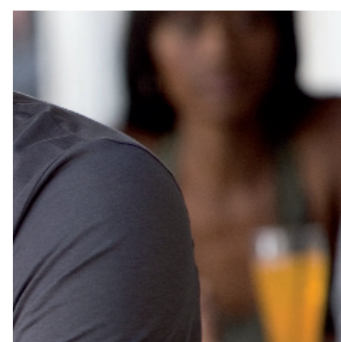
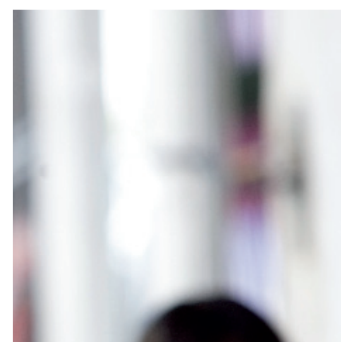


Our soft drinks business

Adding value to the economies and societies in which we operate

December 2007



Our business

SABMiller is one of the world's largest brewers, with brewing interests and distribution agreements in over 60 countries across six continents. Our brands include premium international beers such as Pilsner Urquell, Peroni Nastro Azzurro and Miller Genuine Draft, as well as an exceptional range of market-leading local brands such as Aguila, Miller Lite, Snow and Tyskie. Six of our brands are in the world's top 50 beer brands.

We also have considerable expertise in bottling and distributing some of the most famous soft drink brands in the world, including Coca-Cola, Fanta, Sprite, Appletiser and Minute Maid. We are one of the biggest franchise bottlers and distributors of Coca-Cola products outside the United States, operating in 10 of our markets as bottlers of Coca-Cola products.

In addition to our Coca-Cola bottling operations, we also produce and bottle a range of soft drinks in a further eight of our markets. In total, non-alcoholic beverages – sparkling beverages, water, fruit juices and malt beverages – make up 18% of our total beverage volumes. Sparkling beverages alone constitute 11% of our total beverage volumes.

We operate 41 bottling plants, responsible for producing 50 million hectolitres (5 billion litres) of soft drinks per annum.

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Leading bottler of soft drinks

SABMiller's beverage interests extend beyond brewing and into soft drinks where we have operations in 18 countries, both as self-standing businesses and, in some countries, alongside a brewery.

While brewing is at the heart of our business, the soft drinks operations contribute demonstrably to our overall profitability and success. Through consistently delivering superior operating performance and earnings growth for our bottling operations, and through our commitment to sustainable development, we are able to bring significant value to the economies and societies in which we operate.

We work closely with The Coca-Cola Company (TCCC) across 10 of our soft drinks markets. The business partnership through which soft drinks reach consumers is known as the Coca-Cola system. Coca-Cola licenses bottlers in each region which then manufacture and distribute the final product. Our partnership with TCCC extends beyond just selling soft drinks. Our local bottling operations take part in joint planning with their regional and local Coca-Cola partners, addressing both operational issues, such as packaging and procurement, and wider social investment activities. TCCC sets and controls very detailed standards to maintain the integrity and quality of its brands through a process known as The Coca-Cola Quality System.

Our brand portfolio

As one of the biggest bottlers of Coca-Cola products in the world, we believe that brands are the key to our success. Our ability to nurture and grow brands that consumers want is one of our most important business assets. We are proud to be associated with some of the world's best known soft drink brands through our partnership with TCCC. As part of our franchise agreements, we bottle and distribute a wide range of still and sparkling soft drink brands. Some of the best known brands include Coca-Cola and Coca-Cola Light, Fanta and Sprite. We also aim to offer a range of products and brands that meet different consumer needs for refreshment, nutrition and replenishment. The soft drinks product range that we produce includes still and sparkling mineral water, fruit juices, and sport and energy drinks.

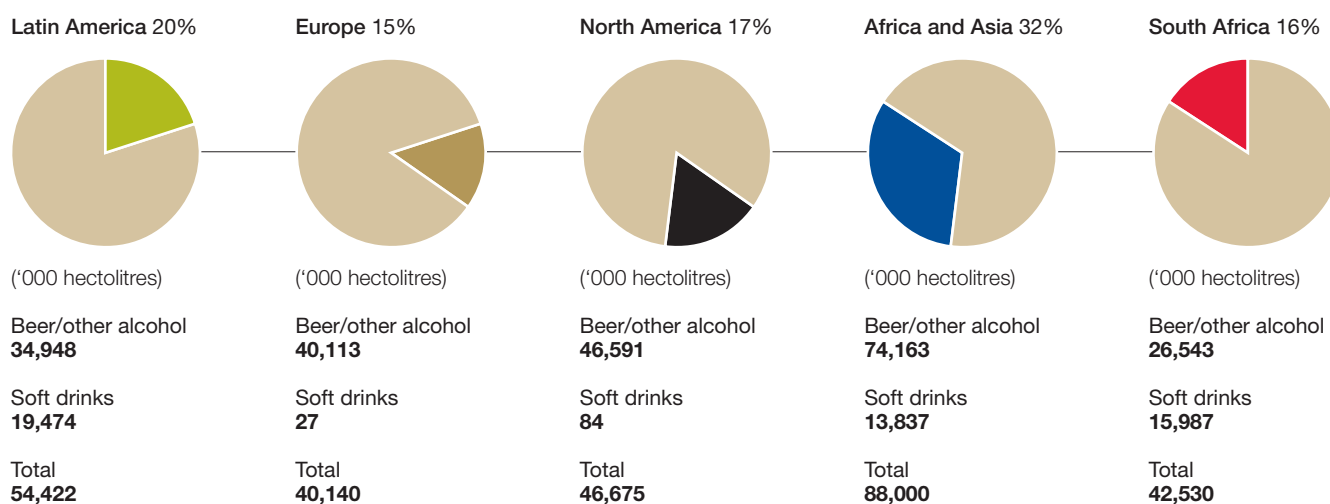


Where we operate

SABMiller operates franchise bottlers of Coca-Cola products in 10 markets: El Salvador and Honduras in Latin America; Angola, Botswana, Lesotho, Swaziland, Zambia and the Indian Ocean islands of Comores and Mayotte in Africa; and South Africa, where we own major brand Appletiser and ABL, the largest bottler in the country.

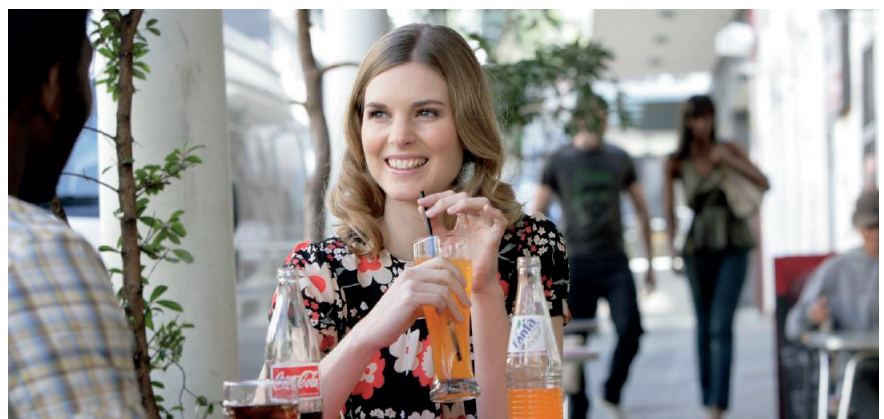
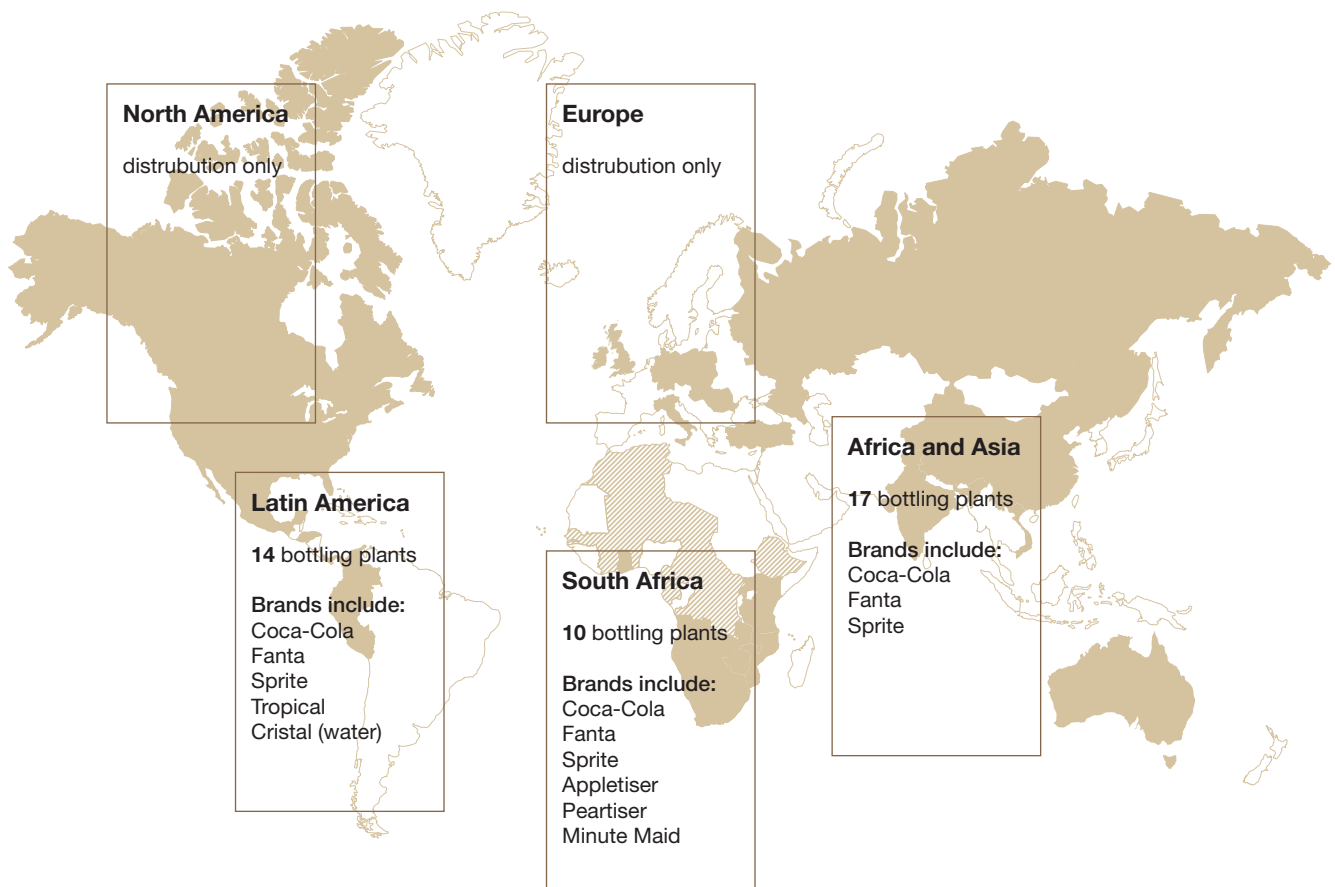
In addition, our operations in Colombia, Ecuador, Panama and Peru in Latin America, China, USA, Tanzania, Zimbabwe, Ghana and Canary Islands produce a range of fruit juices, water and malt beverages.

Total beverage sales volumes by region



■ Denotes regions where SABMiller operates, or has a major distribution agreement

▨ Denotes regions covered by our strategic partner Castel



A framework for sustainable development

Sustainable development is an integral part of running our global business successfully. We work within a sustainable development framework which focuses on the 10 priorities most relevant and material to our business's environmental, social and economic footprint. This framework has been embedded into our global operations and we have developed, tested and launched a sustainable assessment matrix (SAM) which enables each operation to measure its performance against the 10 priorities. This framework provides a common approach within the group, supporting learning between our businesses.

SABMiller's 10 sustainable development priorities

- 1 Discouraging irresponsible drinking
- 2 Making more beer and soft drinks but using less water
- 3 Reducing our energy and carbon footprint
- 4 Packaging, reuse and recycling
- 5 Working towards zero waste operations
- 6 Having supply chains that reflect our own values and commitments
- 7 Benefiting communities
- 8 Contributing to the reduction of HIV/Aids
- 9 Respecting human rights
- 10 Transparency in reporting our progress

Strategy and performance measurement

The creation of the sustainable development framework of 10 priorities and the accompanying SAM system has been an important investment for us. The self-assessment process enables our businesses to compare their performance against the 10 priorities and with their peers within the group.

All operations where our group companies have day-to-day management control must achieve the minimum level 1 on the stairways. Operations which fall short of level 1 must have mitigation plans in place to achieve this standard as soon as possible. Where operations have achieved the highest standards at

level 4, they provide case studies and learnings for other parts of the business. In addition, to encourage operations to engage in level 4 projects, we have also committed to long-term scenario planning for the key priorities of water, carbon and HIV/Aids, to assess the business needs and current and potential future thinking on these issues.

Through SAM, we aim to collate and report the sustainable development performance of all our businesses where SABMiller group companies have day-to-day management control, either as a result of a majority shareholding or through a management agreement.

However, we share our standards and policies with our associates and other business interests where we do not have direct management control. In China, for example, we have had several meetings with the CR Snow senior management team to share our sustainable development approach.

Our soft drinks operations adhere to the fundamentals of our sustainable development priorities, while also endorsing and operating within the Coca-Cola framework of four key areas: Marketplace, Workplace, Environment and Community. This framework is closely aligned with our sustainable development priorities, and working in partnership with TCCC, we are committed to delivering programmes and initiatives which add value in the countries and communities in which we operate.

Marketplace

TCCC is an active member of the business community in each country where it operates, working hand in hand with local individuals, merchants and governments to improve the health and prosperity of the local economy and environment. Similarly, SABMiller is committed to creating sustainable ways to do business and to contributing to economic growth by running successful and accountable businesses which encourage entrepreneurs, create jobs and stimulate local economic activity. In order to make a long-term and sustainable impact, we need to explore ways in which our core business activities can best contribute to both our organisation and towards wider social and economic objectives.

Workplace

For the people of TCCC, work is more than a place to go every day. TCCC believes work should be a place of exploration, discovery, creation and inspiration. At SABMiller, we believe that people are our enduring advantage. We understand the importance of training and development, and of creating a culture of communication

and collaboration. As a global organisation, transferability of skills is important to us and we are committed to employing the best people, whatever their backgrounds, and we value and respect diversity. We also acknowledge that HIV/Aids is an operational as well as a social issue and we cannot rely on a healthy workforce for the future unless we proactively engage with this difficult challenge.

Environment

Operating in an environmentally responsible way is a priority for all of our businesses. The Coca-Cola system's environmental commitment is focused on the areas where we have the most significant and visible impacts – water, sustainable packaging, and energy and climate protection. As the bottler, our operations play a crucial role in water conservation and purification, energy efficiency and solid waste management. We are also committed to the re-use of bottles. SABMiller and TCCC share the commitment to the conservation and preservation of scarce natural resources, and in 2007 both companies signed the CEO Water Mandate, a United Nations initiative.

As one of the biggest bottlers of Coca-Cola products, we ensure that we meet, or exceed, the water management requirements of TCCC at our bottling plants. The Coca-Cola approach is built upon comprehensive risk analysis of the water resources supplying plants in its global franchise bottling network. Since 2004 we have worked collaboratively with Coca-Cola in our Central American and African operations to study the annual renewable fresh water supply, supply economics and the social context of water resources of our bottling facilities.

Community

SABMiller and TCCC share the belief that the future of our businesses depends on the vitality of the communities where we operate. The continued health and sustainable growth of our business depends on the long-term wellbeing and success of the communities that surround us. We are intensely committed to the economic success and continued growth of these communities through our corporate social investment activities. Our particular emphasis is on supporting enterprise development, promoting sustainable water use and tackling HIV/Aids.



Marketplace

SABMiller is committed to creating sustainable ways to do business and to contributing to economic growth by running successful and accountable businesses which create jobs and stimulate local economic activity.

1

Empowering soft drink distributors in Zambia

Since SABMiller re-entered the Zambian market in 1994, Zambian Breweries Limited (ZBL) has become one of the country's largest taxpayers and investors outside of the mining sector.

ZBL's sales and marketing department has invested more than US\$1,300,000 in setting up an empowerment distribution chain for its carbonated soft drinks operations, creating over 1,800 jobs. This investment involves several initiatives, including the sourcing, purchasing and maintaining of 500 branded kiosks, or N'tembas, complete with ice bins; providing 155 fully branded containers which are placed in high density areas as retail sales points and wholesale outlets; and the provision of more than 300 vending trolleys and 700 ice boxes to street vendors. Interest free start-up loans and loans to purchase vehicles are also provided to enable distributors to more adequately distribute our products in rural areas where distances preclude direct outlet delivery, and in urban high density areas where drop sizes are too small. In order to help these entrepreneurs to succeed, trade marketing representatives from ZBL provide training to ensure that they distribute the product effectively.

Through these investments ZBL achieves additional sales volume, while the distributors make a profit, enabling them to employ people and generate growth within their community.

2

Honduras provides skills to children

Our soft drinks business in Honduras introduced an education programme for the children of workers in the Azunosa sugar cane fields with the aim of eliminating the problem of child labour in the local industry and improving the level of education and household income in the community. Up to 100 children attend the school operated by the Cerveceria Hondureña Foundation, where they are provided with knowledge and skills in a structured and certified programme. Food, medicine, clothes and financial assistance are also provided. Part of the training includes the growing of non-traditional crops such as sweet potatoes, peppers and tomatoes. These crops are taken to the local market to be sold, and the proceeds are reinvested in the Foundation to cover some of the costs of the programme.

3

Angola supports Junior Achievement

In partnership with several other companies operating in Luanda, our soft drinks business, Coca-Cola Bottling Luanda (CCBL), supports the Coca-Cola Foundation's Junior Achievement Initiative in Angola. The training programme aims to develop entrepreneurial spirit and self-initiative, as well as to provide a basic understanding of business fundamentals to students in public schools.

The people of CCBL volunteer to contribute 75 working hours to the programme, giving their time and expertise to teach the students and provide them with knowledge and information about how the business world works and how strong ethics and values can contribute towards creating a successful business.

Two courses are available: Personal Economics, which introduces the students to the business world, and helps them to choose a career path and understand the skills required for it; and Mini-Enterprise, which consists of basic business content from setting up a business to producing and selling the goods. Students set up their own simulated businesses and are responsible for producing and selling the products, and ultimately its success.

Almost 900 students benefited from the first two semesters of the programme, and CCBL believes this will prepare and inspire Angola's youth to lead fruitful lives at home and make a meaningful contribution towards the country and a better world.

1



2



3



Workplace

At SABMiller, we understand that people are our enduring advantage. We strive to create excellent, safe working environments that inspire and motivate our people to develop a can-do attitude that comes from a real passion for what we do.

1

ABI addresses HIV/Aids

For several years our soft drinks business in South Africa, ABI, has addressed the issue of HIV/Aids among its workforce through a comprehensive intervention programme.

The two areas of major focus internally are to manage existing infections through voluntary counselling and testing (VCT) and early diagnosis; and managed health care, which includes anti-retroviral treatment and an effective education programme aimed at reducing or preventing new infections. Wellness educators have been trained to apply the model in small group sessions which are carried out during working hours. ABI focuses on VCT through its ACT campaign (Awareness, Counselling and Testing), which is designed to encourage employees to discover their status early enough to start treatment should it be required. The costs of the ACT campaign are paid for by the company and since its inception, 86% of ABI employees have participated and know their status.

Information regarding the medical condition of employees is kept strictly confidential at all times and employees who have a life threatening disease are treated with sensitivity and compassion. The company supports the principle of non-discrimination.

A Life Threatening Diseases policy has been put in place to provide a framework within which to manage HIV/Aids and inform employees of their rights, responsibilities and benefits. All employees and their dependents have access to a managed health care programme which includes lifestyle management and the provision of anti-retroviral therapy through an external service provider.

ABI aims to contribute to the reduction of HIV/Aids in the communities in which it operates by making HIV/Aids prevention and management an integral part of its Corporate Social Investment strategy and projects.

2

Angola training for success

Coca-Cola Bottlers Luanda (CCBL) believes in harnessing the potential of the people who live and work in the communities in which it operates. In partnership with a professional training school, EFTA (Escola de Formação Tecnológica de Angola), students are recruited and provided with the training and skills required by CCBL for expansion into other parts of Angola.

Through the education programme the students are trained to become mechanics, electricians and production line operators over a period of three to 18 months. This enables the business to invest in both developing skills for future employees, and in enhancing the capabilities of local communities. An added benefit is that students are also equipped with skills which can be transferred to other parts of the business.

CCBL has invested approximately US\$400,000 in the programme, which will run until 2010.



We are committed to building strong teams of smart, educated people who are capable of working throughout the company, throughout the world.

3

Zambia assists employees with HIV/Aids programme

Most of the employees who work at Zambian Breweries and its soft drink operations are locals who have grown up with the stigma that surrounds HIV/Aids in a country which has a national prevalence rate of 18%.

HIV/Aids is a major focus for Zambian Breweries and as such it was the first company in Zambia to provide anti-retroviral treatment for all of its staff and their families, as well as to have voluntary counselling and testing (VCT) centres in place on all sites.

Following initial discussions with employees, the first on-site VCT centre was opened, and within six months approximately 100 employees had been through the centre. A year later the business had an HIV/Aids VCT count of 80%. This was a huge source of pride for management, indicating a high level of trust from employees.

As an example to all employees, members of the Operating Board went for VCT and were taken through the counselling training. Managers were then required to include HIV/Aids in their goals in order to create a sense of ownership from senior managers. While its HIV/Aids policy is recognized as one of the strongest in the country, the disease remains one of the biggest risks facing the business, given its high prevalence among those individuals who form part of its supply and distribution chains. As a result, Zambian Breweries has also started a programme to promote awareness and understanding of the disease beyond the workplace and into the communities in which it operates.

At our operations in Botswana, a similar programme is in place to assist all employees. The company provides on-site clinics, a doctor who calls twice a week to test and counsel employees, and nurses and peer educators educate the staff about the virus.



Environment

Operating in an environmentally responsible way is a priority for all of our businesses.

1

ABI sets the benchmark

ABI, the soft drinks subsidiary of SAB Ltd in South Africa, has set the benchmark for SABMiller's priority to make more soft drinks with less water. ABI's Midrand manufacturing and distribution unit upgraded its water treatment plant, replacing the conventional chemical treatment plant with a Nano/RO membrane filtration plant. In a country where potable water remains an issue, the plant invested R2.4 million (\$344,800) in new equipment and systems to reduce waste water.

The upgrade resulted in the plant performing at 1.48hl of water for every hectolitre of product, and a water ratio target of 1.3hl/hl by 2012 has been set. The percentage of water lost down the drain was also reduced from 30% to 10%. Steady progress has been made on the previous water to soft drink ratio of 2hl/hl at the plant, and 1.35hl/hl is now being achieved when production conditions are favourable. This compares very well against other PET only plants and the average usage across TCCC's global operations, which includes those plants which use returnable glass bottles, is between 2hl/hl and 2.5hl/hl.

In a further effort to reduce the company's environmental footprint, ABI is also a major funder of South Africa's Polyethylene Terephthalate (PET) Recycling Company (PETCO), which is a world first industry-led initiative. The company's activities involve the recycling of PET plastic bottles and their conversion into polyester resin, which is then used to make products such as video tapes, pillow fibre, fleece jackets and carpets.

Established in 2005, PETCO has made steady progress in increasing the volume of recycled PET in South Africa. The company is also committed to increasing awareness and education about PET recyclability.

2

Creating business opportunities in Zambia

Zambian Breweries Limited (ZBL) is the largest recycler of bottles and plastic crates in Zambia. Of the 320 million bottles that are used in Zambia every year to bottle beer and soft drinks, only 9 million of these are being used for the first time. The rest are reused between 10 and 25 times during their lifecycle, after which they are crushed and recycled.

ZBL also uses 13 million plastic crates a year, only 100,000 of which are being used for the first time. These plastic crates are reused several times and, once damaged, they too are crushed and recycled.

In addition to reducing its impact on the environment, the recycling of bottles and crates has created opportunities for small local recycling businesses to develop. ZBL has helped to set up an independent plastic recycling business which has created 40 jobs and resulted in any new crates consisting of 75% recycled plastic materials.

Three local entrepreneurs have also been assisted with the purchase of a glass crusher to help them set up a glass recycling business. Additional kilns may also be purchased with the aim of turning the bottles that are no longer suitable for bottling beer or soft drinks into recycled glassware which small businesses can sell to local bars and trade outlets.



As a bottler, our operations play a crucial role in water conservation and purification, energy efficiency and solid waste management.

3

Honduras recycles PET bottles

As PET plastic bottles have grown in popularity with consumers in Honduras, the lack of an existing recycling culture has resulted in problems with litter and environmental damage.

On the island of Roatan, Cervecería Hondureña, in collaboration with the local municipality, government authorities, local communities and other private sector businesses, has established a recycling programme involving the collection, storage and transfer of PET bottles. The programme aims to remove the solid plastic waste on the island and reduce the environmental damage caused to beaches and coral reefs; promote a culture of recycling plastic bottles among the community, consumers and the general public; protect the mangroves; and help reduce environmental pollution. The project involves the collection of plastic waste from the collection points established by the local council. The waste is then transported from the island to the mainland at La Ceiba and Puerto Cortes.

A pilot recycling campaign held during the Easter period in two local communities also included visits to schools and colleges to help educate students about recycling and the impact of litter on the environment.

Cervecería Hondureña has undertaken several other initiatives to reduce its environmental footprint. Among its major achievements has been a 21% reduction in the total glass weight used for sparkling soft drink returnable glass bottles over the last 10 years, and the introduction of 100% recycled plastic crates two years ago. Of the current crate population, 30% is now made of 100% recycled plastic.

4

Cleaner water at Appletiser

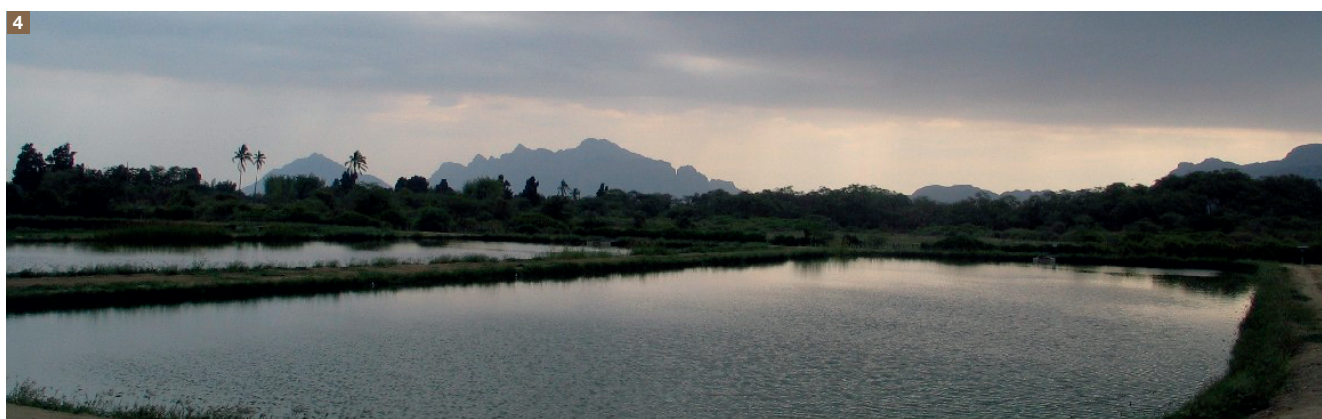
At the Appletiser plant in South Africa, waste water used in the manufacturing process is carefully cleaned and filtered before either being reused to irrigate the neighbouring apple orchards or returned to the nearby river.

The Appletiser plant filters and releases its waste water into a series of four ponds. Through the ponds, the Ph balance of the water is restored and it is aerated before being allowed to settle. From there, the water is pumped through a shallow labyrinth, which allows oxidation to take place and uses ultra violet light from the sun to help sterilise the water.

At the end of the process, the chemical oxygen demand (COD) has been reduced from an average of 8,000 units when it leaves the plant to between 30 and 50 units. This reduction in COD is critical, as a high level can cause water life to die from lack of oxygen.

The waste and treated water is carefully monitored and a report supplied to the Department of Water Affairs and Forestry.

4



Community

The continued health and sustainable growth of SABMiller's business depends on the long-term wellbeing and success of the communities that surround us. We are firmly committed to benefiting our local communities.

1

Lesotho: educating the supply chain on HIV/Aids

In line with our Sustainable Development Framework, SABMiller's subsidiaries and affiliates aim to contribute to the reduction of HIV/Aids within their sphere of influence. The Lesotho Brewing Company (LBC) held a workshop to educate soft drink hawkers and street vendors about HIV/Aids. The course provided attendees with information on how to avoid infection, the use of condoms, voluntary counselling and testing, as well as living with the virus.

2

El Salvador provides water to students

In partnership with TCCC, Industrias La Constancia in El Salvador has worked to help schools in local communities gain access to water, thus elevating the quality of life of the students and enabling them to enjoy their education in a healthier environment.

The company identified the Tutultepeque School as one in need of assistance and in co-ordination with FONAES, a semi-autonomous organisation, designed a project that would enable the school to have its own water supply through the construction of a rain harvesting system. The programme, called 'Water for my school', was such a success, benefiting

both students and neighbouring communities, that the company identified other local schools in need of access to water where it has implemented the rain harvesting system.

Through this project, Industrias La Constancia has helped three schools in the Nejapa area neighbouring the soft drinks plant. Over 1,000 members of the community have directly benefited from the programme to date. The system has also enabled the schools to save money as they no longer need to buy water.

3

Angola builds for the future

In an effort to improve access to water and health facilities, Coca-Cola Bottling Luanda (CCBL) has embarked on two projects to improve local facilities and infrastructure. The Community Watersheds Partnership Programme aims to reduce the incidence of water borne diseases among the residents of Kilamba Kiaxi and Viana in Luanda, thus leading to improvements in health and the quality of life. The project includes the construction of 10 community water standpoints, training for community hygiene promoters, the establishment of municipal water boards and a governance structure being put in place.

The programme will benefit 23,000 people in local communities and is supported by several companies including USAID and financed by the Coca-Cola Foundation. It will contribute to the country's efforts to reconstruct and rehabilitate the infrastructure that was almost entirely destroyed during the war, by increasing access to water among the urban poor and improving the management of water points.

In a second project CCBL also recognized that the hospital in Bom Jesus, the municipality where CCBL's plant is located, needed substantial upgrading in order to improve access to healthcare services for its 150 employees and the local community.

In a partnership which CCBL established with other local companies, local authorities and the provincial government, critical services at the hospital have been upgraded in order to more effectively combat common diseases such as cholera, tuberculosis and malaria, and to decrease the infant mortality rate.



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