SABMiller plc
Tax and Development 2014

Our approach to tax

About SABMiller

We are in the beer and soft drinks business. We bring refreshment and sociability to millions of people all over the world who enjoy our drinks. We do business in a way that improves livelihoods and builds communities.

We are passionate about brewing and have a long tradition of craftsmanship in making superb beer from high quality natural ingredients. We are local beer experts, producing more than 200 local beers as well as global flagship brands.

Every minute of every day, more than 140,000 bottles of SABMiller beer are enjoyed by consumers around the world.

During the year we sold 245 million hectolitres of lager and our group revenue was US$34,084 million with earnings before interest, tax, amortisation and exceptional items (EBITA) of US$6,453 million.

Taxation headlines

US$34.1bn
Group revenue
2013: US$34.5bn

US$10.8bn
Total tax contribution
2013: US$10.0bn

26%
Group effective tax rate
2013: 27%

US$5.6bn
Taxes on production
2013: US$5.8bn

US$1.2bn
Taxes on profit
2013: US$1.2bn

Read more online at www.sabmiller.com

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Foreword

We welcome the fact that our tax contributions can help the development of the many economies in which we operate.

Jamie Wilson
Chief Financial Officer

US$10.8bn

Total amount of tax contributed around the world

Read more in our annual report 2014

32%

Percentage of group revenue contributed in taxes

From simple beginnings almost 120 years ago, SABMiller has matured into a global brewer with more than 200 local brands; we now operate in over 80 countries. As a large multinational seeking to do business sustainably we accept that we have responsibilities to our local communities – to our employees, our customers and our suppliers. This publication lays out our approach to tax – we are comfortable to talk openly about our tax affairs and tax management, to participate in balanced debates about tax, and to keep an open mind on the future needs of all our stakeholders. We welcome the fact that our tax contributions can help the development of the many economies in which we operate.

In the year ended 31 March 2014 our total tax contribution around the world was US$10,750 million, an increase of 8% on the previous year. We are proud to be significant tax contributors in many countries.

Since our first report in 2013, the level of debate about tax has continued; the OECD's thinking has evolved, and commentators, authorities and others are considering arguments in favour of new disclosures. Our thinking is influenced by these views, but more important is our desire to provide enhanced and balanced tax disclosure that is useful for our stakeholders.

In this report we include disclosures about our tax contribution, as well as some further explanation about tax management. We have also attempted to provide clarity on some of the more complicated aspects of tax that, at an international level, affect our commercial decisions. We have been encouraged by the positive response to our first tax report and have committed to updating it on a regular basis. We hope that this second edition will also be well received. We welcome commentary and dialogue about our approach to tax and will be happy to discuss the information in this report in further detail.

Jamie Wilson
Chief Financial Officer

June 2014

Our contribution to economic development

As well as contributing tax revenues to developing economies, we aim to improve incomes and quality of lives throughout our value chain and beyond.

Beer is a local product, typically brewed, sold and consumed within the same community. At SABMiller, we believe that growth and job creation are key to reducing poverty in communities around the world. When local incomes and livelihoods improve, so too does our business performance.

The multiplier effect – employment created through our investments and operations – can power local development. In Africa and South Africa we employ around 24,000 people and support more than a million livelihoods indirectly, through our supply chain and the distribution and retailing of our beers[1]. In Europe, for every person SABMiller Europe employs a further 17 jobs are supported in other sectors, mainly in the hospitality industry – which plays a critical role in fighting youth unemployment. Research from the Brewers of Europe found that the hospitality sector supports around one in every 13 jobs in Europe (some 16.6 million jobs).

Helping small business to flourish
We work with thousands of micro, small and medium enterprises – many of them run by women – within our value chains and local communities. Over time, we have amassed a huge bank of experience and best practice in supporting these businesses and the entrepreneurs behind them, from the farmers who grow our brewing crops to the retailers who sell our beers.

For example, in Romania our multi-year *Evolutio* programme, launched in 2011, organises training sessions for sole traders or staff working for small firms within Ursus Breweries' distribution network. Training is in five key areas: commercial skills, account prospecting, general management, financial planning and change management.

We are now embarking on a major project to collect all the best practice from our businesses. With this information to guide us, we aim to build a world-class set of tools and training materials that will enable us to increase the reach and scale of our engagements around the world.

[1] Source: *SABMiller: Our economic impact in Africa animation, and Working for South Africa: the contribution of SAB to the South African Economy,* available at www.sabmiller.com.

Generating economic value
Through our activities we generate economic value. This is a combination of the revenue we raise, our interest and dividend receipts, royalty income and proceeds received on the sale of assets. This value is then distributed among our various stakeholders – to our suppliers for their operating inputs, to our employees for their labour, to our shareholders and lenders for the capital they provide, to governments for the country infrastructure in which we operate and to the community to fund social investment activities. The remainder is kept within the business and reinvested to fund future growth.

Our economic distributions to governments are in the form of taxes generated from our activities.

Direct economic value generated[a]	Economic value distributed					Economic value retained
	Operating costs	**Employee remuneration[b]**	**Payments to providers of capital**	**Payments to tax authorities[c]**	**Community investments[d]**	
Revenue plus interest and dividend receipts, royalty income and proceeds of sales of assets	Cost of materials, services and facilities	Cost of employees' salaries and benefits	All financial payments made to the providers of the company's capital	Tax paid, including remittance taxes and excise taxes	Voluntary contributions and investment of funds in the broader economy	Value retained for corporate and operational purposes, including funding future capital expenditure and acquisitions
US$ 24,254 m	US$ 9,052 m	US$ 2,337 m	US$ 2,942 m	US$ 7,203 m	US$ 32 m	US$ 2,688 m

[a] This table is constructed based on data contained in the SABMiller 2014 Annual Report and follows guidance recommended by the Global Reporting Initiative (GRI EC1).
[b] Excludes share option charges, includes employer taxes and social security contributions.
[c] Excludes VAT, indirect taxes and taxes borne by employees.
[d] Includes cash donations, value of gifts in kind and time donated, and management costs of CSI activity.

Nurturing the business ecosystem for microentrepreneurs

In Latin America, small-scale shopkeepers – *tenderos* – are a vital part of our value chain, accounting for 40% of our sales volumes. Close to half of these retailers live in poverty and 60% are women who are heads of households. These micro-enterprises face significant challenges, not least access to finance and securing the necessary permits to operate.

In collaboration with the Multilateral Investment Fund of the Inter-American Development Bank, we have launched a four-year, US$17 million programme, *4e, Camino al Progreso* (Path to Progress) that aims to improve the livelihoods of 40,000 *tenderos* in six core markets in the region.

The programme provides comprehensive support including financial literacy and business skills training, access to professional credit and financial services, and assistance in meeting regulatory and other requirements, as well as responsible retailing of alcohol.

It gives *tenderos* the opportunity to develop the skills to improve their business and, at the same time, improve the quality of life of their families. *4e* supports a critical sales channel for SABMiller while also enabling *tenderos* to use their central position in their communities to become catalysts for development.

40,000

The number of *tenderos* – small-scale shopkeepers – in six Latin American countries who will benefit from our four-year, US$17 million programme *4e, Camino al Progreso*.

Investing in our local communities

We are backing entrepreneurs with bright ideas in South Africa through the annual SAB Foundation *Social Innovation Awards*. This year, 40 innovators received a total of ZAR10.3 million (US$1 million) for social innovations that each address a pressing daily challenge faced by those on low incomes, specifically women, young people, people with disabilities and individuals living in rural areas. The ZAR1 million winner this year was the *Vula Eye Health Mobile Phone App*, which aims to improve eye care in South Africa's low-income communities by educating people about different eye conditions, providing access to eye sight tests and connecting them to eye care professionals.

We have also further extended the reach of our *KickStart* programme, which supports the development of sustainable enterprises, owned by black and young people, that have high potential to generate jobs. Since its launch in 1995 it has supported 3,200 new businesses that employ 21,000 people in South Africa. The programme was rolled out to Botswana in 2004, Swaziland in 2010 and Lesotho in 2014.

+10%

The increase in our direct payments to tax authorities

Our contribution to government tax revenues

By running businesses successfully, we create employment, stimulate the local economies that supply us with crops, services and retail distribution, and generate tax revenues of all kinds for governments. The beneficial impact of our operations is felt most in developing markets.

How much we pay and where
Our tax contribution is considerable and meaningful. In the year ended 31 March 2014 our total tax contribution, including both our own taxes and those we collect on behalf of governments, was US$10,750 million. These are the cash taxes directly generated by our economic activity in each country and are thus a fair reflection of our tax footprint and what we contribute to government tax revenues. They include not only the corporate income tax on our profits, but also excise, VAT collected from customers, employee taxes, and other taxes that we bear.

Only 34% of our lager volumes were from North America and Europe, with the rest coming from Africa, Latin America and Asia Pacific. We earn 72% of our EBITA in developing markets, and the chart (right) confirms that 67% of our taxes were paid in those markets.

In many of these countries we are significant taxpayers. In Mozambique, for example, taxes paid as a result of our business activities represent approximately 6% of government revenues. In terms of compliance, our Mozambique operation had an honourable mention in the Ministry of Finance Best Taxpayer category and in November, Tanzanian Breweries was voted the Most Compliant Taxpayer in the manufacturing company category and overall winner for Tax Contribution and Compliance.

Taxes on production
Excise is a tax that most governments levy on the production of a range of goods, including alcoholic drinks. It is a tax levied by reference to production rather than on the company's income. It is often assumed that it is the consumer that pays the excise tax on alcoholic drinks, and that the producer simply collects the money on the government's behalf. However, because excise is levied on production, it is for producers, wholesalers and retailers to decide how much is passed on to the consumer in product prices, and therefore how much the industry must absorb itself. This may often mean that there is no direct correlation between an increase in taxation and the price to the consumer. Equally, excise increases can materially impact a company's margin and profitability.

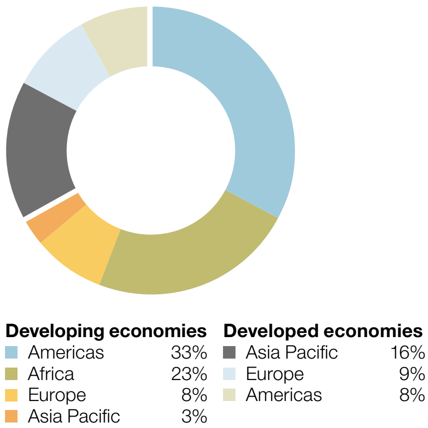
Total tax contribution

	US$m
Payments to tax authorities	7,203
Payments by MillerCoors joint venture (our share) to tax authorities	672
Payments of VAT collected	1,876
Payments of employment taxes collected	714
Other sundry tax payments	285
Total tax contribution	**10,750**

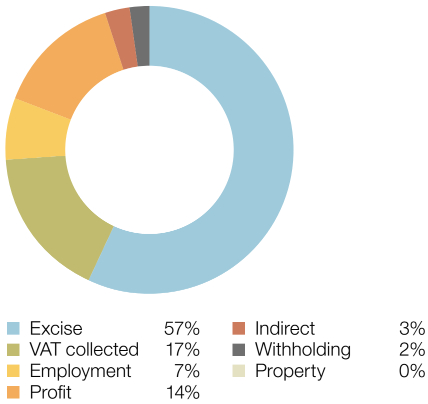
57%

Taxes on production represent the greatest proportion of our total tax contribution

Total tax contribution by region



Total tax contribution by category



As there is no single definition of the term 'developed market' that is recognised internationally, we have adopted the allocation given in the International Monetary Fund's *World Economic Outlook* report. As noted by the United Nations' Statistics Division the designations 'developed' and 'developing' are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

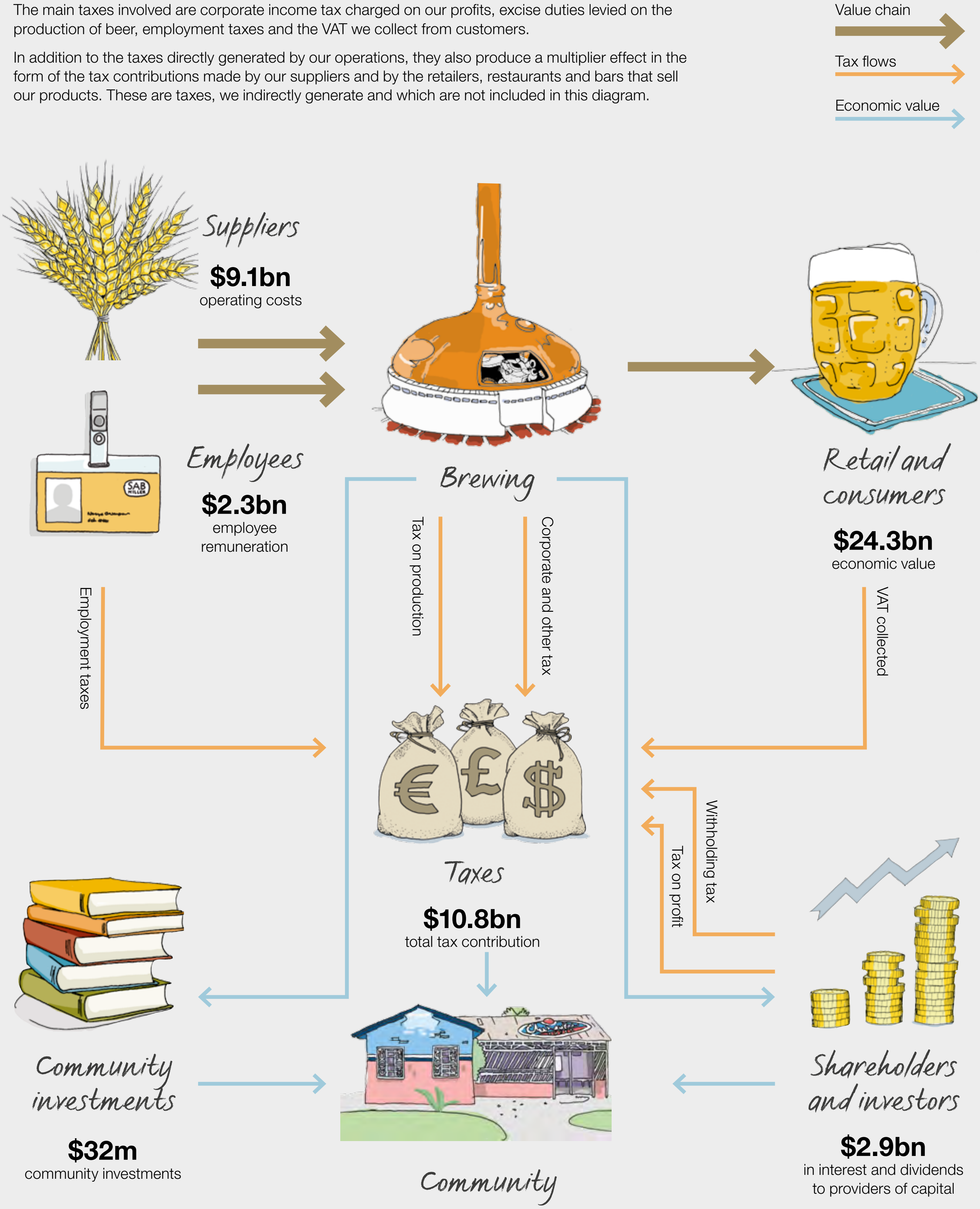
Total tax contribution is based on the cash payments in the financial year as opposed to the tax charge in the financial year

The flow of tax

The diagram below shows how governments levy different taxes on the brewing of beer.

The main taxes involved are corporate income tax charged on our profits, excise duties levied on the production of beer, employment taxes and the VAT we collect from customers.

In addition to the taxes directly generated by our operations, they also produce a multiplier effect in the form of the tax contributions made by our suppliers and by the retailers, restaurants and bars that sell our products. These are taxes, we indirectly generate and which are not included in this diagram.



How we manage our tax affairs

In all our tax affairs, we seek to work proactively with local tax authorities to ensure that we comply with legislation and pay the right amount of tax. Within this context, we aim to adopt a balanced and commercial position, making decisions as transparently as possible. We recognise that tax policy and tax management are a significant part of running a sustainable and responsible business.

Our strategy, policies and principles
Our tax strategy is to manage all taxes to provide a competitive and responsible outcome in the interests of all stakeholders. Our tax policies are aligned to this strategy, and guide the choices we make. These policies have been approved by the group's executive committee and its board of directors and have been applied across the group for many years.

Our key tax principles:

We commit to act responsibly in relation to our tax affairs, to fulfil our compliance and disclosure obligations, and to operate in accordance with all relevant laws and regulations;

Our economic contribution, of which tax forms a part, is important and we aim to ensure that we pay the right and proper amount of tax in each country in which we operate;

We seek to be efficient with our tax affairs and, in this context, will ensure that all tax planning is built on sound commercial business activity;

We manage tax in line with our group governance framework and procedures; tax strategy, activities and uncertainties are documented and reported on a regular basis;

We build constructive relationships with tax authorities; we encourage the building of tax administration capability and the promotion of efficient tax systems; and

We understand the value of our financial reporting to investors and society, and work to provide enhanced and balanced disclosure in communicating our tax affairs.

Tax governance
Tax governance within the group works through a set of documented standards and procedures. These describe the strategy, policies and operational aspects of tax, and set the framework for how tax is managed. Working in line with this framework is mandatory. Tax policies are set, and tax risk is managed, by the group tax committee, which is chaired by the Chief Financial Officer, a member of the group's executive committee and board of directors. Policies are kept under continuous review and would be revised in the light of factors such as material changes within the group or in tax legislation.

Each year, the group tax committee confirms to the board of directors that the standard set by the group's tax governance framework has been met.

Tax responsibilities
Tax is part of the finance function of our group and is the ultimate responsibility of the Chief Financial Officer. Day-to-day work is delegated to the Group Head of Tax and a team of full-time in-house professionals, who hold a combination of accounting, tax and legal qualifications. The Group Head of Tax reports directly to the Chief Financial Officer.

Advisory and technical tax support is provided by a combination of large accounting firms, various legal firms with which the group has a long association, and by other, smaller, firms with the required skills. The use of advisory firms that are also our auditors is controlled by, and regularly reported to, the group audit committee.

Transfer pricing
The vast majority of SABMiller's business involves the production and sale of brands which are local to the consumer. Therefore, there are relatively low levels of cross-border transactions within SABMiller compared with many other industries.

However, centralising professional expertise (for example in treasury, intellectual property management and procurement) leads to stronger businesses better able to compete in their local marketplaces, generating greater levels of profitability and tax. It allows for lower input costs, energy focused on centres of excellence and better asset protection; ultimately, it benefits consumers through broader product offerings and lower end prices.

Deciding where to base centralised activities is driven by commercial factors, and, in a business of our scale, centralisation of some activities is vital.

For example, while the majority of our beer brands are owned within their markets of origin, it makes commercial sense to have a team of specialist trademark experts in one place to manage international rights, rather than duplicating this resource across all of our markets.

The core of all of our transfer pricing is compliance both with the OECD Transfer Pricing Guidelines for Multinational Enterprises and with local domestic tax legislation. Compliance is supported through a global transfer pricing policy and framework, which apply across the business.

Our approach is to use the 'arm's-length' principle, which is endorsed by most countries. This assumes that prices are based on an equitable and willing arrangement between two independent parties. Transactions are priced within an appropriate arm's-length range, which meets the often stringent local compliance requirements in territories at both ends of each transaction.

Tax havens
The group has a small number of business operations in territories that are described as tax havens[1]. These have arisen either through acquisition activity (where we have inherited them) or where we have made location and investment decisions on sound business grounds.

A number of our entities in these jurisdictions are dormant; others have minimal business activity; and some are legacy 'pass-through' holding companies – entities which distribute the entirety of the profits they receive to their own parent companies. The balance are operating and service companies (such as group employment and insurance

[1] The OECD defines a tax haven territory as one that has a collection of the following factors – non-existent or nominal taxes, a lack of transparency, laws or practices that prevent the exchange of information, and an absence of a substantial activity requirement. Other bodies expand on these characteristics to varying degrees.

Better communicating how we deal with tax

companies) that perform a common group business purpose. These are staffed with skilled, full-time management and support employees who perform essential commercial activities.

In considering any new business activity, we take account of all facts, including tax. That said, location is fundamentally determined by commercial factors and the available skills base.

Tax incentives
In most of the territories in which the group operates, government tax policy evolves and develops depending on the nature of the territory's economic position and the behaviours it wishes to promote. A number of territories offer tax incentives of various kinds. In line with our objective of tax efficiency, we will seek to make use of any incentives available, within the context of sound and sustainable business decision-making. Incentives may include tax holidays, accelerated asset allowances or special tax rates for operations in specified areas. They are generally used by territories to attract business investment or to influence business decision-making in particular ways.

Across our group there are likely to be a number of these incentives in operation at any one time. All are in the context of local policy and would generally be available to any business that meets the relevant criteria. These incentives may influence our business decision-making, but are only one of a range of economic factors taken into account.

Meetings with tax authorities
We believe our dealings with tax authorities should be based on respect and trust. To this end, we engage proactively with the authorities in the territories in which we operate. Believing that communication should be two-way, we seek opportunities to meet on a regular basis to ensure that our business dealings are better understood by the authorities, and to exchange views and insights on various matters. This open, two-way communication with tax authorities is very important to us, and is a required practice in all our business units.

During the year ended 31 March 2014 we held a range of meetings with tax authorities across the world. While some of these were in the course of regular audits and follow up questions, we specifically engaged with authorities to provide updates and exchanges of information in Africa, Asia Pacific and Europe.

Tax disclosures
Our tax principles endorse our long-held aim that we always strive to ensure that information about our business and its tax affairs are well understood by revenue authorities within a particular country. In today's environment, with the push for the exchange of information across national borders, we remain comfortable that our tax information is shared in the context of proper agreement and appropriate confidentiality.

We believe the current BEPS initiatives (the Base Erosion and Profit Shifting project being carried out by the Centre for Tax Policy and Administration of the OECD, at the request of the G20 Finance Ministers) and others will result in the development of an appropriate protocol, and we understand and accept this development – including contributing to, and commenting on, some of this work where we have a view and experience. We appreciate the engagement with taxpayers and we encourage a transparent and open relationship between the relevant parties.

Overall, we see the developments as positive since they should bring clarity and consistency to what is currently a very wide and varied set of enquiries from multiple jurisdictions.

Currently, in many countries companies are required to file their financial statements with the authorities, and these are on public record. In such cases, our tax information is freely available.

Tax in the financial statements

Taxes on production and taxes on profit
In the year ended 31 March 2014, the SABMiller group recorded excise duties of US$5,607 million and corporate taxes of US$1,596 million, giving total taxes paid of US$7,203 million. These amounts were reflected in the consolidated financial statements and are analysed in the 2014 Annual Report. The information and analysis presented here are enhancements, and not mere repetition, of those tax disclosures.

For accounting purposes, the group applies a principle of consolidating subsidiaries and equity accounting for associates and joint ventures. The MillerCoors joint venture is treated as a partnership for tax purposes and its profits are shared by its partners (SABMiller and MolsonCoors). Tax is payable by each partner on its share of such profits.

Tax payments by region

	Taxes US$m
Africa	1,679
Asia Pacific	1,633
Europe	1,120
Americas	2,771
Total tax payments	**7,203**

Reconciliation to total tax paid

	Note	Taxes on production US$m	Taxes on profit US$m
Excise duties (note 3 to the consolidated financial statements)		5,607	
Current taxation (note 7 to the consolidated financial statements)			1,284
Cash adjustments:			
Payment of Australian FDT			326
Other, including payment timing differences			(14)
Tax paid in the consolidated cash flow statement		**5,607**	**1,596**

Reconciliation to adjusted tax charge

	Note	Taxes on production US$m	Taxes on profit US$m
Excise duties (note 3 to the consolidated financial statements)		5,607	
Current taxation (note 7 to the consolidated financial statements)			1,284
Deferred taxation (note 7 to the consolidated financial statements)			(111)
Taxation expense in the consolidated income statement		**5,607**	**1,173**
Taxation items reflected elsewhere:			
Share of associates' and joint ventures' taxation (note 2 to the consolidated financial statements)			162
Net tax credits on exceptional items (note 4 to the consolidated financial statements)			27
Tax on amortisation of intangible assets (note 7 to the consolidated financial statements)			123
Adjusted tax charge	a	**5,607**	**1,485**

Calculation of the group's effective tax rate

	Note	US$m
EBITA (note 2 to the consolidated financial statements)		6,453
Adjusted net finance costs (note 5 to the consolidated financial statements)		(645)
Share of associates' and joint ventures' finance costs (note 2 to the consolidated financial statements)		(96)
Adjusted profit before tax	b	**5,712**
Effective tax rate	a/b	**26%**

Tax charge compared with tax paid
There are a number of reasons why the tax paid in any year will be different from the tax charge. As tax instalments are generally based on historical profits, the amount of tax paid in any particular year may differ from the tax accrued on profits for the year. Further, the tax charge includes amounts for deferred taxation, representing timing differences between the accounting for transactions and when tax becomes due, and amounts for uncertain and unresolved tax positions.

In a large group there will be a number of tax positions that are uncertain insofar as the application of a country's tax legislation can be unclear. It is sometimes uncertain whether or not the tax authorities will concur with the company's application of the tax law, even though the position relates to transactions entered into within the normal course of business. Where such positions are identified, the group provides for taxation based on an assessment of probable outcomes.

In Australia a tax credit and refund was received in 2012, from the settlement of its recent tax audit. That country's tax system required part of the credit to be paid this year to the Australian Tax Office as FDT. FDT is akin to a prepayment of tax and is fully recoverable against future tax liabilities. It does not impact the recorded tax charge.

Tax charge compared with the UK statutory tax rate
In most countries, the tax charge (from which the effective rate is derived) will be different to the statutory tax rate because, in calculating the tax charge, (i) an individual country's financial reporting standards (as opposed to IFRS as adopted by the European Union) are applied, (ii) adjustments to profit before tax are unique to a country when calculating taxable profits, and (iii) differing tax allowances and incentives are periodically given which are specific to a country, an example being tax depreciation.

At a group level the statutory rate of corporation tax on profit in the UK for the year ended 31 March 2014 was 23%. The group's tax on profit for the year differed from the tax due at the statutory rate as a result of the differences below. This reconciliation is different from the one in note 7 to the consolidated financial statements in that it reconciles adjusted profit before tax to the adjusted tax charge, as used in calculation of the group's effective tax rate reflected on the previous page.

	US$m
Adjusted profit before tax	5,712
Tax at 23% calculated thereon	1,314
Adjustments for:	
Income which is exempt from tax	(173)
Expenses which are not deductible for tax	24
Tax allowances	(30)
Withholding and other remittance taxes	188
Difference owing to foreign rates of tax being, on average, higher than the UK	209
Tax impact of associated companies	(30)
Adjustments in respect of prior periods	(27)
Other	10
Adjusted tax charge	**1,485**

Deferred tax
Deferred tax represents the proportion of a company's liability for taxes owed that has been postponed to future periods. Deferred tax primarily arises from tax legislation that permits companies to claim a tax deduction for expenses at a slower or faster rate than they are recognised in the financial statements and therefore creates either a deferred tax asset or liability. For example, most governments seek to incentivise business investment by providing that the tax depreciation of property, plant and equipment is calculated over a shorter period than the useful economic life. Modern accounting standards generally require companies to recognise and account for deferred tax assets and liabilities in order to give a true and fair view of a company's assets and liabilities.

The majority of SABMiller's deferred tax liabilities are in respect of the Latin America and Asia Pacific regions and relate to intangible assets, primarily brands, recognised on acquisition. As the brands have significant useful economic lives, the deferred tax liability has remained relatively stable from the acquisition date.

The group takes a risk-averse position towards deferred tax and, in accordance with best practice, while all liabilities are provided for, deferred tax assets are only recognised when the asset will generate a taxable benefit in the medium term. There are US$2,054 million worth of tax assets that are not currently recognised on the group's balance sheet. US$1,532 million of these are tax credits that the group has received and which are deductible against future profits. The remainder are largely losses that have arisen in a number of territories, primarily the UK.

The costs of operating a UK-based head office outweigh the profitability of our UK trading operation and so we do not currently pay UK corporation tax. Deferred tax in respect of these losses is not recognised. However, as a result of our UK sales operations we pay excise tax and VAT of more than US$160 million per annum to the UK authorities. Additionally, our head office generates UK employment taxes of some US$23 million per annum.

As at 31 March 2014 the group had deferred tax liabilities of US$3,246 million and deferred tax assets of US$115 million.

How this report was prepared

This publication is intended to give stakeholders and other readers a good understanding of the group's approach on tax, and a better perspective on how our business activities and revenues contribute to the economic and social development of the countries in which we operate.

The group is defined as being the parent, SABMiller plc, together with its subsidiaries and associated entities. A full list of principal subsidiaries, associates and joint ventures is given in note 34 to the consolidated financial statements.

This report sets out taxes paid by type and by relevant geographical segments, computed on the same basis as reported in the consolidated financial statements

The data collected includes all taxes paid and contributed to governmental bodies during the year 1 April 2013 to 31 March 2014, regardless of the year to which the payment related. Any prior year settlements are included but any interest and penalties are excluded.

To avoid unnecessary additional cost, this report has not been subject to separate attest or audit. However, the data used in its compilation is either the same data as in the group's audited financial statements or is from the same sources. The data is collected as part of the year-end financial process with the directors responsible for its completion and accuracy.

In the case of an acquisition or a change in the level of effective ownership, the accounts are incorporated from the date of effective control. Similarly, where an entity is sold or liquidated the data includes all taxes paid up to the effective date of disposal or liquidation.

This report is presented to explain our approach on tax and to various tax matters across the group. It inevitably uses some technical tax terms. These are explained below, not as detailed definitions, but rather as guidance to what is meant. More detailed financial definitions are fully covered in the 2014 Annual Report.

Definitions

Corporate income tax (taxes on profit)	All taxes that are based on the taxable profits of a company.
Excise tax (taxes on production)	Tax that is based on production and levied at the point at which the beer or other product is produced.
Deferred tax	The corporate income tax due in respect of temporary differences between accounting values and tax bases, as defined in the International Accounting Standard 12.
EBITA	Earnings before interest, tax and amortisation of intangible assets (excluding computer software) and exceptional items, including the group's share of associates and joint ventures on a similar basis.
Effective tax rate	The effective tax rate is calculated by expressing tax before tax on exceptional items and on amortisation of intangible assets (excluding computer software), including the group's share of associates' and joint ventures' tax on the same basis, as a percentage of adjusted profit before tax.
FDT (Franking Deficits Tax)	The Australian tax system attaches tax credits to dividends paid by companies. This credit system eliminates the double taxation of company profits. A liability to pay FDT arises when an entity has a deficit in its franking account at the end of an income year. FDT is a pre-payment of income tax and results in a credit to an entity's franking account.
Government	Any governing body of a nation, state, region or district, but not including any commercial enterprises or financial institutions that may be controlled by a government.
Group revenue	This comprises revenue together with the group's share of revenue from associates and joint ventures.
Indirect tax	Taxes such as VAT which are levied on consumption of specified goods rather than on income.
OECD	Organisation for Economic Co-operation and Development.
Remittance taxes	Used to describe most forms of withholding tax.
Tax	Any amount of money required to be paid to a government, whether by law or by agreement, including without limitation corporate income tax, excise fees, property taxes, employment taxes, sales taxes, stamp duties, and any other required payments.
Tax borne	Tax that a person is obliged to pay to a government, directly or indirectly, on that person's own behalf.
Tax charge	The amount of tax included in the income statement of a company for an accounting period.
Tax collected	Tax that a person is obliged to collect and pay to a government on behalf of another person.