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Annual report 2004/2005
SABMiller Europe B.V.
Rotterdam



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Annual report of the directors

Annual report of the directors

The directors of SABMiller Europe B.V. submit their report made in accordance with a resolution of the directors with respect to the profit for the year ended 31 March 2005 and the state of the company's affairs at that date.

1. DIRECTORS

The names of the directors in office at the date of this report are C.R. Becker, A.J. Clark, N.G. Cox, G.H.L. Goedhals, R.F. Hendriksen, J. Romein and L.H. van der Spiegel-Breytenbach.

2. PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the financial year were holding and financing of other companies.

3. RESULT

The net profit of the company for the financial year was USD 91,225,719 (2003/2004: profit of USD 39,822,228).

4. OUTLOOK

It is not likely that the current position will change significantly in the near future.

Rotterdam, 2005

DIRECTORS:

C.R. Becker

A.J. Clark

N.G. Cox

G.H.L. Goedhals

R.F. Hendriksen

J. Romein

L.H. van der Spiegel-Breytenbach

Balance sheet as at 31 March 2005

(after proposed profit appropriation)

Assets	Note	31 March 2005		31 March 2004	
		USD	USD	USD	USD
Fixed assets					
Financial fixed assets	4		576,283,878		501,983,754
Current assets					
Accounts receivable	5	407,380		2,322,747	
Cash at bank		3,394,311		3,199,392	
			3,801,691		5,522,139
			<u>580,085,569</u>		<u>507,505,893</u>

Shareholder's equity and liabilities

Shareholder's equity

Share capital	6	24,237		22,896	
Share premium	7	47,859,253		45,253,173	
Revaluation reserve	8	(22,159,759)		(19,552,338)	
Retained earnings	9	242,702,708		151,476,989	
			268,426,439		177,200,720
Long-term liabilities	10		311,534,240		327,268,559
Current liabilities	11		124,890		3,036,614
			<u>580,085,569</u>		<u>507,505,893</u>

Profit and loss account for the year ended 31 March 2005

	Note	2004/2005		2003/2004	
		USD	USD	USD	USD
Other operating expenses	13	14,439		26,674	
Total operating expenses			14,439		26,674
Operating profit/(loss)			(14,439)		(26,674)
Interest and similar income	14	2,840,636		2,930,748	
Interest and similar expenses	15	(8,264,777)		(6,026,789)	
Financial income and expenses			(5,424,141)		(3,096,041)
Result from ordinary activities before taxation			(5,438,580)		(3,122,715)
Tax on profit/(loss) on ordinary activities			0		0
			(5,438,580)		(3,122,715)
Dividend from participations in group company	16		96,664,299		42,944,943
Net result			91,225,719		39,822,228

Notes to the accounts

1 Notes to the accounts

1.1 Activities

The company was incorporated on 5 December 1984 and its main activities are to establish, participate in, to manage and to finance other companies.

1.2 Group structure

SABMiller Europe B.V. is a wholly owned subsidiary of SABMiller Finance B.V., The Netherlands. The company's ultimate shareholder is SABMiller plc., United Kingdom.

1.3 Consolidation

Consolidated accounts are not presented as the company has availed itself of the exemption provisions of Article 408, Title 9, Book 2 of the Netherlands Civil Code. Accordingly, the consolidated annual report of SABMiller plc. for the year ended 31 March 2005, which will include the financial data of the company and its subsidiaries, will be filed with the Chamber of Commerce in Rotterdam, The Netherlands.

1.4 Related parties

SABMiller Finance B.V. is a related party by virtue of the fact that the concerned transactions are of material significance for SABMiller Europe B.V.

2 Accounting policies for the balance sheet

2.1 General

The financial statements have been prepared in accordance with accounting principles generally accepted in The Netherlands and are denominated in United States Dollars. Assets and liabilities are stated at cost, unless indicated otherwise. Notes to the items of the balance sheet and profit and loss account are numbered.

2.2 Comparative figures

Compared with prior year, there have been no changes in the accounting policies applied.

2.3 Foreign currencies

Amounts receivable, amounts payable and other liabilities denominated in foreign currencies are translated at exchange rates prevailing at the balance sheet date. Any resulting exchange differences are taken to the profit and loss account. Transactions in the year under review, which are denominated in foreign currencies, are accounted for in the financial statements at the rates of settlement.

2.4 Financial fixed assets

Participations are carried at cost less provision for permanent impairment, if any. Valuation at net asset value is not presented as the company's management is of the opinion that, in the light of the aforementioned application of Article 408, disclosure of such information would not enhance the insight into the company's financial position and results already provided by these accounts together with consolidated accounts of SABMiller plc.

2.5 Impairment of fixed assets and its recognition

On balance sheet date, the company tests whether there are any indications of an asset which could be subject to impairment. If such indications are present, the realisable value of the asset is determined. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.

An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the highest of the realisable value and the present value. The recoverable value is determined based on the active market. An impairment is immediately taken to the profit and loss account as an expense, unless the asset is carried at the current amount; in that case, the impairment is treated as a revaluation decrease.

3 Accounting policies for the profit and loss account

3.1 Result

Profit is determined as the balance of the realisable value of the services rendered and the costs and other charges for the year. Results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

3.2 Costs

Costs are based on the historical cost convention and allocated to the financial year to which they relate.

3.3 Tax on profit/(loss) on ordinary activities

Profit tax is calculated on the profit/(loss) before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years, tax-exempt items and non-deductible expenses, and using current tax rates.

Notes to the balance sheet

4 Financial fixed assets

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Participations in group companies	544,176,959	474,887,479
Receivables from group companies	32,106,919	27,096,275
	<u>576,283,878</u>	<u>501,983,754</u>

Movements in financial fixed assets can be broken down as follows:

	<u>Partici- pations in group companies</u>	<u>Receivables from group companies</u>	<u>Total</u>
	USD	USD	USD
Balance as at 1 April 2004	474,887,479	27,096,275	501,983,754
Additions	69,289,480	5,010,644	74,300,124
Balance as at 31 March 2005	<u>544,176,959</u>	<u>32,106,919</u>	<u>576,283,878</u>

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

<u>Name, registered office</u>	<u>Share in issued capital as percentage</u>
Bisa Beteiligungs GmbH, Germany, Düsseldorf	100.00
Bisa Beteiligungserwerb GmbH, Austria, Vienna	100.00
SABMiller Poland B.V., The Netherlands, Rotterdam	100.00
SABMiller Europe Kft, Hungary, Budapest	100.00
SAB International Management (Romania) SRL, Romania, Bucharest	100.00
Dreher Sorgyarak RT, Hungary, Budapest	100.00
Compania de Bere Romania SA, Romania, Bucharest	99.00
Canbrew B.V., The Netherlands, Rotterdam	71.84

As per 7 May 2004 SABMiller Europe B.V. has purchased S.C. Aurora S.A. As per 1 January 2005 S.C. Aurora S.A. has merged with Compania de Bere Romania SA.

Receivables from group companies

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Loan Compania de Bere Romania SA	31,000,000	26,000,000
Loan Bier Beteiligungserwerb GmbH	1,106,919	1,096,275
	<u>32,106,919</u>	<u>27,096,275</u>

The loans to Compania de Bere Romania SA bears interest at an annual rate of 9% with a final repayment date of 31 March 2012. The loans to Bier Beteiligungserwerb GmbH are non interest-bearing loans with a non-fixed repayment date.

5 *Accounts receivable*

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Receivables from group companies	407,380	601,558
Trade debtors	0	1,721,000
Taxes	0	189
	<u>407,380</u>	<u>2,322,747</u>

Receivables from group companies

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Intergroup Compania de Bere Romania, SA	370,813	591,500
Intergroup SABMiller Poland B.V.	20,000	10,000
Intergroup BBG Austria	16,509	0
Intergroup SAB I Holdings Inc.	58	58
	<u>407,380</u>	<u>601,558</u>

Shareholder's equity

6 Share capital

The authorized share capital consists of 90,000 ordinary shares each having a nominal value of EUR 1, of which 18,700 ordinary shares have been issued and fully paid-up as at 31 March 2005.

Exchange adjustments regarding the company's capital are taken to a non-distributable revaluation reserve.

The currency exchange rate used as at 31 March 2005 to convert the share capital is EUR 1 = USD 1.2961.

The issued share capital can be specified as follows:

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Balance as at 1 April	22,896	20,362
Revaluation share capital	1,341	2,534
Balance as at 31 March	<u>24,237</u>	<u>22,896</u>

7 Share premium

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Balance as at 1 April	45,253,173	40,328,152
Revaluation share premium	2,606,080	4,925,021
Balance as at 31 March	<u>47,859,253</u>	<u>45,253,173</u>

8 Revaluation reserve

The table below presents the movements in the revaluation reserve:

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Balance as at 1 April	(19,552,338)	6,751,217
Revaluation share capital	(1,341)	(2,534)
Revaluation share premium	(2,606,080)	(4,925,021)
	<u>(22,159,759)</u>	<u>1,823,662</u>
Revaluation investments	0	(21,376,000)
Balance as at 31 March	<u>(22,159,759)</u>	<u>(19,552,338)</u>

9 *Retained earnings*

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Balance as at 1 April	151,476,989	111,654,761
Net result	91,225,719	39,822,228
Balance as at 31 March	<u>242,702,708</u>	<u>151,476,989</u>

10 *Long-term liabilities*

Payables to group companies

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Loan SABMiller Finance B.V.	<u>311,534,240</u>	<u>327,268,559</u>

The loan SABMiller Finance B.V. bears interest at a rate of 6 months Libor plus 3/4%. The ultimate repayment date is 31 March 2023.

11 *Current liabilities*

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Payables to group companies	0	2,977,195
Trade creditors	120,128	48,398
Accrued expenses	4,762	11,021
	<u>124,890</u>	<u>3,036,614</u>

Payables to group companies

	<u>31-03-2005</u>	<u>31-03-2004</u>
	USD	USD
Loan SABMiller Finance B.V.	<u>0</u>	<u>2,977,195</u>

12 *Contingencies and commitments*

Fiscal unity

The company forms together with other companies a fiscal unity with SABMiller Finance B.V. for corporate income tax and value added tax. Consequently, the company is jointly and severally liable for tax liabilities of the fiscal unity.

Notes to the profit and loss account

13 Other operating expenses

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Administrative and general expenses	<u>14,439</u>	<u>26,674</u>

Administrative and general expenses

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Management fee SABMiller Finance B.V.	10,000	0
Legal & professional fees	1,370	26,112
Bank charges	3,069	562
	<u>14,439</u>	<u>26,674</u>

Financial income and expenses

14 Interest and similar income

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Interest income group companies	2,709,880	2,909,273
Currency exchange results	130,183	21,040
Other interest income	573	435
	<u>2,840,636</u>	<u>2,930,748</u>

15 Interest and similar expenses

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Interest expenses SABMiller Finance B.V.	8,264,653	6,026,789
Interest expenses banks	124	0
	<u>8,264,777</u>	<u>6,026,789</u>

16 Dividend from participations in group company

	<u>2004/2005</u>	<u>2003/2004</u>
	USD	USD
Dividend SABMiller Poland B.V.	80,518,117	35,818,656
Dividend Dreher	10,173,971	0
Dividend Canbrew B.V.	5,972,211	7,126,287
	<u>96,664,299</u>	<u>42,944,943</u>

Other information

17 Average number of employees

During the year 2004/2005, the average number of employees calculated on a full-time-equivalent basis was nil (2003/2004: nil).

Rotterdam, 25 July 2005
SABMiller Europe B.V.

Directors,
C.R. Becker

Directors,
A.J. Clark

N.G. Cox

G.H.L. Goedhals

R.F. Hendriksen

J. Romein

L.H. van der Spiegel-Breytenbach

Other information

Statutory audit

Given the company's size (see Section 396(1) of Book 2 of the Netherlands Civil Code), a statutory audit is not required. Therefore the company's financial statements have not been audited.

Provision in the articles of association governing the appropriation of profits

The articles of association stipulate that the Annual General Meeting of Shareholders shall determine how much of the profit will be added to the reserves.

Appropriation of result

In anticipation of the Annual General Meeting's adoption of the financial statements, the net profit of USD 91,225,719 has been added to the retained earnings.

Compilation report

To the Annual General Meeting of shareholders
SABMiller Europe B.V.
Hofplein 19
3032 AC ROTTERDAM

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Fascinatia Boulevard 350
3065 WB Rotterdam
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Compilation report

Introduction

In accordance with your instructions and on the basis of information provided by the company's management, we have compiled the financial statements of SABMiller Europe B.V., Rotterdam for the year 2004/2005. The accuracy and completeness of the information provided and the financial statements based thereon are the responsibility of the company's management. Our responsibility is to issue a compilation report on these financial statements.

Scope

We have compiled the financial statements in accordance with standards for compilation engagements generally accepted in the Netherlands. Our procedures were limited primarily to gathering, processing, classifying and summarising financial information. These procedures do not provide the same level of assurance about whether the financial statements are free of material misstatement as that provided by an audit or review.

Confirmation

Based on the information provided to us, we have compiled the financial statements in accordance with accounting principles generally accepted in the Netherlands and the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

25 July 2005

PricewaterhouseCoopers Accountants N.V.