

Bevco Lux S.à r.l.

(a Luxembourg private limited liability company)

EUR800,000,000
1.750 per cent. Bonds due 2023

Issue Price 99.366 per cent.

The EUR800,000,000 1.750 per cent. Bonds due 2023 (the "**Bonds**") will be issued by Bevco Lux S.à r.l. (the "**Issuer**"). Interest on the Bonds is payable annually in arrear on 9 February in each year commencing on 9 February 2019. Payments on the Bonds will be made without deduction for or on account of taxes of Luxembourg to the extent described under "*Terms and Conditions of the Bonds — Taxation*".

The Bonds mature on 9 February 2023 at their principal amount together with accrued interest. The Bonds are subject to redemption in whole (i) at their Make Whole Redemption Price (as defined herein), together with accrued interest, at the option of the Issuer at any time; and (ii) at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of Luxembourg. See "*Terms and Conditions of the Bonds — Redemption and Purchase*".

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. See "*Terms and Conditions of the Bonds — Status*".

Application has been made to admit the Bonds to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to trading on the Luxembourg Stock Exchange's Euro MTF Market (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. References in this Offering Circular to the Bonds being "listed" (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Euro MTF Market.

The denomination of the Bonds shall be EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The Bonds will initially be represented by interests in a global certificate in registered form (the "**Global Certificate**") which will be registered in the name of a nominee of a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). It is expected that delivery of the Global Certificate will be made on 9 February 2018 (the "**Issue Date**"). The Global Certificate will be exchangeable for individual Certificates in registered form in the limited circumstances set out in it. See "*Summary of Provisions relating to the Bonds while in Global Form*".

The Bonds will be rated at issuance BBB- by S&P Global Ratings, acting through S&P Global Ratings France SAS ("**S&P**"). S&P has also issued a rating on the Issuer of BBB- (negative outlook). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. As of the date of this Offering Circular, S&P is established in the European Union and is registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**").

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular.

GLOBAL COORDINATORS AND JOINT LEAD MANAGERS

BNP Paribas

Citigroup

JOINT LEAD MANAGERS

BofA Merrill Lynch

Deutsche Bank

CO-MANAGER

Santander Global Corporate Banking

Offering Circular dated 7 February 2018

This Offering Circular constitutes a prospectus for the purposes Part IV of the Luxembourg Act dated 10 July 2005 on Prospectuses for securities (as amended). This document does not constitute a prospectus for the purposes of Article 3 of Directive 2003/71/EC as amended (the "**Prospectus Directive**").

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect its import.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and distribution of this Offering Circular, see "*Subscription and Sale*" below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Bonds. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

Unless otherwise specified or the context requires, references to "EUR", "euro" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to "\$" and "US dollars" are to the lawful currency for the time being of the United States of America and references to "GBP" are to the lawful currency for the time being of the United Kingdom.

In connection with the issue of the Bonds, BNP Paribas (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Each potential investor contemplating making an investment in the Bonds must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal, premium (if any) or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

MIFID II product governance/Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation/Prohibition of sales to EEA retail investors

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer presents its financial statements in euro, which is its functional and presentation currency.

Unless otherwise indicated, financial information set forth herein related to the Issuer has been derived from the Issuer's unaudited interim financial statements as at and for the nine-month period ended 30 September 2017, together with the related notes thereto (the "**2017 Interim Financial Statements**"), which include comparative unaudited financial information for the nine-month period ended 30 September 2016 and the Issuer's audited financial statements as at and for the financial year ended 31 December 2016, together with the related notes thereto (the "**2016 Financial**

Statements"), which include unaudited comparative financial information as at and for the financial year ended 31 December 2015. The 2016 Financial Statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and are included elsewhere in this Offering Circular. The 2017 Interim Financial Statements were prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting - as adopted by the European Union and are included elsewhere in this Offering Circular. See "*Index to Financial Information*".

For all periods up to and including the year ended 31 December 2015, the Issuer prepared its financial statements in accordance with generally accepted accounting principles ("**GAAP**") in Bermuda, which were then applicable to it. The 2016 Financial Statements were the first financial statements of the Issuer prepared in accordance with IFRS. In preparing the 2016 Financial Statements, the Issuer's opening statement of financial position and the statement of changes in equity were prepared as at 1 January 2015 (being the Issuer's date of transition to IFRS) and, the statements of profit or loss, comprehensive income and cash flows were prepared as from and for the year ended 31 December 2015. Note 2.2 to the 2016 Financial Statements explains the principal adjustments made by the Issuer in restating its local GAAP statement of financial position as at 1 January 2015 and its previously published local GAAP financial statements as at and for the year ended 31 December 2015. Reclassifications in presentation were made in the statements of financial position and profit or loss from local GAAP to comply with IFRS.

This Offering Circular includes certain financial metrics which are provided in addition to the conventional financial performance measures established by IFRS, specifically:

- (a) the ratio of outstanding loans and borrowings divided by the value of investment securities (referred to as the "loan to value ratio" of the Issuer); and
- (b) the ratio of dividend income divided by finance cost (referred to as the "dividend-to-interest expense ratio" of the Issuer); and
- (c) the ratio of dividend income divided by finance cost *plus* administrative expenses (referred to as the "dividend coverage ratio" of the Issuer).

These metrics should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities or other financial measures of the Issuer's results of operations or liquidity derived in accordance with IFRS. These metrics have been included in this Offering Circular because they are useful measures of performance and liquidity. Other companies, including those in similar industries, may calculate similarly titled financial measures differently. Because all companies do not calculate these financial measures in the same manner, the presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These metrics are not audited.

In this Offering Circular, the loan to value ratio, the dividend-to-interest expense ratio and the dividend coverage ratio of the Issuer are presented in respect of the nine month period ended 30 September 2017 and the year ended 31 December 2016, and have been calculated on the basis of the Issuer's 2017 Interim Financial Statements and 2016 Financial Statements.

The metrics referred to above are presented for the purposes of facilitating a better understanding of the financial condition and results of operations of the Issuer. Such measures should, however, not be considered as a substitute for those required by IFRS.

The Issuer believes that the loan to value ratio provides a helpful measure of the level of the Issuer's indebtedness relative to its assets. The Issuer believes that the dividend-to-interest expense ratio provides an important measure of the Issuer's ability to service the payment of interest on its outstanding borrowings via its dividend income. The Issuer believes that the dividend coverage ratio provides an important measure of the Issuer's ability to service the payment of interest on its outstanding borrowings and the coverage of administrative expenses via its dividend income. These financial measures are used by the Issuer in internal and external presentations to ratings agencies, analysts and investors, and are commonly reported by companies of the same size and industry.

Rounding Adjustments

Certain amounts which appear in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Offering Circular may constitute "forward-looking statements". Forward-looking statements are all statements in this Offering Circular that do not relate to historical facts and events, and include statements concerning the Issuer's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Issuer uses the words "will", "believes", "assumes", "intends", "estimates", "expects", "may", "will", "plans", "seeks", "approximately", "aims", "projects", "anticipates" or similar expressions to generally identify forward-looking statements.

Forward-looking statements are set forth in a number of places in this Offering Circular, including (without limitation) in the sections "*Risk Factors*" and "*Description of the Issuer*". The Issuer has based these forward-looking statements on the current view of management with respect to future events and financial performance. These views reflect the best judgement of management of the Issuer but involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this Offering Circular and from past results, performance or achievements. Examples of these risks, uncertainties and other factors include, but are not limited to, those discussed in the section titled "*Risk Factors*" in this Offering Circular.

Although the Issuer believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Issuer has identified in this Offering Circular, or if any of the Issuer's underlying assumptions prove to be incomplete or incorrect, the Issuer's actual results of operations may vary from those expected, estimated or projected.

These forward-looking statements are made only as at the date of this Offering Circular. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Offering Circular whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Offering Circular. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Bonds should not place undue reliance on these forward-looking statements.

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Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the structural and market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds. However, the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons and the Issuer makes no representation that the statements below regarding the risks of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision. Prospective investors should note that the risks relating to the Issuer, its assets and the Bonds summarised in this section are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as these risks relate to events and depend on circumstances that may or may not occur in the future, and may or may not be within the power of the Issuer to mitigate, prospective investors should consider not only the information on the key risks summarised in this section, but also, among other things, should consult their own financial, legal and tax advisers.

Risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

The Issuer is exposed to certain risk factors which may affect its ability to fulfil its obligations under the Bonds. These risk factors relate to the business and operations of the Issuer and the performance of the Anheuser-Busch InBev SA/NV ("**ABI**") shares which the Issuer holds and include matters such as a decrease in the value of the Issuer's investments, dependence on the financial performance of and dividend payments by ABI and the existence of secured bank debt. The following is a summary of these risk factors:

Exposure to prices of investment securities

The Issuer is a holding company whose activity consists of the holding and managing of its equity interests and providing financing to the group of companies held for the benefit of the Santo Domingo family (the "**Santo Domingo Group**"). The composition of the Issuer's portfolio of investment securities, while currently concentrated wholly on ABI, may vary from time to time. While no changes to the composition of the portfolio of the Issuer's investment securities are currently expected, any such change could alter the risk profile of the Issuer substantially. The market value of the portfolio held by the Issuer is subject to the market prices of the assets comprising the portfolio. A decrease of such market prices may lead to a significantly lower market value of the portfolio, which may affect the financial condition of the Issuer and adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Dependence on the financial performance of ABI

As at 30 September 2017, the Issuer's direct equity interest in ABI represented 97.3 per cent. of the total assets of the Issuer. The financial results reported by ABI will significantly influence the Issuer's financial performance and any deterioration in the financial performance of ABI, including as a result of economic and global market conditions, is likely to have a material adverse effect on the results of operations, financial condition and prospects of the Issuer. A loss affecting the Issuer's investment in ABI could have a significant negative impact on the overall financial performance of the Issuer and could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Risks relating to ABI

Some of the risks that ABI is exposed to have been stated by ABI to include, without limitation, risks relating to:

- ABI's reliance on the reputation of its brands and ability to maintain and enhance the image and reputation of its products;
- ABI's ability to protect its current and future brands and products and defend its intellectual rights;
- ABI's dependence on independent distributors or wholesalers to sell its products;

- changes in the availability or price of raw materials, commodities and energy which could have an adverse effect on ABI's results of operations;
- ABI's reliance on key third parties, including key suppliers, where termination or modification of arrangements with such third parties could negatively affect ABI's results;
- competition and changing consumer preferences in various markets which could lead to a reduction in ABI's margins, increase costs and adversely affect its profitability (as described in further detail under "*Competition faced by ABI could have an adverse impact on the Issuer*" below);
- costs of compliance with, and/or violations under, various laws and regulations (including environmental regulations);
- ABI's ability to obtain necessary funding for its future capital or refinancing needs, and financial risks due to ABI's level of debt and uncertain market conditions (as described in further detail under "*ABI's ability to obtain necessary funding for its future capital or refinancing needs could have an adverse impact on the Issuer*" below);
- ABI's ability to achieve its targeted coverage and debt levels and terms, including the risk of constraints on financing in the event of a credit rating downgrade;
- ABI may restrict the amount of dividends it will pay as a result of ABI's level of debt and its stated strategy to give priority to deleveraging;
- any ABI credit ratings downgrade;
- increasing interest rates and fluctuations in exchange rates which could negatively affect ABI's results;
- the ability of ABI's subsidiaries to distribute cash upstream may be subject to various conditions and limitations (as described in further detail under "*The Issuer may be impacted by the ability of ABI's subsidiaries to distribute cash upstream to ABI*" below);
- ABI's exposure to developing market risks, including the risks of devaluation, nationalisation and inflation (as described in further detail under "*The Issuer may be impacted by ABI's exposure to developing market risks, including the risks of devaluation, nationalisation and inflation*" below); and
- global recession, credit and capital market volatility and economic and financial crisis which could adversely affect the demand for ABI's products (as described in further detail under "*The Issuer is exposed to the risk of an economic global recession, credit and capital markets volatility and economic and financial crisis impacting ABI*" below).

Given the above-mentioned risk under the heading "*Dependence on the financial performance of ABI*", if any of these or other risks in relation to ABI (including, but not limited to, the risks described in the following paragraphs) eventuate, this could have a significant negative impact on the overall financial performance of the Issuer and could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

The Issuer is exposed to the risk of an economic global recession, credit and capital markets volatility and economic and financial crisis impacting ABI

The complex global economic situation affects the earnings of ABI, the Issuer's entire investment portfolio, and 97.3 per cent. of its total assets as at 30 September 2017. The Issuer is exposed to the risk of a global recession or a recession in one or more of ABI's key markets, credit and capital markets volatility and an economic or financial crisis, which could result in lower revenue and reduced profit of ABI. Capital and credit market volatility may result in downward pressure on stock prices and the credit capacity of borrowers. Market disruption and volatility could have an adverse effect on ABI's ability to access capital and on ABI's business, results of operations and financial condition which could adversely impact its ability to make dividend payments to the Issuer. This could in turn have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

The Issuer may be impacted by the ability of ABI's subsidiaries to distribute cash upstream to ABI

The Issuer's investment in ABI is currently its sole equity investment. ABI is organised as a holding company and ABI's operations are carried out through its subsidiaries. ABI's domestic and foreign subsidiaries' and affiliated companies' ability to distribute cash upstream through dividends, intercompany advances, management fees and other payments is, to a large extent, dependent on the availability of cash flows at the level of such domestic and foreign subsidiaries and affiliated companies and may be restricted by applicable laws and accounting principles. In addition, some of the subsidiaries of ABI are subject to laws restricting their ability to pay dividends or the amount of dividends they may pay.

If ABI is unable to obtain sufficient cash flows from its domestic and foreign subsidiaries and affiliated companies this could adversely impact its ability to make dividend payments to the Issuer which could in turn have an adverse impact on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

Strategic risks

Failure by ABI to assess future market developments and/or overall negative economic development may adversely affect the business of ABI. Corporate strategic risks can arise above all from the erroneous assessment of future market developments. Regulatory controls and changes in public policy may reduce the profitability of new or current business segments in which ABI operates. Failure to evaluate potential acquisition targets, to integrate newly acquired businesses or to develop successfully new businesses may reduce the operating results of ABI. Significant unexpected costs for integration or development of businesses could also harm operating results of ABI. Should any of these factors occur, it could have an adverse impact on the financial condition of the Issuer and in turn affect its ability to fulfil its obligations under the Bonds.

The Issuer may be impacted by ABI's exposure to developing market risks, including the risks of devaluation, nationalisation and inflation

A substantial proportion of ABI's operations are carried out in developing markets. Such operations and equity investments in these markets are subject to the customary risks of operating in developing countries. Such factors could affect ABI's results of operations by causing interruptions to its operations or by increasing the costs of operating in those countries or by limiting its ability to repatriate profits from those countries. The financial risks of operating in developing markets also include risks of illiquidity, devaluation, price volatility, currency convertibility and country default. These various factors could adversely impact ABI's business, results of operations and financial condition and therefore its ability to make dividend payments to the Issuer. If the Issuer does not receive expected dividend payments from ABI this could have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

Competition faced by ABI could have an adverse impact on the Issuer

Competition in ABI's various markets and increased purchasing power of players in ABI's distribution channels could cause ABI to reduce prices of its products, increase capital investment, increase marketing and other expenditures or prevent ABI from increasing prices to recover higher costs and thereby cause ABI to reduce margins or lose market share. Any of the foregoing could have a material adverse effect on ABI's business, financial condition and results of operations and therefore its ability to make dividend payments to the Issuer which could in turn have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

Seasonal consumption cycles and adverse weather conditions may result in fluctuations in demand for ABI's products and therefore have an adverse impact on the Issuer

Seasonal consumption cycles and adverse weather conditions in the markets in which ABI operates may have an impact on ABI's operations. Any such impact on ABI's operations could have an adverse impact on the financial condition of ABI and adversely affect ABI's ability to make dividend payments to the Issuer which could in turn have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

ABI may not be able to obtain necessary funding for its future capital or refinancing needs and may face financial risks due to its level of debt, uncertain market conditions and as a result of a potential downgrading of its credit ratings all of which could have an adverse impact on the Issuer

ABI may be required to raise additional funds for its future capital needs or refinance its current indebtedness through public or private financing, strategic relationships or other arrangements. There can be no assurance that funding, if needed, will be available to ABI on attractive terms, or at all. ABI's ability to repay and renegotiate its outstanding indebtedness will depend, among other things, upon market conditions. In recent years, the global credit markets experienced significant price volatility, dislocations and liquidity disruptions that caused the cost of debt financings to fluctuate considerably. The markets also put downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced and, in some cases,

ceased to provide funding to borrowers. If such uncertain conditions persist, ABI's costs could increase beyond what is anticipated. Such costs could have a material adverse impact on ABI's cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of ABI's debt obligations when they become due, or more generally a failure to raise additional equity capital or debt financing or to realise proceeds from asset sales when needed, would have a material adverse effect on ABI's financial condition and results of operations. In addition, ratings agencies may downgrade ABI's credit ratings below their current levels. Any credit rating downgrade could materially adversely affect ABI's ability to finance its ongoing operations and its ability to refinance any indebtedness incurred, including by increasing ABI's cost of borrowing and significantly harming its financial condition, results of operations and profitability. Any of these factors could in turn have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

Liquidity, borrowings and refinancing risk

The Issuer is an investment company without any operating business and the Issuer's financial condition therefore depends upon the performance of its investments which, as at the date of this Offering Circular, comprise solely the shares it holds in ABI (the "**ABI Shares**"). The Issuer depends on the cash flow in the form of distributions or dividends and on the investment returns derived from its investments. The ability of ABI, in which the Issuer is invested, to make such payments depends on ABI's economic performance and financial condition. The Issuer's ability to influence ABI's financial policies is limited to its representation on the board of directors of ABI and its ability to vote at meetings of shareholders of ABI. It is not in a position to influence the amount of any distributions or dividends or whether distributions or dividends are paid by ABI at all. In recent years, ABI has given priority to deleveraging, with surplus free cash flow being used to reduce the level of outstanding debt. ABI has indicated that deleveraging remains a priority and therefore may restrict the amount of dividends that ABI is able to or will in the future pay. No assurance can be given that the Issuer will receive adequate distributions or dividends to maintain its financial condition and to enable the Issuer to fulfil its obligations under the Bonds. In the absence of future distributions or dividends, the Issuer may be required to sell its investments in part or in whole in order to be in a position to pay interest and/or principal on the Bonds. As described below in "*Description of the Issuer – 2016 ABI InBev/SABMiller merger - ABI Restricted Shares*", there are restrictions imposed on any sale of the Issuer's holding of ABI Restricted Shares (as defined in that section) otherwise than upon an enforcement by lenders to the Issuer of collateral granted to them over such shares. Furthermore, any sale of the Issuer's assets may be at a time when the sale proceeds are not sufficient to pay interest and/or principal on the Bonds. In addition, while (subject to ongoing review and adjustment from time to time based on market conditions and available investment opportunities, among other variables) as at the date of this Offering Circular the Issuer's intention in the context of the wider Santo Domingo Group is to continue to maintain a loan to value ratio broadly in line with historical levels, there can be no assurance that such levels will be maintained or that the Issuer will continue to pursue such levels. In the event that, at the time of redemption or maturity of the Bonds, or at a time when other payments under the Bonds are due, the Issuer lacks cash resources to repay or make payments under the Bonds, no dividend is received from the investments of the Issuer, no sale of the investments is possible and no credit facility or other financing is available, the Issuer may not have sufficient liquid assets available which would adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

The Issuer is exposed to credit ratings revisions, including downgrade

As at the date of this Offering Circular the Issuer has been rated BBB- (negative outlook) by S&P. Such rating may be revised, including downgraded, suspended or withdrawn at any time. S&P has indicated that its negative outlook on the Issuer reflects S&P's negative outlook on ABI. Ratings agencies may downgrade ABI's credit ratings below their current levels. Any downgrade of the credit ratings of ABI below their current levels could result in a potential downgrade of the Issuer's credit rating. In addition, the Issuer's credit rating could be downgraded as a result of other factors, including if there were a deterioration of the Issuer's financial metrics, which could arise for a number of reasons including as a result of receiving lower than expected dividend income from its investment in ABI, modifying its approach to achieving its key financial metrics as well as other factors. There can be no assurance that the Issuer will maintain the credit rating assigned to it as at the date of this Offering Circular. A downgrade in the credit rating of the Issuer could have an adverse effect on the financial condition of the Issuer and affect its ability to fulfil its obligations under the Bonds.

Transactions between companies within the Santo Domingo Group

The Issuer acts as the wider European financing centre to fund the investing activities of the Santo Domingo Group globally. As such, it makes short and long-term intercompany loans to other companies within the Santo Domingo Group on arms' length commercial terms following due consideration in line with its internal corporate governance policies. For further information on the outstanding intercompany loans please refer to Note 16 to the 2017 Interim Financial Statements. The Issuer has no control over the purposes to which the relevant intercompany borrowers apply the proceeds of such intercompany loans. If principal or interest in respect of such loans is not paid in accordance with the terms of the relevant loan or loans, this may adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Other secured financings

The Issuer, together with its immediate parent USD Bevco S.à r.l. ("**USD Bevco**"), has entered into committed secured (and in certain cases multicurrency) bank facilities of up to EUR2,291,881,450 in aggregate, of which EUR1,072,896,757 in aggregate was drawn as at 30 September 2017. Under such bank facilities, the Issuer borrows in euros and USD Bevco borrows in US dollars. Such bank facilities are secured by way of pledges granted by the Issuer over certain of its ABI Restricted Shares. As at 30 September 2017, 42,420,219 ABI Restricted Shares (having a DLOM valuation (as described in further detail below in "*Description of the Issuer - 2016 ABI InBev/SABMiller merger – ABI Restricted Shares*") of EUR3,429,140,211) were pledged in respect of the bank facilities. The Issuer intends to use the proceeds of the issue of the Bonds to repay certain of its outstanding secured bank debt, however, any secured liabilities that are not repaid, and any future secured liabilities of the Issuer, will rank ahead of the Issuer's obligations under the Bonds, and may reduce the amount recoverable by Bondholders should there be an insolvency or winding-up of the Issuer. See also "*No limitation on issuing further debt and guarantees or on making investments or loans*" below.

The ABI Restricted Shares are subject to restrictions which expire on 10 October 2021

The ABI Restricted Shares held by the Issuer are subject to, among other things, restrictions on transfer and disposal until expiration of the restricted period which ends on 10 October 2021. If the Bonds were to become due and payable prior to the expiry of the restricted period in respect of the ABI Restricted Shares, the unsecured creditors of the Issuer, including the Bondholders, would have recourse to, among other things, the ABI Unrestricted Shares, dividend income (if any) received by the Issuer on its ABI Shares, and the surplus (if any) following the enforcement by secured lenders of the ABI Restricted Shares which are pledged in respect of the bank facilities. Such unsecured creditors would also have recourse to the economic rights in respect of the ABI Restricted Shares but the restrictions would need to be complied with prior to 11 October 2021, meaning that (among other things) the ABI Restricted Shares could not be disposed of or transferred to unsecured creditors before such date.

Guarantees of USD Bevco's obligations

The obligations of the Issuer in respect of the loans made to it under the bank facility agreements are guaranteed by USD Bevco and the obligations of USD Bevco in respect of the loans made to it are guaranteed by the Issuer. As such guarantees are contained in the bank facility agreements, the obligations of the Issuer and USD Bevco under them are secured by the pledges over shares described above in "*Other secured financings*". If USD Bevco fails to make a payment under the loans made to it, the Issuer will be liable under the guarantee and the Issuer's bank lenders will have recourse to the security granted by the Issuer over certain of its ABI Restricted Shares. The occurrence of such an event could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

No limitation on issuing further debt and guarantees or on making investments or loans

There are no restrictions on the amount of debt or guarantees which the Issuer may incur ranking equally with, or senior to, the obligations under the Bonds, other than a limited negative pledge which restricts the Issuer from issuing other publicly traded debt securities which are secured unless similar security is granted in respect of the Bonds. Any issuance of further secured or unsecured debt and the giving of any further guarantees may reduce the amount recoverable by the Bondholders should there be an insolvency or winding-up of the Issuer. Additionally, the Issuer is not subject to a restriction on investments in or loans to other entities, which could ultimately subordinate the Bondholders' claims to obligations of such entities towards their respective creditors. These factors could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Group structure risks

The obligations of the Issuer incurred under the Bonds are solely obligations of the Issuer. Any other entity or company in which the Issuer is invested or which owes it money does not have any obligation, contingent or otherwise, to pay any amounts due under the Bonds or to make funds available to the Issuer to pay any amounts due under the Bonds. Furthermore, any claim of the Issuer in respect of its equity investments will rank behind any claims in respect of indebtedness incurred, and guarantees issued, by the company in which the Issuer is invested and claims of preference shareholders in such company (if any). Therefore, the holders of the Bonds will effectively be subordinated to creditors and preference shareholders (if any) of the companies in which the Issuer makes direct and indirect equity investments from time to time.

Increase in interest rates

The Issuer has bank facilities in place pursuant to which it pays interest predominately at variable rates but also at fixed rates from time to time. The Issuer's variable interest rate loans are indexed to EURIBOR plus a fixed margin. Selectively, the Issuer enters into fixed rate loans to manage its interest rate risk. There can be no assurance that such arrangements will be successful in reducing the risks inherent in exposures to interest rate fluctuations. Exposure to such risks could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Changes in tax law

The business of the Issuer is subject to the general tax frameworks in Luxembourg and Belgium. Its tax burden is dependent on various aspects of tax laws as well as their application and interpretation. Tax laws can be changed, sometimes retroactively, and their application/interpretation can be amended by the tax authorities and the courts. These possibilities can increase the tax burden of the Issuer and have a material adverse effect on its business, net assets, financial position, cash flow and income and adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Reliance on SNI International for service providers

SNI International Holdings S.à r.l. ("**SNI International**"), an indirect shareholder of the Issuer and one of the principal holding companies in the Santo Domingo Group, provides various services and personnel to the Issuer and other companies in the Santo Domingo Group, including accounting, treasury, legal, consultancy and advisory services, and assists the Issuer in the day-to-day operation of its business. Such services are provided pursuant to a services agreement dated 14 October 2016 (as amended) between the Issuer, SNI International and certain other companies within the Santo Domingo Group in Luxembourg (the "**Services Agreement**"). In consideration for the provision of such services, the Issuer pays SNI International a fee, which will be paid quarterly going forward, calculated on a *pro rata* basis based on the assets of the companies that are parties to the Services Agreement. The Issuer is therefore reliant to a significant extent on SNI International to continue to provide such services, and termination of this arrangement or an inability of SNI International to continue to provide such services for any reason could affect the Issuer's business and operations and adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

General operational risks (including key personnel risk and IT-system failures)

The success of the Issuer's business depends on, among other matters, the expertise and the dedication of Board of Managers, employees of and advisors to the Issuer. The Issuer continuously strives to recruit qualified members of the Board of Managers, staff and advisors to foster company performance. The risk of qualified managers, employees and advisors leaving is particularly acute in key positions. The Issuer is also, to some degree, dependent on IT-infrastructure and IT-systems. Any interruptions in, failures of or damage to its IT-infrastructure and IT-systems could lead to delays or interruptions in the business processes of the Issuer. In particular, the IT-systems of the Issuer may be vulnerable to security breaches and cyber-attacks from unauthorised persons outside and within the Issuer. The Issuer cannot guarantee that anticipated or recognised malfunctions can be avoided by appropriate preventive security measures in every case, or that other administrative or similar errors will not be made. Should one or more of these and other operational risks occur, it could have material adverse effects on the business of the Issuer and in turn affect its ability to fulfil its obligations under the Bonds.

The Issuer's financial information

As at the date of this Offering Circular, the only financial information available to prospective Bondholders is the 2016

Financial Statements (which have been audited by PwC) and the 2017 Interim Financial Statements (which have been subject to a limited review by PwC but have not been audited). While the 2016 Financial Statements contain financial information in respect of the Issuer's financial year ended 31 December 2015, such information was originally prepared in accordance with generally accepted accounting principles in Bermuda and has not been audited and prospective investors should therefore not place undue reliance on it. Further, the financial statements of the Issuer require management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, including, for example, the calculation and application of the DLOM to the ABI Restricted Shares (such terms being defined and described in further detail below in "*Description of the Issuer – 2016 ABI InBev/SABMiller merger - ABI Restricted Shares*"). If any of these estimates or assumptions are subsequently found to be incorrect, the valuation figures may also be incorrect and may have to be reconsidered. This could adversely affect the Issuer's net assets and financial condition and adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Limited information on ABI

As mentioned above, the Issuer's financial condition depends upon the performance of its investments which, as at the date of this Offering Circular, comprise solely ABI Shares. This Offering Circular contains only limited information on ABI and the risks that ABI is exposed to and ABI has had no part in the preparation of this Offering Circular. There can be no assurance that the risks described under "*Risks relating to ABI*" above adequately summarise all of the risks that ABI is exposed to, but if such risks (or other risks of which the Issuer is unaware) do eventuate in respect of ABI, they could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

Risk factors related to the structure of the Bonds

Set out below is a brief description of certain risks relating to the Bonds generally:

Redemption prior to maturity

In the event that the Bonds are repayable prior to maturity either following an Event of Default (as defined in Condition 9 (*Events of Default*)) or pursuant to Condition 6(b) (*Redemption for Taxation and other Reasons*) or Condition 6(d) (*Redemption at the Option of the Bondholders*), the Bonds will be redeemed in full at their principal amount, plus accrued interest. In such circumstances, it may not be possible for an investor to reinvest the redemption proceeds at an effective rate of interest as high as the interest rate on the Bonds.

Optional redemption by the Issuer

The option for the Issuer to redeem the Bonds pursuant to Condition 6(c) (*Redemption at the option of the Issuer*) may limit their market value. During any period when the Issuer may elect to redeem Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Interest

The Bonds will bear a fixed rate of interest on their outstanding amount. Investors are exposed to the risk that the price of the Bonds may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Bonds is fixed during the life of the Bonds, the market yield typically changes on a daily basis. As the market yield changes, the price of the Bonds changes in the opposite direction. If the market yield increases, the price of the Bonds typically falls. If the market yield falls, the price of the Bond typically increases.

Investors should be aware that movements of the market yield can adversely affect the price of the Bonds and can lead to losses for the investors. Investors should also be aware that the market yield has two components, namely the risk free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk free investment of equal tenor as a compensation for the risks inherent in the Bonds. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Bonds can change due to changes of the credit spread, the risk free rate, or both.

In addition, investors are exposed to reinvestment risk with respect to proceeds from coupon payments. If the market yield declines, and if investors want to invest such payments in comparable transactions, investors will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

Modification, Waivers and Substitution

The Conditions and the Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions and the Trust Deed also provide that the Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed, that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders.

The Conditions and the Trust Deed also contain provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without consent of the Bondholders, to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Conditions) of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds.

Reliance on the Clearing Systems

The Bonds will be represented by a Global Certificate. Such Global Certificate will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (the "**Clearing Systems**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive individual certificates in respect of their Bonds. The Clearing Systems and their respective direct and indirect participants will maintain records of beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems and their respective participants. For so long as the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments through the Clearing Systems or to their order for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the Clearing Systems and their participants to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System and its participants to appoint appropriate proxies.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing (including with the European Central Bank) and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Investors may be exposed to interest rate risks

Investment in Bonds bearing interest at a fixed rate involves the risk that if market interest rates subsequently increase above the rate paid on the Bonds, this will adversely affect the value of the Bonds.

Tax impact of the investment

An effective yield on the Bonds may be diminished by the tax impact on an investment in the Bonds. Payments of interest on the Bonds, or profits realised by investors upon the sale or repayment of the Bonds, may be subject to taxation

in their respective home jurisdiction or in other jurisdictions in which they are required to pay taxes. The tax impact on investors generally in Luxembourg is described in the section "*Taxation*"; however, the tax impact on individual investors may differ from the situation described for investors generally.

All investors are advised to contact their own tax advisers for advice on the tax impact of an investment in the Bonds. Examples of a taxation risk that investors should consider together with their advisers include among others the risk of double taxation (in their home jurisdiction or another country, if applicable).

Change in tax law affecting Bondholders

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Bonds. Any such change may cause the tax treatment of the Bonds to change from the tax position at the time of purchase and may render the statements in this Offering Circular concerning the relevant tax law and practice inaccurate or insufficient to cover the material tax considerations in respect of the Bonds. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to redeem the Bonds.

Change of law in general

The terms and conditions of the Bonds are based on English law in effect as at the date of issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Bonds.

Definitive Bonds will not be issued in integral multiples of less than EUR100,000

The denomination of the Bonds is EUR100,000 and integral multiples of EUR1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of EUR100,000 that are not integral multiples of EUR100,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than EUR100,000 will not receive an individual certificate in respect of such holding (should individual certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to at least the minimum denomination.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including illiquidity risk, exchange rate risk and credit rating risk:

The secondary market generally

The Bonds will have no established trading market when issued, and one may never develop. If a market for the Bonds does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The development or continued liquidity of any secondary market for the Bonds will be affected by a number of factors such as the creditworthiness of the Issuer, as well as other factors such as the time remaining to the maturity of the Bonds and the outstanding amount of the Bonds. Such factors also will affect the market value of the Bonds. Investors may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Bonds unless the investor understands and is able to bear the risk that the Bonds may not be readily sellable, that the value of Bonds will fluctuate over time and that such fluctuations might be significant.

Although application has been made for the Bonds to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, there is no assurance that such application will be accepted or that an active trading market will develop. Illiquidity may have a severely adverse effect on the market value of Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the

Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Any credit ratings assigned to the Bonds may not reflect all the risks of an investment in the Bonds

The Issuer has been assigned a corporate rating of BBB- with negative outlook by S&P. The Bonds will be assigned a rating of BBB- by S&P upon issue of the Bonds. The rating may not reflect the potential impact of all risks related to the structural, market and other factors discussed above, and other factors that may affect the Issuer or the value of the Bonds. The significance of each rating should be analysed independently from any other rating. Any negative change in the rating of the Issuer or the Bonds could materially adversely affect the market price of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Terms and Conditions of the Bonds

The issue of the Bonds was authorised by a resolution of the Board of Managers of the Issuer passed on 19 January 2018. The Bonds are constituted by a Trust Deed (the "**Trust Deed**") dated 9 February 2018 between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Copies of the Trust Deed and of the Agency Agreement (the "**Agency Agreement**") dated 9 February 2018 relating to the Bonds between the Issuer, the Trustee, the registrar (the "**Registrar**"), any transfer agents (each a "**Transfer Agent**"), the initial principal paying agent and any other agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**"), the Registrar and any Transfer Agents. "**Agents**" means the Principal Paying Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these terms and conditions (the "**Conditions**") will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

The Bonds are issued in the specified denomination of EUR100,000 and higher integral multiples of EUR1,000.

The Bonds are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" and "**holder**" means the person in whose name a Bond is registered.

2 Transfers of Bonds

(a) **Transfer:** A holding of Bonds may, subject to Condition 2(e), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.

(b) **Exercise of Options in Respect of Bonds:** In the case of an exercise of a Bondholders' option in respect of part of a holding of Bonds represented by a single Certificate, a new Certificate shall be issued to the holder

to reflect the exercise of such option. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or 2(b) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Change of Control Put Notice (as defined in Condition 6(d)) and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Change of Control Put Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Change of Control Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(c): "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) **Transfer or Exercise Free of Charge:** Certificates, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) during the period of 15 days prior to (and including) any date on which Bonds may be called for redemption by the Issuer at its option pursuant to Conditions 6(b) or (c), (iii) after any such Bond has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

The Bonds constitute (subject to Condition 4) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law that is both mandatory and of general application and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Issuer's obligations under the Bonds and the Trust Deed the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In this Condition 4:

"Relevant Indebtedness" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which with the consent of the issuer of the indebtedness for the time being are, or are intended to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

"Subsidiary" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

5 Interest

(a) Interest

The Bonds bear interest on their outstanding principal amount from and including 9 February 2018 at the rate of 1.750 per cent. per annum, payable annually in arrear on 9 February in each year (each an "**Interest Payment Date**"). Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 9 February 2018 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per EUR1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above (subject to Condition 5(b)), the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(b) Step Down Rating Change or Step Up Rating Change

The rate of interest payable on the Bonds will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as follows:

- (i) subject to paragraph (iii) below, for so long as the Bonds are assigned a credit rating from each Rating Agency of BBB-/Baa3 (or equivalent) or better, and from and including the first Interest Payment Date following the date of a Step Down Rating Change to a credit rating of BBB-/Baa3 (or equivalent) or better, the rate of interest payable on the Bonds shall be the Initial Interest Rate. For the avoidance of doubt, the rate of interest payable on the Bonds shall remain at the Initial Interest Rate notwithstanding any further increase in the rating assigned to the Bonds above BBB-/Baa3 (or equivalent);
- (ii) subject to paragraph (iii) below, from and including the first Interest Payment Date (1) following the date of a Step Up Rating Change to a credit rating of BB+/Ba1 (or equivalent) or below or (2) following the date on which there is no credit rating assigned to the Bonds by any Rating Agency, the rate of interest payable on the Bonds shall be the Initial Interest Rate plus 1.25 per cent. per annum, being 3.00 per cent. per annum (the "**Increased Rate of Interest**"). For the avoidance of doubt, the rate of interest payable on the Bonds shall remain at the Increased Rate of Interest notwithstanding any further decrease in the rating of the Bonds below BB+/Ba1 (or equivalent); and
- (iii) if a Step Up Rating Change to a credit rating of BB+/Ba1 (or equivalent) or below occurs and, subsequently, a Step Down Rating Change to a credit rating of BBB-/Baa3 (or equivalent) or better occurs during the same Interest Period, the rate of interest payable on the Bonds shall neither be increased nor decreased as a result of either such event.

For so long as any of the Bonds are outstanding, the Issuer shall use all reasonable efforts to ensure the existence of a solicited rating of the Bonds from at least one Rating Agency.

Notwithstanding any other provision of this Condition 5(b), there shall be no adjustment in the rate of interest applicable to the Bonds (1) on the basis of any rating assigned to the Bonds by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Bonds and (2) at any time after notice of redemption has been given by the Issuer pursuant to Conditions 6(b) or (c).

There shall be no limit on the number of times that adjustments to the rate of interest payable on the Bonds may be made pursuant to this Condition 5(b) during the term of the Bonds, provided always that at no time during the term of the Bonds will the rate of interest payable on the Bonds be less than the Initial Interest Rate or more than the Increased Rate of Interest.

If the rating designations employed by S&P are changed from those which are described in this Condition 5(b), or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine in a commercially reasonable manner, the rating designations of S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P and this Condition 5(b) shall be read accordingly.

Neither the Trustee nor the Agents are under any obligation to ascertain whether a Step Down Rating Change or a Step Up Rating Change or any event which could lead to the occurrence of or could constitute a Step Down Rating Change or a Step Up Rating Change has occurred and, until they shall have express written notice pursuant to the immediately following paragraph to the contrary, they may assume that no Step Down Rating Change, Step Up Rating Change or other such event has occurred.

The Issuer will cause the occurrence of an event giving rise to an adjustment in the rate of interest payable on the Bonds pursuant to this Condition 5(b) to be notified to the Trustee and the Agents and notice thereof to be given in accordance with Condition 16 as soon as possible after the occurrence of the relevant event but in no event later than the fifth business day in London thereafter.

In this Condition 5(b):

"Fitch" means Fitch Ratings Ltd., or its successor;

"Initial Interest Rate" means 1.750 per cent. per annum;

"Moody's" means Moody's Investors Service Limited, or its successor;

"Rating Agencies" means S&P and/or Moody's and/or Fitch and/or any other widely internationally recognised rating agency of equivalent standing selected by the Issuer, acting reasonably and in good faith, from time to time to assign a credit rating to the Bonds (a **"Substitute Rating Agency"**) and **"Rating Agency"** means any one of them;

"S&P" means S&P Global Ratings, acting through S&P Global Ratings France SAS, or its successor;

"Step Down Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Bonds of an increase in, or confirmation of, the rating of the Bonds or, as the case may be, of a credit rating being applied, provided, in each case, that at any time where there is a rating assigned to the Bonds by more than one Rating Agency a Step Down Rating Change shall occur upon the relevant public announcement by the last Rating Agency to announce an increase in the rating assigned to the Bonds; and

"Step Up Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Bonds of a decrease in, or confirmation of, the rating of the Bonds or, as the case may be, of a credit rating being applied, provided, in each case that at any time where there is a rating assigned to the Bonds by more than one Rating Agency a Step Up Rating Change shall occur upon the relevant public announcement by the first Rating Agency to announce a decrease in the rating assigned to the Bonds.

6 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 9 February 2023. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) Redemption for Taxation and other Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 February 2018, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (x) a certificate signed by two Managers (as defined in the Trust Deed) of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Bondholders and (y) an opinion from independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such opinion as sufficient evidence of the satisfaction of the condition precedent set out in (i) above without further investigation or enquiry and without liability.

(c) Redemption at the option of the Issuer

The Issuer may, at any time, on giving not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all, but not some only, of the Bonds at the Make Whole Redemption Price together with interest accrued to but excluding the Optional Redemption Date.

Any notice of redemption given under this Condition 6(c) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(d).

In this Condition:

"Determination Agent" means a financial adviser or bank which is independent of the Issuer appointed by the Issuer (acting reasonably) for the purpose of determining the Make Whole Redemption Price;

"Make Whole Redemption Price" means, in respect of each Bond, (a) the principal amount of such Bond or, if this is higher, (b) the sum of the then present values of the remaining scheduled payments of principal and interest discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined below) plus 0.30 per cent., in each case as determined by the Determination Agent;

"Reference Dealers" means five (or, in the circumstances set out in the definition of "Reference Stock" below, three or four) credit institutions or financial services institutions that regularly deal in bonds and other debt securities as selected by the Determination Agent;

"Reference Dealer Rate" means with respect to the Reference Dealers and the Optional Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Reference Stock at 11.00

a.m. Central European time on the third business day in Frankfurt preceding the Optional Redemption Date quoted in writing to the Determination Agent by the Reference Dealers; and

"Reference Stock" means (a) 0 per cent. German government bond due 2022 with ISIN DE0001141760 or (b) if, at 11.00 a.m. Central European time on the third business day in Frankfurt preceding the Optional Redemption Date, the Reference Stock is no longer outstanding, such other central bank or government security that, in the majority opinion of three Reference Dealers (i) has a maturity comparable to the remaining term of the Bonds and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds. In the event that each such Reference Dealer selects a different central bank or government security, the Determination Agent shall approach a fourth Reference Dealer and, from the three different central bank or government securities selected by the other Reference Dealers, such fourth Reference Dealer shall select as the Reference Stock the central bank or government security which, in its opinion (i) has a maturity comparable to the remaining term of the Bonds and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds. The central bank or government security so selected by the fourth Reference Dealer shall then be the Reference Stock.

(d) Redemption at the Option of Bondholders

A Change of Control Put Event will be deemed to occur if:

- (i) the Issuer Controllers do not or cease, directly or indirectly, to hold beneficially at least 51 per cent. or more of the share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (ii) the Issuer Controllers or the trustees, nominees, board members or other fiduciaries, or agents or representatives appointed by, or on behalf of, one or more of the Issuer Controllers from time to time (taken together) do not or cease to have power (disregarding any limitations on such powers or the exercise thereof arising by reason of their role as trustees), directly or indirectly, to cast, or control the casting of, at least 51 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer,

(such event being, a **"Change of Control Put Event"**).

If a Change of Control Put Event occurs, the holder of each Bond will have the option (a **"Change of Control Put Option"**) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Conditions 6(b) or (c) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the date (the **"Change of Control Put Date"**) which is seven days after the expiration of the Change of Control Put Period (as defined below) at 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall, and at any time upon the Trustee being notified of the same in writing by the Issuer the Trustee may, and if so requested by the holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders, shall, (subject in each case to the Trustee being indemnified and/or secured to its satisfaction) give notice (a **"Change of Control Put Event Notice"**) to the Bondholders in accordance with Condition 16 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Bond must deposit the Certificate representing such Bond(s) with the Registrar or any Transfer Agent at its specified office at any time during normal business hours of such Registrar or Transfer Agent, as the case may be, falling within the period (the **"Change of Control Put Period"**) of 30 days after a Change of Control Put Event Notice is given,

accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar or any Transfer Agent (a "**Change of Control Put Notice**"). No Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event has occurred and, until it shall have express written notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or other such event has occurred.

In this Condition 6(d):

"Issuer Controllers" means, collectively:

- (i) Mrs. Beatrice Santo Domingo, her deceased husband, Julio Mario Santo Domingo and their respective parents, aunts, uncles, brothers, sisters, nephews, nieces, in-laws and other family members (by marriage, adoption or otherwise) and the respective children, grandchildren and spouses of any of the foregoing;
- (ii) the respective ancestors, descendants, spouses, heirs, legatees and successors of any person described in limb (i) above or in this limb (ii);
- (iii) the executor, administrator or other representative of any person described in limbs (i) or (ii) above who is deceased, incompetent or incapacitated;
- (iv) any trust or other entity in which any of the persons described in limbs (i), (ii) or (iii) above have an interest, whether or not fixed or exclusive; and
- (v) any Affiliate of any one or more of the persons described in limbs (i), (ii), (iii) or (iv) above.

"Affiliate" means, in respect of any person, any other person which is Controlled by it, or by whom it is Controlled or together with whom it is under common Control.

"Control" means, in respect of any person:

- (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (a) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general or other meeting of such person;
 - (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such person; or
 - (c) give directions with respect to the operating and financial policies of such person which the directors or other equivalent officers of such person are obliged to comply with;
- (ii) the holding of more than one-half of the issued share capital of such person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (iii) being the general partner and/or managing member and/or fund manager of such person,

and references to any person obtaining or maintaining Control shall include circumstances where two or more persons who, pursuant to an agreement or understanding (whether formal or informal, acting in concert), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in a person or otherwise, to obtain or maintain Control (and **"Controlled"** shall be construed accordingly).

- (e) **Purchase:** The Issuer and its Subsidiaries (as defined in the Trust Deed) may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer

or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

- (f) **Cancellation:** All Certificates representing Bonds purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7 Payments

(a) Method of Payment:

- (i) Payments of principal and premium shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) **Payments subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in the relevant currency, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar, and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, or the Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Bondholders.

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a business day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) arrives after the due date for payment.
- (f) **Non-Business Days:** If any date for payment in respect of any Bond is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and which is a TARGET Business Day.

"**TARGET Business Day**" means a day on which the TARGET System is open for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

8 Taxation

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Luxembourg other than the mere holding of the Bond;
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days; or
- (c) **Relibi law:** where such withholding or deduction is required in accordance with the provisions of the Luxembourg law dated 23 December 2005, as amended, introducing a withholding tax on certain interest payments made to Luxembourg resident individuals.

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding any other provision in these Conditions, any amounts paid by or on behalf of the Issuer in respect of the Bonds will be paid net of any deduction or withholding imposed or required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any regulations thereunder or official interpretations thereof), or otherwise imposed pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction, in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). Neither the Issuer nor any other person will have an obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding.

9 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing the Trustee at its discretion may, and if so requested in writing by holders of at least one-fifth in principal amount of the Bonds then outstanding

or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at 100 per cent. of their principal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any premium or interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal or premium and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries (as defined in the Trust Deed) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds EUR50,000,000 or its equivalent; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries and is not discharged or stayed within 60 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) or any sale of assets of the Issuer is agreed to by the Issuer in order to avoid any such mortgage, charge, pledge, lien or other encumbrance becoming enforceable or being enforced; or
- (f) **Insolvency:** the Issuer or any of its Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or, in the opinion of the Trustee, a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Subsidiaries; or
- (g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Subsidiaries, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (h) **Cessation of business:** the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders; or
- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to

ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Luxembourg is not taken, fulfilled or done; or;

- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or
- (k) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 9,

provided that in the case of paragraphs (b), (d), (e), (g) (other than with respect to the Issuer), (i) and (k) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

The Issuer has undertaken in the Trust Deed that, within 14 days of its annual audited financial statements being made available to its members and also within 14 days after any request by the Trustee, it will send to the Trustee a certificate signed by two of its Managers (as defined in the Trust Deed) to the effect that as at a date not more than five days prior to the date of the certificate no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other breach of the Trust Deed by the Issuer has occurred, or if such event has occurred, giving details of it.

10 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification, Waiver and Substitution

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Bondholders holding at least 10 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified and/or secured and/or prefunded to its satisfaction, the Trustee shall convene a meeting of the Bondholders. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such actions or steps or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it need not take any such actions, steps or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices required to be given to the holders of Bonds pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bonds pursuant to the Conditions shall also be given (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. For the avoidance of doubt, Articles 470-1 to 470-19 of the Luxembourg Act dated August 10, 1915 on commercial companies, as amended will not be applicable to the Bonds.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with any Bonds ("**Proceedings**") may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.
- (c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Bonds.

Summary of Provisions relating to the Bonds while in Global Form

The Trust Deed and the Global Certificate contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this document. The following is a summary of certain of those provisions:

1 Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common safekeeper for Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**") and may be delivered on or prior to the original issue date of the Bonds. Depositing the Global Certificate with the Common Safekeeper does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Safekeeper, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Bonds equal to the principal amount thereof for which it has subscribed and paid.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("**Alternative Clearing System**") as the holder of a Bond represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Bonds for so long as the Bonds are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

3 Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

4 Exchange

The following will apply in respect of transfers of Bonds held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Bonds within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Bonds may be withdrawn from the relevant clearing system.

Transfers of the holding of Bonds represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) upon or following any failure to pay principal in respect of any Bonds when it is due and payable; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

5 Amendment to Conditions

Payments

All payments in respect of Bonds represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as being entitled to one vote in respect of each EUR1,000 in principal amount of Bonds.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Bonds represented by the Global Certificate.

6 Put Option

The Bondholders' put option in Condition 6(d) may be exercised by the holder of the Global Certificate, giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement of exercise within the time limits specified in Condition 6(d).

7 Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for a clearing system, then:

- (A) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum (as defined in the Trust Deed) was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders whether or not they participated in such Electronic Consent; and
- (B) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of accountholders in the clearing system with entitlements to such Global Certificate, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of accountholders that hold any entitlement on behalf of another person for whom such entitlement is ultimately beneficially held, the relevant clearing system and the accountholder holding the entitlement on behalf of another person as identified by the relevant clearing system. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of

statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Description of Issuer

Incorporation and Seat

The Issuer is a privately held company validly existing under the laws of Luxembourg as a "société à responsabilité limitée" for an unlimited period. The registered office and head office of the Issuer are located at 37A, avenue J.F. Kennedy, L-1855 Luxembourg and the company is registered under the *Registre de Commerce et des Sociétés* under the registration number B 209.913. Prior to the Re-domiciliation (as defined below), the Issuer was validly existing under the laws of Bermuda under the company number 40536 and under the name of "Bevco Ltd.". It was re-domiciled to Luxembourg from Bermuda on 14 October 2016 following the Combination (defined below) (the "**Re-domiciliation**").

Ownership

Following an intra-group reorganisation completed on 14 October 2016 and the Combination (described below) all of the shares of the Issuer were transferred to an intermediate holding company, USD Bevco S.à r.l. ("**USD Bevco**" and together with the Issuer, the "**Bevco Group**"). All of the shares of USD Bevco are in turn wholly owned by SNI International, which is almost wholly owned by a company within the Santo Domingo group (being the group of companies held for the benefit of the Santo Domingo family (the "**Santo Domingo Group**"). USD Bevco was formed, *inter alia*, to assume the US dollar-denominated debt of the Bevco Group, with the Issuer holding all of the Euro-denominated debt.

Background and History

The Santo Domingo Group has been involved in the beverage industry by investing in and managing beverage assets for over 80 years, since first acquiring beer assets in the 1930s. Its main operating company for some 50 years was Bavaria, S.A. during which time operations were expanded across industries and geographies, ultimately resulting in a spin-off of non-beverage assets and the optimisation of its beverage assets. In 2005, the Santo Domingo Group merged Bavaria, S.A. into SABMiller plc, receiving shares in SABMiller plc with an aggregate value at that time of approximately \$3.46 billion. The Santo Domingo Group became the second largest shareholder in SABMiller plc and held the right to appoint two members to its Board of Directors and the Nomination Committee of the Board.

2016 ABI InBev/SABMiller merger

On 10 October 2016, SABMiller plc and AB InBev announced the completion of a business combination ("**Combination**") with the resulting combined entity being ABI. Prior to the Combination, the Issuer (then known as Bevco Ltd.) held approximately 13.9 per cent. of the fully diluted shares of SABMiller plc. Under the terms of the Combination, each shareholder in SABMiller plc was entitled to receive a certain amount of cash in respect of each SABMiller plc share, or a lesser amount of cash together with restricted shares in ABI under a partial share alternative ("**Partial Share Alternative**") in lieu of the full cash consideration. The Issuer had given irrevocable undertakings to AB InBev to elect for the Partial Share Alternative in respect of its entire beneficial holdings in SABMiller plc. Due to limits on the amount of restricted shares that could be issued pursuant to the Partial Share Alternative, the Issuer received a combination of (i) full cash consideration and (ii) cash and restricted shares in ABI ("**ABI Restricted Shares**").

The total shareholder return compound growth rate of the Santo Domingo Group's investment in the beverage industry (initially via a controlling interest in Bavaria S.A. then a minority interest in SABMiller plc and more recently a minority interest in ABI) during the period from June 2000 to October 2016 has been estimated by the Santo Domingo Group to be 18 per cent. per annum in US dollars (excluding DLOM (described below) in respect of the ABI Restricted Shares). This calculation is based on estimated valuations by Santo Domingo Group in relation to (i) Bavaria S.A., of approximately \$1.3 billion (based on a non-binding offer) as at June 2000, (ii) SABMiller plc, of approximately \$3.5 billion as at July 2005 and (iii) ABI, of approximately \$16.8 billion as at October 2016 (which includes aggregate dividends received from SABMiller plc during the period from October 2005 to October 2016 of \$2 billion, plus proceeds from the sale of SABMiller plc shares in the Partial Share Alternative election, receiving as proceeds the ABI Restricted Shares and a cash component).

ABI Restricted Shares

As at 30 September 2017, the Issuer held 96,862,718 ABI Restricted Shares. The ABI Restricted Shares held by the

Issuer are unlisted, not admitted to trading on any stock exchange, and are subject to, among other things, restrictions on transfer until converted into new ordinary shares. Subject to limited exceptions, the ABI Restricted Shares will only be convertible on a one-for-one basis with effect from the day after the fifth anniversary of completion of the Combination (being 11 October 2021). The ABI Restricted Shares rank equally with ABI ordinary shares with respect to dividends and voting rights. Due to the restrictions on the ABI Restricted Shares, the Issuer has undertaken a restricted stock valuation exercise based on a discount for lack of marketability ("**DLOM**") methodology, resulting in an applied discount of 26.3 per cent. of the value of the publicly-listed price of equivalent shares as at 31 December 2016, and 20.2 per cent. of the value of the publicly-listed price of equivalent shares as at 30 September 2017.

The valuation of the Issuer's current holding of ABI Restricted Shares, as at 30 September 2017, using the DLOM methodology was EUR7,830,130,280 (EUR7,178,045,620 as at 31 December 2016). The market value of the ABI Restricted Shares, if they were converted into listed and fully tradable ordinary shares, would have been EUR9,812,193,333 as at 30 September 2017 (EUR9,739,546,295 as at 31 December 2016).

As part of the Combination, ABI has provided an irrevocable consent for the Issuer to grant pledges of any number of its ABI Restricted Shares and for those restricted shares to be automatically converted to ordinary shares by the Issuer's lenders upon enforcement of the collateral. As at 30 September 2017, 42,420,219 ABI Restricted Shares (having a DLOM valuation of EUR3,429,140,211) were pledged in respect of EUR2,291,881,450 in aggregate of committed margin loan financing facilities, of which EUR1,072,896,757 in aggregate was drawn as at 30 September 2017.

ABI Unrestricted Shares

As at 30 September 2017, the Issuer also held 6,000,000 unrestricted ordinary shares in ABI (the "**ABI Unrestricted Shares**") with a market value of EUR607,800,000. The ABI Unrestricted Shares are not subject to the restrictions described above and are listed on Euronext Brussels (ISIN: BE0974293251), with secondary listings on the Mexican Stock Exchange and the Johannesburg Stock Exchange and with American depository receipts listed on the New York Stock Exchange.

As at 30 September 2017, the ABI Unrestricted Shares, together with the ABI Restricted Shares, constituted 5.09 per cent. of the total issued share capital of ABI.

ABI board of members

Holders of restricted shares in ABI ("**ABI Restricted Shareholders**") have the right, subject to certain conditions, to appoint members to the board of ABI. Except for appointments to fill a vacancy, the appointments are for a term of one year from one annual general meeting to the next. The number of members that the ABI Restricted Shareholders may appoint depends on the number of shares in ABI that are held collectively by or on behalf of ABI Restricted Shareholders and their affiliates (subject to certain requirements in relation to ordinary shares) as a proportion of the total number of ordinary shares and restricted shares in ABI, as more fully described in ABI's articles of association. If this proportion is: (i) more than 13.5 per cent. (which it was in respect of appointments made at the annual general meeting of ABI in April 2017), the ABI Restricted Shareholders have the right to appoint three members to the board of ABI; (ii) less than 13.5 per cent. but more than 9 per cent. ABI Restricted Shareholders have the right to appoint two members; and (iii) is less than 9 per cent. but more than 4.5 per cent. ABI Restricted Shareholders have the right to appoint one member.

When selecting the candidates for the number of members to the board of ABI that the ABI Restricted Shareholders may be able to appoint, ABI Restricted Shareholders have one vote for each restricted share and each relevant ordinary share they or their affiliates hold or which are held on their behalf (subject to certain restrictions), which can be divided between any candidates proposed (subject to certain restrictions). This means that an ABI Restricted Shareholder together with its affiliates holding: (i) more than 25 per cent. of the total votes which may be cast would have the ability to appoint one member of the board where ABI Restricted Shareholders have the right to appoint three members in total; (ii) more than one third of the total votes which may be cast would have the ability to appoint one member of the board where ABI Restricted Shareholders have the right to appoint two members in total; and (iii) more than 50 per cent. of the total votes which may be cast would have the ability to appoint the member of the board where ABI Restricted Shareholders have the right to appoint a single member, as more fully described in ABI's articles of association.

At the annual general meeting in April 2017, the Issuer's nominee, by virtue of the Issuer's holding of shares in ABI was elected to the board of directors of ABI. Currently Alejandro Santo Domingo, a member of the Issuer's Board of Managers, is a director of ABI.

Business of ABI

The Combination has created a truly global brewer and one of the world's leading consumer products companies. As a consumer-centric, sales-driven group, ABI produces, markets, distributes and sells a strong and balanced portfolio of well over 400 beer and other malt beverage brands. These include brands with significant international distribution, such as Budweiser, Corona (except in the United States), Stella Artois, Beck's, Leffe, Hoegaarden, Castle Lager (except in the United States), Castle Lite (except in the United States), and Redd's (except in the United States); and brands primarily distributed to local markets such as Bud Light and Michelob Ultra in the United States, Corona Light, Modelo Especial, Modelo Light, Negra Modelo, Victoria and Pacifico in Mexico, Skol, Brahma and Antarctica in Brazil, Quilmes in Argentina, Jupiler in Belgium and the Netherlands, Franziskaner in Germany, Klinskoye and Sibirskaya Korona in Russia, Chernigivske in Ukraine, Harbin and Sedrin in China, Cass in South Korea, Carling Black Label and Hansa Pilsener in South Africa, Aguila and Poker in Colombia, Hero in Nigeria, Cristal and Pilsen Callao in Peru, Victoria Bitter and Carlton Draught in Australia and Safari and Kilimanjaro in Tanzania. ABI also produces and distributes soft drinks, particularly in Central and South America and Africa, and other near beer products, such as Lime-A-Rita and other Rita family products in the United States and Mexico, and MixxTail in China, Argentina and other countries.

ABI has inherited a long brewing tradition of more than 600 years, stretching back to the founding of the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co. brewery, with origins in St. Louis, USA since 1852, and the history of the South African Breweries (SAB), with its origins in Johannesburg in 1895.

ABI maintains a global footprint with a balanced exposure to developed and developing markets and production facilities spread across the regions in which it operates. ABI has brewing operations within the developed markets in North America and in Europe and also has exposure to key emerging regions with strong growth prospects such as Africa, Asia, and Central and South America. As at 30 September 2017, ABI had a reported market capitalisation of EUR200 billion based on the weighted average number of shares. According to market data available from Euromonitor, as at 31 December 2016 ABI held 27.5 per cent. of the beer market share by volume making it number one in the market by share of beer volume.

ABI has paid out aggregate dividends of EUR2.05 per share for fiscal year 2013, EUR3.00 per share for fiscal year 2014, EUR3.60 per share for fiscal year 2015 and EUR3.60 per share for fiscal year 2016, with a dividend payout ratio, calculated as dividend per share divided by normalised earnings per share, of 58 per cent., 65 per cent., 76 per cent. and 136 per cent., respectively, in each case as disclosed in ABI's 2016 Annual Report (being in each case the aggregate interim (where applicable) and final dividends for the relevant financial year ended on 31 December). ABI's stated goal is for dividends to be a growing flow over time, consistent with the non-cyclical nature of its business. However, given its emphasis on deleveraging, dividend growth in the medium term is expected to be modest. These dividends are the Issuer's principal source of income, and such dividend income amounted to EUR205,725,436 in respect of the period from 1 January 2017 to 30 September 2017 and EUR370,305,785 in respect of the financial year ended 31 December 2017.

Investment strategy and intercompany financing arrangements

The Issuer acts as the wider European financing centre to fund the investing activities of the Santo Domingo Group globally. The Issuer has made intercompany loans to other companies within the Santo Domingo Group at the request of the Santo Domingo Group following due consideration in line with the Issuer's internal corporate governance policies. Such loans are unsecured and made on arms' length terms and the Issuer receives interest payments under them, which reflect the Issuer's cost of funds plus a margin. For further information on the outstanding intercompany loans please refer to Note 16 to the 2017 Interim Financial Statements.

The investment strategy currently adopted by the Santo Domingo Group is to compound capital on a long-term basis with absolute returns over inflation, through investment in businesses that benefit from sound industry fundamentals, including branded consumer products on a global basis and selected assets in sectors such as infrastructure, energy and real estate.

The Santo Domingo Group seeks to add value to the companies in which it invests. For example, the Santo Domingo Group is a long term participant in the beverage industry and has a deep understanding of industry economics and fundamentals. The Santo Domingo Group actively participates on the board of directors of its most important investments while maintaining ongoing dialogue with shareholders and management teams across its investment portfolio.

Selected financial information

The following selected financial information as at and for the year ended 31 December 2016 and as at and for the nine months ended 30 September 2017 has been extracted from the Issuer's 2017 Interim Financial Statements and the 2016 Financial Statements:

Statement of Financial Position	As at 31 December 2016 (audited)	As at 30 September 2017 (unaudited)
Assets	(EUR thousands)	(EUR thousands)
- Investment securities ⁽¹⁾	7,481,715	8,437,930
Total Assets	7,636,140	8,668,533
Liabilities		
- Loans and borrowings ⁽²⁾⁽³⁾	890,138	819,750
Total Liabilities	940,048	821,182
Total Equity	6,696,092	7,847,351

Statement of Profit and Loss	12 months ended 31 December 2016 (audited)	9 months ended 30 September 2017 (unaudited)
	(EUR thousands)	(EUR thousands)
- Dividend Income	344,349	205,725
Profit/(loss) for the period	(1,426,039) ⁽⁴⁾	192,163 ⁽⁴⁾
Other comprehensive income/(loss) for the period	(1,186,749) ⁽⁴⁾	660,101 ⁽⁴⁾
Total comprehensive income/(loss) for the period	(2,612,788) ⁽⁴⁾	852,264 ⁽⁴⁾

Notes:

- (1) See Note 4(b) to the 2016 Financial Statements and Note 4(c) to the 2017 Interim Financial Statements for a description of the valuation methodology applied to the ABI Restricted Shares held by the Issuer.
- (2) See Note 9 to the 2016 Financial Statements and Note 10 to the 2017 Interim Financial Statements for a description of the outstanding loans made to the Issuer including the security granted to lenders over the ABI Restricted Shares. The proceeds of the issue of the Bonds will be used to repay certain outstanding loans.
- (3) The obligations of the Issuer in respect of the loans made to it are guaranteed by USD Bevco and the obligations of USD Bevco in respect of the loans made to it are guaranteed by the Issuer. All of the Issuer's borrowings under its loans are in euros and all of USD Bevco's borrowings under its loans are in US dollars.
- (4) See Note 5 to the 2016 Financial Statements and Note 2 to the 2017 Interim Financial Statements for a description of the revaluations and changes in fair value of investment securities in the year ended 31 December 2016 and period ended 30 September 2017.

Year ended 31 December 2016 Summary

The losses arising in the year ended 31 December 2016 are described in Note 5 to the 2016 Financial Statements and are summarised as follows:

Profit/loss for the period: the losses described in the statement of profit or loss for the period were the result of:

- change of fair value of SABMiller plc shares between 1 January 2016 and the date of the Combination;
- the recognition of a loss on the Combination mainly caused by the accounting treatment of the DLOM applied to the ABI Restricted Shares.

Other Comprehensive Income for the period: the losses described in the statement of other comprehensive income for the period were the result of:

- market adverse conditions that affected change of fair value of ABI shares between the date of the Combination and 31 December 2016;
- unfavourable movement in the currency translation reserve between 1 January 2016 and the date of change in the functional currency of the Issuer to euro.

Nine months ended 30 September 2017 Summary

The results for the nine months ended 30 September 2017 reflect what is expected by the Issuer to be normal business activities, being the receipt of dividends in euros from ABI as well as a gradual reversal of the DLOM (reflecting a reduction in the time up until the restrictions on the ABI Restricted Shares expire) and changes in the volatility of the ABI share price (such volatility is used to determine the DLOM, which is then applied to the price of unrestricted ordinary shares in ABI in order to determine the value of the ABI Restricted Shares).

Key financial metrics

The Issuer's loan to value ratio was 7.9 per cent. (excluding DLOM) and 9.7 per cent. (including DLOM) as at 30 September 2017 and 8.9 per cent. (excluding DLOM) and 11.9 per cent. (including DLOM) as at 31 December 2016.

The Issuer's dividend-to-interest expense ratio was 19.1 times as at 30 September 2017 and 8.9 times as at 31 December 2016 and the dividend coverage ratio was 17.3 times as at 30 September 2017 and 8.0 times as at 31 December 2016.

Please see "*Presentation of Financial Information*" above for a description of how these metrics are calculated.

Recent Developments

On 21 December 2017, the Issuer refinanced certain of its secured committed bank facilities, replacing EUR863,731,450 of such secured committed bank facilities with a single facility for a total committed amount of EUR850,000,000 with a seven-year term.

The Issuer's dividend income from its holding of ABI Shares received in the financial year ended 31 December 2017 amounted to EUR370,305,785.

Board of Managers of the Issuer

Name	Function	Principal Outside Activity
Delphine Danhoui	Member, Board of Managers	Avocat
Christophe Davezac	Member, Board of Managers	Director at alterDomus
Valery Beuken	Member, Board of Managers	Senior Manager at alterDomus
Melanie Wilkin	Member, Board of Managers	Senior Manager at alterDomus
Juan Carlos Garcia Canizares	Member, Board of Managers	Managing Director at Quadrant Capital Advisors, Inc.
Carlos Alejandro Perez Davila	Member, Board of Managers	Managing Director at Quadrant Capital Advisors, Inc.
Alejandro Santo Domingo	Member, Board of Managers	Managing Director at Quadrant Capital Advisors, Inc.
Alec R. Anderson	Member, Board of Managers	Senior Partner at Conyers Dill & Pearman

The business address of all the members of the Board of Managers of the Issuer is the registered office of the Issuer.

All of the members of the Issuer's Board of Managers are appointed by USD Bevco. None of the members of the Board of Managers of the Issuer have any conflict or potential conflict of interests between their duties to the Issuer and their private interests or other duties.

Servicing arrangements

Under the Services Agreement, SNI International (acting through its finance director, employees and external advisors) provides various services and personnel to the Issuer and other companies in the Santo Domingo Group, including accounting, treasury, legal, consultancy and advisory services and assisting the Issuer in the day-to-day operation of its business. In consideration for the provision of such services, the Issuer pays SNI International a fee, which will be paid quarterly going forward, calculated on a *pro rata* basis on the assets of the companies that are parties to the Services Agreement.

Use of Proceeds

The net proceeds of the issue of the Bonds will be used for general corporate purposes, including the repayment of certain existing secured bank financing (which may include the repayment of indebtedness to one or more of the Managers and/or their affiliates).

Taxation

Taxation in Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local and foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residency concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident holders of Bonds

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident holders of Bonds.

Resident holders of Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (as amended, the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Bonds, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident holders of Bonds.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to, or for the immediate benefit of, an individual beneficial owner who is a resident of Luxembourg, will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Bonds coming within the scope of the Law would be subject to withholding tax of 20 per cent.

Luxembourg Tax Residency of Holders of Bonds

Holders of Bonds will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Bonds.

Taxation of Luxembourg Non-residents

Holders of Bonds who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Bonds is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments received upon the redemption or repurchase of the Bonds or capital gains realised upon the disposal or repayment of the Bonds.

Holders of Bonds who are non-residents of Luxembourg and who have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Bonds are attributable, must include any interest accrued or received, as well as any gain realised on the disposal of the Bonds, in their taxable income for Luxembourg tax assessment purposes.

Taxation of Luxembourg Residents

Resident individual holder of Bonds

An individual holder of the Bonds acting in the course of the management of his or her private wealth, is subject to Luxembourg income tax in respect of interest received, accrued but unpaid interest in the case of a disposal of the Bonds, redemption premiums or issue discounts under the Bonds except if the 20 per cent. final withholding tax has been levied on such payments.

Under Luxembourg domestic tax law, gains realised upon a disposal of the Bonds by an individual holder of the Bonds, who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his or her private wealth, are not subject to Luxembourg income tax, provided the disposal takes place more than six months after the acquisition of the Bonds.

Gains realised upon a disposal of the Bonds by an individual holder of the Bonds acting in the course of the management of a professional or business undertaking are subject to Luxembourg income taxes.

Resident corporate holder of Bonds

Luxembourg resident corporate holders of Bonds, or non-resident holders of Bonds that have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Bonds is connected, must for corporate income tax and municipal business tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Bonds sold or redeemed.

Luxembourg resident corporate holders of Bonds benefiting from a special tax regime (such as family wealth management companies subject to the amended law of 11 May 2007, undertakings for collective investment subject to the amended law of 17 December 2010, specialised investment funds (SIF) subject to the amended law of 13 February 2007 or reserved alternative investment fund (opting for the SIF tax regime) subject to the law of 23 July 2016) are tax-exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid-up) share capital (and share premium) or net asset value.

Net wealth tax

Luxembourg net wealth tax will not be levied on a corporate holder of Bonds on the net asset value of the Bonds, unless (i) such holder of the Bonds is a Luxembourg resident other than a holder of Bonds governed by the amended law of 11 May 2007 on family wealth management companies, the amended law of 17 December 2010 on undertakings for collective investment, the amended law of 13 February 2007 for specialised investment funds (SIF), or the law of 23 July 2016 on reserved alternative investments funds, the amended law of 22 March 2004 on securitization, the amended law of 15 June 2004 on the investment company in risk capital, or (ii) the Bonds are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

Other taxes

Registration fees

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by holders of Bonds in connection with the issuance of the Bonds, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Bonds, unless the documents relating to the Bonds are voluntarily registered in Luxembourg or appended to a document that requires mandatory registration or to a notary deed registered in Luxembourg.

Luxembourg gift and inheritance taxes

Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of a Bond by way of gift by, or on the death of, a holder unless (i) the deceased holder is, or is deemed to be, resident of Luxembourg for inheritance tax purposes at the time of the death (ii) or the gift is registered in Luxembourg or passed before a Luxembourg notary.

Subscription and Sale

BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Merrill Lynch International and Banco Santander, S.A. (the "**Managers**") have, pursuant to a Subscription Agreement dated 7 February 2018, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at 99.366 per cent. of their principal amount less commissions plus accrued interest, if any. In addition, the Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The yield of the Bonds is 1.884 per cent. on an annual basis. The yield is calculated as at 9 February 2018 on the basis of the issue price. It is not an indication of future yield.

General

Neither the Issuer nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Manager in any such jurisdiction as a result of any of the foregoing actions.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Luxembourg

This Offering Circular has not been approved by, and will not be submitted for approval to, the Luxembourg financial sector regulator (*Commission de surveillance du secteur financier*) for the purposes of a public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Bonds may not be offered or sold to the public in the Grand Duchy of

Luxembourg, directly or indirectly, and neither this Offering Circular nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading of the Bonds on the Euro MTF Market and listing on the Official List of the Luxembourg Stock Exchange or except in circumstances that do not constitute an offer of securities to the public in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended from time to time, and implementing the Prospectus Directive.

This Offering Circular or any other offering circular, prospectus, form of application, advertisement or other material may consequently only be distributed (i) to Luxembourg qualified investors as defined in the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended, (ii) to less than 150 prospective investors, which are not qualified investors and (iii) in any other circumstance that complies with the Luxembourg Act of 10 July 2005 on prospectus for securities, as amended from time to time and implementing the Prospectus Directive.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and to be admitted to trading on the Euro MTF Market.
2. The Issuer is a private limited liability company validly existing under the laws of Luxembourg, with registered office 37A, avenue J.F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under B 209.913.
3. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by a resolution of the Board of the Managers of the Issuer passed on 19 January 2018.
4. There has been no significant change in the financial or trading position of the Issuer since 30 September 2017 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.
5. The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer.
6. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 176705035. The International Securities Identification Number (ISIN) for the Bonds is XS1767050351.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

7. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to bondholders in respect of the bonds being issued.
8. For so long as the Bonds are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:
 - (a) the Trust Deed (which includes the form of the Global Certificate and the Certificates);
 - (b) the Articles of Association of the Issuer;
 - (c) the audited financial statements of the Issuer for year ended 31 December 2016 and the unaudited interim accounts of the Issuer for the nine months ended 30 September 2017; and
 - (d) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular.

This Offering Circular will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

9. The financial statements of the Issuer as at and for the year ended 31 December 2016, included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers, Société coopérative, independent auditors (*Réviseur d'entreprises agréé*).
10. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its affiliates in the ordinary course of business.
11. The Issuer will use some of the proceeds of the issue of the Bonds to repay certain existing secured bank financing, which may include the repayment of indebtedness to one or more of the Managers and/or their affiliates. See "Use of Proceeds" above.

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Bevco Lux S.à r.l.

Société à responsabilité limitée

**Interim financial statements for the nine months ended
September 30, 2017**

Bevco Lux S.à r.l.
37 A, Avenue J.F. Kennedy,
L-1855 Luxembourg
RCS B209913

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Report on Review of Interim Financial Statements

To the Board of Managers of
Bevco Lux S.à r.l.

We have reviewed the accompanying interim financial statements of Bevco Lux S.à r.l. (the “Company”), which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers’ responsibility for the interim financial statements

The Board of Managers is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 ‘Interim financial reporting’ as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the “Réviseur d’entreprises agréé”

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410) as adopted for Luxembourg by the “Institut des Réviseurs d’Entreprises”. This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The “Réviseur d’entreprises agréé” performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of Bevco Lux S.à r.l. as of 30 September 2017, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Accounting Standard 34 'Interim financial reporting' as adopted by the European Union.

Other matter

The comparative information for the statement of financial position is based on the audited financial statements as at 31 December 2016. The comparative information for the statements of profit or loss, comprehensive income, changes in equity and cash flows, and related explanatory notes, for the periods ended 30 September 2016 has not been audited or reviewed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 16 January 2018

A handwritten signature in blue ink, appearing to read 'Lekehal', with a horizontal line underneath.

Malik Lekehal

Bevco Lux S.à r.l.
Statement of financial position
(in EUR)

	Notes	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
ASSETS			
Non-current assets			
Financial assets			
Investment securities	5	8,437,930,280	7,481,715,468
Total non-current assets		8,437,930,280	7,481,715,468
Current assets			
Loans granted	6	226,265,159	-
Other current assets	7	1,980,180	396,385
Cash and cash equivalents	8	2,357,470	154,028,360
Total current assets		230,602,809	154,424,745
TOTAL ASSETS		8,668,533,089	7,636,140,213
EQUITY			
	9		
Share capital	9a	76,706,354	76,706,354
Share premium	9b	6,446,428,384	6,458,777,755
Special reserve account	9c	1,436,475,699	1,137,480,851
Available-for-sale revaluation reserve	5	(250,058,479)	(910,159,659)
Currency translation adjustment	9d	690,302,868	690,302,868
Retained earnings	9e	(552,503,750)	(757,016,198)
Total equity		7,847,351,076	6,696,091,971
LIABILITIES			
Current liabilities			
Loans and borrowings	10	819,749,869	890,138,045
Other current liabilities	11	1,432,144	49,910,197
Total current liabilities		821,182,013	940,048,242
Total liabilities		821,182,013	940,048,242
TOTAL EQUITY AND LIABILITIES		8,668,533,089	7,636,140,213

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of profit or loss
(in EUR)

	Notes	<u>for nine months ended September 30:</u>		<u>for three months ended September 30:</u>	
		2017	2016	2017	2016
		<i>unaudited</i> EUR	<i>unaudited</i> EUR	<i>unaudited</i> EUR	<i>unaudited</i> EUR
Income					
Interest income		1,768,158	2,857	725,570	732
Dividend income	5	205,725,436	188,978,907	-	188,978,907
Change in fair value of derivative financial instruments		-	7,549,757	-	7,549,757
Change in fair value of investment securities	5	-	(298,806,040)	-	87,724,131
Net result on foreign currency operations		32,034	(7,110,497)	1,598	(6,577,633)
Total net income/(loss)		<u>207,525,628</u>	<u>(109,385,016)</u>	<u>727,168</u>	<u>277,675,894</u>
Expenses					
Administrative expenses	12	(1,083,087)	(1,998,938)	(183,188)	(710,567)
Operating income/(loss)		<u>206,442,541</u>	<u>(111,383,954)</u>	<u>543,980</u>	<u>276,965,327</u>
Finance cost		(10,778,345)	(33,928,069)	(3,322,941)	(14,160,828)
Profit/(loss) before tax		<u>195,664,196</u>	<u>(145,312,023)</u>	<u>(2,778,961)</u>	<u>262,804,499</u>
Withholding tax on dividend income	13	(3,496,304)	-	-	-
Other taxes	13	(4,815)	-	-	-
Profit/(loss) for the period		<u>192,163,077</u>	<u>(145,312,023)</u>	<u>(2,778,961)</u>	<u>262,804,499</u>

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of comprehensive income
(in EUR)

	Notes	<u>for nine months ended September 30:</u>		<u>for three months ended September 30:</u>	
		2017	2016	2017	2016
		<i>unaudited</i> EUR	<i>unaudited</i> EUR	<i>unaudited</i> EUR	<i>unaudited</i> EUR
Profit/(loss) for the period		<u>192,163,077</u>	<u>(145,312,023)</u>	<u>(2,778,961)</u>	<u>262,804,499</u>
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Available-for-sale financial assets - net change in fair value	5	660,101,180	-	616,520,537	-
Currency translation adjustment	9d	-	(299,162,330)	-	(58,259,013)
Other comprehensive income/(loss) for the period		<u>660,101,180</u>	<u>(299,162,330)</u>	<u>616,520,537</u>	<u>(58,259,013)</u>
Total comprehensive income/(loss) for the period		<u>852,264,257</u>	<u>(444,474,353)</u>	<u>613,741,576</u>	<u>204,545,486</u>

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of changes in equity
(in EUR)

	Notes	Share capital	Share premium	Special reserve account	Available-for-sale revaluation reserve	Currency translation reserve	Retained earnings	Total equity
Balance as at January 1, 2016 (unaudited)		8,680	262,151,246	-	-	966,892,100	9,753,254,526	10,982,306,552
(Loss) for the period		-	-	-	-	-	(145,312,023)	(145,312,023)
Other comprehensive income		-	-	-	-	(299,162,330)	-	(299,162,330)
Transactions with owners in their capacity as owners:								
Distributions for the period	9e	-	-	-	-	-	(472,956,571)	(472,956,571)
Contributions for the period	9b	-	126,667,556	-	-	-	-	126,667,556
Balance as at September 30, 2016 (unaudited)		8,680	388,818,802	-	-	667,729,770	9,134,985,932	10,191,543,184
Balance as at January 1, 2017		76,706,354	6,458,777,755	1,137,480,851	(910,159,659)	690,302,868	(757,016,198)	6,696,091,971
Profit for the period		-	-	-	-	-	192,163,077	192,163,077
Other comprehensive income		-	-	-	660,101,180	-	-	660,101,180
Transactions with owners in their capacity as owners:								
Share premium reimbursement	9b	-	(12,349,371)	-	-	-	12,349,371	-
Contribution to special reserve	9c	-	-	298,994,848	-	-	-	298,994,848
Balance as at September 30, 2017 (unaudited)		76,706,354	6,446,428,384	1,436,475,699	(250,058,479)	690,302,868	(552,503,750)	7,847,351,076

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of cash flows
(in EUR)

for nine months ended September 30:

	Notes	2017 <i>unaudited</i> EUR	2016 <i>unaudited</i> EUR
Cash flows from operating activities			
Profit/(loss) before tax for the period		195,664,196	(145,312,023)
<i>Adjustments for:</i>			
Interest income		(1,768,158)	(2,857)
Dividend income	5	(205,725,436)	(188,978,907)
Change in fair value of derivative financial instruments		-	(7,549,757)
Finance cost		10,778,345	33,928,069
Change in fair value of investment securities	5	-	298,806,040
		<u>(1,051,053)</u>	<u>(9,109,435)</u>
<i>Changes in:</i>			
Other current assets		(297,062)	-
Other current liabilities		(754,741)	-
		<u>(2,102,856)</u>	<u>(9,109,435)</u>
Cash generated (used in)/from operating activities		(2,102,856)	(9,109,435)
Other taxes paid		(713)	-
		<u>(2,103,569)</u>	<u>(9,109,435)</u>
Cash flows from investing activities			
Acquisitions of investment securities	5	(343,773,756)	-
Loans granted	6	(276,000,000)	-
Reimbursement of loans	6	50,000,000	-
Cash received on derivative financial instruments		-	28,245,952
Interest received		339,445	2,857
Dividend received	5	202,229,132	188,978,907
		<u>(367,205,179)</u>	<u>217,227,716</u>
Cash flows from financing activities			
Contributions for the period	9	298,994,848	126,667,556
Distributions for the period	9	-	(472,956,571)
Proceeds from borrowings - credit institutions	10	200,000,000	888,663,638
Proceeds from borrowings - related parties	16	120,000,000	-
Repayment of borrowings - credit institutions	10	(166,666,881)	(575,080,000)
Repayment of borrowings - related parties	16	(220,000,000)	-
Interest and other non-investment expenses paid		(14,658,075)	(26,970,940)
		<u>217,669,892</u>	<u>(59,676,317)</u>
Net increase in cash and cash equivalents		(151,638,856)	148,441,964
Cash and cash equivalents at the beginning of the period	8	154,028,360	33,574,578
Effects of foreign currency translation differences		(32,034)	3,033,778
Cash and cash equivalents at the end of the period	8	2,357,470	185,050,320

The accounting policies and notes on pages 10 to 37 form part of and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

1. General information

Bevco Lux S.à r.l. (hereinafter the “Company”), is a Société à Responsabilité Limitée having its registered office at 37a, Avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Trade Register and Companies of Luxembourg (“RCS”) under the number B 209.913 after migration of its activities from Bermuda to Luxembourg on October 14, 2016.

Prior to re-domiciliation, the Company was registered as Bevco Ltd. (Company number 40536) in Bermuda and used to be a direct subsidiary of Aguila Ltd. by 100%. The Company was a holder of 225,000,000 equity shares in SABMiller plc (“SABMiller”) representing 13.9% of share capital of SABMiller.

Starting from October 14, 2016 the Company’s immediate 100% shareholder is USD Bevco S.à r.l. (“USD Bevco”) that was incorporated on August 12, 2016 under Luxembourg law. The ultimate controlling party of the Company is Aguila Ltd.

The purpose of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. In particular, the Company may acquire by subscription, purchase, and exchange or in any other manner any securities, shares and other equity securities, bonds, debts, certificates of deposit and other debt instruments and more generally any securities or financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may also invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any kind or origin whatsoever.

The Company may also use its funds to invest in real estate, as well as the reinstatement, management, development and disposal of its assets according to their composition over time. In the course of its business, the Company may borrow in any form whatsoever. It may issue notes, bonds and any other representative security of borrowings and / or claims. However, the Company may not publicly proceed to the raising of equity capital in any form whatsoever.

In October 2016 as a result of business combination between SABMiller and AB InBev, the Company acquired restricted shares in Anheuser-Busch InBev SA/NV (“AB InBev”) which are unlisted, not admitted to trading on any stock exchange, and are subject to, among other things, restrictions on transfer until converted into new ordinary shares. Subject to limited exceptions, the restricted shares will only be convertible at the election of the holder into new ordinary shares on a one-for-one basis with effect from the fifth anniversary of completion of the acquisition. From completion of the acquisition, such restricted shares rank equally with the new ordinary shares with respect to dividends and voting rights.

The financial year of the Company begins on January 1 and ends on December 31.

The Company is included in the consolidated accounts of USD Bevco which is the undertaking that prepares the consolidated accounts of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking. The registered office of this Company is located at 37, avenue J.F. Kennedy, L-1855 Luxembourg and the consolidated accounts can be obtained at this registered office.

These interim financial statements have been prepared for the nine months ended September 30, 2017 and were authorised for issue by the Board of Managers on January 11, 2018.

Comparative data is provided as of December 31, 2016 in respect of the statement of financial position. The comparative information for the statement of profit or loss and statement of comprehensive income are for the nine months ended September 30, 2016 and three months ended September 30, 2016. The statement of changes in equity and statement of cash flows are for the nine months ended September 30, 2016.

2. Basis of preparation and summary of significant accounting policies

2.1 Statement of compliance

These interim financial statements for the nine months ended September 30, 2017 (the “period”) have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union and contains a full set of financial statements in accordance with IAS 1 as of September 30, 2017 and for the nine months period then ended.

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2.2 Basis of accounting and going concern

The interim financial statements have been prepared under historical cost convention, except for the measurement of investment securities that have been measured at fair value.

These interim financial statements have been prepared under the going concern assumption and the Company is viewed as continuing in business for the foreseeable future. Although as at September 30, 2017 the Company's current liabilities exceed its current assets resulting to a negative working capital, the Company is fully committed in meeting its current obligations by maintaining adequate cash flows through alternative means, such as sale of unrestricted investment securities and/or additional capital contribution from its sole shareholder.

The Company maintains a strong credit standing with various credit facilities, denominated in USD and EUR, having unused capacity which approximates to EUR 2,028,528,560 as at September 30, 2017 and which the Company intends to utilise to support its operations and expansions subject to their respective terms and conditions. Termination dates of the credit facilities are on a staggered basis from 2017 to 2021.

2.3 Use of judgments, estimates, and assumptions

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial statements are disclosed in Note 4.

2.4 Adoption of new and revised IFRSs

New and amended standards and interpretations issued, effective and adopted by the Company

The Company has adopted all new or amended standards in preparing these interim financial statements. None of the accounting pronouncements issued after December 31, 2016 and as of the date of these interim financial statements have a material effect on the Company's financial condition or result of operations.

New and amended standards and interpretations issued but not effective for the date of issuance of the Company's interim financial statements

Relevant Standards issued but not yet effective up to the date of issuance of the Company's interim financial report are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments:

Recognition and Measurement and all previous versions of IFRS 9.

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Further, the new standard will require the Company to revise its current accounting policies, i.e. classification and impairment methodologies.

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Based on its preliminary assessment, the Company does not believe that application of IFRS 9 will have a material impact on the financial statements. The main financial assets, namely equity investments in AB InBev shares, classified as available-for-sale under IAS 39 are expected to be designated at initial recognition at fair value through other comprehensive income ("FVOCI") with only dividend income recognised in profit or loss. The major difference would be that there is no recycling of amount from other comprehensive income to profit or loss (for example, on sale of an equity instrument), nor are there any impairment requirements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

Based on the initial assessment and given the nature of the Company's activity, management does not expect that the application of IFRS 15 will have significant impact on the Company's financial statements except for new disclosure requirements.

2.5 Foreign currency translation

These interim financial statements are presented in Euro ("EUR"), which is the functional and presentation currency of the Company as at September 30, 2017.

Change of functional and presentation currency:

Prior to migration Bevco Ltd. had USD as its functional currency and had transactions in multiple currencies. Afterwards, the functional currency changed to EUR with the majority of transactions denominated in EUR. The investment strategy currently adopted by the Company is to compound capital on a long-term basis with absolute returns over inflation, through investment in businesses that benefit from industry fundamentals of branded products on a global basis or in selected industries such as infrastructure or real estate. Such investments are intended to be denominated in EUR. The Company is intended to act as the wider European financing centre to fund investing activities. Moreover, Euro is the currency in which funds from financing activity are generated.

Considering above circumstances, functional and presentation currency of the Company were changed from US Dollars ("USD") to Euro ("EUR") on October 14, 2016. All items in the primary statements were translated as at October 14, 2016 into new functional currency using the rate determined on that date (EUR/USD 1.1139).

For the purpose of presenting comparative figures, the results and financial position of the Company for the period prior to change of functional and presentation currency were translated into EUR using the following procedures:

- assets and liabilities for each statement of financial position presented were translated at the closing rate at the date of that statement of financial position;
- income and expenses were translated at average exchange rate for the nine months ended September 30, 2016; and
- all resulting exchange differences were recognised as currency translation adjustment in other comprehensive income.

Translation of foreign currency transactions and balances:

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the date of the transactions which might comprise:

- the spot exchange rate for a given currency as at the date preceding the date of transaction – in case of settlements of receivables and payables and other transactions,

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- the actual spot rate applied as at this date resulting from the type of transaction - in case of foreign currency purchases and sales.

At the end of the reporting period monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate determined at that date:

	<u>Average rate - EUR</u>		<u>Spot rate - EUR</u>		
	September 30, 2017	September 30, 2016	September 30, 2017	December 31, 2016	September 30, 2016
USD 1	0.8977	0.8959	0.8470	0.9487	0.8960
GBP 1	1.1460	1.2479	1.1341	1.1680	1.1614

The foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit or loss.

2.6 Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; or
- Available-for-sale financial assets ("AFS").

The Company's financial assets include mainly equity instruments that are initially recognised at fair value. These are classified as either financial assets at fair value through profit or loss or available-for-sale.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated at fair value through profit or loss at inception.

Derivatives are categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. They are subsequently measured at fair value with gains or losses recognised in the profit or loss statement.

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Available-for-sale financial assets:

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are subsequently measured at fair value with changes in fair value, other than impairment losses, recognised directly in other comprehensive income (in “available-for-sale revaluation reserve”). When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss statement.

c) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Available-for-sale financial assets

The Company assesses at each reporting date whether there is objective evidence that an AFS financial asset is impaired. If any such evidence exists, impairment losses on AFS financial assets are recognised by reclassifying the losses accumulated in the AFS revaluation reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as AFS are not reversed through profit or loss.

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the Statement of profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of profit or loss.

2.7 Derivative financial instruments and hedging

The Company uses derivative financial instruments, such as GBP Put/USD Call options and FX forward contracts to hedge its currency risk. Without qualifying for hedge accounting, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of such contracts is determined by reference to market values for similar instruments.

At the purchase of GBP Put/USD Call options and FX forward contract, the premium paid is accounted for as an asset and remeasured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognised in the statement of profit or loss as unrealised gains or losses.

2.8 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, short-term deposits with original maturities of three months or less and restricted cash.

Cash and cash equivalents are carried at nominal value in the statement of financial position.

2.10 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.11 Taxation

a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is provided using the statement of financial position liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary and associates, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused taxable tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The exemption on the initial recognition of the deferred tax may need to be revised (“eroded”) in the subsequent periods.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

2.12 Dividend distribution

Dividend distributions to the Company’s shareholders are recognised as a liability in the Company’s financial statements in the period in which the dividends are approved until such time as they are distributed.

2.13 Financial liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include loans and borrowings and other current liabilities.

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b) Subsequent measurement

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (except for future losses related to loan granting) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

This category generally applies to loans and borrowings and other current liabilities. For more information, see Note 10 and 11, respectively.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.14 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

2.15 Interest income

Interest income or expense is recognised using the effective interest method.

2.16 Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

2.17 Available-for-sale revaluation reserve

The available-for-sale revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

No impairments were recognized during the period ended September 30, 2017 and December 31, 2016.

3. Financial risk management

3.1 Financial risk factors

The Company's overall risk management program focuses on minimizing the potential adverse effects of the financial risks on the performance of the Company. The financial risk is managed under policies covering specific areas such as currency risk, interest rate risk and liquidity risk, as well as covenants provided in financing agreements.

a) Market risk

Foreign exchange risk

Currency risk management is aimed at managing within acceptable limits both the volatility of cash flows arising from fluctuations in the exchange rate of the functional currency against other currencies, and the adverse effect of movements in exchange rates on the earnings.

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Table below summarises the Company's monetary assets and liabilities which are denominated in currencies other than the current functional currency.

	September 30, 2017*	December 31, 2016*
	<i>unaudited</i>	
	USD	USD
Assets		
Cash and cash equivalents	6,321	12,498
Foreign currency exposure	6,321	12,498

* The amounts represented in the above table are the converted exposure in base currency i.e. EUR

As at September 30, 2017, had the exchange rate between the USD to EUR increased or decreased by 10% compared to actual rate of 0.8470 as at September 30, 2017 (December 31, 2016: 0.9487) with all other variables held constant, the increase or decrease respectively in profit or loss/equity would amount to approximately EUR 632 (December 31, 2016: EUR 1,250). This is mainly the result of foreign exchange gains/losses on translation of USD denominated transactions as shown above.

Currency risk of the Company is regularly monitored by the Company. The following instruments may be used to minimize the currency risk relating to the Company's foreign exchange transactions:

- forward foreign exchange contracts (also Non Delivery Forwards);
- foreign currency swaps;
- foreign currency options with an approved currency option hedging plan.

At September 30, 2017 Bevco Lux has investment securities and outstanding loan facilities denominated only in EUR which limits the Company's exposure to foreign currency risk.

Price risk

The Company's exposure to equity securities price risk arises from investment securities held by the Company and classified in the financial position as available for sale. The exposures are presented in the following table:

	Fair value September 30, 2017	Fair value December 31, 2016
	<i>unaudited</i>	
Financial assets	8,437,930,280	7,481,715,468

A 17.5% (December 31, 2016: 22%) increase or decrease in the value of the Company's available-for-sale securities as at September 30, 2017 would have increased or decreased equity by EUR 1,476,637,799 (December 31, 2016: EUR 1,645,977,403).

As at September 30, 2017, management estimates the implied volatility of the AB InBev shares for 12 months based on market data.

The Company has only one type of investment which is being regulated and listed in the Euronext Brussels. In addition, its performance is being reviewed by management on a regular basis. Results are reported to the Board of Managers to take necessary actions and/or decisions in order to mitigate any shift in market prices.

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Interest rate risk

The Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Loans and borrowings have floating interest rates on top of the agreed margins of the drawn amounts. Most of the loans and borrowings have floating interest rates, however, these are being closely monitored by the Company to determine and remedy financial impact due to sudden changes in applicable rates. In addition, changes in basis points with all other variables remain constant are not expected to have a material impact.

	September 30, 2017 <i>unaudited</i>	December 31, 2016
	EUR	EUR
Non-derivative financial assets		
Loans granted	226,265,159	-
Non-derivative financial liabilities		
Loans and borrowings	819,749,869	890,138,045

The table below summarises the Company's exposure to interest rate risks, measuring rollover interest rate volatility using the below sensitivity parameters:

	Impact on the profit or loss and equity	
	September 30, 2017 <i>unaudited</i>	December 31, 2016
Sensitivity parameter	EUR	EUR
+15 basis points would result to a decrease in the statement of profit or loss	890,227	1,335,207
-15 basis points would result to an increase in the statement of profit or loss	(890,227)	(1,335,207)
+5 basis points would result to a decrease in the statement of profit or loss	296,742	445,069
-5 basis points would result to an increase in the statement of profit or loss	(296,742)	(445,069)

The above reflects the last movements of the European Central Bank ("ECB") rates and can be assumed to be the most likely maximum interest change within a 12 month time period.

b) Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Bevco Lux in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

Bevco Lux mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties and working within agreed counterparty limits.

Bevco Lux has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately.

Based on these factors, the Company considers the risk of counterparty default as at September 30, 2017 to be limited.

Credit quality of financial assets

The Company's financial assets are placed with a number of quality financial institutions, thereby reducing the concentration of counterparty credit risk to an acceptable level. None of these were in default at the reporting date.

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The total assets bearing credit risk are the following:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
Loans granted	226,265,159	-
Other current assets	1,980,180	396,385
Cash and cash equivalents	2,357,470	154,028,360
Total	230,602,809	154,424,745

The carrying amounts disclosed above represents the maximum exposure to credit risk.

These assets are analysed in the table below using Standard & Poor's rating:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
A+	-	2,698,717
A	2,355,276	151,329,643
A-	2,194	-
Not rated	228,245,339	396,385
Total	230,602,809	154,424,745

Not rated financial assets are mainly composed of loans granted to related parties which are neither past due nor impaired.

c) Liquidity risk

Liquidity risk management implies maintaining sufficient cash as well as availability of funding through an adequate amount of committed debt facilities with financial institutions. The Company ensures to maintain the level of its cash and cash equivalents in excess of expected cash outflows on financial liabilities through a cash management policy.

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The following are details of the contractual cash flows of non-derivative financial liabilities:

		Contractual cash flows*				
	Carrying amount	1 - 3 months	4 - 6 months	7 - 12 months	> 12 months	Total
As at September 30, 2017 (in EUR) (unaudited)						
Loans and borrowings	819,749,869	302,228,544	321,908,096	204,513,840	-	828,650,480
Other current liabilities	1,432,144	1,432,144	-	-	-	1,432,144
	821,182,013	303,660,688	321,908,096	204,513,840	-	830,082,624
Guarantee	-	254,424,025	-	-	118,988,585	373,412,610
Irrevocable commitment**	-	274,000,000	-	-	-	274,000,000
Total	821.182.013	832.084.713	321.908.096	204.513.840	118.988.585	1.477.495.234

		Contractual cash flows*				
	Carrying amount	1 - 3 months	4 - 6 months	7 - 12 months	> 12 months	Total
As at December 31, 2016 (in EUR)						
Loans and borrowings	890,138,045	559,176,894	358,983,149	-	-	918,160,043
Other current liabilities	49,910,197	49,910,197	-	-	-	49,910,197
	940,048,242	609,087,091	358,983,149	-	-	968,070,240
Guarantee	-	396,460,460	-	-	118,988,585	515,449,045
Irrevocable commitment	-	296,113,632	-	-	-	296,113,632
Total	940,048,242	1,301,661,183	358,983,149	-	118,988,585	1,779,632,917

*Above amounts are gross and undiscounted until maturity

**Irrevocable commitment represents a loan facility to Aguila Ltd. which has no maturity, however, it can be terminated by either party at any time; hence it is disclosed under 1-3 months in the above table

Maturities of the loans and borrowings drawdowns are disclosed in Note 10 and split between the current and non-current portion as at September 30, 2017 in the statement of financial position.

As at September 30, 2017, the Company and its parent USD Bevco S.à r.l., maintains various multi-currency credit lines denominated in USD and EUR, aggregated to an amount equivalent to EUR 3,215,381,450 (December 31, 2016: EUR 2,810,486,132).

In 2016, the Company along with its parent, USD Bevco S.à r.l., entered into "Amendment and restatement agreements" in respect of these credit facilities, enabling the Company access committed facilities with termination dates staggered from 2017 to 2021. The Company has pledged part of the shares in AB InBev as collateral (See Note 10 for details).

The facilities can be accessed to meet liquidity needs of both the Company and its parent in accordance with specific terms outlined in the agreements. There are no restrictions on the use of the facilities.

The Company does not foresee exposure to liquidity risk in the short to medium term given the amount of the collateralised committed credit line in place.

In addition, the information in relation to guarantees and irrevocable commitments which are considered to have an impact to the gross and undiscounted contractual cash flows is disclosed in Note 15.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the sole shareholder and benefits for other stakeholders. The Company was not regulated for capital requirements purposes and the Company utilises debt provided by related parties and other financial institutions to fund its activities.

There were no covenant breaches as at September 30, 2017 and December 31, 2016 and as at the date of approval of these interim financial statements.

Loan covenants being observed by the Company are:

- 1) submission of quarterly and/or annual primary financial statements to its lenders; and
- 2) the loan-to-value (LTV) ratio for each of the respective bank loan facilities that in case of breach, i.e. the Lender may give notice (a "Margin Call Notice") to the Company, could result but not limited to either of the following to cover any margin shortfall:
 - deposit additional cash or cash equivalent collateral, to the relevant collateral accounts at the custodian bank;

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- provide additional securities collateral; or
- prepay loan principal so the outstanding financing amount no longer exceeds the borrowing base.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

a) Determination of functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. When indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

b) Assessment of significant influence over investee

Management considers that the Company has no significant influence over AB InBev ("the investee") as defined in IAS 28, therefore the investee is not considered an associate.

Lack of significant influence is evidenced by the following:

- the Company owns less than 20 per cent of the voting power of the investee (5.09% of total voting rights at September 30, 2017 and 4.94% at December 31, 2016);
- the Company does not participate in policy-making processes, including participation in decisions about dividends or other distributions;
- there are no material transactions between the Company and the investee;
- with the exception of the restricted shareholder's right to appoint a board member, there are no contractual arrangements or management contracts between the Company and the investee which could indicate the presence of significant influence over the investee;
- there is no interchange of managerial personnel or provision of essential technical information;
- the Company does not own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares of the investee which may give the Company additional voting power.

Although, the Company is represented by one non-executive director in AB InBev Board of Directors, the management believes this does not clearly establish significant influence given all the points above and the fact that the Company has only one seat out of fifteen seats in total.

Management believes that the Company alone cannot absolutely or relatively, at a certain level, influence the financial and operating policy decisions to be taken by the investee. Moreover, the Company has no representatives in other Committees assisting the Board of Directors.

Estimates

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

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c) Estimate of fair value

If a quoted market price is available for an instrument, the fair value is calculated based on the market price. When valuation parameters are not observable in the market or cannot be derived from observable market prices, the fair value is derived through analysis of other observable market data appropriate for each product and pricing models which use a mathematical methodology based on accepted financial theories. Pricing models take into account the contractual terms of the securities as well as market-based valuation parameters, such as interest rates, volatility, exchange rates and credit rating of a counterparty. Where market-based valuation parameters are not available, management makes a judgment as to its best estimate of that parameter in order to determine a reasonable reflection of how the market would be expected to price the instrument. In exercising this judgment, a variety of tools is used, including similar observable data, historical data and extrapolation techniques.

The Company considers that the accounting estimates and assumptions related to valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (a) they are highly susceptible to change from period to period because they require that management make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterpart, valuation adjustments and specific feature of the transactions and (b) the impact that recognising a change in the valuations would have on the assets reported in the statement of financial position as well as its income/(expense) could be material. Had management used different assumptions regarding interest rates, volatility, exchange rates, credit rating of a counterparty, offer date and valuation adjustments, a larger or smaller change in the valuation of financial instruments where quoted market prices are not available would have resulted in a material impact on the Company's net profit and loss reported in the financial statements.

The best evidence of fair value is current prices in an active market for similar assets. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgement, the Company considers information from a variety of sources including:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – Use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data;
- Level 3 – Use of a model with inputs that are not based on observable market data.

September 30, 2017 (in EUR) (unaudited)	Level 1	Level 2	Level 3	Total
Available-for-sale:				
- Equity securities	607,800,000	-	7,830,130,280	8,437,930,280
Total assets measured at fair value	607,800,000	-	7,830,130,280	8,437,930,280
December 31, 2016 (in EUR)	Level 1	Level 2	Level 3	Total
Available-for-sale:				
- Equity securities	303,669,848	-	7,178,045,620	7,481,715,468
Total assets measured at fair value	303,669,848	-	7,178,045,620	7,481,715,468

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Financial instruments	Level of fair value hierarchy	Valuation techniques and key inputs
AB InBev common shares	Level 1	Shares in AB InBev which are unrestricted are quoted in an active market (see Note 5).
AB InBev restricted shares *	Level 3	Restricted shares for a period of 5 years are valued under the Black-Scholes Option Pricing Model. The restriction will cease to exist by October 2021.

* The Company is not able to sell these investments until expiry of the restriction i.e. October 2021. In addition, the Company is exposed to the volatility of the share price over the holding period to which it took into consideration the risk caused by this illiquidity in determining the fair market value of the restricted shares. On acquisition, the Company took the fair value of AB InBev shares which is the trading price of unrestricted shares adjusted by the discount due to lack of marketability. For each reporting period, a new discount rate for lack of marketability is determined to take the reduction for the restriction period and other market factors into account.

The movements for Level 3 investments for the period are summarised as follows:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
Opening net book amount	7,178,045,620	-
Additions	-	8,073,701,271
Net change in fair value - OCI	652,084,660	(895,655,651)
Closing net book amount	7,830,130,280	7,178,045,620

Bevco Lux received from AB InBev irrevocable consent to pledge their holding of restricted shares and any rights thereto as security in respect of any bona fide loan, credit facility, note, surety bond, letter of credit or other arrangement.

This letter of consent allowed the Company to pledged AB InBev shares as collateral for committed facilities against both its drawdown loans and committed borrowing facilities (See Note 10).

The Company used assumptions that are mainly based on market conditions existing at the reporting date.

The Company engaged an independent consultancy firm to determine the fair market value of investment in shares of AB InBev. They prepared an analysis comparing results from different valuation models (e.g. Black-Scholes, Finnerty) and historical records or studies to arrive at the most reasonable fair value of the shares. Based on their valuation report, the discount for lack of marketability (DLOM) arrived at using the Black-Scholes Option Pricing Model is the most appropriate. The indicative value as at September 30, 2017 for the restricted shares was obtained by applying a revised DLOM of 20.2% or EUR 1,982,063,053 discount on the trading price of the unrestricted shares at the end of the period (December 31, 2016: DLOM of 26.3% or EUR 2,561,500,675 discount).

For purposes of the valuation, in determining the fair value as at September 30, 2017 the following assumptions were made:

- (i) the hypothetical buyer is prudent but without synergistic benefit;
- (ii) the business will continue as a going concern and not be liquidated;
- (iii) the hypothetical sale will be for cash;
- (iv) there is a readily available and willing buyer;
- (v) volatility of 17.5% was implied (December 31, 2016: 22.1%):

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- (vi) a risk free rate of 0.16% was used (December 31, 2016: 0.05%);
- (vii) the time to expiration was based on the time remaining between the valuation date and the date of expiration of the restriction on the sale of the subject AB InBev shares; and
- (viii) the dividend yield of 3.53% was assumed (December 31, 2016: 3.58%).

Had the DLOM increased or decreased by 1% pp. as at September 30, 2017 compared to the actual discount used (to 21.2% or 19.2% respectively), with all other variables held constant, the increase or decrease in profit or loss and equity would amount to EUR 98,121,933 (December 31, 2016: EUR 97,395,463).

There are no indications that the investment in AB InBev is impaired based on management assessment as at September 30, 2017. Further, AB InBev has been consistently declaring and paying interim dividends to its investors at least twice annually. On November 16, 2017 the Company received EUR 164,580,349 of dividends from AB InBev (See Note 17), subject to withholding tax amounting to EUR 2,797,043.

Management believes that the carrying amount of financial assets and financial liabilities not measured at fair value recognised in the financial report approximated their fair values.

d) Estimation uncertainty

Except for the fair values of derivative financial instruments and equity investments, there is no other key assumption concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

5. Investment securities

Investment securities are summarised by measurement category in the table below:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
Financial assets		
Available-for-sale	8,437,930,280	7,481,715,468
	8,437,930,280	7,481,715,468

As at September 30, 2017 available-for-sale financial assets are represented by:

	September 30, 2017 <i>unaudited</i>	December 31, 2016
No. of restricted AB InBev shares	96,862,718	96,862,718
AB InBev common shares	6,000,000	3,020,088
% of AB InBev share capital	5.09%	4.94%
Fair value in EUR of restricted shares	7,830,130,280	7,178,045,620
Fair value in EUR of common shares	607,800,000	303,669,848

Investment securities transactions during the period:

From January 3 to January 31, 2017, the Company purchased 2,979,912 common shares of AB InBev with an acquisition value amounting to EUR 296,113,632. As at December 31, 2016, an amount was accrued for the purchase of shares amounting to EUR 47,660,124 which was subsequently settled and paid in January 2017, giving a total cash flow in respect of investment securities of EUR 343,773,756 during the period.

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Changes in fair value of investment securities:

The negative changes in fair value of SABMiller shares was recorded in profit and loss as the shares were classified as financial assets at fair value through profit or loss. The impact on the result for the nine months ended September 30, 2016 amounted to EUR (298,806,040). The impact for the nine months ended September 30, 2017 was nil since the shares were disposed in October 2016.

Changes in fair value of AB InBev shares have been recorded in the statement of other comprehensive income in available-for-sale revaluation reserve and amounted to EUR 660,101,180 for the nine months ended September 30, 2017 (nine months period ended September 30, 2016: nil).

Dividends received:

During the nine months period ended September 30, 2017, the Company received dividend from AB InBev of EUR 2.00 per share for a total gross amount of EUR 205,725,436 subject to withholding tax of 1.6995%.

During the nine months period ended September 30, 2016, the Company received dividend from SABMiller for a total amount of EUR 188,978,907.

6. Loans granted

As at September 30, 2017 loans granted are composed as follow:

September 30, 2017 (*unaudited*)

September 30, 2017 (unaudited)

Currency	Interest rate	Termination date	Principal Amount	Carrying amount	
			EUR	EUR	
<u>Related Party Transactions</u>					
Aguila Ltd.- Facility A	EUR	EURIBOR + margin	06/11/2017	175,000,000	175,172,339
Aguila Ltd.- Facility B	EUR	EURIBOR + margin	22/11/2017	51,000,000	51,092,820
Total Loans granted			226,000,000	226,265,159	

As at December 31, 2016, loans granted amounted to nil. Please refer to note 16.

7. Other current assets

As at September 30, 2017 and December 31, 2016, other current assets are composed as follow:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
Advances to Park S.à r.l. (See Note 16)	1,979,467	396,385
Luxembourg wealth tax advances	713	-
	1,980,180	396,385

8. Cash and cash equivalents

The cash and cash equivalents are composed of cash at bank and on hand in an amount of EUR 2,357,470 as at September 30, 2017 (December 31, 2016: EUR 154,028,360).

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9. Equity

a) Share capital

Before the migration, the initial share capital amounted to USD 12,000 represented by twelve thousand shares with a par value of USD 1 per share. After translation to euro, the initial share capital amounted to EUR 8,680. To comply with the laws of Luxembourg the Company issued additional 12,000 shares on October 14, 2016 (migration date). At the migration date, the outstanding shares of the Company amounted to 24,000 which were converted to 21,545 shares denominated in EUR with a par value of EUR 1 per share.

On October 20, 2016 the Company issued 76,684,809 new shares to the sole shareholder all having a nominal value of EUR 1 each, fully paid by way of conversion of part of the special reserve account in an amount of EUR 76,684,809.

As at September 30, 2017 the Share capital of the company amounts to EUR 76,706,354.

<i>Ordinary shares issued and fully paid</i>	No. of shares	EUR
Outstanding at January 1, 2016 <i>(unaudited)</i>	12,000	8,680
Additional issuance pursuant to increase in share capital (12,000 shares)	12,000	12,865
Outstanding at the migration date of October 14, 2016	24,000	
Conversion of the outstanding 24,000 shares to 21,545 shares denominated in EUR	21,545	21,545
Conversion of other reserve to new shares on October 20, 2016	76,684,809	76,684,809
Outstanding at December 31, 2016	76,706,354	76,706,354
Outstanding at September 30, 2017 <i>(unaudited)</i>	76,706,354	76,706,354

Authorised shares are fully subscribed and paid as at September 30, 2017 and December 31, 2016.

b) Share premium

	EUR
As at January 1, 2016 <i>(unaudited)</i>	262,151,246
Capital contributions for the period	126,667,556
As at September 30, 2016 <i>(unaudited)</i>	388,818,802
Allocation to share premium upon company migration	6,069,958,953
As at January 1, 2017	6,458,777,755
Share premium reimbursement	(12,349,371)
As at September 30, 2017 <i>(unaudited)</i>	6,446,428,384

As at October 14, 2016, migration date, the total retained earnings of the Company was capitalised and allocated to share premium account which amounted to EUR 6,069,958,953.

The sole shareholder of the Company resolved to make a distribution by way of share premium reimbursement which amounted to EUR 12,349,371 for the nine months period ended September 30, 2017 (December 31, 2016: nil).

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c) Special reserve account

	EUR
As at January 1, 2016 <i>(unaudited)</i>	-
As at September 30, 2016 <i>(unaudited)</i>	-
Conversion of promissory note to special equity reserves	1,214,165,660
Share capital increase	(76,684,809)
As at January 1, 2017	1,137,480,851
Capital contribution for the period	298,994,848
As at September 30, 2017 <i>(unaudited)</i>	<u>1,436,475,699</u>

The Special reserve account is an alternative way of making or increasing equity contribution to a Luxembourg entity. This involves a contribution of value to a special reserve account in the Company's books which is characterised as equity but which does not involve the issuance of shares.

On October 14, 2016, Bevco Lux, upon receiving approval from lenders, transferred all USD denominated bank loans of net book value EUR 1,214,165,660 to USD Bevco. Further agreed between both parties that the sole shareholder will hold an interest free receivable from the Company as a consideration for the assumed USD debt.

As evidence of the transaction, the parties involved signed a promissory note whereas, USD Bevco held a receivable from Bevco Lux amounting to EUR 1,214,165,660. Thereafter, the sole shareholder opted to make a contribution in kind for the same amount it holds as a receivable from the Company which is the consideration recognised for the assumed USD debt. The promissory note was immediately cancelled and fully contributed to the special reserve account.

As at February 6, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 298,007,078, to be transferred to the special reserve account without issuance of new shares.

As at April 10, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 987,770, to be transferred to the special reserve account of the Company without issuance of new shares.

d) Currency translation reserve

	EUR
As at January 1, 2016 <i>(unaudited)</i>	966,892,100
Currency translation adjustment in Other Comprehensive Income	(299,162,330)
As at September 30, 2016 <i>(unaudited)</i>	667,729,770
Currency translation adjustment in Other Comprehensive Income	22,573,098
As at January 1, 2017	690,302,868
Currency translation adjustment in Other Comprehensive Income	-
As at September 30, 2017 <i>(unaudited)</i>	<u>690,302,868</u>

Currency translation adjustment pertains to foreign currency exchange differences of translating USD balances (which was the previous functional and presentation currency of the Company) including comparative information to EUR, see Note 2.5 for further information. Any exchange differences arising in the process are recognised in other comprehensive income. Currency translation adjustment at the date of the Company's change in functional currency amounted to EUR 690,302,868.

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e) Retained earnings

	EUR
As at January 1, 2016 (unaudited)	9,753,254,526
Distributions for the period	(472,956,571)
Loss for the period	(145,312,023)
As at September 30, 2016 (unaudited)	9,134,985,932
Distributions for the period	(2,541,302,942)
Loss for the period	(1,280,727,370)
Allocation to share premium upon company reorganisation	(6,069,958,953)
Allocation to share capital due to issuance of new shares	(12,865)
As at January 1, 2017	(757,016,198)
Profit for the period	192,163,077
Share premium reimbursement	12,349,371
As at September 30, 2017 (unaudited)	(552,503,750)

During the first nine months to September 30, 2016, EUR 472,956,571 of interim dividends were distributed to the shareholder, and EUR 2,541,302,942 were distributed between October 1 and December 31, 2016. Interim dividends declared and distributed during the nine months ended September 30, 2017 amounted to nil.

At migration date, the total retained earnings of the Company were capitalised and allocated to share premium account which amounted to EUR 6,069,958,953. In addition, EUR 12,865 were allocated to increase share capital in form of newly issued shares to comply with the laws of Luxembourg.

10. Loans and borrowings

As at September 30, 2017 and December 31, 2016, the terms and conditions on the loans and borrowings drawdown are shown in the table below:

September 30, 2017 (unaudited)

	Currency	Interest rate	Roll-over date*	Termination date	Principal amount	Carrying amount**
					EUR	EUR
Third parties						
Financial Institution 1 - Facility A	EUR	1.20%	N/A	16/08/2018	145,000,000	145,178,833
Financial Institution 1 - Facility B	EUR	1.17%	N/A	16/08/2018	55,000,000	55,277,063
Financial Institution 2	EUR	EURIBOR + margin	N/A	05/08/2018	-	221,930
Financial Institution 3	EUR	EURIBOR + margin	04/12/2017	11/10/2019	300,000,000	300,264,550
Financial Institution 4 - Facility A	EUR	EURIBOR + margin	31/12/2017	27/08/2019	300,000,000	300,009,758
Financial Institution 4 - Facility B	EUR	EURIBOR + margin	31/12/2017	26/08/2021	18,796,757	18,797,735
Total Loans and borrowings					818,796,757	819,749,869

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December 31, 2016

	Currency	Interest rate	Roll-over date*	Termination date	Principal amount	Carrying amount**
					EUR	EUR
<u>Third parties</u>						
Financial Institution 1	EUR	EURIBOR + margin	24/02/2017	30/09/2017	145,463,638	146,233,575
Financial Institution 2	EUR	EURIBOR + margin	N/A	05/08/2018	-	203,123
Financial Institution 3	EUR	EURIBOR + margin	02/03/2017	11/10/2019	300,000,000	300,298,700
Financial Institution 4 - Facility A	EUR	EURIBOR + margin	18/05/2017	27/08/2019	300,000,000	302,837,500
Financial Institution 4 - Facility B	EUR	EURIBOR + margin	18/05/2017	26/08/2021	40,000,000	40,554,889
					785,463,638	790,127,787
<u>Related Party Transactions</u>						
Aguila Ltd.	EUR	EURIBOR + margin		23/03/2017	100,000,000	100,010,258
					100,000,000	100,010,258
<u>Total Loans and borrowings</u>					885,463,638	890,138,045

*Roll-over date represents the next date on which the revolving loans could be renewed upon meeting certain conditions

**The carrying value of debt include accrued interests and commitment fees. Furthermore, the Company was in compliance with the terms of all debt obligations as at September 30, 2017 and December 31, 2016 until the respective issuance dates of the interim and year-end financial statements.

“Financial institution 1”

As at February 24, 2017, a financial institution facility has been repaid for EUR 145,463,638 plus EUR 1,078,855 interest and EUR 68,196 commitment fees. The Company amended the facility terms by way of extension of the maturity till August 16, 2018 and made a new drawdown of EUR 145,000,000 (“Facility A”).

As at April 28, 2017, the Company drew down EUR 55,000,000 (“Facility B”) with a maturity date as at August 16, 2018 and used these proceeds to lend EUR 50,000,000 to SNI Luxembourg S.à r.l. (See Note 16, d).

“Financial institution 3”

On September 4, 2017, the Company rolled over this financial institution loan facility related to the acquisition of AB InBev shares in 2016, of EUR 300,000,000 with a new drawdown, having the same terms and conditions, with a new maturity date on December 4, 2017.

“Financial institution 4”

The Company has a revolver loan facility with guarantees commitments having termination dates in 2019 to 2021. During the period, the Company’s financial institution facilities A and B which amounted to EUR 300,000,000 and EUR 18,796,757, respectively, were rolled over both having the same terms and roll-over date on December 31, 2017. Principal amounts can be rolled-over on or before termination date of the revolver loan facility upon meeting certain conditions. Interests are paid on respective due dates.

“Aguila Ltd.”

As at September 30, 2017, the Company has no outstanding exposure with Aguila Ltd. (See Note 16, b).

“Unused credit facilities”

The facility agreements with lenders are cross-guaranteed by Bevco Lux and USD Bevco (See Note 15), thus, from a legal perspective the credit facilities denominated in EUR and USD can be drawdown by both companies in either currency.

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As at September 30, 2017 and December 31, 2016, the unused credit facilities are disclosed in the table below:

September 30, 2017 (unaudited)

	Total Commitment (in EUR)	Guarantees (in EUR)	Current USD Principal amount drawdown* (in EUR)	Current EUR Principal amount drawdown** (in EUR)	Total Principal amount drawdown (in EUR)	Unused Credit facilities (in EUR)
Third parties						
Financial Institution 1	200,000,000	-	-	200,000,000	200,000,000	-
Financial Institution 2 - 1st Tranche	423,500,000	-	-	-	-	423,500,000
Financial Institution 2 - 2nd Tranche	270,831,450	-	-	-	-	270,831,450
Financial Institution 2 - Facility C	169,400,000	-	-	-	-	169,400,000
Financial Institution 3	635,250,000	-	254,100,000	300,000,000	554,100,000	81,150,000
Financial Institution 4 - Facility A	296,450,000	-	-	300,000,000	300,000,000	-
Financial Institution 4 - Facility B	127,050,000	-	-	18,796,757	18,796,757	108,253,243
Financial Institution 5	169,400,000	10,360,633	-	-	-	159,039,367
	2,291,881,450	10,360,633	254,100,000	818,796,757	1,072,896,757	1,212,174,060
Related Party Transactions						
Aguila Ltd.	923,500,000	-	107,145,500	-	107,145,500	816,354,500
	923,500,000	-	107,145,500	-	107,145,500	816,354,500
Total Loans and borrowings	3,215,381,450	10,360,633	361,245,500	818,796,757	1,180,042,257	2,028,528,560

December 31, 2016 (unaudited)

	Total Commitment (in EUR)	Guarantees (in EUR)	Current USD Principal amount drawdown* (in EUR)	Current EUR Principal amount drawdown** (in EUR)	Total Principal amount drawdown (in EUR)	Unused Credit facilities (in EUR)
Third parties						
Financial Institution 1	200,000,000	-	-	145,463,638	145,463,638	54,536,362
Financial Institution 2 - 1st Tranche	474,338,298	-	104,354,426	-	104,354,426	369,983,872
Financial Institution 2 - 2nd Tranche	270,831,450	-	-	-	-	270,831,450
Financial Institution 2 - Facility C	189,735,319	-	-	-	-	189,735,319
Financial Institution 3	711,507,447	-	284,602,979	300,000,000	584,602,979	126,904,468
Financial Institution 4 - Facility A	332,036,809	-	-	300,000,000	300,000,000	32,036,809
Financial Institution 4 - Facility B	142,301,489	-	-	40,000,000	40,000,000	102,301,489
Financial Institution 5	189,735,319	5,912,297	-	-	-	183,823,022
	2,510,486,132	5,912,297	388,957,404	785,463,638	1,174,421,042	1,330,152,793
Related Party Transactions						
Aguila Ltd.	300,000,000	-	-	100,000,000	100,000,000	200,000,000
	300,000,000	-	-	100,000,000	100,000,000	200,000,000
Total Loans and borrowings	2,810,486,132	5,912,297	388,957,404	885,463,638	1,274,421,042	1,530,152,793

*Credit facilities drawdown by USD Bevco, original currency of this drawdown is in USD.

**Credit facilities drawdown by Bevco Lux, original currency of this drawdown is in EUR.

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

Bank Loan facilities are secured by the pledge of shares in AB InBev presented in the table below:

September 30, 2017 <i>(unaudited)</i>		December 31, 2016	
Number	Fair value*	Number	Fair value*
42,420,219	3,429,140,211	42,420,219	3,143,565,176

* Fair value includes a discount for lack of marketability (DLOM) in respect of shares in AB InBev since the Company cannot sell its shares before the end of the restriction period. In the event a lender commences an enforcement action the restriction on the share will not apply.

11. Other current liabilities

As at September 30, 2017 and December 31, 2016, other current liabilities are composed as follow:

	September 30, 2017 <i>unaudited</i> EUR	December 31, 2016 EUR
Suppliers	582,050	1,334,175
Audit fees	-	54,500
Accrued costs of AB InBev shares	-	47,660,124
Taxes	4,815	-
Cash advance from Parent Company	823,601	861,398
Accrued Custody fees	19,000	-
Others	2,678	-
	1,432,144	49,910,197

As at December 31, 2016, EUR 47,660,124 of purchase costs were accrued in relation to the acquisition of 476,598 shares of AB InBev. These costs were paid in January 2017, and there is no accrued costs in relation to the purchase of AB InBev shares as at September 30, 2017.

12. Administrative expenses

Administrative expenses for the period ended September 30, 2017 and September 30, 2016 are presented in the table below:

	for nine months ended September 30:	
	2017 <i>unaudited</i> EUR	2016 <i>unaudited</i> EUR
Legal and other professional fees	357,222	1,794,756
Custody and bank	21,685	98,542
Accountant fees	42,563	-
Audit fees	79,216	-
SNI - Master service agreement	582,051	-
Other expenses	350	105,640
	1,083,087	1,998,938

Refer to Note 16 for further details on the SNI - Master service agreement.

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

13. Taxes

The Company incurs withholding tax imposed by the country where AB InBev is principally located and registered. Dividend income is recorded at gross of withholding tax with withholding tax being shown as a separate item in the statement of profit or loss.

Withholding tax on dividend amounted to EUR 3,496,304 for the nine months period ended September 30, 2017. The withholding tax on the dividends received for the nine months period ended September 30, 2016 was nil due to the local taxation of the Company prior migration date.

The Company is subject to Luxembourg taxation as from the migration date of October 14, 2016. For the nine months period ended September 30, 2017, the Company has accrued EUR 4,815 (nine months period ended September 30, 2016: nil) for net wealth tax.

14. Segment information

Bevco Lux S.à r.l. is a company which invest in securities and mainly derives its revenues and profits from the dividends and appreciation of its shares in AB InBev. Thus, only one reportable segment has been identified for the Company which consist of its investment activity in AB InBev. Measures of profit or loss, total assets and liabilities for the reportable segment that are regularly provided to the management are presented in the primary financial statements.

There are no reconciling items between the amounts in the statement of financial position for the reportable segment and the amounts in the Company's statement of financial position.

Management monitors the operation and on a regular basis, reports to the Board of Managers, which take necessary actions and/or decisions with the intention to further develop or expand the business. AB InBev is listed in several major Stock Exchanges including the Euronext Brussels and New York Stock Exchange (NYSE) hence, financial information are readily available and accessible to Management.

Management takes a long-term perspective when assessing its investment portfolio and as of the date hereof it has no plans to materially divest its investment in the near future. Management is not only analysing the performance of investment in the company but is also monitoring the underlying performance of the fundamental value of the industry and the company.

The investment in AB InBev is viewed as a stable and growing business, thus, management expects dividends to grow over time, although growth in the short term is expected to be modest.

15. Commitments

Pledge

Some AB InBev shares are pledged in favour of the international financial institutions (See Note 10). Basically, the condition of the pledges in place is that the Company must request approval from lenders prior to selling any of the pledged shares. The Company may request a release of pledged securities to the lender with a Margin Return Notice, an instruction to the custodian to be counter-signed by the lender in relation to the transfer of those pledged securities, or any release documentation in respect of the relevant security documents to be counter-signed by the lender in relation to the release of such pledged securities.

The facility agreements with lenders are cross-guaranteed by Bevco Lux and USD Bevco. Furthermore under these facilities Bevco Lux acts as a guarantor for USD Bevco as it holds the AB InBev shares which are pledged as guarantee on the loans. The maximum exposure which the Company could potentially become liable amounted to EUR 254,424,025 as at September 30, 2017 (December 31, 2016: EUR 396,460,460). Refer to Note 16 for more information.

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

Guarantee

In order to secure an acquisition made by Park S.à r.l., and more precisely the second payment of EUR 118,988,585 due in April 2019, the Company agreed to issue a stand-by letter of credit ("SBLC") from a financial institution in favour of the seller by which it engages to settle the second instalment of the purchase price for EUR 118,988,585 on behalf of Park S.à r.l. in the case the latter is not able to face its obligations. This SBLC bears interest at 1.40% plus implementation fees of EUR 120,000 charged to the Company. The Company will potentially become liable if Park will not be able to meet its obligation by April 2019, thus, the guarantee is due on a long term basis.

There is also a guarantee provided by Aguila Ltd. in connection with the SBLC by which Aguila Ltd. guarantees the obligations, if any, of Park in favour of the Company in case of the Company should assume the obligations of Park in favour of the seller.

The Company will recharge all the fees incurred plus a margin in compliance with the applicable transfer pricing rules and regulations.

The amendment to the facility agreement with a financial institution signed on February 16, 2017, also involved USD Bevco as guarantor of the Company.

The Company opened several margin security accounts with a financial institution. Some of these accounts are subject to pledge agreements granted in favour of financial institutions with which the Company has entered into borrowing facility agreements. The purpose of such security accounts places an obligation on the Company to lodge securities or cash whenever margin-calls are issued by financial institutions in order to secure the obligations of the Company. At this date, no margin-call was ever received by the Company.

Irrevocable commitments

"Commitment as at September 30, 2017"

In relation to the revolving loan granted to Aguila Ltd., the aggregate principal amount of up to EUR 500,000,000 shall remain available for the duration of the loan agreement (See Note 6). As at September 30, 2017, the maximum exposure which the Company could potentially become liable amounted to EUR 274,000,000.

"Commitment as at December 31, 2016"

In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev at the market price per share on the date of actual purchase. The transaction for the purchase of additional shares was completed on January 31, 2017 and shares were purchased for a total amount of EUR 296,113,632 (See Note 5).

16. Related party transactions

Major transactions and balances with related parties are summarised below:

a) Transactions with USD Bevco (direct parent)

Prior to migration, Bevco Ltd. had five (5) UK law governed credit facilities in both USD and EUR currency. Subsequent to migration those credit facilities have been converted into single and multi-currency committed revolving loan facilities allowing Bevco Lux and USD Bevco to drawdown on the same credit facilities. The multi-currency facilities are cross guaranteed which means that Bevco Lux and USD Bevco provide reciprocal guarantees for each other's liabilities, fulfilment of promises or obligations. Therefore a creditor of any one Bevco Lux or USD Bevco becomes the creditor of the other. Therefore Bevco Lux acts as a guarantor for USD Bevco as it holds the AB InBev shares which are pledged as guarantee for the loans. The maximum exposure which the Company could potentially become liable amounted to EUR 254,424,025 as at September 30, 2017 (December 31, 2016: EUR 396,460,460).

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

As a result of this cross-guarantee commitment, USD Bevco became also guarantor in connection to the SBLC issued by the Company on behalf of Park S.à r.l. (See Note 15).

At September 30, 2017 the sole shareholder, USD Bevco, has advanced an amount of EUR 823,601 (December 31, 2016: EUR 861,398), unsecured, interest-free and with no fixed date of repayment.

No dividends were declared and distributed to USD Bevco during the nine months period ended September 30, 2017 (for the nine months period ended September 30, 2016: nil).

b) Transaction with Aguila Ltd. (ultimate parent)

As at January 12, 2017, there was an additional drawdown on the Aguila Loan for EUR 120,000,000. The total drawdown amount of EUR 220,000,000, including outstanding drawdown exposure of EUR 100,000,000 as at December 31, 2016, has been fully repaid with interest of EUR 145,322 on January 25, 2017. The interest expense for the nine months period ended September 30, 2017 amounted to EUR 11,997 (for the nine months period ended September 30, 2016: nil).

On May 5, 2017, in order to develop its activities, the Company (the “lender”) entered into a loan agreement for an undetermined period with Aguila Ltd. (the “borrower”) amounting to EUR 500,000,000 which bears interest (i.e. EURIBOR + margin), on the same date Aguila Ltd. made a first drawdown of EUR 175,000,000 with rollover date on August 5, 2017. On August 5, 2017 the first drawdown amounting to EUR 175,000,000 has been rollover, with a new roll over date on November 6, 2017.

On August 22, 2017 Aguila Ltd. made an additional drawdown of EUR 51,000,000. The agreement can be terminated by either party at any time subject to giving a customary notice to the other party. Proceeds from the loan will be used to fund general operating expenses and working capital needs of the borrower. The interest income for the nine months period ended September 30, 2017 amounted to EUR 223,039 (for the nine months period ended September 30, 2016: nil).

On September 13, 2017, the Company (the “borrower”) entered into a loan agreement for an undetermined period with Aguila Ltd. (the “lender”) amounting to EUR 500,000,000 which bears interest.

Also, a parent guarantee has been provided by Aguila Ltd. in connection with the SBLC by which Aguila Ltd. guarantees the obligations, if any, of Park S.à r.l. in favour of the Company (See Note 15).

c) Transaction with Park S.à r.l. (related party)

Park S.à r.l. whose main purpose is the acquisition of participations, in Luxembourg or abroad is a sister entity of the Company. In order to secure acquisitions, a request was made by the Company to BNP Paribas S.A. (“BNP”) to issue a Stand-By Letter of Credit (“SBLC”) to facilitate an acquisition by Park S.à r.l. in 2016. Under this agreement, Park S.à r.l. shall repay fees on the SBLC at a rate of 1.44% p.a. Fees recharged by Bevco Lux to Park S.à r.l. in the nine months to September 30, 2017 amounted to EUR 1,583,082 (for the nine months period ended September 30, 2016: nil).

The Company will potentially become liable if Park will not be able to meet its obligation by April 2019. Management assess on a regular basis such exposure and so far there is no indication that Park will default on its obligation, hence, making the Company liable and requiring it to pay the second payment of EUR 118,988,585, as agreed and executed by virtue of the SBLC (See Note 15).

d) Transaction with SNI Luxembourg S.à r.l. (related party)

During the period, the Company (as “lender”) has granted a loan of EUR 50,000,000 to SNI Luxembourg S.à r.l. (as “borrower”). On August 22, 2017 the loan has been fully reimbursed by SNI Luxembourg S.à r.l.. The interests income for the nine months period ended September 30, 2017 amounted to EUR 258,386 (for the nine months period ended September 30, 2016: nil).

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

e) Transaction with SNI International S.à r.l. (direct parent of USD Bevco)

A management and services agreement (MSA) was signed between the Company, its Parent company, other related entities and SNI International Holdings S.à r.l., whereas the latter will provide services to its affiliated companies such as consultancy and/or advisory services to be procured by SNI International Holdings S.à r.l. through its Finance Director and other employees and, as the case may be, helped or assisted by external advisors. SNI International Holdings S.à r.l. is willing to make its own resources, i.e. the Finance Director and other employees available to its affiliated companies pursuant to the terms and conditions set forth in the MSA. The amount to be paid to SNI International Holdings S.à r.l. by each affiliated company shall be determined on a pro-rata basis in accordance with the terms outlined in the MSA.

The Company has incurred administrative expenses of EUR 582,051 for the nine months period ended September 30, 2017 (for the nine months period ended September 30, 2016: nil) in respect of the above consultancy and/or advisory services provided by SNI International Holdings S.à r.l.

f) Transaction with employees

The average number of employees directly employed by the Company was nil as of September 30, 2017 (September 30, 2016: nil).

17. Subsequent events

a) Borrowings

From credit institutions

“Financial institution 2”

On November 22, 2017, the Company made a drawdown which amounted to EUR 75,000,000 which bears interest (i.e. EURIBOR + margin) and matures on February 28, 2017. This drawdown will be used to finance the loan granted to Park S.à r.l. on November 28, 2017.

On December 21, 2017 the Company signed an addendum to the facility agreement with the financial institution 2. As a result, the bank's commitment was increased to EUR 850,000,000 and the availability period of the commitment was extended to year 2024.

“Financial institution 3”

On December 4, 2017, the Company rolled over an existing loan of EUR 300,000,000 under the same terms and new repayment date on March 4, 2018.

“Financial institution 4”

On December 29, 2017, the Company rolled over two existing loans of EUR 300,000,000 (“Facility A”) and EUR 18,796,757 (“Facility B”) under the same terms and new repayment date on March 30, 2018.

“Financial institution 5”

On December 15, 2017, the Company and USD Bevco have extend the termination date of the existing facility agreement to March 31, 2018.

From/to related parties

“Park S.à r.l.”

On November 28, 2017, the Company (the “lender”) entered into an interest-bearing loan (IBL) agreement with Park S.à r.l. (the “borrower”). At the same date, Park S.à r.l. made a drawdown which amounted to EUR 75,000,000 with a maturity date on February 20, 2018 bearing interests EURIBOR + margin.

Bevco Lux S.à r.l.
Notes to the Interim financial statements
For the nine months ended September 30, 2017
(in EUR)

“Aguila Ltd. (ultimate parent)”

On November 6, 2017, the Company (the “lender”) agreed to roll over an existing loan of EUR 175,000,000 with Aguila Ltd. (the “borrower”) under the same terms and new repayment date on December 12, 2017.

On November 14, 2017, the borrower made an additional drawdown which amounted to EUR 151,000,000 which bears interest (i.e. EURIBOR + margin) and with maturity date on December 12, 2017.

On December 12, 2017 both loans were distributed by the Company as dividend in kind to USD Bevco amounting to EUR 326,051,535.

On November 22, 2017, the Company (the “lender”) agreed to roll over an existing loan of EUR 51,000,000 with Aguila Ltd. (the “borrower”), under the same terms and new repayment date on February 22, 2018.

b) Investing activities

On November 16, 2017 AB InBev declared an interim dividend of EUR 1.60 per share subject to 1.6995% withholding tax for a total gross amount of EUR 164,580,349, withholding tax amounted to EUR 2,797,043.

Bevco Lux S.à r.l.

Société à responsabilité limitée

Financial Statements at December 31, 2016

Bevco Lux S.à r.l.
37 A, Avenue J.F. Kennedy,
L-1855 Luxembourg
RCS B209913

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Audit report

To the Board of Managers of
Bevco Lux S.à r.l.

We have audited the accompanying financial statements of Bevco Lux S.à r.l., which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the financial statements.

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 financial statements give a true and fair view of the financial position of Bevco Lux S.à r.l. as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matter

The financial statements of the Company as at 31 December 2015 and 2014 have not been audited in accordance with International Standards of Auditing.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 12 July 2017

A handwritten signature in black ink, appearing to read 'Malik Lekehal'.

Malik Lekehal

Bevco Lux S.à r.l.
Statement of financial position
As at December 31, 2016
(in EUR)

	Notes	December 31, 2016	December 31, 2015	January 1, 2015
		EUR	EUR	EUR
			<i>unaudited</i>	<i>unaudited</i>
ASSETS				
Non-current assets				
Financial assets				
Investment securities	5	7,481,715,468	12,432,874,242	9,736,698,638
Total non-current assets		7,481,715,468	12,432,874,242	9,736,698,638
Current assets				
Derivative financial instruments	6	-	21,267,015	-
Other current assets	11	396,385	-	-
Cash and cash equivalents	7	154,028,360	33,574,578	13,315,696
Total current assets		154,424,745	54,841,593	13,315,696
Total assets		7,636,140,213	12,487,715,835	9,750,014,334
EQUITY				
	8			
Share capital		76,706,354	8,680	8,680
Share premium		6,458,777,755	262,151,246	-
Special reserve account		1,137,480,851	-	-
Available-for-sale revaluation reserve		(910,159,659)	-	-
Currency translation adjustment		690,302,868	966,892,100	-
Retained earnings		(757,016,198)	9,753,254,526	8,690,248,678
Total equity		6,696,091,971	10,982,306,552	8,690,257,358
LIABILITIES				
Current liabilities				
Loans and borrowings	9	890,138,045	1,505,409,283	1,059,756,976
Other current liabilities	10	49,910,197	-	-
Total liabilities		940,048,242	1,505,409,283	1,059,756,976
Total equity and liabilities		7,636,140,213	12,487,715,835	9,750,014,334

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

Bevco Lux S.à r.l.
Statement of profit or loss
For the financial year ended December 31, 2016
(in EUR)

	Notes	2016	2015 <i>unaudited</i>
Income			
Interest income		2,863	12,152
Dividend income	5	344,348,785	233,560,831
Gains/losses on derivative financial instruments		7,565,319	4,260,890
Change in fair value of investment securities	5	(839,901,840)	1,546,809,151
Realised loss on investment securities disposal	5	(897,884,128)	-
Net result on foreign currency operations		5,284,176	29,304,336
Total net (loss)/income		(1,380,584,825)	1,813,947,360
Expenses			
Administrative expenses	12	(3,976,687)	(852,694)
Operating (loss)/profit		(1,384,561,512)	1,813,094,666
Finance cost	13	(38,843,990)	(31,982,571)
(Loss)/profit before tax		(1,423,405,502)	1,781,112,095
Withholding tax on dividend income	14	(2,633,891)	-
(Loss)/profit for the year		(1,426,039,393)	1,781,112,095

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

Bevco Lux S.à r.l.
Statement of comprehensive income
For the financial year ended December 31, 2016
(in EUR)

	Notes	2016	2015 <i>unaudited</i>
(Loss)/profit for the year		<u>(1,426,039,393)</u>	<u>1,781,112,095</u>
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets - net change in fair value	5	(910,159,659)	-
Currency translation adjustment	8	<u>(276,589,232)</u>	<u>966,892,100</u>
Other comprehensive income for the year		<u>(1,186,748,891)</u>	<u>966,892,100</u>
Total comprehensive (loss)/income for the year		<u><u>(2,612,788,284)</u></u>	<u><u>2,748,004,195</u></u>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

Bevco Lux S.à r.l.
Statement of changes in equity
For the financial year ended December 31, 2016
(in EUR)

	Notes	Share capital	Share premium	Special reserve account	Available-for-sale revaluation reserve	Currency translation reserve	Retained earnings	Total equity
Balance as at January 1, 2015 (unaudited)		8,680	-	-	-	-	8,690,248,678	8,690,257,358
Result for the year		-	-	-	-	-	1,781,112,095	1,781,112,095
Capital contributions for the year		-	262,151,246	-	-	-	-	262,151,246
Distributions for the year		-	-	-	-	-	(718,106,247)	(718,106,247)
Other comprehensive income		-	-	-	-	966,892,100	-	966,892,100
Balance as at December 31, 2015 (unaudited)	8	8,680	262,151,246	-	-	966,892,100	9,753,254,526	10,982,306,552
Allocation to share premium upon company reorganisation	1	-	6,069,958,953	-	-	-	(6,069,958,953)	-
Capital contributions for the year		-	126,667,556	-	-	-	-	126,667,556
Capital distributions for the year		-	-	-	-	-	(3,014,259,513)	(3,014,259,513)
Conversion of promissory note to special equity reserves		-	-	1,214,165,660	-	-	-	1,214,165,660
Share capital increase		76,697,674	-	(76,684,809)	-	-	(12,865)	-
Result for the year		-	-	-	-	-	(1,426,039,393)	(1,426,039,393)
Other comprehensive income		-	-	-	(910,159,659)	(276,589,232)	-	(1,186,748,891)
Balance as at December 31, 2016	8	76,706,354	6,458,777,755	1,137,480,851	(910,159,659)	690,302,868	(757,016,198)	6,696,091,971

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

Bevco Lux S.à r.l.
Statement of cash flows
For the financial year ended December 31, 2016
(in EUR)

	Notes	2016	2015 <i>unaudited</i>
Cash flows from operating activities			
(Loss)/profit before tax for the year		(1,423,405,502)	1,781,112,095
<i>Adjustments for:</i>			
Interest income		(2,863)	(12,152)
Dividend income	5	(344,348,785)	(233,560,831)
Change in fair value of derivative financial instruments		(7,565,319)	(4,260,890)
Finance cost	13	38,843,990	31,982,571
Change in fair value of investment securities	5	839,901,840	(1,546,809,151)
Realised loss on investment securities disposal	5	897,884,128	-
Other non-cash transactions		(186,048)	(182,601,545)
		<u>1,121,441</u>	<u>(154,149,903)</u>
<i>Changes in:</i>			
Derivative financial instruments		28,832,334	(17,006,125)
Other current assets	11	(396,385)	-
Other liabilities	10	49,910,197	-
		<u>79,467,587</u>	<u>(171,156,028)</u>
Cash generated from (used in) operating activities			
Withholding tax paid	14	(2,633,891)	-
		<u>76,833,696</u>	<u>(171,156,028)</u>
Net cash generated from (used in) operating activities			
Cash flows from investing activities			
Acquisitions of financial assets	5	(247,883,797)	-
Interest received		2,863	12,152
Dividend received	5	344,348,785	233,560,831
Proceeds from sale of financial assets	5	2,281,893,900	-
		<u>2,378,361,751</u>	<u>233,572,983</u>
Net cash generated from investing activities			
Cash flows from financing activities			
Capital contributions for the year	8	126,667,556	262,151,246
Distributions for the year	8	(3,014,259,513)	(718,106,247)
Proceeds from borrowings - credit institutions	9	1,248,826,343	1,093,372,500
Repayment of borrowings - credit institutions	9	(755,467,726)	(647,720,194)
Proceeds from borrowings - related parties	16	100,861,398	-
Interest and other non-investment expenses paid	13	(33,983,535)	(31,982,571)
		<u>(2,327,355,477)</u>	<u>(42,285,266)</u>
Net cash used in financing activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	7	33,574,578	13,315,696
Effects of foreign currency translation differences		(7,386,188)	127,193
Cash and cash equivalents at the end of the year	7	<u>154,028,360</u>	<u>33,574,578</u>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

Bevco Lux S.à r.l.
Notes to the financial statements
For the financial year ended December 31, 2016
(in EUR)

1. General information

Bevco Lux S.à r.l. ("the Company" or "Bevco Lux"), was transferred from Bermuda to Luxembourg on October 14, 2016 and adopted the form of a Luxembourg "société à responsabilité limitée" for an unlimited period (RCS number B 209913).

On the same date, the articles of the Company were amended and fully restated to conform to Luxembourg laws. In the notarized migration deed dated October 14, 2016 the share capital of Bevco Lux has been redenominated into EUR (see Note 8).

Since then, the registered office and effective place of management is located in the City of Luxembourg and have been operating with standard processes including majority of Luxembourg resident managers, joint signatures, leased office space, holding periodic board meetings, preparation of commercial accounts and tax returns in Luxembourg, operating through Luxembourg bank accounts.

The financial statements are presented in Euro ("EUR"), which is the functional currency of the Company.

The registered office of the Company is located at 37A, Avenue J.F. Kennedy, L-1855 Luxembourg.

The purpose of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. In particular, the Company may acquire by subscription, purchase, and exchange or in any other manner any securities, shares and other equity securities, bonds, debts, certificates of deposit and other debt instruments and more generally any securities or financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may also invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any kind or origin whatsoever.

The Company may also use its funds to invest in real estate, as well as the reinstatement, management, development and disposal of its assets according to their composition over time. In the course of its business, the Company may borrow in any form whatsoever. It may issue notes, bonds and any other representative security of borrowings and / or claims. However, the Company may not publicly proceed to the raising of equity capital in any form whatsoever.

As at December 31, 2016, December 31, 2015 and January 1, 2015, the Company's current liabilities exceed its current assets resulting to a negative working capital. However, the Company is fully committed in meeting its current obligations by maintaining adequate cash flows by alternative means, such as sale of unrestricted investment securities and/or additional capital contribution from its sole shareholder.

The financial year of the Company begins on January 1 and ends on December 31.

Company Milestone

The former name of the entity was Bevco Ltd. acted in Bermuda (Company number 40536) and a subsidiary of Aguila Ltd. by 100%. The Company was a holder of 225,000,000 shares in SABMiller plc ("SABMiller").

On November 11, 2015, the Boards of AB InBev and SABMiller plc announced that they had reached an agreement on the terms of the proposed business combination between SABMiller and AB InBev (the "Combination"). The Combination was implemented through a series of steps and completed on October 10, 2016. During the final step of the proposed structure, Anheuser Busch InBev SA/NV, the holding of the AB InBev group, merged into Newbelco SA/NV ("Newbelco"), which was formed for the purpose of effecting the Combination, so that following completion of the Combination, Newbelco became the new holding company for the combined AB InBev and SABMiller group. Newbelco has been renamed Anheuser-Busch InBev SA/NV.

Bevco Lux S.à r.l.
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1. General information (cont.)

Under the terms of the Combination, each SABMiller shareholder was entitled to elect to receive GBP 45 (EUR 49.81) in cash in respect of each SABMiller share. The Combination also included a partial share alternative (the "Partial Share Alternative"), under which SABMiller shareholders could elect to receive GBP 4.6588 (EUR 5.1833) in cash and 0.483969 restricted shares in respect of each SABMiller share in lieu of the full cash consideration to which they would otherwise be entitled under the Combination.

The Partial Share Alternative was limited to a maximum of 326,000,000 restricted shares and GBP 3.1 billion (EUR 3.43 billion) in cash. At the time of the Combination, Bevco Ltd. held approximately 13.9% of the ordinary share capital of SABMiller had given irrevocable undertakings to AB InBev to elect for the Partial Share Alternative in respect of their entire beneficial holdings in SABMiller.

Under this scheme Bevco Ltd. received 96,862,718 restricted shares. Due to the threshold of the issue of restricted share (326 million) Bevco Ltd. received the GBP 45 (EUR 50.07) cash consideration for 24,857,598 shares which is equivalent to GBP 1,118,591,910 (EUR 1,244,509,489). Bevco Ltd. received furthermore GBP 932,423,422 (EUR 1,037,384,400) on the cash component of the Partial Share Alternative scheme. The aggregated amount of cash received was GBP 2,051,015,332 (EUR 2,281,893,889), which was entirely paid out as dividend to the sole shareholder prior to migration.

On October 10, 2016, AB InBev announced completion of the Belgian merger and the successful completion of the business combination with SABMiller.

The shares in the former AB InBev were delisted from Euronext Brussels, the Bolsa Mexicana de Valores and the Johannesburg Stock Exchange. The new ordinary shares were admitted to listing and trading on Euronext Brussels, the Johannesburg Stock Exchange and the Bolsa Mexicana de Valores at the opening of business in each market on October 11, 2016.

The restricted shares in AB InBev held by Bevco Lux are unlisted, not admitted to trading on any stock exchange, and are subject to, among other things, restrictions on transfer until converted into new ordinary shares. Subject to limited exceptions, the restricted shares will only be convertible at the election of the holder into new ordinary shares on a one-for-one basis with effect from the fifth anniversary of completion of the Combination. From completion of the Combination, such restricted shares rank equally with the new ordinary shares with respect to dividends and voting rights.

Due to the restriction of the received shares, Bevco Lux. has undertaken a restricted stock valuation exercise, resulting in an applied discount of 26.3% (EUR 2,561,500,675) as at December 31, 2016, as compared to the publicly-listed price of equivalent shares. As a result, Bevco Lux now holds shares in Anheuser-Busch InBev SA/NV ("AB InBev") in exchange for shares held in SABMiller (see Note 5).

Post-Migration

As a result of the re-domiciliation of Bevco Lux on October 14, 2016, Luxembourg entities ultimately controlled by Aguila Ltd. ("the Group") underwent reorganisation which resulted to incorporation of a new company. USD Bevco S.à r.l. ("USD Bevco") was incorporated under Luxembourg law on August 12, 2016 as a "société à responsabilité limitée". In addition, Aguila Ltd. contributed all its shares in Bevco Lux to SNI International Holdings S.à r.l. ("SNI") which is the parent company of USD Bevco in exchange for newly issued shares and preferred equity certificates (PECs). In turn, SNI contributed the shares in Bevco Lux to USD Bevco in exchange for newly issued shares.

At December 31, 2016 Bevco Lux has only loan facilities outstanding denominated in EUR or committed financing facilities that can be drawn down in EUR. It is the intention that Bevco Lux utilises EUR denominated financing to fund EUR denominated investment assets.

Bevco Lux S.à r.l.
Notes to the financial statements
For the financial year ended December 31, 2016
(in EUR)

1. General information (cont.)

The Company is included in the consolidated accounts of USD Bevco which is the undertaking that prepares the consolidated accounts of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking. The registered office of this Company is located at 37, avenue J.F. Kennedy, L-1855 Luxembourg and the consolidated accounts can be obtained at this registered office.

2. Summary of significant accounting policies

2.1 Basis of preparation and adoption of IFRS

The financial statements include statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes.

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued and effective as at December 31, 2016.

For all periods up to and including the year ended December 31, 2015, the Company prepared its financial statements in accordance with its previous local generally accepted accounting principles ("GAAP") in Bermuda. These financial statements for the year ended December 31, 2016 are the first time for the Company adopting and preparing the financial statements in accordance with IFRS. See Note 2.2 for information on how the Company adopted IFRS.

The financial statements were approved for issuance by the Board of Managers of the Company on July 12, 2017.

The financial statements have been prepared on a historical cost basis, except for financial assets, including derivative financial instruments that have been measured at fair value.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

New and amended standards and interpretations issued, effective and adopted by the Company

The Company has adopted all the new or amended standards in preparing these financial statements.

New and amended standards and interpretations issued but not effective at the date of issuance of the Company's financial statements

Relevant Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments:

Recognition and Measurement and all previous versions of IFRS 9.

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Bevco Lux S.à r.l.
Notes to the financial statements
For the financial year ended December 31, 2016
(in EUR)

2. Summary of significant accounting policies (cont.)

2.1 Basis of preparation and adoption of IFRS (cont.)

The Company is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

2.2 First-time adoption of IFRS

The Company has prepared financial statements which comply with IFRS as adopted by the EU applicable for periods ending on or after December 31, 2016, together with the comparative information as at and for the year ended December 31, 2015, as described in the accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at January 1, 2015, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its local GAAP statement of financial position as at January 1, 2015 and its previously published local GAAP financial statements as at and for the year ended December 31, 2015.

Bevco Lux S.à r.l.
Notes to the financial statements
For the financial year ended December 31, 2016
(in EUR)

2. Summary of significant accounting policies (cont.)

2.2 First-time adoption of IFRS (cont.)

Following adoption of IFRS for the first time for the year ended December 31, 2016, the Company presents a reconciliation of its equity attributable to its owners as at December 31, 2015 as follows:

December 31, 2015 <i>(unaudited)</i>		Effect of transition to		IFRS	
Local GAAP	Local GAAP	Reclassification	IFRS	IFRS	IFRS
	USD	USD	USD	USD	EUR IFRS
ASSETS					
<i>Non-current assets</i>					
Investments, at fair value	13,526,083,364	(13,526,083,364)	-	-	-
	-	13,502,985,873	-	13,502,985,873	12,432,874,242
Total non-current assets	13,526,083,364	(23,097,491)	-	13,502,985,873	12,432,874,242
<i>Current assets</i>					
Cash and cash equivalents	36,464,379	23,097,491	-	23,097,491	21,267,015
	-	-	-	36,484,379	33,574,578
Total current assets	36,464,379	23,097,491	-	59,581,870	54,841,593
Total assets	13,562,547,743	-	-	13,562,547,743	12,487,715,835
NET ASSETS & LIABILITIES					
<i>Net assets</i>					
Net assets	11,927,566,179	(11,927,566,179)	-	-	-
	-	12,000	-	12,000	8,680
	-	297,688,200	-	297,688,200	262,151,246
	-	-	-	-	966,892,100
	-	11,629,865,979	-	11,629,865,979	9,753,254,526
Total net assets	11,927,566,179	-	-	11,927,566,179	10,982,306,552
<i>Liabilities</i>					
<i>Current liabilities</i>					
Short-term debt	1,634,981,564	-	-	1,634,981,564	1,505,409,283
Total liabilities	1,634,981,564	-	-	1,634,981,564	1,505,409,283
Total net assets and liabilities	13,562,547,743	-	-	13,562,547,743	12,487,715,835

Bevco Lux S.à r.l.
Notes to the financial statements
For the financial year ended December 31, 2016
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2. Summary of significant accounting policies (cont.)

2.2 First-time adoption of IFRS (cont.)

The Company presents a reconciliation of profit or loss for the year ended December 31, 2015:

December 31, 2015 <i>(unaudited)</i>		Effect of transition to		IFRS	
Local GAAP	Local GAAP	Reclassification	IFRS	IFRS	IFRS
	USD	USD	USD	USD	EUR IFRS
Gross income/(loss) from investments					Income
Unrealized gains/(losses) on investments	2,421,408,204	(2,421,408,204)	-	-	-
Foreign currency gains/(losses), net	(666,786,811)	699,322,149	-	32,535,338	29,304,336
Dividends	259,312,500	-	-	259,312,500	233,560,831
Interest	13,493	-	-	13,493	12,152
	-	4,730,682	-	4,730,682	4,260,890
	-	1,717,355,373	-	1,717,355,373	1,546,809,151
Total gross income/(loss) from investments	2,013,947,386	-	-	2,013,947,386	1,813,947,360
					Total net income
Expenses					Expenses
Credit facilities	35,518,637	(35,518,637)	-	-	-
Travel	427,478	(427,478)	-	-	-
Legal	385,768,00	(385,768)	-	-	-
Custody and Bank	123,694	(123,694)	-	-	-
	-	946,710	-	946,710	852,694
Total expenses	36,455,577	(35,508,867)	-	946,710	852,694
					Total operating expenses
	-	35,508,867	-	35,508,867	31,982,571
					Net finance cost
Net income/(loss) from operations	1,977,491,809	-	-	1,977,491,809	1,781,112,095
					Profit before tax
	1,977,491,809	-	-	1,977,491,809	1,781,112,095
					Profit for the year

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Notes to the financial statements
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2. Summary of significant accounting policies (cont.)

2.2 First-time adoption of IFRS (cont.)

Reconciliation of equity as at January 1, 2015

January 1, 2015 <i>(unaudited)</i>		Effect of transition to		IFRS	
Local GAAP	Local GAAP	Reclassification	IFRS	IFRS	IFRS
	USD	USD	EUR	USD	EUR
ASSETS					
<i>Non-current assets</i>					
Investments, at fair value	11,785,630,500	(11,785,630,500)	-	-	-
	-	11,785,630,500	-	11,785,630,500	9,736,698,638
Total non-current assets	11,785,630,500	-	-	11,785,630,500	9,736,698,638
<i>Current assets</i>					
Cash and cash equivalents	16,117,770	-	-	16,117,770	13,315,696
Total current assets	16,117,770	-	-	16,117,770	13,315,696
Total assets	11,801,748,270	-	-	11,801,748,270	9,750,014,334
NET ASSETS & LIABILITIES					
<i>Net assets</i>					
Net assets	10,518,982,469	(10,518,982,469)	-	-	-
	-	12,000	-	12,000	8,680
	-	10,518,970,469	-	10,518,970,469	8,690,248,678
Total net assets	10,518,982,469	-	-	10,518,982,469	8,690,257,358
<i>Liabilities</i>					
<i>Current liabilities</i>					
Short-term debt	1,282,765,801	-	-	1,282,765,801	1,059,756,976
Total liabilities	1,282,765,801	-	-	1,282,765,801	1,059,756,976
Total net assets and liabilities	11,801,748,270	-	-	11,801,748,270	9,750,014,334

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Notes to the financial statements
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2. Summary of significant accounting policies (cont.)

2.2 First-time adoption of IFRS (cont.)

Notes to reconciliation of equity, profit or loss and other comprehensive income

Reclassifications in presentation were made in the statements of financial position, profit or loss and other comprehensive income from local GAAP to comply with IFRS as adopted by the EU. No statements of cash flow and other comprehensive income were presented as this was not a requirement in the Company's previous local GAAP and thus the Company prepared for the first time the statement of cash flow for the year ended December 31, 2016.

2.3 Foreign currency translation

These financial statements are presented in Euro ("EUR"), which is the functional and presentation currency of the Company as at December 31, 2016.

Change of functional and presentation currency:

Previously, Bevco Lux (formerly Bevco Ltd.) had transactions in multiple currencies, however since the relocation from Bermuda to Luxembourg and the acquisition of the AB InBev shares, most of the current transactions are denominated in Euro. The investment strategy currently adopted by the Company is to compound capital on a long-term basis with absolute returns over inflation, through investment in businesses that benefit from industry fundamentals of branded products on a global basis or in selected industries such as infrastructure or real estate. Such investments are intended to be denominated in EUR. The Company is intended to act as the wider European financing centre to fund investing activities. Moreover, Euro is the currency in which funds from financing activity are generated.

Considering above circumstances, the management decided to change its functional and presentation currency from US Dollars ("USD") to Euro ("EUR") on October 14, 2016. All items in the primary statements were translated into new functional currency using the rate determined on that date (EUR/USD 1.1139).

For the purpose of presenting comparative figures, the results and financial position of the Company (previously presented in USD) were translated into EUR using the following procedures:

- Assets and liabilities for each statement of financial position presented were translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement presenting profit or loss were translated at average exchange rate for the year; and
- All resulting exchange differences were recognised in other comprehensive income as currency translation adjustment in other comprehensive income.

Translation of foreign currency transactions and balances:

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the date of the transactions which might comprise:

- the average spot exchange rate for a given currency as at the date preceding the date of transaction – in case of settlements of receivables and payables and other transactions,
- the actual spot rate applied as at this date resulting from the type of transaction - in case of foreign currency purchases and sales.

Bevco Lux S.à r.l.
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2. Summary of significant accounting policies (cont.)

2.3 Foreign currency translation (cont.)

At the end of the reporting year monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate determined at that date:

	Average rate - EUR		Year end spot rate - EUR		
	December 31 2016	December 31 2015	December 31 2016	December 31 2015	January 1 2015
USD 1	0.9037	0.9007	0.9487	0.9208	0.8262
GBP 1	1.2245	1.3766	1.1680	1.3578	1.2875

The foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit or loss.

2.4 Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; or
- Available-for-sale financial assets ("AFS").

The Company's financial assets include mainly equity instruments that are initially recognised at fair value. These are classified as either financial assets at fair value through profit or loss or available-for-sale.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated at fair value through profit or loss at inception.

Derivatives are categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. They are subsequently measured at fair value with gains or losses recognised in the profit or loss statement.

Bevco Lux S.à r.l.
Notes to the financial statements
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2. Summary of significant accounting policies (cont.)

2.4 Financial assets (cont.)

b) Subsequent measurement (cont.)

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are subsequently measured at fair value with changes in fair value, other than impairment losses, recognised directly in other comprehensive income (in "available-for-sale revaluation reserve"). When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss statement.

c) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

Available-for-sale financial assets

The Company assesses at each reporting date whether there is objective evidence that an AFS financial asset is impaired. If any such evidence exists, impairment losses on AFS financial assets are recognised by reclassifying the losses accumulated in the AFS revaluation reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as AFS are not reversed through profit or loss.

Bevco Lux S.à r.l.
Notes to the financial statements
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2. Summary of significant accounting policies (cont.)

2.4 Financial assets (cont.)

d) Impairment (cont.)

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the Statement of profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of profit or loss.

2.5 Derivative financial instruments and hedging

The Company uses derivative financial instruments, such as GBP Put/USD Call options and FX forward contracts to hedge its currency risk. Without qualifying for hedge accounting, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of such contracts is determined by reference to market values for similar instruments.

At the purchase of GBP Put/USD Call options and FX forward contract, the premium paid is accounted for as an asset and remeasured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognised in the statement of profit or loss as unrealised gains or losses.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, short-term deposits with original maturities of three months or less and restricted cash.

Cash and cash equivalents are carried at nominal value in the statement of financial position.

2.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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2. Summary of significant accounting policies (cont.)

2.8 Taxation

a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is provided using the statement of financial position liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary and associates, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused taxable tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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2. Summary of significant accounting policies (cont.)

2.8 Taxation (cont.)

b) Deferred tax (cont.)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The exemption on the initial recognition of the deferred tax may need to be revised ("eroded") in the subsequent periods.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

2.9 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved until such time as they are distributed.

2.10 Financial liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings and other current liabilities.

b) Subsequent measurement

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (except for future losses related to loan granting) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

This category generally applies to loans and borrowings and other current liabilities. For more information, see Note 9 & 10, respectively.

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2. Summary of significant accounting policies (cont.)

2.10 Financial liabilities (cont.)

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.11 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

2.12 Interest income

Interest income or expense is recognised using the effective interest method.

2.13 Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

2.14 Available-for-sale revaluation reserve

The available-for-sale revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

No impairments were recognized during the years ended December 31, 2016 and 2015.

3. Financial risk management

3.1 Financial risk factors

The Company's overall risk management program focuses on minimizing the potential adverse effects of the financial risks on the performance of the Company. The financial risk is managed under policies covering specific areas such as currency risk, interest rate risk and liquidity risk, as well as covenants provided in financing agreements.

a) Market risk

Foreign exchange risk

Currency risk management is aimed at managing within acceptable limits both the volatility of cash flows arising from fluctuations in the exchange rate of the functional currency against other currencies, and the adverse effect of movements in exchange rates on the earnings.

Before October 2016, Company had borrowings in USD and EUR, derivatives in USD, the investment was in GBP and the functional currency was USD. Table below summarises the Company's monetary assets and liabilities which are denominated in a currencies other than the current functional currency.

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

a) Market risk (cont.)

Foreign exchange risk (cont.)

	December 31, 2016		December 31, 2015		January 1, 2015	
	USD	GBP	USD	GBP	USD	GBP
Assets						
Derivative financial instruments	-	-	21,267,015	-	-	-
Cash and cash equivalents	12,498	-	28,549,568	4,275,729	2,275,540	10,792,300
Liabilities						
Loans and borrowings	-	-	(1,360,309,266)	-	(782,309,726)	-
Net currency exposure	12,498	-	(1,310,492,683)	4,275,729	(780,034,186)	10,792,300

As at December 31, 2016, had the exchange rate between the USD to EUR increased or decreased by 10% compared to actual rate of 0.9487 as at December 31, 2016 (December 31, 2015: 0.9208; January 1, 2015: 0.8262) with all other variables held constant, the increase or decrease respectively in profit or loss/equity or currency translation reserve would amount to approximately EUR 1,250 (December 31, 2015: EUR 131,049,268; January 1, 2015: EUR 78,003,419). This would have been mainly as a result of foreign exchange gains/losses on translation of USD denominated transactions as shown above.

As at December 31, 2016, had the exchange rate between GBP to EUR increased or decreased by 8% compared to actual rate of 1.1680 as at December 31, 2016 (December 31, 2015: 1.3578; January 1, 2015: 1.2875) with all other variables held constant, the increase or decrease respectively in profit or loss/equity or currency translation reserve would amount to approximately nil (December 31, 2015: EUR 342,058; January 1, 2015: EUR 863,384).

Currency risk of the Company is regularly monitored by the Company. The following instruments may be used to minimize the currency risk relating to the Company's foreign exchange transactions:

- forward foreign exchange contracts (also Non Delivery Forwards);
- foreign currency swaps;
- foreign currency options with an approved currency option hedging plan.
-

At December 31, 2016 Bevco Lux has investment securities and outstanding loan facilities denominated only in EUR which limits the Company's exposure to foreign currency risk.

Price risk

The Company's exposure to equity securities price risk arises from investment securities held by the Company and classified in the financial position as either available for sale (AB Inbev shares in 2016) or at fair value through profit and loss (SABMiller shares in 2015). The exposures are presented in the following table:

	Fair value December 31 2016 EUR	Fair value December 31 2015 EUR	Fair value January 1 2015 EUR
Financial assets	7,481,715,468	12,432,874,242	9,736,698,638

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

a) Market risk (cont.)

Price risk (cont.)

The sensitivity analysis shows effect of capital market events on the fair value of investment securities:

Year	Confidence level	Market price movements (EUR)	Number of shares	Impact on equity (EUR)	
				Increase (+)	Decrease (-)
December 31, 2016*	95%	37.99	99,882,806	3,794,547,800	(3,794,547,800)
	90%	29.47	99,882,806	2,943,546,293	(2,943,546,293)
December 31, 2015**	95%	17.68	225,000,000	3,978,000,000	(3,978,000,000)
	90%	13.71	225,000,000	3,084,750,000	(3,084,750,000)
January 1, 2015**	95%	17.99	225,000,000	4,047,750,000	(4,047,750,000)
	90%	13.95	225,000,000	3,138,750,000	(3,138,750,000)

*Pertains to AB InBev shares

**Pertains to SABMiller shares

As at December 31, 2016 the implied volatility of the shares for one year was 22.9% with the assumption that the return on the shares are normally distributed.

As at December 31, 2015 and January 1, 2015 the 90 days historical volatility of the SABMiller shares were 19.4% and 25.2%, respectively, with the assumption that the return on the shares are normally distributed.

95% confidence level

This means with a likelihood of 95%, the share price will not increase or decrease more than EUR 37.99 (December 31, 2015: EUR 17.68; January 1, 2015: EUR 17.99) in a one year period.

90% confidence level

This means with a likelihood of 90%, the share price will not increase or decrease more than EUR 29.47 (December 31, 2015: EUR 13.71; January 1, 2015: EUR 13.95) in a one year period.

Interest rate risk

The Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Loans and borrowings have floating interest rates on top of the agreed margins of the drawn amounts. However, the Company has limited exposure to such risk since loans and borrowings are short-term in nature. Hence, changes in basis points with all other variables remain constant are not expected to have a material impact.

	December 31 2016 EUR	December 31 2015 EUR	January 1 2015 EUR
Non-derivative financial liabilities			
Loans and borrowings	890,138,045	1,505,409,283	1,059,756,976

The Company's financial assets are non-interest bearing.

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

a) Market risk (cont.)

Interest rate risk (cont.)

The table below summarises the Company's exposure to interest rate risks:

Sensitivity parameter	Impact on the Statement of profit or loss		
	December 31	December 31	January 1
	2016	2015	2015
	EUR	EUR	EUR
+15 BP	1,335,207	2,258,114	1,589,635
-15 BP	(1,335,207)	(2,258,114)	(1,589,635)
+5 BP	445,069	752,705	529,878
-5 BP	(445,069)	(752,705)	(529,878)

The above reflects the last movements of the ECB rates and can be assumed to be the most likely maximum interest change within a one year period.

b) Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Bevco Lux in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

Bevco Lux mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties and working within agreed counterparty limits.

Bevco Lux has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately.

Based on these factors, the Company considers the risk of counterparty default per December 31, 2016 to be limited.

Credit quality of financial assets

The Company's financial assets are placed with a number of quality financial institutions, thereby reducing the concentration of counterparty credit risk to an acceptable level. None of these were in default at the reporting date.

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

b) Credit risk (cont.)

Credit quality of financial assets (cont.)

The total assets bearing credit risk are the following:

	December 31 2016 EUR	December 31 2015 EUR	January 1 2015 EUR
Investment securities	7,481,715,468	12,432,874,242	9,736,698,638
Derivative financial instruments	-	21,267,015	-
Other current assets	396,385	-	-
Cash and cash equivalents	154,028,360	33,574,578	13,315,696
Total	7,636,140,213	12,487,715,835	9,750,014,334

The carrying amounts disclosed above represents the maximum exposure to credit risk.

These assets are analysed in the table below using Standard & Poor's rating:

	December 31 2016 EUR	December 31 2015 EUR	January 1 2015 EUR
A+	2,698,717	-	-
A	151,329,643	12,466,448,820	9,750,014,334
A-	7,481,715,468	-	-
Not rated	396,385	21,267,015	-
Total	7,636,140,213	12,487,715,835	9,750,014,334

Based on the latest available rating assigned by S&P & Fitch, which are international rating agency, shares of AB InBev are rated A- & BBB, respectively.

c) Liquidity risk

Liquidity risk management implies maintaining sufficient cash as well as availability of funding through an adequate amount of committed debt facilities with financial institutions. The Company ensures to maintain the level of its cash and cash equivalents in excess of expected cash outflows on financial liabilities through a cash management policy. In addition, the Company optimises the cash return on investments to monitor and meet cash flow requirements.

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

c) Liquidity risk (cont.)

The following are details of the contractual cash flows of non-derivative financial liabilities:

	Carrying amount	Contractual cash flows*			Total
		1 - 3 months	3 - 6 months	7 - 12 months	
<i>As at December 31, 2016 (in EUR)</i>					
Loans and borrowings	890,138,045	548,039,699	345,347,760	-	893,387,459
Other current liabilities	49,910,197	49,910,197	-	-	49,910,197
	940,048,242	597,949,896	345,347,760	-	943,297,656
Guarantee	-	515,449,045	-	-	515,449,045
Irrevocable commitment	-	296,113,632	-	-	296,113,632
Total	940,048,242	1,409,512,573	345,347,760	-	1,754,860,333

	Carrying amount	Contractual cash flows*			Total
		1 - 3 months	3 - 6 months	7 - 12 months	
As at December 31, 2015 (in EUR)					
Loans and borrowings	1,505,409,283	489,670,204	523,481,826	508,722,169	1,521,874,198
Total	1,505,409,283	489,670,204	523,481,826	508,722,169	1,521,874,198

		Contractual cash flows*			
	Carrying amount	1 - 3 months	3 - 6 months	7 - 12 months	Total
As at January 1, 2015 (in EUR)					
Loans and borrowings	1,059,756,976	207,619,967	-	864,572,890	1,072,192,857
Total	1,059,756,976	207,619,967	-	864,572,890	1,072,192,857

*Above amounts are gross and undiscounted until maturity

The current loans and borrowings drawdowns are due within one year from the end of both the current and comparative year (see Note 9).

The Company maintains various lines of credit, denominated in USD and EUR, aggregated to an amount equivalent to USD 2,663,582,946 (EUR 2,526,878,803).

In 2016, the Company along its parent, USD Bevco S.à r.l., entered into "Amendment and restatement agreements" in respect of these credit facilities, enabling the Company access committed facilities with termination dates staggered from 2017 to 2021. The Company has pledged part of the shares in AB InBev as collateral (see Note 9 for details).

The facilities can be accessed to meet liquidity needs of both the Company and its parent in accordance with specific terms outlined the agreements. There are no restrictions on the use of the facilities.

The Company does not foresee exposure to liquidity risk in the short to medium term given the amount of the collateralised committed credit line in place.

In addition, the information below is considered to have an impact to the gross and undiscounted contractual cashflows above:

Guarantee

In order to secure an acquisition made by the sister entity, Park S.à r.l. ("Park"), the Company agreed to issue a stand-by letter of credit ("SBLC") through a financial institution in favour of the seller by which it engages to settle the second instalment of the purchase price for EUR 118,988,585 (December 31, 2015: nil; January 1, 2015: nil) on behalf of its sister entity in the case Park is not able to face its obligations. This SBLC bears interest at a rate of 1.40% plus implementation fees of EUR 120,000 for 2016 (December 31, 2015: nil; January 1, 2015: nil).

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3. Financial risk management (cont.)

3.1 Financial risk factors (cont.)

c) Liquidity risk (cont.)

Guarantee (cont.)

During the year, the Company and its shareholder signed a cross-guarantee with some credit institutions. The maximum exposure which the Company could potentially become liable amounted to EUR 396,460,460 as at December 31, 2016. Refer to Note 9 for more details.

Irrevocable commitment

In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev (December 31, 2015: nil; January 1, 2015: nil). The transaction for the purchase of additional shares is expected to be completed on or before February 3, 2017. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with a fair value of EUR 303,669,848 (see Note 5).

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the sole shareholder and benefits for other stakeholders. The Company was not regulated for capital requirements purposes and the Company utilises debt provided by related parties and other financial institutions to fund its activities.

There were no covenant breaches as at December 31, 2016, December 31, 2015, January 1, 2015 and as at the date of approval of these financial statements.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimate of fair value of assets

The best evidence of fair value is current prices in an active market for similar assets. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgement, the Company considers information from a variety of sources including:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data.
- Level 3 – Use of a model with inputs that are not based on observable market data.

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4. Critical accounting estimates and judgments (cont.)

a) Estimate of fair value of assets (cont.)

December 31, 2016 (in EUR)	Level 1	Level 2	Level 3	Total
Available-for-sale:				
- Equity securities*	303,669,848	-	7,178,045,620	7,481,715,468
Total assets measured at fair value	303,669,848	-	7,178,045,620	7,481,715,468

December 31, 2015 (in EUR)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
- Equity securities**	12,432,874,242	-	-	12,432,874,242
- Derivatives	-	21,267,015	-	21,267,015
Total assets measured at fair value	12,432,874,242	21,267,015	-	12,454,141,257

January 1, 2015 (in EUR)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
- Equity securities**	9,736,698,638	-	-	9,736,698,638
Total assets measured at fair value	9,736,698,638	-	-	9,736,698,638

*Pertains to AB InBev shares

**Pertains to SABMiller shares

Financial instruments	Level of fair value hierarchy	Valuation techniques and key inputs
AB InBev common shares	Level 1	Shares in AB InBev which are unrestricted are quoted in an active market (see Note 5).
AB InBev restricted shares***	Level 3	Restricted shares for a period of 5 years are valued under the Black-Scholes Option Pricing Model.
SABMiller PLC	Level 1	The SABMiller shares are quoted in an active market.
Derivative financial instrument	Level 2	Derivatives are valued by external party, using the discounted cash flow method.

*** The Company is not able to sell these investments until expiry of the restriction. In addition, the Company is exposed to the volatility of the share price over the holding period to which it took into consideration the risk caused by this illiquidity in determining the fair market value of the restricted shares. On acquisition, the Company took the fair value of AB InBev shares which is the trading price of unrestricted shares adjusted by the percentage due to lack of marketability.

Bevco Lux received from AB InBev irrevocable consent to pledge their holding of restricted shares and any rights thereto as security in respect of any bona fide loan, credit facility, note, surety bond, letter of credit or other arrangement.

This letter of consent allowed the Company to pledged AB InBev shares as collateral for committed facilities against both its drawdown loans and committed borrowing facilities (see Note 9).

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4. Critical accounting estimates and judgments (cont.)

b) Principal assumptions for management's estimation of fair value

The Company used assumptions that are mainly based on market conditions existing at the reporting date.

The Company engaged an independent consultancy firm to determine the fair market value of investment in shares of AB InBev. They prepared an analysis comparing results from different valuation models (e.g. Black-Scholes, Finnerty) and historical records or studies to arrive at the most reasonable fair value of the shares. Based on their valuation report, the discount for lack of marketability (DLOM) arrived at using the Black-Scholes Option Pricing Model is the most appropriate. The indicated value for each restricted shares of AB InBev was obtained by applying a DLOM of 26.4% (EUR 2,896,001,543 discount) to the trading price of an unrestricted share at acquisition date. The indicative value as at December 31, 2016 for the restricted shares was obtained by applying a revised DLOM of 26.3% (EUR 2,561,500,675 discount) on the trading price of the unrestricted shares at year-end.

For purposes of the valuation, in determining the fair value at December 31, 2016 the following assumptions were made: (i) the hypothetical buyer is prudent but without synergistic benefit; (ii) the business will continue as a going concern and not be liquidated; (iii) the hypothetical sale will be for cash; (iv) there is a readily available and willing buyer; (v) volatility of 22.1% was implied; (vi) a risk free rate of 0.05% was used; (vii) the time to expiration was based on the time remaining between the valuation date and the date of expiration of the restriction on the sale of the subject AB InBev shares; and (viii) the dividend yield of 3.58% was assumed. Had the DLOM increased or decreased by 1% pp. compared to the actual discount used (to 27.3% or 25.3% respectively), with all other variables held constant, the increase or decrease in profit or loss and equity would amount to EUR 97,395,463.

The carrying amount of other current assets approximates their fair value. No impairment was recognised during the year.

Management believes that the carrying amount of financial assets and financial liabilities not measured at fair value recognised in the financial statements approximated their fair values.

c) Determination of functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. When indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

As a result of the re-domiciliation from Bermuda to Luxembourg, management has determined and decided to change the functional currency of the Company from USD to EUR with the intention to further grow the business in the European market which is the primary economic environment (see Note 2.3). Business transactions entered into by the Company are denominated in EUR.

d) Deferred Tax

Significant judgment is required in determining the total provision for deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business.

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4. Critical accounting estimates and judgments (cont.)

d) Deferred Tax (cont.)

The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Deferred tax assets on tax losses are recognised in those circumstances where it has been deemed there is reasonable certainty that these amounts will be recovered in the foreseeable future against taxable profit. The estimate of these amounts has been made on the basis of the Company's tax plan.

e) Financial instruments

Fair value of financial instruments

If a quoted market price is available for an instrument, the fair value is calculated based on the market price. When valuation parameters are not observable in the market or cannot be derived from observable market prices, the fair value is derived through analysis of other observable market data appropriate for each product and pricing models which use a mathematical methodology based on accepted financial theories. Pricing models take into account the contractual terms of the securities as well as market-based valuation parameters, such as interest rates, volatility, exchange rates and credit rating of a counterparty. Where market-based valuation parameters are not available, management makes a judgment as to its best estimate of that parameter in order to determine a reasonable reflection of how the market would be expected to price the instrument. In exercising this judgment, a variety of tools is used, including similar observable data, historical data and extrapolation techniques.

The Company considers that the accounting estimates and assumptions related to valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (a) they are highly susceptible to change from period to period because they require that management make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterpart, valuation adjustments and specific feature of the transactions and (b) the impact that recognising a change in the valuations would have on the assets reported in the statement of financial position as well as its income/(expense) could be material. Had management used different assumptions regarding interest rates, volatility, exchange rates, credit rating of a counterparty, offer date and valuation adjustments, a larger or smaller change in the valuation of financial instruments where quoted market prices are not available would have resulted in a material impact on the Company's net profit and loss reported in the financial statements.

Note (4a) summarizes details on the valuation techniques applied and key assumptions used in determining the fair value of financial instruments.

f) Estimation uncertainty

Except for the fair values of derivative financial instruments and equity investments, there is no other key assumption concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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5. Investment securities

Investment securities are summarised by measurement category in the table below:

	December 31, 2016 EUR	December 31, 2015 EUR	January 1, 2015 EUR
Financial assets			
Available-for-sale	7,481,715,468	-	-
Financial assets at fair value through profit or loss	-	12,432,874,242	9,736,698,638
	<u>7,481,715,468</u>	<u>12,432,874,242</u>	<u>9,736,698,638</u>

As at December 31, 2016 available-for-sale financial assets are represented by the 96,862,718 restricted shares and 3,020,088 common shares of AB InBev representing 4.94% of the share capital of this entity with a fair value of EUR 7,178,045,620 for the restricted shares (see Note 4b) and EUR 303,669,848 for the common shares. As at December 31, 2015 and 2014, Bevco Lux (formerly Bevco Ltd.) holds 225,000,000 shares (13.9%) of SABMiller with the fair value of EUR 12,432,874,242 and EUR 9,736,698,638, respectively.

Investment securities transactions during the year:

In October 2016, according to the Combination and Partial Share Alternative scheme, the Company, in exchange of 225,000,000 shares of SABMiller with the fair value of EUR 11,250,982,279, has received 96,862,718 AB InBev restricted shares with the fair value of EUR 8,073,701,271 and the cash consideration of GBP 2,051,015,345 (EUR 2,281,893,900). The Company recognised a loss on this transaction in the amount of EUR 897,884,128.

In addition to the shares acquired in AB InBev as agreed in the Partial Share Alternative, the Company entered during Q4 2016 into a share acquisition programme to acquire 6 million listed common shares in AB InBev. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with fair value of EUR 303,669,848.

Changes in fair value of investment securities:

Changes in fair value of SABMiller shares till the date of exchange in the amount of EUR (839,901,840) (December 31, 2015: 1,546,809,151) have been recorded in the profit or loss.

Changes in fair value of AB InBev shares have been recorded in other comprehensive income in available-for-sale revaluation reserve and amounted to EUR (910,159,659) as at December 31, 2016 (December 31, 2015: nil, January 1, 2015: nil).

Dividends received during the year:

Prior to migration, the Company received dividends from SABMiller which amounted to EUR 189,368,436 (2015: EUR 233,560,831) based on the total shares held by Bevco Ltd. prior to the business combination on October 13, 2016.

In November 2016, based on the total shares held as at November 17, 2016 the Company received a dividend from AB InBev of EUR 1.60 per share for a total gross amount of EUR 154,980,349 subject to a withholding tax of 1.6995%. The final net amount received is EUR 152,346,458.

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6. Derivative financial assets

On December 3, 2015, the Company acquired GBP Put/USD Call options with strike price 1.511, cost USD 18,366,809 (EUR 17,211,891) with a December 5, 2016 expiration date for the notional amount of GBP 300,000,000 (EUR 356,421,528). The fair value of this option is EUR 21,267,015 as at December 31, 2015.

7. Cash and cash equivalents

The cash and cash equivalents are composed of cash at bank and on hand in an amount of EUR 154,028,360 (2015: EUR 33,574,578, 2014: EUR 13,315,696).

The carrying value of cash and cash equivalents approximate their fair value.

8. Equity

a) Share capital

	No. of shares	EUR
<i>Ordinary shares issued and fully paid</i>		
Outstanding at January 1, 2016 (prior to migration)	12,000	8,680
Additional issuance pursuant to increase in share capital (12,000 shares)	12,000	12,865
Outstanding at the migration date of October 14, 2016	24,000	
Conversion of the outstanding 24,000 shares to 21,545 shares denominated in EUR	21,545	21,545
Conversion of other reserve to new shares on October 20, 2016	76,684,809	76,684,809
Outstanding at December 31, 2016	76,706,354	76,706,354

Before the migration, the initial share capital amounted to USD 12,000 represented by twelve thousand shares with a par value of USD 1 per share. After translation to euro, the initial share capital amounted to EUR 8,680. To comply with the laws of Luxembourg the Company issued additional 12,000 shares on October 14, 2016 (migration date). At the migration date, the outstanding shares of the Company amounted to 24,000 which were converted to 21,545 shares denominated in EUR with a par value of EUR 1 per share.

On October 20, 2016 the Company issued 76,684,809 new shares to the sole shareholder all having a nominal value of EUR 1 each, fully paid by way of conversion of part of the special reserve account in an amount of EUR 76,684,809.

b) Share premium

	2016 EUR	2015 EUR
As at January 1	262,151,246	-
Capital contributions for the year	126,667,556	262,151,246
Allocation to share premium upon company migration	6,069,958,953	-
As at December 31	6,458,777,755	262,151,246

As at October 14, 2016, migration date, the total retained earnings of the Company was capitalised and allocated to share premium account which amounted to EUR 6,069,958,953. Additional capital contributions were received by the Company during the year from its sole shareholder.

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8. Equity (cont.)

c) Special reserve account

	2016	2015
	EUR	EUR
As at January 1	-	-
Conversion of promissory note to special equity reserves	1,214,165,660	-
Share capital increase	(76,684,809)	-
As at December 31	1,137,480,851	-

On October 14, 2016 the shareholder of the Company resolved to make a contribution in kind consisting of a receivable held the shareholder in a form of promissory note in amount of EUR 1,214,165,660 to the special reserve account without issuance of new shares of the Company (refer to Note 9 for more information on the promissory notes).

On October 20, 2016 the Company issued 76,684,809 new shares to the sole shareholder all having a nominal value of EUR 1 each, fully paid by way of conversion of part of the special reserve account in the amount of EUR 76,684,809.

d) Currency translation reserve

	2016	2015
	EUR	EUR
As at January 1	966,892,100	-
Currency translation adjustment in Other Comprehensive Income	(276,589,232)	966,892,100
As at December 31	690,302,868	966,892,100

Currency translation adjustment pertains to foreign currency exchange differences of translating USD balances (which was the previous functional and presentation currency of the Company) including comparative information to EUR, see Note 2.3 for further information. Any exchange differences arising in the process are recognised in other comprehensive income. Currency translation adjustment from January 1, 2016 up to the date of the Company's change in functional currency ("migration date") amounted to (EUR 276,589,232) (December 31, 2015: EUR 966,892,100).

e) Retained earnings

	2016	2015
	EUR	EUR
As at January 1	9,753,254,526	8,690,248,678
Distributions for the year	(3,014,259,513)	(718,106,247)
Profit for the year	(1,426,039,393)	1,781,112,095
Allocation to share premium upon company reorganisation	(6,069,958,953)	-
Allocation to share capital due to issuance of new shares	(12,865)	-
As at December 31	(757,016,198)	9,753,254,526

Interim dividends declared and distributed during the year amounted to EUR 3,014,259,513 (2015: EUR 718,106,247).

At migration date, the total retained earnings of the Company were capitalised and allocated to share premium account which amounted to EUR 6,069,958,953. In addition, EUR 12,865 were allocated to increase share capital in form of newly issued shares to comply with the laws of Luxembourg.

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9. Loans and borrowings

As at December 31, 2016, 2015 and January 1, 2015 the terms and conditions on loans and borrowings draw down are shown in the table below:

December 31, 2016

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
<u>Third parties</u>					
Financial Institution 1	EUR	EURIBOR + margin	24/02/2017	145,463,638	146,233,575
Financial Institution 2	EUR	EURIBOR + margin	02/02/2017	-	203,123
Financial Institution 3	EUR	EURIBOR + margin	02/03/2017	300,000,000	300,298,700
Financial Institution 4	EUR	EURIBOR + margin	18/05/2017	300,000,000	302,837,500
Financial Institution 5	EUR	EURIBOR + margin	18/05/2017	40,000,000	40,554,889
				785,463,638	790,127,787
<u>Related Party Transactions</u>					
Aguila Ltd.	EUR	EURIBOR + margin	23/03/2017	100,000,000	100,010,258
				100,000,000	100,010,258
<u>Total Loans and borrowings</u>				885,463,638	890,138,045

Prior to migration, Bevco Ltd. had five (5) UK law governed credit facilities in both USD and EUR currency. Subsequent to migration those credit facilities have been converted into single and multi-currency committed revolving loan facilities allowing Bevco Lux and USD Bevco to drawdown on the same credit facilities. The multi-currency facilities are cross guaranteed which means that Bevco Lux and USD Bevco provide reciprocal guarantees for each other's liabilities, fulfilment of promises or obligations. Therefore a creditor of any one Bevco Lux or USD Bevco becomes the creditor of the other. Therefore Bevco Lux acts as a guarantor for USD Bevco as it holds the AB InBev shares which are pledged as guarantee for the loans. The maximum exposure which the Company could potentially become liable amounted to USD 417,908,971 (EUR 396,460,460) as at December 31, 2016.

On October 14, 2016, Bevco Lux, upon receiving approval from lenders, transferred all USD denominated bank loans of net book value EUR 1,214,165,660 to USD Bevco. Further agreed between both parties that the sole shareholder will hold an interest free receivable from the Company as a consideration for the assumed USD debt.

As evidence of the transaction, the parties involved signed a promissory note whereas, USD Bevco holds a receivable from Bevco Lux amounting to EUR 1,214,165,660. Thereafter, the sole shareholder opted to make a contribution in kind for the same amount it holds as a receivable from the Company which is the consideration recognised for the assumed USD debt. The promissory note was immediately cancelled and fully contributed to the special reserve account.

The bank borrowings included in above table are carried at amortised cost, their fair value approximates to their carrying values as at December 31, 2016, December 31, 2015 and January 1, 2015.

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9. Loans and borrowings (cont.)

December 31, 2015

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
Third parties					
Financial Institution 1	USD	LIBOR + margin	23/12/2016	130,746,500	130,867,635
Financial Institution 2	USD	LIBOR + margin	15/12/2016	46,037,500	46,037,500
Financial Institution 3	EUR	EURIBOR + margin	17/06/2016	145,000,000	145,100,010
Financial Institution 4	USD	LIBOR + margin	07/03/2016	299,243,750	300,006,063
Financial Institution 5	EUR	EURIBOR + margin	09/05/2016	69,056,250	69,056,250
Financial Institution 6	USD	LIBOR + margin	18/12/2016	92,075,000	92,075,000
Financial Institution 7	USD	LIBOR + margin	09/07/2016	230,187,500	230,187,500
Financial Institution 8	USD	LIBOR + margin	02/02/2016	138,112,500	138,112,500
Financial Institution 9	USD	LIBOR + margin	02/02/2016	46,037,500	49,958,952
Financial Institution 10	EUR	EURIBOR + margin	23/06/2016	276,225,000	276,225,000
Financial Institution 11	EUR	EURIBOR + margin	23/06/2016	27,622,500	27,782,873
				1,500,344,000	1,505,409,283
Total Loans and borrowings				1,500,344,000	1,505,409,283

January 1, 2015

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
Third parties					
Financial Institution 1	USD	LIBOR + margin	23/12/2015	158,620,800	158,690,516
Financial Institution 2	USD	LIBOR + margin	12/03/2015	206,537,500	206,609,664
Financial Institution 3	USD	LIBOR + margin	11/07/2015	206,537,500	206,537,500
Financial Institution 4	USD	LIBOR + margin	07/08/2015	206,537,500	210,472,046
Financial Institution 5	EUR	EURIBOR + margin	28/07/2015	250,000,000	252,447,250
Financial Institution 6	EUR	EURIBOR + margin	28/07/2015	25,000,000	25,000,000
				1,053,233,300	1,059,756,976
Total Loans and borrowings				1,053,233,300	1,059,756,976

Bank Loan facilities are secured by the pledge of shares presented in the table below:

December 31, 2016*		December 31, 2015**		January 1, 2015**	
Number	Fair value***	Number	Fair value	Number	Fair value
42,420,219	3,143,565,176	83,288,000	4,602,245,016	110,688,000	4,789,912,512

*Shares pledged pertain to shares held in AB InBev

**Shares pledged pertain to shares held in SABMiller

***Fair value includes a discount for lack of marketability (DLOM) in respect of shares in AB InBev. In the event a lender commences an enforcement action the restriction on the share will not apply.

10. Other current liabilities

This account pertains to outstanding debt as at December 31, 2016 payable to various suppliers which amounted to EUR 1,334,173 (December 31, 2015: nil, January 1, 2015: nil). In addition, purchased of shares were accrued amounting to EUR 47,660,124 which were subsequently paid in January 2017.

The audit fee payables amounted to EUR 54,500 as at 31 December 2016 (December 31, 2015: nil, January 1, 2015: nil). Finally, the amount of EUR 861,400 corresponds to payable to the parent company, following cash transfer to fund commitment and structure fees related to USD Bevco.

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11. Other current assets

As at 31 December 2016 other current assets are composed of advances to Park SARL which amounted to EUR 396,385 (31 December 2015: nil, January 1, 2015: nil) relating to commitment and structuring fees on the Stand by Letter of Credit (SBLC), see Note 15 for further information.

12. Administrative expenses

Administrative expenses for the year ended 31 December 2016 and 31 December 2015 are presented in the table below:

	2016	2015
	EUR	EUR
Legal and other professional fees	3,682,658	347,458
Travel expenses	105,858	385,027
Custody and bank	133,671	120,209
Audit fee	54,500	-
	3,976,687	852,694

The significant increase in legal and other professional fees is due to the cost incurred in relation to migration of the Company from Bermuda to Luxembourg which occurred on October 14, 2016 (see Note 1).

13. Finance costs

Finance costs can be detailed as follows:

	2016	2015
	EUR	EUR
Interest expense	(30,424,392)	(28,296,671)
Other expenses - non investment	(8,419,598)	(3,685,900)
	(38,843,990)	(31,982,571)

14. Withholding tax on dividend income

The Company incurs withholding tax imposed by the country where AB InBev is principally located and registered. Dividend income is recorded at gross of withholding tax with withholding tax being shown as a separate item in the statement of profit or loss.

Withholding tax on dividend amounted to EUR 2,633,891 for the year 2016 (2015: EUR nil).

The Company is subject to Luxembourg taxation as from the migration date of October 14, 2016.

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15. Commitments

Pledge

Some AB InBev shares are pledged in favour of the international financial institutions (see Note 9). Basically, the condition of the pledges in place is that the Company must request approval from lenders prior to selling any of the pledged shares. The Company may request a release of pledged securities to the lender with a Margin Return Notice, an instruction to the custodian to be counter-signed by the lender in relation to the transfer of those pledged securities, or any release documentation in respect of the relevant security documents to be counter-signed by the lender in relation to the release of such pledged securities.

The facility agreements with lenders are cross-guaranteed by Bevco Lux and USD Bevco. Furthermore under these facilities Bevco Lux acts as a guarantor for USD Bevco as its hold the AB InBev shares which are pledged as guarantee on the loans. Refer to Note 9 for more information.

Guarantee

In order to secure an acquisition made by the sister entity, Park S.à r.l., and more precisely the second payment of EUR 118,988,585 due in April 2019, the Company agreed to issue a stand-by letter of credit ("SBLC") from a financial institution in favour of the seller by which it engages to settle the second instalment of the purchase price for EUR 118,988,585 on behalf of its sister entity in the case Park is not able to face its obligations. This SBLC bears interest at 1.40% plus implementation fees of EUR 120,000 charged to the Company.

There is also a guarantee provided by Aguila Ltd. in connection with the SBLC by which Aguila Ltd. guarantees the obligations, if any, of Park in favour of the Company in case of the Company should assume the obligations of Park in favour of the seller.

Finally, the Company recharges the EUR 120,000 and 1.40% to Park by virtue of an agreement including the calculation schedule noting that the interest rate was amended to 1.44% so that the 120,000 are recharged over the 30 months period (i.e.: from purchase date to second instalment due date). A Transfer Pricing margin will also be added to the 1.44% afterwards.

The amendment to the facility agreement with a financial institution signed on February 16, 2017, also involved USD Bevco as guarantor of the Company.

Irrevocable commitment

In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev (December 31, 2015: nil; January 1, 2015: nil). The transaction for the purchase of additional shares is expected to be completed on or before February 3, 2017. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with a fair value of EUR 303,669,848 (see Note 5).

16. Related party transactions

Major transactions and balances with related parties are summarised below:

a) Transactions with USD Bevco (a direct parent)

On October 14, 2016, Bevco Lux transferred all USD denominated bank loans of net book value EUR 1,214,165,660 to USD Bevco. Further agreed between both parties that the sole shareholder will hold an interest free receivable from the Company as a consideration for the assumed USD debt. As evidence of the transaction, the parties involved signed a promissory note whereas, USD Bevco S.à r.l. holds a receivable from Bevco Lux amounting to EUR 1,214,165,660.

Thereafter, the sole shareholder opted to make a contribution in kind for the same amount it holds as a receivable from the Company which is the consideration recognised for the assumed USD debt.

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16. Related party transactions (cont.)

a) Transactions with USD Bevco (a direct parent) (cont.)

The promissory note was immediately cancelled and fully contributed to the share premium account, see Note 9 for further information.

At December 31, 2016 the sole shareholder, USD Bevco, has advanced an amount of EUR 861,398 (December 31, 2015: nil, January 1, 2015: nil), unsecured, interest-free and with no fixed date of repayment.

Dividends were declared and distributed to USD Bevco during the year amounting to EUR 152,346,458 (2015: n/a, 2014: n/a), see Note 8 for details.

b) Transaction with Aguila Ltd. (ultimate parent)

At December 31, 2016, the Aguila Ltd., has granted to the Company loans amounting to EUR 300,000,000 out of which EUR 100,000,000 is drawn the following terms and conditions: interest rate of Euribor +1.55% p.a. unsecured and repayable on or before March 23, 2017.

During the year, Bevco Ltd. opted for the partial share alternative (PSA) offer made by AB InBev. As part of this agreement Bevco Ltd. received cash proceeds for its SABMiller shares in exchange to AB InBev shares. The proceeds received amounted to GBP 2,051,015,345 (equivalent USD 2,548,890,090 or EUR 2,281,893,900). At the same time Bevco Ltd. entered into a forward agreement with a financial institution, whereby the Company would deliver pounds and the financial institution would deliver directly USD to the former parent Aguila Ltd. The settlement of the forward represents a distribution amounting EUR 2,281,893,900 (equivalent USD 2,548,890,090) which was done in the functional currency of Bevco Ltd.

Aguila Ltd. is the ultimate parent of the Company with registered office located in Clarendon House 2, Church Street, Hamilton, Bermuda.

c) Transaction with Park S.à r.l. (a related party)

An agreement relating to a Stand by Letter of Credit (SBLC) was entered into by the Company with Park S.à r.l. in 2016. Under this agreement, Park S.à r.l. shall repay fees on the SBLC at a rate of 1.44% p.a. Fees recharged by Bevco Lux to Park S.à r.l. in the year amounted to EUR 276,385.36.

No compensation has been paid or is payable to key management personnel in 2016 and 2015.

The average number of employees employed by the Company amounted to nil.

17. Subsequent events

a) Investing activity

From January 3 to January 31, 2017, the Company had purchased 2,979,912 shares of AB InBev amounting to EUR 296,113,632.

As at May 4, 2017, the Company received a dividend from AB InBev of EUR 2.00 per share for a total gross amount of EUR 205,725,436 subject to a withholding tax of 1.6995%. The final net amount received is EUR 202,229,132.

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17. Subsequent events (cont.)

b) Borrowings

As at January 12, 2017, there was a second drawdown on the Aguila Loan for EUR 120,000,000. The loan has been fully repaid on January 25, 2017 for an amount of EUR 220,145,322 (EUR 220,000,000 principal and EUR 145,322 interests).

As at February 24, 2017, a financial institution facility has been repaid for EUR 145,463,638 plus EUR 1,078,855 interest and EUR 68,196 commitment fees. The Company Amended the facility terms by way of an eighteen month extension of the maturity and a new drawdown of EUR 145,000,000.

As at March 2, 2017, the Company refinanced a financial institution loan facility of EUR 300,000,000 with a new one, having the same terms and maturity three months later. The loan facility replacing the one valid as at December 31, 2016, was also refinanced with a new one as at June 2, 2017, with the same terms and maturity three months later (September 2, 2017).

As at April 28, 2017, the company drew down EUR 55,000,000 from the financial institution facility and used these proceeds to lend EUR 50,000,000 to its sister company SNI Luxembourg S.à r.l. to finance its investments in Inmobiliaria Colonial for a similar amount.

On May 5, 2017, in order to develop its activities, the Company (the "lender") entered into a loan agreement for an undetermined period with Aguila Ltd. (the "borrower") amounting to EUR 175,000,000. In accordance to Luxembourg law, the agreement can be terminated by either party at any time subject to giving a customary notice to the other party. Proceeds from the loan will be used to fund general operating expenses and working capital needs of the borrower. On June 20, 2017, the lender further granted to the borrower a revolving loan in the aggregate principal amount of up to EUR 500,000,000 which shall be available for the duration of the loan agreement.

As at May 18, 2017, the Company rolled over available facilities with financial institutions as at December 31, 2016 (facility A of EUR 300,000,000 and facility B of EUR 40,000,000), with new ones having the same terms and maturity June 30, 2017. As at May 18, 2017, interest of EUR 4,562,500 has been paid for facility A and EUR 892,929 for facility B. On June 30, 2017, EUR 17,669,369 was paid on the principal amount of facility B. Furthermore both facilities were then rolled over, having new maturity on September 30, 2017 (facility A EUR 300,000,000 and facility B EUR 22,330,63).

On June 20, 2017, the interest rate on the EUR 300,000,000 loan from Aguila Ltd. was amended to EURIBOR + 0.51% p.a. instead of EURIBOR +1.55% p.a. (see Note 16b).

c) Contributions

As at February 6, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 298,007,078, made as at January 25, 2017 to be transferred to the special reserve account without issuance of new shares.

As at April 10, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 987,770, made as at February 28, 2017 to be transferred to the special reserve account of the Company without issuance of new shares.

Other than the above, there are no material events after the statement of financial position that has a bearing on the understanding of these financial statements.

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