

Directors' Report for the Year to 31 December 2006

The accounts for the year are attached

The company has not traded during the year and accordingly it has made neither a profit nor a loss. No Profit or Loss Account has therefore been prepared

The following served as Directors during (and, unless otherwise indicated, throughout) the year.

Appointed***Resigned***

M Stevens

Scottish & Newcastle Breweries (Services)
Ltd

The Directors' interests in shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares) at 31 December 2006 and 31 December 2005 were as follows:

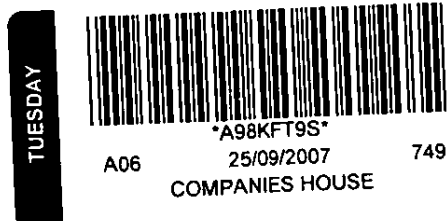
| | <i>31 December 2006</i> | | <i>31 December 2005</i> | |
|--|------------------------------------|----------------|------------------------------------|----------------|
| | <i>Shares</i> | <i>Options</i> | <i>Shares</i> | <i>Options</i> |
| M Stevens | 3,998 | 2,588 | 3,493 | 2,588 |
| Scottish & Newcastle Breweries (Services) Ltd | - | - | - | - |

By Order of the Board



M Stevens
Secretary

21 September 2007



Balance Sheet as at 31 December 2006

| | <i>31 December 2006</i> £ | <i>31 December 2005</i> £ |
|--------------------------------------|----------------------------------|----------------------------------|
| CURRENT ASSETS | | |
| Amounts owed by holding company | <u>107,423</u> | <u>107,423</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital – see note 2 | 60,000 | 60,000 |
| Profit and Loss Account | <u>47,423</u> | <u>47,423</u> |
| | <u>107,423</u> | <u>107,423</u> |

For the year ended 31 December 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2)

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with section 221;
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year; and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Notes to the Accounts

- The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Scotland.
- The detail of the share capital is as follows:

| | <i>31 December 2006</i> £ | <i>31 December 2005</i> £ |
|---|----------------------------------|----------------------------------|
| Authorised, Allotted and fully paid Ordinary stock units of £1 each | 60,000 | 60,000 |

Signed on behalf of the Board



M Stevens
Director
Edinburgh

21 September 2007