Preliminary Announcement

Release date: 24 May 2012

SABMiller drives strong results in developing markets

SABMiller plc, one of the world's leading brewers, reports its preliminary (unaudited) results for the twelve months to 31 March 2012.

Operational Highlights

- Lager volumes of 229 million hectolitres (hl), 3% ahead of the prior year on an organic basis with particularly strong growth delivered in Latin America and Africa. Soft drinks volumes of 49 million hectolitres, 7% ahead of the prior year on an organic basis
- Reported group revenue up 11%, with organic, constant currency group revenue growth of 7%
- Reported EBITA up 12%, with organic, constant currency EBITA growth of 8%:
  - Latin America EBITA[1] up by 14% as a result of volume growth, pricing and mix
  - Europe EBITA[1] decline of 9% due to lower volumes, adverse mix and increased raw material costs
  - Strong pricing and favourable mix increases North America EBITA[1] by 2% despite lower volumes
  - Volume growth, strong pricing and mix drives Africa EBITA[1] up 16%
  - Asia Pacific EBITA[1] up 30% with good growth in both China and India
  - South Africa: Beverages EBITA[1] up by 14% due to price and mix benefits and focus on cost productivity
- EBITA margin increases by 10 basis points (bps) to 17.9%
- Foster's contributes to results from mid December 2011; integration proceeding well
- Adjusted earnings up by 13%, with adjusted EPS up 12% to 214.8 US cents per share
- Continued strong improvement in free cash flow[2], up 23% to US$3,048 million
- Full year dividends per share up 12% to 91.0 US cents

1 Segmental EBITA growth is shown on an organic, constant currency basis.
2 As defined in the financial definitions section. See also note 11b.

Financial highlights	2012 US$m	2011 US$m	% change
Group revenue[a]	**31,388**	28,311	11
Revenue[b]	**21,760**	19,408	12
EBITA[c]	**5,634**	5,044	12
Adjusted profit before tax[d]	**5,062**	4,491	13
Profit before tax[e]	**5,603**	3,626	55
Profit attributable to owners of the parent	**4,221**	2,408	75
Adjusted earnings[f]	**3,400**	3,018	13
Adjusted earnings per share			
- US cents	**214.8**	191.5	12
- UK pence	**134.4**	123.4	9
- SA cents	**1,607.0**	1,369.6	17
Basic earnings per share (US cents)	**266.6**	152.8	74
Dividends per share (US cents)	**91.0**	81.0	12
Free cash flow	**3,048**	2,488	23

a Group revenue includes the attributable share of associates' and joint ventures' revenue of US$9,628 million (2011: US$8,903 million).
b Revenue excludes the attributable share of associates' and joint ventures' revenue.
c Note 2 provides a reconciliation of operating profit to EBITA which is defined as operating profit before exceptional items and amortisation of intangible assets (excluding software) but includes the group's share of associates' and joint ventures' operating profit, on a similar basis. EBITA is used throughout this preliminary announcement.
d Adjusted profit before tax comprises EBITA less adjusted net finance costs of US$542 million (2011: US$518 million) and share of associates' and joint ventures' net finance costs of US$30 million (2011: US$35 million).
e Profit before tax includes exceptional credits of US$1,015 million (2011: charges of US$467 million). Exceptional items are explained in note 3.
f A reconciliation of adjusted earnings to the statutory measure of profit attributable to owners of the parent is provided in note 6.

Meyer Kahn, Chairman of SABMiller, said:

"'I am delighted to report another year of significant progress and strong results. Through our successful marketing, portfolio development and commercial execution we continued to build on our position in the world's developing consumer economies. Strong profit growth continued, driven by an organic total volume increase of 4% and complemented by favourable mix and pricing. We continued to expand our global footprint with the acquisition of Foster's, the merger of our Russian and Ukrainian businesses with Anadolu Efes in exchange for a stake in the enlarged business, and the further development of our alliance with Castel."

Segmental EBITA performance	**2012 EBITA US$m**	Reported growth %	Organic, constant currency growth %
Latin America	**1,865**	15	14
Europe	**836**	(6)	(9)
North America	**756**	2	2
Africa	**743**	15	16
Asia Pacific	**321**	247	30
South Africa: Beverages	**1,168**	9	14
South Africa: Hotels and Gaming	**135**	(2)	3
Corporate	**(190)**		
Group	**5,634**	12	8

Business review

The group delivered a strong financial performance. Group revenue grew by 11% (7% on an organic, constant currency basis) as a result of the higher volumes, selective price increases and higher growth in premium brands. Total beverage volumes of 286 million hl were 4% ahead of the prior year on an organic basis, with lager volumes up 3%, soft drinks volumes up 7% and other alcoholic beverages up 4%. Successful development of our brand portfolios and intensified sales execution, together with rising consumer spending drove strong performance in most of our developing markets. Latin America and Africa were particularly notable, while South Africa and the Asia Pacific region also generated significant, profitable growth. Despite strong results in a number of its markets, Europe's financial performance was affected by volume declines in Poland and Romania and significant increases in raw material input costs.

EBITA increased by 12% on a reported basis (8% on an organic, constant currency basis), with all beverage divisions except for Europe contributing to EBITA growth. EBITA margin was 10 bps ahead of the prior year at 17.9%. Group revenue growth (up 4% on an organic, constant currency per hl basis) offset increases in raw material costs (up low single digits on a constant currency per hl basis). Marketing investment rose in line with revenue, while fixed costs increased as a result of expenditure on sales and systems capabilities across our operations and in the corporate centre.

Adjusted earnings were 13% higher as a result of the increased EBITA. Adjusted net finance costs were 5% higher than in the prior year, and the effective tax rate was 27.5%. Adjusted earnings per share were 12% higher at 214.8 US cents.

The group's free cash flow was US$3,048 million, an increase of US$560 million compared with the prior year. Working capital cash flows of US$258 million continued recent positive trends, and reflected ongoing benefits of the group's business capability programmes. Capital expenditure was US$1,639 million, an increase of US$324 million compared with the prior year, with higher spend particularly to increase production capacity in Africa. Net debt at 31 March 2012 was US$17,862 million, up from US$7,091 million at the end of the previous financial year primarily due to the financing of the Foster's acquisition. The Board has recommended a final dividend of 69.5 US cents per share which will be paid to shareholders on 17 August 2012. This brings the total dividend for the year to 91 US cents per share, an increase of 10 US cents (12%) over the prior year.

On 16 December 2011 the group completed the acquisition of Foster's Group Limited (Foster's) in Australia. The acquisition provides us with exposure to Australia's strong economic growth prospects, a leading position in the stable and profitable Australian beer industry, and the opportunity to apply our capabilities and scale to improve Foster's financial and operating performance. The integration of the Foster's business has progressed very well to date despite the loss of some brand licences, which was a known risk at the time of acquisition. With effect from 1 January 2012, together with Castel we implemented a number of organisational changes in our African operations as part of our strategic alliance agreement. Operational management of the Nigerian businesses is now with SABMiller and the Angolan businesses with Castel. On 6 March 2012 we completed our strategic alliance with Anadolu Group and Anadolu Efes Biracilik ve Malt Sanayii AS (Anadolu Efes), exchanging our Russia and Ukraine beer businesses for a 24% equity stake in the enlarged Anadolu Efes group. Anadolu Efes is now the vehicle for both groups' investments in Turkey, Russia, the CIS, Central Asia and the Middle East.

- In **Latin America** EBITA grew by 15% (14% on an organic, constant currency basis). Lager volumes increased by 8% on an organic basis, and soft drinks by 10% on the same basis. Strong revenue growth, reflecting a combination of higher volumes, selective price increases and favourable mix, was partly offset by higher commodity costs, although we benefited from manufacturing efficiencies. Increased brand and marketing investment was funded by ongoing fixed cost productivity. We continued to benefit from our focus on improving the affordability of certain key lager brands in a number of markets, our differentiated brand portfolios and the expansion of our premium segment, and from the economic growth across the region.

- In **Europe** EBITA declined by 6% (9% on an organic, constant currency basis), while lager volumes fell by 1% on an organic basis. Financial performance in Poland and Romania was impacted by volume declines, adverse sales mix as a result of consumer downtrading and discounting, as well as planned destocking in our wholesalers. The other markets in the region generally saw stronger financial performance, assisted by good growth in the super premium and premium segments, and selective brand and product innovations. Across the region, EBITA was impacted by significant increases in raw material costs, although our global procurement and regional manufacturing projects continued to deliver mitigating cost efficiencies. The Anadolu Efes transaction was completed on 6 March 2012 and had no material impact on trading performance for the year.

- In **North America** EBITA grew by 2%. MillerCoors' sales to wholesalers (STWs) fell by 3%, with sales to retailers (STRs) down 2% as economic pressures continued to impact key consumer demographics. The Tenth and Blake crafts and imports division saw double digit growth, although volume declines were experienced in both the premium light and below premium segments. The growth in EBITA was mainly a result of revenue growth from pricing and favourable brand mix, continuous cost savings, partly offset by higher raw material and distribution costs, and systems investments.

- **Africa** lager volumes increased by 13% on an organic basis, despite capacity constraints in a number of markets. Increased sales and marketing activity, expanded local geographic footprints and differentiated brand portfolios drove performance, underpinned by favourable economic conditions. Soft drinks volumes grew by 11% on an organic basis. EBITA grew by 15% (16% on an organic, constant currency basis), mainly as a result of volume growth, pricing and mix benefits, our cost initiatives and the raw material cost benefits of local agricultural programmes. These were partly offset by higher sales and marketing investment, inflationary pressures and currency weakness.

- **Asia Pacific** lager volumes increased by 4% on an organic basis, with reported volumes significantly higher as a result both of the inclusion of Foster's since 16 December 2011 and of acquisitions in China. Reported EBITA grew by 247% mainly due to the addition of Foster's. On an organic, constant currency basis, EBITA grew by 30% with good growth in both China and India. Lager volumes grew by 4% on an organic basis in China with reported volumes up 9% boosted by acquisitions, and EBITA also grew strongly. India lager volumes grew by 3%. In Australia, our Pacific Beverages joint venture delivered strong volume growth on an organic basis up to January 2012 when the business was integrated into the newly acquired Foster's. On a *pro forma*(1) basis, CUB(1) full year lager volumes in Australia were 4% below the prior year, largely due to subdued consumer sentiment. EBITA also declined on a *pro forma* basis as a result of the lower volumes and increased commercial investment.

- **South Africa: Beverages** saw lager volumes grow by 2%, with particularly good performance in the peak season. Sustained brand investment and improvements in retail execution and customer service ensured market share gains by the end of the year, and ongoing growth in the premium segment. Soft drinks volumes also increased by 2%, benefiting from focused channel plans and better weather. Reported EBITA grew by 9% (14% on a constant currency basis) with EBITA margin expansion of 100 bps, benefiting from price and mix favourability, and with supply chain productivity offsetting the impact of increasing raw material costs. Continuing focus on reducing operating costs enabled the business to fund higher market-facing investments to support brands.

- We have seen further progress in our **business capability programme**, particularly in the area of procurement. Net operating benefits from the programme again exceeded our expectations reaching US$159 million for the year with the most significant contributions from Trinity (global procurement), European regional manufacturing and sales and distribution systems in Latin America. The programme's working capital objective of US$350 million accumulated inflow was exceeded by over US$100 million in the prior year and these benefits have been sustained and extended through the year to 31 March 2012. Based on plans to extend the scope and depth of globally-managed procurement in particular, the group expects that net operating benefits will reach US$250 million in the year to 31 March 2013 (previous guidance US$200 million) and US$400 million in the financial year ending 31 March 2014 (previous guidance US$300 million), reaching a run rate of approximately US$450 million by the end of that year.

  The global IS solution has been further developed during the year and was deployed in Ecuador in November 2011, covering back, middle and front office processes. The next full scope deployment will be in one of our largest and most sophisticated businesses, Poland. Refocusing of our IS resources on development work for core sales and distribution business models has led to the acceleration of some programme spend. Exceptional costs were US$235 million in the year and are expected to fall to around US$140 million in the year to 31 March 2013, with a further reduction in the year to 31 March 2014, the final year of the programme.

(1) CUB pro forma volumes and financial information are based on results for CUB reported under IFRS for the period from 1 April 2010 to 31 March 2011. Adjustments have been made to reflect SABMiller group accounting policies. CUB (Carlton and United Breweries) is the Australian beverage business of the recently acquired Foster's group.

Outlook

Trading conditions are expected to be broadly unchanged with further growth in our developing markets but no more than modest improvements in consumer spending in some more developed economies. We will continue to develop and differentiate our brand portfolios, taking opportunities to improve sales mix and raise prices selectively. Unit input costs are expected to rise in mid-single digits in constant currency terms. Focus will be maintained on cost effectiveness, including synergy delivery in Australia, and on expanding our globally-managed procurement programmes. While healthy cash generation will again be a priority, targeted investments in production capacity, marketing and sales capability and business systems will continue in order to drive medium term growth.

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A live audiocast of the management presentation to the investment community will begin at 9.30am (BST) on 24 May 2012. Access details for this audiocast, video interviews with management and copies of this announcement and the slide presentation are available on the SABMiller plc website at http://www.sabmiller.com

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Images: Our media image library has a large selection of images for use in print and digital media. Visit www.sabmiller.com/imagelibrary

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Copies of the press release and detailed Preliminary Announcement are available from the Company Secretary at the Registered Office, or from 2 Jan Smuts Avenue, Johannesburg, South Africa.

Operational review

Latin America

Financial summary	**2012**	2011	%
Group revenue (including share of associates) (US$m)	**7,158**	6,335	13
EBITA[1] (US$m)	**1,865**	1,620	15
EBITA margin (%)	**26.1**	25.6	
Sales volumes (hl 000)			
- Lager	**41,596**	38,266	9
- Lager (organic)	**41,264**	38,266	8
- Soft drinks	**17,418**	15,809	10

[1] In 2012 before exceptional charges of US$119 million being business capability programme costs of US$85 million and integration and restructuring costs of US$34 million (2011: US$106 million being business capability programme costs).

Latin America delivered a strong performance with lager volume growth of 9% (8% on an organic basis) and soft drinks volumes improving by 10%. This is attributable to our focus on the affordability of lager in a number of our markets, differentiated brand portfolios and the expansion of our premium segment, in the context of economic growth across the region. Volume growth, combined with selective price increases and mix benefits, increased group revenue by 13%. Higher commodity costs were partly offset by improved manufacturing efficiencies and continued distribution productivity gains. Increased investment behind our brands was funded through ongoing fixed cost productivity improvements. EBITA grew 15% and EBITA margin improved 50 bps (up 70 bps on an organic, constant currency basis).

In **Colombia** lager volumes grew by 7% reflecting healthy consumer spending, the implementation of new marketing campaigns and our strategy of price restraint in mainstream brands. Our share of the alcohol market improved in the last quarter, ending the year in line with the prior year, benefiting from increased marketing support and the narrowing of the relative prices between lager and spirits. The light beer category saw continued growth with Aguila Light volumes up 44%. Our premium brands also grew robustly, with the local premium brand franchise, Club Colombia, improving volumes by 30% and new variants attracting consumers to the category. Our non-alcoholic malt products saw double digit volume growth following the successful introduction of a smaller pack for our brand, Pony Malta, and the addition of our new more refreshing malt brand, Maltizz.

Peru had another good year aided by healthy economic growth. Lager volumes rose 10% as consumers continued to trade up from the informal alcohol sector. The roll-out last year of our business capability programme enabled direct sales service model allowed us to capture growth opportunities while generating operational efficiencies and differentiated value propositions to our customers. As a consequence, lager market share grew in both volume and value share terms to 93% and 95% respectively. Our flagship mainstream brand, Cristal, increased volumes by 22% reflecting the strong resonance of this brand underpinned by its support of national soccer. Our premium portfolio also performed well with volume growth of 22%, and the Cusqueña brand extended its appeal through a number of seasonal variants and its association with Peruvian heritage and the centenary of the rediscovery of Machu Picchu. In the soft drinks category we saw volume growth of 34%, as our non-alcoholic malt brand, Maltin Power, benefited from campaigns highlighting its nutritional attributes.

Ecuador saw lager volume growth of 7% as the expanded direct service model assisted with the capture of new growth opportunities. Lager market share of alcohol rose to above 50%. In addition to cycling the Sunday trading ban of June 2010, growth was driven by improved product availability of cold beer at the point of sale and continuing expansion of our presence in festivals and events. Our upper mainstream offering, Pilsener Light, saw volume growth of 87%, supported by the introduction of a larger pack. Our local premium brand, Club, further strengthened its position as the leading premium lager brand in Ecuador with volume growth of 15% through new activations and upsizing of the bottle. The non-alcoholic malt brand, Pony Malta, continued its success with its PET and smaller packs performing well, resulting in volume growth of 38%.

In **Honduras** lager volumes were up 9% versus the prior year. Growth was underpinned by our affordability strategy, in the traditional trade with a larger multiserve bottle, and in the modern trade with affordable can pricing, for both mainstream brands, Imperial and Salva Vida. The super premium category saw healthy growth, with Miller Lite doubling its volumes. Our alcohol market share continued to increase reaching a historic high of 53%. Soft drinks volumes grew by 7% boosted by further cooler penetration and brand activations and the success of multiserve packs. During the year we launched Actimalta in the non-alcoholic malt category with good acceptance from our target consumers. The juices and tea categories introduced last year saw volume growth of over 40%.

In **Panama** our lager volume growth of 2% and revenue mix benefited from the performance of premium brands, with Miller Lite and Miller Genuine Draft (MGD) showing strong acceptance amongst targeted consumers. MGD has established itself as the leader in the super premium segment and Miller Lite the leader in the premium segment. Mainstream brands Atlas and Balboa benefited from investment behind new brand campaigns and improved in-outlet execution. Soft drinks volumes grew by 4% boosted by the milk category and a strong performance from sparkling soft drinks, through increased availability of cold products at the point of sale.

In **El Salvador** domestic lager volumes saw double digit volume growth, driven by the more affordable bulk pack of our flagship mainstream brand, Pilsener. Our local premium brand, Suprema, also saw healthy volume growth of 30%, which together with the repositioning of Golden Light in the upper mainstream segment, significantly improved revenue mix. As a consequence, our alcohol market share increased to 35%. Soft drinks volumes grew by 7%, mainly due to the success of multiserve packs. In January 2012 we expanded into the non-alcoholic malt category with our brand Actimalta.

In **Argentina** we saw healthy volume growth of our mainstream brand Isenbeck, which on a full year comparative basis grew by 13%. The integration and upgrading of our capabilities in Argentina is progressing.

Europe

Financial summary	**2012**	2011	%
Group revenue (including share of associates) (US$m)	**5,482**	5,394	2
EBITA[1] (US$m)	**836**	887	(6)
EBITA margin (%)	**15.3**	16.4	
Sales volumes (hl 000)			
- Lager	**43,951**	44,193	(1)
- Lager (organic)	**43,157**	43,519	(1)
- Soft drinks	**533**	82	549
- Soft drinks (organic)	**97**	81	19

[1] In 2012 before net exceptional gains of US$1,135 million being net profit on disposal of businesses of US$1,181 million, a refund of a previous anti-trust fine of US$42 million and business capability programme costs of US$88 million (2011: exceptional charges of US$261 million being impairments of US$98 million, integration and restructuring costs of US$52 million and business capability programme costs of US$111 million).

In Europe, full year lager volumes declined by 1% on both a reported and an organic basis. Volumes in our businesses in Poland and Romania fell by 4% and 8% respectively, although other markets generally saw improved volume trends. Beer markets continued to be affected by consumer downtrading and industry focus on economy brands and packs, together with growth in modern trade and discounter channels, and declining on-premise channels. In the second half, planned destocking of wholesaler inventories was carried out in Poland and Romania, impacting our lager volume performance. Organic information includes 11 months of trading for Russia and Ukraine prior to the conclusion of the transaction with Anadolu Efes and excludes our share of the enlarged Anadolu Efes group for the period since the transaction. Reported results include our share of March trading for Anadolu Efes.

Reported EBITA declined by 6% overall with EBITA down in Poland and Romania. Profitability across the region was impacted by significant increases in raw material costs and negative brand mix, with reductions in group revenue per hl in Poland and Romania mainly due to adverse sales mix. Overall Europe's group revenue per hl grew 1% on both a reported and an organic, constant currency basis, reflecting selective price increases and against a backdrop of structural shifts to the economy segment and the modern trade channel in certain markets. Operational cost efficiencies including those from our global procurement and regional manufacturing projects continued to deliver benefits. Marketing expenditure was marginally below the prior year which included the 2010 FIFA World Cup activations. Reported EBITA was helped by the weakening of the US dollar against central and eastern European currencies compared with the prior year. On an organic, constant currency basis EBITA was down 9% with a margin decline of 160 bps.

In **Poland** lager volumes were down 4% impacted by competitor price reductions and promotional activities along with planned destocking of wholesaler inventories. The beer market has been increasingly characterised by downtrading together with continued development of the modern trade, especially discounters, resulting in growth of the economy segment. In this environment our economy brand Wojak has performed well and gained market share however key mainstream brands and the premium segment have been negatively affected. Group revenue per hl declined by 1% on a constant currency basis which, combined with the adverse volume performance, resulted in a decline in EBITA.

In the **Czech Republic** lager volumes were level with the prior year despite ongoing weakness in the on-premise channel and a drop in consumer sentiment during the year. Our super premium and premium segments have performed well with Pilsner Urquell growing despite its on-premise bias, benefiting from strengthening brand equity, successful trade activities and expanded tank beer distribution. Premium segment performance was boosted by Kozel 11, with particularly strong performance in the on-premise channel as a result of outlet expansion. While the mainstream segment remains under pressure, the introduction of PET packaging for key brands has enabled an improvement in the segment's trends. Group revenue per hl was in line with the prior year on a constant currency basis due to the strong performance of super premium and premium brands, despite ongoing price pressure and channel mix shifting in favour of off-premise. EBITA on a constant currency basis was in line with the prior year as raw material cost increases were offset by operational cost efficiencies.

In **Romania** lager volumes declined by 8% in a market in which consumers have downtraded. This emphasis on the economy segment and bulk packs has involved heavy discounting and led to adverse brand and pack mix. Our performance was also impacted by planned wholesaler destocking in the second half of the year. Our mainstream brand Timisoreana has been most significantly impacted in this environment, although the rate of decline slowed in the second half supported by effective promotional activity. The premium segment has also been affected by competitor activities. Our economy brand Ciucas has grown slightly with strong performance of the recently launched 2.5L PET pack. Group revenue per hl declined by 3% on a constant currency basis which together with the volume decline resulted in lower EBITA.

Lager volumes were up 2% in **Russia** on an organic basis, with growth in the super premium segment as Essa performed particularly well benefiting from a successful can launch. In the premium segment our local brand Zolotaya Bochka remained under pressure, however Kozel continued to grow despite strong competition in the Czech beer segment. Local economy brands performed ahead of the market driving overall growth of our economy segment, and we successfully launched a new mainstream offering, Zwei Meister. Organic, constant currency group revenue per hl grew by 6% which, along with volume performance, resulted in EBITA ahead of the prior year, despite increased raw material costs.

In **Ukraine** lager volumes grew 42% on an organic basis, as a result of the continued good performance of the core brand Sarmat, Zolotaya Bochka and the introduction of mainstream brand Amsterdam.

Domestic lager volumes were level with the prior year in **Italy** despite the impact of a deteriorating economic outlook. Declines in the first half of the year were recovered in a stronger second half supported by increased promotional activity. Peroni grew ahead of the prior year benefiting from expansion of draught volumes. EBITA benefited from fixed cost efficiencies. On 13 June 2011 we disposed of our Italian distribution operation.

In the **United Kingdom** the continued growth of Peroni Nastro Azzurro through expansion in the on-premise channel has resulted in lager volume growth of 8%. This was achieved despite a decline in the beer market and lower MGD volumes as distribution was refocused on key regions. EBITA grew strongly supported by good revenue per hl growth in the on-premise channel.

In the **Netherlands** domestic lager volumes were level with the prior year in a competitive environment characterised by discounting and promotional activity in the highly consolidated off-premise channel and reflecting the impact of economic uncertainty on consumer confidence. EBITA was ahead of the prior year, benefiting from restructuring, despite a slight decline in group revenue per hl.

In **Hungary,** lager volumes were up 5% boosted by strong promotional support due to the Arany Ászok 'Golden Friday' on-premise activation. Our economy brands took advantage of downtrading trends, while our super premium brands performed well, led by Pilsner Urquell. In the **Canaries**, the trading environment remained challenging with improved performance during the summer in the tourist areas leading to total volume growth of 1%. Lager volumes in **Slovakia** grew by 2% supported by particularly strong performance in the modern trade channel and in the super premium segment with a number of successful promotions for Pilsner Urquell.

North America

Financial summary	**2012**	2011	%
Group revenue (including share of joint ventures) (US$m)	**5,250**	5,223	1
EBITA[1] (US$m)	**756**	741	2
EBITA margin (%)	**14.4**	14.2	
Sales volumes (hl 000)			
- Lager – excluding contract brewing	**41,346**	42,336	(2)
- Lager – excluding contract brewing (organic)	**41,341**	42,336	(2)
MillerCoors' volumes			
- Lager – excluding contract brewing	**39,848**	40,949	(3)
- Lager – excluding contract brewing (organic)	**39,843**	40,949	(3)
- Sales to retailers (STRs)	**39,760**	40,757	(2)
- Contract brewing	**4,549**	4,458	2

[1] In 2012 before exceptional charges of US$35 million being the group's share of MillerCoors' impairment of the Sparks brand (2011: US$5 million being the group's share of MillerCoors' integration and restructuring costs).

The North America segment includes the group's 58% share in MillerCoors and 100% of Miller Brewing International. Total North America EBITA increased by 2%, driven by strong revenue management and focused sales and marketing execution, in a market where consumer sentiment remained cautious.

MillerCoors

For the year ended 31 March 2012 MillerCoors' US volume STRs declined by 2%, as the mainstream beer segment continues to be impacted by economic pressure on key consumer demographics. Domestic STWs were down by 3%. EBITA increased as revenue growth more than offset lower volumes, increased costs of goods sold and higher fixed costs.

Premium light brand volumes declined by low single digits, with growth in Coors Light offset by a decline in Miller Lite. MillerCoors' Tenth and Blake division saw double digit growth driven particularly by the continued success of Blue Moon and Leinenkugel's and their seasonal variants, together with Peroni Nastro Azzurro. The below premium segment was down by mid single digits, as consumers continue to trade up to other segments.

MillerCoors' group revenue per hl grew by 3%, due to front line pricing and aided by favourable brand mix. Cost of goods sold per hl increased moderately, despite the ongoing benefit of synergies and cost savings, due to higher freight costs, packaging innovations, brand mix and rising commodity prices.

Marketing, general and administrative costs were in line with the prior year, as higher fixed costs were offset by the rephasing of certain marketing programmes into the new financial year.

MillerCoors delivered US$18 million of incremental integration synergies, mainly through savings from brewery and procurement related projects and freight optimisation as the integration synergies programme completed on 30 June 2011. In the year to 31 March 2012 other cost savings of US$88 million were realised, driven by various initiatives, primarily in the integrated supply chain function. The integration of The Crispin Cider Company and its affiliate Fox Barrel Cider Company is progressing well.

Total annualised integration synergies and other cost savings of US$790 million have been realised since the inception of the joint venture on 1 July 2008. This consists of synergies of US$546 million and other cost savings of US$244 million. MillerCoors exceeded the target of US$750 million in total annualised synergies and other cost savings one year earlier than originally planned.

Africa

Financial summary	**2012**	2011	%
Group revenue (including share of associates) (US$m)	**3,686**	3,254	13
EBITA[1] (US$m)	**743**	647	15
EBITA margin (%)	**20.2**	19.9	
Sales volumes (hl 000)			
- Lager	**17,374**	15,288	14
- Lager (organic)	**17,033**	15,016	13
- Soft drinks	**13,475**	12,373	9
- Soft drinks (organic)	**13,039**	11,785	11
- Other alcoholic beverages	**5,330**	5,080	5
- Other alcoholic beverages (organic)	**5,283**	5,080	4

[1] In 2012 before net exceptional gains of US$185 million being profit on disposal of business of US$67 million, profit on disposal of investment in associate of US$103 million and the group's share of the profits on transactions in associates of US$23 million, net of US$8m business capability programme costs (2011: US$4 million being business capability programme costs).

Africa delivered another strong full year performance with lager volume growth of 14% (13% on an organic basis), despite experiencing capacity constraints in a number of markets. Projects are currently underway in Uganda, Tanzania, Zambia, Ghana and South Sudan to increase capacity. Volume growth was achieved through increased investment in sales and marketing to support differentiated brand portfolios and an expansion of our local geographic footprint, underpinned by broadly favourable economic conditions. The Castle portfolio continues to grow strongly across the region, with volumes up 27%. Keen focus has been given to our affordable products with the introduction of draught formats, smaller pack offerings and innovative products like Impala, a cassava-based beer. Soft drinks volumes grew by 9% (11% on an organic basis) driven by good performances in Ghana, South Sudan and Zambia as well as by our associates Castel and Delta in Zimbabwe.

Volume growth translated into EBITA growth of 15% (16% on an organic, constant currency basis). Group revenue per hl benefited from strong growth of the premium segment as well as price increases, at levels typically somewhat below inflation. EBITA margin consequently improved by 30 bps despite the expansion of sales and marketing capability, rising inflation and weaker local currencies. Margin improvement was achieved through a continued cost focus and our local agricultural programmes, which helped to partly cushion the impact of rising international commodity prices.

Despite cycling a strong comparative, lager volumes in **Tanzania** grew by 15% attributable to the successful mainstream brand renovations of Safari and Kilimanjaro, as well as strong premium segment growth driven by Castle Lite. Our Mbeya brewery continues to serve the incremental growth in the south while an enhanced sales force, as well as increased cooler penetration, have led to market share gains. Grand Malt, a non-alcoholic offering, has performed particularly well.

In **Mozambique** robust mainstream growth driven by a packaging upgrade for 2M and the continued expansion of our footprint in the north enabled by our Nampula Brewery helped grow lager volumes by 9%. A key focus area for this year was the expansion of affordable offerings with the launch of Manica draught and the innovative cassava-based Impala.

Improved availability, a wider geographical distribution reach and healthy economic conditions enabled **Zambia** lager volume growth of 17% despite production capacity constraints. Our key mainstream brands, Mosi and Castle Lager, have continued to perform well while the premium Castle Lite experienced very strong growth. Construction of the new brewery at Ndola is well underway and commissioning is anticipated in the second half of the new financial year. Soft drinks volumes grew by 10%.

Lager volumes in **Uganda** grew by 19% supported by an enhanced distribution network into western Uganda, rigorous in-trade execution and a strong mainstream and affordable portfolio. Our mainstream brands, Nile Special and Club Pilsener, both continued to perform well. The rate of growth slowed in the second half of the year as a result of capacity constraints, to be addressed by our new greenfield brewery located in Mbarara, western Uganda, which is currently under construction.

The consistent growth of **Ghana**'s Club Lager helped drive further volume gains while soft drinks volume growth remained buoyant. **South Sudan** delivered strong lager and soft drinks volume growth while the capacity expansion project announced early in 2011 is on track for completion in the first quarter of the new financial year.

Delta Corporation, our associate in **Zimbabwe**, experienced strong double digit growth across all beverage categories, which was achieved by improved availability assisted by previous capacity upgrades. Lager volumes have now exceeded the historical peak levels experienced in the 1990s. During the year, we purchased additional shares in Delta, bringing our shareholding to 40% (25% group effective economic interest).

With effect from 1 January 2012, together with Castel we implemented a number of organisational changes in our African operations as part of our strategic alliance agreement. Operational management of the Nigerian business is now with SABMiller and the Angolan businesses with Castel. Castel acquired Star Breweries in Madagascar in the second quarter of the year. **Castel**'s full year lager volumes, excluding the successful management combination of our Angola businesses and their Madagascar acquisition, grew by 11% with good volume performances in Cameroon, the Democratic Republic of Congo, Ethiopia and Tunisia.

Asia Pacific

Financial summary	**2012**	2011	%
Group revenue (including share of associates and joint ventures) (US$m)	**3,510**	2,026	73
EBITA[1] (US$m)	**321**	92	247
EBITA margin (%)	**9.1**	4.6	
Sales volumes (hl 000)			
- Lager	**58,121**	51,270	13
- Lager (organic)	**53,292**	51,240	4

[1] In 2012 before net exceptional charges of US$70 million being transaction-related costs of US$109 million, integration and restructuring costs of US$26 million, business capability programme costs of US$1 million and a gain on remeasurement of existing interest in joint venture on acquisition of US$66 million (2011: US$ nil).

In Asia Pacific lager volumes for the full year increased by 4% on an organic basis, with reported volume growth of 13% enhanced by the inclusion of Foster's and regional acquisitions in China. Reported EBITA more than trebled and group revenue per hl grew by 53% due to the inclusion of Foster's. EBITA increased by 30%, on an organic, constant currency basis, driven by favourable growth in both China and India. Group revenue per hl on the same basis improved by 14% compared with the prior year, with good increases in China and India. EBITA margin increased by 450 bps on a reported basis (50 bps on an organic, constant currency basis).

In **China**, lager volumes grew 9% (4% on an organic basis) with acquisitions enhancing market share, as CR Snow sold in excess of 100 million hectolitres in a 12 month period for the first time. Volumes grew in all regions with CR Snow's newly acquired breweries in Jiangsu, Liaoning, Henan and Shanghai, together with new breweries commissioned in the year, contributing positively to the reported volume growth.

Overall CR Snow continued to expand its market share although organic growth was affected by heavy and prolonged rains that affected certain key provinces. Good market share increases were delivered in Anhui, Zhejiang, Jiangsu, Tianjin, Liaoning, Guizhou, Shanghai and Heilongjiang, although market share was lost in Sichuan.

Group revenue per hl increased by 13%, benefiting from high single digit price increases implemented towards the end of the previous financial year to recover cost increases, as well as significant positive brand mix. CR Snow continued to expand its presence in the premium segment through the expansion of Snow Draft in particular.

Investment in brand marketing and sales capability together with rising costs of raw materials, higher labour costs and adverse changes to consumption tax legislation have increased operating costs but EBITA margin slightly increased on an organic basis. Loss-making acquisitions reduced reported EBITA margins.

India's lager volumes grew 3%. Volumes declined in the first half of the year affected by dampened consumer demand, following substantial excise increases in key states, and certain trading restrictions imposed in Andhra Pradesh which were subsequently removed in September 2011. In the second half of the year volumes grew at a more robust 16%. Market share increases were achieved in the key high margin focus states of Haryana and Pondicherry.

Revenue per hl increased by 8% (13% on a constant currency basis), reflecting price increases and focus on higher margin brands, packs and states as well as new product launches including Miller High Life, the introduction of PET containers and additional variants of Foster's and Royal Challenge. Although marketing investment increased to support these launches, EBITA more than doubled compared with the prior year.

Lager volumes in **Vietnam** were below the prior year, but revenue increased reflecting a focus on higher margin brands, channels and geographies. Gambrinus was launched as a premium brand and Peroni Nastro Azzurro as a super premium brand during the year in support of this strategy.

In **Australia** Pacific Beverages delivered strong volume growth in the period leading up to the acquisition of the remaining 50% interest in the joint venture in January 2012. This was achieved through greater penetration of the on-premise channel, with our key premium brand Peroni Nastro Azzurro, as well as continued growth in the off-premise channel nationally. Following the acquisition of the remaining interest, Pacific Beverages was integrated into the newly acquired Foster's business, realising immediate operating and commercial synergies.

As a result of the Foster's acquisition, certain licence and import arrangements with a combined annual volume base of approximately 915,000 hl were terminated towards the end of the financial year. The loss of these rights was a known risk at the time of the acquisition.

CUB[1] lager volumes in Australia were 4% below the prior year on a *pro forma*[1] full year basis, reflecting continued subdued consumer sentiment. CUB continued to grow its presence in the expanding New World regular mainstream segment with robust growth of Carlton Dry and the successful launch of the Great Northern Brewing Co brand. The traditional regular mainstream segment, which includes Victoria Bitter, declined at a higher rate than the market, however Carlton Draught managed to consolidate share. Premium volumes performed more strongly, with encouraging results from focused execution and expansion of the owned premium portfolio including Crown Lager. Volume improvements in the rapidly expanding craft segment were driven by Matilda Bay Fat Yak Pale Ale.

Group revenue per hl increased by 3% in the last quarter on a *pro forma* basis, benefiting from focused revenue management across the brand portfolio following a period of low price realisation. On a *pro forma* basis EBITA declined due to the lower volumes and increased commercial investment in the market. Results benefited from the early delivery of synergies of US$6 million with an estimated annualised run-rate of US$40 million. Overall operating profit synergies of AUD180 million are anticipated by year 4. Integration costs over this period are expected to be below AUD220 million, of which AUD150 million is expected to impact the income statement.

[1] CUB pro forma volumes and financial information are based on results for CUB reported under IFRS for the period from 1 April 2010 to 31 March 2011 (full year) or 1 January 2011 to 31 March 2011 (quarter). Adjustments have been made to reflect SABMiller group accounting policies. CUB (Carlton and United Breweries) is the Australian beverage business of the recently acquired Foster's group.

South Africa: Beverages

Financial summary	**2012**	2011	%
Group revenue (including share of associates) (US$m)	**5,815**	5,598	4
EBITA[1] (US$m)	**1,168**	1,067	9
EBITA margin (%)	**20.1**	19.1	
Sales volumes (hl 000)			
- Lager	**26,859**	26,306	2
- Soft drinks	**17,979**	17,574	2
- Other alcoholic beverages	**1,565**	1,467	7

[1] In 2012 before net exceptional charges of US$41 million being Broad-Based Black Economic Empowerment scheme costs of US$29 million and business capability programme charges of US$12 million (2011: US$188 million being business capability programme costs of US$39 million and charges incurred in relation to the Broad-Based Black Economic Empowerment scheme of US$149 million).

Our South Africa beverages business delivered strong EBITA and EBITA margin growth as the business strategy launched in 2009 continued to deliver good results. This was achieved despite a consumer and economic environment which remained difficult, although the business benefited from the timing of the Easter peak trading period.

South Africa lager volumes returned to growth in the second half of the year, resulting in full year lager growth of 2%. We outpaced the industry and had gained market share by the end of the year, as a result of sustained brand investment, improved retail execution and better customer service. Our targeted brand investments included product and packaging innovations and actions to meet the demands of specific market segments. The investment in market-facing activities was funded largely by cost efficiencies. Lager volume growth was further supported by the expanded distribution footprint and effective supply chain management.

Continued intensive through-the-line marketing investment behind the core brands drove good performance from both premium and mainstream segments. Castle Lite, the fastest growing scale brand in South Africa, strengthened its leadership position as the country's most popular premium brand driven by the continued communication of its 'Extra Cold' proposition. The premium category also benefited from Castle Milk Stout's good growth following its repositioning as a local premium brand during the year. Castle Lager's volume growth accelerated to double digits during the second half, propelled by the success of the 'It all comes together with a Castle' campaign. Carling Black Label further slowed its decline, with volumes level with the prior year during the second half of the year. The brand's improved performance was supported by its recognition as an award-winning champion beer, drawing attention to its quality credentials.

In addition to the continued extensive social responsibility efforts, two significant new initiatives were launched during the year. These were the 'Responsible Trader Programme' where more than 16,500 traders were trained; and a programme to tackle underage drinking, called 'You Decide', which was rolled out to almost 300 schools reaching more than 187,000 teenagers.

Soft drinks volumes grew by 2% for the full year, as the second half saw benefits from the continued execution of focused channel plans, improved customer service and better weather conditions. Sparkling soft drinks volumes benefited from good performance of two litre PET packs and several growth initiatives, particularly those targeted at restoring the 1.25 litre returnable glass bottle to growth. Growth in still drinks exceeded that of the total soft drinks portfolio, reflecting strong gains in the Glaceau and Powerade brands.

Appletiser volumes benefited from the introduction of new PET packs, driving strong revenue growth and an improved EBITA performance.

Our associate Distell's international and domestic volumes continued to exhibit good performance particularly from ciders and ready-to-drink brands, with slower growth in the wine portfolio and spirits volumes remaining level. The higher volumes resulted in group revenue and EBITA growth and margins expanded further as foreign currency conversion gains offset increases in certain raw materials and excise duties.

Group revenue for our South Africa beverages business grew by 9% on a constant currency basis with group revenue per hl up by 6% on the same basis. This was as a result of price increases to recover beer excise increases, as well as the strong performance of the local premium brands.

Across the business, productivity continued to improve and we continued to focus on reducing operating costs, in order to fund increased market and consumer-facing investments, as well as expanding our EBITA margin. The soft drinks business managed to more than offset the effect of increasing commodity costs, specifically increases in sugar and resin prices, through productivity gains from improvements in its supply chain and packaging redesigns. Reported EBITA grew by 9% and by 14% in constant currency, as EBITA margin rose to 20.1%, an improvement of 100 bps compared with the prior year.

South Africa: Hotels and Gaming

Financial summary	**2012**	2011	%
Group revenue (share of associates) (US$m)	**487**	481	1
EBITA[1] (US$m)	**135**	137	(2)
EBITA margin (%)	**27.7**	28.5	
Revenue per available room (Revpar) – US$	**69.39**	73.74	(6)

[1] In 2012 before exceptional gains of US$23 million being the group's share of profits on transactions in associates (2011: US$26 million being the group's share of the loss on the merger transaction).

SABMiller is a 39.7% shareholder in the Tsogo Sun Group, which is listed on the Johannesburg Stock Exchange. The full year results reflect our share of the enlarged group following the merger with Gold Reef Resorts Ltd at the end of the previous financial year.

Our share of Tsogo Sun's reported revenue grew by 1% over the prior year, with constant currency growth of 6%. Revenue growth was adversely impacted by a strong prior year performance, boosted by the 2010 FIFA World Cup. The operations of Tsogo Sun remain highly geared towards the South African consumer in gaming and towards the corporate market in hotels, with both sectors experiencing difficult trading conditions.

The gaming industry in South Africa experienced a satisfactory first half year with a more robust second half assisting full year growth of 7%. The biggest gaming province, Gauteng, grew by 6% compared with 2% in the prior year with the KwaZulu-Natal region growing by 8% over the 5% reported in 2011. Tsogo Sun improved market share in both Gauteng and KwaZulu-Natal.

The South African hotel industry remained under pressure during the early part of the year, with trading in the second half reflecting signs of improvement. South African market occupancies averaged 57% in the year compared with 58% for the prior year including the impact of the FIFA World Cup. Group-wide occupancies ended the year at 62% against prior year occupancy rates of 59%. US dollar revenue per available room (revpar) declined by 6% and by 2% on a constant currency basis, as a result of higher rates achieved during the FIFA World Cup in the prior year.

EBITA ended 2% down on the prior year but grew by 3% on a constant currency basis. EBITA margin declined as a result of utility price increases which together with other cost increases, outstripped the rate of revenue growth.

Financial review

New accounting standards and restatements
The accounting policies followed are the same as those published within the Annual Report and Accounts for the year ended 31 March 2011. The consolidated balance sheet as at 31 March 2011 has been restated for further adjustments relating to the initial accounting for business combinations, details of which are provided in note 13. The Annual Report and Accounts for the year ended 31 March 2011 are available on the company's website: www.sabmiller.com.

Segmental analysis
The group's operating results on a segmental basis are set out in the segmental analysis of operations. Following the acquisition of Foster's Group Ltd (Foster's) in December 2011 the Asia segment was renamed Asia Pacific.

SABMiller uses group revenue and EBITA (as defined in the financial definitions section) to evaluate performance and believes these measures provide stakeholders with additional information on trends and allow for greater comparability between segments. Segmental performance is reported after the specific apportionment of attributable head office costs.

Disclosure of volumes
In the determination and disclosure of sales volumes, the group aggregates 100% of the volumes of all consolidated subsidiaries and its equity accounted percentage of all associates' and joint ventures' volumes. Contract brewing volumes are excluded from volumes although revenue from contract brewing is included within group revenue. Volumes exclude intra-group sales volumes. This measure of volumes is used in the segmental analyses as it closely aligns with the consolidated group revenue and EBITA disclosures.

Organic, constant currency comparisons
The group discloses certain results on an organic, constant currency basis, to show the effects of acquisitions net of disposals and changes in exchange rates on the group's results. See the financial definitions section for the definition.

In relation to the merger of the Tsogo Sun Group with Gold Reef Resorts Ltd (GRR) no adjustments have been made in the calculation of organic results as the group's share of the enlarged group is deemed to be comparable with the group's share of the Tsogo Sun Group in the comparative period.

Adjusted EBITDA
The group uses an adjusted EBITDA measure of cash generation which adjusts EBITDA (as defined in the financial definitions section) to exclude cash flows relating to exceptional items and to include the dividends received from the MillerCoors joint venture. Given the significance of the MillerCoors business and the access to its cash generation, inclusion of the dividends from MillerCoors (which approximate the group's share of its EBITDA) provides a useful measure of the group's overall cash generation. Excluding the cash impact of exceptionals allows the level and underlying trend of cash generation to be understood.

Business combinations and similar transactions
On 16 December 2011 the group acquired a 100% interest in Foster's in Australia at an enterprise value of US$11,786 million, comprising cash consideration of US$10,598 million, together with acquired net debt and non-controlling interests, less a net present value attributed to cash receivable for historical tax losses. The acquisition provides the group with exposure to Australia's strong economic growth prospects; a leading position in the stable and profitable Australian beer industry; and the opportunity to apply the group's capabilities and scale to improve Foster's financial and operating performance.

With effect from 1 January 2012 the group and Castel implemented a number of organisational changes in their African operations as part of their strategic alliance agreement. As a result the operational management of the group's Angolan businesses was combined with the Angolan businesses of its associate, Castel, with all of the Angolan businesses, in which the group retains an associate interest, being managed from that date by Castel. Further the group acquired a 65% interest (effective 33% interest) in International Breweries Ltd in Nigeria, from Brasseries Internationales Holding Ltd (BIH), part of the Castel group, in exchange for cash and a dilution in the group's effective interests in its existing Nigerian businesses, Pabod Breweries Ltd and Voltic Nigeria Ltd.

Business combinations and similar transactions (continued)
Following the Foster's acquisition, on 13 January 2012 the group acquired the remaining 50% interest which it did not already own in Pacific Beverages (Pty) Ltd (Pacific Beverages) in Australia from Coca-Cola Amatil Limited (CCA) for cash consideration of US$343 million. The acquisition took the group's effective interest in Pacific Beverages to 100%.

On 6 March 2012 the group completed its strategic alliance with Anadolu Group and Anadolu Efes Biracilik ve Malt Sanayii AS (Anadolu Efes). The group's Russian beer business, SABMiller RUS LLC, and Ukrainian beer business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes in exchange for a 24% equity stake in the enlarged Anadolu Efes group. Anadolu Efes is now the vehicle for both group's investments in Turkey, Russia, the CIS, Central Asia and the Middle East. The alliance will result in the enlarged Anadolu Efes strengthening its market position in the large Russian beer market; it is the leading beverage producer in Turkey; and has leading market positions in the growth beer markets of Kazakhstan, Moldova and Georgia.

During the year the group increased its direct interest in Delta Corporation Limited in Zimbabwe from 36.75% to 40%.

In January 2012 the group acquired an additional 2.9% effective interest in Tanzania Breweries Ltd following a public offer through the Dar-es-Salaam Stock Exchange. This increased the group's effective interest to 36%.

Disposals
On 13 June 2011 the group completed the disposal of its distribution business in Italy, which was classified as a disposal group held for sale at 31 March 2011, and which generated a US$14 million exceptional loss on disposal, primarily being the recycling of the foreign currency translation reserve associated with this business.

On 25 November 2011 the group disposed of its 12% effective interest in its associate, Kenya Breweries Limited, for cash consideration of US$205 million.

Effective 1 January 2012 the group combined the operational management of its Angolan businesses, in Africa, with the Angolan businesses of its associate, Castel, with all of the Angolan businesses, in which the group retains an associate interest, being managed from that date by Castel.

On 6 March 2012 the group disposed of its Russian beer business, SABMiller RUS LLC, and its Ukrainian beer business, PJSC Miller Brands Ukraine, in exchange for a 24% interest in the enlarged Anadolu Efes group.

Exceptional items
Items that are material either by size or incidence are classified as exceptional items. Further details on the treatment of these items can be found in note 3 to the financial statements.

Net exceptional credits of US$1,037 million before finance costs and tax were reported during the year (2011: net exceptional charges of US$467 million), including net exceptional credits of US$11 million (2011: charges of US$31 million) related to the group's share of associates' and joint ventures' exceptional items. The net exceptional credits included:

- a net profit on disposal of businesses of US$1,248 million primarily related to the disposal of the group's Russian and Ukrainian businesses in exchange for a 24% interest in the enlarged Anadolu Efes group;
- a profit of US$103 million on the disposal of the group's investment in its associate in Kenya;
- a gain of US$66 million on the remeasurement of the group's existing 50% interest in the Australian joint venture on the acquisition of the remaining 50% interest;
- a credit of US$42 million relating to the refund of a fine in Europe;
- a charge of US$235 million (2011: US$296 million) related to business capability programme costs in Latin America, Europe, Africa, Asia Pacific, South Africa: Beverages and Corporate;
- a charge of US$109 million for transaction-related costs associated with the acquisition of Foster's in Asia Pacific;
- US$60 million of integration and restructuring costs relating to the integration of Foster's together with various integration and restructuring projects in Latin America; and
- US$29 million (2011: US$149 million) in respect of the Broad-Based Black Economic Empowerment scheme in South Africa.

Exceptional items (continued)
The group's share of associates' and joint ventures' exceptional items included profits of US$46 million on transactions in associates including the profit on the disposal of a subsidiary by Castel in Africa, the gain on the remeasurement of Tsogo Sun Holdings Ltd's (Tsogo Sun) existing interest in an associate on the acquisition of the remaining interest and the release of deferred consideration relating to a prior acquisition by Tsogo Sun; partly offset by a charge of US$35 million related to the group's share of the impairment of the Sparks brand in MillerCoors.

Within net finance costs there was a net exceptional charge of US$22 million comprised US$26 million of transaction-related net finance costs and US$4 million of interest income on the repayment of the fine in Europe.

In addition to the amounts noted above, the net exceptional charge in 2011 included impairment charges of US$98 million following the classification of the in-house distribution business in Italy as held for sale and the closure of the Cluj brewery in Romania; integration and restructuring charges of US$52 million related to restructuring costs in Europe; and a profit of US$159 million on the partial disposal of the group's shareholding in Tsogo Sun as part of the Tsogo Sun/GRR merger. The group's share of associates' and joint ventures' exceptional items included US$26 million being the impairment loss on Tsogo Sun's existing holding in GRR as a result of the merger transaction and US$5 million of MillerCoors' integration and restructuring costs.

Finance costs
Net finance costs were US$562 million, a 7% increase on the prior year's US$525 million, mainly as a result of the increase in borrowings following the Foster's acquisition. Finance costs in the current year include a net gain of US$2 million (2011: loss of US$7 million) from the mark to market adjustments of various derivatives on capital items for which hedge accounting cannot be applied. Finance costs in the year also included exceptional finance costs of US$22 million (2011: US$nil) comprised US$26 million of transaction-related net finance costs partially offset by US$4 million of exceptional interest income, as described above. The mark to market gain and the exceptional net finance costs have been excluded from the determination of adjusted net finance costs and adjusted earnings per share. Adjusted net finance costs were US$542 million, up 5%.

Interest cover, as defined in the financial definitions section, has increased to 11.4 times from 10.8 times in the prior year.

Profit before tax
Adjusted profit before tax of US$5,062 million increased by 13% over the prior year, primarily as a result of higher volumes, price increases and the effect of premiumisation partially offset by increases in raw material costs and expenditure on sales, marketing and systems capabilities.

Profit before tax was US$5,603 million, up 55% on the prior year, including the impact of the exceptional and other adjusting finance items noted above. The principal differences between the reported and adjusted profit before tax relate to exceptional items, with net exceptional credits of US$1,015 million in the year compared with net exceptional charges of US$467 million in the prior year.

Taxation
The effective rate of tax for the year before amortisation of intangible assets (excluding software) and exceptional items is 27.5% compared with a rate of 28.2% in the prior year. The group has benefited from a combination of events, notably the successful conclusion of our Russian Court proceedings, reorganisation gains, changes in tax legislation and the resolution of various uncertain tax positions.

Earnings per share
The group presents adjusted basic earnings per share, which excludes the impact of amortisation of intangible assets (excluding software), certain non-recurring items and post-tax exceptional items, in order to present an additional measure of performance for the years shown in the consolidated financial statements. Adjusted basic earnings per share of 214.8 US cents were up 12% on the prior year, owing to higher adjusted profit before tax and a reduction in the effective tax rate. An analysis of earnings per share is shown in note 6. On a statutory basis, basic earnings per share were higher by 74% at 266.6 US cents (2011: 152.8 US cents), primarily due to the net exceptional credits in the year compared with net exceptional charges in the prior year.

Cash flow and capital expenditure
Net cash generated from operations before working capital movements (EBITDA) of US$4,979 million increased by 11% compared with the prior year (2011: US$4,502 million). This increase was primarily due to higher operating results including the impact of the acquisition of Foster's. Dividends received from the MillerCoors joint venture (reported within cash flows from investing activities) amounted to US$896 million (2011: US$822 million).

Adjusted EBITDA of US$6,183 million (comprising EBITDA before cash flows from exceptional items of US$308 million plus dividends received from MillerCoors of US$896 million) increased by 10% compared with the prior year (2011: US$5,617 million), reflecting the strong EBITDA performance and higher dividends from MillerCoors.

Net cash generated from operating activities of US$3,937 million was up US$894 million primarily reflecting improved EBITDA, positive cash inflow from working capital, and lower net interest paid. The level of cash inflows from working capital increased compared with the prior year assisted by extension of supplier payment terms as contracts are renegotiated by the group's procurement organisation.

Capital expenditure on property, plant and equipment for the year of US$1,473 million has increased compared with the prior year (2011: US$1,189 million). The group has continued to invest in its operations selectively maintaining investment to support future growth, especially in Africa where capacity constraints have been experienced. New breweries are currently being constructed in Nigeria, Uganda and Zambia and there has been capacity expansion in Peru and South Sudan, together with distribution expansion in Colombia. Capital expenditure including the purchase of intangible assets was US$1,639 million (2011: US$1,315 million).

Free cash flow improved by 23% to US$3,048 million, reflecting higher cash generated from operating activities partially offset by higher capital expenditure and investments in joint ventures. Free cash flow is detailed in note 11b, and defined in the financial definitions section.

Borrowings and net debt
Gross debt at 31 March 2012, comprising borrowings together with the fair value of derivative assets or liabilities held to manage interest rate and foreign currency risk of borrowings, increased to US$18,607 million from US$8,162 million at 31 March 2011, primarily as a result of the acquisition of Foster's. Net debt, comprising gross debt net of cash and cash equivalents, increased to US$17,862 million from US$7,091 million at 31 March 2011. An analysis of net debt is provided in note 11c.

The group's gearing (presented as a ratio of net debt/equity) has increased to 68.7% from 31.2% at 31 March 2011 owing to the debt taken on to finance the Foster's acquisition. The weighted average interest rate for the gross debt portfolio at 31 March 2012 was 4.9% (2011: 5.9%).

On 7 April 2011 SABMiller plc entered into a five-year US$2,500 million committed syndicated facility, with the option of two one-year extensions. Subsequently the facility was extended in part such that US$2,236 million is now due to mature in April 2017. This facility replaced the existing US$2,000 million and US$600 million committed syndicated facilities, which were both voluntarily cancelled.

On 1 July 2011 the US$600 million 6.2% Notes due 2011 matured and were repaid from existing cash.

On 9 September 2011 SABMiller Holdings Inc, a wholly owned indirect subsidiary of SABMiller plc, entered into a US$12,500 million committed syndicated facility to finance the acquisition of Foster's and related purposes. The facility consisted of four tranches; a US$8,000 million one-year term facility with the option of two six-month extensions; a US$2,500 million three-year term facility; a US$1,000 million five-year term facility; and a US$1,000 million five-year revolving credit facility. In December 2011 the group drew US$7,850 million under the one-year term facility; AUD 2,000 million (approximately US$2,021 million) and US$100 million under the three-year term facility and US$750 million under the five-year term facility. The undrawn balance of those facilities was cancelled and the amount of the revolving credit facility was reduced to US$500 million.

Borrowings and net debt (continued)

On 17 January 2012 SABMiller Holdings Inc issued bonds to the value US$7,000 million, in four tranches: US$1,000 million 1.85% Notes due January 2015; US$2,000 million 2.45% Notes due January 2017; US$2,500 million 3.75% Notes due January 2022; and US$1,500 million 4.950% Notes due January 2042, guaranteed by SABMiller plc. The proceeds of the bonds were used to repay US$7,000 million under the one-year term facility.

In March 2012 SABMiller Holdings Inc repaid the remaining US$850 million balance outstanding on the one-year term facility, which was then cancelled.

At 31 March 2012, the group had undrawn committed borrowing facilities of US$3,810 million (2011: US$3,164 million).

Total equity

Total equity increased from US$22,759 million (restated – see note 13) at 31 March 2011 to US$26,013 million at 31 March 2012. The increase was primarily owing to profit for the year partly offset by dividend payments.

Goodwill and intangible assets

Goodwill increased to US$20,128 million (2011: US$11,954 million) primarily due to goodwill arising on the acquisition of Foster's. Intangible assets increased in the year to US$9,901 million (2011: US$4,364 million) as a result of intangibles recognised in relation to Foster's. The comparatives for goodwill and intangible assets have been restated to reflect adjustments to provisional fair values of business combinations, further details of which are provided in note 13.

Currencies

The exchange rates to the US dollar used in preparing the consolidated financial statements are detailed in the table below, with most of the major currencies in which we operate strengthening against the US dollar.

	Year ended 31 March		Appreciation/ (depreciation)
	2012	2011	%
Average rate			
Australian dollar (AUD)	**0.95**	1.06	12
South African rand (ZAR)	**7.48**	7.15	(4)
Colombian peso (COP)	**1,831**	1,881	3
Euro (€)	**0.72**	0.76	5
Czech koruna (CZK)	**17.65**	19.04	8
Peruvian nuevo sol (PEN)	**2.73**	2.81	3
Polish zloty (PLN)	**2.99**	3.01	1
Closing rate			
Australian dollar (AUD)	**0.97**	0.97	-
South African rand (ZAR)	**7.67**	6.77	(12)
Colombian peso (COP)	**1,792**	1,879	5
Euro (€)	**0.75**	0.71	(6)
Czech koruna (CZK)	**18.52**	17.27	(7)
Peruvian nuevo sol (PEN)	**2.67**	2.80	5
Polish zloty (PLN)	**3.13**	2.84	(9)

Dividend

The board has proposed a final dividend of 69.5 US cents per share for the year, an increase of 13%. Shareholders will be asked to approve this recommendation at the annual general meeting, which will be held on Thursday 26 July 2012. If approved, the dividend will be payable on Friday 17 August 2012 to shareholders registered on the London and Johannesburg registers on Friday 10 August 2012. The ex-dividend trading dates will be Wednesday 8 August 2012 on the London Stock Exchange (LSE) and Friday 3 August 2012 on the JSE Limited (JSE). As the group reports in US dollars, dividends are declared in US dollars. They are payable in South African rand to shareholders on the Johannesburg register, in US dollars to shareholders on the London register with a registered address in the United States (unless mandated otherwise), and in sterling to all remaining shareholders on the London register. Further details relating to dividends are provided in note 7.

Dividend (continued)
The rate of exchange applicable on Wednesday 25 July 2012 will be used for US dollar conversion into South African rand and sterling. A currency conversion announcement will be made on the JSE's Securities Exchange News Service and on the LSE's Regulatory News Service, indicating the rates of exchange to be applied, on Thursday 26 July 2012.

Since the introduction on 1 April 2012 of a new dividend withholding tax in South Africa, the JSE Listings Requirements require disclosure of additional information in relation to any dividend payments. Shareholders registered on the Johannesburg register are therefore advised that the new dividend withholding tax will be withheld from the gross final dividend amount of 69.5 US cents per share (as converted into South African rand in accordance with the paragraphs above) at a rate of 15%, unless a shareholder qualifies for an exemption; shareholders registered on the Johannesburg register will therefore receive a net dividend of 59.075 US cents per share (as converted into South African rand in accordance with the paragraphs above). The company, as a non-resident of South Africa, was not subject to the secondary tax on companies (STC) applicable before 1 April 2012, and accordingly, no STC credits are available for set-off against the dividend withholding tax liability on the final net dividend amount. The dividend is payable in cash as a 'Dividend' (as defined in the South African Income Tax Act, 58 of 1962, as amended) by way of a reduction of income reserves. The dividend withholding tax and the information contained in this paragraph is only of direct application to shareholders registered on the Johannesburg register, who should direct any questions about the application of the new dividend withholding tax to Computershare Investor Services (Pty) Limited, Tel: +27 11 373-0004.

From the commencement of trading on Thursday 26 July 2012 until the close of business on Friday 10 August 2012, no transfers between the London and Johannesburg registers will be permitted, and from Friday 3 August 2012 until Friday 10 August 2012, no shares may be dematerialised or rematerialised, both days inclusive.

Annual report and accounts
The group's unaudited condensed consolidated financial statements follow. The annual report will be mailed to shareholders in late June 2012 and the annual general meeting of the company will be held at the Pennyhill Park Hotel, Bagshot, Surrey at 11:00 on Thursday 26 July 2012.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 March

	Notes	2012 Unaudited US$m	2011 Audited US$m
Revenue	2	**21,760**	19,408
Net operating expenses		**(16,747)**	(16,281)
Operating profit	2	**5,013**	3,127
Operating profit before exceptional items		**3,987**	3,563
Exceptional items	3	**1,026**	(436)
Net finance costs	4	**(562)**	(525)
Interest payable and similar charges		**(1,093)**	(883)
Interest receivable and similar income		**531**	358
Share of post-tax results of associates and joint ventures	2	**1,152**	1,024
Profit before taxation		**5,603**	3,626
Taxation	5	**(1,126)**	(1,069)
Profit for the year		**4,477**	2,557
Profit attributable to non-controlling interests		**256**	149
Profit attributable to owners of the parent		**4,221**	2,408
		4,477	2,557
Basic earnings per share (US cents)	6	**266.6**	152.8
Diluted earnings per share (US cents)	6	**263.8**	151.8

All operations are continuing.

The notes on pages 28 to 39 form an integral part of these condensed consolidated financial statements.

	Notes	2012 Unaudited US$m	2011 Audited US$m
Profit for the year		**4,477**	2,557
Other comprehensive income:			
Currency translation differences on foreign currency net investments		**136**	644
- Increase in foreign currency translation reserve during the year		**153**	644
- Recycling of foreign currency translation reserve on disposals		**(17)**	-
Net actuarial losses on defined benefit plans		**(9)**	(28)
Net investment hedges:			
- Fair value losses arising during the year		**(1)**	(137)
Cash flow hedges:		**6**	39
- Fair value gains arising during the year		**-**	16
- Fair value losses transferred to inventory		**2**	2
- Fair value losses transferred to profit or loss		**4**	21
Tax on items included in other comprehensive income	5	**101**	22
Share of associates' and joint ventures' losses included in other comprehensive income	9, 10	**(256)**	(50)
Other comprehensive income for the year, net of tax		**(23)**	490
Total comprehensive income for the year		**4,454**	3,047
Attributable to:			
Owners of the parent		**4,199**	2,904
Non-controlling interests		**255**	143
Total comprehensive income for the year		**4,454**	3,047

The notes on pages 28 to 39 form an integral part of these condensed consolidated financial statements.

	Notes	2012 Unaudited US$m	2011[1] Unaudited US$m
Assets			
Non-current assets			
Goodwill	8	**20,128**	11,954
Intangible assets	8	**9,901**	4,364
Property, plant and equipment		**9,299**	9,331
Investments in joint ventures	9	**5,520**	5,813
Investments in associates	10	**4,946**	2,719
Available for sale investments		**30**	35
Derivative financial instruments		**732**	330
Trade and other receivables		**136**	140
Deferred tax assets		**117**	184
Loan participation deposit		**100**	-
		50,909	34,870
Current assets			
Inventories		**1,255**	1,256
Trade and other receivables		**2,156**	1,687
Current tax assets		**482**	152
Derivative financial instruments		**24**	16
Available for sale investments		**1**	-
Cash and cash equivalents	11c	**745**	1,067
		4,663	4,178
Assets of disposal group classified as held for sale		**79**	66
		4,742	4,244
Total assets		**55,651**	39,114
Liabilities			
Current liabilities			
Derivative financial instruments		**(40)**	(50)
Borrowings	11c	**(1,062)**	(1,345)
Trade and other payables		**(4,054)**	(3,487)
Current tax liabilities		**(910)**	(658)
Provisions		**(717)**	(412)
		(6,783)	(5,952)
Liabilities of disposal group classified as held for sale		**(7)**	(66)
		(6,790)	(6,018)
Non-current liabilities			
Derivative financial instruments		**(69)**	(85)
Borrowings	11c	**(18,164)**	(7,115)
Trade and other payables		**(112)**	(98)
Deferred tax liabilities		**(3,917)**	(2,578)
Provisions		**(586)**	(461)
		(22,848)	(10,337)
Total liabilities		**(29,638)**	(16,355)
Net assets		**26,013**	22,759
Equity			
Share capital		**166**	166
Share premium		**6,480**	6,384
Merger relief reserve		**4,586**	4,586
Other reserves		**1,978**	1,881
Retained earnings		**11,863**	8,991
Total shareholders' equity		**25,073**	22,008
Non-controlling interests		**940**	751
Total equity		**26,013**	22,759

[1] As restated (see note 13).

The notes on pages 28 to 39 form an integral part of these condensed consolidated financial statements.

	Notes	**2012 Unaudited US$m**	2011 Audited US$m
Cash flows from operating activities			
Cash generated from operations	11a	**5,237**	4,568
Interest received		**516**	293
Interest paid		**(923)**	(933)
Tax paid		**(893)**	(885)
Net cash generated from operating activities	11b	**3,937**	3,043
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,473)**	(1,189)
Proceeds from sale of property, plant and equipment		**116**	73
Purchase of intangible assets		**(166)**	(126)
Purchase of available for sale investments		**(1)**	(3)
Proceeds from disposal of available for sale investments		**2**	-
Proceeds from disposal of associates		**205**	-
Proceeds from disposal of businesses (net of cash disposed)		**(23)**	-
Acquisition of businesses (net of cash acquired)		**(10,951)**	(60)
Investments in joint ventures		**(288)**	(186)
Investments in associates		**(52)**	(5)
Repayment of investments by associates		**14**	68
Dividends received from joint ventures	9	**896**	822
Dividends received from associates		**120**	88
Dividends received from other investments		**1**	1
Net cash used in investing activities		**(11,600)**	(517)
Cash flows from financing activities			
Proceeds from the issue of shares		**96**	73
Proceeds from the issue of shares in subsidiaries to non-controlling interests		**107**	34
Purchase of own shares for share trusts		**(52)**	-
Purchase of shares from non-controlling interests		**(27)**	(12)
Proceeds from borrowings		**19,000**	1,608
Repayment of borrowings		**(10,139)**	(2,767)
Capital element of finance lease payments		**(5)**	(5)
Net cash payments on derivative financial instruments		**(52)**	(43)
Dividends paid to shareholders of the parent		**(1,324)**	(1,113)
Dividends paid to non-controlling interests		**(109)**	(102)
Net cash generated from/(used in) financing activities		**7,495**	(2,327)
Net cash (outflow)/inflow from operating, investing and financing activities		**(168)**	199
Effects of exchange rate changes		**(39)**	25
Net (decrease)/increase in cash and cash equivalents		**(207)**	224
Cash and cash equivalents at 1 April	11c	**813**	589
Cash and cash equivalents at 31 March	11c	**606**	813

The notes on pages 28 to 39 form an integral part of these condensed consolidated financial statements.

	Called up share capital US$m	Share premium account US$m	Merger relief reserve US$m	Other reserves US$m	Retained earnings US$m	Total shareholders' equity US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2010 (audited)	165	6,312	4,586	1,322	7,525	19,910	683	20,593
Total comprehensive income	-	-	-	559	2,345	2,904	143	3,047
Profit for the year	-	-	-	-	2,408	2,408	149	2,557
Other comprehensive income	-	-	-	559	(63)	496	(6)	490
Dividends paid	-	-	-	-	(1,115)	(1,115)	(106)	(1,221)
Issue of SABMiller plc ordinary shares	1	72	-	-	-	73	-	73
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	34	34
Buyout of non-controlling interests	-	-	-	-	(10)	(10)	(3)	(13)
Credit entry relating to share-based payments	-	-	-	-	246	246	-	246
At 31 March 2011 (audited)	166	6,384	4,586	1,881	8,991	22,008	751	22,759
Total comprehensive income	-	-	-	97	4,102	4,199	255	4,454
Profit for the year	-	-	-	-	4,221	4,221	256	4,477
Other comprehensive income	-	-	-	97	(119)	(22)	(1)	(23)
Dividends paid	-	-	-	-	(1,324)	(1,324)	(159)	(1,483)
Issue of SABMiller plc ordinary shares	-	96	-	-	-	96	-	96
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	107	107
Non-controlling interests disposed of via business disposal	-	-	-	-	-	-	(64)	(64)
Arising on business combinations	-	-	-	-	-	-	65	65
Dilution of non-controlling interests	-	-	-	-	(5)	(5)	5	-
Payment for purchase of own shares for share trusts	-	-	-	-	(52)	(52)	-	(52)
Buyout of non-controlling interests	-	-	-	-	(7)	(7)	(20)	(27)
Credit entry relating to share-based payments	-	-	-	-	158	158	-	158
At 31 March 2012 (unaudited)	**166**	**6,480**	**4,586**	**1,978**	**11,863**	**25,073**	**940**	**26,013**

The notes on pages 28 to 39 form an integral part of these condensed consolidated financial statements.

1. Basis of preparation

The preliminary announcement for the year ended 31 March 2012 has been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (collectively IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the EU.

The financial information in this preliminary announcement is not audited and does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. Group financial statements for 2012 will be delivered to the Registrar of Companies in due course. The board of directors approved this financial information on 23 May 2012. The annual financial statements for the year ended 31 March 2011, approved by the board of directors on 3 June 2011, which represent the statutory accounts for that year, have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement made under s498(2) or (3) of the Companies Act 2006.

Items included in the financial information of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in US dollars which is the group's presentational currency.

Accounting policies
The financial statements are prepared under the historical cost convention, except for the revaluation to fair value of certain financial assets and liabilities, and post-retirement assets and liabilities. The accounts have been prepared on a going concern basis.

The accounting policies adopted are consistent with those of the previous financial year except for those standards, interpretations and amendments adopted by the group since 1 April 2011, which had no significant impact on the group's consolidated results or financial position.

The following standards, interpretations and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2012 or later periods, but which have not been early adopted by the group and in relation to which the group is yet to assess the full impact:

- Amendment to IAS 19, 'Employee benefits' is effective from 1 January 2013[1].
- IFRS 9, 'Financial Instruments', is effective from 1 January 2015[1].
- IFRS 10, 'Consolidated Financial Statements', is effective from 1 January 2013[1].
- IFRS 11, 'Joint Arrangements', is effective from 1 January 2013[1].
- IFRS 12, 'Disclosures of Interests in Other Entities' is effective from 1 January 2013[1].
- IFRS 13, 'Fair Value Measurement', is effective from 1 January 2013[1].

[1] Not yet endorsed by the EU.

There are no other standards, interpretations and amendments to existing standards that are not yet effective that would be expected to have a material impact on the consolidated results of operations or financial position of the group.

2. Segmental information

Operating segments reflect the management structure of the group and the way performance is evaluated and resources allocated based on group revenue and EBITA by the group's chief operating decision maker, defined as the executive directors. The group is focussed geographically and, while not meeting the definition of reportable segments, the group reports separately as segments South Africa: Hotels and Gaming and Corporate as this provides useful additional information.

The segmental information presented below includes the reconciliation of GAAP measures presented on the face of the income statement to non-GAAP measures which are used by management to analyse the group's performance.

Income statement

	Group revenue 2012 Unaudited US$m	**EBITA 2012 Unaudited US$m**	Group revenue 2011 Audited US$m	EBITA 2011 Audited US$m
Latin America	**7,158**	**1,865**	6,335	1,620
Europe	**5,482**	**836**	5,394	887
North America	**5,250**	**756**	5,223	741
Africa	**3,686**	**743**	3,254	647
Asia Pacific	**3,510**	**321**	2,026	92
South Africa:	**6,302**	**1,303**	6,079	1,204
- Beverages	**5,815**	**1,168**	5,598	1,067
- Hotels and Gaming	**487**	**135**	481	137
Corporate	**-**	**(190)**	-	(147)
Group	**31,388**	**5,634**	28,311	5,044
Amortisation of intangible assets (excluding software) – group and share of associates' and joint ventures'		**(264)**		(209)
Exceptional items – group and share of associates' and joint ventures'		**1,015**		(467)
Net finance costs – group and share of associates' and joint ventures' (excluding exceptional items)		**(570)**		(560)
Share of associates' and joint ventures' taxation		**(170)**		(139)
Share of associates' and joint ventures' non-controlling interests		**(42)**		(43)
Profit before tax		**5,603**		3,626

2. Segmental information continued

Group revenue (including associates and joint ventures)
With the exception of South Africa: Hotels and Gaming, all reportable segments derive their revenues from the sale of beverages. Revenues are derived from a large number of customers which are internationally dispersed, with no customers being individually material.

	Revenue 2012 Unaudited US$m	**Share of associates' and joint ventures' revenue 2012 Unaudited US$m**	**Group revenue 2012 Unaudited US$m**	Revenue 2011 Audited US$m	Share of associates' and joint ventures' revenue 2011 Audited US$m	Group revenue 2011 Audited US$m
Latin America	**7,148**	**10**	**7,158**	6,324	11	6,335
Europe	**5,347**	**135**	**5,482**	5,379	15	5,394
North America	**134**	**5,116**	**5,250**	117	5,106	5,223
Africa	**2,299**	**1,387**	**3,686**	2,059	1,195	3,254
Asia Pacific	**1,682**	**1,828**	**3,510**	564	1,462	2,026
South Africa:	**5,150**	**1,152**	**6,302**	4,965	1,114	6,079
- Beverages	**5,150**	**665**	**5,815**	4,965	633	5,598
- Hotels and Gaming	**-**	**487**	**487**	-	481	481
Group	**21,760**	**9,628**	**31,388**	19,408	8,903	28,311

Operating profit
The following table provides a reconciliation of operating profit to operating profit before exceptional items.

	Operating profit 2012 Unaudited US$m	**Exceptional items 2012 Unaudited US$m**	**Operating profit before exceptional items 2012 Unaudited US$m**	Operating profit 2011 Audited US$m	Exceptional items 2011 Audited US$m	Operating profit before exceptional items 2011 Audited US$m
Latin America	**1,617**	**119**	**1,736**	1,391	106	1,497
Europe	**1,939**	**(1,135)**	**804**	596	261	857
North America	**-**	**-**	**-**	16	-	16
Africa	**584**	**(162)**	**422**	361	4	365
Asia Pacific	**54**	**70**	**124**	(22)	-	(22)
South Africa: Beverages	**1,050**	**41**	**1,091**	809	188	997
Corporate	**(231)**	**41**	**(190)**	(24)	(123)	(147)
Group	**5,013**	**(1,026)**	**3,987**	3,127	436	3,563

EBITA (segment result)
This comprises operating profit before exceptional items, amortisation of intangible assets (excluding software) and includes the group's share of associates' and joint ventures' operating profit on a similar basis. The following table provides a reconciliation of operating profit before exceptional items to EBITA.

	Operating profit before exceptional items 2012 Unaudited US$m	**Share of associates' and joint ventures' operating profit before exceptional items 2012 Unaudited US$m**	**Amortisation of intangible assets (excluding software) – group and share of associates' and joint ventures' 2012 Unaudited US$m**	**EBITA 2012 Unaudited US$m**	Operating profit before exceptional items 2011 Audited US$m	Share of associates' and joint ventures' operating profit before exceptional items 2011 Audited US$m	Amortisation of intangible assets (excluding software) - group and share of associates' and joint ventures' 2011 Audited US$m	EBITA 2011 Audited US$m
Latin America	**1,736**	**-**	**129**	**1,865**	1,497	-	123	1,620
Europe	**804**	**11**	**21**	**836**	857	2	28	887
North America	**-**	**711**	**45**	**756**	16	679	46	741
Africa	**422**	**318**	**3**	**743**	365	277	5	647
Asia Pacific	**124**	**132**	**65**	**321**	(22)	108	6	92
South Africa:	**1,091**	**211**	**1**	**1,303**	997	206	1	1,204
- Beverages	**1,091**	**77**	**-**	**1,168**	997	70	-	1,067
- Hotels and Gaming	**-**	**134**	**1**	**135**	-	136	1	137
Corporate	**(190)**	**-**	**-**	**(190)**	(147)	-	-	(147)
Group	**3,987**	**1,383**	**264**	**5,634**	3,563	1,272	209	5,044

2. Segmental information continued

The group's share of associates' and joint ventures' operating profit is reconciled to the share of post-tax results of associates and joint ventures in the income statement as follows.

	2012 Unaudited US$m	2011 Audited US$m
Share of associates' and joint ventures' operating profit (before exceptional items)	**1,383**	1,272
Share of associates' and joint ventures' exceptional items	**11**	(31)
Share of associates' and joint ventures' net finance costs	**(30)**	(35)
Share of associates' and joint ventures' taxation	**(170)**	(139)
Share of associates' and joint ventures' non-controlling interests	**(42)**	(43)
Share of post-tax results of associates and joint ventures	**1,152**	1,024

Excise duties of US$5,047 million (2011: US$4,263 million) have been incurred during the year as follows: Latin America US$1,843 million (2011: US$1,639 million); Europe US$1,204 million (2011: US$1,160 million); North America US$3 million (2011: US$2 million); Africa US$408 million (2011: US$324 million); Asia Pacific US$626 million (2011: US$219 million) and South Africa US$963 million (2011: US$919 million). The group's share of MillerCoors' excise duties incurred during the year was US$703 million (2011: US$719 million).

EBITDA
The following table provides a reconciliation of EBITDA (the net cash generated from operations before working capital movements) to adjusted EBITDA. A reconciliation of profit for the year for the group to EBITDA after cash exceptional items for the group can be found in note 11a.

	EBITDA 2012 Unaudited US$m	Cash exceptional items 2012 Unaudited US$m	Dividends received from MillerCoors 2012 Unaudited US$m	Adjusted EBITDA 2012 Unaudited US$m	EBITDA 2011 Audited US$m	Cash exceptional items 2011 Audited US$m	Dividends received from MillerCoors 2011 Audited US$m	Adjusted EBITDA 2011 Unaudited US$m
Latin America	**2,068**	**112**	**-**	**2,180**	1,853	103	-	1,956
Europe	**1,067**	**58**	**-**	**1,125**	1,021	125	-	1,146
North America	**22**	**-**	**896**	**918**	27	-	822	849
Africa	**564**	**13**	**-**	**577**	517	4	-	521
Asia Pacific	**159**	**88**	**-**	**247**	17	-	-	17
South Africa: Beverages	**1,267**	**13**	**-**	**1,280**	1,143	42	-	1,185
Corporate	**(168)**	**24**	**-**	**(144)**	(76)	19	-	(57)
Group	**4,979**	**308**	**896**	**6,183**	4,502	293	822	5,617

Other segmental information

Capital expenditure	Capital expenditure excluding investment activity[1] 2012 Unaudited US$m	Investment activity[2] 2012 Unaudited US$m	Total 2012 Unaudited US$m	Capital expenditure excluding investment activity[1] 2011 Audited US$m	Investment activity[2] 2011 Audited US$m	Total 2011 Audited US$m
Latin America	**522**	**(34)**	**488**	438	55	493
Europe	**324**	**17**	**341**	265	(2)	263
North America	**-**	**288**	**288**	-	171	171
Africa	**398**	**(82)**	**316**	211	24	235
Asia Pacific	**69**	**10,931**	**11,000**	54	15	69
South Africa:	**284**	**-**	**284**	275	(68)	207
- Beverages	**284**	**-**	**284**	275	-	275
- Hotels and Gaming	**-**	**-**	**-**	-	(68)	(68)
Corporate	**42**	**1**	**43**	72	3	75
Group	**1,639**	**11,121**	**12,760**	1,315	198	1,513

[1] Capital expenditure includes additions of intangible assets (excluding goodwill) and property, plant and equipment.
[2] Investment activity includes acquisitions and disposals of businesses, net investments in associates and joint ventures, purchases of shares in non-controlling interests and purchases and disposals of available for sale investments.

3. Exceptional items

	2012 Unaudited US$m	2011 Audited US$m
Exceptional items included in operating profit:		
Net profit on disposal of businesses	**1,248**	-
Profit on disposal of investment in associate	**103**	159
Gain on remeasurement of existing interest in joint venture on acquisition	**66**	-
Litigation	**42**	-
Business capability programme costs	**(235)**	(296)
Transaction-related costs	**(109)**	-
Integration and restructuring costs	**(60)**	(52)
Broad-Based Black Economic Empowerment scheme costs	**(29)**	(149)
Impairments	**-**	(98)
Net exceptional gains/(losses) included within operating profit	**1,026**	(436)
Exceptional items included in net finance costs:		
Litigation-related interest income	**4**	-
Transaction-related net costs	**(26)**	-
Net exceptional losses included within net finance costs	**(22)**	-
Share of associates' and joint ventures' exceptional items:		
Profits/(losses) on transactions in associates	**46**	(26)
Impairments	**(35)**	-
Integration and restructuring costs	**-**	(5)
Share of associates' and joint ventures' exceptional gains/(losses)	**11**	(31)
Net taxation credits relating to subsidiaries' and the group's share of associates' and joint ventures' exceptional items	**24**	2

Exceptional items included in operating profit

Net profit on disposal of businesses

During 2012, a profit of US$1,195 million arose in Europe on the disposal of the group's Russian and Ukrainian businesses in exchange for a 24% interest in the enlarged Anadolu Efes group; a profit of US$67 million arose in Africa on the combination of the operational management of the group's Angolan operations with the Angolan businesses of its associate, Castel; partially offset by a loss of US$14 million incurred in Europe primarily in relation to the recycling of the foreign currency translation reserve on the disposal of the distribution business in Italy.

Profit on disposal of investment in associate

During 2012, a profit of US$103 million was realised on the disposal of the group's investment in its associate, Kenya Breweries Ltd, in Africa.

In 2011, a profit of US$159 million arose on the partial disposal of the group's shareholding in Tsogo Sun Holdings (Pty) Ltd (Tsogo Sun) as part of the Tsogo Sun/GRR merger.

Gain on remeasurement of existing interest in joint venture on acquisition

During 2012, the group acquired the remaining 50% interest which it did not already own in Pacific Beverages (Pty) Ltd (Pacific Beverages) from Coca-Cola Amatil Limited. This resulted in a US$66 million gain arising on the remeasurement to fair value of the group's existing interest.

Litigation

During 2012, in Europe a US$42 million anti-trust fine paid by Grolsch prior to its acquisition by SABMiller plc was annulled by the EU General Court and the payment refunded.

Business capability programme costs

The business capability programme will streamline finance, human resources and procurement activities through the deployment of global systems and introduce common sales, distribution and supply chain management systems. Costs of US$235 million have been incurred in the year (2011: US$296 million).

Transaction-related costs

During 2012, costs of US$109 million were incurred in relation to the Foster's transaction.

Integration and restructuring costs

During 2012, US$34 million of restructuring costs were incurred in Latin America, principally in Ecuador, Peru and the regional office, and US$26 million of integration costs were incurred in Asia Pacific following the Foster's and Pacific Beverages acquisitions.

In 2011, in Europe US$52 million of restructuring costs were incurred in Romania, the Netherlands, the Canary Islands and Italy.

Broad-Based Black Economic Empowerment scheme costs

US$29 million (2011: US$149 million) of costs have been incurred in relation to the Broad-Based Black Economic Empowerment (BBBEE) scheme in South Africa. This represents the ongoing IFRS 2 share-based payment charge in respect of the employee element of the scheme and in the prior year also, the one-off IFRS 2 charge in respect of the retailer element, together with the costs associated with the transaction.

3. Exceptional items continued

Impairments
In 2011, impairment charges of US$98 million were incurred in Europe including charges following the classification of the in-house distribution business in Italy as held for sale and the closure of the Cluj brewery in Romania.

Exceptional items included in net finance costs
Litigation-related interest income
During 2012, US$4 million of interest was received in relation to the refund of the anti-trust fine in Europe.

Transaction-related net costs
During 2012, net costs of US$26 million were incurred primarily related to the Foster's transaction and included fees relating to financing facilities and premiums on derivative instruments which were partially offset by mark to market gains on derivative financial instruments taken out in anticipation of the transaction and where hedge accounting could not be applied.

Share of associates' and joint ventures' exceptional items
Profits/(losses) on transactions in associates
During 2012, Tsogo Sun released deferred consideration relating to a prior acquisition of which the group's share was US$13 million; US$10 million profit arose on Tsogo Sun's fair value accounting on the change in control on the acquisition of the outstanding stake in the Formula 1 chain; and a US$23 million profit arose in Africa being the group's share of Castel's profit on disposal of its subsidiary in Nigeria.

In 2011, the group's share of the impairment loss on Tsogo Sun's existing holding in GRR as a result of the merger transaction between these two businesses and costs associated with the transaction was US$26 million.

Impairments
During 2012, the group's share of MillerCoors' impairment of the Sparks brand amounted to US$35 million.

Integration and restructuring costs
In 2011, the group's share of MillerCoors' integration and restructuring costs was US$5 million primarily related to severance costs.

Net taxation credits relating to subsidiaries' and the group's share of associates' and joint ventures' exceptional items
Net taxation credits of US$24 million (2011: US$2 million) arose in relation to exceptional items during the year and include US$13 million (2011: US$2 million) in relation to MillerCoors although the tax credit is recognised in Miller Brewing Company (see note 5).

4. Net finance costs

	2012 Unaudited US$m	2011 Audited US$m
a. Interest payable and similar charges		
Interest payable on bank loans and overdrafts	**170**	123
Interest payable on derivatives	**156**	163
Interest payable on corporate bonds	**463**	408
Interest element of finance leases payments	**1**	1
Net exchange losses/(gains) on financing activities	**13**	(14)
Net exchange losses on dividends[1]	**-**	9
Fair value losses on financial instruments:		
- Fair value losses on standalone derivative financial instruments	**144**	153
- Ineffectiveness of net investment hedges[1]	**4**	4
Exceptional interest payable and similar charges[1]	**96**	-
Other finance charges	**46**	36
Total interest payable and similar charges	**1,093**	883
b. Interest receivable and similar income		
Interest receivable	**55**	48
Interest receivable on derivatives	**226**	212
Fair value gains on financial instruments:		
- Fair value gains on standalone derivative financial instruments	**170**	92
- Fair value gains on dividend-related derivatives[1]	**3**	6
Net exchange gains on dividends[1]	**3**	-
Exceptional interest receivable and similar income[1]	**74**	-
Total interest receivable and similar income	**531**	358
Net finance costs	**562**	525

[1] These items have been excluded from the determination of adjusted earnings per share. Adjusted net finance costs are therefore US$542 million (2011: US$518 million).

5. Taxation

	2012 Unaudited US$m	2011 Audited US$m
Current taxation	**957**	808
- Charge for the year (UK corporation tax: US$39 million (2011: US$11 million))	**986**	817
- Adjustments in respect of prior years	**(29)**	(9)
Withholding taxes and other remittance taxes	**137**	101
Total current taxation	**1,094**	909
Deferred taxation	**32**	160
- Charge for the year (UK corporation tax credit: US$24 million (2011: US$nil))	**60**	183
- Adjustments in respect of prior years	**(3)**	(16)
- Rate change	**(25)**	(7)
Taxation expense	**1,126**	1,069
Tax credit relating to components of other comprehensive income is as follows:		
Deferred tax credit on actuarial gains and losses	**(71)**	(36)
Deferred tax (credit)/charge on financial instruments	**(30)**	14
	(101)	(22)
Effective tax rate (%)	**27.5**	28.2

See the financial definitions section for the definition of the effective tax rate. The calculation is on a basis consistent with that used in prior years and is also consistent with other group operating metrics. Tax on amortisation of intangible assets (excluding software) was US$72 million (2011: US$58 million).

MillerCoors is not a taxable entity. The tax balances and obligations therefore remain with Miller Brewing Company as a 100% subsidiary of the group. This subsidiary's tax charge includes tax (including deferred tax) on the group's share of the taxable profits of MillerCoors and includes tax in other comprehensive income on the group's share of MillerCoors' taxable items included within other comprehensive income.

6. Earnings per share

	2012 Unaudited US cents	2011 Audited US cents
Basic earnings per share	**266.6**	152.8
Diluted earnings per share	**263.8**	151.8
Headline earnings per share	**179.8**	150.8
Adjusted basic earnings per share	**214.8**	191.5
Adjusted diluted earnings per share	**212.5**	190.3

The weighted average number of shares was:

	2012 Unaudited Millions of shares	2011 Audited Millions of shares
Ordinary shares	**1,661**	1,656
Treasury shares	**(72)**	(72)
EBT ordinary shares	**(6)**	(8)
Basic shares	**1,583**	1,576
Dilutive ordinary shares	**17**	10
Diluted shares	**1,600**	1,586

The calculation of diluted earnings per share excludes 8,362,920 (2011: 9,045,847) share options that were non-dilutive for the year because the exercise price of the option exceeded the fair value of the shares during the year, 14,799,716 (2011: 12,842,609) share awards that were non-dilutive for the year because the performance conditions attached to the share awards have not been met and nil (2011: 732,869) shares in relation to the employee component of the BBBEE scheme that were non-dilutive for the year. These share incentives could potentially dilute earnings per share in the future.

6. Earnings per share continued

Adjusted and headline earnings
The group presents an adjusted earnings per share figure which excludes the impact of amortisation of intangible assets (excluding software), certain non-recurring items and post-tax exceptional items in order to present an additional measure of performance for the years shown in the consolidated financial statements. Adjusted earnings per share has been based on adjusted earnings for each financial year and on the same number of weighted average shares in issue as the basic earnings per share calculation. Headline earnings per share has been calculated in accordance with the South African Circular 3/2009 entitled 'Headline Earnings' which forms part of the listing requirements for the JSE Ltd (JSE). The adjustments made to arrive at headline earnings and adjusted earnings are as follows.

	2012 Unaudited US$m	2011 Audited US$m
Profit for the year attributable to owners of the parent	**4,221**	2,408
Headline adjustments		
Impairment of business held for sale	**-**	53
Impairment of intangible assets	**-**	14
Impairment of property, plant and equipment	**-**	31
Net profit on disposal of businesses	**(1,242)**	-
Profit on disposal of investment in associate	**(103)**	(159)
Gain on remeasurement of existing interest in joint venture on acquisition	**(66)**	-
Profit on disposal of property, plant and equipment	**(15)**	(5)
Tax effects of these items	**12**	14
Non-controlling interests' share of the above items	**40**	1
Share of joint ventures' and associates' headline adjustments, net of tax and non-controlling interests	**-**	20
Headline earnings	**2,847**	2,377
Business capability programme costs	**235**	296
Broad-Based Black Economic Empowerment scheme costs	**29**	149
Integration and restructuring costs	**60**	52
Transaction-related costs	**109**	-
Litigation	**(42)**	-
Litigation-related interest income	**(4)**	-
Net (gain)/loss on fair value movements on capital items[1]	**(2)**	7
Transaction-related net finance costs	**26**	-
Amortisation of intangible assets (excluding software)	**218**	158
Tax effects of the above items	**(101)**	(71)
Non-controlling interests' share of the above items	**(7)**	(10)
Share of joint ventures' and associates' other adjustments, net of tax and non-controlling interests	**32**	60
Adjusted earnings	**3,400**	3,018

[1] This does not include all fair value movements but includes those in relation to capital items for which hedge accounting cannot be applied.

7. Dividends

Dividends paid were as follows.

Equity	**2012 Unaudited US$m**	2011 Audited US$m
2011 Final dividend paid: 61.5 US cents (2010: 51.0 US cents) per ordinary share	**973**	806
2012 Interim dividend paid: 21.5 US cents (2011: 19.5 US cents) per ordinary share	**351**	309
	1,324	1,115

In addition, the directors are proposing a final dividend of 69.5 US cents per share in respect of the financial year ended 31 March 2012, which will absorb an estimated US$1,103 million of shareholders' funds. If approved by shareholders, the dividend will be paid on 17 August 2012 to shareholders registered on the London and Johannesburg registers on 10 August 2012.

8. Goodwill and intangible assets

	Goodwill Unaudited US$m	Intangible assets Unaudited US$m
Net book amount		
At 1 April 2010 (audited)	11,579	4,354
Exchange adjustments	332	101
Additions – separately acquired	-	126
Acquisitions - through business combinations	43	10
Amortisation	-	(220)
Disposals	-	(1)
Impairment	-	(14)
Transfers from property, plant and equipment	-	8
At 31 March 2011[1] (unaudited)	11,954	4,364
Exchange adjustments	207	279
Additions – separately acquired	-	171
Acquisitions - through business combinations	8,049	5,371
Amortisation	-	(273)
Disposals	(53)	(14)
Transfers to disposal group classified as held for sale	(29)	-
Transfers from property, plant and equipment	-	3
At 31 March 2012 (unaudited)	**20,128**	**9,901**

[1] As restated (see note 13).

Goodwill

2012

Provisional goodwill arose on the acquisition through business combinations in the year of Foster's Group Ltd and Pacific Beverages (Pty) Ltd in Australia and International Breweries Ltd in Nigeria (see note 12). The fair value exercises in respect of these business combinations have yet to be completed.

2011

Goodwill arose on the acquisition through business combinations of Cervecería Argentina SA Isenbeck (CASA Isenbeck) in Argentina and Crown Beverages Ltd (previously Crown Foods Ltd) in Kenya. The fair value exercises in respect of these business combinations are now complete.

9. Investments in joint ventures

	US$m
At 1 April 2010 (audited)	5,822
Exchange adjustments	12
Investments in joint ventures	186
Share of results retained	667
Share of losses recognised in other comprehensive income	(52)
Dividends received	(822)
At 31 March 2011 (audited)	5,813
Investments in joint ventures	288
Transfer to subsidiary undertaking	(100)
Share of results retained	671
Share of losses recognised in other comprehensive income	(256)
Dividends received	(896)
At 31 March 2012 (unaudited)	**5,520**

On 13 January 2012, the remaining 50% interest in Pacific Beverages (Pty) Ltd was purchased and from this date the company has been accounted for as a subsidiary.

10. Investments in associates

	US$m
At 1 April 2010 (audited)	2,213
Exchange adjustments	136
Investments in associates	168
Repayment of investments by associates	(68)
Share of results retained	357
Share of gains recognised in other comprehensive income	2
Dividends receivable	(89)
At 31 March 2011 (audited)	2,719
Exchange adjustments	(107)
Investments in associates	2,056
Repayment of investments by associates	(14)
Acquisitions - through business combinations	65
Disposal of investments in associates	(104)
Share of results retained	481
Dividends receivable	(150)
At 31 March 2012 (unaudited)	**4,946**

On 1 January 2012 the group combined the operational management of its Angolan businesses with the Angolan businesses of its associate, Castel, with all of the Angolan businesses, in which the group retains an associate interest, being managed from that date by Castel.

On 6 March 2012 the group completed its strategic alliance with Anadolu Efes. The group's Russian business, SABMiller RUS LLC, and Ukrainian business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes, in exchange for a 24% equity stake in the enlarged Anadolu Efes group.

On 25 November 2011 the group disposed of its effective 12% investment in Kenya Breweries Ltd, generating a profit of US$103 million.

11a. Reconciliation of profit for the year to net cash generated from operations

	2012 Unaudited US$m	2011 Audited US$m
Profit for the year	**4,477**	2,557
Taxation	**1,126**	1,069
Share of post-tax results of associates and joint ventures	**(1,152)**	(1,024)
Interest receivable and similar income	**(531)**	(358)
Interest payable and similar charges	**1,093**	883
Operating profit	**5,013**	3,127
Depreciation:		
- Property, plant and equipment	**672**	665
- Containers	**237**	239
Container breakages, shrinkages and write-offs	**34**	24
Profit on disposal of businesses	**(1,258)**	-
Gain on remeasurement of existing interest in joint venture on acquisition	**(66)**	-
Profit on disposal of investment in associate	**(103)**	(159)
Profit on disposal of property, plant and equipment	**(15)**	(5)
Amortisation of intangible assets	**273**	220
Impairment of intangible assets	**-**	14
Impairment of property, plant and equipment	**-**	31
Impairment of working capital balances	**16**	82
Amortisation of advances to customers	**24**	28
Unrealised net (gain)/loss from fair value hedges	**(20)**	1
Dividends received from other investments	**(1)**	(1)
Charge with respect to share options	**132**	99
Charge with respect to Broad-Based Black Economic Empowerment scheme	**29**	147
Other non-cash movements	**12**	(10)
Net cash generated from operations before working capital movements (EBITDA)	**4,979**	4,502
(Increase)/decrease in inventories	**(45)**	26
Increase in receivables	**(25)**	(147)
Increase in payables	**374**	161
(Decrease)/increase in provisions	**(46)**	18
Increase in post-retirement provisions	**-**	8
Net cash generated from operations	**5,237**	4,568

11a. Reconciliation of profit for the year to net cash generated from operations continued

Profit for the year and cash generated from operations before working capital movements includes cash flows relating to exceptional items of US$308 million (2011: US$293 million), comprising US$228 million (2011: US$283 million) in respect of business capability programme costs, US$72 million (2011: US$nil) in respect of transaction-related costs, US$50 million (2011: US$8 million) in respect of integration and restructuring costs, US$nil (2011: US$2 million) in respect of Broad-Based Black Economic Empowerment scheme costs, partially offset by US$42 million (2011: US$nil) in respect of a litigation-related credit.

The following table provides a reconciliation of EBITDA to adjusted EBITDA.

	2012 Unaudited US$m	2011 Audited US$m
EBITDA	**4,979**	4,502
Cash exceptional items	**308**	293
Dividends received from MillerCoors	**896**	822
Adjusted EBITDA	**6,183**	5,617

11b. Reconciliation of net cash generated from operating activities to free cash flow

	2012 Unaudited US$m	2011 Audited US$m
Net cash generated from operating activities	**3,937**	3,043
Purchase of property, plant and equipment	**(1,473)**	(1,189)
Proceeds from sale of property, plant and equipment	**116**	73
Purchase of intangible assets	**(166)**	(126)
Investments in joint ventures	**(288)**	(186)
Investments in associates	**-**	(4)
Repayment of investments by associates	**14**	68
Dividends received from joint ventures	**896**	822
Dividends received from associates	**120**	88
Dividends received from other investments	**1**	1
Dividends paid to non-controlling interests	**(109)**	(102)
Free cash flow	**3,048**	2,488

11c. Analysis of net debt

Cash and cash equivalents on the balance sheet are reconciled to cash and cash equivalents on the cash flow statement as follows.

	2012 Unaudited US$m	2011 Audited US$m
Cash and cash equivalents (balance sheet)	**745**	1,067
Cash and cash equivalents of disposal group classified as held for sale	**-**	4
	745	1,071
Overdrafts	**(138)**	(258)
Overdrafts of disposal group classified as held for sale	**(1)**	-
Cash and cash equivalents (cash flow statement)	**606**	813

Net debt is analysed as follows.

	2012 Unaudited US$m	2011 Audited US$m
Borrowings	**(19,067)**	(8,193)
Borrowings-related derivative financial instruments	**620**	298
Overdrafts	**(139)**	(258)
Finance leases	**(21)**	(9)
Gross debt	**(18,607)**	(8,162)
Cash and cash equivalents (excluding overdrafts)	**745**	1,071
Net debt	**(17,862)**	(7,091)

11c. Analysis of net debt continued

The movement in net debt is analysed as follows.

	Cash and cash equivalents (excluding overdrafts) US$m	Overdrafts US$m	Borrowings US$m	Derivative financial instruments US$m	Finance leases US$m	Total gross borrowings US$m	Net debt US$m
At 1 April 2011 (audited)	1,071	(258)	(8,193)	298	(9)	(8,162)	(7,091)
Exchange adjustments	10	(49)	(38)	9	-	(78)	(68)
Cash flow	(246)	157	(8,861)	(43)	5	(8,742)	(8,988)
Acquisitions	12	-	(1,844)	259	(2)	(1,587)	(1,575)
Disposals	(102)	11	98	-	-	109	7
Other movements	-	-	(229)	97	(15)	(147)	(147)
At 31 March 2012 (unaudited)	**745**	**(139)**	**(19,067)**	**620**	**(21)**	**(18,607)**	**(17,862)**

The group has sufficient headroom to enable it to comply with all covenants on its existing borrowings. The group has sufficient undrawn financing facilities to service its operating activities and ongoing capital investment and thus the directors have continued to adopt the going concern basis of accounting. The group had the following undrawn committed borrowing facilities available at 31 March 2012 in respect of which all conditions precedent had been met at that date.

	2012 Unaudited US$m	2011 Audited US$m
Amounts expiring:		
Within one year	**774**	967
Between one and two years	**12**	2,118
Between two and five years	**788**	79
In five years or more	**2,236**	-
	3,810	3,164

In April 2011, the group entered into a five-year US$2,500 million committed syndicated facility, with the option of two one-year extensions. In March 2012, the maturity of US$2,236 million of this facility was extended to April 2017. This facility replaced the US$2,000 million and US$600 million committed syndicated facilities, which were both voluntarily cancelled and which are shown in the comparatives in the table above as expiring between one and two years and within one year respectively.

The group's net debt is denominated in the following currencies:

	US dollars US$m	SA rand US$m	Australian dollars US$m	Euro US$m	Colombian peso US$m	Other currencies US$m	Total US$m
Total cash and cash equivalents	**346**	**37**	**49**	**41**	**81**	**191**	**745**
Total gross borrowing (including overdrafts)	**(13,043)**	**(228)**	**(2,190)**	**(1,306)**	**(1,239)**	**(601)**	**(18,607)**
	(12,697)	**(191)**	**(2,141)**	**(1,265)**	**(1,158)**	**(410)**	**(17,862)**
Cross currency swaps	**2,211**	**(183)**	**(1,528)**	**(361)**	**-**	**(139)**	**-**
At 31 March 2012 (unaudited)	**(10,486)**	**(374)**	**(3,669)**	**(1,626)**	**(1,158)**	**(549)**	**(17,862)**
Total cash and cash equivalents	609	30	-	111	96	225	1,071
Total gross borrowing (including overdrafts)	(4,334)	(290)	(18)	(1,482)	(1,202)	(836)	(8,162)
	(3,725)	(260)	(18)	(1,371)	(1,106)	(611)	(7,091)
Cross currency swaps	1,089	(413)	-	(116)	-	(560)	-
At 31 March 2011 (audited)	(2,636)	(673)	(18)	(1,487)	(1,106)	(1,171)	(7,091)

12. Business combinations and similar transactions

Acquisitions

The following business combinations took effect during the year:

On 16 December 2011 the group acquired a 100% interest in Foster's Group Ltd for cash consideration of US$10,598 million.

On 1 January 2012 the group combined the operational management of its Angolan businesses, and its interest in its associate Empresa Cervejas De N'Gola SARL with the Angolan businesses of its associate, Castel, with all of the Angolan businesses, in which the group retains an associate interest, being managed from that date by Castel. Further the group acquired a 65% interest (effective 33% interest) in International Breweries Ltd in Nigeria from Castel in exchange for cash and a dilution in the group's effective interests in its existing Nigerian businesses.

On 13 January 2012 the group acquired the remaining 50% interest in Pacific Beverages (Pty) Ltd (Pacific Beverages) from Coca-Cola Amatil Limited for cash consideration of US$343 million. The acquisition took the group's effective interest in Pacific Beverages to 100%.

On 6 March 2012 the group completed its strategic alliance with Anadolu Group and Anadolu Efes Biracilik ve Malt Sanayii AS (Anadolu Efes). The group's Russian beer business, SABMiller RUS LLC, and Ukrainian beer business, PJSC Miller Brands Ukraine, were contributed to Anadolu Efes in exchange for a 24% equity stake in the enlarged Anadolu Efes group.

The goodwill arising on the above business combinations of US$8,049 million represents, amongst other things, tangible and intangible assets yet to be recognised separately from goodwill as the fair value exercises are still in progress.

Disposals

The following disposals occurred during the year:

On 13 June 2011 the group completed the disposal of its distribution business in Italy, which was classified as a disposal group held for sale at 31 March 2011, and which generated a US$14 million exceptional loss on disposal, primarily being the recycling of the foreign currency translation reserve associated with this business.

On 25 November 2011 the group disposed of its 12% effective interest in its associate, Kenya Breweries Limited, for cash consideration of US$205 million.

Effective 1 January 2012 the group combined the operational management of its Angolan businesses in Africa with the Angolan businesses of its associate, Castel, with all of the Angolan businesses, in which the group retains an associate interest, being managed from that date by Castel.

On 6 March 2012 the group disposed of its Russian beer business, SABMiller RUS LLC, and its Ukrainian beer business, PJSC Miller Brands Ukraine, in exchange for a 24% interest in the enlarged Anadolu Efes group.

13. Balance sheet restatements

The initial accounting under IFRS 3, 'Business Combinations', for the CASA Isenbeck and Crown Beverages Ltd (previously Crown Foods Ltd) acquisitions had not been completed as at 31 March 2011. During the year ended 31 March 2012, adjustments to provisional fair values in respect of these acquisitions were made which resulted in goodwill increasing by US$2 million to US$11,954 million, intangible assets increasing by US$3 million to US$4,364 million, property, plant and equipment increasing by US$1 million to US$9,331 million, current trade and other payables increasing by US$3 million to US$3,487 million, current provisions increasing by US$2 million to US$412 million and non-current provisions increasing by US$1 million to US$461 million. As a result comparative information for the year ended 31 March 2011 has been presented in the consolidated financial statements as if the adjustments to provisional fair values had been made from the respective transaction dates. The impact on the prior year income statement has been reviewed and no adjustments to the income statement are required as a result of the adjustments to provisional fair values.

14. Share capital

During the year ended 31 March 2012 5,283,469 ordinary shares (2011: 4,290,162 ordinary shares) were allotted and issued in accordance with the group's share purchase, option and award schemes.

Adjusted earnings
Adjusted earnings are calculated by adjusting headline earnings (as defined below) for the amortisation of intangible assets (excluding software), integration and restructuring costs, the fair value movements in relation to capital items for which hedge accounting cannot be applied and other items which have been treated as exceptional but not included above or as headline earnings adjustments together with the group's share of associates' and joint ventures' adjustments for similar items. The tax and non-controlling interests in respect of these items are also adjusted.

Adjusted EBITDA
This comprises EBITDA (as defined below) before cash flows from exceptional items and includes dividends received from our joint venture, MillerCoors. Dividends received from MillerCoors approximate to the group's share of the EBITDA of the MillerCoors joint venture.

Adjusted EBITDA margin
This is calculated by expressing adjusted EBITDA as a percentage of revenue plus the group's share of MillerCoors' revenue.

Adjusted net finance costs
This comprises net finance costs excluding fair value movements in relation to capital items for which hedge accounting cannot be applied and any exceptional finance charges or income.

Adjusted profit before tax
This comprises EBITA less adjusted net finance costs and less the group's share of associates' and joint ventures' net finance costs on a similar basis.

Constant currency
Constant currency results have been determined by translating the local currency denominated results for the year ended 31 March at the exchange rates for the prior year.

EBITA
This comprises operating profit before exceptional items, amortisation of intangible assets (excluding software) and includes the group's share of associates' and joint ventures' operating profit on a similar basis.

EBITA margin (%)
This is calculated by expressing EBITA as a percentage of group revenue.

EBITDA
This comprises the net cash generated from operations before working capital movements. This includes cash flows relating to exceptional items incurred in the year.

EBITDA margin (%)
This is calculated by expressing EBITDA as a percentage of revenue.

Effective tax rate (%)
The effective tax rate is calculated by expressing tax before tax on exceptional items and on amortisation of intangible assets (excluding software), including the group's share of associates' and joint ventures' tax on the same basis, as a percentage of adjusted profit before tax.

Free cash flow
This comprises net cash generated from operating activities less cash paid for the purchase of property, plant and equipment, and intangible assets, net investments in existing associates and joint ventures (in both cases only where there is no change in the group's effective ownership percentage) and dividends paid to non-controlling interests plus cash received from the sale of property, plant and equipment and intangible assets and dividends received.

Group revenue
This comprises revenue together with the group's share of revenue from associates and joint ventures.

Headline earnings
Headline earnings are calculated by adjusting profit for the financial period attributable to owners of the parent for items in accordance with the South African Circular 3/2009 entitled 'Headline Earnings'. Such items include impairments of non-current assets and profits or losses on disposals of non-current assets and their related tax and non-controlling interests. This also includes the group's share of associates' and joint ventures' adjustments on the same basis.

Interest cover
This is the ratio of adjusted EBITDA to adjusted net finance costs.

Net debt
This comprises gross debt (including borrowings, borrowings-related derivative financial instruments, overdrafts and finance leases) net of cash and cash equivalents (excluding overdrafts).

Organic information
Organic results and volumes exclude the first 12 months' results and volumes relating to acquisitions and the last 12 months' results and volumes relating to disposals.

Sales volumes
In the determination and disclosure of sales volumes, the group aggregates 100% of the volumes of all consolidated subsidiaries and its equity accounted percentage of all associates' and joint ventures' volumes. Contract brewing volumes are excluded from volumes although revenue from contract brewing is included within group revenue. Volumes exclude intra-group sales volumes. This measure of volumes is used for lager volumes, soft drinks volumes, other alcoholic beverage volumes and beverage volumes and is used in the segmental analyses as it more closely aligns with the consolidated group revenue and EBITA disclosures.

This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire ordinary shares in the capital of SABMiller plc (the "company") or any other securities of the company in any jurisdiction or an inducement to enter into investment activity.

This announcement is intended to provide information to shareholders. It should not be relied upon by any other party or for any other purpose. This announcement includes ‘forward-looking statements’ with respect to certain of SABMiller plc’s plans, current goals and expectations relating to its future financial condition, performance and results. These statements contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the company’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the company’s products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company’s present and future business strategies and the environment in which the company will operate in the future. These forward-looking statements speak only as at the date of this announcement. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The past business and financial performance of SABMiller plc is not to be relied on as an indication of its future performance.

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