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**Financial report for the financial year ended**

**31 March 2007**

**SABMiller Finance B.V.**

**Rotterdam**

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## **Directors' report**

This Directors' Report of SABMiller Finance B.V. (hereinafter referred to as 'the Company') relates to the year 1 April 2006 up to and including 31 March 2007.

### **1 Principal activities**

The principal activities of the Company are the holding and financing of group operating companies. The Company operates from offices in Woking, Surrey, England.

#### **Holding activities**

As at 1 April 2006 the Company contributed additional share premium of US\$503,872,313 to 100% owned subsidiary SABMiller Africa & Asia B.V., by way of capitalising existing loans of the same amount.

As at 1 November 2006 the Company contributed additional share premium of US\$259,583,345, US\$377,675,725 and US\$58,660,402 to 100% owned subsidiaries Pilsner Urquell Investments B.V., SABMiller Europe B.V and SABMiller Africa & Asia B.V. respectively, by way of capitalising existing loans of the same amounts to the three subsidiaries.

As at 31 March 2007 the Company contributed additional share premium of US\$5,744,097 and US\$68,600,000 to 100% owned subsidiaries SABMiller Holdings Europe Ltd and SABMiller Asia Ltd respectively, by way of capitalising existing loans of the same amount.

As at 31 March 2007 the Company contributed additional share premium of US\$87,197,416 to 100% owned subsidiary SABMiller Africa & Asia B.V.

#### **Financing activities**

The financing income of the Company arises from loans advanced to finance ongoing acquisition and development activities. The finance costs of the Company relate to borrowings taken up from group companies.

The most significant events of the year were:

- As at 22 January 2007 the Company declared a dividend in specie of its intercompany loan receivable balances with a book value of US\$1,565,862,012 to its immediate holding company SABMiller Holdings Ltd.
- As at 22 January 2007, the Company, further to a capital contribution from its holding company, SABMiller Holdings Ltd, repaid its intercompany loan payable balances.

### **2 Review of operations**

During the year under review, the financing activities resulted in a net income of US\$ 8,517,000 (2006: US\$1,173,000) for the Company (after provisions against loans and before taxation).

Dividends received from fixed asset investments in subsidiaries amounted to US\$ 2,139,102,000 (2006: US\$487,243,000).

Trademark activities contributed US\$ nil (2006: US\$8,486,000).

During the year the Company had favourable exchange gains of US\$26,474,000 (2006: loss US\$21,977,000).

The Company incurred general and administrative expenses of US\$1,364,000 (2006: US\$7,853,000) to arrive at Operating result for the year before taxation of US\$2,172,729,000 (2006: US\$467,072,000).

The net profit of the Company, after taxation credit of US\$22,678,000 (2006: US\$22,483,000, charge) for the financial year was US\$ 2,195,407,000 (2006: US\$ 444,589,000).

### **3 Outlook**

The Company will continue to act as an investment holding company for which it will continue to receive dividends. Since 31 March 2007 the directors have reviewed the investments held by the Company and entered into the transactions set out below.

As at 30 September 2007 the Company transferred as a distribution in specie its investment in SABMiller International B.V. at a book value US\$73,065,143 to its immediate holding company, SABMiller Holdings Ltd.

On 7 February 2008 the Company sold 99% of its investment in Pilsner Urquell Investments B.V. to its subsidiary, SABMiller Holdings Europe Limited, at book value of US\$598,414,261 in exchange for shares. It transferred the remaining 1% of its investment in Pilsner Urquell Investments B.V. to its immediate holding company, SABMiller Holdings Limited, as a dividend in specie with a book value of US\$6,058,037.

As at 20 March 2008 the Company transferred its investment in SABMiller Europe BV to its subsidiary SABMiller Holdings Europe Limited, in consideration for the issue of 100 £1 ordinary shares for US\$720,270,718.

As at 20 March 2008 the Company applied for and was allotted 2,447,658,886 ordinary shares of HK\$1 at par value in its wholly-owned subsidiary SABMiller Asia Limited at a cost of US\$245,000,000, subscription monies being offset against the amount owed by SABMiller Asia Limited to the Company.

As at 20 March 2008 the Company transferred its investments in SABMiller Management B.V., and SABMiller Holdings Europe Limited to its ultimate parent company, SABMiller Plc in consideration for an interest-bearing loan note of US\$1,560,784,051.

As at 20 March 2008 the Company transferred its investments in SABHoldings AG, Appletiser B.V., SABMiller Safari, Pilsner International BV and SABMiller Asia Limited, to its ultimate parent company, SABMiller Plc, for US\$841,586,114, the balance to remain outstanding on an interest-bearing intercompany account.

As at 9 April 2008 the Company transferred its investment in SABMiller Africa and Asia B.V., to its ultimate parent company, SABMiller Plc, for US\$1,826,571,000, the balance to remain outstanding on an interest-bearing intercompany account.

The Company will continue to hold its investments in SABSA Holdings (Pty) Ltd.

#### **4 Dividends**

Interim dividends of US\$1,895,862,013 have been declared and paid for the year under review (2006: US\$ 147,139,839).

#### **5 Holding company**

The shares in the Company are held by SABMiller Holdings Limited, incorporated in the United Kingdom. The latter company is a wholly-owned subsidiary of SABMiller plc.

#### **6 Corporate governance principles**

##### **Risk management**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of SABMiller plc, which include those of the Company, are discussed on page 10 of the group's Interim Report 2008 which does not form part of this report.

##### **Financial risk management**

The Company is a subsidiary company within the SABMiller plc group. Cash funds of the group are managed at group level. Interest is received/paid by the Company on certain loans with other SABMiller plc group companies.

##### **Liquidity and interest rate risk**

The Company's arrangements with the SABMiller plc group, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through group funding. Interest receivable/payable on loans with other group companies is calculated at floating rates of interest. The SABMiller plc group's liquidity requirements and interest rate risks are managed at group level.

##### **Internal control**

The Company's directors consider that the systems are appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use, and that transactions are properly authorised and recorded. The effectiveness of the internal control systems is monitored through regular management reviews and control self-assessment.

## **7 Directors**

The names of the directors in office at the date of this report are D.P. Mallac, G.L. Holford, S.V. Shapiro, S.J. Turner and S.R. Videlo.

Woking

30 January 2009

A.C. Cochrane  
(resigned 30 June 2008)

G.K. Wood  
(resigned 10 October 2008)

D.P. Mallac

S.V. Shapiro

S.R. Videlo

J. Davidson  
(resigned 01 September 2008)

M.I. Wyman  
(resigned 01 September 2008)

G.L. Holford

S.J. Turner

## Balance sheet as at 31 March 2007

(after proposed profit appropriation)

	Note	31 March 2007		31 March 2006	
		US\$000	US\$000	US\$000	US\$000
<b>Assets</b>					
<b>Fixed assets</b>					
Financial fixed assets					
Subsidiaries	4.1	4,587,081		3,225,748	
Long-term loans	4.2	132,860		1,216,928	
			4,719,941		4,442,676
<b>Current assets</b>					
Receivables	4.3	140,769		172,289	
Securities	4.4	-		195,667	
Cash at bank and in hand	4.5	61		1,733	
			140,830		369,689
			4,860,771		4,812,365
<b>Shareholders' equity and liabilities</b>					
Issued share capital		974,219		974,219	
Share premium		3,167,872		1,980,481	
Retained earnings		596,994		297,449	
<b>Shareholders' equity</b>	4.6		4,739,085		3,252,149
<b>Provisions</b>	4.7		6,607		10,453
<b>Long-term liabilities</b>	4.8		-		702,069
<b>Current liabilities</b>	4.9		115,079		847,694
			4,860,771		4,812,365

## Profit and loss account for the financial year ended 31 March 2007

		2007		2006	
	Note	US\$000	US\$000	US\$000	US\$000
<b>Financial income</b>					
Interest income from group companies		50,419		82,089	
Interest income from third parties		462		16,225	
			50,881		98,314
<b>Financial expense</b>					
Interest expense to group companies		(40,043)		(56,283)	
Interest expense to third parties		(1,677)		(34,354)	
Finance charges		(19)		(3,154)	
Provision on loans		(625)		(3,350)	
			(42,364)		(97,141)
<b>Dividend income</b>					
Dividend income from subsidiaries	5.1		2,139,102		487,243
<b>Net financial income</b>			2,147,619		488,416
<b>Trademark activities</b>					
Royalty income		-		21,563	
Royalty expense		-		(968)	
Amortisation of intangible fixed asset		-		(12,109)	
			-		8,486
<b>Total operating income</b>			2,147,619		496,902
<b>Operating expenses</b>					
General and administrative expenses	5.2	(1,364)		(7,853)	
Exchange differences		26,474		(21,977)	
			25,110		(29,830)
<b>Operating result before taxation</b>			2,172,729		467,072
Taxation	5.4		22,678		(22,483)
<b>Result after taxation</b>			2,195,407		444,589
Dividends			(1,895,862)		(147,140)
<b>Retained profit</b>	4.6		299,545		297,449



## Notes to the annual accounts

### 1 General

#### 1.1 Activities

The principal activities of the Company as at 31 March 2007 are the holding and financing of group operating companies. The Company is incorporated in Rotterdam and operates from offices in Woking, Surrey, England.

##### *Investing activities*

As at 1 April 2006 the Company contributed additional share premium of US\$503,872,313 to its 100% owned subsidiary SABMiller Africa & Asia B.V., by way of capitalising existing loans of the same amount.

As at 1 November 2006 the Company contributed additional share premium of US\$259,583,345, US\$377,675,725 and US\$58,660,402 to its 100% owned subsidiaries Pilsner Urquell Investments B.V., SABMiller Europe B.V. and SABMiller Africa & Asia B.V. respectively, by way of capitalising existing loans to the same amounts.

As at 31 March 2007 the Company contributed additional share premium of US\$5,744,097 and US\$68,600,000 to its 100% owned subsidiaries SABMiller Holdings Europe Ltd and SABMiller Asia Ltd respectively, by way of capitalising existing loans to the same amounts.

As at 31 March 2007 the Company contributed additional share premium of US\$87,197,416 to its 100% owned subsidiary SABMiller Africa & Asia B.V.

##### *Financing activities*

The financing income of the Company arises from loans advanced to finance ongoing acquisition and development activities. The finance costs of the Company relate to borrowings taken up from group companies.

The most significant event of the year was:

- As at 22 January 2007 the intercompany receivable loan book of the Company was transferred to SABMiller Holdings Ltd. All amounts on the intercompany payable loan book were repaid as at the same date.

#### 1.2 Group structure

The Company was incorporated on 27 December 1976. The Company acts as a holding and financing company and previously as a holder and administrator of trademarks. Effective as of 31 July 2006 the company transferred its business of management and licensing trademarks to its wholly-owned subsidiary SABMiller International B.V., the Company is a wholly-owned subsidiary of SABMiller Holdings Limited, which in turn is wholly-owned by SABMiller plc, which is listed on the London Stock Exchange.

### **1.3    *Change in accounting policy***

In the opinion of the Directors of SABMiller Finance B.V. presentation of share capital at historical rates results in improved consistency of the company's annual accounts. Consequently the company changed its accounting policy in this respect and accounts for the share capital denominated in euro at historical rates in accordance with United Kingdom Accounting Standards. The comparative figures for the period ended 31 March 2006 have been adjusted accordingly. This change in accounting policy, which is treated retroactively, has had no effect on equity and results for the year ended 31 March 2007.

## **2        *Accounting policies in respect of the balance sheet***

### **2.1    *General***

The principal accounting policies of the Company, which are set out below, conform with generally accepted accounting principles in the United Kingdom. The annual accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with Dutch legal requirements. Unless specifically stated otherwise, assets and liabilities are recognised at the amounts at which they were acquired or incurred. The balance sheet and profit and loss account include references to the notes.

### **2.2    *Consolidation***

Consolidated accounts are not presented as the Company has availed itself of the exemption provisions of Article 408, Part 9, Book 2 of the Netherlands Civil Code. Accordingly, the consolidated Annual Report of SABMiller plc for the year ended 31 March 2007, which includes the financial data of the Company and its subsidiaries, will be filed with the Chamber of Commerce in Rotterdam.

### **2.3    *Related parties***

All participations and associates mentioned in Note 4.1 are considered to be related parties.

### **2.4    *Financial fixed assets***

Investments and long-term loans are carried at cost less any provision for impairment. These amounts are presented within fixed assets on the balance sheet. Financial fixed assets are tested for impairment whenever an indication of impairment exists. The cost of any impairment is recognised in the profit and loss account.

### **2.5    *Foreign currencies***

The Company has adopted the United States dollar as its functional and reporting currency.

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Trading transactions are expressed at the rates ruling at the date of the transaction. Any profits or losses on translation are included in the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction.

## **2.6    *Financial assets and liabilities***

Interest costs are charged against income in the year in which they are incurred.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and the Company intends to settle on a net basis or to realise the asset and settle the liability simultaneously, all related financial effects are netted.

## **2.7    *Deferred tax assets and liabilities***

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the annual accounts. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing difference can be deducted.

### **3 Principles for determination of result**

#### **3.1 *Other operating income***

Royalty income represents the total amount charged to third parties and group companies in respect of royalties on trademarks and is recognised in the year to which the charges relate.

#### **3.2 *Interest & dividend Income***

Interest income and expenses are recognised in full in the period to which they relate. Dividend income is recognized when the right to receive payment is established.

#### **3.3 *Operating expenses***

Expenses are based on the historical cost convention and attributed to the financial year to which they pertain.

#### **3.4 *Personnel remuneration***

The average number of employees of the Company during the year was one. Included in the administrative and general expenses are total employee expenses of US\$238,514 (2006: US\$780,095).

#### **3.5 *Tax on profit/(loss) on ordinary activities***

Corporate tax is calculated upon the results reported in the profit and loss account, after taking into account any losses brought forward from previous financial years, insofar as these are not included in deferred tax assets, tax-exempt items and non-deductible expenses. As of 1 August 2005, the Company's profits have become subject to United Kingdom taxation. The current United Kingdom corporate tax rate is 30%. The rate will reduce to 28% with effect from 1 April 2008.

## 4 Notes to the balance sheet

### 4.1 Financial fixed assets

Financial fixed assets consist of investments in subsidiaries. Movements in financial fixed assets can be broken down as follows:

	31 March 2007	31 March 2006
	US\$000	US\$000
<b>Balance at beginning of year</b>		
Book value	3,225,748	2,595,365
<b>Movements during the year</b>		
Acquisitions/additional capitalisation	1,361,333	630,383
<b>Balance at the end of the year</b>		
Book value	4,587,081	3,225,748

### Participations

The company's interests in direct subsidiary companies as at 31 March 2007 comprised the following:

Name, registered office		Share in issued capital as percentage
SAB Holdings AG	Switzerland	100.00
SABMiller Africa and Asia B.V.	Rotterdam	100.00
SABMiller Europe B.V.	Rotterdam	100.00
SABMiller Asia Ltd	Hong Kong	100.00
SABMiller Holdings Europe Limited	England	100.00
SABMiller Management B.V.	Rotterdam	100.00
SABMiller Safari Ltd	Jersey	100.00
SABSA Holdings (Pty) Ltd	South Africa	100.00
SABMiller International B.V.	Rotterdam	100.00
Pilsner Urquell International B.V.	Rotterdam	100.00
Pilsner Urquell Investments B.V.	Rotterdam	100.00

The company's interests in other companies comprise the following:

Principal indirect subsidiary undertakings

		Effective holding % 31 March 2007	Effective holding % 31 March 2006
<b>Beer South Africa</b>			
The South African Breweries Ltd	South Africa	100	100
South African Breweries Hop Farms (Pty) Ltd	South Africa	100	100
Southern Associated Maltsters (Pty) Ltd	South Africa	100	100
<b>African operations</b>			
SABMiller Africa B.V.	Netherlands	62	62
SABMiller Botswana B.V.	Netherlands	62	62
Accra Brewery Ltd	Ghana	43	43
Botswana Breweries (Pty) Ltd	Botswana	31	31
Cervejas de Moçambique SARL	Mozambique	49	49
Chibuku Products Ltd	Malawi	31	31
Coca-Cola Bottling Luanda Ltd	Angola	28	28
Coca-Cola Bottling Sul de Angola SARL	Angola	37	37
Kgalagadi Breweries (Pty) Ltd	Botswana	31	31
Lesotho Brewing Company (Pty) Ltd	Lesotho	24	24
National Breweries plc	Zambia	43	43
Nile Breweries Ltd	Uganda	60	59
Swaziland Brewers (Pty) Ltd	Swaziland	37	37
Tanzania Breweries Ltd	Tanzania	33	33
Zambia Breweries Plc	Zambia	54	54
<b>European operations</b>			
SABMiller Europe B.V.	Netherlands	100	100
Canbrew B.V.	Netherlands	72	72
S.p.A.Birra Peroni	Italy	100	100
Ursus Breweries	Romania	99	99
Compania Cervecera de Canarias SA	Spain	51	51
Dreher Sörgyarak Rt	Hungary	100	100
Kaluga Brewery Company OOO	Russia	100	100
Kompania Piwowarska SA	Poland	72	72
Dojlidy Sp z o.o.	Poland	100	100
Pivovar Topvar a.s.	Slovakia	100	48
Plzensky Prazdroj a.s.	Czech Republic	100	100
<b>Asian operations</b>			
SABMiller Asia B.V.	Netherlands	100	100
SABMiller India Ltd	India	100	100
Skol Breweries India Ltd	India	99	99

		Effective holding % 31 March 2007	Effective holding % 31 March 2006
<b>Other Beverage Interests</b>			
Appletiser South Africa (Pty) Ltd	South Africa	100	100
Amalgamated Beverage Industries Ltd	South Africa	100	100
Other Beverage Interests (Pty) Ltd	South Africa	100	100

#### Principal associated undertakings

##### African operations

Delta Corporation Ltd	Zimbabwe	22	22
Kenya Breweries Ltd	Kenya	12	12
Société des Brasseries et Glacières Internationales	France	20	20
Brasseries Internationales Holdings Ltd	Gibraltar	20	20

##### Asian operations

China Resources Snow Breweries Ltd	British Virgin Islands	49	49
which holds the following subsidiary undertakings:			

China Resources Snow Breweries (Anhui) Co Ltd	China	49	49
China Resources Snow Breweries (Anshan) Co Ltd	China	44	44
China Resources Snow Breweries (Chang Chun) Co Ltd	China	42	42
China Resources (Dalian) Banchuidao Breweries Co Ltd	China	49	49
China Resources Snow Breweries (Dalian) Co Ltd	China	49	49
China Resources Snow Breweries (Harbin) Co Ltd	China	34	34
China Resources Snow Breweries (Jilin) Co Ltd	China	49	49
China Resources Snow Breweries (Liaoyang ) Co Ltd	China	29	29
China Resources Snow Breweries (Shenyang) Co Ltd	China	49	49
China Resources Snow Breweries (Tianjin) Brewery Co Ltd	China	48	48
China Resources Food and Beverage (Chengdu) Co Ltd	China	49	49
China Resources Food and Beverage (Shenzhen) Co Ltd	China	49	49
C'est Bon Food and Drink (Shenzhen) Co Ltd	China	49	49
China Resources Snow Breweries (Wuhan) Co Ltd	China	44	44
China Resources Snow Breweries (Panjin) Co Ltd	China	34	34
China Resources Snow Breweries (Beijing) Co Ltd	China	49	49
China Resources Blue Sword (Sichuan) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Mianyang) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Leshan) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Chengdu) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Zigong) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Qionglai) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Suining) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Shifang) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Guangan) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Mianzhu) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Dazhou) Breweries Co Ltd	China	30	30

		Effective holding % 31 March 2007	Effective holding % 31 March 2006
China Resources Blue Sword (Neijiang) Breweries Co Ltd	China	30	30
China Resources Blue Sword (Nanchong) Breweries Co Ltd	China	30	30
China Resources Snow Breweries (Changdu) Co Ltd	China	49	49
China Resources Snow Breweries (Guangdong) Co Ltd	China	49	49
China Resources Snow Breweries (Jiangsu) Co Ltd	China	49	49
China Resources Snow Breweries (Wuxi) Co Ltd	China	49	49
China Resources Snow Breweries (Changzou) Co Ltd	China	34	34
China Resources Longjin (Shucheng) Breweries Co Ltd	China	44	44
China Resources Longjin (Liuan) Breweries Co Ltd	China	44	44
Zhejiang Qianjiang Breweries Stock Co Ltd	China	34	34
Shenyang China Resources Enterprise Brewery Co Ltd	China	49	34
China Resources Snow Breweries (Liaoning) Co Ltd	China	49	49
<b>Other Beverage Interests</b>			
Coca-Cola Canners (Pty) Ltd	South Africa	32	32
Distell Group Ltd	South Africa	30	30
<b>Hotels and Gaming</b>			
Tsogo Sun Holdings (Pty) Ltd	South Africa	49	49
Southern Sun Hotels (Pty) Ltd	South Africa	49	49
Southern Sun Hotel Interests (Pty) Ltd	South Africa	49	49
Tsogo Sun Gaming (Pty) Ltd	South Africa	49	49
Tsogo Sun Casinos (Pty) Ltd	South Africa	49	49



## 4.2 Long-term loans

	31 March 2007	31 March 2006
	US\$000	US\$000
<b>Balance at the beginning of the year</b>		
Book value	1,216,928	1,852,282
<b>Movements during the year</b>		
Additions	2,443	-
Repayments	(41,791)	(74,687)
Disposals	(572,884)	-
Exchange differences	32,661	-
Loans capitalised	(503,872)	(557,317)
Additional provisions	(625)	(3,350)
<b>Balance at the end of the year</b>		
Book value	132,860	1,216,928
 Loans to group companies	 Repayment date	 US\$000
	Within 2 to 5 years	307,022
	Over 5 years	909,276
	132,860	1,216,298

Loans to group companies are unsecured and interest is receivable as follows:

US\$ Loans – 6-months US\$ LIBOR plus a margin of 0.75%;

Euro loans – 6-months Euribor plus a margin of 0.75% or 3-months Euribor plus a margin of 1%.

## 4.3 Receivables

	31 March 2007	31 March 2006
	US\$000	US\$000
Loans due from group companies	139,021	170,346
Amounts due from group companies	1,713	1,913
Taxes and social security contributions	25	20
Other receivables	10	10
	140,769	172,289

All receivables have a remaining term not exceeding one year.

*Amounts due from group companies*

	31 March 2007	31 March 2006
	US\$000	US\$000
Receivable from Miller Brewing	1,700	1,700
Receivable from SABMiller Africa & Asia B.V.	13	
Receivable from SABMiller plc	-	94
Receivable from Pilsner Urquell Company Ltd	-	119
	<u>1,713</u>	<u>1,913</u>

Loans due from group companies are unsecured and repayable on demand. Interest is receivable as follows:

US\$ loans – 6-months US\$ LIBOR plus a margin of 0.75%;

Euro loan – 6-months Euribor plus a margin of 0.75%.

#### 4.4 *Securities*

The Company has made a non-interest bearing deposit with Standard Chartered Bank Ltd that will, subject to approval from the Regulatory Authorities in India, be used to increase the Company's investment in India. The deposit was repaid on 30 March 2007.

#### 4.5 *Cash at bank and in hand*

	31 March 2007	31 March 2006
	US\$000	US\$000
Cash at bank and in hand	<u>61</u>	<u>1,733</u>

#### 4.6 *Shareholders' equity*

The authorised share capital of the Company amounts to €3,632,000,000 (3,632,000,000 ordinary shares of €1 each). The issued and paid-up share capital of the Company amounts to 907,600,000 ordinary shares of €1. The historical currency exchange rate used to convert share capital is €1 = US\$ 1.0734.

	Issued share capital	Share premium	Retained earnings	Total
	US\$000	US\$000	US\$000	US\$000
<b>Balance as at 1 April 2006</b>	974,219	1,980,481	297,449	3,252,149
<b>Movements</b>				
Other contributions by shareholders	-	1,187,391	-	1,187,391
Net income after taxation	-	-	2,195,407	2,195,407
Dividends paid during the year	-	-	(1,895,862)	(1,895,862)
<b>Balance as at 31 March 2007</b>	974,219	3,167,872	596,994	4,739,085

#### 4.7 Provisions

	31 March 2007	31 March 2006
	US\$000	US\$000
Deferred taxation	6,607	10,453
	6,607	10,453

Movements in provisions were as follows:

	Deferred tax	Total
	US\$000	US\$000
Balance as at 1 April 2006	10,453	10,453
Profit and loss account	(3,846)	(3,846)
Balance as at 31 March 2007	6,607	6,607

#### 4.8 Long-term liabilities

	31 March 2007	31 March 2006
	US\$000	US\$000
Loans due to group companies	-	702,069

All loans are denominated in US\$.

#### 4.9 Current liabilities

	31 March 2007	31 March 2006
	US\$000	US\$000
Loans due to group companies	104,266	826,673
Trade creditors	114	-
Amount due to group companies	281	18
Corporate income tax	10,308	20,936
Other liabilities, accruals and deferred income	110	67
	<u>115,079</u>	<u>847,694</u>

The remaining term of the current liabilities is less than one year.

#### *Amounts due to group companies*

	31 March 2007	31 March 2006
	US\$000	US\$000
SABMiller plc	193	-
SABMiller Management B.V.	-	12
SABMiller Poland B.V.	79	-
Pilsner Urquell Company Ltd	3	-
Wells International Inc	6	6
	<u>281</u>	<u>18</u>

## 5 Notes to the profit and loss account

### 5.1 Dividend income from subsidiaries

	2007	2006
	US\$000	US\$000
SABSA Holdings (Pty) Ltd	893,431	487,243
SABMiller Africa & Asia B.V.	208,862	-
SABMiller Europe B.V.	652,471	-
SABMiller Safari	36,800	-
Pilsner Urquell Investments B.V.	347,538	-
	<u>2,139,102</u>	<u>487,243</u>

## 5.2 General and administrative expenses

	2007	2006
	US\$000	US\$000
Salaries and wages (see below)	223	869
Depreciation tangible fixed assets	-	18
Other operating expenses	1,141	6,966
	<u>1,364</u>	<u>7,853</u>

### *Salaries and wages*

	2007	2006
	US\$000	US\$000
Salaries and wages	222	807
Social security contributions	1	20
Pension contributions	-	42
	<u>223</u>	<u>869</u>

## 5.3 Average number of employees

The average number of employees of the Company during the year was one. Included in the administrative and general expenses are total employee expenses of US\$223,000 (2005/06: US\$780,000).

## 5.4 Directors remuneration

None of the directors received any remuneration for their services as directors of SABMiller Finance B.V. in 2007 (2006: none). All directors were employed by the ultimate parent company, SABMiller plc.

## 5.5 Taxation on result on ordinary activities

The taxation on result on ordinary activities amounting to (\$22,678,000) can be specified as follows:

	2007	2006
	US\$000	US\$000
<b>Current taxation</b>		
United Kingdom		
UK Corporation tax on profits for the year	-	2,113
Adjustments in respect of previous years	(6,235)	-
	(6,235)	2,113
Netherlands		
Dutch Corporate tax on profits for the current year	-	20,700
Adjustments in respect of previous years	(13,124)	(12,289)
	(13,124)	8,411
Withholding tax	527	1,506
Total current taxation	(18,832)	12,030
<b>Deferred taxation</b>		
Charge for the year	6,607	10,453
Adjustments in respect of previous years	(10,453)	-
	(3,846)	10,453
Total taxation	(22,678)	22,483
	2007	2006
	US\$000	US\$000
Result from ordinary activities before taxation	2,172,729	467,072
Taxation on result on ordinary activities	22,678	(22,483)
Effective tax rate	(1.04)%	4.81%

The effective tax rate differs from the applicable statutory rate due to the combination of underlying tax credits on distributions received and group relief for which no consideration is paid. The applicable tax rate has been reduced from last year by the reassessment and release of provisions made in prior years.

#### **5.6     *Related parties***

Financial transactions entered into by the Company with subsidiary and associated undertakings of the SABMiller plc group are undertaken on a commercial basis.

#### **5.7     *Contingent liabilities***

As at 31 March 2007 the Company had granted guarantees in respect borrowings of SABMiller plc amounting to US\$5,050 million and of Miller Brewing Company amounting to US\$1,700 million. These guarantees have subsequently been released.

## **Profit appropriation according to the Articles of Association**

According to article 13, section 1 of the Company's Articles of Association the profit for the year is at the free disposal of the Annual General Meeting of Shareholders.

## **Proposed profit appropriation**

During the financial year interim dividends were declared and paid of US\$1,895,862,013. The directors propose that the total dividend will be equal to the interim dividend and no further payments will be made.

## **Post balance sheet events**

As at 30 September 2007, the Company transferred as a distribution in specie its investment in SABMiller International B.V. at book value of US\$73,065,143 to its immediate holding company, SABMiller Holdings Ltd.

On 7 February 2008 the Company sold 99% of its investment in Pilsner Urquell Investments B.V. to its subsidiary, SABMiller Holdings Europe Limited, at book value of US\$598,414,261 in exchange for shares. It transferred the remaining 1% of its investment in Pilsner Urquell Investments B.V. to its immediate holding company, SABMiller Holdings Limited, as a dividend in specie with a book value of US\$6,058,037.

As at 20 March 2008 the Company transferred its investment in SABMiller Europe B.V. to its subsidiary SABMiller Holdings Europe Limited, in consideration for the issue of 100 £1 ordinary shares for US\$720,270,718.

As at 20 March 2008 the Company applied for and was allotted 2,447,658,886 ordinary shares of HK\$1 at par value in its wholly-owned subsidiary SABMiller Asia Limited at a cost of US\$245,000,000, subscription monies being offset against the amount owed by SABMiller Asia Limited to the Company.

As at 20 March 2008 the Company transferred its investments in SABMiller Management B.V., and SABMiller Holdings Europe Limited to its ultimate parent company, SABMiller Plc in consideration for an interest-bearing loan note of US\$1,560,784,051.

As at 20 March 2008 the Company transferred its investments in SABHoldings AG, Appletise B.V., SABMiller Safari, Pilsner International B.V. and SABMiller Asia Limited, to its ultimate parent company, SABMiller Plc, for US\$841,586,114, the balance to remain outstanding on an interest-bearing intercompany account.

As at 9 April 2008 the Company transferred its investment in SABMiller Africa and Asia B.V., to its ultimate parent company, SABMiller Plc, for US\$1,826,571,000, the balance to remain outstanding on an interest-bearing intercompany account.



To the General Meeting of Shareholders of  
SABMiller Finance B.V.

## Auditor's report

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### Report on the annual accounts

We have audited the accompanying annual accounts for the period from 1 April 2006 to 31 March 2007 of SABMiller Finance B.V., Rotterdam as set out on pages 8 to 25 which comprise of the balance sheet as at 31 March 2007, the profit and loss account for the period from 1 April 2006 to 31 March 2007 and the notes.

#### *The directors' responsibility*

The directors of the company are responsible for the preparation and fair presentation of the annual accounts in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of SABMiller Finance B.V. as at 31 March 2007, and of its result for the period from 1 April 2006 to 31 March 2007 in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Part 9 of Book 2 of the Netherlands Civil Code.

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the directors' report is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 30 January 2009

PricewaterhouseCoopers Accountants N.V.

Originally signed by H.F.M. Gertsen RA