

**PROGRAMME MEMORANDUM**

**SABSA HOLDINGS LIMITED (FORMERLY SABSA HOLDINGS PROPRIETARY LIMITED)**

*(established and incorporated as a public company with limited liability in accordance with the laws of South Africa)  
(registration number 1998/005173/06)*

**Guaranteed by**

**SABMiller plc**

*(incorporated in England and Wales as a public company limited by shares with Registered Number 3528416)*

**ZAR 6,000,000,000**

**Domestic Medium Term Note Programme**

The Programme Memorandum published by SABSA Holdings Proprietary Limited on 7 July 2007 (as amended) (the "**Original Programme Memorandum**") in respect of its ZAR 6,000,000,000 Domestic Medium Term Note Programme is replaced and superseded in its entirety by this Programme Memorandum, on and with effect from the date of this Programme Memorandum (the "**Programme Date**"). This Programme Memorandum will not apply to any Notes (as defined below) issued before the Programme Date (the "**Prior Notes**"). The Prior Notes shall remain subject to the terms and conditions contained in the Original Programme Memorandum.

Under this ZAR 6,000,000,000 Domestic Medium Term Note Programme (the "**Programme**"), SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (the "**Issuer**") may from time to time issue unsecured registered notes of any kind (the "**Notes**"). Capitalised terms used in this Programme Memorandum (as defined below) are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*" (the "**Terms and Conditions**"), unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

The Issuer's obligations to the Noteholders under the Notes specified as such in the Applicable Pricing Supplement are guaranteed, by SABMiller plc (the "**Guarantor**"), on the terms and conditions of the guarantee dated on or about 6 December 2012 (the "**Guarantee**") and as described in Condition 6 (*Guarantee*) of the Terms and Conditions.

This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Principal Amount which will not exceed the authorised amount of ZAR 6,000,000,000, unless such amount is increased by the Issuer as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Dual Currency Notes, Instalment Notes, Partly Paid Notes, Exchangeable Notes, Extendible Notes and/or such combination of the foregoing Notes and/or such other type of Notes as

may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by the JSE Limited (the "**JSE**") and is registered on the Interest Rate Market of the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE, or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to all applicable laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. A copy of the signed Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The placement of a Tranche of unlisted Notes may (at the sole discretion of the Issuer) be reported through the JSE reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the "relevant Dealer" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

**The attention of investors contemplating investing in the Notes is drawn to the section headed "*Risk Factors*" for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in the Notes.**

After the date of this Programme Memorandum, the Issuer and/or the Programme may be rated by a Rating Agency on a national scale or international scale basis. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the rating, if any, which has been assigned to the Issuer, the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such rating. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes

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***Debt Sponsor and Arranger***

**Absa Corporate and Investment Bank (a division of Absa Bank Limited)**



***Dealers***

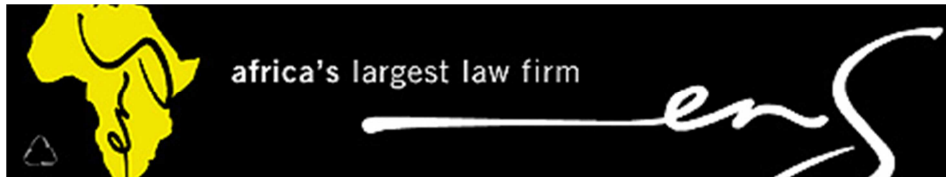
**Absa Corporate and Investment Bank (a division of Absa Bank Limited)**

**FirstRand Bank Limited (acting through its Rand Merchant Bank division)**

**The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division)**

***Transaction Legal Counsel***

**Edward Nathan Sonnenbergs Inc.**



Programme Memorandum dated 10 December 2012

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## GENERAL

*Words used in this section headed "General" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Issuer and the Guarantor certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum contains all information required by law and the JSE Debt Listings Requirements. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Programme Memorandum and the Applicable Pricing Supplements or any supplements from time to time, except as otherwise stated therein.

The Issuer and the Guarantor, having made all reasonable enquiries, confirm that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions false or misleading in any material respect.

This document is to be read and construed with any amendment or supplement thereto (this document, as amended, replaced or supplemented, the "**Programme Memorandum**") and in conjunction with any other documents which are deemed to be incorporated herein by reference (see section headed "**Documents Incorporated by Reference**") and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and are deemed to form part of this Programme Memorandum.

Claims against the BESA Guarantee Fund Trust (or any successor fund) may only be made in respect of trading in Notes listed on the Interest Rate Market of the JSE in accordance with the rules of the BESA Guarantee Fund Trust, and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations under the Notes.

The JSE takes no responsibility for the contents of the Programme Memorandum, any supplements thereto, or the audited consolidated annual financial statements (as amended or restated from time to time) or the amendments to the audited consolidated annual financial statements, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, supplements thereto, or the audited consolidated annual financial statements (as amended and restated from time to time) or the amendments to the audited consolidated annual financial statements .

Neither the Arranger, the Dealers, the JSE, Strate nor any of their respective affiliates or professional advisers named herein have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealers, the JSE, Strate or their professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer or the Guarantor. Neither the Arranger, the Dealers, the JSE, Strate nor their respective affiliates or professional advisers accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer and/or the Guarantor in connection with the Programme.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, the Dealers, the JSE, Strate, each of their agents or employees or professional advisors.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Guarantor, the Arranger or any of the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme, should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer to sell or the solicitation of an offer to buy or invitation by or on behalf of the Issuer and/or the Guarantor, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme. Investors should review, among others, the most recent audited consolidated annual financial statements, if any, of the Issuer and/or the Guarantor when deciding whether or not to subscribe for, or purchase any Notes.

The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this

Programme Memorandum, the Applicable Pricing Supplement or any Notes come are required by the Issuer, the Guarantor, the Arranger and the Dealers to inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and any other offering materially relating to the Notes, see the section headed "*Subscription and Sale*".

Neither the Issuer, the Guarantor, the Dealers nor their professional advisers represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger, the Dealers or their professional advisors, which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.**

**In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the applicable laws and agreed with the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

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## DOCUMENTS INCORPORATED BY REFERENCE

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*Words used in this section headed "Documents Incorporated by Reference" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

For so long as any Note remains Outstanding, the following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) in respect of any issue of Notes under the Programme, the audited consolidated annual balance sheet of the Issuer and the audited consolidated annual financial statements, together with such statements, reports and the notes attached to or intended to be read with such financial statements of the Guarantor, for the 3 (three) financial years of the Issuer and the Guarantor respectively ended prior to the date of this Programme Memorandum, as well as the audited consolidated annual balance sheet, income statement, statement of changes in equity and cash flow statement of the Issuer and the audited consolidated annual financial statements of the Guarantor for each financial year thereafter ending on the last day of each financial year, currently 31 March in respect of the Issuer and 31 March in respect of the Guarantor;
- (c) in respect of any issue of Notes under the Programme, the published unaudited interim results of the Guarantor, for the six months ended 30 September 2012, as well as for the first six months of each financial year of the Guarantor thereafter, currently ending on 30 September ("**Interim Results**");
- (d) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted, after the 31<sup>st</sup> of March financial year end, by the Securities Exchange News Service ("**SENS**") established by the JSE, to SENS subscribers, if required;
- (e) the Guarantee executed by the Guarantor in favour of the Noteholders; and
- (f) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, for so long as any Note remains Outstanding, make available for inspection at the registered office of the Issuer as set out at the end of this Programme Memorandum, a copy of (i) this Programme Memorandum and any or all of the documents which are incorporated herein by reference, unless such



documents have been modified or superseded, and/or (ii) the most recently obtained monthly register made available by the CSD Participant to the CSD. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. This Programme Memorandum, Applicable Pricing Supplements and any supplementary documents thereto will be available on the JSE website, [www.jse.co.za](http://www.jse.co.za), and the documents referred to in paragraphs (b) and (c) above and this Programme Memorandum (and any supplementary documents thereto, including the Applicable Pricing Supplements) will also be available on the Guarantor's website, [www.sabmiller.com](http://www.sabmiller.com).

The Issuer will for so long as any Note remains Outstanding and listed on the Interest Rate Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (a) a material change in the condition (financial or otherwise) of the Issuer occurs; or
- (b) a material event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would be necessary for the purpose of allowing a Noteholder or a potential investor in the Notes to make an informed assessment of its investment in the Notes; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's audited consolidated annual balance sheet, income statement, statement of changes in equity and cash flow statement and the Guarantor's audited consolidated annual financial statements or the Guarantor's Interim Results (as defined above), if such Issuer's audited consolidated annual balance sheet, income statement, statement of changes in equity and cash flow statement and the Guarantor's audited consolidated annual financial statements or Interim Results are incorporated by reference into this Programme Memorandum, submitted to the JSE and published on the Guarantor's website [www.sabmiller.com](http://www.sabmiller.com), within six months after the financial year end of the Issuer and the Guarantor and in the case of the Guarantor's Interim Results, within 6 months after publication thereof.

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## GENERAL DESCRIPTION OF THE PROGRAMME

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*Words used in this section headed "General Description of the Programme" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the authorised Programme Amount.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to applicable laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the JSE, the Issuer will, by no later than the last day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Principal Amount and the Maturity Date (if any) of that Tranche of Notes.

This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Principal Amount which, when added to the aggregate Principal Amount then Outstanding of all the Notes previously or simultaneously issued under the Programme, does not exceed the authorised amount of ZAR 6,000,000,000.

From time to time the Issuer and the Guarantor may wish to increase the Programme Amount. Subject to the Applicable Procedures, all applicable laws and the Programme Agreement (as defined in the section headed "*Subscription and Sale*"), the Issuer may without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions and to the Arranger and the Dealer(s). Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

It is anticipated that, on or after the date of this Programme Memorandum, the Programme will be rated by one or more Rating Agencies on a national scale basis, which rating will be reflected in the Applicable Pricing Supplement. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. A rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

This Programme Memorandum will only apply to Notes issued under the Programme.

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**SUMMARY OF THE PROGRAMME**


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*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.*

<b>Issuer</b>	SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (Registration number 1998/005173/06) a public company with limited liability duly incorporated in accordance with the company laws of South Africa.
<b>Guarantor</b>	SABMiller plc (Registered Number 3528416), a public company limited by shares registered under the laws of England and Wales and with its registered office address at SABMiller House, Church Street West, Woking, Surrey GU21 6HS, England.
<b>Description of the Programme</b>	SABSA Holdings Limited ZAR 6,000,000,000 Domestic Medium Term Note Programme.
<b>Size of Programme</b>	Notes with an aggregate Principal Amount of up to ZAR 6,000,000,000 may be Outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the Programme Agreement.
<b>Arranger</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited) or such other Arranger as may be appointed by the Issuer, as specified in the Applicable Pricing Supplement.
<b>Dealer(s)</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited), FirstRand Bank Limited (acting through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) and any additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of such Dealer.

<b>Debt Sponsor</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited) or such other Debt Sponsor as may be appointed by the Issuer subject to the approval of the JSE in accordance with the Applicable Procedures, as specified in the Applicable Pricing Supplement.
<b>Calculation Agent</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited), or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation Agent, as specified in the Applicable Pricing Supplement.
<b>Paying Agent</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited), or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent, as specified in the Applicable Pricing Supplement.
<b>Transfer Agent</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited), or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
<b>Clearing and Settlement</b>	Notes may be cleared and settled in accordance with the rules of the JSE and the CSD. The Notes have been accepted for clearance through the CSD, which forms part of the JSE clearing system that is managed by the CSD, and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer. As at the date of this Programme Memorandum, the CSD Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank N.A and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (" <b>Euroclear</b> ") and Clearstream Banking, societe anonyme (Clearstream Luxembourg) (" <b>Clearstream</b> "), may hold Notes through their CSD Participant.
<b>CSD</b>	Strate Limited (registration number 1998/022242/06), registered as a central securities depository in terms of the Securities Services Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant

Dealer(s).

**Rating of Issuer and the Programme**

As at the date of this Programme Memorandum, the Issuer has not been rated by any rating agency. However, it is anticipated that the Programme will be rated by one or more Rating Agencies on a national scale basis on or after the date of this Programme Memorandum, which rating will be reflected in the Applicable Pricing Supplement.

**Rating of Notes**

A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

**Listing**

This Programme has been approved by the JSE for the listing of the Notes on the Interest Rate Market of the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to all applicable laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange(s).

**Specified Currency**

South African Rand (“**ZAR**”) or, subject to all applicable laws and in the case of Notes listed on the Interest Rate Market of the JSE subject to the rules of the JSE, such other currency as is specified in the Applicable Pricing Supplement.

**Denomination**

Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.

<b>Form of Notes</b>	The Notes will be issued in registered form as described in the section " <i>Form of the Notes</i> ".
<b>Noteholder Cession</b>	Each Noteholder agrees and accepts that, upon the occurrence of an Event of Default the Noteholder's rights to claim against the Issuer, in regard to such Event of Default, are ceded to the Guarantor in accordance with Condition 7 ( <i>Noteholder Cession and Non-Petition</i> ), with effect from the date of occurrence of the Event of Default and the Guarantor shall pay to the Noteholder any amount due by the Issuer under the Notes, in terms of the Guarantee.
<b>Non-Petition</b>	Upon the occurrence of an Event of Default, the Noteholders shall be restricted from claiming against the Issuer, and they shall instead be entitled only to claim under the Notes from the Guarantor in terms of the Guarantee, as more fully set out in Condition 6 ( <i>Guarantee</i> ) and Condition 7 ( <i>Noteholder Cession and Non-Petition</i> ).
<b>Enforcement</b>	The Noteholders' rights to enforce claims under the Notes are subject to Condition 6 ( <i>Guarantee</i> ) and Condition 7 ( <i>Noteholder Cession and Non-Petition</i> ).
<b>Guarantee</b>	The Issuer's obligations under the Notes are unconditionally and irrevocably guaranteed, by the Guarantor, in accordance with the Guarantee as described in Condition 6 ( <i>Guarantee</i> ).
<b>Interest</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date.
<b>Interest Period(s) or Interest Payment Date(s)</b>	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
<b>Issue and Transfer Taxes</b>	As at the date of this Programme Memorandum, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " <i>South African Taxation</i> "). Any

future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.

<b>Issue Price</b>	Notes may be issued on a fully paid basis and at their Principal Amount or at a discount or premium to their Principal Amount as specified in the Applicable Pricing Supplement
<b>Maturities of Notes</b>	Such maturity(ies) that is/are acceptable to the JSE and as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
<b>Cross-Default</b>	The terms of the Notes will contain a cross-default provision relating to Material Indebtedness for money borrowed, or any guarantee of or indemnity in respect of any such Material Indebtedness as further described in Condition 14 ( <i>Events of Default</i> ).
<b>Negative Pledge</b>	Notes will have the benefit of a negative pledge as described in Condition 8 ( <i>Negative Pledge</i> ).
<b>Noteholder(s)</b>	The holders of the Notes as recorded in the Register.
<b>Notes</b>	<p>Notes may comprise:</p> <p><b>Fixed Rate Notes:</b> Fixed Rate interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).</p> <p><b>Floating Rate Notes:</b></p> <p>Floating Rate Notes will bear interest calculated at a rate determined: (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 ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).</p>

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

**Zero Coupon Notes:** Zero Coupon Notes will be issued at their Principal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).

**Indexed Notes:** Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

**Mixed Rate Notes:** Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Dual Currency Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement.

**Instalment Notes:** The Applicable Pricing Supplement will set out the dates on which, and the amounts in which, Instalment Notes may be redeemed.

**Partly Paid Notes:** The Issue Price of Partly Paid Notes will be payable in two or more instalments as set out in the Applicable Pricing Supplement.



**Exchangeable Notes:** Exchangeable Notes may be redeemed by the Issuer in cash or by the delivery of Exchange Securities as specified in the Applicable Pricing Supplement.

**Extendible Notes:** Notes issued with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as may be indicated in the Applicable Pricing Supplement.

**Other Notes**

Terms applicable to any other type of Notes that are approved by the JSE, or its successor, or such other or further exchange(s) as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the relevant Dealer(s), in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

**Status of Notes**

Unless specified otherwise in the Applicable Pricing Supplement, the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

**Stabilisation**

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the applicable laws and agreed with the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

**Redemption**

The Applicable Pricing Supplement relating to each Tranche of

Notes will indicate either:

- (a) that the Notes may only be redeemed prior to their stated maturity (other than in specified instalments, if applicable) for taxation reasons or following an Event of Default; or
- (b) that such Notes will also be redeemable at the option of the Issuer upon giving such notice as is indicated in the Applicable Pricing Supplement to the Noteholders at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement; or
- (c) that such Notes will also be redeemable at the option of the Noteholders upon giving such notice as is indicated in the Applicable Pricing Supplement to the Issuer at the Optional Redemption Amount in accordance with Condition 11.4 (*Redemption at the option of Noteholders*).

The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments and on such dates as indicated in the Applicable Pricing Supplement.

**Register**

The Register maintained by the Transfer Agent in terms of the Agency Agreement and the Terms and Conditions.

**Distribution**

Notes may be distributed by way of public auction, private placement or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.

**Selling Restriction**

The distribution of this Programme Memorandum and any offering or sale of or subscription for a Tranche of Notes may be restricted in certain jurisdictions, and is restricted by law in the United States of America, the European Economic Area, the United Kingdom and South Africa (see the section of this Programme Memorandum headed "*Subscription and Sale*"). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or any Applicable Pricing Supplement must inform

themselves about and observe all applicable selling restrictions.

**Blocked Rand**

Blocked Rand may be used to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.

**Other taxes**

No securities transfer tax will be payable in terms of the Securities Transfer Tax Act, 2007 in respect of the transfer, issue, cancellation or redemption of the Notes.

**Taxation**

As at the date of this Programme Memorandum all payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa unless such withholding or deduction is required by law. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 12 (*Taxation*), make such payments as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction. For a summary of the position in relation to issue and transfer taxes, see "*Issue and Transfer Taxes*" above.

**Governing Law**

The Notes will be governed by, and construed in accordance with the laws of South Africa in force from time to time.

**Terms and Conditions**

The terms and conditions of the Notes set out in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" below.

**Use of Proceeds**

The Issuer will use the issue proceeds of the Notes for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

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## RISK FACTORS

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*Words used in this section entitled “Risk Factors” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their respective obligations under or in respect of, as the case may be, the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors that the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer and/or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, and neither the Issuer nor the Guarantor represents 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 Programme Memorandum (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 and Guarantor’s ability to fulfil their respective obligations under or in respect of the Notes issued under the Programme**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group's overall business strategy and focus is to be a significant participant in the consolidation of the global beer industry. In recent years, the Group has made numerous acquisitions of companies and businesses, including in Europe, Africa, Asia, Latin America, the United States and Australia. Although further consolidation of the beer industry is expected, the Group will be able to make further acquisitions only if it identifies suitable targets and agrees on terms attractive to it.

When considering an acquisition, the Group makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of the target and the potential return on investment. These estimates may prove to be incorrect, rendering the Group's further consolidation unsuccessful, with consequent negative effects for the Group's business, financial condition and results of operations.

Any acquisition which the Group has completed (including its acquisition of Foster's) or does complete is accompanied by the risks commonly encountered with acquisitions of companies or businesses, such as the difficulty of integrating the acquired businesses, the potential disruption to its own businesses, the retention of key management personnel, the assumption of unexpected liabilities and the possibility that indemnification agreements with the sellers of such assets may be insufficient to cover potential liabilities, the establishment and maintenance of common standards, controls, procedures and policies, and the impairment of relationships with employees and counterparties as a result of difficulties arising out of integration. In the case of any acquisition, there can be no assurance that these risks will not materialise, and such matters could have a material adverse effect on the Group's business, financial condition and results of operations.

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

The supply and price of raw materials used to produce the Group's products can be affected by a number of factors beyond its control, including the level of crop production around the world, export demand, government regulations and legislation affecting agriculture, adverse weather conditions, currency fluctuations, economic factors affecting growth decisions, various plant diseases and pests. The Group cannot predict future availability or prices of the products and materials required for its products. The markets

in the relevant commodities may continue to experience price increases or suffer from disruptions in supply. The foregoing may affect the price and availability of ingredients that the Group uses to produce its products as well as the cans and bottles in which the Group's products are packaged. In particular, in recent years the Group has experienced significant input cost increases in the market prices of malt, barley and hops. Rising prices of oil, gasoline, natural gas and diesel fuel have also led to an increase in the cost of transport, glass and aluminium. The impact of this on the Group's profitability has been tempered through supply contracts for future requirements and an active hedging programme, combined with programmes to support development of local barley farming in India and China, and similar initiatives in a number of countries in Africa. However, such hedging measures may not provide complete protection over the longer term. If the Group cannot recapture these price increases through its sales to customers, or if volumes decrease as a result, the Group's revenues and/or profits may decrease, which could have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

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

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

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

Globally, brewers compete mainly on the basis of brand image, price, customer service, distribution networks and, particularly in developed markets, quality. While globally the beer industry is not highly concentrated, in many of the countries in which the Group has operations, including the United States, two or three brewers account for a very large proportion of the market and smaller local brewers make up the balance. Consolidation has significantly increased the capital base and geographic reach of the Group's other

competitors in some of the markets in which they operate, as well as increasing the cost of competition, and competition is expected to increase further as the trend towards consolidation among companies in the beer industry continues. Examples of this trend include the acquisition in 2008 by InBev S.A./N.V. of Anheuser-Busch Companies Inc. to form Anheuser-Busch InBev S.A./N.V. ("**A-B InBev**"), the acquisition by Heineken N.V. of the Mexican and Brazilian beer businesses of Fomento Económico Mexicana S.A.B. de C.V. ("**FEMSA**") in 2010, the Kirin Group's acquisition of Lion Nathan National Foods in 2009 and the Schincariol Group in 2011, the recently completed acquisition by Molson Coors of StarBev LP, and the recently announced proposed acquisition by A-B InBev of the remaining 50% (fifty percent) interest in Grupo Modelo, S.A.B. de C.V. which it does not already own.

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

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

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

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

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



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

Various legislative authorities in those countries in which the Group operates consider proposals from time to time to impose additional excise and other taxes or fees on the production and sale of alcoholic beverages, including beer. Changes in such duties applicable to the Group's products affect the prices at which they are sold. Increases in the levels of fees, excise and other tax (either on an absolute basis or relative to the levels applicable to other alcoholic beverages) could have a significant adverse impact on sales volumes. In addition, there is no assurance that the operations of the Group's breweries and other facilities will not become subject to increased taxation by national, local or foreign authorities. Changes in corporate income tax rates or regulations on repatriation of dividends and capital could also adversely affect the Group's cash flow and its ability to distribute earnings to the Group.

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

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

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

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

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

***The Group has exposure to the risk of litigation.***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Certain companies within the Group currently purchase nearly all of their key packaging materials from sole suppliers under multi-year contracts. The loss or temporary discontinuity of supply from any of these suppliers without sufficient time to develop an alternative source could cause the Group to spend increased amounts on such supplies in the future.

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

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

risks, it may not be able to enforce its rights in respect of these policies and, in the event contamination occurs, any amounts that the Group does recover may not be sufficient to offset any damage it may suffer.

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

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

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

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

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

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

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

The Group is increasingly reliant on its information technology and systems as the Group maintains operations in different regions and relies on its information systems to maintain and improve its operational efficiency. Although the Group takes preventative measures to protect and secure its information systems, these systems may be vulnerable to different operational or security challenges including telecommunications failures, interruptions, security breaches and other types of interference. Any such interference may have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

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

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

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

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***The Notes may not be a suitable investment for all investors.***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial and legal adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### **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 may also be true prior to any such redemption period.

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

In the event that the Issuer is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any taxes, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

##### ***Fixed/Floating Rate Notes.***

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

rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

***Notes issued at a substantial discount or premium.***

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

**Risks related to Notes generally**

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

***The Notes and the Guarantee are unsecured obligations.***

The Notes and the Guarantee will constitute unsecured obligations of the Issuer and the Guarantor, respectively, and will rank junior to all of the Issuer's and the Guarantor's existing and future secured obligations.

***The Issuer and the Guarantor must rely on payments from their respective subsidiaries to fund payments on the Notes.***

The Issuer and the Guarantor are holding companies with limited assets and limited ability to generate revenues. As such, the Issuer and the Guarantor are wholly dependent on funding arrangements with their respective subsidiaries to meet their cash requirements, including to pay amounts due under the Notes or (as the case may be) the Guarantee. If payments of dividends or other distributions from the Issuer's (or as the case may be) the Guarantor's subsidiaries are not made, for whatever reason, the Issuer or (as the case may be) the Guarantor may not have sufficient sources of funds available to make payments on the Notes or (as the case may be) the Guarantee. Holders will not have a direct claim on the cash flows or assets of the Issuer's or the Guarantor's respective subsidiaries and those subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes or the Guarantee, or to make funds available to the Issuer or the Guarantor for those payments. In addition, the ability of the Issuer's and the Guarantor's respective subsidiaries to make payments, loans or advances to the Issuer or the Guarantor may be limited by the laws of the jurisdiction in which such subsidiaries are organised or located.

***Recourse to the Guarantor upon the occurrence of an Event of Default***

In terms of the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed the due and punctual performance of the obligations of the Issuer to each Noteholder under the Notes. On the occurrence of an Event of Default, each Noteholder shall have recourse only to the Guarantor and not the Issuer for payment of any amounts due under the Notes, the rights to which have, in terms of the Noteholder Cession, been ceded to the Guarantor by each Noteholder with effect from the date of occurrence of such

Event of Default. See in this regard Condition 6 (*Guarantee*) and Condition 7 (*Noteholder Cession and Non-Petition*).

***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.

***Change of law.***

No assurance can be given as to the impact of any possible judicial decision or change to South African law or the law of any other jurisdiction or administrative practice after the issuance of the Notes.

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

***Foreign Exchange Control.***

Foreign derived loan capital or equity capital may be introduced into South Africa through a formal system of Exchange Control as summarised in the section entitled "*South African Exchange Control*" of this Programme Memorandum. However, unless the prior approval of the South African Reserve Bank has been obtained, the proceeds from the sale of assets in South Africa owned by a non-resident are not remittable to the non-resident.

***Risks related to the market generally.***

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

***The secondary market generally.***

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



requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and greater price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

***Exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in respect of 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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.

***There is no active trading market for Notes.***

The Notes issued under the Programme Memorandum will be new securities which may not be widely distributed and for which there is currently no active trading market. While application may be made for the Notes to be traded on the JSE or on such other Financial Exchange(s) as may be determined by the Issuer, there can be no assurance that the Issuer will be able to maintain such listing or that a trading market will develop for the Notes. If the Notes are traded after their initial issuance, they may trade at a discount or premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general political and economic conditions, the condition of the financial sector, the financial condition of the Issuer, the Issuer's financial performance and future prospects.

***Financial Markets.***

A prospective investor of the Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary markets for instruments similar to the Notes. The Issuer cannot predict if and when these circumstances will change, and if and when they do, whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in future.

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**FORM OF THE NOTES**

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*Words used in this section headed "Form of the Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

Each Tranche of Notes will be issued in the form of registered Notes in accordance with the Conditions and represented by (i) Individual Certificates, or (ii) no Individual Certificates, if issued in uncertificated form in terms of section 37 of the Securities Services Act.

**Notes issued in uncertificated form**

If the Notes are to be listed on the Interest Rate Market of the JSE, the Issuer will, subject to Applicable Laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the CSD will apply to Notes issued in uncertificated form.

**Beneficial Interests**

The CSD will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form will be registered in the name of the CSD's Nominee, and the CSD's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes issued in uncertificated form, will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for CSD Participants. As at the date of this Programme Memorandum, the CSD Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank N.A and the South African Reserve Bank.

The CSD Participants are in turn required to maintain securities accounts for their clients. The clients of CSD Participants may include the holders of Beneficial Interests in the Notes of their custodians. The clients

of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants.

In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Transfers of Beneficial Interests in the CSD to and from clients of the CSD Participants occur by electronic book entry in the central securities accounts of the clients of the CSD Participants. Transfers among CSD Participants of Notes held in the CSD system occur through electronic book entry in the CSD Participants' central security accounts with the CSD. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the CSD, CSD Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

#### **Individual Certificates**

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 10 (*Payments*) to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Record Date, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Individual Certificate in respect of each amount so paid.

#### **Other Notes**

The Issuer may, subject to applicable law, without the consent of Noteholders, agree with any Dealer appointed in relation to such Tranche that a Tranche of Notes be issued in bearer form or in order form or in another form not contemplated by the Terms and Conditions, in which case a supplement to this Programme Memorandum or the Applicable Pricing Supplement, if appropriate, will be issued which will describe the effect of the agreement reached in relation to such Tranche of Notes.

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**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

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Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:

**SABSA HOLDINGS LIMITED (FORMERLY SABSA HOLDINGS PROPRIETARY LIMITED)**

**(established and incorporated as a public company with limited liability in accordance with the laws of South Africa)**

**(Registration Number 1998/005173/06)**

**Guaranteed by**

**SABMiller plc**

**(incorporated in England and Wales as a public company limited by shares with Registered Number 3528416)**

**Issue of [aggregate Principal Amount of Tranche] [Title of Notes]**

**Under its ZAR 6,000,000,000 Domestic Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated [•] 2012 and approved by the JSE on [•] 2012, prepared by SABSA Holdings Limited in connection with the SABSA Holdings Limited ZAR6,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

**DESCRIPTION OF THE NOTES**

1. Issuer SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (Registration Number 1998/005173/06)

2. Guarantor SABMiller plc (Registered Number 3528416), a public company limited by shares registered under the laws of England and Wales and with its registered office address at SABMiller House, Church Street West, Woking, Surrey GU21 6HS, England
3. Status of Notes Notes guaranteed by the Guarantor, but otherwise unsecured.
4. (a) Tranche Number [     ]  
 (b) Series Number [     ]
5. Aggregate Principal Amount  
 (a) Series [     ]  
 (b) Tranche [     ]
6. Interest [Interest-bearing/Non-interest-bearing]
7. Interest Payment Basis [[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked/Dual Currency /Instalment] Notes/other]
8. Form of Notes [Listed/Unlisted] registered Notes
9. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another [insert details including date for conversion]
10. Issue Date [     ]
11. Principal Amount per Note [     ]
12. Business Centre [     ]
13. Additional Business Centre [     ]

14. Specified Denomination [ ]
15. Issue Price [ ]
16. Interest Commencement Date [ ]
17. Redemption [Maturity] Date [ ]
18. Specified Currency [ ]
19. Applicable Business Day Convention [Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
20. Final Redemption Amount [ ]
21. Last Date to Register [ ]
22. Books Closed Period(s) The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
23. Default Rate [ ]
24. Value of aggregate Principal Amount of all Notes issued under the Programme as at the Issue Date [ ]

#### **FIXED RATE NOTES**

25. (a) Fixed Rate of Interest [ ] percent per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Fixed Interest Payment Date(s) [ ] in each year up to and including the Maturity Date/other
- (c) Fixed Coupon Amount(s) [ ] per [ ] in Principal Amount

- (d) Initial Broken Amount [ ]
- (e) Final Broken Amount [ ]
- (f) Determination Date(s) [ ] in each year
- (g) Day Count Fraction [ ]
- (h) Any other terms relating to the particular method of calculating interest [ ]

### FLOATING RATE NOTES

26. (a) Floating Interest Payment Date(s) [ ]
- (b) Interest Period(s) [ ]
- (c) Definitions of Business Day (if different from that set out in Condition 1 (*Interpretation*)) [ ]
- (d) Minimum Rate of Interest [ ] percent per annum
- (e) Maximum Rate of Interest [ ] percent per annum
- (f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision) [ ]
27. Manner in which the Rate of Interest is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
28. Margin [(...) basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
29. If ISDA Determination
- (a) Floating Rate [ ]



- (b) Floating Rate Option [ ]
- (c) Designated Maturity [ ]
- (d) Reset Date(s) [ ]
- (e) ISDA Definitions to apply [ ]

30. If Screen Determination

- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)
- (b) Interest Rate Determination Date(s) [ ]
- (c) Relevant Screen Page and Reference Code [ ]

31. If Rate of Interest to be calculated otherwise than by reference to ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions [ ]

32. Calculation Agent responsible for calculating amount of principal and interest [ ]

**PARTLY PAID NOTES**

33. Amount of each payment comprising the Issue Price [ ]

34. Date upon which each payment is to be made by Noteholder [ ]

35. Consequences (if any) of failure to make any such payment by Noteholder [ ]

36. Interest Rate to accrue on the first and [ ] percent per annum subsequent instalments after the due date for payment of such instalments

#### INSTALMENT NOTES

37. Instalment Dates [ ]

38. Instalment Amounts (expressed as a percentage of [ ] the aggregate Principal Amount of the Notes)

#### MIXED RATE NOTES

39. Period(s) during which the interest rate for the [ ] Mixed Rate Notes will be (as applicable) that for:

(a) Fixed Rate Notes [ ]

(b) Floating Rate Notes [ ]

(c) Indexed Notes [ ]

(d) Dual Currency Notes [ ]

(e) Other Notes [ ]

#### ZERO COUPON NOTES

40. (a) Implied Yield [ ]

(b) Reference Price Percent [NACA] [NACM] [NACQ] [NACS] [other method of compounding]

(c) Any other formula or basis for determining [ ] amount(s) payable

## INDEXED NOTES

41. (a) Type of Indexed Notes [Indexed Interest Notes/Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Rate/Interest Amount is to be determined [ ]
- (c) Manner in which the Interest Rate/Interest Amount is to be determined [ ]
- (d) Interest Period(s) [ ]
- (e) Interest Payment Date(s) [ ]
- (f) Calculation Agent [ ]
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impractical [ ]
- (h) Definition of Business Day (if different from that set out in Condition 1 (*Interpretation*)) [ ]
- (i) Minimum Rate of Interest [ ] percent per annum
- (j) Maximum Rate of Interest [ ] percent per annum
- (k) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) [ ]
- (l) Other terms relating to Indexed Notes [*Please note: Additional JSE requirements may be applicable if Indexed Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE Debt*]

*Listings Requirements]***DUAL CURRENCY NOTES**

42. (a) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- (b) Rate of Exchange/method of calculating Rate of Exchange [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [ ]
- (d) Person at whose option Specified Currency(ies) is/are payable [ ]

**EXCHANGEABLE NOTES**

43. Mandatory Exchange applicable? [Yes/No]
44. Noteholders' Exchange Right applicable? [Yes/No]
45. Exchange Securities [ ]
46. Manner of determining Exchange Price [ ]
47. Exchange Period [ ]
48. Other [ ]

**EXTENDIBLE NOTES**

49. Last date to which Redemption Date may be extended [ ]
50. Step-up Margin [ ]

51. Requisite Notice [ ]
52. [Other] [ ]

#### OTHER NOTES

53. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Dual Currency Notes, Extendible Notes or Exchangeable Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes [ ]

#### PROVISIONS REGARDING REDEMPTION/ MATURITY

54. Issuer's Optional Redemption: [Yes/No]
- if yes:
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum Period of Notice (if different from Condition 11.3 (*Redemption at the option of the Issuer*)) [ ]
- (d) If redeemable in part: [ ]
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]

(e) Other terms applicable on Redemption [ ]

55. Redemption at the option of the Noteholders: [Yes/No]

if yes:

(a) Optional Redemption Date(s) [ ]

(b) Optional Redemption Amount(s) [ ]

(c) Minimum period of notice (if different from Condition 11.4 (*Redemption at the option of Noteholders*)) [ ]

(d) If redeemable in part:

Minimum Redemption Amount(s) [ ]

Higher Redemption Amount(s) [ ]

(e) Other terms applicable on Redemption [ ]

(f) Attach *pro forma* put notice(s)

56. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default [ ]

If no:

Amount payable; or [ ]

Method of calculation of amount payable [ ]

## GENERAL

57. Financial Exchange [ ]

58. Calculation Agent [ ]
59. Paying Agent [ ]
60. Specified Office of the Paying Agent [ ]
61. Transfer Agent [ ]
62. Specified Office of the Transfer Agent [ ]
63. Specified Office of the Guarantor [ ]
64. Provisions relating to stabilisation [ ]
65. Stabilising Manager [ ]
66. Additional selling restrictions [ ]
67. ISIN No. [ ]
68. Stock Code [ ]
69. Method of distribution [*Dutch auction or other*]
70. If syndicated, names of Managers [ ]
71. If non-syndicated, name of Dealer [ ]
72. Governing law (if the laws of South Africa are not applicable) [ ]
73. Use of proceeds [ ]
74. Pricing Methodology [*Standard JSE pricing methodology / other – insert details*]

75. Additional selling restrictions [ ]
76. Other provisions [ ]
77. Issuer Rating and issue date [ ]
78. Programme Rating and issue date [ ]/[ ]
79. Notes Rating and issue date [ ]/[ ]
80. Date of rating review [ ]/[ ]
81. Rating Agency [ ]

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

82. Paragraph 3(5)(a)

The ultimate borrower is the Issuer and its Subsidiaries.

83. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

84. Paragraph 3(5)(c)

The auditor of the Issuer is PricewaterhouseCoopers Incorporated.

85. Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has [not issued any]/[issued ZAR[•],000,000] commercial paper; and
- (b) the Issuer estimates that it may issue ZAR[•],000,000 of commercial paper during the current financial year, ending [date].



## 86. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

## 87. Paragraph 3(5)(f)

There has been no material change in the financial or trading position of the Issuer since the date of the Issuer and the Guarantor's latest audited consolidated annual financial statements up to the date of this Programme Memorandum

## 88. Paragraph 3(5)(g)

The Notes issued will be [**listed/unlisted**].

## 89. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for [its general corporate purposes / funding of its business operations / other].

## 90. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured.

## 91. Paragraph 3(5)(j)

PricewaterhouseCoopers Incorporated, the statutory auditors of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The Issuer (which has taken all reasonable care to ensure that such is the case) certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Applicable Pricing Supplement contains all information required by law and the JSE Debt Listings Requirements. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement or any supplements from time to time, except as otherwise stated therein.

[Application [is hereby]/[will not be] made to list this issue of Notes [on [insert date]].

**SIGNED** at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

For and on behalf of

**SABSA HOLDINGS LIMITED**

\_\_\_\_\_

Name:

Capacity:

Who warrants his/her authority hereto

\_\_\_\_\_

Name:

Capacity:

Who warrants his/her authority hereto

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## TERMS AND CONDITIONS OF THE NOTES

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*The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche of Notes will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.*

*Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE or such other or further exchange or exchanges and the CSD a pricing supplement based on the pro forma Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes.*

*If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.*

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

### 1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

<b>“Actual Redemption Date”</b>	in respect of Extendible Notes, the actual date of redemption in full by way of payment of the aggregate Principal Amount Outstanding of such Notes;
<b>“Agency Agreement”</b>	the agency agreement dated on or about 10 December 2012 entered into between the Issuer, the Transfer Agent, the Calculation Agent and the Paying Agent;
<b>“Applicable Pricing Supplement”</b>	the pricing supplement relating to each Tranche of Notes setting out the applicable and/or such other terms and conditions applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed “ <i>Pro Forma Applicable Pricing Supplement</i> ”;
<b>“Applicable Procedures”</b>	the rules and operating procedures for the time being of the CSD, the JSE and/or any other applicable financial

exchange, as the case may be;

**“Arranger”**

Absa Corporate and Investment Bank (a division of Absa Bank Limited) or such other Arranger as may be appointed by the Issuer, as specified in the Applicable Pricing Supplement;

**“Banks Act”**

the Banks Act, 1990 (as amended);

**“Beneficial Interest”**

in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, in accordance with the Securities Service Act;

**“BESA Guarantee Fund Trust”**

the guarantee fund established and operated by the Bond Exchange of South Africa Limited, prior to its merger with the JSE on 22 June 2009 and, as at the date of this Programme Memorandum, operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;

**“Books Closed Period”**

the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest or redemption moneys;

**“Business Day”**

a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg;

**“Calculation Agent”**

Absa Corporate and Investment Bank (a division of Absa Bank Limited), unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes;

<b>“CSD”</b>	Strate Limited (Registration Number 1998/022242/06), or its nominee, operating in terms of the Securities Services Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer;
<b>“CSD’s Nominee”</b>	a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the Securities Services Act, and any reference to “CSD’s Nominee” shall, whenever the context permits, be deemed to include, any successor nominee operating in terms of the Securities Services Act;
<b>“CSD Participant”</b>	a person accepted by the CSD as a participant in terms of section 34 of the Securities Services Act;
<b>“Class of Noteholders”</b>	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
<b>“Commercial Paper Regulations”</b>	the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of “the business of a bank” in the Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994;
<b>“Common Monetary Area”</b>	South Africa, Lesotho, Namibia, and Swaziland;
<b>“Companies Act”</b>	the Companies Act, 2008 (as amended);
<b>“Currency Converted”</b>	an amount converted to ZAR on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of the relevant amount stated in any non-ZAR currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted by any leading bank of South Africa chosen by the Issuer;
<b>“Day Count Fraction”</b>	in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the <b>“Calculation Period”</b> ), the day count fraction specified as such in the Terms and Conditions or the Applicable

## Pricing Supplement and:

- (a) if “**Actual/365**”, “**Act/365**”, or “**Act/Act**” is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “**Actual/Actual (ICMA)**” is so specified, means:
1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  2. where the Calculation Period is longer than one Regular Period, the sum of:
    - a. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - b. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods

normally ending in any year;

- (c) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
- (d) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (e) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation period divided by 360, calculated on a formula basis as follows:

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

Day count fraction =

where:

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

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

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

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

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

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

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

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

Day count fraction =

where:

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

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

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

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



falls;

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

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

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

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

Day Count Fraction =

where:

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

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

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

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

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

and

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

**“Dealer(s)”**

Absa Corporate and Investment Bank (a division of Absa Bank Limited), FirstRand Bank Limited (acting through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division), unless the Issuer elects to appoint any other entity(ies) as Dealer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement;

**“Debt Sponsor”**

Absa Corporate and Investment Bank (a division of Absa Bank Limited) or such other Debt Sponsor as may be appointed by the Issuer subject to the approval of the JSE in accordance with the Applicable Procedures, as specified in the Applicable Pricing Supplement;

**“Determination Date”**

in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;

**“Determination Period”**

the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

**“Dual Currency Notes”**

Notes which pay interest in a base currency and the principal in a non-base currency or *vice versa* as indicated in the Applicable Pricing Supplement, subject to

Exchange Control Regulations;

**“Early Redemption Amount”**

the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 11.2 (*Redemption for tax reasons*) and/or Condition 14 (*Events of Default*), as set out in Condition 11.5 (*Early Redemption Amounts*);

**“Encumbrance”**

means, in relation to any company forming part of the SABMiller Group, any mortgage, pledge, hypothecation, lien, assignment, cession *in securitatem debiti*, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor;

**“Event of Default”**

any event of default by the Issuer, as set out in Condition 14 (*Events of Default*);

**“Exchange Control Regulations”**

the Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933 (as amended from time to time);

**“Exchangeable Notes”**

Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;

**“Exchange Period”**

in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;

**“Exchange Price”**

the amount determined in accordance with the manner described in the Applicable Pricing Supplement according to which the number of Exchange Securities which may

be delivered in redemption of an Exchangeable Note will be determined;

**“Exchange Securities”**

the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;

**“Extendible Note”**

any Note with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;

**“Extraordinary Resolution”**

a resolution passed at a duly convened meeting of the Noteholders or, as the case may be, by a majority consisting of not less than 66.67% (sixty six comma sixty seven percent) of the persons voting at such meeting upon a show of hands or by proxy or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty six comma sixty seven percent) of the votes given on such poll;

**“Final Broken Amount”**

in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;

**“Final Redemption Amount”**

the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Tranche of Notes upon the Redemption Date;

**“Financial Exchange”**

the JSE and/or such other (or additional) financial exchange(s) as may be determined by the Issuer and the relevant Dealer, subject to applicable laws;

**“Fitch”**

means Fitch Ratings Limited (or (if applicable) any South African subsidiary or associated company of Fitch Ratings Limited) and its successors in title;

**“Fixed Coupon Amount”**

in relation to a Tranche of Notes (where applicable), the amount specified as such in the Applicable Pricing

Supplement;

<b>“Fixed Interest Payment Date”</b>	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Fixed Interest Period”</b>	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;
<b>“Fixed Interest Rate”</b>	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;
<b>“Fixed Rate Notes”</b>	Notes which will bear interest at the Fixed Interest Rate, as indicated in the Applicable Pricing Supplement;
<b>“Floating Rate”</b>	has the meaning given to the expression in the ISDA Definitions, as indicated in the Applicable Pricing Supplement;
<b>“Floating Rate Notes”</b>	Notes which will bear interest at a floating rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 9.2 ( <i>Interest on Floating Rate Notes</i> );
<b>“Guarantee”</b>	means the agreement of guarantee dated on or about 6 December 2012 entered into by the Guarantor for the benefit of the Noteholders, as described in Condition 6 ( <i>Guarantee</i> );
<b>“Guarantor”</b>	SABMiller plc (Registered Number 3528416), a public company limited by shares registered under the laws of England and Wales and with its registered office address at SABMiller House, Church Street West, Woking, Surrey GU21 6HS, England;
<b>“Higher Redemption Amount”</b>	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;

<b>“IFRS”</b>	in relation to the Issuer, the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time) and, in relation to the Guarantor, the International Financial Reporting Standards as adopted by the European Union;
<b>“Implied Yield”</b>	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
<b>“Income Tax Act”</b>	Income Tax Act, 1962 (as amended);
<b>“Indebtedness”</b>	in respect of a SABMiller Group Company, any indebtedness in respect of monies borrowed from any person, debenture holder or lender and (without double counting) guarantees, suretyships and indemnities (other than those in the ordinary course of business) given, whether present or future, actual or contingent;
<b>“Indexed Interest Notes”</b>	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;
<b>“Indexed Note”</b>	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
<b>“Indexed Redemption Amount Notes”</b>	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
<b>“Individual Certificate”</b>	a Note in the definitive registered form of a single certificate, registered in the name of the relevant Noteholder;
<b>“Initial Broken Amount”</b>	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;

<b>“Instalment Amount”</b>	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
<b>“Instalment Notes”</b>	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
<b>“Instalment Dates”</b>	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
<b>“Interest Amount”</b>	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 9 ( <i>Interest</i> );
<b>“Interest Commencement Date”</b>	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
<b>“Interest Determination Date”</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Interest Payment Date”</b>	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
<b>“Interest Period”</b>	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any interest Payment Date and ending on (but excluding) the next Interest Payment Date;

<b>“Interest Rate” and “Rate of Interest”</b>	the rate or rates of interest applicable to Notes other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;
<b>“Interest Rate Market of the JSE”</b>	the separate platform or sub-market of the JSE designated as the “Interest Rate Market” and on which notes (and other debt securities) may be listed;
<b>“ISDA”</b>	International Swaps and Derivatives Association, Inc.;
<b>“ISDA Definitions”</b>	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
<b>“Issue Date”</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Issue Price”</b>	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
<b>“Issuer”</b>	SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (Registration Number 1998/005173/06), a public company with limited liability established and incorporated in accordance with the laws of South Africa;
<b>“JSE”</b>	JSE Limited (Registration Number 2005/022939/06) a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to the JSE;
<b>“JSE Debt Listings Requirements”</b>	the debt listings requirements of the JSE from time to time, as published by the JSE;
<b>“Last Calendar Day to Register”</b>	with respect to a particular Tranche of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer



of Notes in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;

**“Mandatory Exchange”**

in relation to a Tranche of Exchangeable Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;

**“Margin”**

in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

**“Material Group Company”**

a) at any relevant time, the Issuer, the Guarantor and any direct or indirect Subsidiary whose net profits or gross assets (consolidated if such Subsidiary itself has Subsidiaries) attributable to the Guarantor are not less than 10% (ten percent) of the consolidated net profits or, as the case may be, gross assets of the Guarantor (attributable to the shareholders of the Guarantor), as at the date of the then most recent published audited consolidated annual financial statements of the Guarantor provided that (i) if since the date of the most recent published audited consolidated annual financial statements of the Guarantor a Material Group Company shall have ceased to be a Subsidiary, it shall cease to be a Material Group Company and (ii) in the case of a Subsidiary acquired after the date of the then most recent published audited consolidated annual financial statements of the Guarantor, for the purpose of applying each of the foregoing tests, the reference to the most recent published audited consolidated annual financial statements of the Guarantor shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest annual financial statements adjusted as deemed appropriate by the auditors of the Guarantor for the time being after consultation with the Guarantor;

b) any Subsidiary to which is transferred all or

substantially all of the business, undertaking and assets of a Subsidiary which immediately prior to such transfer is a Material Group Company, whereupon (i) the transferor shall immediately cease to be a Material Group Company and (ii) the transferee shall immediately become a Material Group Company, provided that on or after the date as of which the audited consolidated annual financial statements of the Guarantor for the end of the financial period current at the date of such transfer is published, whether such transferor or transferee is or is not a Material Group Company shall be determined pursuant to the provisions of subparagraph (a) above;

**“Material Indebtedness”**

any Indebtedness amounting in aggregate to an amount which equals or exceeds U.S.\$125,000,000 (Currency Converted);

**“Material Adverse Effect”**

any fact or circumstances which is likely to have a material adverse effect on the ability of the Issuer to perform its payment obligations under the Notes;

**“Maturity Date”**

in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

**“Minimum Redemption Amount”**

in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;

**“Mixed Rate Notes”**

Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 9.4 (*Interest on Mixed Rate Notes*);

**“Moody’s”**

means Moody’s Investor Services Limited and its

	successors in title;
<b>“naca”</b>	nominal annual compounded annually;
<b>“nacm”</b>	nominal annual compounded monthly;
<b>“nacq”</b>	nominal annual compounded quarterly;
<b>“nacs”</b>	nominal annual compounded semi-annually;
<b>“Non-Petition”</b>	the restriction on the rights of Noteholders to claim against the Issuer as contemplated in Condition 7 ( <i>Noteholder Cession and Non-Petition</i> );
<b>“Noteholder Cession”</b>	the Noteholder Cession contemplated in Condition 7 ( <i>Noteholder Cession and Non-Petition</i> );
<b>“Noteholder(s)”</b>	in respect of a Note, the holder of that Note as recorded in the Register;
<b>“Noteholders’ Exchange Right”</b>	if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
<b>“Notes”</b>	the unsecured Notes issued or to be issued by the Issuer under the Programme pursuant to this Programme Memorandum;
<b>“Obligor(s)”</b>	the Issuer and the Guarantor;
<b>“Outstanding”</b>	in relation to the Notes, all the Notes issued other than: <ul style="list-style-type: none"> <li>(a) those which have been redeemed in full;</li> <li>(b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor</li> </ul>

(including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment;

- (c) those which have been purchased and cancelled as provided in Condition 11 (*Redemption and Purchase*);
- (d) those which have become prescribed under Condition 13 (*Prescription*);
- (e) those represented by those mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*);
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) if applicable, those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 20 (*Meetings of Noteholders*) and 21 (*Modification*),

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held), shall be deemed not to be

	Outstanding;
<b>“Optional Redemption Amount”</b>	in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;
<b>“Partial Redemption Amount”</b>	the portion of the Principal Amount Outstanding of any Extendible Note redeemed by the Issuer, as notified to Noteholders in accordance with Condition 19 ( <i>Notices</i> );
<b>“Partly Paid Notes”</b>	Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments, as indicated in the Applicable Pricing Supplement;
<b>“Paying Agent”</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited) or such other entity appointed by the Issuer as Paying Agent and specified in the Applicable Pricing Supplement, in which event that other entity shall act as Paying Agent in respect of that Tranche or Series of Notes;
<b>“Payment Day”</b>	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
<b>“Permitted Encumbrance”</b>	<ul style="list-style-type: none"><li>a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or</li><li>b) any Encumbrance arising by operation of law (including in favour of a tax authority in any jurisdiction) or incidental to the conduct of the business of the Issuer, the Guarantor or any Subsidiary or the ownership of their property or assets, that do not materially impair the usefulness or marketability of those assets or property; or</li><li>c) any Encumbrance on property or assets or shares or stock or other equity equivalents of a company or other legal entity existing at the time that a company or other legal entity becomes a Subsidiary or is liquidated or merged into, or amalgamated or</li></ul>

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

- d) any renewal, refunding or extension of any Encumbrance referred to in the foregoing (a) through (c); provided that the principal amount of indebtedness secured by that Encumbrance after the renewal, refunding or extension is not increased and the Encumbrance is limited to the property or assets originally subject to the Encumbrance and any improvement on the property or assets;

**“Principal Amount”**

in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;

**“Programme”**

the ZAR 6,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

**“Programme Amount”**

the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time, being the authorised amount of ZAR 6,000,000,000 or such increased amount as is determined by the Issuer and the Guarantor from time to time, subject to the Applicable Procedures, applicable laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed “*General Description of the Programme*”;

**“Pro Rata Share”**

in relation to a Note, the ratio which the Outstanding Principal Amount of that Note bears to the Outstanding Principal Amount of all the Notes;

**“Rating”**

in relation to a Tranche of Notes (as and where applicable), the rating of the Tranche of Notes or the Issuer granted by the Rating Agency, as specified in the Applicable Pricing Supplement;

<b>“Rating Agency”</b>	Fitch and/or Moody’s and/or S&P and/or such other internationally recognised rating agency as may be appointed by the Issuer, from time to time;
<b>“Redemption Date”</b>	the date upon which the Notes are redeemed by the Issuer pursuant to Condition 11 ( <i>Redemption and Purchase</i> );
<b>“Reference Banks”</b>	four leading banks in the South African inter-bank market selected by the Calculation Agent;
<b>“Reference Price”</b>	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
<b>“Reference Rate”</b>	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
<b>“Register”</b>	the register maintained by the Transfer Agent in terms of Condition 17.1 ( <i>The Register of Noteholders</i> );
<b>“Relevant Date”</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which: (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
<b>“Relevant Indebtedness”</b>	any Indebtedness which is in the form of, or represented 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;

<b>“Relevant Screen Page”</b>	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
<b>“Representative”</b>	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, Transfer Agent or Paying Agent;
<b>“SABMiller Group” or “Group”</b>	collectively, the Guarantor and all Subsidiaries including the Issuer;
<b>“SABMiller Group Company”</b>	any company forming part of the SABMiller Group;
<b>“Securities Services Act”</b>	the Securities Services Act, 2004, or such other relevant successive legislation;
<b>“Series”</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
<b>“S&amp;P”</b>	means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. and its successors in title;
<b>“Specified Currency”</b>	in relation to each Note in a Tranche of Notes, subject to all applicable laws and in the case of Notes listed on the



	Interest Rate Market of the JSE subject to the rules of the JSE, the currency specified in the Applicable Pricing Supplement;
<b>“Specified Denomination”</b>	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;
<b>“Specified Office”</b>	means the specified office of the Issuer, the Transfer Agent and the Guarantor as specified in the Applicable Pricing Supplement;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Step-up Margin”</b>	the margin to be added to the Interest Rate applicable to an Extendible Note and specified in the Applicable Pricing Supplement;
<b>“Subsidiary”</b>	a company, the financial results of which are consolidated into the Guarantor’s audited consolidated annual financial statements under IFRS;
<b>“Sub-unit”</b>	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
<b>“Terms and Conditions” or “Conditions”</b>	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” and in accordance with which the Notes will be issued;
<b>“Tranche”</b>	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
<b>“Transfer Agent”</b>	Absa Corporate and Investment Bank (a division of Absa Bank Limited), unless the Issuer elects to appoint another entity as a Transfer Agent in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Notes, as specified in the Applicable Pricing Supplement;

<b>“Transfer Form”</b>	the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
<b>“ZAR”</b>	the lawful currency of South Africa, being South African Rand, or any successor currency;
<b>“ZAR-JIBAR-SAFEX”</b>	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
<b>“Zero Coupon Notes”</b>	Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

## 2. ISSUE

- 2.1 The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche of Notes pursuant to the Programme provided that the aggregate Outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2 Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms and Conditions of that Tranche of Notes. The applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.
- 2.3 The applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.

## 3. FORM AND DENOMINATION

- 3.1 Notes will be issued in registered form with a minimum denomination of R1,000,000 each and otherwise in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.

- 3.2 Listed and/or unlisted Notes may be issued under the Programme.
- 3.3 Payments (whether in respect of interest or principal) on Notes may be determined by reference to such fixed or floating rates as may be specified in the Applicable Pricing Supplement. Notes may be issued with such other characteristics as may be specified in the Applicable Pricing Supplement.
- 3.4 Notes will be issued in the form of registered Notes, represented by (i) Individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Individual Certificate, and held in uncertificated form in the CSD in terms of section 37 of the Securities Services Act, and registered in the name, and for the account of, the CSD's Nominee. The CSD will hold the Notes subject to the Securities Service Act and the Applicable Procedures.
- 3.5 Any reference in these Conditions to the CSD shall, wherever the context permits, be deemed to include a reference to its successor in terms of the Securities Service Act (or any successor Act thereto), and any additional or alternate depository approved by the Issuer and the JSE. Any reference in these Conditions to the JSE shall, wherever the context permits, be deemed to include any exchange which operates as a successor exchange to the JSE.

#### 4. TITLE

- 4.1 Subject to what is set out below, title to the Notes will pass upon registration of transfer in accordance with Condition 16 (*Transfer of Notes*) in the Register. The Issuer and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 4.2 Beneficial Interests in the Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of CSD Participants. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder in respect of Notes held in uncertificated form, notwithstanding such transfers.
- 4.3 Any reference in this Programme Memorandum to the relevant CSD Participant shall, in respect of Beneficial Interests, be reference to the CSD Participant appointed to act as such by a holder of such Beneficial Interest.

#### 5. STATUS OF NOTES

The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts

required to be preferred by law), equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

## 6. GUARANTEE

### 6.1 General

6.1.1 The Issuer has procured that the payment obligations of the Issuer under the Notes are irrevocably and unconditionally guaranteed by the Guarantor on the terms and conditions as contained in the Guarantee, as described in the section of the Programme Memorandum headed "*Terms and Conditions of the Guarantee*", as read with the Applicable Pricing Supplement.

6.1.2 The obligations of the Guarantor under the Guarantee constitute unconditional and unsecured obligations of the Guarantor and will rank subject to any obligations preferred by law at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor.

### 6.2 Benefit of the Guarantee

By virtue of a Noteholder subscribing for and/or holding a Note, each Noteholder agrees that upon acquisition of any Note, such Noteholder is deemed to have notice of, and accept the benefit of all the provisions of the Guarantee. The terms of the Guarantee provide that upon the acquisition of the Note by the Noteholder, the Guarantor is deemed to have received notice of acceptance of the benefit of the Guarantee by such Noteholder. Copies of the Guarantee are available for inspection at the registered office of the Issuer specified at the back of this Programme Memorandum.

## 7. NOTEHOLDER CESSION AND NON-PETITION

### 7.1 Noteholder Cession

7.1.1 By virtue of a Noteholder subscribing for and/or holding a Note, each Noteholder agrees that:

7.1.1.1 upon and with effect from the occurrence of an Event of Default (and not prior thereto) ("**Cession Effective Date**"), it has hereby irrevocably ceded, assigned and transferred on an out-and-out basis (the "**Cession**") all of that Noteholder's rights, title and interest in and to the claims in regard to such Event of Default, to the Guarantor under and in terms of the Notes (the "**Ceded Claim**"). The Guarantor accepts the Cession to it of any and all Ceded Claims; and

7.1.1.2 in return, a Noteholder shall be entitled to receive from the Guarantor and the Guarantor shall pay to the Noteholder, the Early Redemption Amount and any such other amounts payable by the Issuer in respect of the Notes.

7.1.2 Notwithstanding the provisions of Condition 7.1.1 above, should the Guarantee be found by a Court of competent jurisdiction not to have become of force and effect, then save for the provisions of this Condition 7.1.2, the remaining provisions of this Condition 7 will be deemed to be unenforceable against the Noteholders.

## 7.2 **Non-Petition and Effect of Noteholder Cession**

7.2.1 With effect from the Cession Effective Date, the Noteholder shall:

7.2.1.1 no longer have any claim in regard to such Event of Default against the Issuer, but will, subject to the provisions of this Condition 7, have a claim(s) for payment against the Guarantor directly under the Guarantee;

7.2.1.2 be subject to the limitation of Non-Petition; and

7.2.1.3 not be entitled to lodge any claim whatsoever, whether in competition with the Guarantor or otherwise, in the event of the bankruptcy, insolvency or liquidation of the Issuer, and shall rely exclusively on the Guarantee to meet any valid claim it has in relation to the Notes.

## 8. **NEGATIVE PLEDGE**

8.1 So long as any of the Notes remain Outstanding, no Encumbrances other than Permitted Encumbrances shall be created or permitted to be created over the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of any Material Group Company to secure any Relevant Indebtedness, or payment under any guarantee or indemnity granted by the Issuer, the Guarantor or any Subsidiary in respect of any Relevant Indebtedness without all Notes being secured at the same time, equally and rateably with such Relevant Indebtedness or with such other security as may be approved by Extraordinary Resolution of the Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Noteholders.

8.2 The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

## 9. INTEREST

### 9.1 Interest on Fixed Rate Notes

9.1.1 Each Fixed Rate Note bears interest on its outstanding Principal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Interest Rate(s) so specified, payable in arrears on the Interest Payment Date(s) in each year up to and including the Maturity Date.

9.1.2 The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.

9.1.3 Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

9.1.4 If interest is required to be calculated for a period other than a Fixed Interest Period such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

### 9.2 Interest on Floating Rate Notes

#### 9.2.1 *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding Principal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

### 9.2.2 *Interest Rate*

The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as specified in the Applicable Pricing Supplement.

### 9.2.3 *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 9.2.3 (*ISDA Determination*):

**“ISDA Rate”** for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

**“Floating Rate”**, **“Floating Rate Option”**, **“Designated Maturity”** and **“Reset Date”** have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

## 9.2.4

*Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject to the provisions below, be either:

- (a) if the relevant screen page is available,
  - (i) the offered quotation (if only one quotation appears on the screen page); or
  - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate(s) which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more 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 (rounded as provided above) of such offered quotations; or

- (b) if the Relevant Screen Page is not available or if, in the case of (i) above in this Condition 9.2.4 (*Screen Rate Determination*), no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg 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 at approximately 11h00 (Johannesburg 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 Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- (c) if the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 9.2.4 (*Screen Rate Determination*), the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary



to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, 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 offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Interest Rate in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

#### 9.2.5 *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate and/or if it specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate.

#### 9.2.6 *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practical after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period and the Calculation Agent shall notify the Issuer of the Interest Rate for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying

such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

9.2.7 *Notification of Interest Rate and Interest Amount*

The Issuer will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE and the CSD and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the 4<sup>th</sup> (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE and the CSD and/or every other relevant exchange or authority and to the Noteholders, in accordance with Condition 19 (*Notices*).

9.2.8 *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 9.2 by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid, no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

9.3 **Interest on Dual Currency Notes**

In the case of Dual Currency Notes, the Rate of Interest or Interest Amount payable shall be determined in the manner specified in the Applicable Pricing Supplement.

9.4 **Interest on Mixed Rate Notes**

The Rate of Interest payable from time to time on Mixed Rate Notes shall be the Rate of Interest payable on the form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note, Dual Currency Note or Indexed Note) specified for each respective period each as specified in the Applicable Pricing Supplement. During each such applicable period, the Rate of Interest on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Dual Currency Notes or Indexed Notes, as the case may be.

9.5 **Interest on Indexed Notes**

In the case of Indexed Notes, if the Interest Rate or Final Redemption Amount falls to be

determined by reference to an index and/or a formula, such rate or amount payable shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest payable shall fall due for payment on the Interest Payment Date(s).

9.6 **Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Principal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

9.7 **Interest on Instalment Notes**

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

9.8 **Interest on Extendible Notes**

If the Redemption Date of Extendible Notes is extended by the Issuer, the Interest Rate in respect of the Principal Amount Outstanding will be increased by the Step-up Margin, from and including the Redemption Date to but excluding the Actual Redemption Date.

9.9 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes or Notes evidenced by an Individual Certificate, the date on which the full amount of the money payable has been received by the CSD and/or the CSD Participants and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*).

9.10 **Business Day Convention**

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention falls on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the "**Floating Rate Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in

the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or

- (b) the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

## 10. PAYMENTS

### 10.1 General

Payments of interest and principal in respect of Notes held in uncertificated form in the CSD will be made to the CSD’s Nominee, as the registered holder of such Notes, which in turn will transfer such funds, *via* the CSD Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant CSD Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the CSD or the relevant CSD Participant, as the case may be, for such person’s share of each payment so made by the Issuer to, or for the order of, the registered holder of the Notes held in uncertificated form. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Notes held in the CSD in uncertificated form shall be recorded by the CSD’s Nominee, as the registered holder of the Notes, distinguishing between interest and principal, and such record of payments by the registered holder of the Notes shall be *prima facie* proof of such payments.

Payments of principal and/or interest on an Individual Certificate shall be made to the Transfer Agent, who will in turn, acting on behalf of the Issuer in accordance with the terms and conditions of the Agency Agreement, make payment to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Transfer Agent.

## 10.2 **Method of Payment**

Payments will be made in the Specified Currency by credit or transfer, by means of electronic settlement, to the Noteholder.

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*).

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, flood, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to:

- (a) the address of the Noteholder as set forth in the Register; or
- (b) in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

Each such cheque shall be made payable to the relevant Noteholder, or in the case of joint Noteholders the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Transfer Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 10.2 (*Method of Payment*).

In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

## 10.3 **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

## 10.4 **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be

deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 12 (*Taxation*);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any);
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 11.5 (*Early Redemption Amounts*)); and
- (f) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12 (*Taxation*).

## 11. REDEMPTION AND PURCHASE

### 11.1 At maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Redemption Date.

The Issuer shall be entitled to extend the Redemption Date of all or part of the Principal Amount Outstanding of Extendible Notes. If such option is exercised by the Issuer in respect of part of the Principal Amounts Outstanding of such Extendible Notes, then the Issuer shall redeem such portion of Notes not so extended at the Partial Redemption Amount and subject to any further extension, the redemption of the balance, being the Principal Amount Outstanding will be extended to a date specified in the Applicable Pricing Supplement or otherwise notified to Noteholders. For the avoidance of doubt, the Issuer is not obliged to treat all Noteholders of Extendible Notes in the same manner.

### 11.2 Redemption for tax reasons

Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes or Mixed Rate Notes having an

interest rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis), on giving not less than 30 (thirty) nor more than 60 (sixty) calendar days' notice to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

- (a) on the occasion of the next payment due under the Notes, the Issuer or, if the Guarantee were called, the Guarantor, has or will become obliged to pay additional amounts as provided for or referred to in Condition 12 (*Taxation*) as a result of any change in or amendment to, the laws or regulations of the country of domicile (or residence for tax reasons) of the Issuer or the Guarantor (as the case may be) 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 Issue Date; and
- (b) such obligation cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) calendar days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes or the Guarantee (as the case may be) then due. On the date of publication of any notice of redemption pursuant to this Condition 11.2 (*Redemption for tax reasons*), the Issuer or the Guarantor (as the case may be) shall deliver to the Transfer Agent and the Paying Agent at their registered offices, for inspection by any holder of Notes so redeemed, a certificate signed by two authorised signatories of the Issuer or the Guarantor (as the case may be) stating that the Issuer or the Guarantor (as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer or the Guarantor (as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or the Guarantor (as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed for tax reasons pursuant to this Condition 11.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 11.5 (*Early Redemption Amounts*), together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 11.3 **Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled, having given:

- (a) the required notice set out in the Applicable Pricing Supplement to the Noteholders in accordance with Condition 19 (*Notices*); and
- (b) not less than 7 (seven) calendar days before giving the notice referred to in (a) above, notice to the Transfer Agent,

(both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemable Notes**") will be selected:

- (a) in the case of Redeemable Notes represented by Individual Certificates individually by lot;
- (b) in the case of Redeemable Notes issued in uncertificated form in accordance with the Applicable Procedures,

and in each such case not more than 30 (thirty) calendar days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

A list of the serial numbers of the Individual Certificates of Unlisted Registered Notes will be published in accordance with Condition 19 (*Notices*) not less than 15 (fifteen) calendar days prior to the date fixed for redemption.

No exchange of Beneficial Interests in Notes issued in uncertificated form for Individual Certificates will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 11.3 (*Redemption at the option of the Issuer*) and notice to that effect shall be given by the Issuer to the Noteholders in the notice to Noteholders contemplated in paragraph (a) above.

Holders of Redeemable Notes shall surrender the Individual Certificates (if any), representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above.

#### 11.4 **Redemption at the option of Noteholders**

If Noteholders of Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Notes, such Noteholders may redeem the Notes represented by an Individual Certificate, by delivering to the Issuer and the Transfer Agent in accordance with Condition 19 (*Notices*), a duly executed notice ("**Put Notice**"), at least 15 (fifteen) calendar days but not more



than 30 (thirty) calendar days, prior to the applicable Optional Redemption Date. The redemption amount specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption of the Notes issued in uncertificated form shall take place in accordance with the Applicable Procedures.

Where a Noteholder redeems the Notes represented by an Individual Certificate, such Noteholder shall deliver the Individual Certificate to the Transfer Agent for cancellation by attaching it to a Put Notice. A holder of an Individual Certificate shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

The Issuer shall proceed to redeem such Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Put Notices shall be available from the registered office of the Issuer.

The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.

#### 11.5 **Early Redemption Amounts**

For the purpose of Condition 11.2 (*Redemption for tax reasons*) and Condition 14 (*Events of Default*) (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (a) in the case of Notes with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Pricing Supplement, at their Principal Amount; or
- (c) in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be,

the date upon which such Note becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual calendar days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 11.6 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 11.5 (*Early Redemption Amounts*).

#### 11.7 **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 11 (*Redemption and Purchase*) and the Applicable Pricing Supplement.

#### 11.8 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement.

Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholders' Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

#### 11.9 **Purchases**

The Issuer, the Guarantor and any Subsidiary may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer, the Guarantor or any Subsidiary purchasing Notes, such Notes may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, cancelled.

#### 11.10 **Cancellation**

All Notes which are redeemed will forthwith be cancelled.

### 11.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 11 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 14 (*Events of Default*), is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (c) under Condition 11.5 (*Early Redemption Amounts*), as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) calendar days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices*).

## 12. TAXATION

Payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

- (a) held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- (b) held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- (c) where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such amounts or payments in the gross income (as defined in section 1 of the Income Tax Act), or by virtue of the inclusion of such amounts or payments in the taxable income (as defined in section 1 of the Income Tax Act), of any Noteholder; or

- (d) where (in the case of payment of principal and/or interest which is conditional on the surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented more than 30 (thirty) calendar days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (e) if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- (f) where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty, and such tax reduction, credit or similar benefit is actually granted to the Noteholder.

The payment of any Taxes by the Issuer as an agent or representative tax payer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 12 (*Taxation*).

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

### 13. **PRESCRIPTION**

The Notes will become void unless presented for payment of principal and interest within a period of 3 (three) years after the Relevant Date therefor, save that any Individual Certificate constituting a "*bill of exchange or other negotiable instrument*" in accordance with section 11 of the Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of 6 (six) years from the Relevant Date.

### 14. **EVENTS OF DEFAULT**

14.1 An Event of Default shall occur if:

- 14.1.1 the Issuer fails to pay any principal or interest under the Notes on its due date for payment and such failure continues for a period of 30 (thirty) Business Days after receiving written notice from the relevant Noteholder (in accordance with Condition 19 (*Notices*)) demanding such payment; or
- 14.1.2 the Issuer fails to perform or observe any of its other material obligations or undertakings under any of the Terms and Conditions which are not specifically covered elsewhere in this Condition 14.1 for a period of 90 (ninety) calendar days after receipt by the Issuer of written notice (in accordance with Condition 19 (*Notices*)) from the holders of at least 25% (twenty-five percent) in aggregate Principal Amount of the Outstanding Notes in

respect of such failure specifying the failure and requesting the Issuer to remedy same (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

- 14.1.3 the Issuer fails to remedy a breach of Condition 8 (*Negative Pledge*) within 90 (ninety) Business Days of receiving written notice (in accordance with Condition 19 (*Notices*)) from the holders of at least 25% (twenty-five percent) in aggregate Principal Amount of the Outstanding Notes demanding such remedy; or
- 14.1.4 the Issuer or the Guarantor defaults in the payment of the principal of any Material Indebtedness assumed or guaranteed by the Issuer or the Guarantor when and as the same shall become due and payable and as a result thereof such Material Indebtedness shall have become repayable before the due date thereof and, if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligations constituting a Material Indebtedness of, or assumed or guaranteed by, the Issuer or the Guarantor, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder; or
- 14.1.5 the Guarantor ceases to be a part of SABMiller Group, be it directly or indirectly, as the case may be, save for the purpose of merger, amalgamation, consolidation, reconstruction, restructuring or reorganisation within the SABMiller Group on terms approved by an Extraordinary Resolution of the Noteholders before the date of such merger, amalgamation, consolidation, reconstruction, restructuring or reorganisation; or
- 14.1.6 any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or the Guarantor to comply with its obligations under the Guarantee is not in place, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect resulting in the Issuer or the Guarantor being unable to perform any of their respective payments or other obligations in terms of the Notes and the Issuer and/or the Guarantor, as the case may be, fails to remedy such circumstances (if capable of remedy) within 90 (ninety) Business Days of receiving written notice (in accordance with Condition 19 (*Notices*)) from the holders of at least 25% (twenty-five percent) in aggregate Principal Amount of the Outstanding Notes demanding such remedy; or
- 14.1.7 the Issuer or the Guarantor, as the case may be, initiates or consents to the commencement of business rescue proceedings relating to itself, or an order by any court of competent jurisdiction or authority for the liquidation, winding-up, dissolution, commencement of business rescue proceedings or analogous proceedings of the Issuer

or the Guarantor, as the case may be, is made whether provisionally (and not dismissed or withdrawn within 21 (twenty one) court days thereof) or finally, or the Issuer or the Guarantor, as the case may be, is placed under business rescue, voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up, dissolution, business rescue or analogous proceedings shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution, judicial management, business rescue or analogous proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the SABMiller Group with any third party; or (ii) the liquidation, winding-up, dissolution, business rescue or analogous proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution, business rescue or analogous proceedings; or

- 14.1.8 if a person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or the Guarantor, or an execution or attachment or other process is validly levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of either of them in both instances following a judgement against the Issuer or the Guarantor, as the case may be, by a court of competent jurisdiction and such is not discharged within 21 (twenty one) court days and as a result a Material Adverse Effect has occurred and is continuing; or
- 14.1.9 any other Event of Default provided for such Series, as specified in the Applicable Pricing Supplement.
- 14.2 If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders (in accordance with Condition 19 (*Notices*)), the Guarantor and the JSE in writing.
- 14.3 If any one or more of the Events of Default shall have occurred and be continuing, then the holders of not less than 25% (twenty-five percent) in aggregate Principal Amount of the Outstanding Notes may, by written notice to the Issuer at the registered office of the Issuer and to the Guarantor at the registered office of the Guarantor, effective upon the date of receipt thereof by the Issuer and the Guarantor, declare the Notes held by such Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 11.5 (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment or as specified in the Applicable Pricing Supplement, provided that although an amount may be due it will not be regarded as being payable if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of South Africa or to comply with any order of a court of competent jurisdiction.

14.4 For the purposes of Condition 14.1.4 (*Events of Default*), any Material Indebtedness which is in a currency other than South African Rand shall be converted into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank of South Africa selected on the date of such Event of Default.

## 15. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

### 15.1 Exchange

15.1.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given ("**Exchange Date**").

15.1.2 The holder's nominated CSD Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only an Individual Certificate in respect to that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

15.1.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:

- (i) the CSD's nominee shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office;
- (ii) the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures;
- (iii) an Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be

agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1,000,000 or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 15.2 **Costs**

Individual Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Conditions. Separate costs and expenses relating to the provisions of Individual Certificates or the transfer of Notes may be levied by other persons such as the CSD Participants, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

## 15.3 **Replacement**

If any Individual Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Agent on payment of the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Individual Certificates must be surrendered before replacements will be issued.

## 15.4 **Death and sequestration or liquidation of Noteholders**

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the relevant Noteholder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this paragraph or of his title, require the Transfer Agent to register such person as the holder of such Notes or subject to the requirements of this Condition, to transfer such Notes to such person.

## 16. **TRANSFER OF NOTES**

16.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the CSD.

16.2 The CSD maintains accounts only for its CSD Participants. Beneficial Interest which are held by participants (which are also Settlement Agents) may be held directly through the CSD. CSD Participants are in turn required to maintain securities accounts for their clients. Beneficial Interest which are not held by CSD Participants may be held by clients of participants indirectly through such CSD Participants.



- 16.3 Transfers of Beneficial Interests to and from clients of CSD Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients. Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the securities accounts maintained by the CSD for the CSD Participants. Such transfers of Beneficial Interests will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder in respect of the Notes. Beneficial Interests may be transferred only in accordance with these Conditions and the Applicable Procedures.
- 16.4 In order for any transfer of Notes represented by an Individual Certificate to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Note:
- 16.4.1 must be pursuant to a written Transfer Form signed by the relevant Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;
- 16.4.2 shall only be in respect of minimum denominations equal to or greater than R1,000,000; and
- 16.4.3 must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Individual Certificate in question for cancellation and registration of transfer of the Individual Certificate (or the relevant part thereof).
- 16.5 Subject to the above, the Transfer Agent will, within 3 (three) Business Days of receipt by it of the request (or such longer period as may be required to comply with any applicable fiscal or other laws, regulations or the Applicable Procedures), authenticate and deliver at the Transfer Agent's registered office to the transferee or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate of a like aggregate nominal amount to the Individual Certificate (or the relevant part of the Individual Certificate) transferred. In the case of the transfer of a part only of an Individual Certificate, a new Individual Certificate in respect of the balance of the certificate not transferred will be so authenticated and delivered or, at the risk of the transferor, sent to the transferor.
- 16.6 The transferor of any Notes represented by an Individual Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 16.7 Before any transfer is registered, all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity of the transferor and the transferee.
- 16.8 No transfer will be registered while the Register is closed as contemplated in Condition 17.1.7 (*Register*). The last time for a Noteholder to register to qualify for payment of interest and principal is 16h00 (Johannesburg time) on the Last Day to Register.

- 16.9 If a transfer is registered, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 16.10 In the event of a partial redemption of Notes under Condition 11.3 (*Redemption at the option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 11.3 (*Redemption at the option of the Issuer*), to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).
- 16.11 The Notes shall, upon transfer, be fully paid up.

## 17. REGISTER

- 17.1 The Register of Noteholders:
- 17.1.1 shall be kept at the Specified Office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 17.1.2 shall contain the names, addresses and bank account numbers of the registered Noteholders;
- 17.1.3 shall show the total Principal Amount of the Notes held by Noteholders;
- 17.1.4 shall show the dates upon which each of the Noteholders was registered as such;
- 17.1.5 shall show the serial numbers of any Individual Certificates and the dates of issue thereof;
- 17.1.6 shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder;
- 17.1.7 shall be closed during each Books Closed Period.
- 17.2 The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 17.3 Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 17.4 Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

## 18. TRANSFER AGENT, CALCULATION AGENT, CSD PARTICIPANT AND PAYING AGENT

The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Calculation Agent, the CSD Participant and/or the Paying Agent and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts, provided that there will at all times be a Transfer Agent, Calculation Agent, CSD Participant and Paying Agent with an office in such place as may be required by the Applicable Procedures. Any third party appointed by the Issuer as Transfer Agent, Paying Agent, Calculation Agent, or otherwise shall act solely as the agent of the Issuer and shall not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

## 19. NOTICES

- 19.1 Subject to Condition 19.2 and 19.6, all notices (including all demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 14<sup>th</sup> (fourteenth) day after the day on which it is mailed, as the case may be.
- 19.2 For so long as the Notes are held in their entirety by the Central Securities Depository, publication as contemplated in Condition 19.1 may be substituted with the delivery of the relevant notice to the Central Securities Depository's Nominee, the Participants and the JSE for communication by them to the holders of Beneficial Interests in the Notes, in accordance with the Applicable Procedures.
- 19.3 Where any provision of these Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice shall be given *mutatis mutandis* as set out above, subject to compliance with any other time periods prescribed in the provision concerned.
- 19.4 All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by any Noteholder to the Issuer, the Guarantor or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Individual Certificate, to the Specified Office of the Issuer, the Guarantor or the Transfer Agent, as the case may be, and marked for the attention of the chief executive officer. Any notice to the Issuer, the Guarantor or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer, the Guarantor or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Specified Office of the Issuer, the Guarantor or the Transfer Agent, as the case may be, or on the 14<sup>th</sup> (fourteenth) day after the day on which it is mailed by registered post to the Specified Office of the Issuer, the Guarantor or the Transfer Agent, as the case may be.

19.5 Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's CSD Participant in accordance with the Applicable Procedures.

19.6 If any Notes are listed on the Interest Market of the JSE, any notices to Noteholders, including of meetings and any amendments to the Terms and Conditions, shall be published on the Securities Exchange News Service ("**SENS**").

## 20. **MEETINGS OF NOTEHOLDERS**

20.1 A Noteholder may, by an instrument in writing (a "**form of proxy**") signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting of a Class of Noteholders.

20.2 Any proxy appointed pursuant to Condition 20.1 (*Meeting of Noteholders*) or a Representative shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of that Class of Noteholders specified in the appointment, to be the holder of the Notes to which the appointment relates and the actual beneficial holder of the Notes shall be deemed for such purposes not to be the Noteholder.

20.3 The proxies and Representatives need not be Noteholders.

20.4 Each form of proxy (or certified copy thereof) shall be deposited at such place as the Transfer Agent shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the form of proxy propose to vote and the form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. The Transfer Agent shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such form of proxy.

20.5 Any vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received by the Transfer Agent or the Issuer at its Specified Office (or such other place as may have been approved by the Transfer Agent for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the form of proxy is to be used.

20.6 The Issuer may at any time and, upon a requisition in writing of any Class of Noteholders holding not less than 20% (twenty percent) in Principal Amount of the Notes for the time being Outstanding in that Class of Noteholders, convene a meeting of the Noteholders and if the

Issuer defaults for a period of 7 (seven) Business Days in convening such a meeting the same may be convened by the requisitionists. Whenever the Issuer or any Class of Noteholders, as the case may be, is/are about to convene any such meeting it/they shall forthwith give notice in writing to the Transfer Agent, the Arranger and the Dealer of the calendar day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Transfer Agent may approve.

- 20.7 At least 21 (twenty one) Business Days' notice (exclusive of the calendar day on which the notice is given and the calendar day on which the meeting is held) specifying the place, calendar day and hour of meeting shall be given to the Class of Noteholders (and the Issuer, if the meeting is convened by any Class of Noteholders) prior to any meeting of the Noteholders of that Class in the manner provided by Condition 17 (*Register*). Such notice shall state generally the Class of Noteholders which are to meet, the nature of the business to be transacted at the meeting, the date, place and time of the meeting and the terms of any resolution to be proposed. Such notice shall include a statement to the effect that proxy forms may be deposited with the Transfer Agent for the purpose of appointing proxies not less than 24 hours before the time fixed for the meeting.
- 20.8 A person (who need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at every such meeting but if no such nomination is made, or if at any meeting the person nominated is not present within thirty minutes after the time appointed for holding the meeting, the Noteholders of the relevant Class present shall choose a Noteholder of that Class to be Chairman.
- 20.9 At any such meeting one or more Noteholders in that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than one third in Principal Amount of the Notes for the time being Outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority in Principal Amount of the Notes held by the applicable Class for the time being Outstanding. At any meeting the business of which includes any of the following matters, shall only be capable of being effected after having been approved by Extraordinary Resolution namely -
- 20.9.1 modification of the Redemption Date of any Notes or reduction or cancellation of the Principal Amount payable upon maturity or earlier redemption or repayment or variation of the method of calculating the amount payable upon maturity or earlier redemption or repayment; or

- 20.9.2 reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Interest Rate in respect of the Notes; or
- 20.9.3 reduction or increase of any Minimum Interest Rate and/or Maximum Interest Rate specified in the Applicable Pricing Supplement of any Note; or
- 20.9.4 modification of the currency in which payments under the Notes are to be made; or
- 20.9.5 modification of the majority required to pass an Extraordinary Resolution; or
- 20.9.6 the sanctioning of any such scheme or proposal as is described in paragraph 20.20.7 below; or
- 20.9.7 alteration of this proviso or the proviso to paragraph 20.10 below;

at any meeting whose business includes any of such matters, the quorum shall be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than two thirds in Principal Amount of the Notes of that Class for the time being Outstanding. An Extraordinary Resolution passed at any meeting of the holders of Notes of that Class will be binding on all holders of Notes, whether or not they are present at the meeting. No amendment to or modification of the Conditions may be effected without the written agreement of the Issuer.

- 20.10 If within thirty minutes after the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such date and time being not less than 14 (fourteen) Business Days nor more than 21 (twenty one) Business Days thereafter, and at the same time and place, except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period not being less than 14 (fourteen) Business Days, and at such place as may be appointed by the Chairman and approved by the Transfer Agent. At such adjourned meeting one or more Noteholders of the applicable Class present or represented by proxies or Representatives (whatever the Principal Amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present, provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 20.9 above, the quorum shall be one or more Noteholders in that Class present or represented by proxy or Representatives and holding or representing in the aggregate not less than one third in Principal Amount of the Notes for the time being Outstanding.

- 20.11 Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 14 (fourteen) were substituted for 21 (twenty one) in paragraph 20.7 above and such notice shall (except in cases where the proviso to paragraph 20.10 above shall apply when it shall state the relevant quorum) state that one or more Noteholders in that Class present or represented by proxies or Representatives at the adjourned meeting whatever the Principal Amount of the Notes held or represented by them will form a quorum.
- 20.12 Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll as contemplated in 20.14 below have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a proxy or as a Representative.
- 20.13 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer or by one or more Noteholders present or represented by proxies or Representatives (whatever the Principal Amount of the Notes so held by them), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 20.14 Subject to paragraph 20.16 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
- 20.15 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for the lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 20.16 Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 20.17 Any officer or director of the Issuer, and/or its nominated Representative and/or its lawyers and the Transfer Agent may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of “**Outstanding**”, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requisitioning the convening of such a meeting unless he/she either produces proof acceptable to the Issuer that he/she is the Noteholder or is a proxy or a Representative. The Issuer shall not be entitled to vote at any meeting in respect of Notes held by it for the benefit of

any person and no other person shall be entitled to vote at any meeting in respect of Notes held by it for the benefit of any other person unless duly authorised as contemplated herein. Nothing herein contained shall prevent any of the proxies named in any form of proxy or any representative from being a director, an officer or Representative of or otherwise connected with the Issuer, the Guarantor or any Subsidiary.

- 20.18 Save as provided in paragraph 20.12 hereof at any meeting, on a show of hands or pursuant to a poll, every Noteholder who is present in person and produces proof acceptable to the Issuer that he/she is the Noteholder or is a proxy or a Representative shall have one vote per ZAR1,000,000's worth of Outstanding Notes (or the nearest rounded off multiple thereof) which he/she holds or which the person which he/she represents or for whom he/she acts as proxy, holds.
- 20.19 Without prejudice to the obligations of the proxies or Representatives any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
- 20.20 A meeting of a Class of Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable by Extraordinary Resolution only (subject to the provisions relating to quorum contained in Conditions 20.9 and 20.10 (*Meetings of Noteholders*) above and subject to the provisos of any applicable statute), namely -
- 20.20.1 power to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them;
- 20.20.2 power to approve the substitution of any entity for the Issuer or the Guarantor which shall be proposed by the Issuer or the Guarantor;
- 20.20.3 power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Class of Noteholders against the Issuer or the Guarantor or against any of its property whether such rights shall arise under the Notes or otherwise;
- 20.20.4 power to assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer;
- 20.20.5 power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;
- 20.20.6 power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders of that Class and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;



- 20.20.7 power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash.
- 20.21 Any resolution passed at a meeting of a Class of Noteholders duly convened and held in accordance with the provisions hereof shall be binding upon all the Noteholders of that Class whether present or not present at such meeting and whether or not voting, and all the Noteholders of the applicable Class shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 17 (*Register*) of the Conditions by the Issuer within 14 (fourteen) Business Days of such result being known provided that the non-publication of such notice shall not invalidate such resolution.
- 20.22 A majority, upon a show of hands or if a poll be duly demanded then by a majority consisting of the votes given on such poll, shall be required to ordinarily pass a resolution of Noteholders.
- 20.23 Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be recorded and maintained by the Transfer Agent and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, shall be conclusive evidence of the matters therein contained. Until the contrary is proven every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed or had.

## 21. MODIFICATION

- 21.1 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer and the Guarantor and compliance with the JSE Debt Listings Requirements. The Issuer may effect, without the consent of the relevant Class of Noteholders or the JSE (but with prior written notice to the JSE), any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders in accordance with Condition 19 (*Notices*) as soon as practical thereafter.

- 21.2 Save as provided in Condition 21.1 (*Meetings of Noteholders*), no modification of these Terms and Conditions may be effected unless:
- 21.2.1 in writing and signed by or on behalf of the Issuer and the Guarantor and by or on behalf of the members of the relevant Class of Noteholders holding not less than 66.67% (sixty six comma sixty seven percent), in nominal amount, of the Notes in that Class for the time being Outstanding; or
- 21.2.2 sanctioned by an Extraordinary Resolution and approved in writing by the Guarantor .

## 22. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the relevant Outstanding Notes.

## 23. **GOVERNING LAW**

The provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

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**USE OF PROCEEDS**

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*Words used in this section headed "Use of Proceeds" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

For purposes of the Commercial Paper Regulations published in Government Notice 2172 in Government Gazette 16167 of 14 December 1994 under section 90 of the Banks Act, 1990 (the "**Commercial Paper Regulations**"), it is recorded that the "Ultimate Borrower", as defined in the Commercial Paper Regulations, of the net proceeds from each Tranche of Notes will be the Issuer and its Subsidiaries.

The proceeds from each issue of Notes will be applied by the Issuer for general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

Signed at London this 6th day of December 2012.

For and on behalf of **SABSA HOLDINGS LIMITED**

**(as Issuer)**

[Signature]

Name: Graham Mackay

Capacity: Director

Who warrants that his/her authority hereto

Signed at Sandton this 10th day of December 2012.

For and on behalf of **SABSA HOLDINGS LIMITED**

**(as Issuer)**

[Signature]

Name: Nirishi Trikamjee

Capacity: Director

Who warrants his/her authority hereto

Signed at London this 6th day of December 2012.

For and on behalf of **SABMiller plc**

**(as Guarantor)**

[*Signature*]

Name: Graham Mackay

Capacity: Executive Chairman

Who warrants that his/her authority hereto

Signed at London this 6th day of December 2012.

For and on behalf of **SABMiller plc**

**(as Guarantor)**

[*Signature*]

Name: Jamie Wilson

Capacity: Chief Financial Officer

Who warrants that his/her authority hereto

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## TERMS AND CONDITIONS OF THE GUARANTEE

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*Words used in this section headed "Terms and Conditions of Guarantee" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

The undersigned Guarantor, hereby irrevocably and unconditionally guarantees (as primary obligor and not merely as surety) to the holders of Notes (the "**Noteholders**") issued by SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (registration number 1998/005173/06) (the "**Issuer**") under the ZAR 6,000,000,000 Domestic Medium Term Note Programme established by the Issuer ("**Programme**") and specified in the Programme Memorandum as being subject to this Guarantee ("**Notes**"), the due and punctual payment by the Issuer of all amounts payable by the Issuer under the Programme in accordance with the terms and conditions of the Notes issued by the Issuer as set out in the Programme Memorandum issued in connection with the Programme dated on or about the date of this Guarantee (the "**Terms and Conditions**").

1. Terms used but not defined herein have the meanings set forth in the Terms and Conditions.
2. All payments made under this Guarantee shall be made *mutatis mutandis* in accordance with Conditions 6 (*Guarantee*), 11 (*Redemption and Purchase*) and 14 (*Events of Default*) of the Terms and Conditions and the provisions of the Applicable Pricing Supplement.
3. This Guarantee shall continue to have effect in relation to any payment, or any part thereof, of principal and/or interest on any Note that is rescinded or must otherwise be returned by the Paying Agent or any Noteholder if such rescission or return of payment has been compelled by law as the result of the insolvency of the Issuer or any other person or if such rescission or return of payment is a result of any law, regulation or decree applicable to the Issuer or such persons.
4. So long as any of the Notes remain Outstanding, the Guarantor undertakes to comply with the Terms and Conditions of the Programme Memorandum insofar as the Programme Memorandum applies to it.
5. Any admission made by the Issuer in respect of the Notes shall be binding on the Guarantor.
6. A demand made under this Guarantee by any Noteholder after an Event of Default has occurred shall be made in writing.
7. Payment to the Paying Agent of the amount guaranteed under this Guarantee shall:
  - 7.1. be made by the Guarantor to the Paying Agent not later than 10 (ten) Business Days after receipt of a demand in accordance with clause 6 above;

- 7.2. discharge the Guarantor of its applicable obligations to Noteholders under this Guarantee; and
- 7.3. *pro tanto* discharge the Issuer of its corresponding obligations to Noteholders under the Notes.
8. The Guarantor shall procure that the Paying Agent is instructed, in each instance, to make payment to the Noteholder, of any and all amounts due to them in respect of which the Guarantor has made payment to the Paying Agent within no less than 10 (ten) Business Days of receipt thereof.
9. Notwithstanding any part payment by the Guarantor or on the Guarantor's behalf, the Guarantor shall have no right to any cession of action in respect of such part payment and shall not be entitled to take any action against the Issuer or against any other surety for the Issuer in respect thereof unless and until the Indebtedness of the Issuer to the Noteholders shall have been discharged in full.
10. The obligations of the Guarantor hereunder shall not be affected by:
- 10.1. any legal limitation, disability, incapacity or other circumstances relating to the Issuer;
- 10.2. any legal limitation, disability, incapacity or other circumstances relating to any other person, whether or not known to the Issuer or such other person;
- 10.3. any invalidity in, or irregularity or unenforceability of the obligations of the Issuer under the Programme; or
- 10.4. any change in the constitution of or any amalgamation or reconstruction of the Issuer.
11. Each notice, demand or other communication under this Guarantee shall be in writing delivered personally or by recognised courier or facsimile and be deemed to have been given:
- 11.1. in the case of a letter, when delivered; and
- 11.2. be sent to the Guarantor at:
- One Stanhope Gate, London, W1K 1AF, England
- Attention: Company Secretary
- Per: Hand delivery
- or to such other address or facsimile number as is notified from time to time by the Guarantor to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions.

12. The Guarantor chooses the above address as its *domicilium citandi et executandi* for all purposes under this Guarantee, whether in respect of court process, notices or other documents or communications of whatsoever nature.
13. This Guarantee is, and all rights and obligations relating to this Guarantee are, governed by, and shall be construed in accordance with, the laws of England.
14. This Guarantee will be deposited with, and be held by, the Paying Agent until the later of:
  - 14.1. the date on which the Programme is terminated by the Issuer; and
  - 14.2. the date on which all of the obligations of the Issuer and the Guarantor under or in respect of the Notes have been discharged in full.
15. The Guarantor acknowledges and agrees that each Noteholder shall be entitled to require the Paying Agent to produce the original of this Guarantee on request and further shall be entitled to require the Paying Agent, which shall be obliged, to provide a copy of this Guarantee to that Noteholder on request.
16. Where the Noteholders wish to proceed to enforce their claims against the Guarantor collectively the following procedure will be required to be followed:
  - 16.1. a resolution of the Noteholders to the effect that the Noteholders elect to collectively exercise their right under this Guarantee is passed with the affirmative support of no less than 10% (ten percent) of the votes of the Noteholders present in person or by proxy at the Noteholders meeting and provided that such meeting is convened upon 10 (ten) days written notice and that a *quorum* constituted by no less than 10% (ten percent) of the total number of Noteholders and the total value of the Notes in issue is present or represented by proxy at such meeting;
  - 16.2. at such meeting the Noteholders shall further nominate such a representative of the Noteholders by way of a vote of the Noteholders carried with the support of no less than 10% (ten percent) of the votes of the Noteholders present in person or by proxy at the Noteholders meeting (the "**Representative**").
17. The Representative shall be empowered to communicate, meet with and engage with the Guarantor in relation to any matter relating to this Guarantee and payments due thereunder, and to further initiate legal claims against the Guarantor on behalf of the Noteholders.
18. Provided that the Representative's appointment is made strictly in accordance with the provisions of this Guarantee, the Guarantor irrevocably undertakes to accept the Representative as a duly appointed representative of the Noteholders and not to challenge his/her/its/their *locus standi* in any legal claim made against the Guarantor.

19. The Guarantor hereby confirms that upon acquisition of any Note by any Noteholder, the Guarantor is deemed to have received notice of acceptance from the Noteholder(s) and/or the Representative(s) of the benefits conferred by, and the provisions of, this Guarantee.

**SIGNED** at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

For and on behalf of

**SABMiller plc**

**(as Guarantor)**



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## DESCRIPTION OF THE ISSUER, THE GROUP AND THE GUARANTOR

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*Words used in this section headed "Description of Issuer, the Group and the Guarantor" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

### THE ISSUER

#### Legal Status

SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited) (the "**Issuer**") was incorporated on 18 March 1998 under the laws of South Africa. The Company is a public company.

The Issuer's financial year end is currently 31 March of each year.

The audited consolidated annual financial statements of the Issuer shall be drawn up in accordance with IFRS and the Companies Act.

Company Secretary: Julia Lam

Contact person: Miles Saxby

Company Secretary Address: 2 Jan Smuts Avenue, Johannesburg, 2001, South Africa

Registration Number: 1998/005173/06

Registered place of business: 2 Jan Smuts Avenue, Johannesburg, 1627, South Africa

#### Ownership and Control

SABSA Holdings Limited is the South African group holding company within the SABMiller Group (the "**Group**").

SABSA Holdings Limited is, as at the date of this Programme Memorandum, through a chain of intermediary holding companies, a wholly owned subsidiary of SABMiller plc.

#### Board of Directors and Board Committees

As of the date of this Programme Memorandum, the board of directors of the Issuer ("**the Board**") and the various board committees comprise of the following members:

## Board

<b>Directors:</b>	<b>Occupation</b>
Ernest Arthur Graham Mackay	Executive Chairman – SABMiller plc
Nirishi Trikamjee	Financial Services Manager - The South African Breweries Proprietary Limited
James Simpson Wilson	Chief Financial Officer – SABMiller plc
Monwabisi Peter Fandeso	Independent Non-Executive Director
Moses Modima Ngoasheng	Independent Non-Executive Director
Garth Denis Saunders	Financial Director – The South African Breweries Proprietary Limited
John Awbrey	Independent Non-Executive Director

**Audit Committee**

The Audit Committee is chaired by Mr Fandeso with Mr Ngoasheng and Mr Awbrey as members. The external auditors, the internal auditors, Mr Saunders and Ms Trikamjee are standing invitees at all meetings. The Audit Committee held their first meeting on 27 July 2012.

**Social and Ethics Committee**

The members of the Social and Ethics Committee include Mr Ngoasheng, Advocate K Moroka (Independent Non-Executive Director – The South African Breweries Proprietary Limited) Mr Mackay, Mr Adami (Chairman and Managing Director, The South African Breweries Proprietary Limited) and a number of other members from both SABMiller plc and The South African Breweries Proprietary Limited.

**Corporate Governance, Risk Management and King III**

SABSA Holdings Limited is an investment holding company with no employees. It is a wholly owned subsidiary of SABMiller plc (which is incorporated in England and Wales). SABMiller plc is compliant with the UK Corporate Governance Code 2010 (“**the Code**”) which is a set of principles of good corporate governance aimed at UK listed companies and requires that public listed companies disclose how they have complied with the Code, and explain where they have not applied the Code. Details of the structure of corporate governance and relevant application to the Issuer can be accessed via the following website

address: [www.sabmiller.com](http://www.sabmiller.com) and on pages 59 to 66 of the SABMiller plc Annual Report 2012, also accessible on the website.

SABMiller plc manages effective corporate governance throughout the group with various closely monitored structures, policies and procedures.

SABSA Holdings Limited applies the principles of the King III Code ("**King III Code**") except where noted below:

KING III GOVERNANCE ELEMENT	STATUS
Ethical leadership and corporate citizenship	The board applies the King III Code.
Board and directors	<p>The Issuer does not produce an integrated report as sustainability priorities are reported by its holding company, SABMiller plc, and its subsidiary The South African Breweries Proprietary Limited.</p> <p>The chairman of the board is not an independent director. The Issuer is a wholly owned subsidiary with no employees.</p>
Audit Committee/Governance of Risk	The Issuer applies the King III Code except that because the Issuer does not produce an integrated report the audit committee has no oversight role and cannot ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.
Governance of information technology.	The Issuer does not apply the King III Code because responsibility for IT governance resides with SABMiller plc and The South African Breweries Proprietary Limited.
Compliance with laws, rules, codes and standards	The Issuer applies the King III Code.
Internal Audit	The Issuer applies the King III Code although it is noted that the Internal Audit function managed via SABMiller plc and The South African Breweries Proprietary Limited.

Governing stakeholder relationships	The Issuer does not apply the King III Code because stakeholder relations are managed in compliance with King III by SABMiller plc and The South African Breweries Proprietary Limited.
Integrated reporting and disclosure	The Issuer does not apply the King III Code, because sustainability priorities are managed and reported on by both SABMiller plc and The South African Breweries Proprietary Limited.

### Description of Issuer's Business

*See the section referring to South Africa under "The Guarantor and the Group" below.*

### Recent Developments

*See the section referring to South Africa under "The Guarantor and the Group" below.*

## THE GUARANTOR AND THE GROUP

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

### Overview

The Guarantor, together with the Issuer, its other subsidiaries, its associated companies and joint ventures, is, according to Canadean Limited ("**Canadean**"), one of the world's largest brewers, occupying a top-two market position by volume in many markets in which it operates, with group revenue<sup>1</sup>, operating profit and lager volumes for the year ended 31 March 2012 of U.S.\$31,388 million, U.S.\$5,013 million and 229 million hectolitres respectively. As at 31 March 2012, the Group's total assets were U.S.\$55,651 million. The Group is also one of the largest bottlers and distributors of Coca-Cola products outside the United States.

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

The Guarantor 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

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

31 December 2000 to approximately U.S.\$71,650 million as at 7 December 2012. Since the Group was first rated in 2003, and until 2 July 2012, the Guarantor was rated Baa1/stable outlook by Moody's and BBB+/stable outlook by S&P. On 2 July 2012, S&P revised its rating to BBB+/positive outlook; Moody's rating remains unchanged.

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

## Highlights of the Group's Operations

### *Latin America*

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

### *Europe*

The Group's expansion into Europe began in 1993 with the acquisition of Dreher Sörgyárak Zrt ("**Dreher**") in Hungary. On 6 March 2012, the Group completed its strategic alliance with Anadolu Efes Biracilik ve Malt Sanayii AS ("**Anadolu Efes**"). The Group's Russian beer business, SABMiller RUS LLC, and Ukrainian beer business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes in exchange for a 24% (twenty-four percent) equity stake in the enlarged Anadolu Efes. Anadolu Efes is now the vehicle for both groups' investments in Turkey, Russia, the Commonwealth of Independent States ("**CIS**"), Central Asia and the Middle East. The Group now has brewing operations in eight countries in Europe: the Netherlands, Poland, the Czech Republic, Italy, Romania, Hungary, Slovakia and the Canary Islands (Spain). The Group also sells significant volumes to a further eight European markets of which the largest are the United Kingdom and Germany, and a further 16 countries including Russia, Turkey and the Ukraine are covered in the strategic alliance with Anadolu Efes through either brewing, soft drinks or export operations.

### *North America*

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

The North America segment includes the Group's 58% (fifty-eight percent) share in MillerCoors and 100% (one hundred percent) of Miller Brewing International.

### **Africa**

The Group operates in 15 countries in Africa: Botswana, Comores, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mayotte, Mozambique, Nigeria, South Sudan, Swaziland, Tanzania, Uganda and Zambia. In addition, the Group has a strategic alliance with Société des Brasseries et Glacières Internationales and BIH Brasseries Internationales Holding Limited ("**Castel**"), pursuant to which Castel's holding company has a 38% (thirty-eight percent) economic interest in the Guarantor's principal African holding company and the Group has a 20% (twenty percent) 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 and the Indian Ocean. Its operations cover Algeria, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Gambia, Guinea, Madagascar, Mali, Mauritius, Morocco, Niger, Senegal, Togo and Tunisia. With effect from 1 January 2012, the Group and Castel implemented a number of organisational changes in their African operations as part of their strategic alliance agreement. Operational management of the Nigerian businesses is now with the Guarantor and the Angolan businesses with Castel. The Group has an associate interest in Castel's Angolan business. In addition, the Group has associated undertakings in Algeria, Morocco and Zimbabwe, and a procurement company in Mauritius.

### **Asia Pacific**

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

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

### **South Africa**

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

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

## Group

### ***Business Capability Programme***

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

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

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

### ***Overview of Foster's Acquisition***

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

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

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

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

## **Strategy**

### ***Business strategy***

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

#### **Creating a balanced and attractive global spread of businesses**

The wide geographic spread of the Group's operations allows it to benefit from growth in volumes and value in beer markets around the world. The Group continues to look for opportunities to strengthen its geographic footprint in both developing and developed markets through greenfield entries, alliances, mergers and acquisitions.

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

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

#### **Constantly raising the profitability of local businesses, sustainably**

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

#### **Leveraging the Group's skills and global scale**

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

### ***Financial strategy***

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



## **Competitive strengths**

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

### **Leading market positions**

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

### **Geographic diversification**

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

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

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

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

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

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

### **Conservative financial policies**

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

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

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

***Licences***

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

***New products, research and development***

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

## Overview by business segment

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

	Year ended 31 March		
	(audited)		
	2012	2011	2010
	<i>(U.S.\$ millions)</i>		
<b>Revenue</b>			
Latin America .....	7,148	6,324	5,894
Europe .....	5,347	5,379	5,558
North America .....	134	117	107
Africa .....	2,299	2,059	1,774
Asia Pacific .....	1,682	564	473
South Africa: Beverages .....	5,150	4,965	4,214
South Africa: Hotels and Gaming.....	—	—	—
<b>Total</b> .....	<b>21,760</b>	<b>19,408</b>	<b>18,020</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% (forty-one comma eight percent) non-controlling interest in Bevco, increasing the Guarantor’s interest to 100% (one hundred percent).

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

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

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

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

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

Source: the Guarantor

Notes:

- (1) Includes 100% (one hundred percent) of subsidiaries' volumes, and the Group's share of associates' volumes
- (2) Breweries and soft drinks bottling plants relate to subsidiaries only

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

## Colombia

The Group carries out its lager and soft drinks operations in Colombia principally through Bavaria. As at 30 September 2012, the Group had an effective economic interest of 99% (ninety-nine percent) in Bavaria. Bavaria is the largest beverage company in Colombia based on sales volumes according to Canadean. Lager production is Bavaria's principal operating activity in Colombia, generating sales volumes of 19.3 million hl for the year ended 31 March 2012. Bavaria also produces non-alcoholic malt beverages for the Colombian market.

**Lager**

Bavaria currently operates six breweries in Colombia.

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

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

**Soft drinks**

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

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

**Peru**

The Group carries out its lager and soft drinks operations in Peru principally through Unión de Cervecerías Peruanas Backus y Johnston S.A.A. ("**Backus**"). As at 30 September 2012, the Group had an effective economic interest of 93.6% (ninety-three comma six percent) in Backus. Backus is the largest beer company in Peru by volume according to CCR Audit ("**CCR**").

**Lager**

Backus currently operates five breweries in Peru. Backus' most popular brand in Peru is Cristal which accounted for 45% (forty-five percent) of Backus' Peruvian lager sales for the year ended 31 March 2012 and 42% (forty-two percent) of the total Peruvian beer market in 2012 according to CCR. Backus' volume share of the total Peruvian beer market for the year ended 31 March 2012 was approximately 93% (ninety-three percent) according to the same source.

Backus' other main brands in Peru include Cusqueña, Malta Cusqueña, Pilsen Polar, MGD and Peroni Nastro Azzurro in the premium segment, Arequipeña, Pilsen Callao, San Juan and Barena in the mainstream market and Pilsen Trujillo in the economy segment. The Pilsen Trujillo brand has been

successfully repositioned nationally to provide effective defence against competitor economy brands.

Backus also produces the Cordillera brand for export to Bolivia.

### **Soft drinks**

Backus produces, bottles and distributes the Agua Tónica Backus, Guaraná Backus, and Viva Backus soft drinks brands throughout Peru. According to Management estimates, these brands represented approximately 7% (seven percent) of the Peruvian sparkling soft drinks market in the year ended 31 March 2012. Backus also produces both sparkling and still bottled water under the Cristalina Backus and San Mateo brands. In the year ended 31 March 2012, Backus' water brands represented approximately 15% (fifteen percent) of the Peruvian bottled water market according to Management estimates. In addition, Backus produces a malt-based non-alcoholic beverage, Maltin Power, being the only producer in this category.

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

### **Ecuador**

The Group carries out its operations in Ecuador through Cervecería Nacional (CN) SA ("**CN Ecuador**"). As at 30 September 2012, the Group's effective interest in CN Ecuador was 95.6% (ninety-five comma six percent).

### **Lager**

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

### **Soft drinks**

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

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

### **Panama**

Cervecería Nacional SA ("**Cervecería Nacional**") is the Group's principal lager and beverage producer in Panama. As at 30 September 2012, the Group's effective interest in Cervecería Nacional was 97.3% (ninety-seven comma three percent).

### **Lager**

Cervecería Nacional's beer sales in Panama represented approximately 67% (sixty-seven percent) of the

total Panamanian market for the year ended 31 March 2012, according to Nielsen. Cervecería Nacional produces the Atlas, Balboa and Miller Lite brands in Panama. Cervecería Nacional also imports and distributes MGD and Corona Extra, with the distribution agreement for the latter due to terminate on 31 December 2012. Cervecería Nacional's most popular brand in Panama is Balboa, which accounted for approximately 46% (forty-six percent) of Cervecería Nacional's lager sales for the year ended 31 March 2012.

### ***Soft drinks***

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

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

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

### **Honduras**

The Group operates in Honduras principally through its subsidiary Cervecería Hondureña SA de CV ("**CHSA**"). As at 30 September 2012, the Group's effective interest in CHSA was 99.6% (ninety-nine comma six percent).

### ***Lager***

According to Nielsen, the Group's brands account for approximately 53% (fifty-three percent) of the Honduran alcohol market by volume for the year ended 31 March 2012. CHSA is the sole domestic brewer in Honduras. The Group's proprietary domestic brands in Honduras include Barena, Imperial, Port Royal and Salva Vida. In addition, CHSA imports and distributes Miller Lite, MGD and Corona Extra, with the distribution agreement for the latter expected to terminate in 2013.

### ***Soft drinks***

According to Nielsen, CHSA is the market leader for sparkling soft drinks in Honduras, accounting for approximately 56% (fifty-six percent) of the Honduran sparkling soft drinks market by volume for the year ended 31 March 2012. CHSA is the exclusive bottler in Honduras of the Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca, Powerade and Canada Dry brands. CHSA started producing and selling a licensed flavoured



tea, Nestea, in September 2010, and in December 2010 launched Jugos del Valle. Both brands are owned by The Coca-Cola Company. CHSA also owns, produces and sells Tropical, which is a sparkling soft drinks brand, and launched ActiMalta in the non-alcoholic malt beverages category.

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

## **El Salvador**

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

### ***Lager***

The Group's brands accounted for approximately 89% (eighty-nine percent) of the Salvadoran beer market by volume for the year ended 31 March 2012, according to Nielsen. The Group's domestic brands in El Salvador include Suprema, Golden, Pilsener, Pilsener Lite and Regia Extra. It also imports and distributes MGD and Corona Extra, with the distribution agreement for the latter due to terminate on 31 December 2012.

### ***Soft drinks***

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

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

## **Argentina**

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

### ***Lager***

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

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

## **Europe**

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

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

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

## Operations

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

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

Source: the Guarantor

### Notes:

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

## **Employees**

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

### ***Poland***

The Group owns 100% (one hundred percent) of Kompania Piwowarska SA in Poland.

In Poland, beer consumption per capita grew by 49% (forty-nine percent) between 1999 and 2011, according to Canadean. According to Management estimates, the Group's volume market share in Poland was 37% (thirty-seven percent) for the year ended 31 March 2012.

As at 30 September 2012, the Group had three Polish breweries: one in Poznan in Western Poland, one in Tychy in Southern Poland and one in Bialystok in North Eastern Poland.

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

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

### ***Czech Republic***

The Group owns 100% (one hundred percent) of Plzeňský Prazdroj as in the Czech Republic.

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

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

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

## **Romania**

The Group's Romanian business, Ursus Breweries S.A. ("**Ursus**"), had a market share of approximately 26% (twenty-six percent) for the year ended 31 March 2012. Its main proprietary domestic brands are Ursus Premium, Timisoreana and Ciucas, and it is expanding its premium portfolio by selectively rolling out Peroni Nastro Azzurro and Grolsch. Timisoreana is the leading brand in the Romanian beer market according to Nielsen.

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

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

## **Italy**

The Group's effective interest in Birra Peroni is 99.9% (ninety-nine comma nine percent).

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

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

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

## **The Netherlands**

The Group owns 100% (one hundred percent) of Koninklijke Grolsch NV ("**Royal Grolsch**"). Royal Grolsch is a brewer based in the Netherlands.

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

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

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

### ***Anadolu Efes***

In March 2012, the Group completed its strategic alliance with the Turkish beer and soft drinks business, Anadolu Efes, under which the Group transferred its Russian and Ukrainian beer businesses to Anadolu Efes in return for a 24% (twenty-four percent) equity stake in the enlarged Anadolu Efes. The Group accounts for its investment in Anadolu Efes as an associate using equity accounting. As a result, the Group's share of profits in Anadolu Efes is reflected in the Group's share of post-tax results of associates, but not in the Group's revenue, operating profit or EBITDA. The Europe segment includes the Group's 24% (twenty-four percent) share of Anadolu Efes from the date of acquisition.

Anadolu Efes's activities are conducted by three divisions, Turkey beer; International beer; and soft drinks. Anadolu Efes is Turkey's largest brewer controlling 84% (eighty-four percent) of the local market as of 30 September 2012. Outside Turkey, Anadolu Efes has brewing operations in Russia, Kazakhstan, Ukraine, Moldova, and Georgia. Following the strategic alliance, the combined business has a strong number two position in Russia, which according to Canadean is the world's fourth largest beer market. Anadolu Efes's international beer operations are carried out through its wholly-owned subsidiary, Efes Breweries International NV. Anadolu Efes also exports its primary brand Efes to more than 70 countries.

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

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

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

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

Compañía Cervecera de Canarias ("**CCC**") in the Canary Islands produces Dorada and Tropical, which are

local brands and Carlsberg under licence, and distributes certain of the Group's global brands. In addition, CCC also produces Appletiser for the local market.

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

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

### **North America**

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

### **Products**

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

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

In August 2010, MillerCoors established the Tenth and Blake Beer Company, its craft and import division. It imports Peroni Nastro Azzurro, Pilsner Urquell and Grolsch and features craft brews from the Jacob Leinenkugel Brewing Company, Blue Moon Brewing Company and the Blitz-Weinhard Brewing Company.

To expand its portfolio, Tenth and Blake acquired The Crispin Cider Company, including its affiliate Fox Barrel Cider Company, in February 2012 to capitalise on the fact that cider is now the fastest growing category in the U.S. beer industry.

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

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

### ***Employees***

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

### ***Sales and Distribution***

In the United States, beer is generally distributed through a three-tier system consisting of manufacturers, distributors and retailers. A national network of approximately 452 independent distributors purchases MillerCoors' products and distributes them to retail accounts.

### ***Brewing Facilities***

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

### ***Contract Manufacturing***

MillerCoors has a contract brewing agreement with Pabst Brewing Company. Additionally, MillerCoors produces beer under contract for Miller Brewing International and Molson Coors.

### ***Competitive Conditions***

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



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

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

## **Africa**

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

The Group has a strategic alliance with Castel pursuant to which Castel has a 38% (thirty-eight percent) economic interest in the Guarantor's principal African holding company and the Group has a 20% (twenty percent) economic interest in Castel. 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 and the Indian Ocean. Its operations cover Algeria, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Gambia, Guinea, Madagascar, Mali, Mauritius, Morocco, Niger, Senegal, Togo and Tunisia. With effect from 1 January 2012, the Group and Castel implemented a number of organisational changes in their African operations as part of their strategic alliance agreement. Operational management of the Nigerian businesses is now with the Guarantor and the Angolan businesses with Castel, with the Group retaining an associate interest in the Angolan businesses. . In addition, the Group has associated undertakings in Algeria, Morocco and Zimbabwe, and a procurement company in Mauritius.

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

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

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

## Operations

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

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

<u>Number of breweries<sup>(1)</sup></u>	<u>Total lager volume for year ended 31 March 2012<sup>(2)</sup></u>	<u>Number of soft drinks bottling plants<sup>(1)</sup></u>	<u>Total soft drinks volume for year ended 31 March 2012<sup>(2)</sup></u>
	<i>(million hl)</i>		<i>(million hl)</i>

Source: the Guarantor

Notes:

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

### **Tanzania**

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

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

The Group's share of the Tanzanian beer market was approximately 73% (seventy-three percent) for the year ended 31 March 2012, according to Frontline Market Research ("**Frontline**").

In November 2011, East African Breweries Limited launched a public offer through the Dar-es-Salaam Stock Exchange for the sale of its 20% (twenty percent) interest in Tanzania Breweries, as a result of which SABMiller Africa BV was allocated a further 4.72% (four comma seventy-two percent) interest in Tanzania Breweries, giving the Group an effective economic interest of 36% (thirty-six percent) in Tanzania Breweries as at 30 September 2012.

### **Mozambique**

The Group has an effective economic interest of 49% (forty-nine percent) in its listed operation in Mozambique.

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

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

**Uganda**

The Group has an effective economic interest of 62% (sixty-two percent) in Uganda's Nile Breweries Limited, which has a strong portfolio of brands including Nile Special, Nile Gold, Club Pilsener, Chairman's ESB, Eagle Extra and Eagle Lager.

The Group's share of the Ugandan beer market was approximately 55% (fifty-five percent) for the year ended 31 March 2012, according to Frontline.

As at 30 September 2012, a new brewery located in Mbarara in west Uganda is under construction.

**Zambia**

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

The Group's share of the Zambian beer market was approximately 84% (eighty-four percent) for the year ended 31 March 2012, according to Frontline.

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

As at 30 September 2012, a new brewery is under construction at Ndola in Zambia within the Copperbelt region.

**Angola**

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

**Botswana**

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

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

The Group has an effective economic interest of 31% (thirty-one percent) in Kgalagadi Breweries (Pty) Limited.

**Lesotho**

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

**Mountain Brewery”).**

The Group has an effective economic interest of 24% (twenty-four percent) in Maluti Mountain Brewery.

The Group had an approximate 99% (ninety-nine percent) share of the beer market in Lesotho for the year ended 31 March 2012, according to Management estimates.

The key local brand in Lesotho is Maluti.

**Ghana**

The Group has an effective economic interest of 60% (sixty percent) in Accra Brewery Limited, which in the year ended 31 March 2012 had an approximate 38% (thirty-eight percent) share, by volume, of the Ghanaian beer market, according to Management estimates.

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

**Swaziland**

The Group is the only brewer in Swaziland, operating through Swaziland Beverages Limited, in which it has an effective economic interest of 37% (thirty-seven percent).

The Group's share of the beer market in Swaziland was approximately 85% (eighty-five percent) for the year ended 31 March 2012, according to Frontline.

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

**Nigeria**

Until 31 December 2011, the Group had an effective economic interest of 59% (fifty-nine percent) in Pabod Breweries Ltd (“**Pabod**”) in Nigeria, an effective economic interest of 80% (eighty percent) in Voltic Nigeria Ltd (“**Voltic Nigeria**”) in Nigeria and an effective economic interest of 41% (forty-one percent) in Intafact Beverages Limited (“**Intafact**”). With effect from 1 January 2012, together with Castel the Group implemented a number of organisational changes in its African operations as part of its strategic alliance agreement. As a result the Group acquired a 65% (sixty-five percent) interest (effective 33% (thirty-three percent) interest) in International Breweries plc (“**International Breweries**”) in Nigeria, from Brasseries Internationales Holding Ltd, part of the Castel group, in exchange for cash and a dilution of the Group's effective interests in its existing Nigerian businesses, Pabod and Voltic Nigeria. As at 30 September 2012, the Group had an effective economic interest of 38% (thirty-eight percent) in Pabod, an effective economic interest of 50% (fifty percent) in Voltic Nigeria, an effective economic interest of 38% (thirty-eight percent) in Intafact and an effective economic interest of 36% (thirty-six percent) in International Breweries.

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

A new greenfield brewery located in Onitsha in south eastern Nigeria was commissioned in August 2012.

### **South Sudan**

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

The Group has an effective economic interest of 80% (eighty percent) in Southern Sudan Beverages Limited.

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

### **Zimbabwe**

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

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

### **Kenya**

On 25 November 2011, the Group disposed of its 20% (twenty percent) interest (12% (twelve percent) effective economic interest) in its associate Kenya Breweries Limited.

### **Other operations - soft drinks**

The Group has an effective economic interest of 54% (fifty-four percent) in Zambian Breweries plc, the operator of the Zambian Coca-Cola franchise.

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

The Group has an effective interest of 80% (eighty percent) in the Voltic (GH) Limited water business in Ghana, a 50% (fifty percent) effective interest in the Voltic Nigeria water business in Nigeria, a 40% (forty percent) effective interest in the Ambo Mineral Water Share Company in Ethiopia, a 62% (sixty-two percent) effective interest in a maheu business in Zambia, an 80% (eighty percent) effective interest in the Rwenzori water business in Uganda and an 80% (eighty percent) effective economic interest in the Crown Beverages Limited water bottling and distribution business in Kenya.

### **Other operations**

As at 30 September 2012, the Group operates 18 sorghum beer breweries: five in Zambia, four each in

Botswana and Malawi, two in Mozambique and one in Ghana, Swaziland and Tanzania. Total sales volumes for the year ended 31 March 2012 included 5.1 million hl of sorghum beer and 0.2 million hl of wines and spirits.

### **Asia Pacific (formerly Asia)**

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

### **Australia**

On 16 December 2011, the Group acquired a 100% (one hundred percent) interest in Foster's. Until 13 January 2012, the Group owned 50% (fifty percent) of Pacific Beverages, a joint venture with CCA in Australia. Pacific Beverages commenced trading during the second half of the financial year ended 31 March 2007. Pacific Beverages invested in the construction of a new brewery at Warnervale in the Central Coast region of New South Wales which was commissioned in June 2010. Following the Foster's acquisition, on 13 January 2012 the Group acquired the 50% (fifty percent) interest which it did not already own in Pacific Beverages. The acquisition took the Group's effective interest in Pacific Beverages to 100% (one hundred percent) and Pacific Beverages has now been integrated into CUB.

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

CUB is the second largest brewer in Australia and has a portfolio of beer, cider and spirits/ready-to-drink beverage master brands. CUB's brand portfolio includes iconic Australian beer brands such as Victoria Bitter ("**VB**"), Carlton Draught (number one draught beer, according to Nielsen) and Crown Lager (number one domestic premium beer, according to Nielsen). It also includes craft beer brands such as Matilda Bay's Redback, Fat Yak and Big Helga. CUB also leads the market in the Australian cider category with popular cider brands Strongbow, Mercury, Bulmers Original, and Matilda Bay's Dirty Granny. The Group's key brands in Australia, other than CUB brands, are Peroni Nastro Azzurro, Miller Chill, Peroni Leggera, MGD and Grolsch. As a result of the Foster's acquisition, certain licence and import arrangements such as Corona, Stella Artois, Asahi, Carlsberg and Guinness with a combined annual volume base of approximately

915,000 hl were terminated towards the end of the year ended 31 March 2012. The loss of these rights was a known risk at the time of the acquisition, in light of typical change of control provisions applicable to those arrangements.

According to Nielsen, CUB's share of the national beer market by volume, excluding terminated licensed brands, was 44% (forty-four percent) at 31 March 2012.

As at 31 March 2012, the Group had six Australian breweries: the Yatala Brewery in Queensland, the Abbotsford Brewery in Melbourne, two on the historic Cascade Brewery site in Hobart, the Bluetongue Brewery in Warnervale NSW and a craft brewery in Melbourne. The Group also operated two breweries in Fiji, one in Samoa, all of which were sold on 7 September 2012, and cideries in both Campbelltown NSW and New Zealand.

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

## **China**

According to Canadean, China is the largest beer market in the world by volume, with volumes in excess of 487 million hl for the year ended 31 December 2011. Between 1999 and 2011, the Chinese beer market grew by 138% (one hundred and thirty-eight percent) and accounted for 48.6% (forty-eight comma six percent) of growth in the world beer market, according to Canadean. The Chinese beer industry is consolidating with a number of Chinese brewers being acquired by the leading international brewers.

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

Through CR Snow, the Group operates in 24 provinces in China. According to Canadean, CR Snow is the largest brewer in China by volume with strong market positions in both the northeast and the west and a growing market position in the central region. For the year ended 31 March 2012, the Group's share of CR Snow's lager volumes was 50.5 million hl. The Group's lager volume growth in China for the year ended 31 March 2012 was 9% (nine percent), within which underlying organic growth of 4% (four percent) was achieved with acquisitions enhancing market share. In 2011 CR Snow sold in excess of 100 million hl in a 12 month period for the first time. During the year ended 31 March 2012, CR Snow's national brand, Snow, grew by 8% (eight percent) and now constitutes 89% (eighty-nine percent) of the Group's total China lager volumes. Snow is the top-selling lager brand (by volume) in China. CR Snow also continued to expand its presence in the premium segment through the expansion of Snow Draft in particular. In 2011 CR Snow's national market share was estimated to exceed 20% (twenty percent) according to Management estimates.

## **India**

The Group has operated in India since October 2000, when it acquired Narang Breweries, located near



Lucknow in the state of Uttar Pradesh. In June 2001, the Group acquired a controlling interest in Mysore Breweries Limited (“**Mysore**”) and in November 2001 announced the acquisition of a controlling interest in Rochees. In May 2003, Mysore entered into a joint venture with Shaw Wallace and in May 2005, Mysore acquired the remainder of Shaw Wallace’s interest in the joint venture in India. The joint venture has been consolidated into SABMiller India Limited, which owns 99% (ninety-nine percent) of these brewing operations. In September 2006, the Group acquired a 100% (one hundred percent) interest in Foster’s operations and brand in India which has been integrated into the existing Indian business. In 2011 the Group’s brewing operations in India were the country’s second largest by volume according to Canadean.

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

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

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

## **Vietnam**

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

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

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

## **South Africa: Beverages**

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

- 100% (one hundred percent) of ABI, the soft drinks division of SAB, the largest bottler for The Coca-Cola Company in South Africa;
- 100% (one hundred percent) of Appletiser, an international producer of non-alcoholic fruit drinks; and

- 29% (twenty-nine percent) of Distell, a major manufacturer and distributor in the South African wines and spirits sector.

### **Black Economic Empowerment Transaction**

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

### ***Rationale for the Black Economic Empowerment Transaction***

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

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

### ***Impact on the Guarantor***

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

## Market

According to Euromonitor International Limited (“**Euromonitor**”) in respect of 2011, South Africa is the 10th largest beer market in the world by volume. As at March 2012, South Africa: Beverages’ sales represented approximately 90% (ninety percent) of total lager beer consumption in South Africa, according to Management estimates.

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

ABI produces and bottles products in South Africa under franchise agreements with The Coca-Cola Company, which give ABI exclusive distribution rights in certain geographic areas. These areas cover approximately 51% (fifty-one percent) of the South African population and currently generate approximately 57% (fifty-seven percent) of total South African Coca-Cola sales volumes. Coca-Cola and Schweppes products have a combined market share of approximately 89% (eighty-nine percent) of the soft drinks market in ABI’s territories in South Africa and 68% (sixty-eight percent) of the total soft drinks including waters, sports and energy drinks and iced tea.

## Operations

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

## Products

### *Lager*

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

## **Soft drinks**

### *Coca-Cola products*

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

### *Appletiser*

Appletiser produces natural and non-alcoholic sparkling fruit juices.

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

## **Marketing, sales and distribution**

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

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

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

ABI sells to approximately 91,000 customers, varying from large retail outlets to small rural stores. Approximately 49,000 outlets receive direct delivery via Direct Sales Distribution or market logistic partners and distributors, while the balance obtain stock indirectly through the wholesale channel.

## **Manufacturing and properties**

South Africa: Beverages operates seven breweries.

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

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

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

## **Employees**

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

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

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

By December 2008, Tsogo Sun Holdings Proprietary Limited (in which the Group had a 49% (forty-nine percent) interest) had acquired a 23% (twenty-three percent) interest in Gold Reef Resorts Limited, a listed casino operator with seven casino licences in South Africa, and subsequently increased its interest to 25% (twenty-five percent). In February 2011, Tsogo Sun Holdings Proprietary Limited merged into Gold Reef Resorts Limited through an all-share merger. As a result the Guarantor exchanged its 49% (forty-nine percent) interest in Tsogo Sun Holdings Proprietary Limited for a 39.7% (thirty-nine comma seven percent) interest in the enlarged business, which was renamed Tsogo Sun Holdings Limited.

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

Tsogo Sun Gaming owns 13 and operates 14 casinos in South Africa, including Montecasino and Gold Reef City casinos in Johannesburg and the Suncoast Casino in Durban, with a total of approximately 8,834 slot machines and 314 gaming tables.

Tsogo Sun Hotels operates 93 hotels comprising 14,299 rooms. The hotels cover all segments of the industry from 5 star deluxe to budget hotels. The company operates primarily under its own brands, including Southern Sun, Garden Court and StayEasy, and in addition operates two Intercontinental hotels in South Africa. In March 2012, the Tsogo Sun Group completed the acquisition of the remaining 53% (fifty-three percent) interest in the local Formula 1 hotel chain, giving it an effective shareholding of 100% (one hundred percent) in that business. Tsogo Sun Hotels trades primarily in South Africa, but also in seven other countries across Africa and the Middle East. Tsogo Sun's hotel portfolio includes owned hotels, properties leased from third parties and operated for Tsogo Sun's own account and hotels managed on behalf of third parties in return for a management fee.

## MANAGEMENT OF THE GUARANTOR (“Management”)

### The Board of Directors

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

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

A Santo Domingo	09/11/2005	12/10/2005	26/07/2012	July 2013
HA Weir	19/05/2011	17/05/2011	26/07/2012	July 2013
HA Willard III	01/08/2009	01/08/2009	26/07/2012	July 2013

## **Graham Mackay**

### ***Executive Chairman***

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

## **Alan Clark**

### ***Chief Operating Officer***

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

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

## **Jamie Wilson**

### ***Chief Financial Officer***

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

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

### **John Manser**

#### ***Deputy Chairman and Senior Independent Director***

John Manser joined the board in 2001. He is Chairman of Shaftesbury PLC and was Chairman of Intermediate Capital Group plc and Deputy Chairman of Colliers CRE plc until 2010. He will retire from Shaftesbury PLC in February 2013. He was previously Chairman of Delancey PLC, Hiscox Investment Management Ltd, and Robert Fleming Holdings Limited, a former member of the President's Committee of the British Banking Association, a director of the Securities and Investments Board between 1986 and 1993 and is a past Chairman of the London Investment Banking Association. He became Deputy Chairman of the Guarantor at the conclusion of the 2012 annual general meeting.

### **Mark Armour**

Mark Armour joined the board in May 2010. He is an executive director of Reed Elsevier Group plc and of its two parent companies, Reed Elsevier plc and Reed Elsevier NV and was their Chief Financial Officer from 1996 to November 2012. He will retire from Reed Elsevier Group plc at the end of 2012. Prior to joining Reed Elsevier in 1995 he was a partner in the London office of Price Waterhouse. From 2002 until 2004, Mr Armour was Chairman of The Hundred Group of Finance Directors. He was a member of the Finance and Reporting Working Group of the UK Government's Company Law Review Steering Group, which reported in 2001, and is a member of the board of the Financial Reporting Council.

### **Geoffrey Bible**

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

### **Dinyar Devitre**

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



**Lesley Knox**

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

**John Manzoni**

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

**Miles Morland**

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

**Dambisa Moyo**

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

**Carlos Pérez**

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

**Cyril Ramaphosa**

Cyril Ramaphosa joined the board of The South African Breweries Limited in 1997 and was appointed to the board of South African Breweries plc upon its listing on the London Stock Exchange in 1999. He is the founder and chairman of Shanduka Group and Joint Non-Executive Chairman of Mondi Group. He holds

directorships in Macsteel Global B.V., MTN Group Ltd, The Bidvest Group, Lonmin plc, Standard Bank, Optimum Coal Holdings Limited and Alexander Forbes. He is a former Secretary General of the African National Congress and was chairman of the Constitutional Assembly, which negotiated South Africa's first democratic constitution.

### **Alejandro Santo Domingo**

Alejandro Santo Domingo joined the board in 2005, following completion of the Bavaria Transaction. He is a Managing Director at Quadrant Capital Advisors, Inc., and serves on the boards of Valorem S.A., Comunican S.A. and Caracol Television S.A. He is the treasurer of Aid for AIDS Charity, a member of the board of trustees of The Metropolitan Museum of Art and is also a member of the board of the US-based DKMS Americas Foundation and WNET (Channel Thirteen) and the Wildlife Conservation Society.

### **Helen Weir**

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

### **Howard A. Willard III**

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

### **The Board and Board committees**

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

The Executive Directors are responsible for proposing strategy and for making and implementing operational

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

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

### **The Audit Committee**

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

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

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

- to review, and challenge where necessary, the audited consolidated annual financial statements and interim and preliminary announcements before their submission to the Board for approval;
- to examine and review the internal control environment and risk management systems within the Group and review the Group's statement on internal control systems prior to endorsement by the board;
- to review the independence, objectivity and effectiveness of the external auditors;
- to make recommendations to the Board regarding the appointment, re-appointment and removal of the external auditors and to approve and recommend to the Board the remuneration and terms of engagement of the external auditors;
- to review annually the effectiveness of the internal audit function throughout the Group, with particular focus on the charter, annual work plans, activities, staffing, organisational and reporting structure and status of the function; and

- to review the effectiveness of the system for monitoring compliance with laws and regulations (including the Group's biannual letters of representation) and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

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

### **The Disclosure Committee**

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

### **The Nomination Committee**

The Nomination Committee is chaired by Mr Manser and also comprises Mr Bible, Mr Mackay, Mr Manzoni, Mr Morland, Mr Ramaphosa and Mr Santo Domingo. Under the Altria Relationship Agreement and the BevCo Relationship Agreement, Altria and BevCo each have the right to request that one of its nominated directors be appointed to the Nomination Committee and have nominated Mr Bible and Mr Santo Domingo respectively, as members of the Nomination Committee. The Nomination Committee considers the composition of the Board and its committees, retirements and appointments of additional and replacement Directors and makes appropriate recommendations to the Board. All Directors are subject to retirement and re-election by shareholders at least once every three years in accordance with the Guarantor's Articles of Association. However the Board has determined that all Directors will stand for re-election annually as recommended by the UK Corporate Governance Code, published by the UK Financial Reporting Council (the "**Corporate Governance Code**"). The Nomination Committee meets as often as required, and at least once a year.

### **The Remuneration Committee**

The Remuneration Committee is chaired by Mr Morland and also comprises Mr Armour, Ms Knox, Mr Manser and Mr Manzoni. The Remuneration Committee sets short-term and long-term remuneration for

the Executive Directors. More generally, the Remuneration Committee is responsible for the assessment and approval of a broad remuneration strategy for the Group and for the operation of the Company's share-based incentive plans. This includes determination of short-term and long-term incentive pay structures for Group executives, the positioning of executive pay levels relative to local and international industry benchmarks and is empowered by the Board to set short-term and long-term remuneration for the Executive Directors and members of the Executive Committee.

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

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

### **Application of the Corporate Governance Code**

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

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

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

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

## **Transactions with Directors**

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

### **Arm's length transactions**

No members of the Group have entered into any transactions during the financial year ended 31 March 2012 other than in the Guarantor'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 the Guarantor, in addition to Graham Mackay, Executive Chairman, Alan Clark, Chief Operating Officer and Jamie Wilson, Chief Financial Officer, are:

#### ***Norman Adami***

##### ***Chairman and Managing Director, SAB***

Norman Adami was reappointed Chairman and Managing Director of The South African Breweries Proprietary Limited ("**SAB**") in 2008. On 22 October 2012, the Group announced that he had been promoted to the new role of Chairman of SABMiller Beverages South Africa with effect from 7 January 2013. He first joined SAB in 1979 and has held a number of senior positions in the Group. These include Regional Director, Operations Director, Chairman and Managing Director, SAB, President and Chief Executive Officer, Miller Brewing Company and President and Chief Executive Officer, SABMiller Americas. He is an independent non-executive director of Allied Electronics Corporation Limited.

#### ***Mark Bowman***

##### ***Managing Director, SABMiller Africa***

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

#### ***Sue Clark***

##### ***Managing Director, SABMiller Europe***

Sue Clark was appointed Managing Director, SABMiller Europe in June 2012, previously having held the position of Corporate Affairs Director, of the Guarantor since 2003. Prior to this, she held a number of senior roles in UK companies, including Director of Corporate Affairs, Railtrack Group from 2000 to 2003 and

Director of Corporate Affairs, Scottish Power plc from 1996 to 2000. Sue is a Trustee of the Clore Social Leadership Programme.

***John Davidson***

***General Counsel and Group Company Secretary of the Guarantor***

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

***Domenic De Lorenzo***

***Director, Corporate Finance and Development of the Guarantor***

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

***Nick Fell***

***Marketing Director of the Guarantor***

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

***Tony van Kralingen***

***Director, Supply Chain & Human Resources of the Guarantor***

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

***Karl Lippert***

***President, SABMiller Latin America***

Karl Lippert was appointed President, SABMiller Latin America in January 2011. He joined the Group in 1992 and has extensive experience in the global brewing industry. Prior to his appointment as President of Bavaria S.A. in Colombia in February 2006, Karl was Managing Director of Kompania Piwowarska S.A. in

Poland, and previously held senior positions as Managing Director of Dreher in Hungary, Sales and Distribution Director for SABMiller Europe, and various positions within SAB in South Africa, including General Manager, Distribution Services Manager and Operations Manager.

***Catherine May***

***Corporate Affairs Director of the Guarantor***

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

***Ari Mervis***

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

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

**Conflict of Interest – Executive Committee**

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

**Business Address – Executive Committee**

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

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

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

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

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

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



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**SETTLEMENT, CLEARING AND TRANSFERS OF NOTES**

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*Words used in this section headed "Settlement, Clearing and Transfers of Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

**Notes held in the CSD***Clearing systems*

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form, will be cleared through the CSD which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Conditions. Each such Tranche of Notes will be settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

A Tranche of unlisted Notes may also be held in the CSD. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Notes to take place in accordance with the electronic settlement procedures of the JSE and the CSD.

*CSD Participants*

As at the Programme Date, the CSD Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, Citibank N.A. and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African CSD Participant.

**Notes issued in uncertificated form**

The Issuer will, subject to Applicable Laws, issue Notes that are to be listed on the Interest Rate Market of the JSE, in uncertificated form. Unlisted notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the CSD will apply to Notes issued in uncertificated form.

## **Beneficial Interests**

The CSD will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the CSD's Nominee, and the CSD's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in uncertificated form, will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for CSD Participants.

The CSD Participants are in turn required to maintain securities accounts for their clients. The clients of CSD Participants may include the holders of Beneficial Interests in the Notes of their custodians. The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants.

In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Payments of interest and principal in respect of Notes held in uncertificated form, and registered in the name of the CSD's Nominee will be made in accordance with Condition 10 (*Payments*) to the CSD's Nominee, or such other registered holder of the uncertificated Notes as shown in the Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the certificate in respect of each amount so paid. The registered holder of such uncertificated Notes will in turn transfer such funds, *via* the CSD Participants, to the holders of Beneficial Interests.

Each of the persons shown in the records of the CSD and the relevant CSD Participant, as the case may be, as the holders of Beneficial Interest will look solely to the CSD's Nominee or the relevant CSD Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Notes.

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

### *Transfers and exchanges*

Transfers of Beneficial Interest in the CSD to and from clients of the CSD Participants occur by electronic book entry in the central securities accounts of the clients of the CSD Participants. Transfers among CSD

Participants of Notes held in the CSD system occur through electronic book entry in the CSD Participants' central security accounts with the CSD. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the CSD, participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 15.1 (*Exchange*).

### **Individual Certificates**

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Individual Certificates may be transferred only in accordance with the Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 10 (*Payments*) to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Individual Certificate in respect of each amount so paid.

### **The BESA Guarantee Fund Trust**

Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE.

### **Notes listed on any exchange other than (or in addition to) the JSE**

Each Tranche of Notes which is listed on any exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures of that exchange. The settlement, clearing and redemption procedures for trades of a Tranche of Notes issued on an exchange other than (or in addition to) the JSE will be specified in the Applicable Pricing Supplement.

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## SOUTH AFRICAN TAXATION

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*Words used in this section headed "South African Taxation" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

***The comments below are intended as a general guide to the relevant tax laws of South Africa as at the date of the Programme Memorandum. The contents of this section headed "South African Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.***

### **Income Tax**

Under current taxation law effective in South Africa a "resident" (as defined in section 1 of the Income Tax Act, No. 58 of 1962 (the "**Income Tax Act**") is subject to income tax on his/her world-wide income. Accordingly, all Noteholders who are "*residents*" of South Africa will be liable to pay income tax, on any interest earned pursuant to the Notes, subject to available deductions, allowances and exemptions. Non-residents of South Africa are subject to income tax on all income derived from a South African source or deemed source. Non-residents may, in certain instances, qualify for a domestic exemption or relief in terms of an applicable double taxation treaty ("**DTA**").

Interest income is regarded as being from a South African source if that amount:

- (a) is attributable to an amount incurred by a person that is a resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- (b) is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of interest-bearing arrangement.

Accordingly, the interest paid to the Noteholders will be from a South African source and subject to South African income tax unless such income is exempt under section 10(1)(h) of the Income Tax Act (see below).

In terms of section 10(1)(h) of the Income Tax Act interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless that person:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

If a Noteholder does not qualify for the domestic exemption contained in section 10(1)(h) of the Income Tax Act, exemption from, or reduction of the South African income tax liability may be available under an applicable DTA.

Investors are advised to consult with their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act.

In terms of section 24J of the Income Tax Act, any discount or premium to the nominal amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day to day basis until that Noteholder disposes of the Note or until maturity unless the Noteholder is entitled under Section 24J(9) of the Income Tax Act to make an election to treat its Notes on a mark-to-market basis. This day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act.

To the extent the disposal of the Note gives rise to a gain or a loss, the normal principles are to be applied in determining whether such gain or loss should be subject to income tax in terms of the Income Tax Act.

### **Capital Gains Tax**

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax. Any discount or premium on acquisition of Notes which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person in South Africa.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

### **Securities Transfer Tax ("STT")**

No STT is payable on the issue or transfer of Notes (bonds) under the Securities Transfer Tax Act, No. 25 of 2007 ("**STT Act**") because they do not constitute securities for the purposes of the STT Act.

### **Value-Added Tax ("VAT")**

No VAT is payable on the issue or transfer of Notes. Notes (bonds) constitute "debt securities" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991. The issue, allotment, drawing,

acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act.

Commissions, fees or similar charges raised for the facilitation of these services will however be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the South African Value-Added Tax Act, No. 89 of 1991.

### **Withholding tax**

Under current taxation law in South Africa, all payments made under the Notes to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. However, a withholding tax on South African sourced interest payments to foreign persons will be introduced from 1 January 2013 at a rate of 15%. A "foreign person" is a person who is not a resident for income tax purposes. The proposed legislation exempts, *inter alia*, interest payments made in respect of a "listed debt instrument" as defined in the Income Tax Act. This exemption should apply to the interest payments made to Noteholders to the extent that the Note is a debt instrument listed on the JSE. Insofar as the Note is not a debt instrument listed on the JSE, a foreign person will be exempt from the withholding tax on interest if that foreign person –

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment carried on business through a permanent establishment in South Africa; or
- (c) is a controlled foreign company as defined in Section 9D of the Income Tax Act.

Such persons are subject to normal South African income tax on the interest sourced in South Africa unless exempted under Section 10(1)(h) of the Income Tax Act. Please refer to the section on Income Tax above.

### **Definition of Interest**

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

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## SUBSCRIPTION AND SALE

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*Words used in this section headed "Subscription and Sale" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

The Dealers have in terms of the programme agreement dated on or about the date of this Programme Memorandum, as may be amended, supplemented or restated from time to time (the "**Programme Agreement**"), agreed with the Issuer a basis upon which they may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

### **Selling restrictions**

#### ***South Africa***

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche, and will itself not sell the Notes in that Tranche of Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a prospectus (as that term is defined in the Companies Act) and each Dealer will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes in that Tranche of Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1,000,000.

#### ***United States***

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of 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.

Prior to the issue of any Notes under this Programme Memorandum, each Dealer who has (or will have) agreed to place the Notes will be required to represent and agree that:

- (a) 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 of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes and will not offer, sell or deliver any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) calendar days after completion of the

distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all the Notes, within the United States or to, or for the account or benefit of, U.S. persons;

- (c) it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons;
- (d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 (forty) calendar days after the commencement of the offering of any Notes under this Programme Memorandum, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

### ***European Economic Area***

Prior to the issue of any Notes under the terms of this Programme Memorandum, each Dealer who has (or will have) agreed to place the Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), 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 any of such Notes 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 any of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) 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 (a) to (c) 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 for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### **United Kingdom**

Prior to the issue of any Notes in terms of this Programme Memorandum, each Dealer who has (or will have) agreed to place the Notes will be required to represent and agree that:

- (a) in relation to any of the Notes which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell any of such 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 such Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in, from or otherwise involving the United Kingdom.

### **General**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in

any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales;

- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

*Neither the Issuer, the Guarantor nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.*

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## **SOUTH AFRICAN EXCHANGE CONTROL**

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*Words used in this section headed "South African Exchange Control" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

*The information below is intended as a general guide to the position under the Exchange Control Regulations as at the date of the Programme Memorandum. The contents of this section headed "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.*

### **Non-South African resident Noteholders and emigrants from the Common Monetary Area**

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

#### **Blocked Rand**

Blocked Rand may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

#### **Emigrants from the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant CSD Participant will be designated as an "emigrant" account.

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

#### **Non-residents of the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the

Common Monetary Area through the CSD, the securities account for such Noteholder by the relevant CSD Participant will be designated as a “non-resident” account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident’s nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed “non-resident” or the relevant securities account has been designated as a “non-resident” account, as the case may be.

### **Exchange Control approval**

Exchange Control approval is not required for the subscription for or purchase of Notes. Exchange Control approval has however been obtained for the Guarantee executed by the Guarantor in favour of the Noteholders.

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**GENERAL INFORMATION**

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*Words used in this section headed "General Information" shall bear the same meanings as defined in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

**Authorisation**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the date of this Programme Memorandum have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the Notes.

**Listing**

The Programme Memorandum has been submitted for approval by the JSE and for the listing of the Notes on the Interest Rate Market of the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any other Financial Exchange.

**Documents Available**

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer as set out at the end of this Programme Memorandum:

- (a) each of the Applicable Pricing Supplements relating to any Tranche of Notes issued under the Programme;
- (b) the Guarantee executed by the Guarantor in favour of the Noteholders;
- (c) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (d) in respect of any issue of Notes under the Programme, the audited consolidated annual balance sheet of the Issuer and the audited consolidated annual financial statements, together with such statements, reports and the notes attached to or intended to be read with such financial statements thereto, of the Guarantor for the three financial years of the Issuer and the Guarantor respectively ended prior to the date of this Programme Memorandum, as well as the audited consolidated annual balance sheet, income statement, statement of changes in equity and cash flow statement of the Issuer and the audited consolidated annual financial statements of the Guarantor for each financial year thereafter ended prior to the date of such issue;

- (e) in respect of any issue of Notes under the Programme, the most recently published unaudited interim results of the Guarantor;
- (f) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by the Securities Exchange News Service (“**SENS**”) established by the JSE, to SENS subscribers, if required. This Programme Memorandum will be available on the JSE website, [www.jse.co.za](http://www.jse.co.za), and the documents referred to in paragraphs (d) and (e) above and this Programme Memorandum will also be available on the Guarantor’s website, [www.sabmiller.com](http://www.sabmiller.com).

### **Material Change**

After due and careful inquiry, but without any involvement by the auditors, the Issuer and the Guarantor respectively confirm that there has been no material change in the financial or trading position of the Issuer and the SABMiller Group since the date of the Issuer’s latest audited consolidated annual financial statements and the Guarantor’s latest published unaudited interim results up to the date of this Programme Memorandum.

### **Litigation**

The Issuer and the Guarantor are not nor have been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and the Guarantor are aware) during the period 12 (twelve) months preceding the date of this Programme Memorandum which may have or have had a significant effect on the financial position of the Issuer and/or the Guarantor.

### **Auditors**

PricewaterhouseCoopers Incorporated has acted as the auditors of the audited consolidated annual financial statements of the Issuer for the three financial years ending 31 March 2010, 2011 and 2012 and, in respect of these years issued unqualified audit reports.

**ISSUER**

**SABSA Holdings Limited (formerly SABSA Holdings Proprietary Limited)**

Jan Smuts Avenue

Johannesburg, 1627

South Africa

Contact: Company Secretary

**GUARANTOR**

**SABMiller plc**

SABMiller House

Church Street West, Woking,

Surrey, GU21 6HS

England

Contact: Company Secretary

**DEBT SPONSOR**

**Absa Corporate and Investment Bank (a division of Absa Bank Limited)**

15 Alice Lane

Sandton, 2196

South Africa

Contact: Marian Gaylard

Tel: +27 11 506 7951

**ARRANGER**

**Absa Corporate and Investment Bank (a division of Absa Bank Limited)**

15 Alice Lane

Sandton, 2196

South Africa

Contact: Prasanna Nana

Tel: +27 11 895 6927

**DEALERS**

**Absa Corporate and Investment Bank (a division of Absa Bank Limited)**

15 Alice Lane

Sandton, 2196

South Africa

Contact: Prasanna Nana

Tel: +27 11 895 6927

**FirstRand Bank Limited (acting through its Rand Merchant Bank division)**

16th Floor

1 Merchant Place

Cnr Fredman Drive and Rivonia Road

Sandton, 2196

South Africa

Contact: Barry Martin

Tel: +27 11 282 8118

**The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division)**

Standard Bank Centre

3 Simmonds Street

Johannesburg, 2000

South Africa

Contact: Andrew Costa

Tel: +27 11 378 7008



**PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT**

Absa Corporate and Investment Bank (a division of Absa Bank Limited)

15 Alice Lane

Sandton, 2196

South Africa

Contact: Prasanna Nana

Tel: +27 11 895 6927

**SETTLEMENT AGENT**

Absa Corporate and Investment Bank (a division of Absa Bank Limited)

15 Alice Lane

Sandton, 2196

South Africa

Contact: Prasanna Nana

Tel: +27 11 895 6927

**LEGAL ADVISERS TO THE ISSUER, ARRANGER, GUARANTOR AND DEALER**

**Edward Nathan Sonnenbergs Inc.**

150 West Street

Sandton, 2196

Johannesburg

South Africa

Contact: Stephen von Schirnding

Tel: +27 11 269 7600

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers Incorporated**

2 Eglin Road

Sunninghill, 2157

South Africa

Contact: Nqaba Ndiweni

Tel: +27 11 797 4890

**COMPANY SECRETARY TO THE ISSUER**

2 Jan Smuts Avenue

Braamfontein

Johannesburg, 1627

Contact: Julia Lam

Tel: +27 11 407 1700