THE COCA-COLA COMPANY, SABMILLER AND COCA-COLA SABCO TO FORM COCA-COLA BEVERAGES AFRICA

- Bottling operations in 12 high-growth markets across Southern and East Africa with pro forma annual revenue of US$2.9bn and volume of 729 million unit cases (41 million hectolitres)
- Largest Coca-Cola bottler in Africa and 10th largest worldwide with scale and resources to capture and accelerate the long-term growth potential in African markets
- Shared vision, extensive experience of operating in Africa and complementary capabilities to support superior performance
- Intended headquarters in South Africa, Coca-Cola Beverages Africa’s largest market

JOHANNESBURG, SOUTH AFRICA, 27 November 2014 – The Coca-Cola Company (NYSE:KO), SABMiller plc (LSE:SAB, JSE:SABJ) and Gutsche Family Investments (GFI, majority shareholders in Coca-Cola Sabco) have agreed to combine the bottling operations of their non-alcoholic ready-to-drink beverages businesses in Southern and East Africa. The new bottler, Coca-Cola Beverages Africa, will serve 12 high-growth countries accounting for approximately 40 per cent of all Coca-Cola beverage volumes in Africa.

Africa offers significant growth potential in beverages, underpinned by rising personal disposable income, a fast-growing population and increasing per capita consumption. With more than 30 bottling plants and over 14,000 employees, Coca-Cola Beverages Africa will be the largest Coca-Cola bottler on the continent, with the scale, complementary capabilities and resources to capture and accelerate top-line growth. This will also allow the new African bottler to develop best operating practices and invest in production, sales and distribution, and marketing to benefit from growing demand and drive profitability.

With a shared vision, extensive experience of operating in African markets, and long-term commitment to the continent, Coca-Cola Beverages Africa will be strongly positioned to offer consumers greater choice, broader availability and better value. The new bottler will continue the shareholders’ strong commitment to the economic and social development of the communities it
serves, which includes providing access to clean water, supporting women’s economic empowerment and promoting wellbeing.

On full completion of the proposed merger, shareholdings in Coca-Cola Beverages Africa will be SABMiller: 57.0%, Gutsche Family Investments: 31.7% and The Coca-Cola Company: 11.3%.

“A combined Coca-Cola bottling operation is further evidence of our commitment to Africa, and our firm belief in the tremendous growth prospects that the continent offers,” said Muhtar Kent, Chairman and CEO of The Coca-Cola Company. “As one of the top 10 largest Coca-Cola bottling partners worldwide, Coca-Cola Beverages Africa can leverage the scale, resources, capability and efficiency needed to accelerate Coca-Cola growth and contribute to the economic and social prosperity of African communities.”

“Soft drinks are an important element of our growth strategy. This transaction increases our exposure to the total beverage market in Africa. The opportunity is significant, with favourable demographics and economic development pointing to excellent growth prospects,” said Alan Clark, SABMiller Chief Executive. “This also signifies a strengthening of our strategic relationship with The Coca-Cola Company.”

Phil Gutsche, Chairman of Gutsche Family Investments (GFI), said, “Our family sees this merger as an important and logical step to enable Coca-Cola Beverages Africa to optimise the opportunities for development in the rapidly-evolving Africa beverage market. We are very excited about the opportunity and are totally committed to ensuring that Coca-Cola Sabco’s distinctive culture is successfully integrated with that of our new partners in order to create an even more successful business in the future.”

**Details of the transaction**

In a transaction to be completed in two phases, Coca-Cola Beverages Africa will bring together:

- SABMiller’s South African soft drinks bottling businesses, Amalgamated Beverage Industries (ABI) and Appletiser, and its soft drink bottling businesses in eight other African countries
- GFI’s bottling interests in Coca-Cola Sabco, including its South African bottler, Coca-Cola Fortune, and its bottling operations in six other African countries
- The Coca-Cola Company’s South African soft drinks businesses in the form of Coca-Cola Canners, Valpré and Coca-Cola Shanduka Beverages

Coca-Cola Beverages Africa will initially produce and distribute Coca-Cola beverages in nine countries: South Africa, Kenya, Ethiopia, Mozambique, Tanzania, Uganda, Namibia, Comoros and Mayotte.
SABMiller intends to include at a later date its Swaziland soft drinks business and those of its listed subsidiaries in Botswana and Zambia, subject to agreement in due course with those subsidiaries and the requisite regulatory and shareholder approvals.

Phil Gutsche will be Chairman of Coca-Cola Beverages Africa and Port Elizabeth, South Africa is the intended location for the company’s headquarters.

As part of the transaction, The Coca-Cola Company will also acquire SABMiller’s Appletiser brands on a worldwide basis, and acquire or be licensed rights to a further 19 non-alcoholic ready-to-drink brands in Africa and in Latin America, for an approximate cash consideration of US$260m. SABMiller will retain ownership of its non-alcoholic malt beverages in Africa and Latin America and will retain its Coca-Cola franchises in El Salvador and Honduras.

**Phases of the transaction and closing conditions**

**In Phase I:**

- SABMiller will contribute its Coca-Cola bottling franchise (ABI) and Appletiser bottling businesses in South Africa, together with its soft drinks businesses in Comoros and Mayotte, as well as its water businesses in Ethiopia, Kenya and Uganda.
- GFI will contribute Coca-Cola Fortune in South Africa and its other African Coca-Cola bottling businesses in Ethiopia, Kenya, Mozambique, Namibia, Tanzania and Uganda.
- The Coca-Cola Company will contribute its South African soft drinks bottling businesses, Coca-Cola Canners, Valpré, and Coca-Cola Shanduka Beverages. Completion of Phase I is subject to a number of customary closing conditions, including regulatory approvals in South Africa and other African jurisdictions, and is expected to complete within the next 6-9 months.
- Coca-Cola Beverages Africa’s results will be fully consolidated into SABMiller plc’s financial statements. The Coca-Cola Company will equity account for its stake in Coca-Cola Beverages Africa.

**In Phase II:**

- SABMiller intends to contribute its Swaziland soft drinks bottling business, and the soft drinks bottling businesses of its listed subsidiaries in Botswana and Zambia to Coca-Cola Beverages Africa.

Completion of Phase II is subject to a number of customary closing conditions, including regulatory approvals and requisite shareholder approvals, and is expected to complete 12-18 months after the completion of Phase I.
Voting and Economic Interests

The shareholders' voting and economic interests in Coca-Cola Beverages Africa will be:

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<thead>
<tr>
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<th>SABMiller</th>
<th>GFI</th>
<th>The Coca-Cola Company</th>
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<tbody>
<tr>
<td>Voting</td>
<td>50.0%*</td>
<td>35.0%</td>
<td>15.0%</td>
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<tr>
<td>Economic - Phase I</td>
<td>53.7%</td>
<td>34.1%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Economic - Phase II</td>
<td>57.0%</td>
<td>31.7%</td>
<td>11.3%</td>
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*plus 1 share

Coca-Cola Beverages South Africa

In South Africa, the parties’ respective bottling operations will be combined to create a new South African bottler, Coca-Cola Beverages South Africa. It will be majority-owned by Coca-Cola Beverages Africa, with minority shareholders holding an interest of approximately 10.6%. Zanosi Kunene will be the Chairman of Coca-Cola Beverages South Africa upon its formation.

Coca-Cola Beverages South Africa will retain the Kunene family and Khulile Beverages (previously Coca-Cola Fortune’s empowerment partners) as empowerment shareholders. Zenzele, SABMiller’s Broad-Based Black Economic Empowerment (BBBEE) scheme, will retain an indirect interest in Coca-Cola Beverages South Africa through SABMiller’s shareholding in Coca-Cola Beverages Africa. Initial Black Economic Empowerment ownership of Coca-Cola Beverages South Africa (post completion of Phase II of the transaction) under the BBBEE Codes will be approximately 11.3%.

Pro forma financial metrics

The key financial metrics for Coca-Cola Beverages Africa (pro forma) and for the businesses to be contributed by SABMiller are set out in the table below:

<table>
<thead>
<tr>
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<th>SABMiller contributed businesses</th>
<th>Coca-Cola Beverages Africa (pro forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (m UC)</td>
<td>369</td>
<td>729</td>
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<tr>
<td>Volume (m hl)</td>
<td>21.0</td>
<td>41.4</td>
</tr>
<tr>
<td>Revenue (US$m)</td>
<td>1,531</td>
<td>2,937</td>
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<tr>
<td>EBITA (US$m)</td>
<td>292</td>
<td>505</td>
</tr>
<tr>
<td>% margin</td>
<td>19.1%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Pre-tax profits (US$m)</td>
<td>286</td>
<td>474</td>
</tr>
<tr>
<td>Gross assets (US$m)</td>
<td>794</td>
<td>2,262</td>
</tr>
</tbody>
</table>
Note 1: The assets being contributed by The Coca-Cola Company and by GFI have an aggregate gross asset value of US$1.5bn and pre-tax profits of US$188m.

Note 2: The pro forma financial figures assume completion of Phase II, in which additional assets contributed by SABMiller represent volume of 1.7m hl, revenue of US$161m, EBITA of US$42m and pre-tax profits of US$39m. Gross assets for Phase II businesses are excluded from pro forma financial figures as it is not possible to determine them.

Note 3: Financial figures represent non-IFRS, unaudited management estimates. SABMiller contributed businesses shown on March 2014 financial year end (except for ABI volume, revenue and EBITA which is shown on December 2013 year end); The Coca-Cola Company and GFI contributed businesses shown on December 2013 year end.

The transaction is expected to be EPS accretive to SABMiller in financial year three following completion of Phase I.

Advisers
Rothschild advised SABMiller. Nomura International and NLA advised Coca-Cola Sabco.

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Notes to editors

About The Coca-Cola Company
The Coca-Cola Company (NYSE: KO) is the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands. Led by Coca-Cola, one of the world's most valuable and recognizable brands, our Company's portfolio features 17 billion-dollar brands including Diet Coke, Fanta, Sprite, Coca-Cola Zero, vitaminwater, Powerade, Minute Maid, Simply, Georgia and Del Valle. Globally, we are the No. 1 provider of sparkling beverages, ready-to-drink coffees, and juices and juice drinks. Through the world's largest beverage distribution system, consumers in more than 200 countries enjoy our beverages at a rate of 1.9 billion servings a day. With an enduring commitment to building sustainable communities, our Company is focused on initiatives that reduce our environmental footprint, support active, healthy living, create a safe, inclusive work environment for our associates, and enhance the economic development of the communities where we operate. Together with our bottling partners, we rank among the world's top 10 private employers with more than 700,000 system associates. For more information, visit Coca-Cola Journey at www.coca-colacompany.com, follow us on Twitter at twitter.com/CocaColaCo, visit our blog, Coca-Cola Unbottled, at www.coca-colablog.com or find us on LinkedIn at www.linkedin.com/company/the-coca-cola-company.

SABMiller plc
SABMiller plc is in the beer and soft drinks business. We are the world’s second largest brewing company and are one of the world’s largest bottlers of Coca-Cola drinks. We also produce a portfolio of wholly-owned soft drinks brands. We are a FTSE-20 company, with shares trading on the London Stock Exchange, and we have a secondary listing on the Johannesburg Stock Exchange. We operate in more than 80 countries with around 70,000 employees.

The group’s brand portfolio includes leading local brands such as Aguila (Colombia), Castle (South Africa), Miller Lite (USA), Snow (China), Victoria Bitter (Australia) and Tyskie (Poland) as well as global brands such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch. Every minute of every day, more than 140,000 bottles of SABMiller beer are sold. In the year ended 31 March 2014, the group sold 318 million hectolitres of lager, soft drinks and other alcoholic beverages, generating group net producer revenue of US$26,719 million and EBITA of US$6,453 million.

This announcement is available on the company website: www.sabmiller.com
Further information is also available on:
www.sabmiller.com
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www.youtube.com/sabmiller

Multi-media content
High resolution images and b-roll footage are available to view and download free of charge from our image and video library.
Coca-Cola Sabco
Coca-Cola Sabco is 80% owned by Gutsche Family Investments and its headquarters are in Port Elizabeth, South Africa. Coca-Cola Sabco has been a Coca-Cola bottler since 1940, having grown to be Africa’s second largest Coca-Cola Franchised Bottler. In 1995, the Gutsche family merged their bottling interests with The Coca-Cola Company’s interest in Africa in order to expand and further develop Coca-Cola Sabco’s beverage interests in Africa. Coca-Cola Sabco employs approximately 8,000 staff across its bottling operations in South Africa, Namibia, Mozambique, Kenya, Tanzania, Ethiopia and Uganda.