

SABMiller European Works Council's opinion about the proposed AB InBev transaction

Context

On 11 November, the Boards of Anheuser-Busch InBev SA/NV ("AB InBev") and SABMiller plc ("SABMiller") announced that they had reached agreement on the terms of a recommended acquisition of SABMiller by AB InBev.

Since this announcement, AB InBev has lined up several divestments of SABMiller assets in Europe. One month later, AB InBev said it would consider offers for the Grolsch, Meantime and Peroni Nastro Azzuro brands. In February 2016, Japan's Asahi Group made an offer for the three brands, with AB InBev accepting the company's bid in April 2016.

The sale of Peroni, Grolsch and Meantime to Asahi left the new combined entity with a strong position in Central and Eastern European countries. However, at the end of April 2016, AB InBev put the remainder of SAB's European footprint (excluding Spain) up for sale. All of SAB's assets and brands in Hungary, Romania, the Czech Republic, Slovakia and Poland are now available for purchase.

The takeover is subject to the City Code on Takeovers and Mergers (the "Code"). Article 25(9) of the Code entitles employees representatives to express an opinion on the effect of the offer on employment.

Following an in-depth analysis, supported by the expertise of Syndex UK and discussion with the management of SABMiller, AB InBev and Asahi, the European Works Council of SABMiller (the "EWC") assisted by the EFFAT (European Federation of Food, Agriculture and Tourism Trade Unions), representing the interests of SABMiller European workforce expresses the following opinion:

The opinion

The EWC understands that the concentration of the market was in line with the expectations, yet does not welcome the takeover of SABMiller by AB InBev and expresses its strongest concerns for the future of the employees and for the sustainability of the business in Europe.

The European Works Council considers this transaction not a merger of equals but rather a hostile takeover. AB InBev Management style and corporate culture, as shown by previous acquisitions, will likely be a cultural shock for SABMiller international and remaining European entities and constitutes a threat on jobs, and terms and conditions of employment.

The EWC believes many jobs are at risk (production, support functions, headquarters, and hubs level) as many employees will be potentially made redundant after the transaction.

Moreover, for the time being, the lack of clarity concerning the divestment of the SABMiller operations in Central Eastern Europe (CEE) is a matter of concern for the EWC. So far, SABMiller workers employed in these countries have not received any comprehensive information regarding the future of the sites or business profile of future buyers. In this regard, the EWC demands that AB InBev Management sell CEE SABMiller operations to a responsible buyer who ideally operates in the brewery sector and is committed to maintaining employment numbers and respecting social standards.

The EWC acknowledges the terms and conditions laid down in the employee protection document agreed between SABMiller and AB InBev and calls for the AB InBev Management to promote these standards with future buyers and make sure they can be further negotiated with national workers representatives.

The members of the SABMiller EWC representing the SABMiller European workforce expect that AB InBev and the new buyers of the divested SABMiller European assets develop new

quality jobs and commit to fully respect and improve social dialogue standards and the best possible social practices.

The EWC and national and local workers representatives will monitor the developments and social consequences of the takeover and will oppose any impact on employee interests.

The EWC assisted by EFFAT expects to be recognised as a stakeholder on transnational matters that have a potential impact on employees' interests.