Interim Announcement

Release date: 13 November 2014

SABMiller delivers top-line and earnings growth

SABMiller plc, the world's second largest brewing company and one of the largest bottlers of Coca-Cola drinks, reports its interim (unaudited) results for the six months to 30 September 2014.

Highlights

- Resilient top line growth powered by our Africa and Latin America businesses, but impacted by weaker second quarter trading conditions in China and Australia
- Organic, constant currency group net producer revenue (NPR) growth of 5%, with group NPR per hectolitre (hl) up 3% driven by pricing and premiumisation initiatives. Reported NPR growth was 2%
- Total beverage volumes grew by 1% on an organic basis, with lager volumes down 1%. Organic soft drinks growth of 9% driven by Africa, Latin America and Europe
- Organic, constant currency EBITA growth of 3% and constant currency adjusted earnings per share growth of 5% were impacted by the depreciation of key currencies against the US dollar such that reported EBITA is in line with the prior period
- Reported EBITA is in line with the prior period, impacted by the depreciation of key currencies against the US dollar. Adverse translational foreign exchange impact on EBITA in the period of US$71 million
- EBITA margin[1] declined 30 bps to 23.4% on both reported and organic, constant currency bases reflecting an EBITA decline in Asia Pacific
- Strong cash flow performance with free cash flow up 6% on an underlying basis. Free cash flow excludes the receipt of the proceeds from the sale of the group's hotel and gaming investment

[1] Expressed as a percentage of group NPR.

	6 months to Sept 2014 US$m	6 months to Sept 2013[2] US$m	% change	12 months to March 2014[2] US$m
Revenue[a]	**11,366**	11,103	2	22,311
Group net producer revenue[b]	**14,002**	13,793	2	26,719
EBITA[c]	**3,277**	3,272	-	6,460
Adjusted profit before tax[d]	**2,935**	2,873	2	5,719
Profit before tax[e]	**2,827**	2,429	16	4,823
Profit attributable to owners of the parent	**1,974**	1,714	15	3,381
Adjusted earnings[f]	**1,981**	1,920	3	3,865
Adjusted EPS (US cents)	**123.6**	120.4	3	242.0
Adjusted EPS in constant currency (US cents)	**126.0**	120.4	5	
Basic EPS (US cents)	**123.2**	107.4	15	211.8
Interim dividend per share (US cents)	**26.0**	25.0	4	105.0
Free cash flow	**1,485**	894	66	2,563

[2] As restated. Further details of the restatement are provided note 1.

a Revenue excludes the group's share of associates' and joint ventures' revenue.
b Group net producer revenue (NPR) comprises group revenue, including the group's share of associates' and joint ventures' revenue, less excise and similar taxes, including the group's share of associates' and joint ventures' excise and similar taxes.
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 computer software) and includes the group's share of associates' and joint ventures' operating profit, on a similar basis. EBITA is used throughout this interim announcement.
d Adjusted profit before tax comprises EBITA less adjusted net finance costs of US$331 million (2013: US$345 million) and the group's share of associates' and joint ventures' net finance costs of US$11 million (2013: US$54 million).
e Profit before tax includes net exceptional credits of US$285 million (2013: charges of US$52 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 5.

Alan Clark, Chief Executive of SABMiller, said:

"We continued to grow earnings in the first half with challenging trading conditions mitigated by ongoing efficiencies. Group net producer revenue was driven by lager growth in Africa and Latin America and strong performance in our soft drinks businesses in Africa, Latin America and Europe. Lower lager sales in parts of Europe and Asia Pacific resulted in a small group EBITA margin decline during the half year. We are well-placed to capture future top line growth opportunities in both emerging and developed markets and are making good initial progress on our plan to realise US$500 million from operational efficiencies and cost savings."

Group net producer revenue	Reported Sept 2013 US$m	Net acquisitions and disposals US$m	Currency translation US$m	Organic growth US$m	**Reported Sept 2014 US$m**	Organic, constant currency growth %	Reported growth %
Latin America	2,754	(9)	(55)	184	**2,874**	7	4
Africa	3,496	1	(236)	331	**3,592**	10	3
Asia Pacific	2,159	33	(26)	(12)	**2,154**	(1)	-
Europe	2,684	-	(49)	78	**2,713**	3	1
North America	2,514	-	-	39	**2,553**	2	2
Retained operations	13,607	25	(366)	620	**13,886**	5	2
South Africa: Hotels and Gaming	186	(59)[2]	(11)	-	**116**	-	(38)
Total	13,793	(34)	(377)	620	**14,002**	5	2

Group volumes	Reported Sept 2013 hl 000	Net acquisitions and disposals hl 000	Organic growth hl 000	**Reported Sept 2014 hl 000**	Organic growth %	Reported growth %
Lager	133,617	1,419	(1,162)	**133,874**	(1)	-
Soft drinks	32,621	(69)	2,981	**35,533**	9	9
Other alcoholic beverages	3,776	(2)	101	**3,875**	3	3
Total	170,014	1,348	1,920	**173,282**	1	2

EBITA	Restated Sept 2013 US$m	Net acquisitions and disposals US$m	Currency translation US$m	Organic growth US$m	**Reported Sept 2014 US$m**	Organic, constant currency growth %	Reported growth %
Latin America	972	(2)	(8)	74	**1,036**	8	7
Africa	794	(1)	(46)	71	**818**	9	3
Asia Pacific	540	1	(8)	(83)	**450**	(15)	(17)
Europe	512	-	(7)	(3)	**502**	-	(2)
North America[1]	482	-	-	33	**515**	7	7
Corporate	(85)	-	1	7	**(77)**		
Retained operations	3,215	(2)	(68)	99	**3,244**	3	1
South Africa: Hotels and Gaming	57	(18)[2]	(3)	(3)	**33**	(8)	(42)
Total	3,272	(20)	(71)	96	**3,277**	3	-
EBITA margin[3] (%)	23.7				**23.4**		

[1] As restated. Further details of the restatement are provided in note 1.

[2] Disposal activity reflects the removal of the results between 31 July 2013 and 30 September 2013 (as the effective date of disposal was 31 July 2014), so that the base is restated for comparability purposes.

[3] Expressed as a percentage of group NPR.

Business review

The group delivered constant currency group NPR, EBITA and adjusted earnings growth in the half year, despite trading challenges in a number of markets. The depreciation of key currencies against the US dollar continues to have a negative impact on the translation of financial results in South Africa, Australia and Latin America, resulting in growth of 2% in reported group NPR and reported EBITA level with the prior half year.

Group NPR growth of 5% on an organic, constant currency basis for the first half of the year was driven by our developing market operations in Latin America and Africa through a combination of total beverage volume growth, selective pricing and improved brand mix. Lager volumes declined by 1% on an organic basis reflecting robust growth in Latin America and Africa that only partially offset declines in Asia Pacific and North America, with Europe level with the prior period, outperforming the market. Soft drinks volumes increased by 9%, driven by Africa, Latin America and Europe.

On an organic, constant currency basis EBITA grew by 3%, while organic, constant currency EBITA margin declined by 30 bps reflecting reinvestment into key customer trading terms in Australia, together with the significant negative impact on profitability resulting from a decline in lager volumes in China and parts of Europe. Input cost increases were mitigated by procurement savings, resulting in a low single digit increase in raw material input costs compared with the prior half year (on a constant currency per hl basis), in line with guidance. Marketing investment increased to support category development such as capturing new occasions, the continuing renovation of our core brands and expansion of our brand portfolios through innovation such as flavoured beer offerings and cider. On a reported basis, EBITA margin also decreased by 30 bps, reflecting the inclusion of the acquisition of the Kingway brewery business in our Chinese associate's results.

On a constant currency basis, adjusted EPS grew by 5% compared with the prior period, and by 3% on a reported basis reflecting the continuing impact of the depreciation of key currencies against the US dollar, principally the South African rand, Australian dollar, Peruvian nuevo sol, Czech koruna and Turkish lira. Net finance costs were lower than in the prior period, reflecting the repayment of some higher interest bonds which matured in the second half of the prior year. The effective tax rate of 26.0% is in line with that for the prior year but below the 26.8% in the prior half year. The reduction in rate primarily results from the resolution during the period of a number of uncertain tax positions.

Free cash flow for the half year was higher by US$591 million at US$1,485 million, positively impacted by some one-off items in the prior half year, such as funding for the Kingway acquisition and the phasing of payments to the Australian Tax Office. On an underlying basis, free cash flow increased by 6% compared with the prior half year. Adjusted EBITDA was adversely impacted by the depreciation of key currencies against the US dollar in the half year but still grew by 3%. Working capital registered a cash outflow in the period of US$82 million (compared with an outflow of US$67 million in the prior period). Capital expenditure at US$696 million was slightly ahead of the prior period, with continued investment in brewing capacity and capability, most notably in Africa and Latin America. Net interest paid was lower than in the prior period in line with the reduction in the net finance charge. Tax paid was lower than the prior period reflecting the tax prepayment to the Australian Tax Office in the prior half year.

The group's gearing ratio as at 30 September 2014 decreased to 46.5% from 52.0% at 31 March 2014. Net debt has reduced by US$1,621 million since 31 March 2014, ending at US$12,682 million, driven by the receipt of the proceeds from the sale of the group's interest in its hotel and gaming associate in South Africa as well as strong operating cash flow. An interim dividend of 26.0 US cents per share is proposed, to be paid to shareholders on 5 December 2014, an increase of 4% over the prior year.

- In **Latin America**, EBITA grew by 7% (8% on an organic, constant currency basis). Group NPR on an organic, constant currency basis grew by 7% driven by selective price increases and favourable brand mix, supported by our continued focus on market-facing activities and effective trade execution, and a return to lager volume growth in the second quarter, with strong soft drinks volume growth continuing. Reported EBITA margin improved by 70 bps through a combination of group NPR growth, softer commodity prices, cost efficiencies and asset disposals.

- In **Africa**, now including the South Africa beverages business, EBITA grew by 3% (9% on an organic, constant currency basis) as a result of volume growth, pricing and a focus on cost productivity. The group NPR growth of 3% (10% on an organic, constant currency basis) was driven by share gains, growth in the premium lager segment, strong soft drinks volume growth and pricing. Castle Lite led the robust premium performance and we also grew strongly in the affordable segment. Focus on production efficiencies helped contain variable cost increases as a result of currency weakness and deliver reported EBITA margin growth of 10 bps.

- In **Asia Pacific**, EBITA declined by 17% and group NPR was level with the prior half year on a reported basis as the inclusion of the Kingway results in China offset the depreciation of currencies against the US dollar at the top line. On an organic, constant currency basis EBITA declined by 15% driven by Australia and China, with the organic volume decline having a significant impact on profitability. In Australia, NPR on a constant currency basis was 4% below the prior period as a result of increased trade investment activity and competitive price pressure. The integration programme is on track in terms of both synergy delivery and capability build. In China, organic, constant currency group NPR growth of 1% was impacted by a 3% lager volume decline driven by poor weather during the summer peak months in the central provinces offset by favourable mix from the continued focus on premiumisation. Reported EBITA in China declined as a result, diluted by investment in market-facing activities and the inclusion of Kingway. As a result, reported EBITA margin for the region decreased by 410 bps.

- In **Europe**, EBITA was down by 2% and group NPR was up by 1%, both on a reported basis. On a constant currency basis, group NPR was 3% higher than the prior half year, reflecting soft drinks volume growth in Anadolu Efes and lager volumes level with the prior period, with a challenging second quarter affected by poor weather across much of the region during the summer months. Lager volume growth in Poland, the combined Czech Republic and Slovakia business and the UK was offset by declines in Romania, Italy and Anadolu Efes. Organic, constant currency EBITA was level with the prior period and reported EBITA margin declined by 60 bps, driven by lower volume in Italy and Romania, along with restructuring activities in Anadolu Efes.

- In **North America**, EBITA increased by 7% as a result of increased profitability in MillerCoors. Group NPR was 2% higher than the prior period, with a decline in lager volumes offset by higher group NPR per hl, driven by firm pricing and positive sales mix resulting from the introduction and success of new higher margin products such as the Redd's franchise, Miller Fortune and Smith & Forge Hard Cider. The growth in sales of higher margin products, along with continued cost saving initiatives and maintained marketing spend, helped drive a 100 bps improvement in EBITA margin.

- The group completed the sale of its investment in Tsogo Sun Holdings Limited (Tsogo Sun), its hotels and gaming associate listed on the Johannesburg Stock Exchange, in August 2014 through an institutional placing and share buyback. The group received net proceeds of US$971 million, and realised a post-tax profit of US$232 million which has been treated as an exceptional item. Since August, the disposal of Tsogo Sun has reduced adjusted earnings by around US$10 million in the final two months of the first half of the year. Following the receipt of the net proceeds of this disposal, the group has recently announced that it is exercising its issuer call option to redeem in full its US$850 million 6.5% notes, due 2016.

- The new **business efficiency programme** is on schedule and is expected to deliver operational efficiencies and savings of approximately US$500 million per annum by the financial year ending 31 March 2018. During the first half of this year we continued to expand the scope of our supply chain activities, including expanding the reach of our procurement organisation. Our global business services organisation, which will deliver standardised finance, HR, procurement and data analytics services to the group's operations, enabled by the global template, from central locations and restructuring of the in-country back office teams, is at an early stage of development. The new programme incurred exceptional costs of US$39 million in the half year (excluding any costs relating to the further deployment of the global template and the running costs of the new global business services organisation, which are now embedded into business as usual costs).

Outlook

We anticipate that trading conditions will remain challenging but we expect to continue to grow volume and NPR. As part of our strategy we will continue to drive efficiency across our business and invest in the front line so we can win in local markets. Raw material unit input costs are expected to increase by low single digits in constant currency terms with some markets continuing to be impacted by foreign exchange movements on imported raw materials.

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A live audio webcast of a presentation by Chief Executive, Alan Clark, and Chief Financial Officer, Jamie Wilson to the investment community will begin at 9.30am (GMT) on 13 November 2014. To register for the webcast, download the slide presentation, view management video interviews and download photography and b-roll, visit our online Results Centre at www.sabmiller.com/resultscentre.

To monitor Twitter bulletins throughout the day follow www.twitter.com/sabmiller or #sabmillerresults.

Copies of the press release and detailed Interim Announcement are available from the Company Secretary at the Registered Office or from our website at www.sabmiller.com.

Operational review

Latin America

Financial summary	Reported Sept 2013	Net acquisitions and disposals	Currency translation	Organic growth	**Reported Sept 2014**	Organic, constant currency growth %	Reported growth %
Group NPR (including share of associates) (US$m)	2,754	(9)	(55)	184	**2,874**	7	4
EBITA[1] (US$m)	972	(2)	(8)	74	**1,036**	8	7
EBITA margin (%)	35.3				**36.0**		
Sales volumes (hl 000)							
Lager	20,668	-		150	**20,818**	1	1
Soft drinks	8,964	(70)		871	**9,765**	10	9
Total beverages	29,632	(70)		1,021	**30,583**	3	3

[1] In 2013: before exceptional credits of US$47 million, being the profit on disposal of the Panama milk and juice business.

In **Latin America**, group NPR for the first six months grew by 4% on a reported basis and 7% on an organic, constant currency basis, driven by price increases and favourable brand mix, together with total beverage volume growth of 3% on an organic basis. Lager volume grew by 1% in the half year held back by trading restrictions and market disruptions. Our above mainstream brands performed well in a number of markets driven by the appeal of the easier drinking segment. Soft drinks saw strong growth across the region with volumes up 10% on an organic basis, driven mostly by our non-alcoholic malt brands, together with further pack innovation. In line with our strategy of capturing growth from innovation and new occasions, we have increased the investment behind our brands, funded from continuing real fixed cost productivity. Softer commodity prices, manufacturing efficiencies, distribution productivity and asset disposals further assisted our cost leverage, with reported margin improving by 70 bps.

In **Colombia**, group NPR grew by 6% on a constant currency basis reflecting selective price increases combined with total beverage volume growth of 2%. Although Colombia experienced market disruptions and trading restrictions, lager volumes returned to growth in the second quarter, boosted by the ongoing success of our bulk packs. Consequently, lager volumes for the first six months were level with the prior year. The premium segment saw growth of 8% underpinned by our local premium brand, Club Colombia, following increased market activation behind the proprietary bottle launched earlier in the year, while the rollout of Miller Lite also assisted brand mix. Above mainstream performance was also supported by consumers trading up into Aguila Light. Our business continues to make progress on capturing more consumers on more occasions and expanding our reach with new outlets, as evidenced by a 130 bps improvement in our share of the alcohol market. Our non-alcoholic malt brand Pony Malta saw strong growth fuelled by the success of new bulk packs. Despite currency headwinds towards the end of the first six months, cost productivity was driven across all areas which aided strong margin growth.

In **Peru**, against a backdrop of a softer economy, group NPR improved by 4% on a constant currency basis, driven by double digit soft drinks volume growth. Total beverage volumes grew by 5% and lager volumes grew by 2% with continued positive momentum from consumers trading up to Pilsen Callao, and strong growth from our mainstream brand San Juan. While the overall lager category has seen a 300 bps decline in share of alcohol following the excise increase in May 2013, our execution in the trade continues to be enhanced through retailer training together with expanded trade and fridge coverage. In the premium segment, our brand Cusqueña declined, although new pack innovations such as the one litre offering and the special edition Cusqueña Roja Oktoberfest are showing encouraging results. Our soft drinks volumes expanded by 25% driven by our sparkling soft drink brand, Guarana, as well as by our malt brand, Maltin Power, following the launch of new packs. Further optimisation of our production grid, as well as distribution and sales efficiencies, has improved productivity across the business.

Ecuador delivered group NPR growth of 13% driven by firm pricing and positive brand mix, with lager volume growth of 1% reflecting trading up to the above mainstream Pilsener Light brand, in a smaller bottle. While advertising and distribution restrictions have been in place in the half year, new occasions such as events and midweek outlet activation, together with pack innovation, have benefited lager growth. Volume growth of 4% for our local premium brand Club further assisted our mix while lower input costs improved margins.

In **Panama**, group NPR grew by 6% on an organic, constant currency basis following selective price increases in the lager category as well as strong volume growth in soft drinks. Total beverage volume growth of 2% on an organic basis was driven by soft drinks. While lager volumes were level with the prior half year, favourable brand mix from above premium brands boosted revenue. Soft drinks volumes showed growth of 7% on an organic basis with our non-alcoholic malt brands growing by 13%, driven by the success of the smaller packs.

In **Honduras**, we grew group NPR by 4% on a constant currency basis underpinned by the performance of soft drinks, which grew by 6% aided by multi-serve packs and strong growth of juices and teas. In the lager category, security concerns and trading restrictions impacted on-premise consumption with volumes declining 3%. However, our share of the alcohol market continues to grow strongly increasing by over 380 bps.

El Salvador delivered group NPR growth of 5%. Lager volumes grew by 4% with the continuing success of our affordable bulk packs as well as growth in the premium segment driven by our local premium brand Suprema. Soft drinks volumes grew by 7% from sparkling soft drinks in cans as well as robust growth in the water category, underpinned by further outlet expansion and reach.

Africa

Financial summary	Reported Sept 2013	Net acquisitions and disposals	Currency translation	Organic growth	**Reported Sept 2014**	Organic, constant currency growth %	Reported growth %
Group NPR (including share of associates) (US$m)	3,496	1	(236)	331	**3,592**	10	3
EBITA[1] (US$m)	794	(1)	(46)	71	**818**	9	3
EBITA margin (%)	22.7				**22.8**		
Sales volumes (hl 000)							
Lager	22,294	-		399	**22,693**	2	2
Soft drinks	14,640	1		1,345	**15,986**	9	9
Other alcoholic beverages	3,725	(2)		104	**3,827**	3	3
Total beverages	40,659	(1)		1,848	**42,506**	5	5

[1] In 2013: before exceptional charges of US$7 million, being charges incurred in relation to the Broad-Based Black Economic Empowerment scheme.

Following the integration of the Africa region and South Africa beverages business into one region, group NPR in Africa, now including South Africa, grew by 3% on a reported basis and 10% on an organic, constant currency basis. This reflected share gains, growth in the premium lager segment, strong soft drinks volume growth, and pricing. Lager volume growth at 2% was subdued by excise-related pricing in Zambia and Tanzania and soft economic fundamentals in South Africa and Zimbabwe. Our other markets performed in line with our strategy to drive strong local portfolios, extend our sales and distribution, and undertake further local stakeholder engagement. Castle Lite led the robust premium performance with growth of over 20% in the combined region. In the affordable category, Impala, a cassava-based beer in Mozambique, grew strongly. Soft drinks volume growth of 9% was geographically broad-based driven by increased availability, strong retail execution and our continued channel penetration strategy which offset sparkling B-brand competition and price restraint in some markets. Other alcoholic beverages volumes grew 3% supported by good growth in the traditional beer category, particularly in Zimbabwe and Botswana, and in wines and spirits in Tanzania. In addition, a number of capacity and capability projects across the continent are in progress including brewery expansions in Nigeria, Ghana, our new brewery in Namibia and the maltings project in South Africa.

EBITA growth of 3% on a reported basis and 9% on an organic, constant currency basis, was assisted by volume growth, pricing and a focus on cost productivity. Investment continued to support the continuing refresh of our core brands, the development of our innovation pipeline, and execution around price and pack architecture. Increased variable production cost pressure as a result of currency weakness was offset by production efficiencies and sustainable development initiatives. All of the above contributed to margin enhancement of 10 bps on a reported basis.

In **South Africa**, group NPR growth of 10% on an organic, constant currency basis was driven by volume growth, pricing and mix benefits realised from our premium lager segment, together with innovation, partially offset by soft drinks which were impacted by the intensely competitive price environment. Within a weak consumer environment and with sluggish GDP growth for the half year, our performance reflected a 1% growth in lager volume with continued market share gains, some pricing and significantly improved mix from both premium lager, brand and pack innovation. Castle Lite, Castle Milk Stout and Castle Lager performed well, delivering volume growth of 21%, 9% and 4%, respectively, and were supported by strong growth in convenience packs, partially offset by a decline in Hansa Pilsener. In line with our innovation strategy, we launched Castle Lite Lime and we delivered strong growth in Flying Fish. Soft drinks volume growth of 9% was underpinned by price restraint and pack innovation, including the launch of bulk PET offerings at targeted price points, and the launch of a low priced immediate consumption offering. Focus on cost efficiencies continues and the benefits of cost saving measures taken in the prior year are being realised, although these have been offset to some extent by the impact of currency on variable production costs, resulting in subdued margin growth.

Lager volumes in **Tanzania** were dampened in the second quarter by a 20% excise increase effective from 1 July and a weak agricultural harvest. Consequently lager volumes were down 7% in the half year, although we gained market share. NPR growth of 6% on a constant currency basis was driven by positive lager segment mix driven by Castle Lite, pricing and growth in wines and spirits. The growth in wines and spirits was aided by investment in our sales force.

In **Mozambique**, lager volume grew by 8% for the six months, reflecting the expansion of Impala into the south of the country, the continued success of Castle Lite, and a more stable political environment. These volume growth drivers, and pricing taken in the prior year on mainstream brands, resulted in NPR growth of 16% on an organic, constant currency basis. Traditional beer volume growth of 8% was achieved with Chibuku Super performing to expectation. The integration into our existing operation of the wines and spirits business acquired last year has progressed well.

NPR growth in **Nigeria** of 41% on a constant currency basis was delivered through robust lager volume growth, expansion into new markets and improved availability as additional capacity comes on-stream. Hero Lager and Trophy Lager remain our top selling brands, with Eagle also performing well in the affordable category. Non-alcoholic malt momentum remains strong with volumes growing in double digits.

Trading conditions in **Zambia** remain challenging following the excise-related price increase taken in January, resulting in a 16% decline in lager volumes for the half year. The mainstream brand Carling Black Label and affordable brand Eagle took share from Castle Lager as consumers moved towards cheaper alternatives. Soft drinks volumes grew by 7% driven by promotional activity around the Fanta brand to counter competition. Traditional beer volumes returned to growth in the half year aided by a consumer trade down from lager. NPR and profitability were negatively impacted as a result.

In **Botswana**, total beverage volumes grew by 10% aided by market share gains and strong performance of bulk packs, which benefited from successful brand campaigns and effective trade execution. Soft drinks volumes grew by 10% in the period driven by the strong performance of the two litre PET packs, aided by targeted price points.

In **Zimbabwe**, consumers' disposable income remained under pressure resulting in lager volumes declining by 25%. Chibuku Super continued to perform well in the traditional beer category and is now available throughout the country while soft drinks volumes declined by 5%.

Castel, our associate, delivered strong volume performance in both lager and soft drinks in the first six months aided by a strong second quarter, with notable performances in lager achieved in the competitive markets of DRC and Ethiopia as well as Burkina Faso and Cameroon. This was supported by soft drinks growth in Angola, Algeria, DRC, Benin and Burkina Faso. All these factors assisted NPR growth during the half year.

Our associate **Distell**'s volume performance was down 1% on an organic basis with the half year impacted by tough trading conditions, lower disposable income and reduced consumer confidence in the markets in which it operates. In South Africa principally, the challenging economic environment which continued to slow down consumer demand, coupled with steep increase in excise duties on spirits, had an impact on the volume performance.

Asia Pacific

Financial summary	Reported Sept 2013	Net acquisitions and disposals	Currency translation	Organic growth	**Reported Sept 2014**	Organic, constant currency growth %	Reported growth %
Group NPR (including share of associates) (US$m)	2,159	33	(26)	(12)	**2,154**	(1)	-
EBITA[1] (US$m)	540	1	(8)	(83)	**450**	(15)	(17)
EBITA margin (%)	25.0				**20.9**		
Sales volumes (hl 000)							
Lager	43,203	1,419		(1,231)	**43,391**	(3)	-
Other beverages	62	-		(14)	**48**	(23)	(23)
Total beverages	43,265	1,419		(1,245)	**43,439**	(3)	-

[1] In 2014 before exceptional charges of US$64 million (2013: US$13 million), being integration and restructuring costs.

In **Asia Pacific**, group NPR declined by 1% on an organic, constant currency basis, with a lager volume decline of 3% on an organic basis. Reported group NPR was level with the prior half year as the inclusion of the Kingway results offset the depreciation of currencies against the US dollar. Organic, constant currency group NPR per hl improved by 2%, primarily reflecting the impact of changes in geographical mix. Reported EBITA declined by 17% and on an organic, constant currency basis by 15%, driven by both Australia and China, where the volume decline had a significant impact on profitability. Reported EBITA margin declined by 410 bps.

In **Australia**, group NPR on a constant currency basis declined by 4%, driven by a 3% group NPR per hl decline. Volumes declined by 1%, outperforming the market. Consumer sentiment remained negative with persistent concerns over the economic outlook. The continued pressure on consumer spending resulted in the beer category declining in the half year. The on premise was disproportionately affected by reduced consumer spending, and price reductions in international offerings adversely impacted domestic offerings, resulting in a decline in volumes of Victoria Bitter and Carlton Draught. Volumes were however supported by strong performance of easy drinking brands including Carlton Dry and Great Northern. While the relaunch of Crown Lager has been impacted by price compression from international offerings and has not performed in line with expectations, it has been supported by the launch during the period of Crown Golden Ale, at higher average selling prices. Overall, the premium segment continues to perform well, led by sustained double digit growth from Peroni Nastro Azzurro, Miller Chill and Miller Genuine Draft. Cider volumes declined in an increasingly fragmented and competitive segment.

The 3% decline in group NPR per hl was a result of a considerable increase in investment in promotions and key customer trading terms in a highly competitive trading environment. This has resulted in an improved share and execution standard, impacting overall market share positively in the half year. On-premise investment rates continue to reflect increased competitive investment.

The integration programme is on track to be completed and to deliver the planned benefits by the end of this financial year. To address excess capacity, we realigned our brewery network and production scheduling with the closure of the Warnervale brewery in May, which resulted in a marginal adverse impact on cost of goods sold in the half year.

EBITA and EBITA margin declined, due to the volume decline, pricing pressure and increased investment in trade terms.

In **China**, group NPR grew by 1% on an organic, constant currency basis, while volumes declined by 3%. Lager volumes were sharply down in the central provinces during the summer peak months of July and August mainly due to particularly cold and wet weather. Our associate, CR Snow, was especially affected by these adverse conditions in Anhui, Jiangsu and Zhejiang where it is disproportionately well represented.

Organic, constant currency group NPR per hl increased by 4% driven by a continued focus on the premium segment. CR Snow's premium portfolio continues to grow and now represents over a quarter of the total portfolio, in line with the industry. Continued through-the-line activation of the super premium Snow Draft brand, celebrating pride in ancient Chinese architectural origins, and Snow Brave the World in the 'medium' segment, celebrating the re-emergence of a youthful Chinese spirit of exploration and achievement, have helped to build the Snow brand image in the faster growing high end outlets.

Despite excellent performances in volume, group NPR and EBITA growth from the established markets in the north and west, continued investment in market-facing activities in an extremely competitive environment together with the volume downturn in the central provinces due to poor weather during the critical summer peak months resulted in an overall EBITA decline.

The Kingway acquisition added 4% to organic volumes but slightly diluted group NPR per hl and accounted for part of the decline in reported EBITA. The integration of the distribution channels is now mostly complete.

In **India**, group NPR on a constant currency basis increased by 5%, as a result of NPR per hl growth of 4% driven by approved price increases taken across key states. Following a decline in lager volumes in the first quarter due to regulatory changes imposed in key states and trading restrictions caused by the imposition of the election code of conduct, lager volumes in the second quarter grew by 16% reflecting the later monsoon season this half year compared with heavy monsoons in the prior period. On a constant currency basis, EBITA was marginally lower than the prior year due to inflationary and input cost increases which were in excess of state constrained pricing, as well as the imposition of inter-state taxes after the bifurcation of the key state of Andhra Pradesh.

Europe

Financial summary	Reported Sept 2013	Net acquisitions and disposals	Currency translation	Organic growth	**Reported Sept 2014**	Organic, constant currency growth %	Reported growth %
Group NPR (including share of associates) (US$m)	2,684	-	(49)	78	**2,713**	3	1
EBITA[1] (US$m)	512	-	(7)	(3)	**502**	-	(2)
EBITA margin (%)	19.1				**18.5**		
Sales volumes (hl 000)							
Lager	25,963	-		(100)	**25,863**	-	-
Soft drinks	8,984	-		777	**9,761**	9	9
Total beverages	34,947	-		677	**35,624**	2	2

[1] In 2013: before exceptional charges of US$4 million being business capability programme costs.

In Europe, reported group NPR increased by 1% and on a constant currency basis grew by 3%. Total beverage volumes were up 2%, with soft drinks volumes up 9% and lager volumes level with the prior half year. Performance across the region has been boosted by an enhanced focus on sales execution and efficiencies. Core brand renovations and innovations have focused on improving our offerings to meet evolving consumer preferences and occasions. This supported strong lager volume performance in the first quarter assisted by cycling a soft volume comparative. The second quarter was more challenging, with many markets affected by poor weather during the peak summer months, but our commercial focus resulted in market outperformance across much of the region.

Reported EBITA was down by 2%, and was level with the prior period on a constant currency basis, with a reported margin decline of 60 bps driven by lower volume in Italy and Romania, along with restructuring activities in Efes.

In the recently integrated businesses in the **Czech Republic** and **Slovakia**, both group NPR on a constant currency basis and volume were up 3% with the on-premise as well as the off-premise channels performing ahead of the market. Volume growth was driven by the off-premise channel due to improved execution and successful promotional activities, while increased focus in the on-premise channel resulted in market outperformance, although in line with the prior half year. The super premium segment grew strongly, boosted by the performance of Pilsner Urquell, which benefited from cycling a prior half year which excluded an Easter trading period, which is one of the brand's key occasions. Our mainstream core brand Gambrinus 10 continued to decline, while the premium segment benefited from the continued growth of Kozel 11.

In **Poland**, although volumes grew by 4%, group NPR on a constant currency basis was down 2% reflecting selective brand price repositioning and adverse channel mix. The mainstream segment grew as Zubr performed well, supported by a successful campaign and promotional activity, partly offset by the decline of Tyskie. Lech grew strongly, supported by a successful campaign along with strategic price repositioning. Adverse channel mix continues as traditional trade key accounts and modern trade retailers increase their share of the overall market.

In the **United Kingdom**, we grew group NPR by 11% on a constant currency basis, driven by continued growth of Peroni Nastro Azzurro along with positive NPR per hl which benefited from mix improvements. Volume growth resulted from increased rates of sale, and improved distribution in key outlets, assisted by good weather.

Group NPR in **Italy** was down by 3% on a constant currency basis driven by a 4% volume decline in a market which was negatively impacted by particularly poor weather during the peak summer months, along with the effects on consumer confidence of continued economic uncertainty. Both Peroni and Nastro Azzurro performance was impacted by these market dynamics, primarily in the on-premise channel, partly offset by the performance of recently launched Peroni Chill Lemon radler. In **Romania**, group NPR was down 7% on a constant currency basis with volumes down 6% outperforming a declining market reflecting the growth of our economy brand, Ciucas.

Anadolu Efes' group NPR on a constant currency basis grew strongly with total beverage volumes growth driven by the continued strong performance of soft drinks. Lager volumes were down, impacted by the continuing effect of regulatory changes in the prior year in Turkey, although competitive performance in Russia improved against a difficult market background. Underlying profitability benefited from cost optimisation programmes, but was offset by a portfolio of restructuring activities, which included costs associated with the closure of a brewery in Turkey along with cycling net income from asset disposals in the prior year.

North America

Financial summary	Restated Sept 2013	Net acquisitions and disposals	Currency translation	Organic growth	**Reported Sept 2014**	Organic, constant currency growth %	Reported growth %
Group NPR (including share of joint ventures) (US$m)	2,514	-	-	39	**2,553**	2	2
EBITA[1] (US$m)	482	-	-	33	**515**	7	7
EBITA margin[1] (%)	19.2				**20.2**		
Sales volumes (hl 000)							
Lager – excluding contract brewing	21,489	-		(380)	**21,109**	(2)	(2)
Soft drinks	22	-		(1)	**21**	-	-
Total beverages	21,511	-		(381)	**21,130**	(2)	(2)
MillerCoors' volumes							
Lager – excluding contract brewing	20,784	-		(359)	**20,425**	(2)	(2)
Sales to retailers (STRs)	20,819	n/a		n/a	**20,306**	n/a	(2)

[1] As restated (see note 1).

The North America segment includes our 58% share of MillerCoors and 100% of Miller Brewing International and our North American holding companies. Total North America reported EBITA increased by 7%, driven by growth in MillerCoors.

MillerCoors

MillerCoors' group NPR grew by 2% compared with the prior half year. US domestic sales to retailers (STRs) were down 2.5% and domestic sales to wholesalers (STWs) were down by 1.7%. EBITA growth was driven by strong pricing, along with favourable brand mix and cost savings, which more than offset lower volumes and cost inflation.

Premium light STRs declined low single digits in the half year with both Miller Lite and Coors Light down low single digits. Miller Lite trends improved materially in the half year as the brand reverted back to the original Lite packaging design which communicates the brand's authenticity and heritage. Coors Light results include its new seasonal line extension, Coors Light Summer Brew. Premium regular brands declined mid single digits with a double digit decline in Miller Genuine Draft partly offset by low single digit growth of Coors Banquet. In line with the portfolio strategy to improve total above premium mix, total above premium STRs grew by high single digits. This was driven by the Redd's franchise and innovations such as Miller Fortune and Smith & Forge Hard Cider. Growth within the segment was partially offset by double digit declines in strategically deprioritised brands, including Henry Weinhard's and Batch 19. Despite an improving trend in Miller High Life which benefited from the new national advertising campaign and packaging innovation, the below premium portfolio declined by mid single digits.

MillerCoors' group NPR per hl grew by 3% as a result of firm pricing and favourable brand mix resulting from the success of the Redd's franchise, the Leinenkugel's shandy range, and the introduction of new higher revenue brands such as Miller Fortune and Smith & Forge Hard Cider.

Continuing cost saving initiatives were offset by the increased cost of packaging materials and the higher cost of premium, high margin innovations, resulting in a low single digit increase in cost of goods sold per hl. Marketing costs were in line with the prior year, while general and administrative costs increased marginally.

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 2014 except for the new standards, interpretations and amendments adopted by the group since 1 April 2014 as detailed in note 1 to the condensed consolidated financial information.

The Annual Report and Accounts for the year ended 31 March 2014 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.

SABMiller uses group NPR 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.

Following management changes effective 1 July 2014, the group's Africa and South Africa: Beverages divisions have been consolidated into one division for management purposes. The results of the new combined Africa division have therefore been presented as a single segment.

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 and group NPR. Volumes exclude intra-group sales volumes. This measure of volumes is used in the segmental analyses as it closely aligns with the consolidated group NPR and EBITA disclosures.

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

Disposals
In August 2014, in line with its strategy to focus on its core beverage operations, the group completed the disposal of its investment in the Tsogo Sun hotels and gaming business for net cash consideration of US$971 million after transaction costs, generating a post-tax profit on disposal of US$232 million.

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 information.

A net exceptional credit of US$285 million before finance costs and tax was reported for the period (2013: net charge of US$52 million). The net exceptional credit included:

- US$388 million gain, after associated costs, (2013: US$nil million) on the disposal of the group's investment in Tsogo Sun;
- US$39 million (2013: US$79 million) charge related to cost and efficiency programme costs in Corporate; and
- US$64 million (2013: US$13 million) charge related to integration and restructuring costs incurred in Asia Pacific following the Foster's and Pacific Beverages acquisitions.

In addition to the items noted above, the net exceptional charges in 2013 included a US$47 million gain, after associated costs, on the disposal of the milk and juice business in Panama in Latin America, and a US$7 million charge in respect of the Broad-Based Black Economic Empowerment scheme in South Africa.

Finance costs
Net finance costs were US$331 million, a 4% decrease on the prior period's US$345 million, mainly as a result of debt repayments in the course of the prior year. Adjusted net finance costs for the half year were also US$331 million, down 4%.

Interest cover, as defined in the financial definitions section, has increased to 9.9 times from 9.3 times in the prior period.

Profit before tax
Adjusted profit before tax of US$2,935 million increased by 2% over the restated comparable period in the prior year, primarily as a result of pricing and premiumisation initiatives driving group NPR growth, together with cost savings, operational efficiencies and lower finance costs, and despite the translational effect of currency depreciation.

Profit before tax was US$2,827 million, up by 16%, including the impact of the exceptional items noted above. The principal differences between reported and adjusted profit before tax relate to the amortisation of intangible assets (excluding computer software), the group's share of associates' and joint ventures' tax and non-controlling interests, and exceptional items. Amortisation amounted to US$226 million in the half year (2013: US$223 million); the group's share of associates' and joint ventures' tax and non-controlling interests was US$167 million (2013: US$169 million (restated)); and net exceptional credits were US$285 million (2013: net charges of US$52 million) as detailed above.

Taxation
The effective rate of tax for the half year before amortisation of intangible assets (excluding computer software) and exceptional items was 26.0% compared with a rate of 26.8% in the prior year period. The lower rate is consistent with that reported for the last full year and follows the closure of a number of tax audits during the period.

Earnings per share
The group presents adjusted basic earnings per share, which excludes the impact of amortisation of intangible assets (excluding computer software) and post-tax exceptional items, in order to present an additional measure of performance for the periods shown in the consolidated interim financial information. Adjusted basic earnings per share of 123.6 US cents were up 3% on the comparable period in the prior year, as a result of increased EBITA, lower finance costs and a lower effective tax rate, partially offset by the adverse impact of foreign exchange movements on translation. An analysis of earnings per share is shown in note 5. On a statutory basis, basic earnings per share were 15% higher at 123.2 US cents (2013: 107.4 US cents) for the reasons given above, together with the net exceptional credits in the period compared with net exceptional charges in the prior half year.

Cash flow and capital expenditure
The group uses an adjusted EBITDA measure which provides a useful indication of the cash generated to service the group's debt. Adjusted EBITDA comprises operating profit before exceptional items, depreciation and amortisation (i.e. subsidiary EBITDA) together with the group's share of operating profit from the MillerCoors joint venture on a similar basis. Given the significance of the MillerCoors business and the access to its cash generation, the inclusion of MillerCoors' EBITDA provides a useful measure of the group's overall cash generation. Adjusted EBITDA of US$3,300 million (comprising operating profit before exceptional items, depreciation and amortisation, and the group's share of MillerCoors' operating profit on a similar basis) increased by 3% compared with the same period in the prior year (2013: US$3,211 million (restated)).

Net cash generated from operations before working capital movements of US$2,733 million increased by 3% compared with the prior year period (2013: US$2,663 million), in line with the growth in pre-exceptional operating profit.

Net cash generated from operating activities of US$1,545 million increased by US$361 million on the same period in the prior year, primarily reflecting lower interest payments as a result of the repayment of debt in the prior year, together with lower tax payments following the tax prepayment to the Australian Tax Office in the prior half year.

Capital expenditure on property, plant and equipment for the six months of US$643 million was level with the same period in the prior year (2013: US$639 million), with continued investment in brewing capacity and capability, most notably in Africa and Latin America. Capital expenditure including the purchase of intangible assets was US$696 million (2013: US$670 million).

Free cash flow increased by 66% to US$1,485 million, primarily as the prior half year included a number of one-off payments including the funding of our Chinese associate for the Kingway acquisition and the tax prepayment to the Australian Tax Office. Free cash flow is detailed in note 10b, and defined in the financial definitions section.

Borrowings and net debt

Gross debt at 30 September 2014, comprising borrowings together with the fair value of financing derivative financial assets and liabilities, decreased to US$15,697 million from US$16,384 million at 31 March 2014, primarily as a result of the repayment of a COP 640,000 million bond in May 2014 and a number of other smaller facilities. Net debt, comprising gross debt net of cash and cash equivalents, decreased to US$12,682 million from US$14,303 million at 31 March 2014, following the receipt of proceeds from the sale of the group's investment in Tsogo Sun together with strong operating cash flow, partially offset by the payment of the final dividend in August 2014. An analysis of net debt is provided in note 10c.

The group's gearing (presented as a ratio of net debt/equity) has decreased to 46.5% from 52.0% at 31 March 2014. The weighted average interest rate for the gross debt portfolio at 30 September 2014 was 3.7% (31 March 2014: 3.9%).

The group's credit rating from Standard and Poor's was lifted from BBB+ to A- with a stable outlook in July 2014. Subsequent to the end of the half year, Moody's Investor's Services changed its outlook on the group's Baa1 rating from stable to positive.

Total equity

Total equity decreased slightly from US$27,482 million at 31 March 2014 to US$27,253 million at 30 September 2014, primarily as a result of the payment of the final dividend for the year ended 31 March 2014 and currency translation movements on foreign currency investments, offset by the profit for the period.

Goodwill and intangible assets

Goodwill decreased to US$17,612 million (31 March 2014: US$18,497 million) as a result of foreign exchange movements in the period. Intangible assets decreased in the period to US$8,009 million (31 March 2014: US$8,532 million) primarily because of foreign exchange movements and amortisation.

Currencies

The exchange rates to the US dollar used in preparing the consolidated interim financial information are detailed in the table below, with most of the major currencies in which the group operates weakening against the US dollar during the period.

Six months ended	Average rate		Appreciation/ (depreciation)	Closing rate		Appreciation/ (depreciation)
30 September	**2014**	2013	%	**2014**	2013	%
Australian dollar (AUD)	**1.08**	1.05	(3)	**1.14**	1.07	(6)
South African rand (ZAR)	**10.66**	9.73	(9)	**11.29**	10.03	(11)
Colombian peso (COP)	**1,909**	1,886	(1)	**2,028**	1,915	(6)
Euro (€)	**0.74**	0.76	2	**0.79**	0.74	(7)
Czech koruna (CZK)	**20.40**	19.64	(4)	**21.85**	19.05	(13)
Peruvian nuevo sol (PEN)	**2.81**	2.73	(3)	**2.89**	2.79	(4)
Polish zloty (PLN)	**3.09**	3.21	4	**3.31**	3.12	(6)
Turkish lira (TRY)	**2.13**	1.90	(11)	**2.28**	2.02	(11)

Risks and uncertainties
The principal risks and uncertainties for the first six months and the remaining six months of the financial year remain as described on pages 18 and 19 of the 2014 Annual Report. The risks are summarised as follows:

- The risk that, in light of the expected continued consolidation of the brewing and beverages industry, the group's ability to grow and increase profitability is limited. This may be the result of failing to participate in the right opportunities; overpaying for an acquisition; failing to implement integration plans successfully; or failing to identify and develop the capabilities necessary to facilitate market and category entry.

- The risk that the group's market positions come under pressure and profitable growth opportunities may not be realised. This may be a result of the group failing to develop and ensure the strength and relevance of our brands with consumers, shoppers and customers.

- The risk that the group's long-term profitable growth potential may be jeopardised due to a failure to identify, develop and retain an appropriate pipeline of talented management.

- The risk that regulation places increasing restrictions on pricing (including tax), availability and marketing of beer and drives changes in consumption behaviour. In affected countries the group's ability to grow profitably and contribute to local communities could be adversely affected.

- The risk that following the Foster's acquisition, the group fails to deliver its specific, communicated financial and value creation targets through its integration plans; this may limit the group's future growth and profitability, as well as impacting its reputation for commercial capability and for making value-creating acquisitions.

- The risk that the group fails to execute and derive benefits from the major cost savings and efficiency projects, resulting in increased project costs, delays in benefit realisation, business disruption and reduced competitive advantage in the medium term.

- The risk that the group suffers from a cyber-attack or the failure to comply with tighter data control legislation to combat cyber-attacks, which may lead to business disruption, financial penalties or restrictions.

Dividend
The board has declared a cash interim dividend of 26.0 US cents per share, an increase of 4%. The dividend will be payable on Friday 5 December 2014 to shareholders registered on the London and Johannesburg registers on Friday 28 November 2014. The last date to trade cum dividend will be Wednesday 26 November 2014 on the London Stock Exchange and Friday 21 November 2014 on the JSE Limited. The ex-dividend trading dates will be Thursday 27 November 2014 on the London Stock Exchange and Monday 24 November 2014 on the JSE Limited. 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 6.

The rates of exchange applicable for US dollar conversion into South African rand and sterling were determined on Wednesday 12 November 2014. The rate of exchange determined for converting to South African rand was US$:ZAR11.267809 resulting in an equivalent interim dividend of 292.96303 SA cents per share. The rate of exchange determined for converting to sterling was GBP:US$1.587965 resulting in an equivalent interim dividend of 16.3732 UK pence per share.

Shareholders registered on the Johannesburg register are advised that dividend withholding tax will be withheld from the gross final dividend amount of 292.96303 SA cents per share at a rate of 15%, unless a shareholder qualifies for an exemption. Shareholders registered on the Johannesburg register who do not qualify for an exemption will therefore receive a net dividend of 249.01858 SA cents per share.

The company, as a non-resident of South Africa, was not subject to the secondary tax on companies (STC) applicable before the introduction of dividend withholding tax on 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 dividend withholding tax to Computershare Investor Services (Pty) Limited, Tel: +27 11 373-0004.

From the commencement of trading on Thursday 13 November 2014 until the close of business on Friday 28 November 2014, no transfers between the London and Johannesburg registers will be permitted, and from Monday 24 November 2014 until Friday 28 November 2014, no shares may be dematerialised or rematerialised, both days inclusive.

Senior management changes
During the period, with effect from 1 July 2014, the group’s South African and African regions were consolidated into one region for management purposes, and Mark Bowman, previously Managing Director of SABMiller Africa, became Managing Director of the combined SABMiller Africa region, with Norman Adami standing down as Chairman of SABMiller Beverages South Africa with effect from 1 July 2014, and retiring from the group with effect from 31 July 2014.

Following the end of the period, the group announced a further realignment of responsibilities within the group’s executive committee, with Chief Financial Officer, Jamie Wilson, assuming responsibility for investor relations, General Counsel, John Davidson, assuming responsibility for regulatory affairs, communications and sustainable development, in addition to legal and company secretarial, and becoming General Counsel and Corporate Affairs Director, and Group Director of Corporate Finance and Development, Domenic De Lorenzo, assuming additional responsibility for group strategy. As a result of this realignment, Catherine May, the group’s Director of Corporate Affairs, left the group with effect from 31 October 2014.

With effect from 1 November 2014, Stephen Shapiro was appointed as Company Secretary, with John Davidson relinquishing this role in light of his additional responsibilities.

Directors' responsibility for financial reporting
This statement, which should be read in conjunction with the independent review report of the auditors set out below, is made to enable shareholders to distinguish the respective responsibilities of the directors and the auditors in relation to the condensed consolidated interim financial information, set out on pages 23 to 40, which the directors confirm has been prepared on a going concern basis. The directors consider that the group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim report of the group is placed on the company's website. The directors are responsible for the maintenance and integrity of the statutory and audited information on the company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

At the date of this statement, the directors of SABMiller plc are those listed in the SABMiller plc Annual Report at 31 March 2014 with the exception of Miles Morland who retired from the board at the conclusion of the annual general meeting on 24 July 2014, and Jan du Plessis who was appointed to the board with effect from 1 September 2014. A list of current directors is maintained on the SABMiller plc website: www.sabmiller.com.

On behalf of the board

Alan Clark
Chief executive

Jamie Wilson
Chief financial officer

12 November 2014

Report on the condensed consolidated interim financial information

Our conclusion

We have reviewed the condensed consolidated interim financial information, defined below, in the interim report of SABMiller plc for the six months ended 30 September 2014. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial information, which is prepared by SABMiller plc, comprises:

- the consolidated balance sheet as at 30 September 2014;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial information.

As disclosed in note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial information included in the interim report has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial information involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Responsibilities for the condensed consolidated interim financial information and the review

Our responsibilities and those of the directors

The interim report, including the condensed consolidated interim financial information, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial information in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
12 November 2014

SABMiller plc
CONSOLIDATED INCOME STATEMENT
for the period ended 30 September

	Notes	**Six months ended 30/9/14 Unaudited US$m**	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Revenue	2	**11,366**	11,103	22,311
Net operating expenses		**(8,999)**	(9,132)	(18,069)
Operating profit	2	**2,367**	1,971	4,242
Operating profit before exceptional items		**2,082**	2,023	4,439
Exceptional items	3	**285**	(52)	(197)
Net finance costs		**(331)**	(345)	(645)
Finance costs		**(531)**	(578)	(1,055)
Finance income		**200**	233	410
Share of post-tax results of associates and joint ventures	2	**791**	803	1,226
Profit before taxation		**2,827**	2,429	4,823
Taxation	4	**(730)**	(598)	(1,173)
Profit for the period		**2,097**	1,831	3,650
Profit attributable to non-controlling interests		**123**	117	269
Profit attributable to owners of the parent	5	**1,974**	1,714	3,381
		2,097	1,831	3,650
Basic earnings per share (US cents)	5	**123.2**	107.4	211.8
Diluted earnings per share (US cents)	5	**121.6**	106.0	209.1

The notes on pages 28 to 40 are an integral part of this condensed interim financial information.

SABMiller plc
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September

	Notes	**Six months ended 30/9/14 Unaudited US$m**	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Profit for the period		**2,097**	1,831	3,650
Other comprehensive loss:				
Items that will not be reclassified to profit or loss				
Net remeasurements of defined benefit plans		**-**	-	22
Tax on items that will not be reclassified	4	**-**	(1)	(13)
Share of associates' and joint ventures' other comprehensive (loss)/income		**(2)**	10	23
Total items that will not be reclassified to profit or loss		**(2)**	9	32
Items that may be reclassified subsequently to profit or loss				
Currency translation differences on foreign currency net investments:		**(1,267)**	(1,850)	(2,288)
- Decrease in foreign currency translation reserve during the period		**(1,463)**	(1,850)	(2,290)
- Recycling of foreign currency translation reserve on disposals		**196**	-	2
Net investment hedges:				
- Fair value gains arising during the period		**232**	108	102
Cash flow hedges:		**(8)**	50	34
- Fair value gains arising during the period		**2**	47	33
- Fair value losses/(gains) transferred to inventory		**8**	(1)	(1)
- Fair value (gains)/losses transferred to profit or loss		**(18)**	4	2
Tax on items that may be reclassified subsequently to profit or loss	4	**(8)**	-	1
Share of associates' and joint ventures' other comprehensive (loss)/ income:		**(28)**	46	122
- Share of associates' and joint ventures' other comprehensive (loss)/income during the period		**(28)**	55	131
- Share of associates' and joint ventures' recycling of available for sale reserve on disposal		**-**	(9)	(9)
Total items that may be reclassified subsequently to profit or loss		**(1,079)**	(1,646)	(2,029)
Other comprehensive loss for the period, net of tax		**(1,081)**	(1,637)	(1,997)
Total comprehensive income for the period		**1,016**	194	1,653
Attributable to:				
Non-controlling interests		**108**	110	248
Owners of the parent		**908**	84	1,405
Total comprehensive income for the period		**1,016**	194	1,653

The notes on pages 28 to 40 are an integral part of this condensed interim financial information.

SABMiller plc
CONSOLIDATED BALANCE SHEET
at 30 September

	Notes	30/9/14 Unaudited US$m	30/9/13 Unaudited US$m	31/3/14 Audited US$m
Assets				
Non-current assets				
Goodwill		**17,612**	18,704	18,497
Intangible assets	7	**8,009**	8,749	8,532
Property, plant and equipment	8	**8,764**	8,973	9,065
Investments in joint ventures		**5,526**	5,526	5,581
Investments in associates		**5,370**	5,686	5,787
Available for sale investments		**20**	22	22
Derivative financial instruments		**593**	813	628
Trade and other receivables		**137**	125	139
Deferred tax assets		**110**	54	115
Loan participation deposit		**-**	100	-
		46,141	48,752	48,366
Current assets				
Inventories		**1,175**	1,260	1,168
Trade and other receivables		**1,933**	2,056	1,821
Current tax assets		**188**	220	174
Derivative financial instruments		**367**	77	141
Cash and cash equivalents	10c	**3,015**	1,286	2,081
		6,678	4,899	5,385
Total assets		**52,819**	53,651	53,751
Liabilities				
Current liabilities				
Derivative financial instruments		**(60)**	(50)	(78)
Borrowings	10c	**(4,652)**	(1,503)	(4,519)
Trade and other payables		**(3,893)**	(3,957)	(3,847)
Current tax liabilities		**(1,152)**	(1,041)	(1,106)
Provisions		**(397)**	(479)	(450)
		(10,154)	(7,030)	(10,000)
Non-current liabilities				
Derivative financial instruments		**(26)**	(57)	(37)
Borrowings	10c	**(11,929)**	(16,196)	(12,528)
Trade and other payables		**(23)**	(130)	(25)
Deferred tax liabilities		**(3,026)**	(3,316)	(3,246)
Provisions		**(408)**	(500)	(433)
		(15,412)	(20,199)	(16,269)
Total liabilities		**(25,566)**	(27,229)	(26,269)
Net assets		**27,253**	26,422	27,482
Equity				
Share capital		**167**	167	167
Share premium		**6,701**	6,610	6,648
Merger relief reserve		**3,963**	4,321	4,321
Other reserves		**(1,720)**	(310)	(702)
Retained earnings		**16,935**	14,534	15,885
Total shareholders’ equity		**26,046**	25,322	26,319
Non-controlling interests		**1,207**	1,100	1,163
Total equity		**27,253**	26,422	27,482

The notes on pages 28 to 40 are an integral part of this condensed interim financial information.

SABMiller plc
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 30 September

	Notes	**Six months ended 30/9/14 Unaudited US$m**	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Cash flows from operating activities				
Cash generated from operations	10a	**2,651**	2,596	5,770
Interest received		**189**	227	365
Interest paid		**(484)**	(592)	(1,108)
Tax paid		**(811)**	(1,047)	(1,596)
Net cash generated from operating activities	10b	**1,545**	1,184	3,431
Cash flows from investing activities				
Purchase of property, plant and equipment		**(643)**	(639)	(1,401)
Proceeds from sale of property, plant and equipment		**38**	49	70
Purchase of intangible assets		**(53)**	(31)	(84)
Purchase of available for sale investments		**-**	-	(1)
Proceeds from disposal of available for sale investments		**1**	-	-
Proceeds from disposal of associates		**971**	-	-
Proceeds from disposal of businesses (net of cash disposed)		**-**	88	88
Acquisition of businesses (net of cash acquired)		**(7)**	-	(39)
Investments in joint ventures		**(18)**	(23)	(188)
Investments in associates		**-**	(196)	(199)
Dividends received from joint ventures		**568**	494	903
Dividends received from associates		**139**	157	224
Dividends received from other investments		**1**	1	1
Net cash generated from/(used in) investing activities		**997**	(100)	(626)
Cash flows from financing activities				
Proceeds from the issue of shares		**126**	41	88
Proceeds from the issue of shares in subsidiaries to non-controlling interests		**29**	1	20
Purchase of own shares for share trusts		**(104)**	(53)	(79)
Purchase of shares from non-controlling interests		**-**	(5)	(5)
Proceeds from borrowings		**561**	1,877	2,585
Repayment of borrowings		**(794)**	(2,493)	(3,829)
Capital element of finance lease payments		**(8)**	(5)	(9)
Net cash receipts on derivative financial instruments		**2**	107	228
Dividends paid to shareholders of the parent		**(1,289)**	(1,236)	(1,640)
Dividends paid to non-controlling interests		**(92)**	(102)	(194)
Net cash used in financing activities		**(1,569)**	(1,868)	(2,835)
Net cash inflow/(outflow) from operating, investing and financing activities		**973**	(784)	(30)
Effects of exchange rate changes		**(40)**	(39)	(61)
Net increase/(decrease) in cash and cash equivalents		**933**	(823)	(91)
Cash and cash equivalents at 1 April	10c	**1,868**	1,959	1,959
Cash and cash equivalents at end of period	10c	**2,801**	1,136	1,868

The notes on pages 28 to 40 are an integral part of this condensed interim financial information.

SABMiller plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September

	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 2013 (audited)	167	6,581	4,586	1,328	13,710	26,372	1,088	27,460
Total comprehensive income	-	-	-	(1,638)	1,722	84	110	194
Profit for the period	-	-	-	-	1,714	1,714	117	1,831
Other comprehensive (loss)/income	-	-	-	(1,638)	8	(1,630)	(7)	(1,637)
Dividends paid	-	-	-	-	(1,236)	(1,236)	(99)	(1,335)
Issue of SABMiller plc ordinary shares	-	29	-	-	12	41	-	41
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	1	1
Payment for purchase of own shares for share trusts	-	-	-	-	(53)	(53)	-	(53)
Buyout of non-controlling interests	-	-	-	-	(5)	(5)	-	(5)
Utilisation of merger relief reserve	-	-	(265)	-	265	-	-	-
Credit entry relating to share-based payments	-	-	-	-	119	119	-	119
At 30 September 2013 (unaudited)	167	6,610	4,321	(310)	14,534	25,322	1,100	26,422
At 1 April 2013 (audited)	167	6,581	4,586	1,328	13,710	26,372	1,088	27,460
Total comprehensive income	-	-	-	(2,030)	3,435	1,405	248	1,653
Profit for the year	-	-	-	-	3,381	3,381	269	3,650
Other comprehensive (loss)/income	-	-	-	(2,030)	54	(1,976)	(21)	(1,997)
Dividends paid	-	-	-	-	(1,640)	(1,640)	(193)	(1,833)
Issue of SABMiller plc ordinary shares	-	67	-	-	21	88	-	88
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	20	20
Payment for purchase of own shares for share trusts	-	-	-	-	(79)	(79)	-	(79)
Buyout of non-controlling interests	-	-	-	-	(5)	(5)	-	(5)
Utilisation of merger relief reserve	-	-	(265)	-	265	-	-	-
Credit entry relating to share-based payments	-	-	-	-	178	178	-	178
At 31 March 2014 (audited)	167	6,648	4,321	(702)	15,885	26,319	1,163	27,482
At 1 April 2014 (audited)	167	6,648	4,321	(702)	15,885	26,319	1,163	27,482
Total comprehensive income	-	-	-	(1,018)	1,926	908	108	1,016
Profit for the period	-	-	-	-	1,974	1,974	123	2,097
Other comprehensive loss	-	-	-	(1,018)	(48)	(1,066)	(15)	(1,081)
Dividends paid	-	-	-	-	(1,290)	(1,290)	(93)	(1,383)
Issue of SABMiller plc ordinary shares	-	53	-	-	73	126	-	126
Proceeds from the issue of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	29	29
Payment for purchase of own shares for share trusts	-	-	-	-	(104)	(104)	-	(104)
Utilisation of merger relief reserve	-	-	(358)	-	358	-	-	-
Credit entry relating to share-based payments	-	-	-	-	87	87	-	87
At 30 September 2014 (unaudited)	**167**	**6,701**	**3,963**	**(1,720)**	**16,935**	**26,046**	**1,207**	**27,253**

Merger relief reserve

At 1 April 2014 the merger relief reserve comprised US$3,395 million in respect of the excess of value attributed to the shares issued as consideration for Miller Brewing Company over the nominal value of those shares and US$926 million (2013: US$1,191 million) relating to the merger relief arising on the issue of SABMiller plc ordinary shares for the buyout of non-controlling interests in the group's Polish business. In the period ended 30 September 2014 the group transferred US$358 million (2013: US$265 million) of the reserve relating to the Polish business to retained earnings upon realisation of qualifying consideration.

The notes on pages 28 to 40 are an integral part of this condensed interim financial information.

1. Basis of preparation

The condensed consolidated interim financial information (the 'financial information') comprises the unaudited results of SABMiller plc for the six months ended 30 September 2014 and 30 September 2013, together with the unaudited results for the year ended 31 March 2014. The financial information in this report is not audited and does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The board of directors approved this financial information on 12 November 2014. The annual financial statements for the year ended 31 March 2014, approved by the board of directors on 2 June 2014, 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.

The unaudited financial information in this interim report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, and with IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU). The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which were prepared in accordance with applicable law and International Financial Reporting Standards as adopted by the EU.

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 information is 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 financial information has been prepared on a going concern basis. The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2014, which were published in June 2014, as described in those financial statements, except for the following standards, interpretations and amendments that have been adopted by the group since 1 April 2014:

- IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements' and IFRS 12, 'Disclosure of interests in other entities' with effect from 1 April 2013, along with the revised versions of IAS 27, 'Separate financial statements' and IAS 28, 'Investments in Associates and Joint Ventures'. The adoption of these new standards has had no impact on attributable profit, total comprehensive income, or net assets attributable to owners, but has resulted in an increase in EBITA for the six months ended 30 September 2013 of US$4 million, and a similar increase in the group's share of associates' and joint ventures' non-controlling interests for the same period of US$4 million. Comparative information has been restated. The requirements of IFRS 12 include additional disclosures which will be included in the annual report.

- Amendment to IAS 32, 'Offsetting financial instruments asset and liability', has had no material impact on the consolidated results of operations or financial position of the group.

- Amendment to IAS 39, 'Financial instruments: recognition and measurement', on novation of derivatives and hedge accounting has had no 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 NPR and EBITA by the group's chief operating decision maker, defined as the executive directors. Following management changes effective 1 July 2014 the group's Africa and South Africa: Beverages divisions have been consolidated into one division for management purposes. The results of the new combined Africa division have therefore been presented as a single reportable segment and comparatives have been restated accordingly. The group is focused geographically and, while not meeting the definition of reportable segments, the group reports separately as segments Corporate and South Africa: Hotels and Gaming 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

	Six months ended 30/9/14		Six months ended 30/9/13		Year ended 31/3/14	
	Group NPR Unaudited US$m	**EBITA Unaudited US$m**	Group NPR Unaudited US$m	EBITA[1] Unaudited US$m	Group NPR Audited US$m	EBITA[1] Unaudited US$m
Latin America	**2,874**	**1,036**	2,754	972	5,745	2,192
Africa	**3,592**	**818**	3,496	794	7,421	1,954
Asia Pacific	**2,154**	**450**	2,159	540	3,944	845
Europe	**2,713**	**502**	2,684	512	4,574	703
North America	**2,553**	**515**	2,514	482	4,665	804
Corporate	**-**	**(77)**	-	(85)	-	(161)
Retained operations	**13,886**	**3,244**	13,607	3,215	26,349	6,337
South Africa: Hotels and Gaming	**116**	**33**	186	57	370	123
	14,002	**3,277**	13,793	3,272	26,719	6,460
Amortisation of intangible assets (excluding computer software) – group and share of associates' and joint ventures'		**(226)**		(223)		(436)
Exceptional items in operating profit – group and share of associates' and joint ventures'		**285**		(52)		(202)
Net finance costs – group and share of associates' and joint ventures' (excluding exceptional items)		**(342)**		(399)		(741)
Share of associates' and joint ventures' taxation		**(102)**		(103)		(162)
Share of associates' and joint ventures' non-controlling interests		**(65)**		(66)		(96)
Profit before taxation		**2,827**		2,429		4,823

[1] As restated (see note 1).

2. Segmental information (continued)

Group revenue and group NPR (including the group's share of 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.

Six months ended 30 September	**Revenue 2014 Unaudited US$m**	**Share of associates' and joint ventures' revenue 2014 Unaudited US$m**	**Group revenue 2014 Unaudited US$m**	**Excise duties and other similar taxes 2014 Unaudited US$m**	**Share of associates' and joint ventures' excise duties and other similar taxes 2014 Unaudited US$m**	**Group NPR 2014 Unaudited US$m**
Latin America	**3,900**	**-**	**3,900**	**(1,026)**	**-**	**2,874**
Africa	**3,253**	**1,119**	**4,372**	**(643)**	**(137)**	**3,592**
Asia Pacific	**1,575**	**1,360**	**2,935**	**(610)**	**(171)**	**2,154**
Europe	**2,563**	**1,046**	**3,609**	**(618)**	**(278)**	**2,713**
North America	**75**	**2,843**	**2,918**	**(2)**	**(363)**	**2,553**
Retained operations	**11,366**	**6,368**	**17,734**	**(2,899)**	**(949)**	**13,886**
South Africa: Hotels and Gaming	**-**	**133**	**133**	**-**	**(17)**	**116**
	11,366	**6,501**	**17,867**	**(2,899)**	**(966)**	**14,002**

Six months ended 30 September	2013 Unaudited US$m	2013 Unaudited US$m	2013 Unaudited US$m	2013 Unaudited US$m	2013 Unaudited US$m	2013 Unaudited US$m
Latin America	3,741	-	3,741	(987)	-	2,754
Africa	3,183	1,069	4,252	(626)	(130)	3,496
Asia Pacific	1,617	1,317	2,934	(606)	(169)	2,159
Europe	2,487	1,045	3,532	(572)	(276)	2,684
North America	75	2,810	2,885	(3)	(368)	2,514
Retained operations	11,103	6,241	17,344	(2,794)	(943)	13,607
South Africa: Hotels and Gaming	-	215	215	-	(29)	186
	11,103	6,456	17,559	(2,794)	(972)	13,793

Year ended 31 March	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m
Latin America	7,812	-	7,812	(2,067)	-	5,745
Africa	6,752	2,257	9,009	(1,292)	(296)	7,421
Asia Pacific	3,285	2,166	5,451	(1,235)	(272)	3,944
Europe	4,319	1,726	6,045	(1,009)	(462)	4,574
North America	143	5,199	5,342	(4)	(673)	4,665
Retained operations	22,311	11,348	33,659	(5,607)	(1,703)	26,349
South Africa: Hotels and Gaming	-	425	425	-	(55)	370
	22,311	11,773	34,084	(5,607)	(1,758)	26,719

2. Segmental information (continued)

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

Six months ended 30 September 2014	Operating profit Unaudited US$m	Exceptional items Unaudited US$m	Operating profit before exceptional items Unaudited US$m	Share of associates' and joint ventures' operating profit before exceptional items Unaudited US$m	Amortisation of intangible assets (excluding computer software) Unaudited US$m	Share of associates' and joint ventures' amortisation of intangible assets (excluding computer software) Unaudited US$m	EBITA Unaudited US$m
Latin America	**975**	**-**	**975**	**-**	**61**	**-**	**1,036**
Africa	**597**	**-**	**597**	**216**	**5**	**-**	**818**
Asia Pacific	**125**	**64**	**189**	**162**	**99**	**-**	**450**
Europe	**386**	**-**	**386**	**77**	**10**	**29**	**502**
North America	**12**	**-**	**12**	**482**	**-**	**21**	**515**
Corporate	**(116)**	**39**	**(77)**	**-**	**-**	**-**	**(77)**
Retained operations	**1,979**	**103**	**2,082**	**937**	**175**	**50**	**3,244**
South Africa: Hotels and Gaming	**388**	**(388)**	**-**	**32**	**-**	**1**	**33**
	2,367	**(285)**	**2,082**	**969**	**175**	**51**	**3,277**
Six months ended 30 September 2013	Unaudited US$m	Unaudited US$m	Unaudited US$m	Unaudited[1] US$m	Unaudited US$m	Unaudited US$m	Unaudited[1] US$m
Latin America	957	(47)	910	-	62	-	972
Africa	573	7	580	211	3	-	794
Asia Pacific	215	13	228	201	111	-	540
Europe	379	4	383	104	9	16	512
North America	7	-	7	455	-	20	482
Corporate	(160)	75	(85)	-	-	-	(85)
Retained operations	1,971	52	2,023	971	185	36	3,215
South Africa: Hotels and Gaming	-	-	-	55	-	2	57
	1,971	52	2,023	1,026	185	38	3,272
Year ended 31 March 2014	Audited US$m	Audited US$m	Audited US$m	Unaudited[1] US$m	Audited US$m	Audited US$m	Unaudited[1] US$m
Latin America	2,116	(47)	2,069	-	123	-	2,192
Africa	1,470	8	1,478	470	6	-	1,954
Asia Pacific	365	103	468	165	212	-	845
Europe	565	11	576	79	20	28	703
North America	9	-	9	753	-	42	804
Corporate	(283)	122	(161)	-	-	-	(161)
Retained operations	4,242	197	4,439	1,467	361	70	6,337
South Africa: Hotels and Gaming	-	-	-	118	-	5	123
	4,242	197	4,439	1,585	361	75	6,460

[1] As restated (see note 1).

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.

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13[1] Unaudited US$m	Year ended 31/3/14[1] Unaudited US$m
Share of associates' and joint ventures' operating profit (before exceptional items)	**969**	1,026	1,585
Share of associates' and joint ventures' exceptional items in operating profit	**-**	-	(5)
Share of associates' and joint ventures' net finance costs	**(11)**	(54)	(96)
Share of associates' and joint ventures' taxation	**(102)**	(103)	(162)
Share of associates' and joint ventures' non-controlling interests	**(65)**	(66)	(96)
Share of post-tax results of associates and joint ventures	**791**	803	1,226

[1] As restated (see note 1).

Beer volumes increase during the summer months leading to higher revenues being recognised in the first half of the year in the Europe and North America segments. Due to the spread of the business between Northern and Southern hemispheres, the results for the group as a whole are not highly seasonal in nature.

EBITDA
EBITA is reconciled to EBITDA as follows.

Six months ended 30 September	**EBITA 2014 Unaudited US$m**	**Depreciation 2014 Unaudited US$m**	**Share of associates' and joint ventures' depreciation 2014 Unaudited US$m**	**EBITDA 2014 Unaudited US$m**	EBITA 2013[1] Unaudited US$m	Depreciation 2013 Unaudited US$m	Share of associates' and joint ventures' depreciation 2013[1] Unaudited US$m	EBITDA 2013 Unaudited US$m
Latin America	**1,036**	**159**	**-**	**1,195**	972	166	-	1,138
Africa	**818**	**141**	**64**	**1,023**	794	138	62	994
Asia Pacific	**450**	**34**	**72**	**556**	540	36	62	638
Europe	**502**	**116**	**42**	**660**	512	109	44	665
North America	**515**	**-**	**73**	**588**	482	-	66	548
Corporate	**(77)**	**17**	**-**	**(60)**	(85)	13	-	(72)
Retained operations	**3,244**	**467**	**251**	**3,962**	3,215	462	234	3,911
South Africa: Hotels and Gaming	**33**	**-**	**9**	**42**	57	-	13	70
	3,277	**467**	**260**	**4,004**	3,272	462	247	3,981

Year ended 31 March	2014[1] Unaudited US$m	2014 Audited US$m	2014[1] Unaudited US$m	2014[1] Unaudited US$m
Latin America	2,192	328	-	2,520
Africa	1,954	267	115	2,336
Asia Pacific	845	72	132	1,049
Europe	703	222	92	1,017
North America	804	-	141	945
Corporate	(161)	31	-	(130)
Retained operations	6,337	920	480	7,737
South Africa: Hotels and Gaming	123	-	24	147
	6,460	920	504	7,884

[1] As restated (see note 1).

2. Segmental information (continued)

Adjusted EBITDA
Adjusted EBITDA is comprised of the following.

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13[1] Unaudited US$m	Year ended 31/3/14[1] Unaudited US$m
Subsidiaries' EBITDA	**2,724**	2,670	5,720
- Operating profit before exceptional items	**2,082**	2,023	4,439
- Depreciation (including amortisation of computer software)	**467**	462	920
- Amortisation (excluding computer software)	**175**	185	361
Group's share of MillerCoors' EBITDA	**576**	541	936
- Operating profit before exceptional items	**482**	455	753
- Depreciation (including amortisation of computer software)	**73**	66	141
- Amortisation (excluding computer software)	**21**	20	42
Adjusted EBITDA	**3,300**	3,211	6,656

[1] As restated (see note 1).

3. Exceptional items

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Exceptional items included in operating profit:			
Profit on disposal of investment in associate	**388**	-	-
Profit on disposal of businesses	**-**	47	72
Cost and efficiency programme costs	**(39)**	(79)	(133)
Integration and restructuring	**(64)**	(13)	(103)
Broad-Based Black Economic Empowerment scheme charges	**-**	(7)	(33)
Net exceptional gains/(losses) included within operating profit	**285**	(52)	(197)
Share of associates' and joint ventures' exceptional items:			
Capability programme costs	**-**	-	(5)
Group's share of associates' and joint ventures' exceptional losses	**-**	-	(5)
Net taxation (charges)/credits relating to subsidiaries' and the group's share of associates' and joint ventures' exceptional items	**(131)**	5	27

Exceptional items included in operating profit

Profit on disposal of investment in associate
In 2014 a profit of US$388 million, after associated costs, was realised on the disposal of the group's interests in the Tsogo Sun hotels and gaming business in South Africa.

Profit on disposal of businesses
During 2013 a profit of US$47 million, after associated costs, was realised on the disposal of the milk and juice business in Panama, in Latin America.

Cost and efficiency programme costs
In 2014 costs of US$39 million were incurred in relation to the cost and efficiency programme which will realise further benefits from the group's scale through the creation of a global business services function, that will consolidate many back office and specialist functions, and the expansion of the global procurement organisation. In 2013 costs of US$79 million were incurred in relation to the business capability programme which streamlined finance, human resources and procurement activities through the deployment of global systems and introduced common sales, distribution and supply chain management systems.

Integration and restructuring costs
In 2014 US$64 million (2013: US$13 million) of integration and restructuring costs were incurred in Asia Pacific following the Foster's and the Pacific Beverages acquisitions, including impairments relating to the closure of a brewery.

Broad-Based Black Economic Empowerment scheme charges
In 2013 US$7 million of charges were incurred in relation to the Broad-Based Black Economic Empowerment (BBBEE) scheme in South Africa. This represented the IFRS 2 share-based payment charge in respect of the employee element of the scheme.

Net taxation credits relating to subsidiaries' and the group's share of associates' and joint ventures' exceptional items
Net taxation charges of US$131 million (2013: credits of US$5 million) arose in relation to exceptional items during the period.

4. Taxation

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Current taxation	**737**	519	1,096
- Charge for the period	**737**	520	1,086
- Adjustments in respect of prior periods	**-**	(1)	10
Withholding taxes and other remittance taxes	**122**	77	188
Total current taxation	**859**	596	1,284
Deferred taxation	**(129)**	2	(111)
- (Credit)/charge for the period	**(129)**	1	(75)
- Adjustments in respect of prior periods	**-**	1	(36)
Taxation expense	**730**	598	1,173
Tax charge/(credit) relating to components of other comprehensive income is as follows:			
Deferred tax charge on remeasurements of defined benefit plans	**-**	1	13
Deferred tax charge/(credit) on financial instruments	**8**	-	(1)
	8	1	12
Effective tax rate (%)	**26.0**	26.8	26.0
UK taxation included in the above			
Current taxation	**-**	-	-
Withholding taxes and other remittance taxes	**41**	53	102
Total current taxation	**41**	53	102
Deferred taxation	**-**	-	-
UK taxation expense	**41**	53	102

See the financial definitions section for the definition of the effective tax rate. This calculation is on a basis consistent with that used in prior periods and is also consistent with other group operating metrics. Tax on amortisation of intangible assets (excluding computer software) was US$63 million (2013: US$63 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.

5. Earnings per share

	Six months ended 30/9/14 Unaudited US cents	Six months ended 30/9/13 Unaudited US cents	Year ended 31/3/14 Audited US cents
Basic earnings per share	**123.2**	107.4	211.8
Diluted earnings per share	**121.6**	106.0	209.1
Headline earnings per share	**109.6**	104.6	211.6
Adjusted basic earnings per share	**123.6**	120.4	242.0
Adjusted diluted earnings per share	**122.0**	118.8	239.0

5. Earnings per share (continued)

The weighted average number of shares was:

	Six months ended 30/9/14 Unaudited Millions of shares	Six months ended 30/9/13 Unaudited Millions of shares	Year ended 31/3/14 Audited Millions of shares
Ordinary shares	**1,673**	1,670	1,671
Treasury shares	**(65)**	(67)	(67)
EBT ordinary shares	**(6)**	(8)	(7)
Basic shares	**1,602**	1,595	1,597
Dilutive ordinary shares	**21**	22	20
Diluted shares	**1,623**	1,617	1,617

The calculation of diluted earnings per share excludes 9,161,765 (2013: 7,105,465) share options that were non-dilutive for the period because the exercise price of the option exceeded the fair value of the shares during the period, and 19,364,157 (2013: 21,939,292) share awards that were non-dilutive for the period because the performance conditions attached to the share awards have not been met. These share incentives could potentially dilute earnings per share in the future.

Adjusted and headline earnings
The group presents an adjusted earnings per share figure which excludes the impact of amortisation of intangible assets (excluding computer software), certain non-recurring items and post-tax exceptional items in order to present an additional measure of performance for the periods shown in the consolidated interim financial information. Adjusted earnings per share has been based on adjusted earnings for each financial period 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 2/2013 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.

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Profit for the period attributable to owners of the parent	**1,974**	1,714	3,381
Headline adjustments			
Impairment of property, plant and equipment	**19**	-	52
Impairment of intangible assets	**-**	-	8
Profit on disposal of investment in associate	**(388)**	-	-
Profit on disposal of businesses	**-**	(47)	(72)
Loss on dilution of investment in associate	**-**	-	20
Tax effects of these items	**151**	-	(11)
Non-controlling interests' share of the above items	**-**	1	1
Headline earnings	**1,756**	1,668	3,379
Cost and efficiency programme costs	**39**	79	133
Integration and restructuring costs	**45**	13	43
Broad-Based Black Economic Empowerment scheme charges	**-**	7	13
Amortisation of intangible assets (excluding computer software)	**175**	185	361
Tax effects of the above items	**(76)**	(64)	(133)
Non-controlling interests' share of the above items	**(3)**	(2)	(4)
Share of associates' and joint ventures' other adjustments, net of tax and non-controlling interests	**45**	34	73
Adjusted earnings	**1,981**	1,920	3,865

6. Dividends

Dividends paid were as follows.

	Six months ended 30/9/14 Unaudited US cents	Six months ended 30/9/13 Unaudited US cents	Year ended 31/3/14 Audited US cents
Prior year final dividend paid per ordinary share	**80.0**	77.0	77.0
Current year interim dividend paid per ordinary share	**-**	-	25.0

The interim dividend declared of 26.0 US cents per ordinary share is payable on 5 December 2014 to ordinary shareholders on the register as at 28 November 2014 and will absorb an estimated US$417 million of shareholders' funds.

7. Intangible assets

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Net book amount at beginning of period	**8,532**	9,635	9,635
Exchange adjustments	**(381)**	(697)	(773)
Additions - separately acquired	**68**	27	84
Acquisitions - through business combinations	**-**	-	22
Amortisation	**(210)**	(216)	(427)
Impairment	**-**	-	(8)
Disposals	**-**	-	(1)
Net book amount at end of period	**8,009**	8,749	8,532

8. Property, plant and equipment

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Net book amount at beginning of period	**9,065**	9,059	9,059
Exchange adjustments	**(424)**	(236)	(408)
Additions	**616**	628	1,449
Acquisitions - through business combinations	**1**	-	12
Disposals	**(27)**	(19)	(55)
Impairment	**(19)**	-	(52)
Depreciation	**(432)**	(432)	(854)
Other movements	**(16)**	(27)	(86)
Net book amount at end of period	**8,764**	8,973	9,065

9. Financial risk factors

In the normal course of business, the group is exposed to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

A full description of the group's exposure to the above risks and the group's policies and processes that are in place to manage the risks arising, aided by quantitative disclosures, is included in note 21 to the consolidated financial statements included in the 2014 annual report. There has been no significant change in the nature of the financial risks to which the group is exposed, or the group's policies and processes to manage these risks, since 1 April 2014.

Fair value estimation
The following table presents the group's financial assets and liabilities that are measured at fair value.

At 30 September	Level 1 2014 Unaudited US$m	Level 2 2014 Unaudited US$m	Level 3 2014 Unaudited US$m	Total 2014 Unaudited US$m	Level 1 2013 Unaudited US$m	Level 2 2013 Unaudited US$m	Level 3 2013 Unaudited US$m	Total 2013 Unaudited US$m
Assets								
Derivative financial instruments	**-**	**960**	**-**	**960**	-	890	-	890
Available for sale investments	**-**	**8**	**12**	**20**	-	10	12	22
Total assets	**-**	**968**	**12**	**980**	-	900	12	912
Liabilities								
Derivative financial instruments	**-**	**(86)**	**-**	**(86)**	-	(107)	-	(107)
Total liabilities	**-**	**(86)**	**-**	**(86)**	-	(107)	-	(107)

At 31 March	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m	2014 Audited US$m
Assets				
Derivative financial instruments	-	769	-	769
Available for sale investments	-	10	12	22
Total assets	-	779	12	791
Liabilities				
Derivative financial instruments	-	(115)	-	(115)
Total liabilities	-	(115)	-	(115)

The levels of the fair value hierarchy and its application to the group's assets and liabilities are described in full in note 21 to the consolidated financial statements included in the 2014 annual report. The methods and techniques employed in determining fair values are consistent with those used at 31 March 2014 and are summarised below. There were no transfers between Level 1, 2, or 3 in the six months to 30 September 2014.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair values of financial instruments that are not traded in an active market (for example, over the counter derivatives or infrequently traded listed investments) are determined by using valuation techniques.

Level 3: Inputs for the asset or liability that are not based on observable market data.

The fair value of borrowings at 30 September 2014 is US$17,021 million (31 March 2014: US$17,867 million). The fair values are based on a combination of market quoted prices and cash flows discounted using prevailing interest rates. The fair values of all other financial assets and liabilities are equivalent to their carrying values.

10a. Reconciliation of profit for the period to net cash generated from operations

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Profit for the period	**2,097**	1,831	3,650
Taxation	**730**	598	1,173
Share of post-tax results of associates and joint ventures	**(791)**	(803)	(1,226)
Net finance costs	**331**	345	645
Operating profit	**2,367**	1,971	4,242
Depreciation:			
- Property, plant and equipment	**315**	314	621
- Containers	**117**	118	233
Container breakages, shrinkages and write-offs	**4**	14	80
Profit on disposal of investment in associate	**(388)**	-	-
Profit on disposal of businesses	**-**	(47)	(72)
Gain on dilution of investment in associate	**-**	-	18
Profit on disposal of property, plant and equipment	**(13)**	(20)	(17)
Amortisation of intangible assets	**210**	216	427
Impairment of intangible assets	**-**	-	8
Impairment of property, plant and equipment	**19**	-	52
Impairment of working capital balances	**12**	6	55
Amortisation of advances to customers	**19**	20	40
Unrealised net gain from fair value hedges	**(4)**	(10)	-
Dividends received from other investments	**(1)**	(1)	(1)
Charge with respect to share options	**86**	95	141
Charge with respect to Broad-Based Black Economic Empowerment costs	**1**	7	13
Other non-cash movements	**(11)**	(20)	(163)
Net cash generated from operations before working capital movements	**2,733**	2,663	5,677
Net (outflow)/inflow in working capital	**(82)**	(67)	93
Net cash generated from operations	**2,651**	2,596	5,770

10b. Reconciliation of net cash generated from operating activities to free cash flow

	Six months ended 30/9/14 Unaudited US$m	Six months ended 30/9/13 Unaudited US$m	Year ended 31/3/14 Audited US$m
Net cash generated from operating activities	**1,545**	1,184	3,431
Purchase of property, plant and equipment	**(643)**	(639)	(1,401)
Proceeds from sale of property, plant and equipment	**38**	49	70
Purchase of intangible assets	**(53)**	(31)	(84)
Investments in joint ventures	**(18)**	(23)	(188)
Investments in associates	**-**	(196)	(199)
Dividends received from joint ventures	**568**	494	903
Dividends received from associates	**139**	157	224
Dividends received from other investments	**1**	1	1
Dividends paid to non-controlling interests	**(92)**	(102)	(194)
Free cash flow	**1,485**	894	2,563

10c. 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.

	As at 30/9/14 Unaudited US$m	As at 30/9/13 Unaudited US$m	As at 31/3/14 Audited US$m
Cash and cash equivalents (balance sheet)	**3,015**	1,286	2,081
Overdrafts	**(214)**	(150)	(213)
Cash and cash equivalents (cash flow statement)	**2,801**	1,136	1,868

Net debt is analysed as follows.

	As at 30/9/14 Unaudited US$m	As at 30/9/13 Unaudited US$m	As at 31/3/14 Audited US$m
Borrowings	**(16,325)**	(17,507)	(16,783)
Financing derivative financial instruments	**884**	772	663
Overdrafts	**(214)**	(150)	(213)
Finance leases	**(42)**	(42)	(51)
Gross debt	**(15,697)**	(16,927)	(16,384)
Cash and cash equivalents (excluding overdrafts)	**3,015**	1,286	2,081
Net debt	**(12,682)**	(15,641)	(14,303)

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$m**	**Gross debt US$m**	**Net debt US$m**
At 1 April 2014	2,081	(213)	(16,783)	663	(51)	(16,384)	(14,303)
Exchange adjustments	(49)	9	283	(16)	1	277	228
Principal related cash flows	983	(10)	233	(2)	8	229	1,212
Other movements	-	-	(58)	239	-	181	181
At 30 September 2014	**3,015**	**(214)**	**(16,325)**	**884**	**(42)**	**(15,697)**	**(12,682)**

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 continuing capital investment for the foreseeable future and thus the directors have continued to adopt the going concern basis of accounting. The group had the following undrawn committed borrowing facilities available in respect of which all conditions precedent had been met at that date.

	As at 30/9/14 Unaudited US$m	As at 30/9/13 Unaudited US$m	As at 31/3/14 Audited US$m
Amounts expiring:			
Within one year	**154**	176	214
Between one and two years	**37**	16	41
Between two and five years	**3,664**	2,522	3,019
	3,855	2,714	3,274

11. Commitments, contingencies and guarantees

Except as stated below there have been no material changes to commitments, contingencies or guarantees as disclosed in the annual financial statements for the year ended 31 March 2014.

Commitments
Contracts placed for future expenditure not provided in the financial information amount to US$2,190 million at 30 September 2014 (31 March 2014: US$3,736 million). The decrease in contracts placed for future expenditure primarily relates to a decrease in minimum purchase commitments for raw materials and packaging materials.

Contracts placed for future capital expenditure for property, plant and equipment not provided in the financial information amount to US$206 million at 30 September 2014 (31 March 2014: US$271 million).

12. Related party transactions

There have been no material changes to the nature or relative quantum of related party transactions as described in the 2014 Annual Report.

The following changes were made to key management during the period.

Miles Morland retired from the board with effect from 24 July 2014 and Norman Adami stood down as Chairman of SABMiller Beverages South Africa with effect from 1 July 2014, and retired from the group with effect from 31 July 2014. Meanwhile, Jan du Plessis joined the SABMiller board as an independent non-executive director and chairman designate with effect from 1 September 2014.

Consequently as at 30 September 2014 there were 24 key management (31 March 2014: 25).

13. Post balance sheet events

In October 2014 the group settled the litigation in Canada with Molson Coors relating to the licence agreement for Miller trademark brands in Canada. As a result of the settlement, the rights to distribute Miller trademark brands in Canada will revert to SABMiller with effect from 1 April 2015.

In November 2014 the group gave notice to the holders of its US$ 850 million 6.50% notes due 2016 that it was exercising its rights to redeem the notes in full on 8 December 2014.

Adjusted earnings
Adjusted earnings are calculated by adjusting headline earnings (as defined below) for the amortisation of intangible assets (excluding computer software), exceptional integration and restructuring costs, 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 operating profit before exceptional items, depreciation and amortisation, and includes the group's share of MillerCoors' operating profit on a similar basis.

Adjusted net finance costs
This comprises net finance costs excluding 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 six months ended 30 September at the exchange rates for the comparable period in the prior year.

EBITA
This comprises operating profit before exceptional items, and amortisation of intangible assets (excluding computer 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 net producer revenue.

EBITDA
This comprises EBITA (as defined above) plus depreciation and amortisation of computer software, including the group's share of associates' and joint ventures' depreciation and amortisation of computer software.

EBITDA margin (%)
This is calculated by expressing EBITDA as a percentage of group net producer 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 computer software), including the group's share of associates' and joint ventures' tax on a similar 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.

Group net producer revenue (NPR)
This comprises group revenue less excise duties and other similar taxes, together with the group's share of excise duties and other similar taxes 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 2/2013 entitled 'Headline Earnings'. Such items include exceptional 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 a similar basis.

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

Net debt
This comprises gross debt (including borrowings, financing 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 net producer 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 or its subsidiaries or associates 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 document, 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 document. Factors which may cause differences between actual results and those expected or implied by the forward-looking statements include, but are not limited to: material adverse changes in the economic and business conditions in the markets in which SABMiller operates; increased competition and consolidation in the global brewing and beverages industry; changes in consumer preferences; changes to the regulatory environment; failure to deliver the integration and cost-saving objectives in relation to the Foster’s acquisition; failure to derive the expected benefits from the global efficiency programmes; and fluctuations in foreign currency exchange rates and interest rates. 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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