



## SABMiller plc

*(incorporated with limited liability in England and Wales)  
(Registered Number 3258416)*

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

#### *Euro Medium Term Note Programme*

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

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

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**”). 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. 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**”).

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

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

The Programme has been rated Baa1 by Moody’s Investors Service, Inc. (“**Moody’s**”) and BBB+ by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc. (“**S&P**”). Tranches (as defined in “**Overview of the Programme – Method of Issue**”) 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. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

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#### *Arranger*

**Barclays Capital**

*Dealers*

**Barclays Capital  
J.P. Morgan Cazenove**

**BNP PARIBAS  
Merrill Lynch International  
The Royal Bank of Scotland**

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries, associated bodies corporate and joint venture companies taken as a whole (the "Group") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes.

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

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

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

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

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum specified denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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

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

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the

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

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

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "euro" and "€" are to the single currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on the European Union 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 and references to "Colombian pesos" or "COP" are to the lawful currency of Colombia.

## DOCUMENTS INCORPORATED BY REFERENCE

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

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from (i) the registered office of the Issuer and the specified offices of each of the Agents and (ii) the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/en-gb/pricesnews/marketnews](http://www.londonstockexchange.com/en-gb/pricesnews/marketnews).

## SUPPLEMENTARY PROSPECTUS

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

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

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## RISK FACTORS

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

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

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

#### **Risk Factors relating to the Group**

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

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

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

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

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

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

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

The Group is exposed to the effects of the current and any future 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 likely adversely affect demand for beer.

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

***The Group may be unable to influence its strategic partnerships.***

A proportion of the Group's global portfolio consists of strategic partnerships in new or emerging markets such as China. 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 growing number of such partnerships in mature markets such as Australia and the United States, where decision making is shared 50-50. 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 realise the cost savings and other benefits currently anticipated from the MillerCoors Transaction.***

The success of the transaction between SABMiller and Molson Coors Brewing Company ("Molson Coors") for the combination of the United States and Puerto Rico operations of Miller Brewing Company ("Miller") and Coors Brewing Company ("CBC") which completed on 1 July 2008 ("MillerCoors Transaction") will depend in part on the success of the management of MillerCoors LLC ("MillerCoors") in completing the integration of the operations, technologies, and personnel of these operations. The failure of MillerCoors to complete the integration of the two operations or otherwise fully to realise the anticipated benefits of the transaction could negatively impact the results of operations of MillerCoors. In addition, the overall integration of Miller's and CBC's respective United States and Puerto Rico operations is complex and, accordingly, may result in unanticipated operational problems, expenses and liabilities, and diversion of management's attention.

The challenges involved in completing this integration include the following:

- integrating successfully each of Miller's and CBC's United States and Puerto Rico operations, technologies, products and services;
- reducing the costs associated with each of Miller's and CBC's United States and Puerto Rico operations;
- coordinating and streamlining sales, distribution and marketing efforts to effectively promote the products of MillerCoors;
- preserving distribution, marketing, or other important relationships of the United States and Puerto Rico operations of both Miller and CBC (including, where appropriate, through contract renegotiations or amendments);
- coordinating and rationalising research and development activities to accelerate introduction of new products;
- assimilating the personnel and business cultures of Miller and CBC; and
- building employee morale and motivation.

***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. 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, over the past two years the Group experienced significant input cost increases in the market prices of malt, barley and hops. Rising oil prices have also led to an increase in the cost of transport, glass and aluminium. The impact of this on the Group's profitability has been tempered through supply contracts for future requirements and an active hedging programme, combined with programmes to support development of local barley farming in India and China. However, such hedging measures, which will only gradually unwind during the second half of the current financial year, have also reduced the benefits to the Group of the recent falls in commodity prices and may not provide complete protection over the longer term. If the Group cannot recapture these price increases through its sales to consumers, 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.

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

***The Group operates in highly competitive jurisdictions.***

Globally, brewers compete mainly on the basis of brand image, price, customer service, distribution networks and, particularly in developing 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, and competition is expected to increase further as the trend towards consolidation among companies in the beer industry continues. An example of such trend is last year's acquisition by InBev S.A.-N.V. of Anheuser-Busch Companies, Inc. to form Anheuser-Busch InBev S.A.-N.V. ("A-B InBev").

Competition 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, 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, marketing and advertising, transportation, distributor relationships and sales. 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. 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 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 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 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 would 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. SABMiller 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 and flavoured malt beverages ("FMBs") to non-alcoholic beverages. If, as a result of such concerns and restrictions, the social acceptability of beer or FMBs 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 comprise 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 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 beverage alcohol 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. If any such litigation results in fines, liability to pay damages or reputational damage to SABMiller or any member of the Group or its brands, this could have a material adverse effect on the Group.

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

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

In addition, debt financing, refinancing or additional equity funding may be materially more expensive due to the lack of liquidity in the market and the general lack of confidence in the equity 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 may be negatively impacted by natural and other disasters.***

The Group's business and operating results could be negatively impacted by social, technical or physical risks 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, including a global economic slowdown, the economic consequences of any military action and associated political instability.

***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 which might adversely affect the operations of the Group. 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 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.***

In many of the countries in which the Group operates, including 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.

***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 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 problems 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. The Issuer's management ("Management") believes that the Group's relations with its employees and unions are

satisfactory. A substantial majority of the Group's workforce in various of its operations is unionised. Any work stoppages or strikes could adversely affect the Group's ability to operate its businesses. There can be no assurance that any increase in labour costs would not have a material adverse effect on the Group's business.

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

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

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

An event, or a series of events, that materially damages the reputation of one or more of the Group's brands could have an adverse effect on the value of that brand and subsequent revenue from that brand or business. The Group has invested considerable effort in protecting its brands, including the registration of trademarks and domain names. If the Group is unable to protect its intellectual property, any infringement or misappropriation could materially harm its future financial results, and 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.

***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, especially in the summer months, when unseasonably cool or wet weather can affect sales volumes and therefore the results of the Group's operations.

**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***

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 also may be true prior to any 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.

***Index-Linked Notes and Dual Currency Notes***

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### ***Partly-paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

### ***Variable rate Notes with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### ***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**

#### ***The Notes are unsecured obligations.***

The Notes will be senior unsecured indebtedness of SABMiller and will rank junior to all of SABMiller's existing and future secured obligations. The Notes will be effectively subordinated to all of the existing and future indebtedness and other liabilities of the subsidiaries and associated companies of the Issuer.

#### ***The Issuer must rely on payments from its operating 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 operating subsidiaries and those operating subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments. 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 relevant jurisdiction in which such subsidiaries are organised or located.

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

### ***Modification and waiver***

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

### ***European Monetary Union***

If the United Kingdom joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes the United Kingdom may become a participating Member State and that the Euro may become the lawful currency of the United Kingdom. In that event (i) all amounts payable in respect of any Notes denominated in Sterling may become payable in Euro (ii) the law may allow or require such Notes to be re-denominated into Euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the Euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual or to certain other persons in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system (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) in relation to such payments, deducting tax at rates rising over time to 35 per cent. (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other territories). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor 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. The Issuer will be required, as provided in Condition 7 of the Notes, to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

### ***Change of law***

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

### ***Integral multiples of less than €50,000***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €50,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### ***Risks related to the market generally***

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

### ***The secondary market generally***

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

### ***Legal investment considerations may restrict certain investments***

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

## OVERVIEW OF THE PROGRAMME

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

<b>Issuer:</b>	SABMiller plc, a public limited company incorporated in England
<b>Description:</b>	Euro Medium Term Note Programme
<b>Size:</b>	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.
<b>Arranger:</b>	Barclays Bank PLC
<b>Dealers:</b>	Barclays Bank PLC BNP Paribas J.P. Morgan Securities Ltd. Merrill Lynch International The Royal Bank of Scotland plc
	The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “Permanent Dealers” are to the persons listed above as Dealers 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.
<b>Fiscal Agent:</b>	The Bank of New York Mellon, London Branch
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) 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 “ <b>Tranche</b> ”) 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 “ <b>Final Terms</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes may be issued in bearer form (“ <b>Bearer Notes</b> ”) or in registered form (“ <b>Registered Notes</b> ”). Each Tranche of Bearer Notes that is a “registration required obligation” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“ <b>TEFRA</b> ”) will be (i) represented on issue by a temporary Global Note and exchanged into a permanent Global Note following the expiry of 40 days after their issue date or (ii) represented on issue by a Global Note that will not be offered, sold or delivered, directly or indirectly, within the United States or its possessions and otherwise will be issued in compliance with the C Rules (as defined in “Selling Restrictions” below). Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

<b>Clearing Systems:</b>	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).
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, if the relevant Global Note is a NGN, the Global Note 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, the Global Note representing Bearer Notes or the Certificate representing Registered Notes may be deposited with a Common Depository for Euroclear and Clearstream, Luxembourg. Global Notes or 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.
<b>Currencies:</b>	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).
<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity.
<b>Specified Denomination:</b>	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) 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 €50,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies).
<b>Fixed Rate Notes:</b>	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.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as specified in the relevant Final Terms and as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or</li> <li>(ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms),</li> </ul> <p style="padding-left: 40px;">as adjusted for any applicable margin.</p> <p style="padding-left: 40px;">Interest payment dates and periods will be specified in the relevant Final Terms.</p>
<b>Zero Coupon Notes:</b>	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.



<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “Terms and Conditions of the Notes”) will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes (as defined in “Terms and Conditions of the Notes”) or of interest in respect of Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes”) will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
<b>Interest Periods and Interest Rates:</b>	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.
<b>Redemption:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
<b>Redemption by Instalments:</b>	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Other Notes:</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms or a supplementary prospectus.
<b>Optional Redemption:</b>	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.
<b>Status of Notes:</b>	The Notes will constitute direct, unconditional and unsecured obligations of the Issuer all as described in “Terms and Conditions of the Notes – Status”.
<b>Negative Pledge:</b>	See “Terms and Conditions of the Notes – Negative Pledge”.
<b>Cross Default:</b>	See “Terms and Conditions of the Notes – Events of Default”.
<b>Ratings:</b>	<p>The Programme has been rated Baa1 by Moody’s Investors Service, Inc. and BAA+ by Standard &amp; Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc.</p> <p>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.</p> <p>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.</p>
<b>Early Redemption:</b>	Except as provided in “Optional Redemption” 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”.

<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes imposed by the United Kingdom, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer will, subject to customary exceptions (including the ICMA Standard EU Tax exemption Tax Language), be required to pay such additional amounts to cover the amounts so withheld or deducted, all as described in “Terms and Conditions of the Notes – Taxation”.
<b>Governing Law:</b>	English.
<b>Listing and Admission to Trading:</b>	Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified in the relevant Final Terms and references to “listing” (and related references) shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
<b>Redenomination, Renominalisation and/or Consolidation</b>	Notes denominated in a currency of a country that subsequently participates in the third stage of the European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.
<b>Selling Restrictions:</b>	<p>The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €50,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom and Japan. See “Subscription and Sale”.</p> <p>Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p>

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied 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, amended, supplemented or varied (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 as at the Issue Date, the “**Agency Agreement**”) dated 9 July 2009 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 9 July 2009 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**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

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

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

### **1 Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) shown hereon provided 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 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 €50,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

*All Registered Notes shall have the same Specified Denomination.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment 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. Instalment Notes are issued with one or more Receipts attached.

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 Receipts, 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, Receipt, 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 and the Receipts relating to it 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, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, 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, or payment of any Instalment Amount in respect 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 Receipts and 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 Receipts and Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 4, at all times rank at least equally with all other unsecured indebtedness and monetary obligations of the Issuer, present and future.

### 4 Negative Pledge

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

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

- (a) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the Notes;
- (b) any Security Interest arising by operation of law (including in favour of a tax authority in any jurisdiction) or incidental to the conduct of the business of that person or any Subsidiary of that person or the ownership of their property or assets, that do not materially impair the usefulness or marketability of those property or assets to that person;
- (c) any Security Interest on property or assets or shares or stock or other equity equivalents of a company or other legal entity existing at the time that company or other legal entity becomes a Subsidiary of the relevant person, or is liquidated or merged into, or amalgamated or consolidated with, the relevant person or a Subsidiary of the relevant person or at the time of the sale, lease or other disposition to that person or a Subsidiary of the relevant person of all or substantially all of the properties and assets of a company or other legal entity; and
- (d) any renewal, refunding or extension of any Security Interest referred to in paragraphs (a) to (c) (inclusive) above, provided that the principal amount of indebtedness secured by that Security Interest after the renewal, refunding or extension is not increased and the Security Interest is limited to the property or assets originally subject to the Security Interest and any improvements on the property or assets.

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

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

## 5 Interest and other Calculations

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

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest 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(h). 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 for Floating Rate Notes:* 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 for Floating Rate Notes

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 for Floating Rate Notes

(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.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

- (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 Trustee and 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).

- (iv) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (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)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **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).
- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts 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, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise specified hereon, the Minimum Rate of Interest shall be zero.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country or countries, as the case may be, of such currency.
- (h) **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.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment 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, Optional Redemption Amount or Instalment 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, Optional Redemption Amount or any Instalment 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.

- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

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

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

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30 and

“**D<sub>2</sub>**” 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<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30 and

“**D<sub>2</sub>**” 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<sub>2</sub>** will be 30

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls

“D<sub>1</sub>” 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<sub>1</sub> will be 30 and

“D<sub>2</sub>” 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<sub>2</sub> will be 30

(vii) if “Actual/Actual-ICMA” is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

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

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

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

“**Instalment Amount**” means the amount (if any) specified as such hereon

“**Instalment Date**” means the date (if any) specified as such hereon

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

“**Interest Amount**” means:

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

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

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

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual

Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

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

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

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

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

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

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

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

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

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

- (k) **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, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **6 Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) 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) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

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

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

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

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the

Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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

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

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

To exercise such option the holder must deposit (in the case of a Bearer Note) such Note (together with all unmatured Receipts and 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) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- (g) **Purchases:** Each of the Issuer and its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and 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 Receipts and 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 Receipts and 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 relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), 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 (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) 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 (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

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

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

**(f) Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or,

in the case of payment not being made in full, that proportion of the amount of such missing 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 or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked 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) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) 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.
  - (vi) 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, Receipt 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, the Receipts 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, Receipt 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, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note, Receipt or Coupon or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day or
- (c) **Withholding pursuant to EU Savings Directive:** where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt 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 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.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt 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), Receipt 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 Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

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

## 10 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of the outstanding Notes may give written notice to the Issuer and the Fiscal Agent at its specified office that the Notes shall become immediately due and payable, whereupon the Early Redemption Amount of each Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

- (i) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven London Business Days (in the case of principal) in the payment on the due date of interest or principal, as the case may be, in respect of any of the Notes or

- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after written notice of such default shall have been given to the Issuer and Fiscal Agent at its specified office by the holders of at least 25 per cent. in principal amount of the outstanding Notes, specifying such default and requiring it to be remedied and stating in such notice that 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, event of default (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries where such distress, attachment, execution or other legal process relates to an obligation the aggregate amount payable in respect of which exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) following upon a decree or judgment of a court of competent jurisdiction and is not discharged or stayed within 90 days or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries in respect of an obligation the aggregate amount payable in respect of which exceeds U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person) or
- (vi) **Insolvency:** the Issuer or any of its Principal Subsidiaries is insolvent or bankrupt or unable to pay its debts as they fall due, or stops, suspends or threatens to stop or suspend payment of any indebtedness of an amount greater than U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting any indebtedness of an amount greater than U.S.\$125,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) of the Issuer or any of its Principal Subsidiaries or
- (vii) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries or

- (viii) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of England is not taken, fulfilled or done or
- (ix) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (iv), (v), (vi) and (vii).

In these Conditions:

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

“**Principal Subsidiary**” means:

- (i) at any relevant time, a Consolidated Subsidiary of the Issuer whose net profits or gross assets (consolidated if such Consolidated Subsidiary itself has Consolidated Subsidiaries) attributable to the Issuer are not less than 10 per cent. of the consolidated net profits or, as the case may be, gross assets of the Issuer (attributable to the shareholders of the Issuer) as at the date of the then most recent published consolidated audited income statement or, as the case may be, balance sheet of the Issuer; provided that (a) if since the date of the most recent published consolidated audited income statement or, as the case may be, balance sheet of the Issuer, a Principal Subsidiary shall have ceased to be a Consolidated Subsidiary of the Issuer (if such Principal Subsidiary was, at such date, a Consolidated Subsidiary of the Issuer), it shall cease to be a Principal Subsidiary and (b) in the case of a Consolidated Subsidiary acquired after the date of the then most recent published consolidated audited income statement or, as the case may be, balance sheet, of the Issuer, for the purpose of applying each of the foregoing tests, the reference to the Issuer’s 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 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, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment 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, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to change the governing law of the Notes, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.*

- (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, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, 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, Receipts, 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, Receipt, 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, Receipts, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Receipts, 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, Coupon or Receipt 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, Coupon or Receipt 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, Coupon or Receipt, 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, Coupon or Receipt 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 Receipts, 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.

## 1 Initial Issue of Notes

If the Global Notes are stated in the Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes 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.

Global Notes which are issued in CGN form and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

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

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

## 2 Relationship of Accountholders with Clearing Systems

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

## 3 Exchange

### 3.1 Temporary Global Notes

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

- (i) is not a United States person as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “**Code**”); or
- (ii) is a United States person that (a) is a foreign branch of a U.S. financial institution (as defined in U.S. Treas. Reg. §1.165-12(c)(1)) purchasing for its own account or for resale or (b) acquired the Bearer Note through a non-U.S. branch of a U.S. financial institution and that holds the Bearer Note through such U.S. financial institution on the date of

such certification (provided in either case that such financial institution certifies that it will comply with Section 165(j)(3)(A), (B) or (C) of the Code and the Treasury Regulations promulgated thereunder); or

- (iii) is a financial institution that acquired the Bearer Note for purposes of resale during the period prior to the Exchange Date, and such financial institution further certifies in writing that it has not acquired the Bearer Note for purposes of resale directly or indirectly to a United States person or to a person within the United States.

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

### **3.2 Permanent Global Notes**

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

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

### **3.3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

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

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

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

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (a) if principal in respect of any Notes is not paid when due or (b) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

### **3.5 Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note

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

### 3.6 Exchange Date

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

## 4 Amendment to Conditions

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

### 4.1 Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation outside the United States of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement and as summarised in paragraph 3.1 above. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement outside the United States and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN, 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 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.

### 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 shall for the purposes of a meeting of Noteholders 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 and Instalment Amounts (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, 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 9 July 2009 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 Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## USE OF PROCEEDS

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

## 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 2009 and 31 March 2008, without material adjustment.

### Overview

SABMiller, together with its subsidiaries and associated companies, is, according to Plato Logic, one of the world's largest brewers, occupying a top-two market position by volume in many markets in which it operates, with group revenue<sup>1</sup>, operating profit and lager volumes for the year ended 31 March 2009 of U.S.\$25,302 million, U.S.\$3,148 million and 210 million hectolitres ("hl") respectively. As at 31 March 2009, the Group's total assets were U.S.\$31,619 million. The Group is also one of the largest bottlers and distributors of Coca-Cola products in the world.

The Group has brewing interests and distribution agreements across six continents, with a balance between fast-growing developing markets and cash-generative mature markets. The Group has a diverse portfolio of local, regional and global brands, including international premium beers such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft ("MGD") and Grolsch, along with leading local brands such as Aguila, Castle Lager, Snow and Tyskie. Six of the Group's brands are among the top 50 in the world according to Plato Logic.

SABMiller is a FTSE-100 company listed on the London and the Johannesburg stock exchanges. The Group has demonstrated significant growth, with market capitalisation growing from U.S.\$5,421 million as at 31 December 2000 to U.S.\$31,645 million as at 7 July 2009. Since the Group was first rated in 2003, SABMiller has been rated and currently is rated Baa1/stable outlook by Moody's and BBB+/stable outlook by S&P.

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

### *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 SABMiller obtained a controlling interest in the second largest brewer in South America, Bavaria S.A. ("Bavaria"), a Colombian company (the "Bavaria Transaction"). The Group now has operations in Colombia, Peru, Ecuador, El Salvador, Honduras and Panama.

#### **Europe**

The Group's expansion into Europe began in 1993 with the acquisition of Dreher in Hungary. The Group now has brewing operations in ten countries: the Canary Islands (Spain), the Czech Republic, Hungary, Italy, The Netherlands, Poland, Romania, Russia, Slovakia, and Ukraine. The Group also exports significant volumes to a further eight European markets of which the largest are the UK and Germany.

#### **North America**

The Group acquired Miller, the United States' second largest brewer, in 2002.

#### ***The MillerCoors Transaction***

The MillerCoors Transaction, which provided for a combination of the operations of SABMiller's and MolsonCoors' respective subsidiaries (Miller and CBC) located in the United States and Puerto Rico, into MillerCoors, was completed on 1 July 2008. As a result, SABMiller has a 58% economic interest and Molson Coors has a 42% 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. Under the terms of the MillerCoors Transaction Agreement, each of Molson Coors and SABMiller has agreed not to transfer its respective economic or voting interests in MillerCoors for a period of five years from 1 July 2008, and certain rights of first refusal will apply to any subsequent assignment of such interests. Both SABMiller and Molson

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

Coors have entered into appropriate contract brewing and service arrangements with MillerCoors. MillerCoors began operations on 1 July 2008.

In addition to the interest in MillerCoors, the North American segment also includes a 100% interest in the retained Miller business, principally comprising its international operations.

## **Africa and Asia**

The Group conducts operations in Africa in 15 countries – Angola, Botswana, Comores, Ethiopia, Ghana, Lesotho, Malawi, Mayotte, Mozambique, Nigeria, Swaziland, Sudan, Tanzania, Uganda and Zambia. In addition, the Group holds a 20% equity interest in a strategic alliance with Castel, which operates in 21 countries located principally in French-speaking Africa, and the Group has associated undertakings in Kenya and Zimbabwe. In Asia, the Group has operations in India and Vietnam, and in China through an associated company. The Group has an interest in Australia through Pacific Beverages, its joint venture with Coca-Cola Amatil Limited.

## **South Africa**

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

### ***The Black Economic Empowerment Transaction***

On 1 July 2009 SABMiller announced that it proposed to enter into a broad-based black empowerment transaction in South Africa (the “**Black Economic Empowerment Transaction**”), which will place approximately 10% of SAB Ltd under black ownership, in three groups comprising employees; licensed liquor retailers, liquor licence applicants, and customers of ABI; and the broader South African community, through the creation of a foundation (the “**SAB Foundation**”). At the end of the ten year transaction period, participants will exchange their shareholdings in SAB Ltd for shares in SABMiller.

## **Strategy**

### ***Business strategy***

The Group’s business strategy is based upon the following key priorities:

**Creating a balanced and attractive global spread of businesses:** The Group has a business portfolio that is balanced geographically with exposure to markets at different stages of development. This portfolio offers long-term growth in the form of new, developing markets while generating cash from profitable, developed markets. The Group will look to add to its portfolio of businesses when suitable value-enhancing opportunities occur.

**Developing strong, relevant brand portfolios in the local market:** By understanding the trends and preferences within each market, the Group continues to develop attractive brand portfolios that meet consumer needs on a range of different occasions and which appeal to their specific tastes. The Group will also look to both support its local premium brands such as Cusqueña in Peru and to assess the fast-growing, higher margin international premium lager segment by leveraging its portfolio of Peroni Nastro Azzurro, Pilsner Urquell, Grolsch and MGD.

**Constantly raising the performance of local businesses:** The Group will continue to focus on improving its strong operational performance across its businesses through continually raising its operational standards, which Management believes will allow the Group to keep ahead of the rest of the industry.

**Leveraging the Group’s global scale:** The Group will continue to focus on extracting maximum value from its global portfolio by applying best practices and internal management and production techniques to each of the Group’s operations. In this way, each operation benefits to the fullest extent from the skills, resources and experience of the Group as a whole.

### ***Financial strategy***

The Group is committed to maintaining a prudent financial profile that is reflected in a high quality investment-grade credit rating. Consistent with this commitment is the Group’s objective to optimise its overall capital structure, which it maintains by funding acquisitions where necessary through an appropriate mix of equity and debt. The Group’s strong financial structure also helps to

ensure that adequate resources are available to it from a variety of market sources to meet ongoing business needs, as well as to provide medium-term flexibility to assess investments in appropriate markets.

### **Competitive strengths**

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

#### ***Leading market positions***

The Group is one of the world's largest brewers, occupying a top two market position by volume in many markets in which it operates. Group associates and joint ventures hold the number one position in China and the number two position in the United States by volume, the two largest markets for beer globally. The US 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 approximately 91% of the total beer market by volume, and it holds strong market positions in the countries in which it operates in Europe, Latin America and Asia and Africa. The Group is also one of the largest bottlers and distributors of Coca-Cola products in the world.

#### ***Geographic diversification***

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

#### ***A strong and comprehensive brand portfolio***

The Group has a broad portfolio of local lager brands and has six lager brands in the top 50 world ranking, according to Plato Logic. The Group has 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, international brands and Management believes that Grolsch, MGD, Peroni Nastro Azzurro, and Pilsner Urquell provide the Group with a strong international brand portfolio well placed to capture growth.

#### ***A strong cash generative business***

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

#### ***Conservative financial policies***

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

#### ***A highly experienced Management team with an outstanding track record in integrating and managing assets***

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

### **Licences**

Within Europe, Compañía Cerveçera de Canarias (in the Canary Islands) brews Carlsberg under licence, Dreher (in Hungary) brews Hofbräu under licence, SABMiller RUS (in Russia) brews Holsten under licence and Birra Peroni (in Italy) brews Kronenbourg and Tourtel under licence. MillerCoors produces and markets Foster's Lager under licence in the United States. Tanzania Breweries Limited brews brands owned by East African Breweries Limited under licence. Honduras, El Salvador, ABI and certain businesses of the Group in African countries are reliant for their Coca-Cola businesses

on franchise agreements with The Coca-Cola Company. The business in Panama produces and bottles PepsiCo soft drinks under an exclusive bottling agreement, and also bottles Schweppes soft drinks under licence. Some of the Group's brands are also produced under licence, in particular in Canada.

### New products, research and development

The Group invests in research and development leading to new products, packages and processes, as well as new manufacturing technologies to improve overall operational effectiveness. The Group's upstream scientific research yields solid progress in brewing, raw materials, flavour stability, packaging materials and environmental performances. During the year ended 31 March 2009, the aggregate amount spent by the Group on research and development was U.S.\$7 million, as compared to U.S.\$9 million in 2008.

### Overview by business segment

	<i>Year ended 31 March 2009</i>	<i>Year ended 31 March 2008</i>	<i>Year ended 31 March 2007</i>
<i>(in U.S.\$ millions)</i>			
<b>Group Revenue (including share of associates and joint ventures)</b>			
Latin America .....	5,495	5,251	4,392
Europe .....	6,145	5,248	4,078
North America .....	5,227	5,120	4,887
Africa and Asia .....	4,132	3,367	2,674
South Africa: Beverages .....	3,955	4,446	4,274
South Africa: Hotels and Gaming .....	348	396	340
<b>Total</b>	<b>25,302</b>	<b>23,828</b>	<b>20,645</b>
	<i>2009</i>	<i>2008</i>	<i>2007</i>
<b>Revenue</b>			
Latin America .....	5,484	5,239	4,373
Europe .....	6,118	5,242	4,078
North America .....	1,553	5,120	4,887
Africa and Asia .....	2,085	1,853	1,455
South Africa: Beverages .....	3,463	3,956	3,827
South Africa: Hotels and Gaming .....	—	—	—
<b>Total</b>	<b>18,703</b>	<b>21,410</b>	<b>18,620</b>

### 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% minority interest in Bevco, which increased SABMiller's interest to 100%.

In October 2005, the Group completed the Bavaria Transaction, involving the second largest brewer in South America in terms of volume of beer sold (including sales of malt beverages), with established local brands, a strong production base 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, Bavaria has a presence in the non-alcoholic beverage markets in certain countries, primarily Colombia and Panama.

As at 31 March 2009, according to Management estimates, Group companies were the number one brewer, in terms of market share, in Colombia, El Salvador, Ecuador, Honduras, Panama and Peru. The Group bottles soft drinks for The Coca-Cola Company in El Salvador and Honduras and owns the Pepsi bottlership in Panama. The Group has a total of 17 breweries and 16 soft drinks bottling

plants. Key local lager brands include: Aguila; Atlas; Balboa; Barena; Cristal; Club; Club Colombia; Costeña; Cusqueña; Pilsen Callao; Golden Light; Pilsen; Poker; Pilsener; Port Royal and Salva Vida.

In February 2009 Bavaria disposed of its Agua Brisa bottled water business and assets, and in March 2009 subsidiaries of Bavaria disposed of Bebidas y Aguas Gaseosa Occidente SRL, the Group's Pepsi bottling operations in Bolivia. Together these disposals generated a profit of U.S.\$89 million. As a result, the Group no longer has any operations in Bolivia.

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

<i>Country</i>	<i>Number of breweries **</i>	<i>Total lager volume for year ended 31 March 2009* (million hl)</i>	<i>Number of soft drinks bottling plants**</i>	<i>Total soft drinks volume for year ended 31 March 2009* (million hl)</i>
Colombia.....	7	18.6	7	4.9
Peru .....	5	10.2	2	0.9
Ecuador .....	2	4.7	2	0.4
Panama.....	1	1.7	2	1.3
Bolivia .....	—	—	—	1.1
Honduras .....	1	1.1	1	4.6
El Salvador.....	1	0.8	2	5.4
<b>Total.....</b>	<b>17</b>	<b>37.1</b>	<b>16</b>	<b>18.5</b>

Source: SABMiller

Notes

\* Includes 100% of subsidiaries volumes, and the Group's share of associates' volumes.

\*\* Breweries and soft drinks bottling plants relate to subsidiaries only.

The Group had a monthly average number of employees of approximately 24,793 in Latin America for the year ended 31 March 2009.

### **Colombia**

Bavaria is the largest beverage company in Colombia based on sales volumes according to Plato Logic. Lager production is Bavaria's principal operating activity in Colombia, generating sales volume of 18.6 million hl for the year ended 31 March 2009. Bavaria also produces malt beverages for the Colombian market.

#### *Lager*

Bavaria currently operates seven breweries in Colombia.

Bavaria serves all the provinces of Colombia and its brands are Aguila, Poker, Costeña, Pilsen, Costeñita, Cola y Pola, Aguila Light, Club Colombia, Peroni Nastro Azzurro and Redd's. Aguila and Poker are Bavaria's leading Colombian beer brands, accounting for 34% and 33% respectively of Bavaria's total beer consumption in Colombia for the year ended 31 March 2009. Bavaria's share of the total Colombian beer market in that period was 98%, according to Management estimates. Bavaria's brand portfolio includes all the historically most popular Colombian beers.

In Colombia, Bavaria outsources nearly all its distribution requirements to independent distributors located throughout the country who distribute Bavaria's products on an exclusive basis.

#### *Soft drinks*

Bavaria produces malt beverages under the Pony Malta brand. For the year ended 31 March 2009, Pony Malta constituted approximately 7% of the Colombian total non-alcoholic beverages market, and substantially all of the non-alcoholic malt beverages market according to Management estimates. Bavaria's sales volume of malt beverages for the year ended 31 March 2009 was 2.5 million hl.



Until February 2009 Bavaria produced bottled water under the Agua Brisa and the Agua Brisa con Gas brands. Bottled water represented a sales volume of 2.3 million hl for the year ended 31 March 2009. In February 2009 Bavaria disposed of the Agua Brisa water business.

Bavaria's average number of employees in Colombia for the year ended 31 March 2009 was approximately 7,891.

### ***Peru***

The Group carries out its lager and soft drinks operations in Peru principally through Union de Cervecerías Peruanas Backus y Johnston S.A.A. ("**Backus**"). As at 31 March 2009, the Group had an effective economic interest of 93.3% in Backus. Backus is the largest beer company in Peru by volume according to Plato Logic.

#### ***Lager***

Backus currently operates five breweries in Peru. Backus' most popular brand in Peru is Cristal which accounted for 43% of Backus' Peruvian lager sales for the year ended 31 March 2009 and 37% of the total Peruvian beer market for the month of March 2009. According to Management estimates, Backus' share of the total Peruvian beer market for the year ended 31 March 2009 was 86%.

Backus' other main brands in Peru include Cusqueña, Malta Cusqueña and Peroni Nastro Azzurro in the premium segment, Arequipeña, Pilsen Callao, San Juan and Malta Polar in the mainstream market and Pilsen Trujillo and Del Altiplano in the value segment. In Peru, the market has become increasingly competitive with the entry of a second competitor in the economy segment, but the Pilsen Trujillo brand has been successfully repositioned nationally to react to low priced competition. Premium volumes and share have improved with the relaunch of Cusqueña in the premium segment, partially offsetting the mix impact of the growth of the economy segment.

#### ***Soft drinks***

Backus produces, bottles and distributes the Agua Tónica Backus, Guaraná Backus, Saboré Backus and Viva Backus soft drink brands throughout Peru. According to Management estimates, these brands represented approximately 4% of the Peruvian carbonated soft drinks market in the month of March 2009. Backus also produces both carbonated and non-carbonated bottled water under the Cristalina Backus and San Mateo brands. According to Management estimates, in the month of March 2009, Backus' water brands represented approximately 8% of the Peruvian bottled water market.

Backus' average number of employees in Peru for the year ended 31 March 2009 was approximately 5,888.

### ***Ecuador***

The Group carries out its operations in Ecuador through Cerveceria Nacional (CN) S.A. ("**CN Ecuador**"). As at 31 March 2009, the Group's effective interest in CN Ecuador was 94.5%.

#### ***Lager***

According to Management estimates, the Group had a 96% share of the beer market in Ecuador for the year ended 31 March 2009. The principal brands sold in Ecuador are Pilsener, Club and Dorada.

#### ***Soft drinks***

CN Ecuador produces and imports malt beverages under the Pony Malta brand and produces bottled carbonated water under the Manantial brand.

The average number of employees in Ecuador for the year ended 31 March 2009 was approximately 3,282.

### ***Panama***

Cervecería Nacional S.A. ("**Cervecería Nacional**") is the Group's principal lager and beverage producer in Panama. The Panamanian operations are the most diversified of the four principal countries in the Group's operations in South America.

### *Lager*

Cervecería Nacional's beer sales in Panama represented 75% of the total Panamanian market for the year ended 31 March 2009, according to Management estimates. Cervecería Nacional produces the Atlas and Balboa and malt brands in Panama. Cervecería Nacional also imports and distributes Corona Extra and Miller Genuine Draft. Cervecería Nacional's most popular brand in Panama is Atlas.

### *Soft drinks*

The Group's Panamanian subsidiaries have produced and bottled PepsiCo soft drinks, including Pepsi, Mirinda and 7UP pursuant to exclusive bottling agreements with Pepsi Cola Company since 1946 and also produce and bottle Dr Pepper Snapple Group soft drinks including Orange Crush, Squirt, Canada Dry Ginger Ale, and club soda and tonic water. The Group has approximately 37% by volume of the Panamanian soft drinks market, according to Management estimates.

Cervecería Nacional produces and bottles fresh milk goods at its Nevada plant. Cervecería Nacional sells juice under the Tampico, Lusita and Tutti Frutti brands.

The Group's average number of employees in Panama for the year ended 31 March 2009 was approximately 1,660.

### **Honduras**

The Group operates in Honduras principally through its subsidiary Cervecería Hondureña S.A. ("CHSA").

### *Lager*

According to Management estimates, the Group's lines of brands and imports account for approximately 96% of the Honduran beer market by volume. CHSA is the sole domestic brewer in Honduras. The Group's proprietary domestic brands in Honduras include Barena, Imperial, Port Royal and Salva Vida.

### *Soft drinks*

According to Management estimates, CHSA is the market leader for soft drinks in Honduras, accounting for approximately 53% of the Honduran soft drink market by volume for the year ended 31 March 2009. It is also the exclusive bottler in Honduras for the Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca and Canada Dry brands.

The Group's average number of employees in Honduras for the year ended 31 March 2009 was approximately 3,410.

### **El Salvador**

The Group operates in El Salvador principally through its subsidiary, Industrias la Constancia S.A. ("ILC").

### *Lager*

The Group's lines of brands and imports accounted for approximately 93% of the Salvadoran beer market by volume for the year ended 31 March 2009, according to Management estimates. The Group's domestic brands in El Salvador include Bahia, Suprema, Golden Light, Pilsener, Imperial, Barrilito and Regia Extra. It also imports and distributes Corona Extra.

### *Soft drinks*

ILC is a significant producer and distributor of soft drinks in El Salvador with approximately 52% by volume of the market for the year ended 31 March 2009 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 a wide range of non-carbonated soft drinks, including short life juices, extended life juices, cordials and isotonic beverages.

The Group's average number of employees in El Salvador for the year ended 31 March 2009 was approximately 2,472.

### **Europe**

The Group's expansion into mainland Europe began in 1993 with the acquisition of Dreher in Hungary, followed by further significant investments in Poland, the Czech Republic, Italy and, in

2008, The Netherlands. The Group is now one of the region's leading brewers with brewing operations in ten countries: The Netherlands, Poland, the Czech Republic, Italy, Russia, Romania, Hungary, Slovakia, Ukraine and the Canary Islands (Spain). The Group currently owns 23 breweries across Europe. The Group also exports significant volumes to a further eight European markets, of which the largest are the UK and Germany.

The European markets are divided into lower per capita consumption markets, where the emphasis of the Group is on volume growth, such as Romania and Russia, and higher per capita consumption markets, such as the Czech Republic, Hungary and Slovakia, where the emphasis of the Group is on cash generation and margin enhancement.

At the end of 2008, Group companies held the number one or two market position, by volume, in six European countries in which the Group operated, according to Canadean, and held a firm position in the premium sector of the growing Russian market. The Group's earnings in Europe are principally derived from its operations in the Czech Republic, Poland and Russia.

In February 2008, the Group completed the acquisition of Royal Grolsch (the "Grolsch Transaction"). Royal Grolsch is a brewer based in The Netherlands with an international presence in the United Kingdom, the United States, Canada, France, Australia and New Zealand, whose main brand, Grolsch Premium Pilsner, represented approximately 93% of Royal Grolsch's total beer sales volume in The Netherlands in the year ended 31 March 2009.

In June 2008, the Group acquired the Russian brewer, LLC Vladpivo, which has subsequently been merged into the Group's Russian subsidiary, SABMiller RUS. SABMiller RUS is now the largest brewer in the Russian far east Primorie region.

In July 2008, the Group acquired a 99.84% interest in the Ukrainian brewer, CJSC Sarmat.

In April 2009, the Group's Romanian subsidiary, Ursus Breweries S.A. ("Ursus") acquired a 71% interest in the Romanian brewer Bere Azuga. In accordance with local securities laws, Ursus will launch a mandatory public tender offer for the shares it does not own.

In May 2009, SABMiller acquired the outstanding 28.1% minority interest in its Polish subsidiary, Kompania Piwowarska S.A. from Kulczyk Holding S.A. ('Kulczyk') in exchange for 60 million new SABMiller shares.

### Operations

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

<i>Country</i>	<i>Number of breweries</i>	<i>Total lager volume for year ended 31 March 2009* (million hl)</i>
Poland .....	4	15.1
Czech Republic .....	3	8.5
Italy .....	3	3.8
Russia.....	2	5.8
The Netherlands.....	1	2.2
Romania.....	4	5.9
Hungary .....	1	2.0
Slovakia.....	2	1.5
Canary Islands.....	2	0.9
Miller Brands (UK) <sup>1</sup> .....	—	0.8
Ukraine	1	0.8
<b>Total</b> .....	<b>23</b>	<b>47.2</b>

Source: SABMiller

Notes

1. There are no brewery facilities in the UK.

\*Includes 100% of subsidiaries' volumes, and the Group's share of associates' volumes.

## ***Employees***

The Group's monthly average number of employees in Europe for the year ended 31 March 2009 was approximately 15,987.

### ***Poland***

In Poland, beer consumption per capita grew by 86% between 1998 and 2008, according to Canadean. According to Management, the Group increased its market share in Poland to an estimated 43% for the year ended 31 March 2009, with healthy market share gains from the previous financial year.

In August 2007, SABMiller's Polish subsidiary, Kompania Piwowarska SA ("KP") announced the acquisition of 99.96% of Browar Belgia from Palm Breweries N.V. The acquisition was completed in January 2008, following receipt of clearance from the Polish Office of Competition and Consumer Protection.

As of 31 March 2009, SABMiller had four Polish breweries: Lech Browary in Poznan in western Poland, Tyskie Browary Książce in Tychy in southern Poland, Browar Dojlidy in Białystok in northeastern Poland and Browar Belgia in Kielce in central Poland. Further capacity expansion at Poznan for the year ended 31 March 2009 brought total brewing capacity in Poland to 19 million hl. The Group's Polish business grew 3% by volume on an organic basis for the year ended 31 March 2009.

In May 2009, SABMiller acquired the outstanding 28.1% minority interest in KP S.A. from Kulczyk in exchange for 60 million new SABMiller shares. Following completion of the transaction on 29 May 2009, Kulczyk held approximately 3.82% of the enlarged issued share capital of SABMiller.

The Group's Tyskie brand is the leading beer brand in Poland, with sales of 6.1 million hl for the year ended 31 March 2009. Following its relaunch, the Zubr brand has become the number two beer brand in Poland, showing volume growth of 2% for the year ended 31 March 2009.

KP's average number of employees for the year ended 31 March 2009 was approximately 3,349.

### ***Czech Republic***

The Group is the leading brewer in the Czech Republic, with, as estimated by Management, over 49% of the beer market by volume as of 31 March 2009, primarily due to the Group's strong brands of Gambrinus and Pilsner Urquell. SABMiller's operations comprise three breweries: Plzeňský Prazdroj, Pivovar Radegast and Pivovar Velké Popovice. Major brands sold in the Czech Republic are Pilsner Urquell, Gambrinus, Radegast and Kozel, and the non-alcoholic Birell.

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

The Group's average number of employees in the Czech Republic for the year ended 31 March 2009 was approximately 2,569.

### ***Italy***

In June 2003, SABMiller completed the acquisition of an initial stake of 60% of Birra Peroni for a cash consideration of €246 million (U.S.\$299 million including acquisition costs). The transaction represented SABMiller's first major investment in Western Europe. In February 2005, SABMiller acquired a further 39.8% interest in Birra Peroni at a cost of U.S.\$205 million, thus increasing SABMiller's effective interest in Birra Peroni to 99.8%.

According to Canadean, in 2008 the Italian beer market was Western Europe's fifth largest, by volume (estimated by Management now at 17.4 million hl). According to Canadean, between 2004 and 2008, the Italian market experienced compound annual volume growth of 1.4%, but Management estimate that the market declined 3% in the most recent financial year. According to Canadean, between 1998 and 2008, per capita beer consumption in Italy increased by 15% from 27 litres to 32 litres, still among the lowest in Europe compared to the Western European average of 73 litres per capita.

According to Canadean, Birra Peroni held the number two position in the Italian beer market by volume for 2008. Birra Peroni had total sales of 3.8 million hl for the year ended 31 March 2009. At 31 March 2009, Birra Peroni had an approximate 21% share of the Italian beer market for

branded volume, according to Management estimates. Birra Peroni's brand portfolio includes two of the top six brands in Italy. According to Management, the Peroni brand is number one in Italy with an estimated 13% share of the market in 2009 and is one of the oldest brands in the country, dating back to 1846. Nastro Azzurro, another of the Birra Peroni brands, is among the top premium brands in the country, with an estimated 4% share of the Italian market in 2009. Birra Peroni primarily exports its brands to the United Kingdom and the United States, and continues to develop and grow its export revenues.

Birra Peroni has three breweries in Italy located in Rome, Padua and Bari. The Rome and Bari breweries have recently been expanded to satisfy ongoing export demand and total capacity in Italy to 6.4 million hl. During July 2008 a fire occurred in cellars at the Bari brewery but the brewery has now returned to full production.

The Group's average number of employees in Italy for the year ended 31 March 2009 was approximately 1,902.

### ***Russia***

According to Rosstat, the Russian beer market for the calendar year 2008 was approximately 114 million hl per year with production volumes down 2%. According to Rosstat, the beer market in Russia grew 49% between 2003 and 2008, and, although the market is currently in decline, it is expected to continue to grow over the medium term, albeit at a slower rate, due in large part to a trend to move away from spirits, particularly among the urban population.

The Group initially established its operations in western Russia to take advantage of that region's concentrated population and higher average incomes. In June 2008, the Group acquired the Russian brewer LLC Vladpivo. LLC Vladpivo was the largest brewer in the Russian far east Primorie region and its integration into the Russian business was completed in March 2009.

The Group produces, markets and distributes lager in Russia from its breweries in Kaluga and Vladivostok. A third production site at Ulyanovsk, 1000km east of Moscow, was commissioned in June 2009 with an initial commissioned capacity of 3 million hl but on a site which can be easily expanded to 4 million hl.

The Group's brands in Russia are focused in the worthmore premium segment of the market. According to Business Analytica, the premium lager segment in the first four months of 2009 has a 36% share of the Russian lager market. The Group's main proprietary domestic brand is Zolotaya Bochka, and the Group also manufactures and distributes MGD, Holsten (under licence), Kozel and Redd's. The Group's lager volumes in Russia fell by 1% for the year ended 31 March 2009 and Management estimates it has a 6% market share by volume but a 10% share by value given the Group's focus on the premium segment in Russia.

The Group's average number of employees in Russia for the year ended 31 March 2009 was approximately 2,279.

### ***The Netherlands***

In February 2008, the Group completed the Grolsch Transaction. The listing of the Royal Grolsch shares was terminated on 20 March 2008.

According to Canadean, in 2008 The Netherlands beer market was Western Europe's sixth largest by volume (and is now estimated at 11 million hl). According to Canadean, between 2004 and 2008, the Dutch market experienced compound annual volume decline of 0.4%, but Management estimate that the market declined by 4% in the most recent financial year. According to Canadean, between 1998 and 2008 per capita beer consumption in The Netherlands decreased by 8.5% from 85 litres to 78 litres and is marginally above the Western European average of 73 litres per capita.

According to Management estimates, Royal Grolsch has an estimated 13% share of The Netherlands beer market by volume as of 31 March 2009 and sold 2.2 million hl for the year ended 31 March 2009. Its primary brand is Grolsch Premium Pilsner, which is an iconic Dutch brand with almost 400 years of brewing heritage and represents approximately 93% of Royal Grolsch's domestic 2009 volumes. Other brands of the Group sold in The Netherlands are Grolsch Premium Weizen, Lente Bok and Herfst Bok as well as the Amsterdam brand.

Grolsch Premium Pilsner is also currently sold primarily in the United States, United Kingdom, Canada and Australia and is exported to approximately 70 countries. Potential growth of the Grolsch Premium Pilsner 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.

In 2004, Royal Grolsch completed the construction of a state of the art brewery with capacity of approximately 3.2 million hl which has the capacity to accommodate significant international growth of the Grolsch brand while also providing the opportunity to brew other international brands for sale in The Netherlands and to export to key markets.

The average number of employees for Royal Grolsch for the year ended 31 March 2009 was 902.

### ***Other European operations***

The Group's Romanian business, Ursus, had a market share of approximately 29% for the year ended 31 March 2009, according to Management estimates. Its main proprietary domestic brands are Ursus Premium, Timisoreana Lux and Ciucas, and it is expanding its premium portfolio by selectively rolling out Redd's and Peroni Nastro Azzurro. To cater for recent volume growth, capacity has recently been expanded to over 7.5 million hl.

In April 2009, Ursus acquired a 71% interest in the Romanian brewer Bere Azuga. In accordance with local securities laws, Ursus will launch a mandatory public tender offer for the shares it does not own.

In Hungary, 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 Aszok. Dreher also brews Hofbrau under licence. Dreher had a market share of approximately 29% for the year ended 31 March 2009, according to Management estimates.

In Slovakia, Pivovary Topvar is the second largest brewing company by volume according to Plato Logic. 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 in the Canary Islands produces Dorada and Tropical, which are local brands.

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

In July 2008, the Group acquired a 99.84% interest in the Ukrainian brewer, CJSC Sarmat, which owns one brewery based in the city of Donetsk in the east of the country and has one primary brand, Sarmat. The Group is continuing with its integration and is now expanding the brand portfolio with the recent launch and rollout of the Group's Kozel and Zolotaya Bochka brands.

### **North America**

During the period from 31 March 2006 to 30 June 2008, the Group's subsidiary Miller conducted its operations predominantly in the United States, where it was the second-largest brewing company. Until 30 June 2008 Miller's results were consolidated within the Group's financial statements. On 1 July 2008, the MillerCoors Transaction was completed. As a result, SABMiller has a 58% economic interest and Molson Coors has a 42% economic interest in MillerCoors. As part of the MillerCoors Transaction, Miller transferred substantially the entirety of its operating assets (excluding its international assets, which represent a small percentage of Miller's total operating assets) to MillerCoors. MillerCoors is accounted for as a joint venture using equity accounting by SABMiller. As a result, after the completion of the MillerCoors Transaction, the Group's share of profits in MillerCoors is reflected in the Group's share of post-tax results of joint ventures, but not in the Group's revenue, operating profit or EBITDA.

MillerCoors competes in every major category of the US beer industry, including the Import, Premium Light, Premium Regular and Craft categories. The Premium Light, Import and Craft categories have historically represented the growth segments in the US industry. MillerCoors's core brand families, Miller Lite, Coors Light and MGD 64 (Premium Light), MGD and Coors Banquet, (Premium Regular), Miller High Life and Keystone Light and Milwaukee's Best (Below-Premium), Peroni Nastro Azzurro (Import) and Blue Moon and Leinenkugel's (Craft), accounted for approximately 88% of MillerCoors's total domestic volume in the United States during the year ended 31 March 2009, excluding contract brewing.

The import segment brands include Pilsner Urquell, and Peroni Nastro Azzurro. In July 2008, the Group completed an agreement with Anheuser-Busch Companies, Inc. to transfer the US importation rights for the Grolsch brand to MillerCoors.

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

- **Building a Stronger Brand Portfolio and Giving Consumers More Choice**  
The combined company will have a more complete and differentiated brand portfolio and the ability to invest more effectively in marketing its brands to consumers. MillerCoors will build on the unique attributes of both Miller Lite and Coors Light to ensure compelling differentiation. It is also expected that MillerCoors will be better positioned to meet the increasingly diverse demands of US alcohol beverage consumers through the joint venture's sale of imports like Peroni Nastro Azzurro and Pilsner Urquell; craft varieties including Leinenkugel's, Blue Moon and Henry Weinhard's; and specialty beers like Miller Chill, Killian's and Sparks. MillerCoors will have more flexibility and resources for brand-building initiatives and increased levels of innovation in taste, product attributes and packaging.
- **Capturing Synergies and Improving Productivity**  
The combination of the businesses is expected to result in significant annual cost synergies which are primarily expected to come from optimisation of production over the existing brewery network, reduced shipping distances, economies of scale in brewery operations and the elimination of duplication in corporate and marketing services.
- **Creating a More Effective Competitor**  
MillerCoors creates a stronger US brewer with the scale, operational efficiency and distribution platform to compete more effectively in the US against large-scale brewers, both domestic and global, craft brewers, and wine and spirits producers. It is anticipated that MillerCoors will be positioned to respond more effectively to the needs of a consolidating distributor and retailer market, as well as to the cost pressures in the industry.
- **Improving the Route to Market and Benefiting Distributors and Retailers**  
By leveraging complementary geographic strengths and distribution systems where state law or voluntary transactions enable it to do so, MillerCoors will be able to better align production with consumer location. Prior to the formation of MillerCoors, approximately 60% of the volume of the combined operation utilised a shared distributor network, and the companies anticipate that this combined network will produce enhanced distributor effectiveness. As of the end of 2008, volume through the combined distributor network had increased to 69% of the MillerCoors' total. MillerCoors will also have greater capacity to invest to meet the diverse product, packaging and service requirements of increasingly demanding consumers, distributors and the retail trade. In addition, streamlined processes and systems and more effective marketing programmes will help improve distributors' ability to compete and will ultimately benefit retailers and consumers.
- **Optimising Organisational Strength**  
MillerCoors will focus on creating a high-performing, results and value-based culture which will take the best elements of both companies to create a competitive organisation, capable of the highest standards of operational and service excellence in the industry. They will continue to comply with all provisions of existing labour agreements.

### ***Products***

MillerCoors sells a wide variety of brands in the United States. Its flagship light brands are Coors Light and Miller Lite. Brands in the domestic premium segment include Coors Banquet, Miller Genuine Draft and MGD 64. Brands in the domestic super premium segment include Miller Chill and Sparks.

Brands in the below premium segment include Miller High Life, Keystone Light, Icehouse, Mickey's, Milwaukee's Best Light and Old English 800. Craft and import brands include the Blue Moon brands, Henry Weinhard's, George Killian's Irish Red, the Leinenkugel's brands, the Molson brands, Foster's, Peroni Nastro Azzurro, Pilsner Urquell and Grolsch. Brands in the non-alcoholic segment include Coors Non-Alcoholic and Sharp's.

## ***Employees***

MillerCoors has approximately 9,000 employees. Approximately 33% of its work force is represented by unions.

## ***Sales and Distribution***

MillerCoors is currently the second-largest brewer by volume in the United States, with an approximate 29% market share according to Plato Logic. MillerCoors produces, markets, and sells a broad portfolio of brands in the United States and Puerto Rico.

In the United States, beer is generally distributed through a three-tier system consisting of manufacturers, distributors and retailers. A national network of approximately 700 independent distributors purchases MillerCoors' products and distributes them to retail accounts. MillerCoors estimates that approximately 19% of product is sold on-premise in bars and restaurants, and the other 81% is sold off-premise in liquor stores, convenience stores, grocery stores, and other retail outlets. MillerCoors wholly owns a distributorship, which handled less than 1% of their total volume in 2008.

## ***Brewing and Packaging Facilities***

There are eight major breweries/packaging facilities which provide MillerCoors products to distributors across the United States and Puerto Rico. The breweries have capacity to brew and package approximately 100 million hectolitres of beer annually. MillerCoors imports Molson brands and a portion of another US brand volume from various Molson breweries. MillerCoors imports Peroni Nastro Azzurro, Pilsner Urquell, Grolsch, and other smaller import brands from the Group.

## ***Contract Manufacturing***

MillerCoors has an agreement with S&P Company whereby MillerCoors will brew, package, and ship products for sale to the Pabst Brewing Company until 2014. Additionally, MillerCoors produces beer under contract for Miller Brewing International, Coors Brewing Company and Foster's LLC.

## ***Competitive Conditions***

### ***Known Trends and Competitive Conditions***

Industry and competitive information in this section and elsewhere in this report was compiled from various industry sources, including beverage analyst reports (Beer Marketer's Insights, Impact Databank and The Beer Institute), and MillerCoors' distributors. While Management believes that these sources are reliable, it cannot guarantee the accuracy of data and estimates obtained from these sources.

### ***2008 US Beer Industry Overview***

The beer industry in the United States is highly competitive, and the two largest brewers, of which MillerCoors is the smaller, account for approximately 78% of the category. The combination of Miller and Coors in mid-2008 was designed to create a stronger US brewer with the scale, operational efficiency and distribution platform to compete more effectively against larger brewers, both domestic and global. Growing or even maintaining market share has required increasing investments in marketing. US beer industry shipments had an annual growth rate during the past 10 years of 1.0%, compared with 0.7% in 2008. Front-line pricing pressure and discounting in the US beer industry was less intense in 2008, 2007 and 2006, contrasted with a high level of promotions in the second half of 2005.

### ***Miller Coors' Competitive Position***

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 *Beer Marketer's Insights* estimates, MillerCoors is the nation's second-largest brewer, selling approximately 29% of the total 2008 US brewing industry shipments (including exports and US shipments of imports). This compares to A-B InBev's 49% share.

MillerCoors' malt beverages also compete with other alcohol 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 alcohol beverage market.



## Africa and Asia

### Africa

As of 31 March 2009, the Group operated in 15 countries in Africa with 14 lager breweries, 15 soft drinks bottling plants and 15 sorghum breweries. Tanzania has the highest volume of lager sales in the Group's Africa operations.

The Group has a strategic alliance with Castel, pursuant to which Castel has a 38% economic interest in SABMiller Africa B.V. and SABMiller Botswana B.V. and the Group has a 20% economic interest in Castel's African beverage operations. This alliance capitalises on the complementary nature of the companies' geographic portfolios. Castel has lager and soft drinks interests in 21 largely French speaking countries of West, Central and North Africa. 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, Mali, Morocco, Niger, Nigeria, Senegal, Tunisia and Togo. In addition the Group has associated undertakings in Kenya and Zimbabwe.

It is intended that future entry into the remaining African markets will be undertaken in conjunction with Castel, with day to day management allocated according to geographical proximity to their respective operations and language capabilities. For the year ended 31 March 2009, the Group's share of Castel's African beverage operations' lager volumes was 4.0 million hl and total soft drinks volumes was 15.1 million hl.

In the premium segment, SABMiller has launched Peroni Nastro Azzurro in nine African markets with good initial results, and Grolsch is soon to be launched in Uganda.

The Group also bottles soft drinks for The Coca Cola Company in seven African markets.

The Group's average number of employees in Africa for the year ended 31 March 2009 was approximately 9,078.

### Operations

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

<i>Country</i>	<i>Number of breweries*</i>	<i>Total lager volumes for year ended 31 March 2009** (million hl)</i>
Angola.....	—	0.3
Algeria.....	—	0.1
Botswana.....	1	0.6
Ghana.....	1	0.3
Kenya.....	—	0.9
Lesotho.....	1	0.3
Morocco.....	—	0.3
Mozambique.....	2	1.4
Nigeria.....	1	—
Southern Sudan.....	1	—
Swaziland.....	1	0.2
Tanzania.....	3	2.7
Uganda.....	1	1.0
Zambia.....	2	0.6
Zimbabwe.....	—	—
Castel.....	—	4.0
<b>Total.....</b>	<b>14</b>	<b>12.7</b>

Source: SABMiller

Notes

\* Subsidiaries only.

\*\* Includes 100% of subsidiaries' volumes, and the Group's share of associates' volumes.

### *Botswana*

Kgalagadi Breweries (Pty) Limited is the only domestic producer of lager in Botswana, with an overall market share of approximately 91% for the year ended 31 March 2009, according to Management estimates. Its main brands are St. Louis, Castle Lager and Hansa Pilsener. The Group has an effective economic interest of 31% in Kgalagadi Breweries (Pty) Limited, which also bottles soft drinks under a franchise arrangement with The Coca-Cola Company.

### *Tanzania*

Tanzania Breweries Limited (“**Tanzania Breweries**”), which is listed on the Dar-es-Salaam Stock Exchange, owns Tanzania’s most popular beer brands (Kilimanjaro and Safari Lager) and is licensed to produce and distribute other brands, including Castle Lager and Tusker in Tanzania. The Group has an effective economic interest of 33% in Tanzania Breweries.

According to Canadean, the Tanzanian beer market has experienced a steady rate of growth in per capita consumption in recent years, although the per capita beer consumption in 2008 remains low at 10.1 litres per annum.

Since December 2002, the Group’s operations have included those of Kibo Breweries Limited (“**Kibo**”), a former subsidiary of Tanzania Breweries’ major competitor, East African Breweries Limited, which sold Kibo to the Group in exchange for a 20% shareholding in Tanzania Breweries. Brands previously produced and sold by Kibo are now produced and sold under licence by Tanzania Breweries. The Group’s share of the Tanzanian beer market was approximately 96% for the year ended 31 December 2008, according to Plato Logic. The Group is currently building a new 0.5 million hl brewery in the southern region where production is expected to commence in September 2009.

### *Other operations-lager*

The Group has an effective economic interest of 60% in Uganda’s Nile Breweries Limited, which has a strong portfolio of brands including Nile Special, Club, Chairman’s ESB, Eagle Extra and Eagle Lager.

The Empresa de Cervejas N’gola brewery in Southern Angola which the Group managed under contract for many years was privatised in December 2006, with the Group acquiring an effective economic interest of 28%. In addition the Group is building a brewery in North Luanda. Castel also has a strong presence in the Angolan beer market.

The Group has an effective economic interest of 49% in its Mozambique operations, where major capacity enhancements at both the Maputo and Beira breweries were completed in the year ended 31 March 2008, with productivity improvements in the year ended 31 March 2009. In addition the Group is building a 0.5 million hl brewery in Nampula in the north.

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

The Group is the only brewer in both Lesotho and Swaziland, operating through Lesotho Brewing Company (Proprietary) Limited and Swaziland Brewers Limited, respectively.

The Group has an effective economic interest of 43% in the Accra Brewery Limited, a company listed on the Accra Stock Exchange, which, in 2008, had a 26% share, by volume, of the Ghanaian beer market, according to Canadean.

The Group has an effective economic interest of 22% in Delta Corporation, which is listed on the Zimbabwe Stock Exchange. Its largest brands are Castle Lager, Lion, Carling Black Label, Zambezi and Bohlinger’s. Zimbabwe continues to experience significant political and economic upheavals with foreign currency shortages a key issue as a result the Group does not recognise volumes or results of this associate.

In December 2008, the Group acquired an effective interest of 57% in Pabod Breweries in Nigeria.

In May 2009, the Group’s subsidiary Southern Sudan Beverages Limited commenced production on the region’s first locally produced beer from its new beverage plant in Southern Sudan’s capital city, Juba.

### *Other operations-soft drinks*

As at 31 March 2009, the Group operated 15 bottling plants for soft drinks: three each in Angola and Ghana, one each in Botswana, Ethiopia, Lesotho, Nigeria and Swaziland, two in Zambia, and

one each in the Comores and Mayotte islands, with total sales volumes of 8.4 million hl for the year ended 31 March 2009.

The Group has an effective economic interest of 28% in, and management control of, the Coca-Cola franchise for northern Angola. The Group has an effective economic interest of 37% in Coca-Cola Bottling Sul de Angola SARL, which owns the Coca-Cola facility in Lubango in the south of the country. A new 2 million hl soft drinks facility in Luanda is expected to commence production in the second half of 2009.

The Group has an effective economic interest of 54% in Zambian Breweries plc which owns 100% of the share capital of Zambia Bottlers Limited, the operator of the Zambian Coca-Cola franchise.

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

In November 2008, the Group acquired an interest in the Ambo mineral water business in Ethiopia.

In December 2008, the Group acquired an effective interest of 80% in Voltic International Inc. which has water businesses in Ghana and Nigeria.

#### *Other operations-sorghum*

The Group operates 15 sorghum beer breweries: four in Botswana, four in Malawi, one in Swaziland, and six in Zambia, with a total sales volume of 3.9 million hl for the year ended 31 March 2009.

#### **Asia**

In Asia, the Group conducts business primarily in China and India, with operations also in Australia and Vietnam. Now in its fifteenth year, the Group's associate in China is the biggest brewer by volume in China. The Group is the second largest brewer by volume in India, with eleven breweries. In September 2006, the Group completed the acquisition of a 100% interest in the Foster's operation and brand in India.

In March 2009, the Group completed the acquisition of the residual interest in the Group's joint venture in Vietnam. The joint venture was originally 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.

During the financial year ended 31 March 2007, the Group formed Pacific Beverages, a joint venture with Coca-Cola Amatil Limited in Australia, to import, market and distribute the Group's international premium brands in Australia. In December 2007, the Group announced that Pacific Beverages had acquired the premium Australian brewer Bluetongue Brewery Pty Limited ("**Bluetongue**"), and Pacific Beverages has begun the construction of a new brewery in the Central Coast region of New South Wales.

In May 2007, the Chinese business in Asia disposed of its non-core Southern region water business.

#### *China*

According to Canadean, China is the largest beer market in the world by volume, with volumes in excess of 425 million hl for the year ended 31 December 2008. Between 1998 and 2008, the Chinese beer market grew by 116% and accounted for 42.4% of growth in the world beer market, according to Canadean. The Chinese beer industry is consolidating with a number of Chinese brewers being acquired by the leading international brewers in the Chinese market.

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

Through CR Snow, the Group operates in nineteen provinces in China. According to Plato Logic, CR Snow is the largest brewer in China by volume with strong market positions in both the Northeast and the Southwest and a growing market position in the Central region. For the year ended 31 March 2009, the Group's share of CR Snow's lager volumes was 36.8 million hl. The Group's lager volume growth in China for the year ended 31 March 2009 was 6%, within which underlying organic growth of 4% was achieved. During this year, CR Snow's national brand, Snow, grew by 19% and constituted 85% of the Group's total China lager volumes. Snow is the top-selling lager brand (by volume) in China. Overall, CR Snow's national market share as at 31 March 2009 was 17%, according to Management estimates.

In February 2009, CR Snow announced that it had agreed to acquire three breweries in the Anhui, Liaoning and Zhejiang provinces in three separate transactions. CR Snow acquired the respective brewing assets of Anqing Tianzhu Beer Company Limited, Liaoning Songlin Brewery Group Limited, and Zhejiang Luck Beer Company Limited through three newly-formed subsidiaries in which it owns 80%, 85%, and 100% equity interests respectively.

In March 2009, CR Snow announced that it had agreed to acquire the brewing assets of Shandong Hupo Brewery through the formation of a new joint venture. CR Snow will initially own a 90% equity interest, and plans to acquire the additional 10% within 3 years of the formation of the joint venture.

### *India*

According to Canadean, the Indian beer market has, over recent years, begun to grow strongly from its historically low consumption base as consumers switch from spirits to beer.

The Group has operated in India since October 2000, when it acquired Narang Breweries, located near Lucknow in the state of Uttar Pradesh. In June 2001, the Group acquired a controlling interest in Mysore Breweries Limited (“**Mysore**”) and in November 2001 announced the acquisition of a controlling interest in Rochees. In May 2003, Mysore entered into a joint venture with Shaw Wallace and in May 2005, Mysore acquired the remainder of Shaw Wallace’s interest in the joint venture in India. The joint venture has now been consolidated into Skol Breweries which now owns 99% of these brewing operations, which are India’s second largest by volume according to Plato Logic. The remaining shares are held by a number of minority shareholders. In September 2006, the Group acquired a 100% interest in Foster’s operations and brand in India at a cost of U.S.\$127 million which has now been integrated into the existing Indian business. As at 31 March 2009, the Group had 11 breweries in India. During the year ended 31 March 2009, the Group sold 4.7 million hl of lager in India.

Since entering the Indian market in 2000, the Group has invested significantly in upgrading the infrastructure of its brewing operations and continues to focus on maintaining consistent production standards and high quality lager output.

The Group’s key brands in India include Haywards, Royal Challenge, Knockout, Foster’s and the recently launched mild beer brand, Indus Pride.

The Group’s average number of employees in India for the year ended 31 March 2009 was approximately 4,705.

### *Vietnam*

In March 2009, the Group completed the acquisition of the residual interest in the Group’s joint venture in Vietnam. The joint venture was originally 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. The capacity of the brewery is 500,000 hectolitres, with the ability to expand production to 1 million hectolitres. It is intended to first concentrate on serving southern Vietnam before expanding nationally.

### *Australia*

The Group’s joint venture with Coca-Cola Amatil Limited in Australia, Pacific Beverages, commenced trading during the second half of the financial year ended 31 March 2007. In February 2008, the Group announced that Pacific Beverages would invest in the construction of a new brewery in the Central Coast region of New South Wales. The brewery will have a capacity of 500,000 hl and is expected to be completed in 2010. In December 2007, Pacific Beverages acquired the premium Australian brewer Bluetongue, and is now integrating the Bluetongue business.

The Group’s key brands in Australia are Peroni Nastro Azzurro, MGD, Miller Chill, and Grolsch, the latter having been recently launched successfully.

### **South Africa: Beverages**

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

separate business segment until the year ended 31 March 2006. The non-beer beverage operations currently comprise:

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

### **Recent developments**

On 1 July 2009, SABMiller announced that it proposed to enter into the Black Economic Empowerment Transaction, which will place approximately 10% of SAB Ltd 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. At the end of the ten year transaction period, participants will exchange their shareholdings in SAB Ltd 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 Ltd 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, will facilitate the closer alignment of SAB Ltd’s interests with its many stakeholders and will maximise long term shareholder value. The SAB Foundation will primarily focus on supporting entrepreneurship development, as SABMiller believes this will deliver broader economic benefits for South Africa. It will target historically disadvantaged people with a priority on women and the youth, particularly in rural areas.

The Black Economic Empowerment Transaction will also materially enhance SAB Ltd’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 will make a material contribution towards achieving SAB Ltd’s committed objective of attaining Level Four Contributor status on the basis of the scorecard contained in the Codes of Good Practice.

### **Impact on SABMiller**

The proposed issue of shares in SAB Ltd equates to a value of approximately US\$750 million (approximately R6,000 million at the exchange rate as at 26 June 2009, the last practicable date before the date of announcement of the Black Economic Empowerment Transaction). As the value ultimately delivered to Employees, Retailers and the SAB Foundation will depend on, *inter alia*, the increase in value of SAB Ltd shares held by the participants over the ten year transaction period, the economic cost of the Black Economic Empowerment Transaction to the Group (based on SABMiller’s current assumptions and on market conditions as at 26 June 2009 and applying the option valuation methodology that is common practice for transactions of this nature) is calculated at approximately US\$220 million (R1,800 million). The ultimate size of the Black Economic Empowerment Transaction may change, depending on, amongst other things, financial and market conditions at the time of implementation, and the finalisation of details of eligibility for participation.

The Black Economic Empowerment Transaction is expected to become effective in the financial year beginning on 1 April 2010, and as such will not impact the Group’s earnings for the current financial year ending 31 March 2010. Under IFRS 2, the Black Economic Empowerment Transaction will result in a non-cash share-based payment expense being reflected in the income statement of SABMiller over the transaction period. This non-cash expense would be excluded for the purposes of calculating adjusted earnings.

### **Timing of the Black Economic Empowerment Transaction**

It is expected that the final size and structure of the Black Economic Empowerment Transaction will be determined following the release, in November 2009, of SABMiller’s interim results for the

six months ending 30 September 2009. A further announcement will then be made setting out full details of the Black Economic Empowerment Transaction.

The detailed terms announcement is expected to be followed by the conclusion of all relevant legal agreements, and the obtaining of all requisite regulatory approvals. A meeting of the shareholders of SABMiller is then expected to be held in the first quarter of 2010 to approve the Black Economic Empowerment Transaction. Subject to shareholder approval, the Black Economic Empowerment Transaction is expected to become effective in the financial year beginning on 1 April 2010.

### ***Market***

According to a report by Canadean in respect of 2008, South Africa is the ninth largest beer market in the world by volume, and South Africa: Beverages is the only major brewer with a substantial presence in that market. According to Management estimates, as at March 2009, South Africa: Beverages' sales represented approximately 91% of total beer consumption in South Africa. South Africa: Beverages' market share of the flavoured alcoholic beverage ("FAB") segment over the past three years to 31 March 2009 has been in excess of 30%, according to Management estimates.

South Africa: Beverages' main competition in the beer market is from other liquor products, including wines, spirits and sorghum. Since the beginning of 2001, there has been, according to Nielsen, an upward price movement in low priced wine, which has reduced its attraction as an alternative to beer. The increasing urbanisation of the South African population has also contributed to a move from sorghum to clear beer.

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 50% of the South African population and currently generate approximately 58% of total South African Coca-Cola sales volumes. Management estimates that Coca-Cola and Schweppes products have a combined market share of approximately 93% of the soft drink market in ABI's territories in South Africa.

### ***Operations***

The principal activity of South Africa: Beverages is the production, marketing and distribution of beer, soft drinks and non-alcoholic beverages throughout South Africa. For the year ended 31 March 2009, South Africa: Beverages sold 25.9 million hl of lager and 17.3 million hl of soft drinks (including sparkling soft drinks, fruit juices and water).

### ***Products***

#### ***Lager***

South Africa: Beverages has eleven brands of lager and four brands of FAB. The four mainstream brands are Castle Lager, Carling Black Label, Castle Milk Stout and Hansa Pilsener, with Castle Lager being the flagship brand in the mainstream segment. MGD, Pilsner Urquell, Peroni Nastro Azzurro and Castle Lite constitute the balance of the premium brand portfolio, together with Hansa Marzen Gold and Grolsch brands. South Africa: Beverages' other brands: Redd's Premium Cold, Redd's Premium Dry, Brutal Fruit, Sarita, and Skelter's Straight represent South Africa: Beverages in the FAB segment.

The May 2007 launch of Hansa Marzen Gold proved to be successful and contributed approximately 7% of total premium sales for the year ended 31 March 2009 in South Africa. Innovation in the FAB category saw two new brands Sarita Ruby, a dry, red apple-flavoured FAB and Skelter's Straight, a citrus flavoured offering, being launched in February 2008 and March 2008 respectively.

In March 2007, SAB Ltd was given notice by Heineken that it was terminating SAB Ltd's licence to manufacture and distribute Amstel Lager with immediate effect. During the year ended 31 March 2008, the impact of the loss of the Amstel brand on South Africa: Beverages' EBITA was mitigated by the unavailability of Amstel lager in the market in the first quarter as well as the successful launch of Hansa Marzen Gold, and amounted to approximately U.S.\$50 million. South Africa: Beverages presented its five-pronged strategy to analysts in March 2009. These include focusing on strengthening the Group's productivity edge, engaging the competition effectively, ensuring its key brands resonate, shaping superior routes to market and entrenching SAB's position as a progressive societal leader.

In June 2008, Grolsch was launched in on and off trade outlets in the iconic 450ml swing top bottle and the 330ml flat-sided crown top.

### *Soft drinks*

#### *Coca-Cola products*

ABI conducts essentially all of its business under its 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 recently executed new franchise agreements with The Coca-Cola Company, which expire on 30 March 2013.

#### *Appletiser*

Appletiser produces natural and non-alcoholic sparkling fruit juices.

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

### **Marketing, sales and distribution**

In respect of its beer-related operations, South Africa: Beverages maintains an extensive distribution network throughout South Africa, comprising 41 depots, 10 independent distributorships, 3 franchised distributorships and an expanding network of owner-drivers. The owner-driver initiative has enabled South Africa: Beverages to reduce delivery fleet sizes and head-count and to benefit from higher delivery volumes from motivated entrepreneurial drivers.

South Africa: Beverages sells beer to approximately 36,000 licensed customers who are in turn licensed to sell beer and other alcohol for either on-premise or off-premise consumption. However, South African: Beverages estimates that there are also around 105,000 outlets including unlicensed taverns, commonly referred to as shebeens, in South Africa. South Africa: Beverages does not sell directly to these shebeens but estimates that over half of its beer is redistributed to shebeens through informal channels. A major government initiative, which South Africa: Beverages supports and encourages through a number of initiatives, is underway to regulate the unlicensed trade.

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

ABI sells to approximately 65,000 customers, varying from large retail outlets to small rural stores.

### **Manufacturing and properties**

South Africa: Beverages operates seven breweries.

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

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

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

### **Employees**

South Africa: Beverages' average number of employees for the year ended 31 March 2009 was approximately 12,184.

### **South Africa: Hotels and Gaming**

Tsogo Sun Holdings is one of the largest hotel and gaming Groups in South Africa. It was created in 2003 when SABMiller and Tsogo Investment Holding Company (Pty) Ltd ("Tsogo Investments") merged their investments in Tsogo Sun Gaming and Southern Sun Hotels in the largest empowerment transaction in the South African hospitality and gaming industry.

Tsogo Sun Holdings is now 49% owned by SABMiller with the remaining 51% owned by Tsogo Investments, which is controlled by Hosken Consolidated Investments, a broad-based black economic empowerment group listed on the Johannesburg Stock Exchange.

The Tsogo Sun Group is divided into two separate focused operating businesses: Tsogo Sun Gaming and Southern Sun Hotels.

Tsogo Sun Gaming owns and operates five casinos in South Africa, including the flagship Montecasino complex in Johannesburg and the Suncoast Casino in Durban. The five casinos are

licensed to have a total of up to 4,222 slot machines and 172 gaming tables. In October 2008, Tsogo Sun acquired a 23% interest in Gold Reef Resorts Limited, a listed operator with seven casino licences in South Africa.

Southern Sun Hotels operates 83 hotels comprising 13,584 rooms. The hotels cover all segments of the industry from 5 star deluxe resorts to 1 star budget city centre hotels. The Group operates a number of international and local brands and currently trades in seven countries in addition to South Africa.

In May 2009, Tsogo Sun Gaming entered into an agreement to increase its stake in Tsogo Sun KwaZulu-Natal (Pty) Ltd, which operates the Suncoast Casino and Entertainment World, from 43.5% to 73.5%. This agreement is subject to certain conditions precedent including regulatory approvals.

### Material contracts

With the exception of the agreements referred to below, neither SABMiller, nor any member of the Group, has entered into any contract which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes in respect of the Notes:

- (a) On 30 May 2002, SABMiller and Altria Group Inc. ("**Altria**") entered into a tax matters agreement (the "**Tax Matters Agreement**") to regulate the conduct of tax matters between them with regard to the acquisition of Miller and to allocate responsibility for contingent tax costs. SABMiller has agreed to indemnify Altria against any taxes, losses, liabilities and costs that Altria incurs arising out of or in connection with a breach by SABMiller of any representation, agreement or covenant in the Tax Matters Agreement, subject to certain exceptions.
- (b) On 18 July 2005, SABMiller entered into an agreement and plan of merger with Racetrack LLC (a subsidiary of SABMiller), BevCo LLC and BevCo Sub LLC ("**BevCo Sub**"), a subsidiary of BevCo LLC, under which the parties agreed to merge BevCo Sub with and into Racetrack in consideration for the issue by SABMiller to BevCo LLC of 225,000,000 new ordinary shares in SABMiller. BevCo Sub indirectly owned 71.77% of the outstanding ordinary shares in Bavaria. The new SABMiller shares represented an economic interest of approximately 15.04% in SABMiller.
- (c) On the completion of the Bavaria Transaction on 12 October 2005, SABMiller and BevCo LLC entered into the BevCo LLC Relationship Agreement to regulate certain aspects of the relationship between SABMiller and BevCo LLC. Under this agreement, BevCo LLC has the right to nominate two representatives as non-executive directors of SABMiller, subject to the level of its economic interest in SABMiller, and has agreed not to sell any shares in SABMiller for a five year period, subject to certain exceptions, including the right to sell one-fifth of BevCo LLC's shareholding in any rolling twelve month period for the third to the fifth years of the five year period, subject to orderly market arrangements. The BevCo LLC Relationship Agreement has no fixed term but ceases to apply if BevCo LLC no longer has the right to nominate any representatives as non-executive directors of SABMiller.
- (d) Also on 12 October 2005, the existing relationship agreement between SABMiller and Altria was amended, pursuant to an Amended and Restated Altria Relationship Agreement, which granted Altria the right to nominate the same number of representatives for appointment as non-executive directors of SABMiller at the same levels of economic interest as BevCo LLC, and ensured a degree of equality of treatment between Altria and BevCo LLC as significant non-portfolio shareholders of SABMiller. Under this agreement, Altria has the right to nominate three representatives as non-executive directors of SABMiller, subject to the level of its economic interest in SABMiller, and any disposals of shares in SABMiller are subject to orderly market arrangements. The Altria Relationship Agreement has no fixed term but ceases to apply if Altria no longer has the right to nominate any representatives as non-executive directors of SABMiller.
- (e) Group companies are parties to a shareholders' agreement with China Resources Enterprise, Limited and CR Snow in relation to the holding of shares in the Group's associate in China. The agreement is CR Snow's primary operating document and contains understandings and agreements of the parties reflecting the governance and operations of CR Snow. The agreement contains provisions regulating a shareholder's sale of shares in CR Snow to a third party. The agreement also contains provisions relating to deadlock resolution, confidentiality,



non-competition and non-solicitation and other provisions that are customary for an agreement of this nature. The shareholder agreement runs for an indefinite period of time, but can be terminated upon the occurrence of certain events.

- (f) Group companies are parties to a strategic alliance and joint venture agreement with Cassiopee Limited, Brasseries et Glacières Internationales S.A. and Brasseries Internationales Holding Ltd (the “**Castel Group**”) in relation to a strategic alliance between the Group and the Castel Group in relation to their alcoholic brewery, soft drink and mineral water interests in certain countries in Africa. Pursuant to the agreement, the Group’s effective interest in its African beverage operations (excluding South Africa) was diluted in 2001 as a result of the disposal of a 38% interest in SABMiller Africa BV, in exchange for a 20% interest in the Castel group’s African beverage interests. The agreement contains provisions relating to the management of the companies’ beverage operations in certain countries in Africa, deadlock resolution, pre-emptive rights, confidentiality, non-competition, and other provisions that are customary for an agreement of this nature.
- (g) On 19 November 2007, pursuant to the Grolsch Transaction, SABMiller and Royal Grolsch entered into a Merger Protocol (the “**Merger Protocol**”) in order to set out the structure of the Grolsch Transaction and to govern the parties’ future relationship. Under the terms of the Merger Protocol, SABMiller agreed to keep the Royal Grolsch business and the Grolsch group of companies (the “**Grolsch Group**”) materially intact for three years after the offer was declared unconditional. In particular, SABMiller agreed that, unless required to do so by regulation or change of control, it would not sell or transfer any companies or material assets of the Grolsch Group. Moreover, SABMiller agreed that, together with Royal Grolsch, it would look for strategic additions or investments that would enhance the business of the Grolsch Group. On the basis of the information available to it at the date of the Merger Protocol, SABMiller declared its support for Royal Grolsch’s planned €45 million capital expenditure programme for 2008.
- (h) On 20 December 2007, SABMiller and Miller entered into the MillerCoors Transaction Agreement, with Molson Coors and CBC to combine the United States and Puerto Rico operations of Miller and Coors. Under the terms of the JV agreement, the parties agreed to contribute to MillerCoors substantially all of their US and Puerto Rico beer and related operations. The MillerCoors Transaction Agreement sets out that SABMiller will receive a 58% economic ownership and a 50% voting interest in MillerCoors and Molson Coors will receive a 42% economic ownership and a 50% voting interest in MillerCoors. Closing of the MillerCoors Transaction occurred on 1 July 2008. Pursuant to the MillerCoors Transaction Agreement, the parties made customary representations and warranties and gave customary indemnities.
- (i) On 1 July 2008 SABMiller, Miller, Molson Coors and CBC entered into the MillerCoors LLC Operating Agreement (the “**Operating Agreement**”). The Operating Agreement is MillerCoors’ primary operating document and contains understandings and agreements of the parties reflecting the governance and operations of MillerCoors following the closing of the MillerCoors Transaction. The Operating Agreement contains a list of approval rights reserved solely for the board of MillerCoors, including approval of strategic, operating, integration and synergy plans; material changes to brands; changes to the name or headquarters location of MillerCoors; appointment and removal of the Chief Executive Officer; mergers acquisitions or dispositions; alteration of brand rights including licensing, sales or royalties; and material agreements related to intellectual property or trade secrets. The Operating Agreement contains provisions relating to the management of MillerCoors and the appointment of the Chairman, Vice Chairman and senior executives of MillerCoors as well as provisions relating to deadlock resolution, capital structure and pre-emptive rights, confidentiality, non-compete and non-solicitation and other provisions that are customary for an agreement of this nature. Pursuant to the Operating Agreement, each of SABMiller and Molson Coors has agreed not to transfer its respective economic or voting interests in MillerCoors for a period of five years, and certain rights of first refusal will apply to any subsequent assignment of such interests. Both SABMiller and Molson Coors have entered into appropriate contract brewing and service arrangements with MillerCoors.
- (j) On the completion of the acquisition by SABMiller of the outstanding 28.1 % interest in Kompania Piwowarska S.A. from Kulczyk Holding S.A. (“**Kulczyk**”) on 29 May 2009, SABMiller entered into a shareholding agreement with Kulczyk (the “**Shareholding Agreement**”) to regulate certain aspects of the relationship between SABMiller and Kulczyk. Under the

Shareholding Agreement, Kulczyk has agreed not to sell any shares in SABMiller for a three year period, subject to certain exceptions including the right to sell up to (i) six million shares during the period from 29 August 2009 to 29 November 2009; (ii) six million shares during the period from 30 November 2009 to 29 May 2010; (iii) 24 million shares during the period from 30 May 2010 to 29 May 2011; and (iv) 24 million shares during the period from 30 May 2010 to 29 May 2011. Any disposals of shares in SABMiller will also be subject to orderly marketing arrangements. The Shareholding Agreement has no fixed term but ceases to apply if Kulczyk no longer holds any SABMiller shares.

- (k) On 28 January 2009, SABMiller and Racetrack Perú S.A. ("**Racetrack Peru**") established a Guaranteed Medium Term Note Programme with a programme limit of PEN1,500 million (or its equivalent in other currencies) (the "**2009 GMTN Programme**"), which, in the case of notes issued under the 2009 GMTN Programme by Racetrack Peru, will be guaranteed by SABMiller. If issued, unless otherwise stated in the applicable final terms, the net proceeds of notes issued under the 2009 GMTN Programme by Racetrack Peru will be used to fund investments, working capital, and/or other financing requirements of Racetrack Peru and the net proceeds of notes issued by SABMiller will be used for the repayment of loans incurred to fund the acquisition of securities of Backus and for general corporate purposes.
- (l) On 17 July 2008, SABMiller issued U.S.\$550 million 5.70% notes due 2014. The notes mature on 15 January 2014. The notes are redeemable in whole, or in part, at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, the notes are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

On 17 July 2008, SABMiller issued U.S.\$700 million 6.50% notes due 2018. The notes mature on 15 July 2018. The notes are redeemable in whole, or in part, at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, the notes are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

- (m) On 12 December 2005, the Group entered into a U.S.\$2,000 million five-year syndicated revolving loan facility (the "**Group Syndicated Loan Facility**"), which was extendable by a year at the first anniversary of signing, and for a further year at the second anniversary subject to the agreement of the Group and the lenders. Both extension options have been exercised and the Group Syndicated Loan Facility matures in December 2012. Pursuant to an amendment and consent agreement dated 10 June 2008, each of Miller Products Company, LLC. (formerly, Miller Products Company), Miller Breweries East, LLC. (formerly, Miller Breweries East, Inc.), Miller Breweries West Limited Partnership, MBC1, LLC., and MBC2, LLC. (the "**Miller Guarantors**"), SABMiller Finance B.V. ("**SABMiller Finance**") and Miller were released from all of their obligations as guarantors under the Group Syndicated Loan Facility and SABMiller became the sole obligor.
- (n) On 30 May 2008, SABMiller entered into a U.S.\$600 million three-year revolving credit facility for general corporate purposes. On 11 August 2008, Miller acceded as a borrower to the facility and on 14 August 2008 drew down U.S.\$ 600 million. On 15 August 2008, SABMiller assumed Miller's obligations with respect to this drawing.
- (o) On 7 August 2003, Miller issued U.S.\$1,100 million 5.50% notes due 2013, guaranteed by SABMiller and SABMiller Finance (the "**Miller Bonds**"). The Miller Guarantors subsequently guaranteed these notes. In March 2008, the guarantee provided by SABMiller Finance, and in June 2008, the guarantees provided by the Miller Guarantors, were released. Subsequently, SABMiller assumed Miller's obligations with respect to these notes, as a result of which Miller was released from its obligations, and SABMiller became the sole obligor with respect to these notes. The notes mature on 15 August 2013. The notes are redeemable in whole or in part at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, the notes are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

(p) On 7 August 2003, SABMiller issued U.S.\$300 million 6.625% notes due 2033, guaranteed by Miller and SABMiller Finance. The Miller Guarantors subsequently guaranteed these notes. In March 2008, the guarantee provided by SABMiller Finance, and in June 2008, the guarantees provided by the Miller Guarantors were released, leaving Miller as the sole guarantor. As part of the MillerCoors Transaction, MillerCoors assumed the obligations of Miller with respect to these notes, becoming their sole guarantor. The notes mature on 15 August 2033. The notes are redeemable in whole, or in part, at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, they are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

(q) On 28 June 2006, SABMiller issued U.S.\$300 million floating rate notes due 2009, guaranteed by Miller, SABMiller Finance and the Miller Guarantors. In March 2008, the guarantee provided by SABMiller Finance, and in June 2008 the guarantees provided by Miller and the Miller Guarantors, were released, and SABMiller became the sole obligor with respect to these notes. The notes matured and were repaid in full on 1 July 2009.

On 28 June 2006, SABMiller issued U.S.\$600 million 6.20% notes due 2011, guaranteed by SABMiller Finance, Miller and the Miller Guarantors. In March 2008, the guarantee provided by SABMiller Finance, and in June 2008, the guarantees provided by Miller and the Miller Guarantors were released, and SABMiller became the sole obligor with respect to these notes. The notes mature on 1 July 2011. The notes are redeemable in whole, or in part, at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, the notes are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

On 28 June 2006, SABMiller issued U.S.\$850 million 6.50% notes due 2016 guaranteed by SABMiller Finance, Miller and the Miller Guarantors. In March 2008, the guarantee provided by SABMiller Finance, and in June 2008, the guarantees provided by Miller and the Miller Guarantors were released, and SABMiller became the sole obligor with respect to these notes. The notes mature on 1 July 2016. The notes are redeemable in whole, or in part, at any time at the option of SABMiller at a redemption price equal to the make-whole amount. In addition, the notes are redeemable in whole, but not in part, at the option of SABMiller upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

(r) On 11 October 2006, SABMiller entered into a U.S.\$1,000 million commercial paper programme (the “**2006 Commercial Paper Programme**”), guaranteed by SABMiller Finance, Miller and the Miller Guarantors. Under the terms of the 2006 Commercial Paper Programme, in the event that the only obligor with respect to the Miller Bonds is SABMiller, commercial paper issued under 2006 Commercial Paper Programme thereafter will not have any guarantee attached to it. Consequently, commercial paper issued after 1 July 2008 under the 2006 Commercial Paper Programme is not guaranteed.

(s) On 11 October 2006, SABMiller entered into a U.S.\$1,000 million facility back-stopping the 2006 Commercial Paper Programme (the “**2006 Back-Stop Facility**”). On 30 January 2008, the permitted use of the 2006 Back-Stop Facility was extended to also allow drawings for general corporate purposes. Pursuant to an amendment and consent agreement dated 10 June 2008, each of SABMiller Finance, Miller and the Miller Guarantors were released, with effect from 30 June 2008, from their respective obligations as guarantors under the 2006 Back-Stop Facility. The 2006 Back-Stop Facility matures on 7 October 2009, but includes a one-year term-out option exercisable by SABMiller.

(t) On 17 July 2007, SABMiller established a South African Rand Domestic Medium Term Note Programme with a programme limit of R4,000 million (or its equivalent in other currencies) (the “**DMTN Programme**”) in the name of its wholly owned subsidiaries SABSA Holdings (Pty) Ltd (“**SABSA**”) and SABFIN (Pty) Ltd, as issuers, under which both bonds and commercial paper may be issued. Debt issued under the DMTN Programme is guaranteed by SABMiller.

On 19 July 2007, SABSA raised R1,600 million (approximately U.S.\$210 million) 9.935% Notes due 2012 under the DMTN Programme. These notes are listed on BESA, the South African Bond Exchange. The net proceeds of the bond issue were used towards the part repayment of SAB Ltd’s loan facilities.

On 24 December 2008 the programme limit was increased to R6,000 million.

- (u) On 28 July 2004, a 60 million Botswana pula 11.35% unsecured private bond placing was placed in the Botswana debt capital markets by Kgalagadi Breweries Ltd. This bond matures on 31 March 2011. The bond is redeemable at any time at the option of the issuer, at market value, in whole or in part. The bond is not guaranteed.
- (v) Bavaria has in issue a number of unsecured Colombian peso bonds. The interest rates payable on these bonds are based on either DTF, the Colombian average interest rate for free loan investments of the financial sector, or IPC, the consumer price index published by the Departamento Administrativo Nacional de Estadística of Colombia. Long and medium term borrowings include bonds with a nominal value of COP1,950,300 million, repayment dates between December 2009 and January 2015 and interest rates of DTF+3.0% and ranging between IPC+6.52% and IPC+8.18%.

### Principal shareholders

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

In so far as is known to SABMiller, as at 30 June 2009 (the latest practicable date prior to the publication of this document), the following are beneficially interested, directly or indirectly, in 3% or more of SABMiller's issued voting share capital or could directly or indirectly, jointly or severally exercise control over SABMiller:

	<i>30 June 2009 %</i>
Altria Group, Inc .....	27.37
BevCo Limited.....	14.32
Allan Gray Investment Council .....	5.58
Public Investment Corporation.....	4.41
Kulczyk Holding S.A.....	3.82
Capital Group Companies Inc. (whose holding structures incorporates Capital Research & Management, Capital International, Inc., Capital International Ltd and Capital International SA).....	3.58
Legal and General Group plc .....	3.26

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

**SABMiller**

**Directors and Executive Committee**

**The Board**

The directors of SABMiller, each of whose business address is One Stanhope Gate, London W1K 1AF, United Kingdom are:

	<i>Date appointed to the board</i>	<i>Date of most recent letter of appointment</i>	<i>Date last elected/ re-elected</i>	<i>Date next due for election/ re-election</i>
JM Kahn*	08/02/1999	23/02/1999	31/07/2008	July 2009
EAG Mackay	08/02/1999	27/02/1999	28/07/2008	July 2011
MI Wyman	08/02/1999	26/02/1999	31/07/2007	July 2010
GC Bible	01/08/2002	27/09/2002	28/07/2006	July 2009
DS Devitre	16/05/2007	16/05/2007	31/07/2007	July 2010
ME Doherty	01/04/2006	07/03/2006	28/07/2006	July 2009
Lord Fellowes*	08/02/1999	23/02/1999	31/07/2008	July 2009
PJ Manser	01/06/2001	20/06/2001	31/07/2007	July 2010
JA Manzoni	01/08/2004	12/05/2004	31/07/2008	July 2011
MQ Morland*	08/02/1999	23/02/1999	31/07/2008	July 2009
DF Moyo**	01/06/2009	26/05/2009	N/A	July 2009
CA Pérez	09/11/2005	12/10/2005	28/07/2006	July 2009
R Pieterse	15/05/2008	09/06/2008	31/07/2008	July 2011
MC Ramaphosa*	08/02/1999	23/02/1999	31/07/2008	July 2009
A Santo Domingo	09/11/2005	12/10/2005	28/07/2006	July 2009

Notes

\* Since July 2008 Lord Fellowes, Mr Kahn, Mr Morland and Mr Ramaphosa have been obliged to submit themselves to annual re-election to the board as a result of having served on the board continuously for more than nine years.

\*\* Dr Moyo was appointed to the board on 1 June 2009, and is therefore obliged to submit herself to election by shareholders in July 2009.

The biographies of the directors of SABMiller and their positions and principal activities outside the Group, where these are significant, are as follows:

**Meyer Kahn (70)**

**Chairman**

Meyer Kahn joined the Group in 1966 and occupied executive positions in a number of the Group's former retail interests before being appointed to the board of SAB Ltd in 1981. He was appointed Group Managing Director in 1983 and Executive Chairman in 1990. In 1997, he was seconded full-time to the South African Police Service as its Chief Executive, serving for two and a half years. He was appointed Chairman of South African Breweries plc upon its listing on the London Stock Exchange in 1999. Among other awards, he holds an honorary doctorate in commerce from the University of Pretoria and was awarded The South African Police Star for Outstanding Service (SOE) in 2000.

**Graham Mackay (59)**

**Chief Executive**

Graham Mackay joined The South African Breweries Limited (SAB Ltd) in 1978 and has held a number of senior positions in the Group, including Executive Chairman of the beer business in South Africa. He was appointed Group Managing Director in 1997 and Chief Executive of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He is the Senior Independent Non-Executive Director of Reckitt Benckiser Group plc and a director of Philip Morris International Inc.

**Malcolm Wyman (62)**

Chief Financial Officer

Malcolm Wyman joined SAB Ltd in 1986, and joined the board as Group Corporate Finance Director in 1990. He was appointed to the board of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He became Chief Financial Officer in 2001, with responsibility for the Group's finance operations, corporate finance and development, and Group strategy. Prior to joining SAB Ltd, he was an Executive Director of UAL Merchant Bank, South Africa.

**Geoffrey Bible (71)**

Geoffrey Bible joined the board in 2002 following completion of the Miller Brewing Company transaction. He served as Chief Executive Officer of Altria from 1994 until April 2002 and as Chairman of the Altria board from January 1995 until August 2002, when he retired. He also served as Chairman of the board of Kraft Foods Inc. from March 2001 until his retirement in August 2002. He is a member of the board of Trian Acquisition 1 Corp.

**John Manzoni (49)**

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

**Miles Morland (65)**

Miles Morland joined the board in 1999. He is founder and Chairman of two companies investing in Africa, Blakeney Management and Development Partners International. He is also Chairman of Indochina Capital Vietnam Holdings, a director of The Dubai Group, Ukraine Opportunity Trust plc, SouthWest Energy (BVI) Ltd, and of various companies investing in the emerging world.

**Dambisa Moyo (40)**

Dambisa Moyo joined the board in June 2009. She is an economist and commentator on international aid strategies and economics, and worked at Goldman Sachs for eight years in the debt capital markets, hedge fund coverage and global macro-economics teams. Previously she worked at the World Bank in Washington D.C. Dambisa is a Patron for Absolute Return for Kids (ARK), a hedge fund supported children's charity, and serves on the board of the Lundin for Africa Foundation. She also serves on the board of Room to Read, an education charity.

**Carlos Pérez (46)**

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

**Dinyar Devitre (62)**

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

**Liz Doherty (51)**

Liz Doherty joined the board in 2006. She is Chief Financial Officer of Brambles Limited. Prior to joining Brambles in December 2007 she was Group International Finance Director of Tesco PLC. Before joining Tesco in 2001, she held a number of commercial and strategic positions in Unilever PLC, including Senior Vice President Finance – Central & Eastern Europe, Financial Director – Unilever Thai Holdings and Financial Director, Frigo, España.

### **Robert Fellowes (67)**

Lord Fellowes joined the board in 1999. He is Chairman of Barclays Private Bank (Barclays Wealth) and was Private Secretary to the Queen from 1990 until 1999, having joined the Royal Household in 1977 from a career in the London Money Market. He is a trustee of the Rhodes Trust and the Mandela-Rhodes Foundation. He is also on the board of the British Library.

### **John Manser (69)**

John Manser joined the board in 2001. He is Chairman of Intermediate Capital Group plc and Shaftesbury PLC and Deputy Chairman of Colliers CRE plc. He was previously Chairman of Hiscox Investment Management Ltd, London Asia Chinese Private Equity Fund Limited and Robert Fleming Holdings Limited, a former member of the President's Committee of the British Banking Association, a Director of the Securities and Investments Board between 1986 and 1993 and is a past Chairman of the London Investment Banking Association.

### **Rob Pieterse (66)**

Rob Pieterse joined the board in 2008. He is chairman of the supervisory boards of Mercurius Groep B.V., and Royal Grolsch N.V. He is a member of the supervisory boards of Essent N.V. and CSM N.V. He serves on the boards of VEUO, the association of Dutch listed companies, and of Europeanissuers. He spent 25 years at the multinational information services company, Wolters Kluwer N.V., where he was Chairman from 2000 until 2003. He was a non-executive director of Mecom Group plc between November 2007 and January 2009.

### **Cyril Ramaphosa (56)**

Cyril Ramaphosa joined the board of SAB Ltd in 1997 and was appointed to the board of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He is Executive Chairman of Shanduka Group, Joint Non-Executive Chairman of Mondi plc and Mondi Limited and holds directorships in Macsteel Global B.V., MTN Group Ltd, The Bidvest Group, Standard Bank and Alexander Forbes. He also serves on the board of the Commonwealth Business Council.

### **Alejandro Santo Domingo (32)**

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

## **The Board and Board committees**

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

The Executive Directors generally have responsibility for proposing strategy and for making and implementing operational decisions on running the Group's businesses. Non-executive Directors complement the skills and experience of the Executive Directors, contributing to the formulation of policy and decision-making through their independent judgement, and knowledge and experience of other businesses and sectors.

The Board met 6 times during the year ended 31 March 2009 and ad hoc sub-committees of the Board met from time to time to deal with investment and financing and reporting issues. Specific responsibilities have been delegated to Board committees with defined terms of reference. The principal Board committees are described below.

### **The Audit Committee**

The Audit Committee is chaired by Mr Manser and also comprises Lord Fellowes, Mr Morland, Mr Devitre and Ms Doherty. The Audit Committee met 4 times during the year ended 31 March 2009. The external auditors, the Chief Executive, the Chief Financial Officer and the Chief Internal Auditor also attend these meetings and other members of the Management team attend as required. The

committee met with the external auditors and with the Chief Internal Auditor without Management being present.

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

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

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

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

### **The Disclosure Committee**

The Disclosure Committee consists of the Chairman, the Chief Executive, the Chief Financial Officer, a designated non-executive director (Lord Fellowes), and the Company Secretary or the Deputy Company Secretary. The function of the Disclosure Committee, in accordance with the Group's inside information policy, is to assure compliance with the Disclosure and Transparency Rules and the Listing Rules, and to ensure that the routes of communication between Executive Committee members, the Disclosure Committee, the in-house legal team, the company secretarial office and investor relations are clear and provide for rapid escalation to the Disclosure Committee and key advisors of any decision regarding potential inside information, so that the Group is able to comply fully with its continuing obligations under the Disclosure and Transparency Rules and the Listing Rules.

### **The Nomination Committee**

The Nomination Committee is chaired by Mr Kahn and also comprises Lord Fellowes, Mr Bible, Mr Manser, Mr Ramaphosa, Mr Morland and Mr Santo Domingo. Under the Altria Relationship Agreement and the BevCo Relationship Agreement, Altria and BevCo have the right to request that one of its nominated directors be appointed to the Nomination Committee and have nominated Mr Bible and Mr Santo Domingo respectively. The Nomination Committee considers the composition of the Board and its committees, retirements and appointments of additional and replacement Directors and makes appropriate recommendations to the Board. All Directors are subject to retirement and re-election by shareholders at least once every three years in accordance with SABMiller's Articles of Association and the guidelines of the Combined Code on Corporate Governance, published by the UK Financial Reporting Council (the "Combined Code"). The Nomination Committee meets as often as required, and at least once a year.



## **The Remuneration Committee**

The Remuneration Committee is chaired by Mr Morland and also comprises Lord Fellowes, Mr Manzoni and Mr Manser. The Remuneration Committee sets short-term and long-term remuneration for the Executive Directors. More generally, the Remuneration Committee is responsible for the assessment and approval of a broad remuneration strategy for the Group, the determination of short-term and long-term incentive pay structures for Group executives, the positioning of executive pay levels relative to local and international industry benchmarks and the assessment and authorisation of specific reward proposals for the Executive Directors and those executives reporting directly to the Chief Executive.

## **The Corporate Accountability and Risk Assurance Committee**

The Corporate Accountability and Risk Assurance Committee (“CARAC”) is chaired by Lord Fellowes and comprises Mr Kahn, Mr Manser, Mr Pieterse, Mr Ramaphosa, Mr Mackay, Mr Manzoni and Mr Wyman. Additionally, the Director of Corporate Affairs, Ms Clark, met regularly with the chairman of CARAC to discuss implementation and planning issues and attended all meetings of CARAC. CARAC’s main objective is to assist the Board in the discharge of its duties relating to corporate accountability and associated risk in the ethical, social and environmental fields. CARAC also provides independent and objective oversight and reviews information presented by Management on corporate accountability and specifically associated risk, also taking account of reports by Management and the Audit Committee to the Board on financial, business and strategic risk.

CARAC utilises the services of the Group Corporate Accountability Department to progress its activities, and co-opts management and technical specialists in bi-annual accountability workshops, to ensure integration of the various strategic business agendas and the representation and participation of all of the business units within the Group.

CARAC meets twice a year and reports to the Board on its activities.

## **Application of Combined Code**

SABMiller applied the provisions of the Combined Code throughout the year ended 31 March 2009, except in the following respects:

- (a) for the first six weeks of the year, from 1 April to 14 May 2008, at least half the board, excluding the Chairman, were not independent for the purposes of the Combined Code. In furtherance of the board’s commitment to the progressive renewal of its membership, two new independent directors, Ms Ramos and Mr Pieterse, were appointed and joined the board on 15 May 2008. With effect from 15 May 2008 therefore, and throughout the rest of the year to 31 March 2009, at least half of the board, excluding the Chairman, were independent for the purposes of the Combined Code.
- (b) the audit committee did not consist solely of independent directors, as the committee included Mr Devitre, an Altria nominee, who is not independent for the purposes of the Combined Code.

The only non-executive directors (excluding the Chairman) who do not meet the independence requirements of the Combined Code are those four directors who were nominated by the Issuer’s major shareholders pursuant to agreements entered into in connection with transactions which were approved by the Issuer’s shareholders. The terms of these agreements also account for the audit committee not consisting solely of independent directors.

## **Conflict of interest – Board of Directors**

The following Directors have interests which may give rise to a potential conflict of interest between them and SABMiller:

Lord Fellowes is chairman of Barclays Private Banking (Barclays Wealth), part of the Barclays Bank Group, with which SABMiller has a material banking relationship.

This interest has been fully disclosed to the Board and the Board does not consider it to give rise to an actual conflict of interest.

Save as set out above, no Director has any potential conflict of interest between his or her duties to SABMiller and his or her private interests or other duties.

## **Transactions with Directors**

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

## **Arm's length transactions**

No members of the Group have entered into any transactions during the financial year ended 31 March 2009 other than in SABMiller's ordinary course of business and on arm's length terms.

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

## **Executive Committee**

The members of the Executive Committee of SABMiller, in addition to Graham Mackay, Chief Executive Officer, and Malcolm Wyman, Chief Financial Officer, are:

### **Norman Adami (54)**

Managing Director and Chairman, SAB Ltd

Norman Adami was reappointed Managing Director and Chairman of The South African Breweries Limited (SAB Ltd) in October 2008. He first joined SAB Ltd in 1979 and has held a number of senior positions in the Group. These include Regional Director, Operations Director, Managing Director and Chairman, SAB Ltd, President and Chief Executive Officer, Miller Brewing Company and President and Chief Executive Officer, SABMiller Americas.

### **Mark Bowman (43)**

Managing Director, SABMiller Africa

Mark Bowman was appointed Managing Director of SABMiller Africa in October 2007. He joined SABMiller's beer division in 1993 and has held various senior positions in the Group. These include Managing Director of SABMiller's Polish subsidiary Kompania Piwowarska S.A., Managing Director of ABI (the soft drinks division of SAB Ltd) and Chairman of Appletiser.

### **Alan Clark (49)**

Managing Director, SABMiller Europe

Dr Clark was appointed Managing Director, SABMiller Europe in 2003. He joined SAB Ltd in 1990 as Training and Development Manager. He has since held a number of senior positions in the Group, including Marketing Director, SAB Ltd, Managing Director, ABI and Chairman, Appletiser South Africa (Pty) Ltd. Before joining the Group, he practised as a clinical psychologist and lectured in psychology at Vista University in South Africa.

### **Sue Clark (45)**

Corporate Affairs Director, SABMiller plc

Sue Clark was appointed Corporate Affairs Director, SABMiller plc in 2003. Prior to this, she held a number of senior roles in UK companies, including Director of Corporate Affairs, Railtrack Group from 2000 to 2003 and Director of Corporate Affairs, Scottish Power plc from 1996 to 2000.

### **John Davidson (50)**

General Counsel and Group Company Secretary, SABMiller plc

John Davidson joined the Group as General Counsel and Group Company Secretary in 2006. Before joining the Group, he spent his entire legal career at Lovells, a leading international law firm, where he had been a partner since 1991. He has worked on numerous projects for SABMiller since Lovells was first appointed as the Group's principal UK legal adviser in 1998, including the London listing in 1999, the Miller, Peroni and Bavaria transactions, and various bond and equity financings.

**Nick Fell (55)**

Marketing Director, SABMiller plc

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

**Tony van Kralingen (51)**

Director: Supply Chain & Human Resources, SABMiller plc

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

**Ari Mervis (45)**

Managing Director, SABMiller Asia

Ari Mervis was appointed Managing Director of SABMiller Asia in October 2007. He joined ABI in 1989 and has held various senior positions in sales, marketing, finance and general management. He has been Managing Director of Swaziland Bottling Company and Appletiser as well as Managing Director of SABMiller operations in Russia and Australia.

**Barry Smith (59)**

President, SABMiller Latin America

Barry Smith was appointed President, SABMiller Latin America in 2007 and prior to this he was President, SABMiller South America from 2005. He joined SAB Ltd in 1984 and has held a number of senior positions in the Group. These include Marketing Director, SAB Ltd, Managing Director, Kompania Piwowarska S.A. and Senior Vice President, Market Development and Strategy, Miller Brewing Company.

**Conflict of Interest – Executive Committee**

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

**Business Address – Executive Committee**

The business address of each of Sue Clark, John Davidson, 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 Alan Clark is Neuhofstrasse 4, CH6341, Baar, Switzerland.

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

The business address of Ari Mervis is Unit 3408-09, Edinburgh Tower, The Landmark, Central Hong Kong.

The business address of Barry Smith is Carrera 9, #76-49 Piso 4, Bogota, Colombia.

The comments below are of a general nature based on current United Kingdom law and Her Majesty's Revenue & Customs practice. 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 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 personal tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

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

If the Notes are not or cease to be listed on a recognised stock exchange, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.). Noteholders who are not resident 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 of United Kingdom income tax.

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person who is an individual, or paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual, may be required to provide certain information to Her Majesty's Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2010.

Under EU Council Directive 2003/48/EC on the taxation of savings income, each EU Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual or certain other persons in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may, unless during that period they elect otherwise, instead 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), deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU territories to the exchange of information relating to such payments. On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of Directive 2003/48, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of the proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual or certain other persons in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual or certain other persons in one of those territories.

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 9 July 2009 (as amended and supplemented from time to time, the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

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

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

### Selling Restrictions

#### United States

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

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

#### U.S. Tax Selling Restrictions

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

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

- (i) except to the extent permitted under the D Rules, (a) it has not offered or sold, and during the restricted period it will not offer or sell such TEFRA Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes that will be sold during the restricted period;
- (ii) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such TEFRA Notes are aware that such TEFRA Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);
- (iii) if it is a United States person, it is acquiring such TEFRA Notes for purposes of resale in connection with their original issuance, and if it retains such TEFRA Notes for its own account, it will do so in accordance with the requirements of the D Rules;

- (iv) with respect to each affiliate or distributor that acquires such TEFRA Notes from the Issuer or the Dealer for purpose of offering or selling such TEFRA Notes during the restricted period, the Issuer or Dealer either repeats and confirms the representations and agreements contained in paragraphs (i), (ii) and (iii) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Dealer the representations and agreements contained in such paragraphs; and
- (v) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates, the Issuer or another Dealer) has offered or sold, or during the restricted period will offer or sell, any such TEFRA Notes except where pursuant to the contract the Issuer or Dealer has obtained or will obtain from that party, for the benefit of the Issuer and each Dealer, the representations contained in, and that party's agreement to comply with, the provisions of paragraphs (i), (ii), (iii) and (iv).

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

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

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

### **Public Offer Selling Restriction Under the Prospectus Directive**

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

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iv) at any time to fewer than 100 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
- (v) 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 (ii) to (v) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

## United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) 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
- (iii) 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 (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 in 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.

## General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

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

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

## FORM OF FINAL TERMS

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

**Final Terms dated [ ]**  
**SABMiller plc**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the U.S.\$5,000,000,000**  
**Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 9 July 2009 [and the supplemental Prospectus dated ] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the Prospectus Directive). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. 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 Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Agency Agreement dated 25 July 2008 and set forth in the Prospectus dated 25 July 2008 and incorporated by reference into the Prospectus dated 9 July 2009 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus dated [●] 2009 [and the supplemental Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Prospectuses and [the supplemental Prospectus] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[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 or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

- |   |  |  |
|---|--|--|
| 1 | Issuer:  | SABMiller plc  |
| 2 | [(i)] Series Number:   | [ ]  |
|   | [(ii)] Tranche Number:   | [ ]  |
|   | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] |  |
| 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: [ ]  
(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  
[[specify reference rate] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (specify)]  
[(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation No.809/2004 will apply and the Issuer will prepare and publish a supplement to the Prospectus.)]
- 11 Change of Interest or Redemption/  
Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
- 12 Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
- 13 [(i)] Status of the Notes: Senior  
[(ii)] [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 or related Guarantee)]
- 14 Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **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 [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with

		[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
(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:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(vi)	[Determination Dates:	[ ] in each year ( <i>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))</i> ]
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i> ]
16	<b>Floating Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Interest Period(s):	[ ]
(ii)	Specified Interest Payment Dates:	[ ]
(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/ <i>other (give details)</i> ]
(vi)	Business Centre(s):	[ ]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ <i>other (give details)</i> ]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[ ]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[ ]
	– Interest Determination Date(s):	[ ]
	– Relevant Screen Page:	[ ]
(x)	ISDA Determination:	
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– [ISDA Definitions: 2006]:	
(xi)	Margin(s):	[+/-][ ] per cent. per annum
(xii)	Minimum Rate of Interest:	[ ] per cent. per annum
(xiii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiv)	Day Count Fraction:	[ ]
(xv)	Fall back provisions, rounding provisions, denominator and any	[ ]

other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

- 17 **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) Any other formula/basis of determining amount payable: [ ]
- 18 **Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [*give or annex details – including the exercise price or final reference price of the underlying index/formula/other variable*]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Interest Determination Date(s): [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Interest Period(s): [ ]
- (vii) Specified Interest Payment Dates: [ ]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (ix) Business Centre(s): [ ]
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [ ]
- 19 **Dual Currency Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [ ]
- (iii) Provisions applicable where calculation by reference to Rate of

Exchange impossible or impracticable:

- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO REDEMPTION

- 20 **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice period: [ ]
- 21 **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period [ ]
- 22 **Final Redemption Amount of each Note** [ ] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: [If the Final Redemption Amount is linked to an underlying reference or security, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the Requirements of Annex XII to the Prospectus Directive Regulation No. 809/2004 will apply and the Issuer will prepare and publish a supplement to the Prospectus which shall constitute a supplementary prospectus pursuant to Prospectus Rule 3-4 and Section 87G of the FSMA.]
- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [ ]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise [ ]

disrupted:

- (vi) Payment Date: [ ]
- (vii) Minimum Final Redemption Amount: [ ] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [ ] per Calculation Amount

**23 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 and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 24 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]  
*(N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")*  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]  
[Registered Notes]
- 25 New Global Note: [Yes][No]
- 26 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
- 29 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable]

- 31 Consolidation provisions: [Not Applicable]
- 32 Other final terms: [Not Applicable/*give details*]  
*(When adding any other final terms, consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)*

**DISTRIBUTION**

- 33 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- 34 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35 U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
- 36 Additional selling restrictions: [Not Applicable/*give details*]

**[PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange plc of the Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme of SABMiller plc.]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [Certain information has been extracted from third party sources. 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

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] 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 rated:
- [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.)*

### 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 following statement:

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

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

### 4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer [ ]
- (See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: [ ]
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) [Estimated total expenses: [ ]
- (If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)\**

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

5 **[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.]

6 **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/ FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/ formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]\**

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]\*.

7 **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]\*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

8 **OPERATIONAL INFORMATION**

ISIN Code: [ ]

Common Code: [ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]

Delivery: Delivery [against/free of] payment

Names and addresses of initial [ ] [ ]

Paying Agent(s):

Names and addresses of additional Paying Agent(s) (if any): [ ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No] [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 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.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.



## GENERAL INFORMATION

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- (1) The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 14 July 2009. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the Market will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may also be issued pursuant to the Programme.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme. The establishment and update of the Programme were authorised by a duly constituted committee of the board of directors of the Issuer by resolutions passed on 10 July 2008 and 9 July 2009, respectively.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2009 and no material adverse change in the prospects of the Issuer or of the Group since 31 March 2009.
- (4) Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) With respect to each Bearer Note issued in compliance with the D Rules, Receipt, 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.
- (8) Certain information in this Prospectus has been extracted from third party sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Registered Office of the Issuer and the specified offices of each of the Agents:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Deed of Covenant;
  - (iii) the Memorandum and Articles of Association of the Issuer;
  - (iv) the audited consolidated financial statements of the Issuer for the two financial years ended 31 March 2008 and 31 March 2009, respectively;
  - (v) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be

published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);

- (vi) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
- (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus or any Supplement to this Prospectus or further Prospectus.

This Prospectus, any supplement to this Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/en-gb/pricesnews/marketnews](http://www.londonstockexchange.com/en-gb/pricesnews/marketnews).

- (10) Copies of the latest annual report and consolidated financial statements of the Issuer and the latest interim consolidated financial statements of the Issuer may be obtained, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Although the Issuer publishes both consolidated and non-consolidated financial statements, the non-consolidated financial statements do not provide significant additional information as compared to the consolidated financial statements. The Issuer does not publish interim financial statements.
- (11) PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, England (Chartered Accountants and Registered Auditors) have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer and its subsidiaries for each of the two financial years ended 31 March 2008 and 31 March 2009 respectively.
- (12) The Issuer does not intend to provide any post-issuance information in relation to any Notes.
- (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.

**REGISTERED OFFICE OF THE ISSUER**

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**The Royal Bank of Scotland plc**  
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**REGISTRAR, PAYING AGENT AND TRANSFER AGENT**

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