WNET (Channel Thirteen) and the Wildlife Conservation Society.

Helen Weir

Helen Weir joined the board in May 2011. She is Group Finance Director of the John Lewis Partnership. Between 2008 and 2011 she was Group Executive Director – Retail at Lloyds Banking Group plc, having originally joined Lloyds as Group Finance Director in 2004. From 2000 until 2004, she was Group Finance Director of Kingfisher plc, and before that Finance Director of B&Q, which she joined in 1995. Helen spent her early career at Unilever and McKinsey & Co. She has previously held a number of non-executive directorships, including Royal Mail Holdings and the City of London Investment Trust. She is a member of the Saïd Business School Advisory Council, and was previously a member of the Accounting Standards Board. She is a Fellow of the Chartered Institute of Management Accountants.

Howard A. Willard III

Howard Willard joined the board in August 2009 as a nominee of Altria Group, Inc. He is Executive Vice President and Chief Financial Officer of Altria Group. He also oversees the financial services business of Philip Morris Capital Corporation and the Strategy and Business Development organisation. Prior to this he was Executive Vice President, Strategy and Business Development for Altria. Additionally he has held various leadership positions at Philip Morris USA Inc. in Finance, Sales, Information Services and Corporate Responsibility. Before joining the Altria family of companies in 1992 he worked at Bain & Company and Salomon Brothers Inc. He currently serves on the Executive Advisory Council for the Robins School of Business at the University of Richmond.

The Board and Board Committees

The board sets the strategic objectives of the Group, determines investment policies, agrees on performance criteria and delegates to Management the detailed planning and implementation of those objectives and policies, in accordance with appropriate risk parameters. The board monitors compliance with policies, and achievement against objectives, by holding Management accountable for its activities through monthly and quarterly performance reporting and budget updates.

The Executive Directors are responsible for proposing strategy and for making and implementing operational decisions. Non-executive Directors complement the skills and experience of the Executive Directors and contribute to the formulation of strategy, policy and decision-making through their independent judgement, and knowledge and experience of other businesses and sectors.

The board met seven times during the year ended 31 March 2012 and ad hoc sub-committees of the board met from time to time to deal with investment and financing and reporting issues. Specific responsibilities have been delegated to board committees with defined terms of reference. The General Counsel and Group Company Secretary acts as secretary to the board and its committees and attends all meetings during the year. The principal board committees are described below.

The Audit Committee

The Audit Committee is chaired by Mr Manser and also comprises Mr Armour, Mr Devitre, Ms Knox, Mr Morland and Ms Weir. The Audit Committee met four times during the year ended 31 March 2012. The external auditors, the Chief Executive (or, currently, the Executive Chairman), the Chief Operating Officer, the Chief Financial Officer and the Chief Internal Auditor also attend these meetings and other members of the Management team attend as required. During the year ended 31 March 2012, the Chairman of the Audit Committee met at least once with the external auditors and with the Chief Internal Auditor without Management being present.

The Audit Committee has the power to examine any financial, operating and strategic matters in and relating to the Group in accordance with its written terms of reference. This includes reviewing the annual accounts, internal control procedures, accounting policies, compliance and regulatory matters, reviewing and making recommendations on the appointment of the external auditors and other related issues.

Under its terms of reference, the Audit Committee's duties include:

- to review, and challenge where necessary, the annual financial statements and interim and preliminary announcements before their submission to the board for approval;
- to examine and review the internal control environment and risk management systems within the Group and review the Group's statement on internal control systems prior to endorsement by the board;
- to review the independence, objectivity and effectiveness of the external auditors;
- to make recommendations to the board regarding the appointment, re-appointment and removal of the external auditors and to approve and recommend to the board the remuneration and terms of engagement of the external auditors;
- to review annually the effectiveness of the internal audit function throughout the Group, with particular focus on the charter, annual work plans, activities, staffing, organisational and reporting structure and status of the function; and
- to review the effectiveness of the system for monitoring compliance with laws and regulations (including the Group's biannual letters of representation) and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

The Audit Committee ensures that adequate and suitable internal controls are in place and are appropriate to meet future needs; that significant business, strategic, statutory and financial risks have been identified and are being monitored and managed; and that appropriate standards of governance, reporting and compliance are in operation. It also advises the board on issues relating to the application of accounting standards to published financial information. The Audit Committee has access to the reports of the divisional audit committees.

The Disclosure Committee

The Disclosure Committee consists of the Chairman, the Chief Executive (or, currently, the Executive Chairman), the Chief Financial Officer, the Senior Independent Director, the General Counsel and the Company Secretary or the Deputy Company Secretary. The function of the Disclosure Committee, in accordance with the Group's inside information policy, is to assure compliance with the Disclosure and Transparency Rules and the Listing Rules, as guided by the General Counsel, and to ensure that the routes of communication between Executive Committee members, the Disclosure Committee, the General Counsel's Office, the company secretarial office and investor relations are clear and provide for rapid escalation to the Disclosure Committee and key advisers, and the board, of any decision regarding potential inside information, so that the Group is able to comply fully with its continuing obligations under the Disclosure and Transparency Rules and the Listing Rules.

The Nomination Committee

The Nomination Committee is chaired by Mr Manser and also comprises Mr Bible, Mr Mackay, Mr Manzoni, Mr Morland, Mr Ramaphosa and Mr Santo Domingo. Under the Altria Relationship Agreement and the BevCo Relationship Agreement, Altria and BevCo each have the right to request that one of its nominated directors be appointed to the Nomination Committee and have nominated Mr Bible and Mr Santo Domingo respectively, as members of the Nomination Committee. The Nomination Committee considers the composition of the board and its committees, retirements and appointments of additional and replacement

Directors and makes appropriate recommendations to the board. All Directors are subject to retirement and re-election by shareholders at least once every three years in accordance with SABMiller's Articles of Association. However the board has determined that all Directors will stand for re-election annually as recommended by the UK Corporate Governance Code, published by the UK Financial Reporting Council (the "**Corporate Governance Code**"). The Nomination Committee meets as often as required, and at least once a year.

The Remuneration Committee

The Remuneration Committee is chaired by Mr Morland and also comprises Mr Armour, Ms Knox, Mr Manser and Mr Manzoni. The Remuneration Committee sets short-term and long-term remuneration for the Executive Directors. More generally, the Remuneration Committee is responsible for the assessment and approval of a broad remuneration strategy for the Group and for the operation of the Company's share-based incentive plans. This includes determination of short-term and long-term incentive pay structures for Group executives, the positioning of executive pay levels relative to local and international industry benchmarks and is empowered by the board to set short-term and long-term remuneration for the Executive Directors and members of the Executive Committee.

The Corporate Accountability and Risk Assurance Committee

The Corporate Accountability and Risk Assurance Committee ("CARAC") is chaired by Dr Moyo and comprises Mr Bible, Mr Clark, Mr Mackay, Mr Manser, Mr Manzoni, Mr Ramaphosa and Mr Wilson. Additionally, the Director of Corporate Affairs meets regularly with the chairman of CARAC to discuss implementation and planning issues and attends all meetings of CARAC. CARAC's main objective is to assist the board in the discharge of its responsibilities relating to corporate accountability including sustainable development, corporate social responsibility, corporate social investment and ethical commercial behaviour. CARAC also provides independent and objective oversight and reviews information presented by Management on corporate accountability and specifically associated risk, also taking account of reports by Management and the Audit Committee to the board on financial, business and strategic risk.

Application of the Corporate Governance Code

SABMiller applied all the principles and provisions of the Corporate Governance Code throughout the year ended 31 March 2012, except in one respect, which was that the Audit Committee did not consist solely of independent directors. The committee included Mr Devitre, an Altria Group, Inc. nominee, who is not independent for the purposes of the Corporate Governance Code.

At the 2012 annual general meeting, Mr Mackay was appointed Executive Chairman for an interim period of one year, upon the retirement of Mr Kahn as Chairman, and Mr Clark was appointed as an executive director and Chief Operating Officer, with the intention that Mr Clark will succeed Mr Mackay as Chief Executive at the end of the interim period, when Mr Mackay will become non-executive Chairman. The Corporate Governance Code recommends that a chief executive should not go on to be the chairman of the same company and that when, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders. The Corporate Governance Code also recommends that the roles of chairman and chief executive should not be exercised by the same individual and that the division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the board. Upon announcement of these appointments, the board wrote to all shareholders explaining the process that had been followed and setting out the reasons for the appointments.

Conflict of interest – Board of Directors

No Director has any potential conflict of interest between his or her duties to SABMiller and his or her private interests or other duties.

Transactions with Directors

No Director has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or which is, or was, significant in relation to the business of the Group and which was effected by any member of the Group during the current or immediately preceding financial year, or during any earlier financial year, and remains in any respect outstanding or unperformed.

Arm's length transactions

No members of the Group have entered into any transactions during the financial year ended 31 March 2012 other than in SABMiller's ordinary course of business and on arm's length terms.

No outstanding loans or guarantees have been granted by any member of the Group to any of the Directors.

Executive Committee

The members of the Executive Committee of SABMiller, in addition to Graham Mackay, Executive Chairman, Alan Clark, Chief Operating Officer and Jamie Wilson, Chief Financial Officer, are:

Norman Adami

Chairman and Managing Director, SAB Ltd

Norman Adami was reappointed Chairman and Managing Director of The South African Breweries (Pty) Limited (SAB Ltd) in 2008. He first joined SAB Ltd in 1979 and has held a number of senior positions in the Group. These include Regional Director, Operations Director, Chairman and Managing Director, SAB Ltd, President and Chief Executive Officer, Miller Brewing Company and President and Chief Executive Officer, SABMiller Americas. He is an independent non-executive director of Allied Electronics Corporation Limited.

Mark Bowman

Managing Director, SABMiller Africa

Mark Bowman was appointed Managing Director of SABMiller Africa in 2007. He joined SABMiller's beer division in 1993 and has held various senior positions in the group. These include Managing Director of SABMiller's Polish subsidiary Kompania Piwowarska S.A., Managing Director of Amalgamated Beverage Industries Ltd (now ABI, the Soft Drinks Division of SAB Ltd) and Chairman of Appletiser. He is an independent non-executive director of Tiger Brands Limited.

Sue Clark

Managing Director, SABMiller Europe

Sue Clark was appointed Managing Director, SABMiller Europe in June 2012, previously having held the position of Corporate Affairs Director, SABMiller since 2003. Prior to this, she held a number of senior roles in UK companies, including Director of Corporate Affairs, Railtrack Group from 2000 to 2003 and Director of Corporate Affairs, Scottish Power plc from 1996 to 2000. Sue is a Trustee of the Clore Social Leadership Programme.

John Davidson

General Counsel and Group Company Secretary, SABMiller

John Davidson joined the group as General Counsel and Group Company Secretary in 2006. Before joining SABMiller, he spent his entire legal career at Lovells (now Hogan Lovells), a leading international law firm, where he had been a partner since 1991 specialising in international corporate finance, cross-border mergers and acquisitions, and corporate governance advisory work. John was the Chairman for 2010 and 2011 of the GC100 group (the association of general counsel and company secretaries of companies in the FTSE 100).

Domenic De Lorenzo

Director, Corporate Finance and Development, SABMiller

Domenic De Lorenzo joined SABMiller's corporate finance team in 1996 from UAL Investment Bank in South Africa. He became Director, Corporate Finance and Development for Europe and the Americas in 2000 and the Director of the global team in 2010 and was appointed to the Executive Committee in July 2011. He has responsibility for mergers and acquisitions and corporate development.

Nick Fell

Marketing Director, SABMiller

Nick Fell was appointed Marketing Director, SABMiller in 2006. Prior to this, he worked for Cadbury Schweppes Plc, as President, Global Commercial Strategy and also as Director of Marketing, Cadbury Trebor Bassett. He previously worked for Diageo plc for 15 years in a number of senior roles including Global Brands Director, Johnnie Walker, and Group Marketing Director, Guinness Brewing.

Tony van Kralingen

Director, Supply Chain & Human Resources, SABMiller

Tony van Kralingen was appointed Director: Supply Chain & Human Resources for the Group in October 2008. He joined SAB Ltd in 1982 and has held a number of senior positions in the Group. These include Operations Director and Marketing Director, SAB Ltd, Chairman and Chief Executive Officer, Plzenský Prazdroj a.s. and, most recently, Chairman and Managing Director: SAB Ltd. In his current role he is accountable for Group Procurement, Technical and R&D, and Human Resources.

Karl Lippert

President, SABMiller Latin America

Karl Lippert was appointed President, SABMiller Latin America in January 2011. He joined the Group in 1992 and has extensive experience in the global brewing industry. Prior to his appointment as President of Bavaria S.A. in Colombia in February 2006, Karl was Managing Director of Kompania Piwowarska S.A. in Poland, and previously held senior positions as Managing Director of Dreher in Hungary, Sales and Distribution Director for SABMiller Europe, and various positions within SAB Ltd in South Africa, including General Manager, Distribution Services Manager and Operations Manager.

Catherine May

Corporate Affairs Director, SABMiller plc

Catherine May was appointed Corporate Affairs Director, SABMiller plc with effect from 15 October 2012. She joined SABMiller from Centrica plc, where she served as Corporate Affairs Director from 2006 until December 2011, having previously been Group Director of Corporate Relations at the global information publishing business Reed Elsevier Group plc. Before joining Reed Elsevier, she was a partner at issues management consultancy Luther Pendragon, where she advised a number of blue chip clients in the UK and internationally. Catherine is a non-executive director of the English National Opera and a trustee of the UK National Funding Platform and the Foundation for World Capitals of Culture.

Ari Mervis

Managing Director, SABMiller Asia Pacific and Chief Executive Officer, Foster's

Ari Mervis was appointed Managing Director: Asia Pacific and Chief Executive Officer of Foster's in 2011, having been Managing Director of SABMiller Asia since October 2007. He joined ABI in 1989 and has held various senior positions in sales, marketing, finance and general management. He has been Managing Director of Swaziland Bottling Company and Appletiser as well as Managing Director of SABMiller operations in Russia and Australia.

Conflict of Interest – Executive Committee

No member of the Executive Committee has any potential conflict of interest between his or her interest in SABMiller and his or her private interests or other duties.

Business Address – Executive Committee

The business address of each of John Davidson, Domenic De Lorenzo, Nick Fell, Tony van Kralingen and Catherine May is One Stanhope Gate, London W1K 1AF, United Kingdom.

The business address of Norman Adami is 65 Park Lane, Sandown, Sandton 2146, South Africa.

The business address of Mark Bowman is 2 Jan Smuts Avenue, Johannesburg 2000, South Africa.

The business address of Sue Clark is Neuhofstrasse 4, CH6341, Baar, Switzerland.

The business address of Karl Lippert is 1450 Brickell Avenue, Ste 3400, Miami, Florida 33131.

The business address of Ari Mervis is 77 Southbank Boulevard, Melbourne, Victoria 3006, Australia.

TAXATION

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom law and Her Majesty's Revenue & Customs practice (which may not be binding on Her Majesty's Revenue and Customs). They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes. They are not intended to be exhaustive and may not apply to certain classes of persons such as collective investment schemes, financial traders or dealers, or persons connected with the Issuer. Any Noteholders who are in doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

Interest on the Notes

Provided the Notes are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007, payments of interest by the Issuer (including payments of interest made through paying or collecting agents) may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange.

If the Notes are not or cease to be listed on a recognised stock exchange, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent). Noteholders who are not resident for tax purposes in the United Kingdom may, however, be able to recover all or part of the tax deducted if they are entitled to the benefit of an appropriate provision in an applicable double tax treaty and, where such a treaty applies, a direction may be given in advance by Her Majesty's Revenue & Customs to enable the interest to be paid without deduction or withholding on account of United Kingdom income tax.

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person who is an individual, or paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual, may be required to provide certain information to Her Majesty's Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes, Her Majesty's Revenue & Customs published practice indicates that Her Majesty's Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2013.

EU Savings Directive

Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual or to certain other persons in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of non-EU countries and territories have adopted similar measures with effect from the same date.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 12 October 2012 (as amended and supplemented from time to time, the “**Dealer Agreement**”) between the Issuer, the Permanent Dealer and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealer. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not the Permanent Dealers. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form have a maturity of more than one year are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

U.S. Tax Selling Restrictions

Bearer Notes that constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA Notes**”) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) or any rules identical thereto or U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or any rules identical thereto.

With respect to TEFRA Notes issued in compliance with the D Rules, the Issuer and each Dealer has represented and agreed that:

- (i) except to the extent permitted under the D Rules, (a) it has not offered or sold, and during the restricted period it will not offer or sell such TEFRA Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes that will be sold during the restricted period;

- (ii) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such TEFRA Notes are aware that such TEFRA Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);
- (iii) if it is a United States person, it is acquiring such TEFRA Notes for purposes of resale in connection with their original issuance, and if it retains such TEFRA Notes for its own account, it will do so in accordance with the requirements of the D Rules;
- (iv) with respect to each affiliate or distributor that acquires such TEFRA Notes from the Issuer or the Dealer for purpose of offering or selling such TEFRA Notes during the restricted period, the Issuer or Dealer either repeats and confirms the representations and agreements contained in paragraphs (i), (ii) and (iii) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Dealer the representations and agreements contained in such paragraphs; and
- (v) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates, the Issuer or another Dealer) has offered or sold, or during the restricted period will offer or sell, any such TEFRA Notes except where pursuant to the contract the Issuer or Dealer has obtained or will obtain from that party, for the benefit of the Issuer and each Dealer, the representations contained in, and that party's agreement to comply with, the provisions of paragraphs (i), (ii), (iii) and (iv).

With respect to TEFRA Notes issued in compliance with the C Rules, the Issuer and each Dealer has represented and agreed that:

- (i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such TEFRA Notes within the United States or its possessions in connection with their original issuance; and
- (ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it is within the United States or its possessions or otherwise involve its U.S. office, if any, in the offer or sale of such TEFRA Notes.

Terms used in this section shall have the meanings given to them by the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder, including the C Rules and the D Rules.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

The Netherlands

Each Dealer has represented and agreed that unless the relevant Final Terms specify that this provision does not apply because the standard exemption wording required by Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is not applicable, it will not make an offer of Notes to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms in all cases at its own expense.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

SABMiller plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the U.S.\$5,000,000,000

Euro Medium Term Note Programme

Part A

Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 12 October 2012 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on [SAB Miller plc’s/financial intermediaries/regulated market/competent authority] website.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Agency Agreement dated [original date] and set forth in the Base Prospectus dated [original date] [and the supplement(s) to it dated [●]] [which are incorporated by reference in the Base Prospectus dated [current date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”), save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement(s) to it dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus [and the supplement(s) to it dated [●]]. The Base Prospectus has been published on [SAB Miller plc’s/financial intermediarie’s/regulated market/competent authority] website.

1	Issuer:	SABMiller plc
2	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
	[(iii)] Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for

trading purposes with the [*insert description of the Series*] on [*insert date/the Issue Date*].]

- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Nominal Amount of Notes: [●]
[(i) Series: [●]
[(ii) Tranche: [●]]
- 5 Issue Price: [●] per cent., of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
- 6 (i) Specified Denominations: [●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]]
- (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]
(ii) Interest Commencement Date [*Specify*/Issue Date/Not Applicable]
- 8 Maturity Date: [*Specify*/Interest Payment Date falling in or nearest to [*specify month and year*]]
- 9 Interest Basis: [[●] per cent. Fixed Rate]
[[*specify particular reference rate*] +/- [●] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
- 10 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
- 11 Change of Interest Basis: [*Specify details*/Not Applicable]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[Change of Control Put Option]
[(further particulars specified below)]
- 13 [Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 Fixed Rate Note Provisions [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [●] per cent., per annum [payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year

	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/Actual / Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]
	(vi) [Determination Dates:	[●] in each year
15	Floating Rate Note Provisions	[Applicable/Not Applicable]
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below.]
	(iii) First Interest Payment Date:	[●]
	(iv) Interest Period Date:	[●] (Not applicable unless different from Interest Payment Date)
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi) Business Centre(s):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(ix) Screen Rate Determination:	
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	(x) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– ISDA Definitions:	2006:

	(xi) Margin(s):	[+/-][●] per cent. per annum
	(xii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiii) Maximum Rate of Interest:	[●] per cent. per annum
	(xiv) Day Count Fraction:	[●]
16	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i) Amortisation Yield:	[●] per cent per annum
	(ii) Day Count Fraction in relation to Early Redemption;	[Actual/Actual / Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]

PROVISIONAL RELATING TO REDEMPTION

17	Call Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
18	Put Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period	[●]
19	Change of Control Put Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
20	Final Redemption Amount of each Note	[Par] per Calculation Amount

- 21 Early Redemption Amount [●] per Calculation Amount
 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 Form of Notes: [Bearer Notes]
 [Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]
 [Registered Notes]
- 23 New Global Note: [Yes] [No]
- 24 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details.]
- 25 U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

THIRD PARTY INFORMATION

[Certain information has been extracted from third party sources: *[identify source of information]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of SABMiller plc:

By:
 Duly authorised

Part B
Other Information

1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the London Stock Exchange with effect from [●].]
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the London Stock Exchange with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
[S&P: [●]]
[Moody's: [●]]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer]

4 [Fixed Rate Notes only – YIELD]

- Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5 OPERATIONAL INFORMATION

- ISIN Code: [●]
Common Code: [●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]
Delivery: Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any): [●]

GENERAL INFORMATION

- (1) The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 17 October 2012. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the Market will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may also be issued pursuant to the Programme.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme. The update of the Programme was authorised by the board of directors of the Issuer by a resolution passed on 23 May 2012 and a duly constituted committee of the board of directors of the Issuer by a resolution passed on 10 October 2012.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2012 and no material adverse change in the prospects of the Issuer or of the Group since 31 March 2012.
- (4) Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) With respect to each Bearer Note issued in compliance with the D Rules, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to the Notes.
- (8) Certain information included in the section headed “SABMiller plc” of this Prospectus has been extracted from the following third party sources: Canadean, CBMA, CCR, Euromonitor, Frontline, MK Trends, Moody’s, Nielsen, Plato Logic, S&P and SymphonyIRI. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- (9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Registered Office of the Issuer and the specified offices of each of the Agents:
- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (ii) the Deed of Covenant;
 - (iii) the Articles of Association of the Issuer;
 - (iv) the audited consolidated financial statements of the Issuer for the two financial years ended 31 March 2011 and 31 March 2012, respectively;
 - (v) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);
 - (vi) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
 - (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus or any Supplement to this Prospectus or further Prospectus.

This Prospectus, any supplement to this Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>

- (10) Copies of the latest annual report and consolidated financial statements of the Issuer may be obtained, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Although the Issuer publishes both consolidated and non-consolidated financial statements, the non-consolidated financial statements do not provide significant additional information as compared to the consolidated financial statements. The Issuer does not publish interim financial statements.
- (11) PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, England (Chartered Accountants and Registered Auditors) have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer and its subsidiaries for each of the two financial years ended 31 March 2011 and 31 March 2012 respectively.
- (12) Certain of the Dealers and/or their respective affiliates may from time to time provide banking and/or advisory services to the Issuer, including the provision of loans of short- or long-term maturities.

REGISTERED OFFICE OF THE ISSUER

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