Base Prospectus dated 17 July 2015

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 Base 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).

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC (as amended, including by Directive 2010/73/EC) (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for Notes issued under the Programme within 12 months of the date of approval of this Base Prospectus to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. 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 Main Securities 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 A3/stable by Moody's Italia Srl ("**Moody's**") and A-/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 Base Prospectus.

Arranger and Dealer

BNP PARIBAS

This Base Prospectus comprises a base prospectus for the purposes of 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 Base 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 Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base 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 Base 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 Base 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 Base 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 Base 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 Base 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 Base 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 Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons who come into possession of this Base 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 Base Prospectus, see

"Subscription and Sale". This Base 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.

The Issuer is not and will not be regulated by the Central Bank as a result of the issue of any Notes by the Issuer. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Base 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 Base Prospectus or any such statement. Neither this Base 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 Base 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 Base 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 Base 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 (AS DEFINED IN "OVERVIEW OF THE PROGRAMME – METHOD OF ISSUE"), 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 Base 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.

UNDER 31 C.F.R. PART 10, THE REGULATIONS GOVERNING PRACTICE BEFORE THE IRS AND TREASURY DEPARTMENT CIRCULAR 230, THE ISSUER AND ITS TAX ADVISORS HEREBY INFORM YOU THAT ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES AND THE TRANSACTIONS DESCRIBED HEREIN; AND EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sources of information

The information contained in the section headed "SABMiller plc" of this Base 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 IRi-Aztec (Australia) Ltd ("**Aztec**"), Euromonitor International Limited ("**Euromonitor**"), BARSCAN ("**BARSCAN**"), Canadean Limited ("**Canadean**"), the Czech Beer and Malt Association ("**CBMA**"), Nielsen Consumer ("**Nielsen**"), CCR Audit ("**CCR**"), Dichter & Neira Research Network ("**Dichter and Neira**"), Frontline Market Research ("**Frontline**"), the Central Statistical Office of Poland ("**GUS**"), the Hungarian Brewers' Association ("**HBA**"), Ipsos Retail Performance ("**Ipsos**"), Mardis Cia. Ltda ("**Mardis**"), the National Bureau of Statistics of China ("**NBSC**"), Retail Zoom ("**Retail Zoom**") 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 Base Prospectus should be read and construed in conjunction with (i) the audited consolidated financial statements of SABMiller for the financial years ended 31 March 2014 and 31 March 2015, 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 9 July 2009 relating to the Programme, (iii) the Terms and Conditions set out on pages 19 to 37 of the Prospectus dated 9 July 2010 relating to the Programme, (iv) the Terms and Conditions set out on pages 26 to 46 of the Prospectus dated 12 October 2012 relating to the Programme and (v) the Terms and Conditions set out on pages 24 to 48 of the Prospectus dated 27 August 2013, which have been previously published or are published simultaneously with this Base Prospectus. Such documents shall be incorporated in and form part of this Base 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 Base 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 Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base 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 Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer and the specified offices of each of the Agents. Copies of documents incorporated by reference in this Base Prospectus will also be available in electronic form on the website of the Issuer at http://www.sabmiller.com/annualreport2014, http://www.sabmiller.com/annualreport2015 and http://www.sabmiller.com/debtprogrammes. This Base Prospectus will also be published on the Central Bank's website (www.centralbank.ie). The website of the Central Bank does not form any part of the contents of this Base Prospectus.

Supplementary Base Prospectus

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Main Securities Market, shall constitute a supplementary Base Prospectus as required by the Central Bank and Article 16 of the Prospectus Directive.

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 Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base 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 Base Prospectus or publish a replacement Base 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 Base Prospectus as such Dealer may reasonably request.

TABLE OF CONTENTS

Page

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 Base 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, Australian dollars 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 other currency, may adversely affect the results of the Group when translated into U.S. dollars. The Group seeks to manage currency exposure within a framework of policies including 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 markets in South America, South Africa, certain developing European markets and also China and India. In particular, a significant proportion of the Group's earnings comes from its 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 developing 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 any reductions in per capita income, which could adversely affect the demand for its products.

The Group is exposed to the effects of global recession and 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 be likely to have an adverse effect on the 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 developing 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, 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. It has made numerous acquisitions of companies and businesses over a period of more than 20 years. 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, or may complete in the future, 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 by savings achieved through its global procurement programme, 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 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 therefore be materially adversely affected.

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 acquisitions by Heineken N.V. of the Mexican and Brazilian beer businesses of Fomento Económico Mexicana S.A.B. de C.V. ("**FEMSA**") in 2010 and Asia Pacific Breweries Limited in 2012, the Kirin Group's acquisitions of Lion Nathan National Foods in 2009 and the Schincariol Group in 2011, the acquisition by Molson Coors of StarBev LP in 2012, and A-B InBev's acquisitions in 2013 of the remaining 50 per cent. interest in Grupo Modelo, S.A.B. de C.V. not previously owned by it and in 2014 of Oriental Brewery Co. Ltd.

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, by varying, revoking or suspending the licenses, permits or approvals under which the Group operates or by imposing minimum unit pricing requirements on alcohol retailers. 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 the Issuer or any other 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 seeks 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 to refinance its current funding through public or private financing, strategic relationships or other arrangements. However, due to continuing global economic uncertainty and recent crises in 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 a lack of liquidity or a 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 of 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, 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 cost saving and efficiency programme could have a negative impact.

The Group is executing a major cost saving and efficiency 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 complete the delivery of 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, reputational damage or a reduced competitive advantage in the medium term. 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, may therefore 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 wide 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.

The Issuer has the option, if so specified in the relevant Final Terms, to redeem Notes under a call option as provided in Condition 6(d)(i) and/or a make-whole redemption option as provided in Condition 6(d)(ii).

Furthermore, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with Condition 6(c).

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 and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer will be entitled to rely upon:

(i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with

their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding; and

(ii) where electronic consent is not being sought, consents or instructions given in writing directly to the Issuer by (a) accountholders in the clearing systems with entitlements to such global note or certificate and/or, where (b) the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person identified by the accountholder as the person for whom such entitlement is held.,

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

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 established within its jurisdiction to (or secured by such a person for the benefit of) an individual or to (or secured for) certain other persons in that other Member State. However, for a transitional period Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

The Council of the European Union has adopted a Directive (the "**EU Amending Savings Directive**") which would, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above, including by expanding the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. The EU Amending Savings Directive requires Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The European Commission has published a proposal for a Council Directive repealing the Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, Member States will not be required to implement the Amending Savings Directive.

If a payment to an individual 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 pursuant to the EU Savings Directive 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 other law implementing or complying with, or introduced in order to conform to such Directive, 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. Furthermore, if the EU Amending Savings Directive is implemented and takes effect in Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. If the Notes are in definitive form 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 any law implementing the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the EU Savings Directive, as amended.

U.S. Foreign Account Tax Compliance Act Withholding.

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the ICSDs (see "Taxation – U.S. Foreign Account Tax Compliance Withholding"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any legislation implementing intergovernmental agreements relating to FATCA, if applicable) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "**IGA**") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make on securities such as the Notes. Please see the section entitled "Taxation – FATCA Withholding" for more information on this legislation.

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 nominal 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 nominal 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 Base 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	BNP Paribas. 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 Base Prospectus to "**Permanent Dealers**" are to BNP Paribas 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.
Fiscal Agent	The Bank of New York Mellon, London Branch.
Method of Issue	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**").
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes	The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Notes in bearer form will be issued, sold, or exchanged in compliance with US Treas. Reg. §1.163- 5(c)(2)(i)(D) or any successor rules that are substantially identical thereto that are applicable for proposes of Section 4701 of the Code (the "**D Rules**") unless (i) the relevant Final Terms state that Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor rules that are substantially identical thereto that are applicable for proposes of Section 4701 of the Code (the "**C Rules**") 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 the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable. 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 Depositary 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: 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 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 applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
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 (which may, if so specified, be at a make-whole amount).
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 A3/stable by Moody's and A-/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 be required to pay such additional amounts to cover the amounts so withheld or deducted subject to customary exceptions (including the ICMA standard EU tax exemption tax language and taxes required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto), all as described in "Terms and Conditions of the Notes – Payments and Talons – Payments Subject to Fiscal Laws" and "Terms and Conditions of the Notes – Taxation".
Governing Law	English.
Listing and Admission to Trading	This Base Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. Application will be made to the Irish Stock Exchange for Notes issued under the Programme within 12 months of the date of approval of this Base Prospectus to be admitted to the Official List and trading on the Main Securities Market. 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.

Notes in bearer form will be issued, sold, or exchanged in compliance with D Rules unless (i) the relevant Final Terms state that Notes are issued in compliance with C Rules 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 Pricing Supplement 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 17 July 2015 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 17 July 2015 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 terms and conditions (the "**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 nominal 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) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(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 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit 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, Make-whole 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, Make-whole 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/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) 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:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" 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 D_1 is greater than 29, in which case D_2 will be 30.

(vi) 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:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" 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 D_2 will be 30.

(vii) 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:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" 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 D_1 will be 30; and

"$\mathbf{D_2}$" 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 D_2 will be 30.

(viii) 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 unless otherwise specified hereon.

"**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 (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**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 TARGET2) 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, Make-whole 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), Condition 6(d) or Condition 6(e) 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), Condition 6(d) or Condition 6(e) 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), Condition 6(d), Condition 6(e) or Condition 6(f) 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

(i) Issuer Call Option

If Call Option is specified hereon as being applicable, the Issuer may, unless either an Exercise Notice or a Change of Control Put Event Notice has been given pursuant to Conditions 6(e) or 6(f), 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 specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to but excluding the date fixed for redemption.

Any such redemption or exercise must, if applicable, 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. Any notice of redemption given under this Condition 6(d) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(c). 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 6(d)(i).

In the case of a partial redemption (if applicable), 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.

(ii) Issuer Make-whole Redemption Option

If Make-whole Redemption Option is specified hereon as being applicable, the Issuer may, unless either an Exercise Notice or a Change of Control Put Event Notice has been given pursuant to Conditions 6(e) or 6(f), 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 Make-whole Redemption Date. Any such redemption of Notes shall be at an amount (the "**Make-whole Redemption Amount**") equal to the higher of the following, in each case together with interest accrued to but excluding the date fixed for redemption:

(i) the nominal amount of the Note; and

(ii) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer by an independent financial adviser (the "**Financial Adviser**") appointed by the Issuer) expressed as a percentage (rounded to the nearest one hundred-thousandth of a percentage point; with 0.000005 being rounded upwards) at which the Gross Redemption Yield on the Notes on the Determination Date specified hereon is equal to the Gross Redemption Yield at the Quotation Time specified hereon on the Determination Date of the Reference Bond specified hereon (or, where the Financial Adviser advises the Issuer that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus the Redemption Margin (if any) specified hereon.

Any such redemption or exercise must, if applicable, 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. Any notice of redemption given under this Condition 6(d) will override any notice of redemption given (whether previously, on the

same date or subsequently) under Condition 6(c). 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 6(d)(ii).

In the case of a partial redemption (if applicable), 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.

In this Condition:

"**Gross Redemption Yield**" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer by the Financial Adviser.

(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 specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)) 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 nominal 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 Italia Srl ("**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

Save as provided in Condition 8, payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer agrees to be subject, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. The Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Noteholders 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 (as amended) 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.

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 unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured 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, Optional Redemption Amount or Make-whole 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, unmatured 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 unmatured 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 imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended) 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, Make-whole Redemption 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.

In these conditions, "**Member State**" means a Member State of the European Union.

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 nominal 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 90 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 nominal 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 (or to the extent any such indebtedness, guarantees or indemnities is not denominated in U.S. dollars its equivalent in U.S. dollars 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) in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds the greater of (i) U.S.$125,000,000 and (ii) 1 per cent. of "Total Equity" as shown in the most recent audited consolidated balance sheet from time to time of the Issuer, subject to a cap of U.S.$200,000,000 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 sub-paragraph (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, the Optional Redemption Amount or the Make-whole 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.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or in several documents in the same form, each signed by or on behalf of one or more Noteholders.

(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 Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") 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 Depositary, 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 Depositary 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.

In relation to any issue of Notes which are represented by a temporary Global Note which is expressed to be exchangeable for definitive Bearer Notes at the option of Noteholders, such Notes shall be tradable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and multiples thereof.

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 nominal 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 nominal 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 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 Base 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 Base 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 accountholders 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 17 July 2015

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.

5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing systems with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any

certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

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.

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 2015, 2014 and 2013, without material adjustment.

Overview

SABMiller, together with its subsidiaries, 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 net producer revenue[1] ("**NPR**"), operating profit and beverage volumes for the year ended 31 March 2015 of U.S.$26,288 million, U.S.$4,348 million and 324 million hl respectively. As at 31 March 2015, the Group's total assets were U.S.$44,911 million. The Group is also one of the largest bottlers and distributors of Coca-Cola products outside the United States.

The Group is in the beer and soft drinks business with interests across six continents, with a balance between fast-growing developing markets and cash-generative developed markets. The Group is passionate about brewing and has a long tradition of craftsmanship, making superb beer from high quality natural ingredients. The Group's local beer experts brew more than 200 beers from which a range of special regional and global brands has been carefully selected and nurtured. The Group employs around 69,000 people in more than 80 countries, from Australia to Zambia, Colombia to the Czech Republic, and South Africa to the USA.

SABMiller is in the top 20 FTSE-100 companies in terms of market capitalisation and is 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.$87,725 million as at 15 July 2015. 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 and Moody's rating remained unchanged. On 30 July 2014, S&P revised its rating to A-/stable outlook and on 1 October 2014, Moody's revised its rating to Baa1/positive outlook. On 24 June 2015, Moody's revised its rating to A3/stable outlook.

The registered office of the Issuer 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 2015, Group companies were the number one brewer, in terms of lager market share, in Colombia, Ecuador, El Salvador, Honduras, Panama and Peru. The Group produces soft drinks across the region including Coca-Cola products in El Salvador and Honduras.

[1] Group net producer revenue comprises group revenue less excise duties and other similar taxes, together with the Group's share of excise duties and other similar taxes from associates and joint ventures.

Africa

The South African Breweries (Pty) Limited ("**SAB**") is the Group's original brewing operation. 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 of Coca-Cola products.

The Group operates in 16 other countries in Africa: Botswana, Comores, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mayotte, Mozambique, Namibia, 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's African beverage operations, other than in relation to Castel's operations in Angola where the Group's interest is 27.5 per cent. 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, Morocco and Zimbabwe, and a procurement company in Mauritius.

Asia Pacific

The Group has operations in Australia, India, South Korea and Vietnam, and in China through an associated company, and also exports to numerous markets.

The Group operates in Australia principally through Carlton & United Breweries ("**CUB**"), which is the Australian beverage business of Foster's Group Pty Limited ("**Foster's**"), which was acquired on 16 December 2011. 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. CR Snow operates in 25 provinces in China and is the leading brewer in China.

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 Biracilik ve Malt Sanayii AS ("**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. The Group has brewing operations in eight countries in Europe: the Czech Republic, Hungary, Italy, the Netherlands, Poland, Romania, Slovakia and the Canary Islands (Spain). The Group also sells significant volumes to a further seven 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. MillerCoors is the second largest brewer in the United States of America.

The North America segment includes the Group's 58 per cent. share in MillerCoors and 100 per cent. of Miller Brewing International, which exports across the Americas, and the Group's North American holding companies

Group

In June 2015 the Group acquired 100 per cent. of Meantime Brewing Company Ltd, a modern UK craft brewer, with a brewery in Greenwich, London and a number of retail sites.

In November 2014, the Group announced an agreement with The Coca-Cola Company and Gutsche family investments (the majority shareholders in Coca-Cola Sabco) to combine the bottling operations of their non-alcoholic ready to drink beverages businesses in southern and east Africa, to form Coca-Cola Beverages Africa (CCBA). CCBA will be Africa's largest bottler, serving 12 countries with around 40 per cent. of all Coca-Cola beverage volumes in Africa. The transaction is still to be completed, pending regulatory approvals.

In August 2014, the Group completed the disposal of its interest in Tsogo Sun Holdings Limited, its hotels and gaming associate.

Cost and Efficiency Programme

In the year ended 31 March 2014, the Group completed its business capability programme and launched a new cost saving and efficiency programme.

The business capability programme was launched in 2009 and streamlined finance, human resources and procurement activities through the deployment of global systems and introduced common sales, distribution and supply chain management systems. The Group incurred exceptional costs of U.S.$1,093 million in relation to, and realised U.S.$1,816 million of accumulated financial benefits from, the business capability programme up to its completion.

In order to drive additional operational efficiencies, the Group launched a new programme which will expand the scope of the Group's supply chain activities, including increasing the reach of the Group's global procurement organisation to in excess of 80 per cent. of spend under management, together with changes to its current delivery model. It will also provide a global business services organisation delivering standardised finance, HR, procurement and data analytics services to the Group's operations, enabled by the global template, from central locations and restructuring of the in-country back office teams. The Group expects additional direct cost and efficiency savings rising to approximately U.S.$500 million per annum by the financial year ending 31 March 2018. This programme and related benefits are incremental to the cost savings and operating benefits forecast and delivered under the concluded business capability programme. The Group had incurred cumulative exceptional costs of U.S.$128 million in relation to the new cost saving and efficiency programme by 31 March 2015 and realised cumulative benefits of U.S.$221 million.

The Group continues to benefit from its globally managed procurement programme and other components of the business capability programme.

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 12,913 Employees. Retailers in aggregate own 3.52 per

cent. of SAB through SAB Zenzele Holdings Limited in which there are 29,543 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 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 Three Contributor status on the basis of the scorecard contained in the current 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.

Strategy

Business strategy

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

Drive superior topline growth through strengthening the Group's brand portfolios and expanding the beer category

The Group seeks to strengthen its local and global brand portfolios; to capture superior profitable growth; to accelerate premium mix and the growth of its premium brands; to develop and expand the category to capture new consumers, new occasions and to grow category share of value; and to prioritise and focus investment and resources on revenue growth in key markets and segments.

Build a globally integrated organisation to optimise resource, win in market and reduce costs

The Group seeks to systematically build a high performance talent pool; to up-weight and right-size out of market structures to ensure optimum service delivery at an affordable cost; to develop a commercial operating model that will facilitate winning in and across markets; and to reduce costs to drive growth and returns.

Actively shape the Group's global mix to drive a superior growth profile

The Group seeks to focus its resources on the highest growth opportunities; to deliver superior performance in its soft drinks operations; to build material positions in new categories in attractive markets; and to use mergers and acquisitions to access new growth in attractive markets.

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 continuing business needs, as well as to provide medium-term flexibility to invest in appropriate growth opportunities.

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 Latin America, Africa, Asia Pacific and Europe. 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 developed 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, premium brands and Management believes that it has a strong and comprehensive 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.

An experienced management team with a proven track record

Management has a proven track record and through the breadth of its operations is experienced in managing a diverse portfolio of markets in highly-competitive business environments.

Licences

Within Europe, Compañía Cerveçera de Canarias (in the Canary Islands) brews Carlsberg under licence and Dreher (in Hungary) brews Hofbräu and Hofbräu Radler under licence. Additionally Compañía Cerveçera de Canarias has an agreement to distribute Guinness (Guinness, Smithwick and Kilkenny brands) in the Canary Islands. Also in Europe, the Group has an agreement to distribute beer under the St Stefanus brand. In the United States of America, MillerCoors produces and markets under licence certain of the Molson and Foster's brands, as well as the Redd's and George Killian's brands. 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. The business in Honduras distributes Corona Extra under a licence agreement that is expected to terminate in 2020. The Group also has an agreement for the long term licensing of Kopparberg cider products in selected markets where Kopparberg does not have an existing interest.

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, energy and water saving. The aggregate amount spent by the Group on research and development was U.S.$5 million in the year ended 31 March 2015 and U.S.$4 million in each of the years ended 31 March 2014 and 31 March 2013.

Overview by business segment

	Year ended 31 March (audited)		
	2015	**2014**	**2013**
	(U.S.$ millions)		
Group NPR			
Latin America	5,768	5,745	5,802
Africa	7,462	7,421	7,765
Asia Pacific	3,867	3,944	4,005
Europe	4,398	4,574	4,300
North America	4,682	4,665	4,656
South Africa: Hotels and Gaming	111	370	404
Total	26,288	26,719	26,932

	Year ended 31 March (audited)		
	2015	**2014**	**2013**
	(U.S.$ millions)		
Revenue			

	Year ended 31 March (audited)		
	2015	**2014**	**2013**
Latin America	7,812	7,812	7,821
Africa	6,853	6,752	7,162
Asia Pacific	3,136	3,285	3,797
Europe	4,186	4,319	4,292
North America	143	143	141
South Africa: Hotels and Gaming	-	-	-
Total	22,130	22,311	23,213

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.

In May 2013, the Group disposed of its non-core milk and juice business in Panama to streamline the Panama business and allow Management to focus on its core lager and soft drinks businesses.

As at 31 March 2015, Group companies were the number one brewer, in terms of lager market share, in Colombia, Ecuador, El Salvador, Honduras, Panama and Peru. The Group produces soft drinks across the region including Coca-Cola products in El Salvador and Honduras, and Pepsico International and Schweppes products in Panama. The Group had a total of 17 breweries and 15 soft drinks bottling plants in Latin America. Key local lager brands include: Águila, Águila Light, Arequipeña, Atlas, Balboa, Barena, Club, Club Colombia, Costeña, Costeñita, Cristal, Cusqueña, Golden, Imperial, Isenbeck, Pilsen, Pilsen Callao, Pilsen Trujillo, Pilsener, Poker, Poker Ligera and Salva Vida. The Group also distributes and sells Group international brands such as Miller Lite, Miller Genuine Draft ("**MGD**"), Peroni Nastro Azzurro and Redd's in the region.

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

	Number of breweries[1]	Total lager volume for year ended 31 March 2015[2]	Number of soft drinks bottling plants[1]	Total soft drinks volume for year ended 31 March 2015[2]
		(million hl)		*(million hl)*
Country				
Colombia	6	20.2	5	3.1
Peru	5	13.3	3	2.6
Ecuador	2	5.9	2	0.5
Panama	1	1.9	2	1.0
Honduras	1	1.1	1	5.7
El Salvador	1	1.0	2	7.0
Argentina	1	0.8	—	—
Total	17	44.2	15	19.9

Notes:

(1) Breweries and soft drinks bottling plants relate to subsidiaries only.

(2) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes.

Source: SABMiller

The Group's average number of employees in Latin America for the year ended 31 March 2014 was approximately 28,162.

Colombia

The Group carries out its lager and soft drinks operations in Colombia principally through Bavaria. As at 31 March 2015, the Group had an effective economic interest of 99 per cent. in Bavaria. Bavaria is the largest beverage company in Colombia based on sales according to Euromonitor. Lager production is Bavaria's principal operating activity in Colombia, generating sales volumes of 20.2 million hl for the year ended 31 March 2015. 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, Pilsen Night, Costeñita, Cola y Pola, Águila Light, Poker Ligera, Club Colombia, Club Colombia Roja, Club Colombia Negra, Peroni Nastro Azzurro, Miller Lite, MGD, and Redd's. Poker and Águila Light are Bavaria's leading Colombian beer brands, accounting for 42 per cent. and 25 per cent. respectively of Bavaria's total beer sales in Colombia for the year ended 31 March 2015. Bavaria's share of the total Colombian alcohol market in that period was approximately 65 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 brand. For the year ended 31 March 2015, this brand 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 2015 was 3.1 million hl.

Bavaria's average number of employees in Colombia for the year ended 31 March 2015 was approximately 7,867.

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 2015, the Group had an effective economic interest of 94 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 2015 and 39 per cent. of the total Peruvian beer market according to CCR. Backus' volume share of the total Peruvian beer market for the year ended 31 March 2015 was approximately 96 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, Backus Ice, which was launched during the year ended 31 March 2014, Arequipeña, Cristal, Pilsen Callao, Pilsen Trujillo, San Juan and Barena in the mainstream segment and Fiesta Real in the economy segment.

Soft drinks

Backus produces, bottles and distributes the Agua Tónica Backus, Guaraná Backus, and Viva Backus soft drinks brands throughout Peru. According to CCR, these brands represented approximately 8 per cent. of the Peruvian sparkling soft drinks market in the year ended 31 March 2015. Backus also produces both sparkling and still bottled water under the Cristalina Backus and San Mateo brands. In the year ended 31 March 2015, Backus' water brands represented approximately 19 per cent. of the Peruvian bottled water market according to CCR. 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 2015 was approximately 9,449.

Ecuador

The Group carries out its operations in Ecuador through Cervecería Nacional (CN) SA ("**CN Ecuador**"). As at 31 March 2015, the Group's effective interest in CN Ecuador was 96 per cent.

Lager

According to Mardis, the Group had approximately a 55 per cent. share of the alcohol market in Ecuador for the year ended 31 March 2015. The principal brands sold in Ecuador are Pilsener, Club, Pilsener Light, Dorada, Miller Lite 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 2015 was approximately 2,078.

Panama

Cervecería Nacional SA ("**Cervecería Nacional**") is the Group's principal lager and beverage producer in Panama. As at 31 March 2015, the Group's effective interest in Cervecería Nacional was 97 per cent.

Lager

Cervecería Nacional's beer sales in Panama represented approximately 63 per cent. of the total Panamanian beer market for the year ended 31 March 2015, according to Dichter and Neira. Cervecería Nacional produces the Atlas, Balboa, Balboa Ice, 507 and Miller Lite brands in Panama. Cervecería Nacional also imports and distributes MGD. Cervecería Nacional's most popular brand in Panama is Atlas, which accounted for approximately 35 per cent. of Cervecería Nacional's lager volume for the year ended 31 March 2015.

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 2015, Malta Vigor constituted approximately 94 per cent. of the non-alcoholic malt beverages market according to Dichter and Neira. 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. The Group has approximately 29 per cent. by volume share of the Panamanian sparkling soft drinks market according to Dichter and Neira.

The Group's average number of employees in Panama for the year ended 31 March 2015 was approximately 1,831.

Honduras

The Group operates in Honduras principally through its subsidiary Cervecería Hondureña SA de CV ("**CHSA**"). As at 31 March 2015, the Group's effective interest in CHSA was 99 per cent.

Lager

According to Nielsen, the Group's brands account for approximately 62 per cent. of the Honduran alcohol market by volume for the year ended 31 March 2015. 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 produces Miller Lite, and imports and distributes MGD and Corona Extra, with the distribution agreement for the latter expected to terminate in 2020.

Soft drinks

According to Nielsen, CHSA is the market leader for sparkling soft drinks in Honduras, accounting for approximately 58 per cent. of the Honduran sparkling soft drinks market by volume for the year ended 31 March 2015. CHSA is the exclusive bottler in Honduras of the Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca, Powerade and Canada Dry brands. CHSA also produces Dasani and Vital within the water category, as well as Fuze Tea and del Valle juices. All of these brands are owned by The Coca-Cola Company. CHSA also owns, produces and sells Tropical, which is a sparkling soft drinks brand, and ActiMalta, which is a non-alcoholic malt beverage.

The Group's average number of employees in Honduras for the year ended 31 March 2015 was approximately 3,395.

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 90 per cent. of the Salvadoran beer market by volume for the year ended 31 March 2015, according to Management estimates. The Group's domestic brands in El Salvador include Suprema, Golden, Pilsener and Regia Extra. It also imports and distributes Miller Lite and MGD.

Soft drinks

ILC is also a significant producer and distributor of sparkling soft drinks in El Salvador, with approximately 57 per cent. by volume of the market for the year ended 31 March 2015, according to Management estimates. 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 ActiMalta, a non-alcoholic malt beverage, and a wide range of still soft drinks, including the Jugos del Valle brand in the juices category and flavoured teas.

The Group's average number of employees in El Salvador for the year ended 31 March 2015 was approximately 2,693.

Argentina

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

Lager

The Group's brands accounted for approximately 5 per cent. of the Argentinian beer market by volume for the year ended 31 March 2015, according to Management estimates. The Group's brands in Argentina include Isenbeck, Diosa Tropical, Miller Lite 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 2015 was approximately 480.

Africa

Following management changes effective 1 July 2014 the group's Africa and South Africa: Beverages divisions have been consolidated into one division for management purposes.

The Group operates in 17 countries in Africa and as at 31 March 2015 had 28 lager breweries, 26 soft drinks bottling plants and 19 sorghum breweries. South Africa has the highest volume of lager sales in the Group's Africa subsidiary operations.

South African Breweries (Pty) Ltd (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, Castle Lite and Hansa Pilsener.

The non-beer beverage operations in South Africa currently comprise:

- 100 per cent. of ABI, the soft drinks division of SAB, the largest bottler of Coca-Cola products in South Africa;
- 100 per cent. of Appletiser, an international producer of non-alcoholic fruit drinks; and
- 27 per cent. of Distell Group Limited ("**Distell**"), a major manufacturer and distributor in the South African wines and spirits sector.

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. With effect from 1 January 2012, the Group and Castel implemented a number of organisational changes in their African operations as part of their agreement. Operational management of the Nigerian businesses is now with SABMiller and the Angolan businesses with Castel, with the Group retaining a 27.5 per cent. associate interest in Castel's holding company for the Angolan businesses. In addition, the Group has associated undertakings in Algeria, Morocco and Zimbabwe, and a procurement company in Mauritius.

For the year ended 31 March 2015, the Group's share of Castel's African beverage operations' lager volumes was 7.1 million hl and the Group's share of Castel's African beverage operations' soft drinks volumes was 6.4 million hl.

The Group also produces and bottles Coca-Cola products in 23 African markets (in alliance with Castel in 15 of these markets and through the Group's associated undertaking in Zimbabwe).

The Group's average number of employees in Africa for the year ended 31 March 2015 was approximately 24,802.

Operations

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

	Number of breweries[1]	**Total lager volume for year ended 31 March 2015[2]**	**Number of soft drinks bottling plants[1]**	**Total soft drinks volume for year ended 31 March 2015[2]**
		(million hl)		*(million hl)*
Country				
Algeria	—	0.2	—	0.7
Botswana	1	0.6	1	0.8
Comores	—	—	1	—
Ethiopia	—	—	1	0.4
Ghana	1	0.6	4	1.7
Kenya	—	—	1	0.3
Lesotho	1	0.4	1	0.2
Mayotte	1	—	1	0.2
Morocco	—	0.2	—	0.1
Mozambique	3	2.4	—	—
Nigeria	3	2.2	4	1.0
South Africa[3]	8	27.9	6	19.8
South Sudan	1	0.2	1	0.1
Swaziland	1	0.3	1	0.2
Tanzania	4	2.8	—	0.1

	Number of breweries[1]	Total lager volume for year ended 31 March 2015[2]	Number of soft drinks bottling plants[1]	Total soft drinks volume for year ended 31 March 2015[2]
		(million hl)		*(million hl)*
Uganda	2	1.7	1	0.9
Zambia	2	1.2	3	1.2
Zimbabwe	—	0.6	—	0.8
Castel (including Angola)	—	7.1	—	6.4
Total	28	48.4	26	34.9

Notes:

(1) Breweries and soft drinks bottling plants relate to subsidiaries only; excludes sorghum breweries but includes water and maheu plants.

(2) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes.

(3) Includes Namibia.

Source: SABMiller

South Africa

Lager

According to Euromonitor in respect of 2014, South Africa is the 10th largest beer market in the world by volume. As at 31 March 2015, SAB sales represented approximately 90 per cent. of total lager beer consumption in South Africa, according to Management estimates.

The principal activity of SAB is the production, marketing and distribution of beer, soft drinks and non-alcoholic beverages throughout South Africa. For the year ended 31 March 2015, the Group sold 27.9 million hl of lager and 19.8 million hl of soft drinks (including sparkling soft drinks, fruit juices and water) in South Africa (including Namibia).

SAB has ten brands of beer, five flavoured alcoholic beverages ("FAB") brands and two flavoured beer brands. Its 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, Redd's Bold, Brutal Fruit and Sarita. The flavoured beer brands are Flying Fish and Castle Lite lime.

SAB operates eight breweries and also has two malting plants and one hop-processing plant. SAB is also in the process of building a new malting plant.

The average number of employees in South Africa for the year ended 31 March 2015 was approximately 11,235.

Tanzania

Lager

Tanzania Breweries Limited, 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. The Group has an effective economic interest of 36 per cent. in Tanzania Breweries Limited.

According to Management estimates, the per capita consumption in the Tanzanian beer market has been relatively stable in recent years at approximately 8 litres, although the per capita beer consumption in the year ended 31 March 2015 dropped to 6.9 litres per annum.

The Group's share of the Tanzanian beer market was approximately 76 per cent. for the year ended 31 March 2015, according to Frontline.

Mozambique

Lager

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

The Group's share of the beer market in Mozambique was approximately 92 per cent. for the year ended 31 March 2015, according to Frontline.

The Group's portfolio of brands in Mozambique includes 2M, Laurentina Preta, Manica, Castle Lite and Impala (a cassava-based lager).

Uganda

Lager

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, Club Pilsener, Chairman's ESB, Eagle Extra and Eagle Lager.

The Group's share of the Ugandan beer market was approximately 59 per cent. for the year ended 31 March 2015, according to Frontline.

Zambia

Lager

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 90 per cent. for the year ended 31 March 2015, according to Frontline.

The Group's key local brand in Zambia is Mosi. Castle Lager is produced and sold under licence in Zambia.

Nigeria

Lager

The Group has an effective economic interest of 41 per cent. in Pabod Breweries Ltd, an effective economic interest of 38 per cent. in Intafact Beverages Ltd and an effective economic interest of 36 per cent. in International Breweries plc, which is listed on the Nigerian Stock Exchange.

The Group's share of the Nigerian beer market was approximately 13 per cent. for the year ended 31 March 2015, according to Management estimates.

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

Botswana

Lager

Kgalagadi Breweries (Pty) Limited is the only domestic producer of lager in Botswana, with an overall market share of approximately 90 per cent. for the year ended 31 March 2015, according to Frontline.

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

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

Lesotho

Lager

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

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

The Group had an approximate 99 per cent. share of the beer market in Lesotho for the year ended 31 March 2015, according to Management estimates.

The key local brand in Lesotho is Maluti.

Ghana

Lager

The Group has an effective economic interest of 60 per cent. in Accra Brewery Limited, which in the year ended 31 March 2015 had an approximate 48 per cent. share, by volume, of the Ghanaian beer market, according to Management estimates.

The Group's key local brands in Ghana are Eagle, Stone and Club, which is Ghana's top selling beer brand.

Swaziland

Lager

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 89 per cent. for the year ended 31 March 2015, according to Frontline.

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

South Sudan

Lager

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

Lager

The Group has an effective economic interest of 25 per cent. in Delta Corporation Limited, which is listed on the Zimbabwe Stock Exchange, and in the year ended 31 March 2015, had an approximate 97 per cent. share, by volume, of the Zimbabwean beer market, according to Frontline.

Its largest brands are Castle Lager, Eagle, Carling Black Label and Golden Pilsener.

Other operations

Soft drinks

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

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 52 per cent. of the South African population and currently generate approximately 54 per cent. of total South African Coca-Cola sales volumes. Coca-Cola and Schweppes products have a combined market share of approximately 86 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.

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 2018.

Appletiser produces non-alcoholic sparkling fruit juices. The core brands of Appletiser are Appletiser, Grapetiser and Peartiser sparkling fruit juices.

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

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 Ltd 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 Bottling Company Ltd water business in Uganda and an 80 per cent. effective economic interest in the Crown Beverages Limited water bottling and distribution business in Kenya.

Other operations

As at 31 March 2015, the Group operated 19 sorghum beer breweries: five in Zambia, four in Malawi, three in Botswana, two in Mozambique and one in Ghana, Nigeria, Swaziland, Tanzania and Uganda.

The Group makes sales of wines and spirits through its subsidiaries in Tanzania and Mozambique, and through its associate interest in Distell.

Total sales volumes for the year ended 31 March 2015 included 5.5 million hl of sorghum beer and 2.1 million hl of wines and spirits.

Asia Pacific

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. In Australia, the Group operates principally through CUB, which is the Australian beverage business of Foster's, and the second largest brewer in Australia with a portfolio of brands that includes the leaders in the traditional regular segment. Now in its twenty-second 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. The Group also has subsidiaries in South Korea and Vietnam, and exports to numerous markets. The Group's average number of employees in Asia Pacific for the year ended 31 March 2015 was approximately 5,048.

	Number of breweries[1]	Total lager volume for year ended 31 March 2015[2]
		(million hl)
Country		
Australia	7	7.1
China	—	58.6
India	11	5.2
South Korea	—	0.1
Vietnam	1	—
Other Asia	—	0.2
Total	19	71.2

(1) Breweries relate to subsidiaries only.

(2) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes.

Australia

CUB is a leading brewer in Australia and has a portfolio of beer, cider and spirits/ready-to-drink beverage master brands. CUB's brand portfolio includes iconic Australian beer brands such as Victoria Bitter and Carlton Draught (number one draught beer, according to BARSCAN) and Crown Lager (number one domestic premium beer, according to Aztec). It also includes craft beer brands such as Matilda Bay's Fat Yak, Beez Neez and Minimum Chips. CUB is a leader in the Australian cider category with popular cider brands Strongbow, Mercury, Bulmers Original, Kopparberg and Matilda Bay's Dirty Granny. The Group's key brands in Australia, other than CUB brands, are Peroni Nastro Azzurro, Miller Chill, Peroni Leggera, MGD and Grolsch.

According to ex-brewery data, CUB's share of the national beer market by volume, excluding private label brands, was 45 per cent. for the year ended 31 March 2015.

As at 31 March 2015, the Group had five Australian breweries: the Yatala Brewery in Queensland, the Abbotsford Brewery in Melbourne, two Cascade Breweries in Hobart and the Port Melbourne craft brewery in Melbourne, as well as cideries in Campbelltown, NSW and New Zealand. The Bluetongue Brewery in Warnervale was closed in May 2014. Closures of the Campbelltown cidery and the Port Melbourne brewery in NSW have been announced and are due to be completed by the financial year ending 31 March 2017.

The Group's average number of employees in Australia for the year ended 31 March 2015 was approximately 1,770.

China

According to Canadean, China is the largest beer market in the world by volume. Beer output totalled 490 million hl for the year ended 31 March 2015, according to the NBSC.

In China, the Group owns 49 per cent. of CR Snow, a partnership with 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.

For the year ended 31 March 2015, the Group's share of CR Snow's lager volumes was 58.6 million hl, approximately 24 per cent. of annual output according to the NBSC. CR Snow has been the largest brewer by volume in China since 2006. In September 2013, CR Snow completed the acquisition of the brewery business of Kingway Brewery Holdings Limited.

CR Snow's unit revenue growth has been driven by the successful establishment of national premium brands Snow Brave the World and Snow Draft with approximately 30 per cent. of CR Snow's volumes being sold above mainstream prices.

India

The Group operates in India principally through SABMiller India Ltd in which it has an effective economic interest of 99 per cent. 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 2014 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 2015, the Group sold 5.2 million hl of lager in India.

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

The Group's average number of employees in India for the year ended 31 March 2015 was approximately 2,924.

Vietnam

The Group 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 brands in Vietnam are Zorok and Gambrinus.

The Group's average number of employees in Vietnam for the year ended 31 March 2015 was approximately 249.

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 the Netherlands. In March 2012, the Group completed its strategic alliance with Anadolu Efes and 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 which has investments in Turkey, Russia, the Commonwealth of Independent States ("**CIS**"), Central Asia and the Middle East.

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 Spain (Canary Islands). As at 31 March 2015, the Group owned 17 breweries across Europe. The Group also sells significant volumes to a further

seven 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 31 March 2015, Group companies held the number one or two market position, by volume, in six European countries, 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:

	Number of breweries[(1)]	**Total lager volume for year ended 31 March 2015[(2)]**
		(million hl)
Country		
Poland	3	13.5
Czech Republic	3	6.8
Romania	3	5.6
Italy	3	3.3
Hungary	1	2.2
The Netherlands	1	1.5
Miller Brands (UK)[(3)]	—	1.5
Slovakia	1	1.5
Anadolu Efes	—	5.7
Brands Europe (including Dubai)	—	1.1
Canary Islands	2	0.9
Total	17	43.6

Notes:

(1) Breweries relate to subsidiaries only and as at 31 March 2015.

(2) Includes 100 per cent. of subsidiaries' volumes and the Group's share of associates' volumes.

(3) The Group had no brewery facilities in the United Kingdom as at 31 March 2015.

Employees

The Group's average number of employees in Europe for the year ended 31 March 2015 was approximately 9,810.

Poland

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

According to GUS, the Group's volume market share in Poland was 36 per cent. for the year ended 31 March 2015.

As at 31 March 2015, 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 Zubr brand was the leading beer brand in Poland, with sales of 4.8 million hl for the year ended 31 March 2015. The Tyskie brand was the number two beer brand in Poland for the year ended 31 March 2015 according to Nielsen.

The Group's average number of employees in Poland for the year ended 31 March 2015 was approximately 2,984.

Czech Republic

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

The Group is the leading brewer in the Czech Republic according to CBMA, with an estimated 49 per cent. share of the beer market by volume, primarily due to the Group's brands, Gambrinus and Kozel, which were the number one and two brands in the country for the year ended 31 March 2015, 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's average number of employees in the Czech Republic for the year ended 31 March 2015 was approximately 1,979.

Romania

The Group's Romanian business, Ursus Breweries S.A. ("**Ursus**"), had a market share of approximately 32 per cent. for the year ended 31 March 2015 according to Nielsen. Its main proprietary domestic brands are Ursus Premium, Timisoreana and Ciucas, and it continues to expand its premium portfolio by rolling out Peroni Nastro Azzurro, Redd's and Grolsch. The Group's Timisoreana brand was the leading brand in the Romanian beer market, and Ciucas was the number two brand for the year ended 31 March 2015, according to Nielsen.

Ursus has three breweries located in Buzau, Timisoara and Brasov.

The Group's average number of employees in Romania for the year ended 31 March 2015 was approximately 1,414.

Italy

The Group's effective interest in Birra Peroni Srl ("**Birra Peroni**") is 100 per cent.

According to SymphonyIRI, Birra Peroni had an approximate 20 per cent. share of the Italian beer market for the year ended 31 March 2015. 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 2015 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 13 per cent. share of the Italian market premium segment in the year ended 31 March 2015. Birra Peroni primarily exports its brands to Australia, 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 2015 was approximately 782.

The Netherlands

The Group owns 100 per cent. of Koninklijke Grolsch NV ("**Royal Grolsch**"), a brewer based in the Netherlands.

According to Nielsen, Royal Grolsch had an estimated 12 per cent. share of the Netherlands beer market by volume for the year ended 31 March 2015. Its primary brand is Grolsch Premium Lager, which is an iconic Dutch brand with 400 years of brewing heritage and represents approximately 78 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.

Grolsch Premium Lager is currently sold in approximately 65 countries, including Australia, Canada, Poland, Romania, Russia, South Africa, the United Kingdom and the United States of America. 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 2015 was 700.

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. The Europe segment includes the Group's 24 per cent. share of Anadolu Efes.

Anadolu Efes' activities are conducted by three divisions: Turkey beer; International beer; and soft drinks. Anadolu Efes is Turkey's largest brewer controlling approximately 70 per cent. of the local market as of 31 March 2015 according to Management estimates. Outside Turkey, Anadolu Efes has brewing operations in Russia, Kazakhstan, Ukraine, Moldova, and Georgia. According to Canadean, Russia is the world's fourth largest beer market. 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, Turkmenistan, Syria and Tajikistan. According to Nielsen, CCİ is the market leader in Turkey and Kazakhstan and ranks second in Pakistan. According to Retail Zoom, CCİ ranks second in Iraq, according to Ipsos, CCİ is the market leader in Azerbaijan, Kyrgyzstan and Turkmenistan and according to Management estimates ranks second in Jordan.

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 40 per cent. for the year ended 31 March 2015, according to the HBA.

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

Compañía Cervecera de Canarias ("**CCC**") in the Canary Islands produces Dorada and Tropical, which are local brands, and Carlsberg under licence, and distributes certain of the Group's global brands. In addition, CCC also produces Appletiser and economy beer brands (Kelson, Saturday and Estrella de Canarias) for the local market, and has an agreement to distribute Guinness, Red Bull and Kopparberg.

In 2005, the Group established Miller Brands (UK) Limited ("**Miller Brands**") for the sale, marketing and distribution of the Group's international premium brands in the United Kingdom and Ireland. 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.

In 2011, the Group established SABMiller Brands Europe a.s. ("**SABMiller Brands**") for the sale, marketing and distribution of the Group's brands in Europe and the Middle East where the Group does not have breweries, such as Germany, France, Sweden, Spain, Austria and the United Arab Emirates. SABMiller Brands sells the Group's brands including Peroni Nastro Azzurro, Pilsner Urquell, MGD, Grolsch, Tyskie, Lech and Kozel.

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

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, economy, craft, flavoured malt beverage and cider categories.

MillerCoors' core brand families, Miller Lite and Coors Light (premium light), MGD and Coors Banquet (premium regular), Miller High Life, Keystone and Milwaukee's Best (Economy) accounted for approximately 80 per cent. of MillerCoors' total domestic shipment volume in the United States during the year ended 31 March 2015, 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 in February 2012 to capitalise on the fact that cider is now the fastest growing category in the U.S. malt beverage and cider industry. In addition, MillerCoors has expanded its presence in the above premium segment with brand offerings such as Redd's, the MillerCoors' line of flavoured malt beverages.

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; and
- improving the route to market and benefiting distributors and retailers.

Employees

MillerCoors had approximately 8,400 employees as at 31 March 2015.

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 450 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, 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 contract brewing agreements with a number of other companies, including Pabst Brewing Company. Additionally, MillerCoors produces beer under contract for Miller Brewing International and Molson Coors.

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 calendar years ended 2008. After low single digit declines in each of 2009, 2010 and 2011, the industry returned to low single digit growth in 2012 before returning to low single digit decline in 2013. Industry volumes grew once again in 2014, but growth was less than 1 per cent.

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 Management estimates, MillerCoors is the nation's second-largest brewer by volume, selling approximately 27 per cent. of the total 2014 U.S. brewing industry volume. This compares with A-B InBev's 46 per cent. share according to Management estimates.

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.

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
A J Clark	26/07/2012	26/07/2012	24/07/2014	23/07/2015
MH Armour	01/05/2010	14/04/2010	24/07/2014	23/07/2015
GC Bible	01/08/2002	27/09/2002	24/07/2014	23/07/2015
DS Devitre	16/05/2007	16/05/2007	24/07/2014	23/07/2015
GR Elliot	01/07/2013	04/04/2013	24/07/2014	23/07/2015
LMS Knox	19/05/2011	17/05/2011	24/07/2014	23/07/2015
PJ Manser*	01/06/2001	20/06/2001	24/07/2014	-
TA Manuel	01/03/2015	27/01/2015	-	23/07/2015
JA Manzoni*	01/08/2004	12/05/2004	24/07/2014	-
DF Moyo	01/06/2009	26/05/2009	24/07/2014	23/07/2015
CA Pérez	09/11/2005	12/10/2005	24/07/2014	23/07/2015
JP du Plessis	01/09/2014	07/08/2014	-	23/07/2015
A Santo Domingo	09/11/2005	12/10/2005	24/07/2014	23/07/2015
HA Weir	19/05/2011	17/05/2011	24/07/2014	23/07/2015
HA Willard III*	01/08/2009	01/08/2009	24/07/2014	-

* Messrs Manser, Manzoni and Willard will be stepping down from the board at the conclusion of the annual general meeting on 23 July 2015

John Manser CBE, DL, FCA

Chairman

John Manser will be stepping down from the board at the conclusion of the 2015 annual general meeting. John was appointed as Chairman in December 2013, having been a non-executive director since 2001. He has a comprehensive understanding of the Group and of the global beverage industry. He also has an extensive knowledge of the banking and financial services industries and is an experienced chairman, having previously chaired the boards of a number of listed companies. He is the chairman of Hannam and Partners and the deputy chairman of Marlborough College Council. Previously the chairman of Intermediate Capital Group plc, Shaftesbury PLC and deputy chairman of Colliers CRE plc, he has also held a number of directorships in the financial services industry including chairman of Robert Fleming Holdings. He is a former member of the President's Committee of the British Banking Association, a director of the Securities and Investments Board and is a past chairman of the London Investment Banking Association.

Jan Du Plessis

Independent Non Executive Director and Chairman Designate

Jan Du Plessis joined the board in September 2014 and will become Chairman on 23 July 2015 replacing John Manser who is stepping down at the conclusion of the 2015 annual general meeting. He has an excellent record as a chairman of major international groups with developing market footprints and a wealth of experience of international consumer businesses. He is chairman of Rio Tinto plc and Rio Tinto Limited. In his earlier career he was Group Finance Director of Compagnie Financière Richemont, the Swiss luxury goods group. He has also served as a non-executive director and subsequently chairman of British American Tobacco plc, as a non-executive director and chairman of the audit committee of Lloyds Banking Group plc and as a non-executive director and senior independent director of Marks and Spencer Group plc.

Guy Elliott

Deputy Chairman and Senior Independent Director

Guy Elliott joined the board on 1 July 2013 and is a member of the Audit, Remuneration and Nomination Committees. He has extensive experience of operating in both developed and developing markets, having previously held a variety of finance, marketing, strategy and general management positions throughout his career. He is a non-executive director of Royal Dutch Shell plc and chairman of its audit committee. He is a member of the UK Takeover Panel and chairman of the Panel's Code Committee. He was the Chief Financial Officer of Rio Tinto plc and Rio Tinto Limited and the senior independent director of Cadbury plc.

Alan Clark

Chief Executive

Alan Clark has an extensive knowledge of the global beverage industry, having held a number of management roles with the Group, both in beer and soft drinks. He became Managing Director, SABMiller Europe, in 2003 and was appointed as an executive director and Chief Operating Officer of SABMiller plc in 2012, before becoming Chief Executive in April 2013.

Mark Armour

Mark Armour joined the board in 2010 and is Chairman of the Audit Committee and a member of the Remuneration Committee. He brings strategic and financial expertise to the board and has significant experience of managing an international group. He is a non-executive director of Tesco plc, and a director of the Financial Reporting Council, the UK's independent regulator responsible for promoting high quality corporate governance. He was previously Chief Financial Officer of Reed Elsevier (now RELX). Prior to joining Reed Elsevier in 1995 he was a partner of Price Waterhouse in London.

Geoffrey Bible

Geoffrey Bible joined the board in 2002 and is a member of the Nomination and Corporate Accountability and Risk Assurance Committees. He has held senior roles in a number of multinational companies and has a wealth of experience of global consumer products businesses. He is a nominee of Altria Group, Inc. (Altria), and was appointed to the board following completion of the Miller Brewing Company transaction. He is also a member of the advisory board of Metalmark Capital LLC. He is the former chairman and CEO of the Philip Morris group of companies, the former chairman of Altria and Kraft Foods Inc. and a past non-executive director of News Corporation Ltd.

Dinyar Devitre

Dinyar Devitre joined the board in 2007 and is a member of the Audit Committee. He brings both financial expertise and strategic counsel to the group. He has extensive experience of managing global fast-moving consumer goods corporations. A nominee of Altria, he is a member of the board of Altria, a special adviser at

General Atlantic LLC, and a director and chairman of the audit committee of Markit Group Ltd. He is also the Executive Chairman of Pratham USA, serves as a trustee of the Brooklyn Academy of Music and is a trustee emeritus of the Asia Society. His career with the Altria group of companies spans a 35 year period in which he served in a variety of senior positions. Before his retirement in 2008, he served as the Senior Vice President and Chief Financial Officer of Altria. He was also a director and chairman of the Corporate Governance and Public Policy Committee at Western Union Company.

Lesley Knox

Lesley Knox joined the board in 2011 and is Chairman of the Remuneration Committee and a member of the Audit Committee. She brings a wealth of strategic and financial experience across a range of businesses and is an experienced remuneration committee chairman. She qualified as a solicitor in the UK and as an attorney in the USA. She is a non-executive director of Centrica plc where she chairs the remuneration committee and is a trustee of the Grosvenor Estates and chairman of Grosvenor Group Limited. She is involved with a number of arts and charitable organisations. She was previously with British Linen Bank, becoming governor in 1999 and was subsequently a founder director of British Linen Advisers. She was chairman of Alliance Trust plc, senior non-executive director of Hays Plc and spent 15 years with Kleinwort Benson, first in corporate finance and then as chief executive of the institutional asset management business.

John Manzoni

John Manzoni joined the board in 2004 and is a member of the Corporate Accountability and Risk Assurance, Remuneration and Nomination Committees. He will be stepping down from the board at the conclusion of the 2015 annual general meeting. John has extensive experience of leading global operations and delivering complex challenging projects. In his 24 years at BP, he contributed to the company's global growth and held senior strategic and operational leadership roles at global, regional and local level. He is Chief Executive of the Civil Service in the UK. Before his current appointment in the Civil Service, he was Chief Executive of the Major Projects Authority (a partnership between the Cabinet Office and HM Treasury). He was previously the chairman of Leyshon Energy Ltd, President and Chief Executive Officer of Talisman Energy Inc., an executive director at BP plc and a member of the Accenture Energy Advisory Board.

Trevor Manuel

Trevor Manuel joined the board in March 2015. He is a former minister in the South African Government and brings a wealth of experience in advising multilateral organisations on developing market development and sustainability. He is Deputy Chairman of Rothschild South Africa, serves on the International Advisory Board of the Rothschild Group and is a director of Swiss Re AG. He was a minister in the South African Government for more than 20 years, 13 of which he served as Finance Minister. During his ministerial career, he assumed a number of ex officio positions at international bodies, including the United Nations Commission for Trade and Development (UNCTAD), the World Bank, the International Monetary Fund, the G20, the African Development Bank and the Southern African Development Community.

Dambisa Moyo

Dambisa Moyo joined the board in 2009 and is Chairman of the Corporate Accountability and Risk Assurance Committee. She is a global economist and commentator on the macro-economy and global affairs. She has wide-ranging expertise in economic and business trends on the African continent, with a particular focus on socially responsible business. She is a non-executive director of Barclays PLC and Barrick Gold Corporation. She was an economist at Goldman Sachs, where she worked for nearly a decade, and was a consultant to the World Bank in Washington, D.C.

Carlos Alejandro Pérez Dávila

Carlos Pérez joined the board in 2005. He has extensive experience of the global beverage industry and of operating in the Latin America region. He is a nominee of the Santo Domingo Group and was appointed to the

board following completion of the Bavaria transaction. He is Managing Director at Quadrant Capital Advisors, Inc., chairman of the board of Caracol TV 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 began his career in investment banking at Goldman, Sachs & Company, subsequently working for SG Warburg & Co., where he served as the Director of Overseas Advisory Division and Violy, Byorum & Partners, where he was Senior Managing Director.

Alejandro Santo Domingo

Alejandro Santo Domingo joined the board in 2005 and is a member of the Nomination Committee. He has a deep knowledge of the global beverage industry and of the Latin America region. He is a nominee of the Santo Domingo Group, appointed to the board following completion of the Bavaria transaction. He is Managing Director at Quadrant Capital Advisors, Inc., and serves on the boards of Valorem S.A., Comunican S.A. Caracol Television S.A., Millicom International Cellular S.A. and D.E Master Blenders B.V. 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, WNET (Channel Thirteen) and the Wildlife Conservation Society. He was employed at Violy, Byorum & Partners, Investment Bankers where he was focused on mergers and acquisitions in telecommunications, media and consumer goods.

Helen Weir

Helen Weir joined the board in 2011 and is a member of the Audit, Nomination and Corporate Accountability and Risk Assurance Committees. She has extensive financial and retail expertise, with senior management experience in a number of UK and international companies. She is the Chief Finance Officer of Marks and Spencer Group plc, a trustee of Marie Curie and an independent non-executive director of the Rugby Football Union, the national body for rugby in England. She was Group Finance Director of the John Lewis Partnership and has previously held a number of senior positions at the Lloyds Banking Group and Kingfisher plc. She is also a former member of the Accounting Standards Board. She spent her early career at Unilever and McKinsey & Co.

Howard Willard

Howard Willard joined the board in 2009 and will be stepping down from the board at the conclusion of the 2015 annual general meeting. He has considerable global business experience and an extensive knowledge of the fast moving consumer goods industry. He is a nominee of Altria, becoming their Chief Operating Officer in 2015 having held a number of senior roles throughout the Altria family. Prior to his current role he was the Executive Vice President and Chief Financial Officer of Altria. Before joining Altria, Howard worked at Bain & Company and Salomon Brothers Inc. He serves on the Executive Advisory Council for the Robins School of Business at the University of Richmond.

On the resignation of SABMiller's previous Chief Financial Officer with effect from 18 February 2015, Domenic De Lorenzo was appointed Acting Chief Financial Officer. On 8 July 2015, he was confirmed as SABMiller's new permanent Chief Financial Officer commenced. He is also Director of Group Strategy and a member of the Executive Committee.

The Board and Board Committees

The board brings leadership to the Group and sets strategic objectives, 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 determined by the board. The board monitors achievement against objectives and compliance with policies by holding Management accountable for its activities through monthly and quarterly performance reporting and budget updates.

The board receives regular briefings from the Chief Executive, the Chief Financial Officer, the General Counsel and Corporate Affairs Director, and from the Group Company Secretary on legal, regulatory and corporate governance matters. Other members of the Executive Committee (regional managing directors and directors of key group functions) make regular presentations to the board, enabling directors to explore and interrogate specific issues and developments in greater detail.

The board met eight times during the year ended 31 March 2015 and ad hoc sub-committees of the board met from time to time to deal with investment, financing and reporting issues. Specific responsibilities have been delegated to board committees with defined terms of reference. The 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 Mark Armour, and also comprises Guy Elliot, Dinyar Devitre, Lesley Knox and Helen Weir. The Audit Committee meets four times in each financial year. Meetings are attended by the Audit Committee members and typically, by invitation, the Chairman, Chief Executive, Chief Financial Officer, senior members of the group finance team, General Counsel, Group Company Secretary, and Chief Internal Auditor. Other non-executive directors have a standing invitation to attend as observers; the Chairman-designate has attended three meetings of the Audit Committee since his appointment in September 2014. Other members of management are invited to attend certain meetings in order to provide the Audit Committee with greater insight into specific issues and developments. The audit partners and senior members of the group audit team from SABMiller's external auditors, PwC, attend each meeting.

The Audit Committee's main role and responsibilities are to assist the board in fulfilling its responsibilities regarding

- the integrity of SABMiller's interim and full year financial statements and reporting, including the appropriateness and consistent application of accounting policies, the adequacy of related disclosures, and compliance with relevant statutory and listing requirements;
- risk management and internal controls, related compliance activities, and the effectiveness of the internal audit function and whistleblowing arrangements; and
- the scope, resources, performance and effectiveness of the external auditors, including monitoring their independence and objectivity.

At the request of the board, the Audit Committee considers whether the annual report is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Audit Committee reports to the board on its activities, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

The Audit Committee receives and discusses regular written and oral reports from the Chief Financial Officer, the Chief Internal Auditor, the General Counsel, and the external auditors relating to matters falling within the Audit Committee's terms of reference. Reports are also received from time to time by other members of management and other external assurance providers in relation to specific topics addressed by the committee.

The Audit Committee meets separately at least twice each year with the external auditors without management present and likewise at least annually with the Chief Internal Auditor. The Audit Committee chairman has separate meetings at least four times a year with the Chief Financial Officer, the Chief Internal Auditor, and with the external auditors. He also meets separately with the General Counsel, and with the Group Company Secretary. The Chief Internal Auditor, the external auditors, the General Counsel, and the

Group Company Secretary have direct access to the Audit Committee, primarily through the chairman, on any matter that they regard as relevant to the fulfilment of the Audit Committee's responsibilities.

The Disclosure Committee

The Disclosure Committee consists of the Chairman, the Deputy Chairman, the Chief Executive, the Chief Financial Officer, any one other non-executive director, the General Counsel and Corporate Affairs Director, and the Group Company Secretary. The function of the Disclosure Committee, in accordance with the Group's inside information policy, is to meet as and when required in order to ensure compliance with SABMiller's obligations to disclose inside information under the United Kingdom's Disclosure and Transparency Rules and the Listing Rules, as guided by the General Counsel and Group Company Secretary. It also aims to ensure that the routes of communication between Executive Committee members, the Disclosure Committee, the Group Company Secretary's office, and investor relations are clear, and can enable any decision regarding potential inside information to be escalated rapidly to the Disclosure Committee, key advisers and the board.

The Nomination Committee

During the year ended 31 March 2015, the Nomination Committee was chaired by John Manser, with Geoffrey Bible, Guy Elliott, John Manzoni, Alejandro Santo Domingo and Helen Weir being members throughout the year. Jan du Plessis joined the Nomination Committee on his appointment as a director on 1 September 2014. John Manser and John Manzoni will step down from the Nomination Committee on their retirement on 23 July 2015, after which Jan du Plessis will become chairman.

The Nomination Committee considers the composition of the board and its committees, and the retirement, appointment and replacement of 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

During the year ended 31 March 2015, the Remuneration Committee constituted entirely of independent directors, Lesley Knox (chairman), Mark Armour, Guy Elliott and John Manzoni. John Manzoni will stand down from the Remuneration Committee on his retirement as a director at the 2015 annual general meeting.

The Remuneration Committee is responsible for the assessment and approval of a remuneration strategy for the Group, for the operation of SABMiller's share-based incentive plans and for reviewing and approving short-term and long-term remuneration for executive directors and Executive Committee members.

The Remuneration Committee has implemented a strategy of ensuring that employees and executives are rewarded for their contribution to the Group's operating and financial performance at levels which take account of industry, market and country benchmarks.

The Corporate Accountability and Risk Assurance Committee

During the year ended 31 March 2015, the Corporate Accountability and Risk Assurance Committee was chaired by Dambisa Moyo with Geoffrey Bible, Alan Clark, John Manser, John Manzoni, and Helen Weir serving as members for the entire period. John Manzoni will step down from the Corporate Accountability and Risk Assurance Committee on his retirement on 23 July 2015. The General Counsel and Corporate Affairs Director, John Davidson, met regularly with Dambisa Moyo to discuss the agenda and implementation and planning issues, and attended all meetings of the Corporate Accountability and Risk Assurance Committee.

The Corporate Accountability and Risk Assurance Committee's objective is to assist the board in the discharge of its responsibilities in relation to the Group's alcohol policies and corporate accountability, including sustainable development, corporate social responsibility and corporate social investment.

Application of the Corporate Governance Code

SABMiller applied all the principles and provisions of the Corporate Governance Code throughout the year ended 31 March 2015, except in four respects:

1 The Code recommends that at least half the board, excluding the Chairman, should comprise non-executive directors determined by the board to be independent. This recommendation was not met during the period between the planned retirement of Miles Morland at the conclusion of the 2014 annual general meeting, held on 24 July 2014, and the appointment of Jan du Plessis on 1 September 2014. However, during this period the board was not scheduled to meet and no meetings took place.

2 The Audit Committee did not consist solely of independent directors. Under SABMiller's relationship agreement with Altria, as approved by shareholders in 2002 and in 2005, Altria has the right to nominate a director to the Audit Committee, and has nominated Dinyar Devitre, whom the Board does not consider to be an independent director for the purposes of the Corporate Governance Code. The board nevertheless considers that the composition of the Audit Committee remains appropriate, given Altria's interest as the company's largest shareholder. Dinyar Devitre is a former Chief Financial Officer of Altria and the board considers that his experience and background in financial matters and his independence from management mean that the effectiveness of SABMiller's Audit Committee in discharging its functions is considerably enhanced and not compromised by his membership.

3 The Code recommends that the performance evaluation of the boards of FTSE 350 companies should be externally facilitated at least every three years. In respect of the year ended 31 March 2015, given the temporary nature of John Manser's appointment as Chairman, the board concluded that rather than carry out such a review towards the end of John Manser's tenure it would be more beneficial to conduct an externally facilitated performance evaluation early in the tenure of the new chairman, Jan du Plessis. The board did carry out a formal and rigorous evaluation of the performance and effectiveness of the board, its principal committees, its individual directors and the Group Company Secretary. The board intends to conduct an external evaluation during the current financial year.

4 The Code was amended for financial years beginning on or after 1 October 2012 to provide that external audit contracts should be put out to tender at least every 10 years. SABMiller has not tendered its external audit contract within the last 10 years. Since 2012, developing UK market practice has been to conduct an audit tender to coincide with rotation of the lead audit engagement partner. SABMiller's lead audit engagement partner from PwC, its current external auditors, is scheduled to rotate at the conclusion of the audit for the year ending 31 March 2016. However, in light of the process to appoint a new Chief Financial Officer that commenced in February 2015 and resulted in Domenic De Lorenzo's appointment with effect from 23 July 2015, SABMiller determined that an audit tender should be undertaken during the 2016 calendar year for the start of the financial year ending 31 March 2018 to allow time for a new Chief Financial Officer to be appointed and to become established.

Executive Committee

The board delegates responsibility for proposing and implementing the Group's strategy and for managing the Group to the Chief Executive, Alan Clark, who is supported by the Executive Committee, which he chairs. Executive Committee members are appointed by Alan Clark, after consultation with the board. The other members of the Executive Committee are the Chief Financial Officer, regional managing directors and directors of key group functions (corporate finance and strategy, legal and corporate affairs, marketing, and integrated supply and human resources). The Executive Committee's purpose is to support the Chief

Executive in carrying out the duties delegated to him by the board and, in that context, it executes the strategy and budget approved by the board and, through the Chief Executive, reports on these matters to the board. The Executive Committee also ensures that effective internal controls are in place and functioning, and that there is an effective risk management process in operation throughout the Group. The Audit Committee reviews the risk management processes put in place by the Executive Committee and the board reviews the Group's significant risks, following the Executive Committee's review of those risks.

The members of the Executive Committee of SABMiller, in addition to Alan Clark, Chief Executive are:

Mark Bowman

Managing Director, SABMiller Africa

Mark Bowman was appointed Managing Director of SABMiller Africa in 2007 and has been instrumental in developing SABMiller's beer and soft drinks operations on the African continent since then. Following the consolidation of SABMiller's South Africa beverage business and Africa division into one region for management purposes, he became Managing Director of the enlarged SABMiller Africa region on 1 July 2014. He joined The South African Breweries Limited (SAB Ltd) in 1993 and has held various senior positions in the group including Managing Director of Kompania Piwowarska S.A., Managing Director of 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, She has been a member of the Executive Committee since 2003 when she joined SABMiller as Corporate Affairs Director. Before this, she held a number of senior roles in UK companies, including Director of Corporate Affairs for Railtrack Group and Scottish Power plc.

John Davidson

General Counsel and Corporate Affairs Director, SABMiller plc

John Davidson joined the group as General Counsel and Group Company Secretary in 2006. In November 2014 he assumed responsibility for regulatory affairs, communications and sustainable development, and is now General Counsel and Corporate Affairs Director. Before joining SABMiller, he spent his entire legal career at Lovells, a leading international law firm, where he was a partner from 1991, specialising in international corporate finance, cross border mergers and acquisitions, and corporate governance advisory work. He was the Chairman of the GC100 group (the association of general counsel and company secretaries of companies in the FTSE 100) for 2010 and 2011.

Domenic De Lorenzo

Director of Group Strategy and acting Acting Chief Financial Officer, SABMiller plc

Domenic De Lorenzo was appointed Director of Group Strategy in 2014 and Chief Financial Officer with effect from 23 July 2015, having been Acting Chief Financial Officer since February 2015. He is a Chartered Accountant (SA), completing his articles at Arthur Young, and joined SABMiller's corporate finance team in 1996 from UAL Investment Bank in South Africa. He has held a number of senior positions in the Group, including that of Director, Corporate Finance and Development for Europe and the Americas, Director of the global corporate finance and development team, and Director, Group Strategy & Corporate Development.

Nick Fell

Marketing Director, SABMiller plc

Nick Fell was appointed Marketing Director, SABMiller in 2006. He has extensive experience in developing global commercial strategy and previously held senior roles in Cadbury Schweppes Plc, and Diageo plc.

Tony van Kralingen

Director: Integrated Supply & Human Resources, SABMiller plc

Tony van Kralingen was appointed Director: Integrated Supply & Human Resources, SABMiller plc in October 2008. He joined The South African Breweries Limited (SAB Ltd) in 1982 and has held a number of senior positions in the group, including that of Chairman and Chief Executive Officer, Plzenský Prazdroj a.s. and, most recently, Chairman and Managing Director: SAB Ltd. He is accountable for group procurement, technical, planning, distribution and R&D, and human resources. He intends to retire at the end of December 2015.

Karl Lippert

President, SABMiller Latin America

Karl Lippert was appointed President, SABMiller Latin America in 2011. He joined the Group in 1992 and has extensive experience in the global brewing industry. He has held a number of senior positions in the Group including that of President of Bavaria S.A. and Managing Director of Kompania Piwowarska S.A.

Ari Mervis

Managing Director, SABMiller Asia Pacific and Chief Executive Officer, Carlton & United Breweries

Ari Mervis was appointed Managing Director, Asia Pacific and Chief Executive Officer of Carlton & United Breweries in 2011 He joined ABI, the soft drinks division of The South African Breweries Limited (SAB Ltd), in 1989 and has held various senior positions in sales, marketing, finance and general management. He has held the position of Managing Director, SABMiller Asia, Managing Director of Appletiser and Managing Director of SABMiller operations in Russia and Australia. He is a director of the Melbourne Business School, and Chairman of China Resources Snow Breweries.

Business Address – Executive Committee

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

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 Irish Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the Irish Stock Exchange if they are listed and admitted to trading on the regulated market of the Irish 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), subject to the availability of other reliefs. 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.

Information Reporting

Information relating to securities and accounts may be required to be provided to Her Majesty's Revenue & Customs in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the Issuer, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by Her Majesty's Revenue & Customs may be exchanged with tax authorities in other countries.

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 established within its jurisdiction to (or secured by such a person for the benefit of) an individual or to (or secured for) certain other persons in that other Member State. However, for a transitional period Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

The Council of the European Union has adopted the EU Amending Savings Directive which would, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above, including by expanding the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. The EU Amending Savings Directive requires Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The Council of the European Union has also adopted a Directive (the "**EU Amending Cooperation Directive**") amending Council Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014. The EU Amending Cooperation Directive requires Member States to adopt national legislation necessary to comply with it by 31 December 2015, which legislation must apply from 1 January 2016 (1 January 2017 in the case of Austria). The EU Amending Cooperation Directive is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes, and provides that to the extent there is overlap of scope, the EU Amending Cooperation Directive prevails. The European Commission has therefore published a proposal for a Council Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, Member States will not be required to implement the EU Amending Savings Directive. Information reporting and exchange will however still be required under Council Directive 2011/16/EU (as amended).

The proposed financial transactions tax

The European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

Joint statements issued by Participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

For the purposes of this United Kingdom Taxation section "**Member State**" means a Member State of the European Union.

FATCA Withholding

Certain provisions of U.S. law, commonly known as FATCA, impose reporting requirements and a withholding tax of 30 per cent. on (i) certain U.S. source payments, (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends, and (iii), among other things, certain payments by foreign financial institutions ("**foreign passthru payments**") made to persons that fail to meet

certain certification or reporting requirements. A number of jurisdictions have entered into, or have agreed in substance to intergovernmental agreements to implement FATCA with the United States ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

In order to avoid becoming subject to withholding tax under FATCA, non-U.S. financial institutions must submit to certain reporting requirements (generally pursuant to an agreement with the IRS or under local law implementing an IGA) or otherwise be exempt from the requirements of FATCA. Specifically, non-U.S. financial institutions that are not exempt from the requirements of FATCA may be required to identify and report to the government of the United States or another relevant jurisdiction certain information regarding "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime.

In addition, a financial institution may be required to withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding. Foreign financial institutions in a jurisdiction that has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA ("**IGA Legislation**")) from payments that they make on securities such as the Notes. However, the full impact of IGAs and IGA Legislation on reporting and withholding responsibilities under FATCA is unclear at this time and no assurance can be given that withholding under FATCA, IGAs or IGA Legislation will not become relevant with respect to payments made on or with respect to the Notes in the future.

Withholding under FATCA, began, or is expected to begin, as applicable, on (i) 1 July 2014, in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) from the disposition of property that can produce US source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of "foreign passthru payments". FATCA withholding in respect of foreign passthru payments is not required for "obligations" that are not treated as equity for U.S. federal income tax purposes unless such obligations are issued or materially modified after the date that is six months after the date on which the final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA should not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary or Common Safekeeper, as the case may be, given that each of the entities in the payment chain beginning with the Issuer and with the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will be only printed in remote circumstances.

The application of FATCA to notes issued after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed with the Federal Register,(or whenever issued, in the case of notes treated as equity for U.S. federal income tax purposes) may be addressed in a supplement to this Prospectus, as applicable.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF

FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 17 July 2015 (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 its 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.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuer and the Fiscal Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuer or the Fiscal Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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.

The Hiring Incentives to Restore Employment Act of 2010 repealed the C Rules and D Rules for Notes issued after 18 March 2012. However, in Notice 2012-20, the US Department of Treasury and the US Internal Revenue Service indicated that they intend to provide in regulations that rules identical to the C Rules and D Rules will apply to non-US issuers of bearer obligations for purposes of establishing an exemption from the

excise tax imposed by Section 4701 of the Code. (The amount of the excise tax is one per cent. of the nominal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity.) Consequently, Notes issued in bearer form in accordance with the C Rules or D Rules should continue to be treated as "foreign targeted obligations" that are exempt from the excise tax.

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 Base 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 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

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, a 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.

Ireland

Each Dealer has represented and agreed that:

(i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

(ii) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942 - 2012 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

(iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 as amended and any rules issued by the Central Bank pursuant thereto.

The Netherlands

Each Dealer has represented and agreed that it will not make an offer of Notes that are to be admitted on a Regulated Market 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 and logo are disclosed as required by Section 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 Base 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 Base 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 Base Prospectus dated [●] [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (where "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EC), and includes any relevant implementing measure in a relevant Member State of the European Economic Area). This document [constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and][1] 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 and these Final Terms 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 Base 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 (where "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EC), and includes any relevant implementing measure in a relevant Member State of the European Economic Area) and][1] 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 and these Final Terms has been published on [*SAB Miller plc's/financial intermediaries/regulated market/competent authority*] website.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

---

[1] Delete where Notes are not admitted to trading on a regulated market in the European Economic Area.

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:	[●] [*Where multiple denominations above €100,000 (or equivalent) are being used, the following sample wording should be used: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000"*].
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date	[*Specify*/Issue Date/Not Applicable]
8	Maturity Date:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9	Interest Basis:	[[●] per cent. Fixed Rate] [*[*/LIBOR/EURIBOR*]* +/- [●] 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:	[Applicable/Not Applicable] [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [Make-whole Redemption Option]

		[Change of Control Put Option] [Not Applicable] [(further particulars specified below in paragraph [17/18/19/20])]
13	[Date [Board] approval for issuance of Notes obtained:	[●] [and [●], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(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/365 (Sterling)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]
	(vi) [Determination Dates:	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
15	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(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:	[●] month [LIBOR/EURIBOR]
	- Interest Determination Date(s):	[●]
	- Relevant Screen Page:	[●]
	(x) ISDA Determination:	
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]
	- ISDA Definitions:	2006
	(xi) Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xii) Margin(s):	[+/-][●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[●] per cent. per annum
	(xv) Day Count Fraction:	[Actual/Actual / Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]
16	Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(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/365 (Sterling)] [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 (Condition 6(d)(i)):	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount] / [Condition 6(b) applies]
	(iii) If redeemable in part:	[Applicable/Not Applicable]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
18	Make-whole Redemption Option (Condition 6(d)(ii)):	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Make-whole Redemption Date(s):	[●]
	(ii) Determination Date:	[●]
	(iii) Quotation time:	[●]
	(iv) Reference Bond:	[●]
	(v) Redemption Margin:	[[●] per cent. / None]
	(vi) If redeemable in part:	[Applicable/Not Applicable]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(vii) Notice period:	[●]
19	Put Option (Condition 6(e)):	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount] / [Condition 6(b) applies]
	(iii) Notice period:	[●]
20	Change of Control Put Option (Condition 6(f)):	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
21	Final Redemption Amount of each Note	[Par] per Calculation Amount
22	Early Redemption Amount Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	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:] [Global Certificate (U.S.$/€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is held under NSS)]
24	New Global Note:	[Yes] [No]
25	Financial Centre(s):	[Not Applicable/give details.] [*Note that this item relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 15(vi) relates*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [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 to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market with effect from [●].] [Application is expected to be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market with effect from [●].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(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: [●]] [[Other]: [●]] (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.) *Insert one (or more) of the following options, as applicable:* ***Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:*** *[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation").* ***Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:*** *[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"), although notification of the registration decision has not yet been provided.* ***Option 3: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:*** *[Insert legal name of particular credit rating agency entity*

providing rating] is not established in the EU but the rating it has given to the [Notes] is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation").

Option 4: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation").

Option 5: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation") and the rating it has given to the [Notes] is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

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

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:

"So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." *(Amend as appropriate if there are other interests)*

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:	[●]
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):	
[Deemed delivery of clearing system notices for the purposes of Condition 14]:	[Any notice delivered to [Noteholders] through the clearing systems will be deemed to have been given on the [second][business] day after the day on which it was given to [Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6 **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	
	(A) Names of Managers:	[Not Applicable/*give names*]
	(B) Stabilising Manager(s) *(if any)*:	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:	[Not Applicable/*give names*]
(iv)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2]

GENERAL INFORMATION

(1) It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Main Securities 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 approval of the Programme in respect of the Notes is expected to be granted on or about 17 July 2015. Transactions 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 12 May 2015 and a duly constituted committee of the board of directors of the Issuer by a resolution passed on 16 July 2015.

(3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2015 and no material adverse change in the prospects of the Issuer or of the Group since 31 March 2015.

(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 Base 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) Each Bearer Note issued in compliance with the D Rules and each 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) 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 included in the section headed "SABMiller plc" of this Base Prospectus have been extracted from the following third party sources: Aztec, BARSCAN, Canadean, CBMA, CCR, Dichter and Neira, Euromonitor, Frontline, GUS, HBA, Ipsos, Mardis, Moody's, Nielsen, NBSC, S&P, SymphonyIRI and Retail Zoom. 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 the period of 12 months of the date of the approval of this Base Prospectus and for so long as any Notes issued pursuant to this Base Prospectus are outstanding, physical copies of 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 2014 and 31 March 2015, 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); and

(vi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.

In addition, a copy of this Base Prospectus is available on the Central Bank's website at www.centralbank.ie.

(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) The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

(12) PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, England (a member of the Institute of Chartered Accountants in England and Wales 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 2014 and 31 March 2015 respectively.

(13) 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. Certain of the Dealers and their affiliates may have positions, deal or make markets in Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

(15) 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.

(16) No members of the Group have entered into any transactions during the financial year ended 31 March 2015 other than in SABMiller's ordinary course of business and on arm's length terms.

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

(18) 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.

REGISTERED OFFICE OF THE ISSUER

SABMiller plc
SABMiller House
Church Street West
Woking
Surrey GU21 6HS
England

ARRANGER and DEALER

BNP PARIBAS
10 Harewood Avenue
London NW1 6AA
England

FISCAL AGENT, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England

REGISTRAR, PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugéne Ruppert
2-2453 Luxembourg

AUDITORS TO THE ISSUER

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
England

LEGAL ADVISERS

to the Issuer in respect of English Law

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG
England

to the Dealers in respect of English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
England