



Interim Management Statement

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SABMiller plc Trading Update

SABMiller plc today issues its interim management statement for the group's third quarter ended 31 December 2013 which also represents a trading update for the same period. The calculation of the organic growth rates excludes the impact of acquisitions and disposals.

Alan Clark, Chief Executive of SABMiller, commented:

"Growth in the third quarter was driven by our emerging market businesses where we are successfully targeting new consumers through affordability and premiumisation initiatives across our brand portfolios. The combination of pricing and volume growth, particularly in Africa, Latin America and China, supported net producer revenue growth of four percent. This was in spite of continued weakness in consumer sentiment, which particularly impacted our European and North American businesses."

Third quarter highlights

- Group net producer revenue (NPR) for the third quarter grew by 4% and group NPR per hectolitre (hl) grew by 2% both on an organic, constant currency basis
- Total beverage volumes grew by 2% for the third quarter on an organic basis, with lager volumes up 1% and soft drinks volumes up 7%
- Depreciation of key currencies against the US dollar will adversely impact reported results
- The group's financial performance is in line with expectations

Latin America

Above mainstream brands drove group NPR growth

Latin America group NPR grew by 5% in the third quarter on an organic, constant currency basis, despite cycling strong comparatives in the prior year. Total beverage volumes increased by 3% on an organic basis, with lager volumes up 2%. In Colombia, lager volume growth of 1% was driven by Aguila Light which benefited from the expanded reach of the more affordable bulk packs. In Peru, lager volumes were in line with the prior year, notwithstanding the continuing impact of the excise tax increase earlier in the year. Pilsen Callao, our upper mainstream brand, grew by double digits, replacing Cristal as the leading brand in Lima. In Ecuador, increased direct coverage supported lager volume growth of 4%, with upper mainstream Pilsener Light continuing to grow strongly. In Central America lager volumes grew by 3% in the quarter, assisted by the continuing success of the larger packs in El Salvador, and robust Miller Lite performance in both Panama and Honduras. Soft drinks grew by 8% across the region on an organic basis, with pack innovations supporting growth, particularly in Colombia and Peru.

Europe

Unfavourable performance in challenging market conditions

In Europe, group NPR on an organic, constant currency basis declined by 6% as a volume decline of 2% was coupled with deterioration in group NPR per hl due to adverse category mix. Lager volumes were down by 5%. Volume performance in the Czech Republic stabilised with domestic volumes in line with the prior year despite the continued challenging market environment. In Poland volumes were down 4% impacted by competitive intensity and continued weak consumer spending. Domestic volumes in the UK were up 9% led by Peroni Nastro Azzurro as a result of increased distribution and an improved rate of sale. Tough trading conditions and consumer trends have continued into the third quarter impacting our trading in Italy and Romania. Anadolu Efes' volumes grew on an organic basis driven by the continued growth of soft drinks volumes while lager volumes were negatively impacted by market regulations in Turkey and on-going softness in Russia. On a reported basis Anadolu Efes' soft drinks volumes benefited from the full consolidation of the Coca-Cola Icecek results.

North America

Portfolio evolution towards above premium continues, driven by the Redd's franchise

MillerCoors' group NPR grew by 1% with lower volumes offset by positive sales mix and higher net pricing. US domestic sales to retailers (STRs) declined 1.9% in the quarter. Premium light STRs declined mid single digits in the quarter with Coors Light down low single digits and Miller Lite down mid single digits. Premium regular brands declined low single digits in the quarter with mid single digit growth of Coors Banquet offset by a double digit decline in Miller Genuine Draft. The Tenth and Blake division saw low single digit growth driven by Leinenkugel's and Blue Moon partially offset by reduced volumes of Henry Weinhard's. The rest of the above premium portfolio grew strongly benefiting from innovation, particularly the notable success of the Redd's franchise. The below premium portfolio declined by mid single digits. Domestic sales to wholesalers (STWs) for the quarter were down by 2.2% compared with the same period in the prior year.

Africa

An encouraging delivery despite some challenges

In Africa group NPR grew by 8% on an organic, constant currency basis underpinned by pricing and total volume growth of 5% with lager growth of 6%. Group NPR per hl grew by 3% for the quarter on an organic, constant currency basis. Lager volumes in Tanzania grew by 5% driven by strong growth in the mainstream and affordable segments. In Zambia lager volume growth of 12% was supported by increased availability and trade buy in ahead of the January 2014 price increase following the 50% increase in excise. Political unrest in Mozambique had a negative impact on lager volumes resulting in a decline of 2% in the quarter. Increased capacity in Nigeria continued to support strong growth with Hero Lager and Trophy Lager performing well. Soft economic conditions in Uganda and Zimbabwe persisted in the quarter resulting in declining lager volumes versus the prior year. Our associate Castel also delivered lager volume growth of 6% with Angola performing ahead of expectations. Soft drinks volume growth of 5% was driven by good performances in Ghana and Zambia, as well as our associates Castel and Delta in Zimbabwe. Other alcoholic beverage volumes ended the quarter 2% ahead of the prior year on an organic basis, driven by good Chibuku growth in Zimbabwe which was partially offset by a decline in Zambia.

Asia Pacific

Group NPR growth driven by China

Asia Pacific group NPR grew by 6% on an organic, constant currency basis, continuing the positive trends of the earlier part of the year. In Australia, domestic lager group NPR declined 1% as a volume decline of 4% was largely offset by an improvement in NPR per hl. Soft volume performance was driven by category pressure resulting from weak consumer sentiment and continuing intense competition in all channels. Group NPR was supported by price increases and selective investment to manage value as well as positive trading performance of the international premium and craft portfolios. In China, group NPR grew by double digits on an organic basis reflecting strong volume growth of 13% and favourable mix, primarily driven by strong portfolio premiumisation trends. In India, group NPR was in line with the prior year, as favourable pricing offset lower volumes which continued to be impacted by regulatory changes made in the earlier part of the year and adverse weather conditions in a number of states.

South Africa: Beverages

Pricing and brand mix in beer drove group NPR growth in a softer consumer environment

In South Africa, group NPR for the quarter grew by 7% on an organic, constant currency basis, driven by group NPR per hl growth of 6%, which benefited from price increases and positive brand mix in beer, and volume growth in soft drinks. Lager volumes declined by 2% in the weaker economic and consumer environment. The local premium portfolio however continued to perform strongly, with Castle Lite and Castle Milk Stout delivering combined growth in excess of 10%. Focus on retail execution and customer service continued to have a positive impact. Soft drinks volumes grew by 5%, cycling weak comparatives in the prior year, driven by targeted market penetration programmes and continued good performance in still soft drinks.

Group

Group NPR growth on an organic, constant currency basis in the third quarter was driven by the mid to high single digit growth recorded in Latin America, Africa, Asia Pacific and South Africa. Trading conditions continued to be more challenging in North America and Europe, with group NPR declining in Europe in the quarter. On a reported basis, financial results were adversely impacted by the depreciation of key currencies against the US dollar, notably the South African rand, Australian dollar, Peruvian Nuevo sol and Colombian peso. The group's underlying financial performance is in line with expectations.

Other

On 18 December 2013, the group sadly announced the death of Chairman Graham Mackay. The board appointed acting Chairman John Manser as Chairman with immediate effect, and appointed Guy Elliott as Senior Independent Director in succession to John Manser.

ENDS

Notes to editors

SABMiller plc is one of the world's leading brewers with more than 200 beer brands and some 70,000 employees in over 75 countries. The group's portfolio includes global brands such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch; as well as leading local brands such as Aguila (Colombia), Castle (South Africa), Miller Lite (USA), Snow (China), Victoria Bitter (Australia) and Tyskie (Poland). SABMiller also has growing soft drinks businesses and is one of the world's largest bottlers of Coca-Cola products.

In the year ended 31 March 2013 the group reported group lager volumes of 242 million hectolitres, group net producer revenue* of US\$26,932 million and EBITA* of US\$6,379 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.

*On 17th October 2013 SABMiller announced new and revised reporting metrics in which a new reporting metric 'group net producer revenue' and a restatement of the calculation of EBITA, among other things, were explained. These new and revised metrics are included above for the year ended 31 March 2013.

This announcement is available on the company website: www.sabmiller.com

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Enquiries

SABMiller plc
t: +44 20 7659 0100

Catherine May
Director of Corporate Affairs

SABMiller plc
t: +44 20 7927 4709

Gary Leibowitz
Senior VP, Investor Relations
SABMiller plc
t: +44 20 7659 0174

Richard Farnsworth
Business Media Relations Manager
SABMiller plc
t: +44 20 7659 0188

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