



## Trading Statement

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SABMiller PLC  
21 April 2016

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### SABMiller plc Trading update

SABMiller plc today issues its trading update for the 12 months ended 31 March 2016.

Alan Clark, Chief Executive of SABMiller, said:

"We have had a strong year and increased momentum in the second half across all our regions notwithstanding economic volatility and the potential distraction of the AB InBev offer. Our results reflect our strategy to expand the beer category and to grow and premiumise our diverse brand portfolios."

Q4 & full year change v prior <sup>1</sup>	Q4			Full year		
	Group NPR change %	Beverage volume change %	Group NPR/hl change %	Group NPR change %	Beverage volume change %	Group NPR/hl change %
Latin America	8	3	5	8	5	3
Africa	12	6	6	11	6	4
Asia Pacific	4	1	2	3	(1)	4
Europe	3	3	-	2	-	2
North America	3	2	1	-	(1)	1
<b>Total</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>3</b>
<b>Total reported</b>	<b>(4)</b>	<b>4</b>	<b>(8)</b>	<b>(8)</b>	<b>2</b>	<b>(10)</b>

<sup>1</sup> Full year and fourth quarter information by key country is provided at the end of this announcement.

The calculation of organic growth rates excludes the impact of acquisitions and disposals. All growth rates in this trading update are for the full year (unless otherwise indicated) over the prior year comparative period and are quoted on an organic basis for volumes and an organic, constant currency basis for group NPR and group NPR per hl (unless noted otherwise).

### Full year and fourth quarter highlights

- Group NPR for the full year grew by 5% with volume growth of 2% and price and mix realisation of 3%. Lager volumes grew by 1% for the full year. Our subsidiaries achieved excellent NPR and volume growth of 8% and 5% respectively in the full year, while we have seen a relatively weaker performance in our associates and joint ventures.
- We have seen increasing momentum in lager volumes over the year with growth of 3% in the second half and fourth quarter. Subsidiary lager volumes grew by 6% in the second half of the year.
- For the full year, premium lager brand<sup>2</sup> volumes grew by 6%, with good performances across many of our key markets, supported by global lager brands<sup>2</sup> volume growth of 9%.
- Soft drinks volumes grew by 6% for the full year and fourth quarter, with growth in Africa held back somewhat by a more subdued performance in Latin America.
- On a reported basis, group NPR declined by 5% for the quarter and by 8% for the full year due to the adverse translational impact on our results of the depreciation of our key operating currencies against the US dollar.

<sup>2</sup> Both on a subsidiary basis, excluding home markets for global brands.

### Latin America

#### Continued strong NPR growth

In Latin America, group NPR grew by 8%, underpinned by strong growth in Colombia, with beverage volume growth of 5% supported by selective

price increases and favourable brand mix. Lager volume growth momentum improved in the year to 6% in the second half and for the full year. Soft drinks volumes were up 4%.

- In Colombia, group NPR grew by 11%, with beverage volume growth of 8%. Lager volume growth of 11% was underpinned by our strategy to grow affordable bulk packs and the success of our sales service model. Lager volume growth was further supported by shifts in consumer spending and unseasonably favourable weather. Selective price increases, together with premiumisation and trading up by consumers, boosted the topline. Aguila Light and Aguila Cero achieved double digit growth, while our mainstream brands also delivered robust growth. Premium brands performed well, particularly Club Colombia which achieved double digit volume growth.
- In Peru, group NPR growth of 7% reflected beverage volume growth of 4%, selective price increases and positive mix from the continued growth of our above mainstream brand Pilsen Callao as well as our local premium brand Cusque-a. Expansion of our direct sales distribution model and strong trade execution supported this performance. Soft drinks volumes grew by double digits.
- In Ecuador, group NPR grew by 1% with beverage volumes down 2% as a result of softer macro-economic conditions and enforcement of trading restrictions. Group NPR growth was aided by positive brand mix, as consumers continued to trade up to Pilsener Light.
- In Central America, group NPR grew by 4% with beverage volume growth of 5%. Aggregate lager volume growth of 15% in Honduras and El Salvador, driven by our affordability initiatives and direct distribution expansion, was largely offset by a 16% volume decline in Panama, owing to a rise in excise duty in April, increased competitor intensity and a strike in July.

## Africa

### Strong, well-balanced growth momentum from our subsidiaries

Africa delivered group NPR growth of 11% with beverage volume growth of 6% supported by our affordability strategy and selective pricing. Lager volumes increased by 5% and soft drinks volumes grew by 8%.

- In South Africa, group NPR grew 10% with beverage volume growth of 6% supported by selective pricing and positive brand mix. Lager volumes grew by 2% and premium brand volumes grew 13%, led by Castle Lite and Castle Milk Stout. Volumes of our mainstream brands declined by 1% driven by Hansa Pilsener down 11%, partially offset by Castle Lager growth of 9%. Soft drinks volume growth of 10% in an increasingly promotion-driven trading environment, was driven by robust growth of 17% in the second half, which benefited from hot weather over the peak trading period.
- Our subsidiary businesses in the rest of Africa delivered group NPR growth of 17% and beverage volume growth of 11% with lager volumes up 15% and soft drinks volumes up 12% offset by a marginal decline in other alcoholic beverages. This strong performance was achieved in the context of increasing local currency and economic volatility.
  - In Tanzania, group NPR grew by 5%, due to beverage volume growth of 7%. Lager volume growth of 7% was driven by our affordable brand, Eagle. Other alcoholic beverages grew by 3% driven by Chibuku Super, partially offset by a subdued performance in wines and spirits.
  - In Mozambique, a 20% increase in group NPR reflected beverage volume growth of 12%, positive pack and category mix. Lager volume growth of 15% was led by the Impala brand, together with strong growth in our mainstream brand 2M. Growth in the fourth quarter slowed significantly due to the deteriorating macro-economic environment coupled with a price increase.
  - Zambia's group NPR grew by 23% with beverage volume growth of 10% driven by lager volumes up 30%, against a soft comparative, with strong growth of Castle Lite in the premium segment and Eagle in the affordable segment.
  - Nigeria continued to deliver excellent results with group NPR growth of 31%. Volume growth of 27% was underpinned by an expanded distribution footprint supported by increased capacity together with enhanced market execution.
  - The continuing turmoil in South Sudan and the acute shortage of access to foreign exchange in the country has significantly impacted our performance in the second half of the year. As a result, we have now closed the brewery and are operating as an import business.
- Our associate, Castel delivered group NPR growth of 6%. Beverage volumes were down 1%, constrained by weak economic fundamentals in some key markets, most particularly in Angola where the local currency has depreciated substantially and there is limited access to foreign currency. Castel has undertaken a review in Angola and is in the process of scaling back activity significantly. Excluding Angola, volumes were up mid single digits driven by double-digit growth in the Republic of Congo, Madagascar and Burkina Faso.

## Asia Pacific

### Increasing volume growth momentum in the second half

In Asia Pacific, group NPR grew by 3%. The beverage volume decline of 1% was offset by group NPR per hl growth of 4%.

- In Australia, group NPR grew by 4%. Volumes were marginally up on the prior year, with improved momentum in the second half of the year, up 3%. NPR per hl growth of 3% was driven by price realisation and positive brand mix. Premium segment growth was led by Great Northern in our contemporary portfolio, together with sustained double digit growth of the Peroni and Yak franchises. Our mainstream brands Victoria Bitter and Carlton Draught continued to decline, partially mitigated by the strong performance of Carlton Dry.
- On an underlying trading basis, excluding the reclassification referred to on the final page of this announcement, group NPR in China grew by 4% and group NPR per hl grew by 6% which reflected the continued roll out of one-way packaging and premiumisation. Including the reclassification, growth in group NPR was 1%. Volumes were down 2% primarily due to tough industry and macro-economic headwinds.

## Europe

### Improvement in the second half of the year

Group NPR grew 2% and beverage volumes were in line with the prior year, with a 1% decline in lager volumes offset by soft drinks volumes up 2%. Lager volume growth momentum improved during the year driven by our subsidiaries which were up 6% in the second half of the year with

growth across all of our operations, held back by the continuing weakness in the key lager markets of our associate, Anadolu Efes.

- In the Czech Republic and Slovakia, group NPR grew by 3% with beverage volumes up 1%, notwithstanding a challenging first quarter. The business grew strongly in the remainder of the year through continued focus on in-market execution and supported by unseasonably mild weather. Topline growth was assisted by continued premiumisation with Pilsner Urquell growth of 8%, which partially offset the decline in our mainstream brand Gambrinus.
- In Poland, group NPR declined by 9%. The beverage volumes decline of 5% reflected significant competitor activity in the first half of the year. Improved price competitiveness of our brand portfolio, particularly our lower mainstream brand Zubr, and strengthened sales execution, have supported lager volume growth of 6% in the second half of the year.
- In the United Kingdom, group NPR grew by 5%. Beverage volumes were up 3% with favourable brand mix a result of the continued growth of Peroni Nastro Azzurro offsetting declines in Miller Genuine Draft and the Polish brand portfolio.
- The remainder of our European subsidiaries increased group NPR by 7%, underpinned by beverage volume growth of 6%. Group NPR and volume grew across all our operations, with particularly good performances in Italy and Romania supported by good weather in the second half of the year.
- Our associate Anadolu Efes continues to be affected by economic and political instability in its key markets which has adversely impacted the lager business.

## North America

### A solid fourth quarter performance improved the full year trend

Group NPR in North America was in line with the prior year, with beverage volumes down 1%. MillerCoors' domestic sales to wholesalers (STWs) were up 1% in the fourth quarter but down 2% in the full year, although this was offset by group NPR per hl growth of 1%.

US domestic sales to retailers (STRs) were down 1% in the fourth quarter on a trading day adjusted basis<sup>3</sup>. Full year STRs were down 2%.

- Premium light STRs declined low single digits although MillerCoors has gained share of the segment for the last four consecutive quarters. Coors Light declined low single digits for the full year, with improved performance in the fourth quarter supported by a new marketing campaign. Miller Lite growth momentum improved in the second half to end the full year in line with prior.
- STRs in the above premium segment were marginally up, as the double digit decline in Miller Fortune was largely offset by the successful launch of Henry's Hard Soda in the fourth quarter. The Redd's franchise increased high single digits although volumes declined low single digits in the fourth quarter as the brand is now cycling strong comparatives. Both the Blue Moon franchise and the Leinenkugel's portfolio were up low single digits for the full year.
- Below premium STRs declined mid single digits, with both Keystone and Milwaukee's Best down high single digits and Miller High Life down mid single digits.

<sup>3</sup> On a non trading-day adjusted basis, fourth quarter STRs were in line with the prior year.

### Q4 and full year change versus prior year: table by region and key country

Organic, constant currency v prior	Q4			Full year		
	Group NPR change	Beverage volume change	Group NPR/hl change	Group NPR change	Beverage volume change	Group NPR/hl change
	%	%	%	%	%	%
<b>Latin America</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>3</b>
Colombia	15	7	7	11	8	3
Peru	8	7	1	7	4	3
Other	1	(2)	3	5	3	1
<b>Africa</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>4</b>
South Africa	7	6	1	10	6	4
Rest of Africa (subsidiaries)	21	9	11	17	11	5
Other*	11	1	10	5	(1)	6
<b>Asia Pacific (note)</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>(1)</b>	<b>4</b>
Australia	8	5	3	4	-	3
China* (note)	(1)	-	(2)	1	(2)	3
Other	14	6	7	8	2	6
<b>Europe</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>
Czech and Slovakia	1	2	(1)	3	1	2
Poland	(8)	5	(12)	(9)	(5)	(5)
Other*	8	3	5	5	1	4
<b>North America</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>1</b>
<b>Total (note)</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>3</b>
<b>Note: excluding the reclassification undertaken by our associate in China (see details below)</b>						
China				4	(2)	6
Asia Pacific				4	(1)	5
<b>Total group</b>				<b>6</b>	<b>2</b>	<b>3</b>

Note:

As highlighted in the January Trading Update, in the full year we have now recognised our share of a nine month reclassification undertaken by our Chinese associate of certain discounts from selling expenses to group NPR in its results for the twelve months ended 31 December 2015, without a prior period adjustment. The reclassification is within the income statement and has no impact on profits.

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**Enquiries**

**SABMiller plc**  
t: +44 20 7659 0100

**Christina Mills**  
Director, Group Communications  
and Reputation  
SABMiller plc  
T +44 20 7659 0105

**Richard Farnsworth**  
Group Media Relations  
  
SABMiller plc  
T +44 7734 776 317

**Gary Leibowitz**  
Director,  
Investor Engagement  
SABMiller plc  
T +44 20 7659 0119

**Notes to editors**

SABMiller is in the beer and soft drinks business, bringing refreshment and sociability to millions of people all over the world who enjoy our drinks. The company does business in a way that improves livelihoods and helps build communities.

SABMiller is passionate about brewing and has a long tradition of craftsmanship, making superb beer from high quality natural ingredients. Our local beer experts brew more than 200 beers from which a range of special regional and global brands have been carefully selected and nurtured.

SABMiller is a FTSE-20 company, with shares trading on the London Stock Exchange, and a secondary listing on the Johannesburg Stock Exchange. The group employs around 69,000 people in more than 80 countries, from Australia to Zambia, Colombia to the Czech Republic, and South Africa to the USA. Every minute of every day, more than 140,000 bottles of SABMiller beer are sold around the world.

In the year ended 31 March 2015, SABMiller sold 324 million hectolitres of lager, soft drinks and other alcoholic beverages, generating group net producer revenue of US\$26,288 million and EBITA of US\$6,367 million.

This announcement is available on the company website: [www.sabmiller.com](http://www.sabmiller.com)

Further information is also available on:

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