

# *Welcome*



## SABMiller plc

### Barclays Capital

Back to School conference  
September 7, 2010

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## Forward looking statements



This presentation includes 'forward-looking statements'. 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 presentation, 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 presentation. 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.

All references to "EBIT" in this presentation refer to earnings before interest, tax, amortization of intangible assets and exceptional items. All references to "organic" mean as adjusted to exclude the impact of acquisitions, while all references to "constant currency" mean as adjusted to exclude the impact of movements in foreign currency exchange rates in the translation of our results.



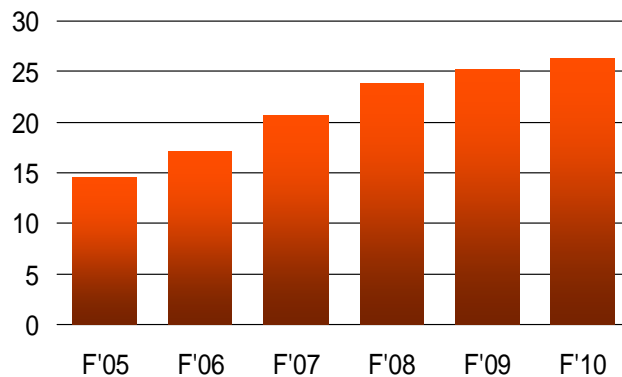
SABMiller is a leading global beverage company...



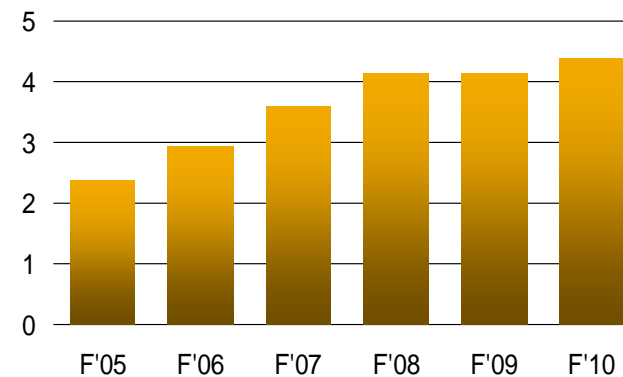
## World's 2<sup>nd</sup> largest brewer

- # 1 or 2 position in > 90% of markets<sup>1</sup>
- 5 year revenue and EBIT CAGR of 13%
- The leading Coke bottler in Africa

Revenue \$b, F05-F10



EBIT \$b, F05-F10



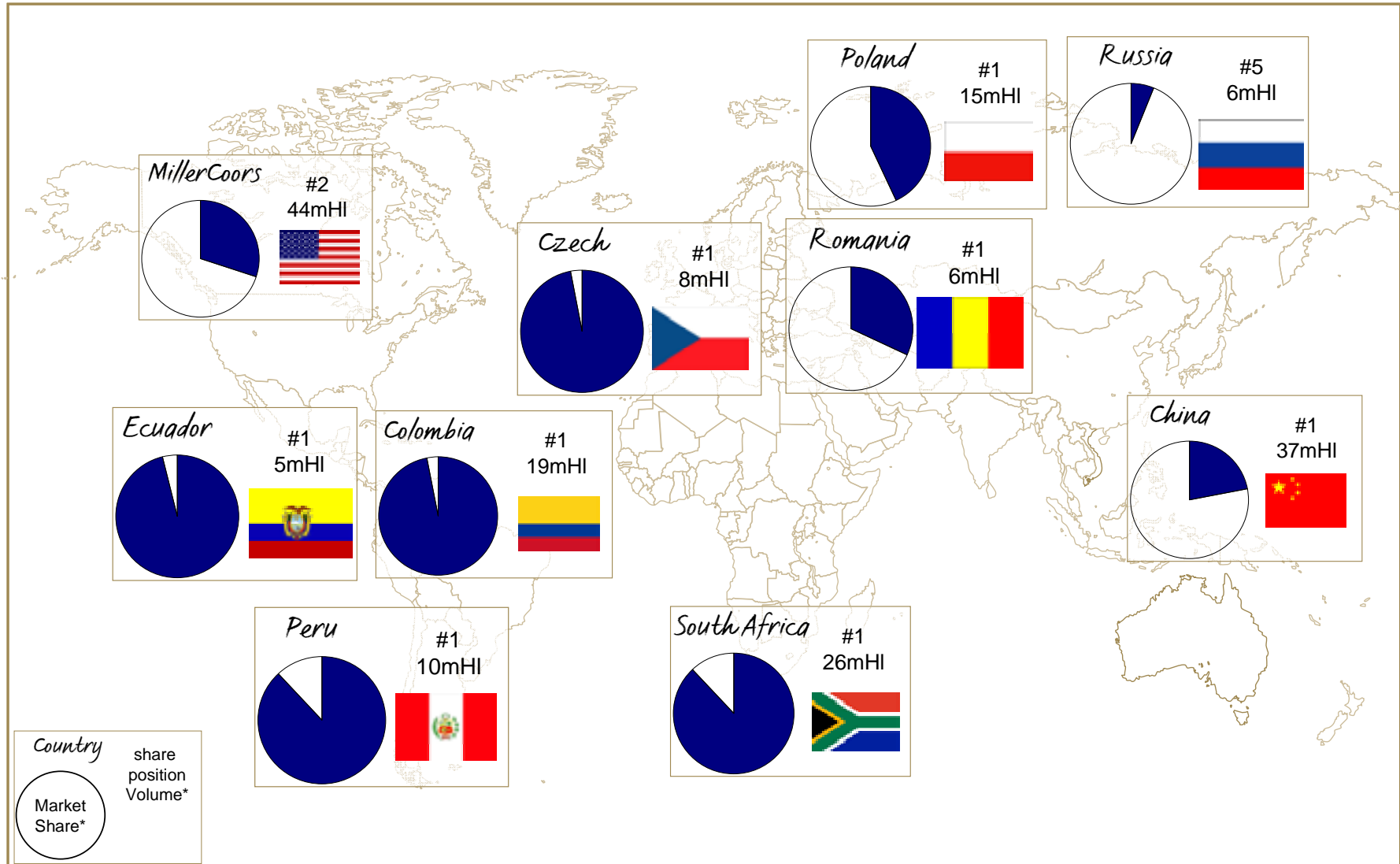
Market equity capitalization \$47.3 billion<sup>2</sup>

1. Countries in which SABMiller plc has a brewing presence (including Castel)

2. Market cap on September 6th, 2010



...with leading positions in our top 10 markets

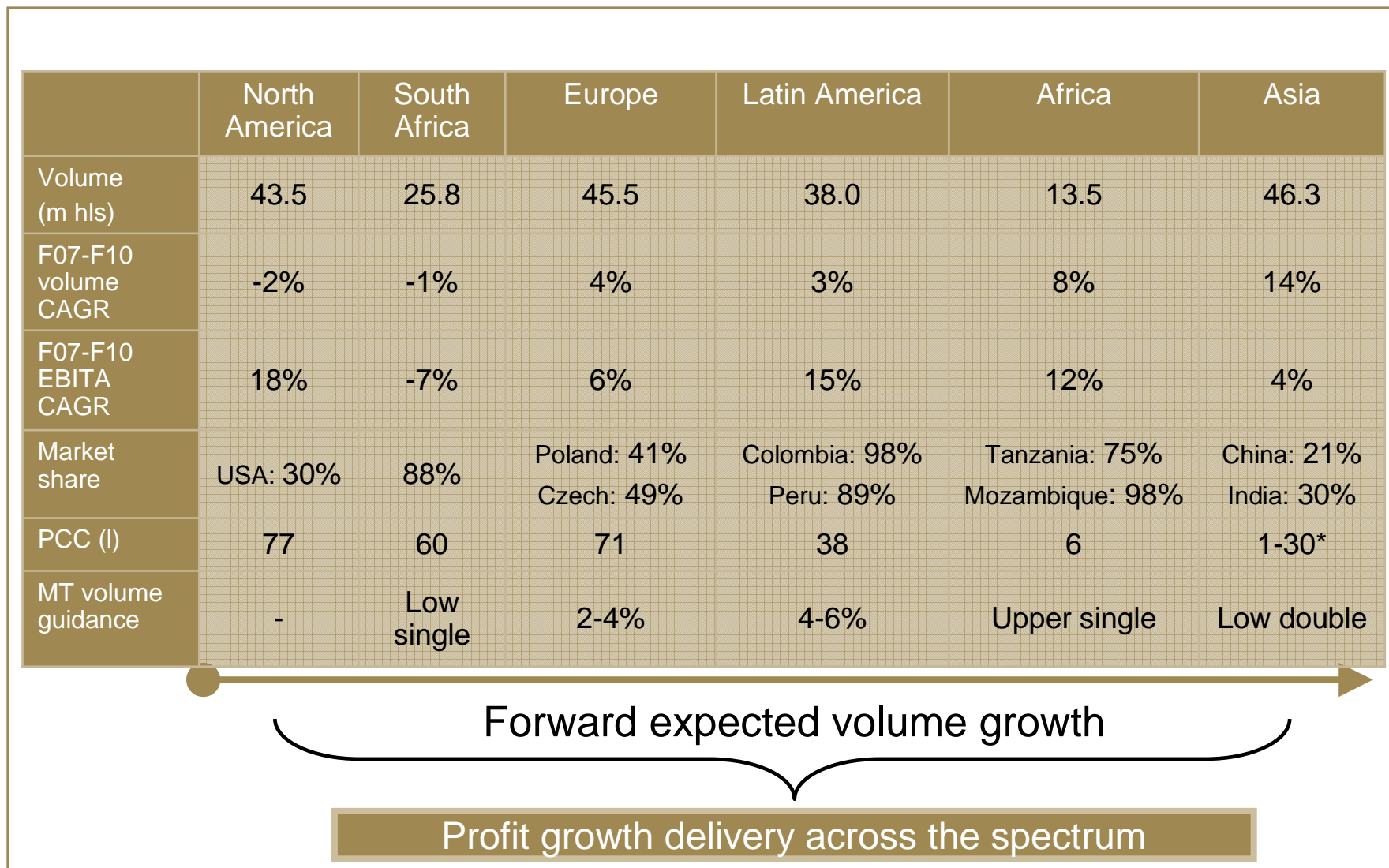


\*Market share and volume figures as of March 2010 using publicly available information, including excise and AC Nielsen data where appropriate





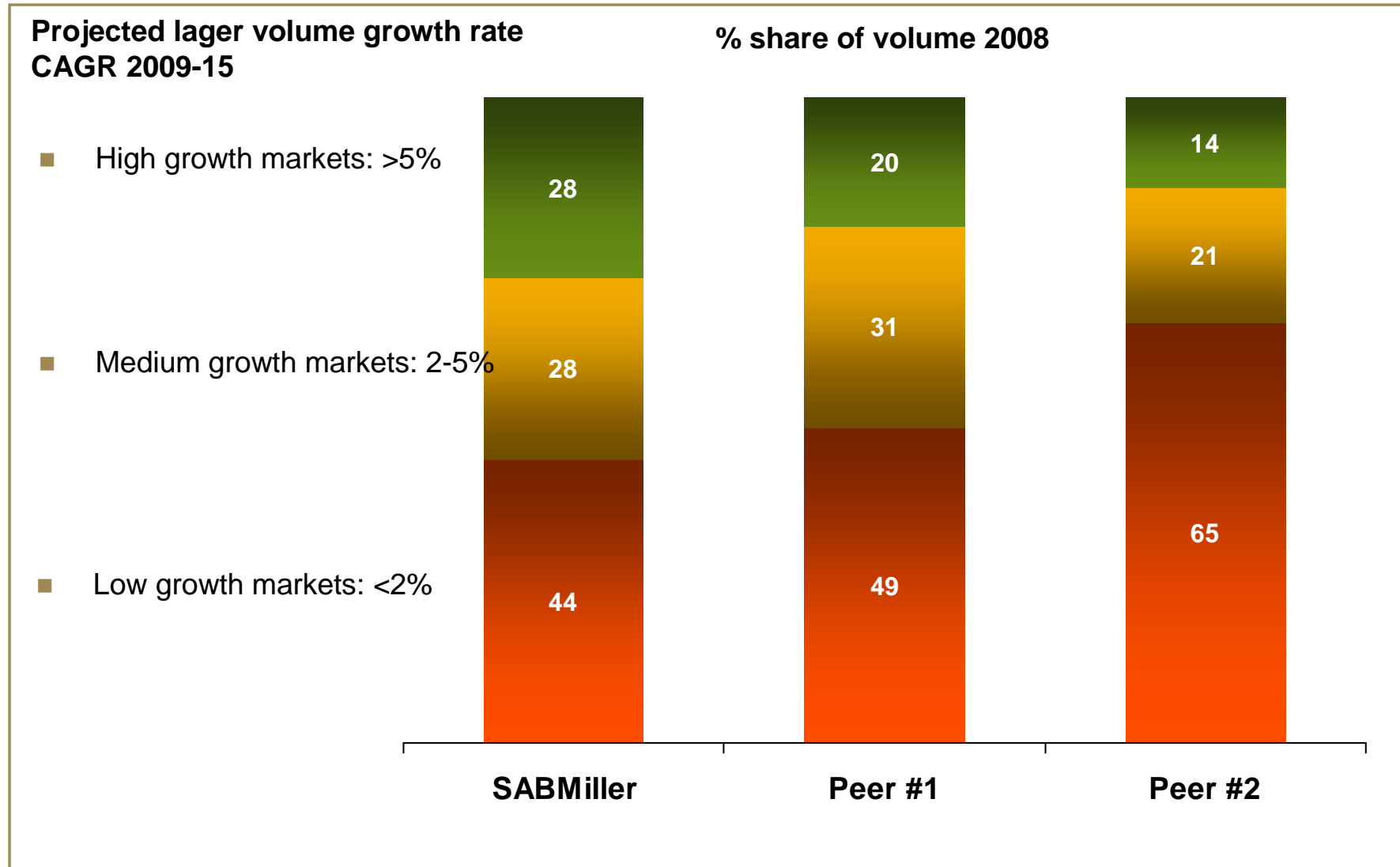
....delivering profit growth across a range of market maturities



Volume: larger volumes, FY10 Market share: Q4 F10 Top 2 markets. PCC: Plato Logic 2009, Asia: India = 1, China = 30



...present in markets which have the highest embedded growth rate...



Source: "Strategic planning tool"; team, McKinsey analysis, post FEMSA Cerveza transaction

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..based on core economic and population fundamentals...



### Year-on-year real GDP growth, 2009-2015



Peer #1

Peer #2



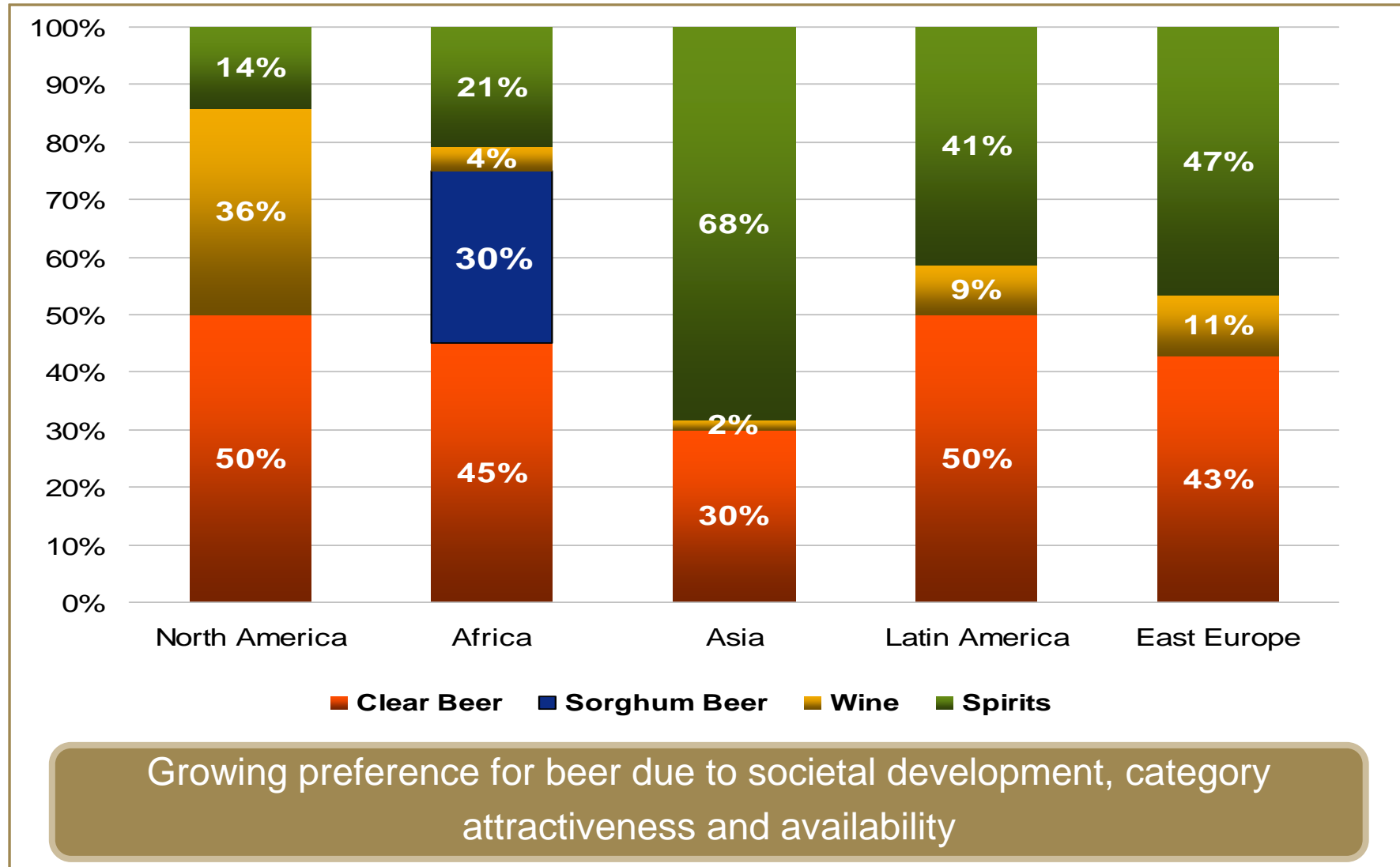
Source: "Strategic planning tool"; team, McKinsey analysis (Scenario one forecast)

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...where developing the beer category remains a prime opportunity...



Source: Canadean February 2010

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## Four strategic priorities...



- Creating an attractive global spread of businesses
- Developing strong, relevant brand portfolios that win in local markets
- Constantly raising the profitability of local businesses sustainably
- Leveraging our skills and global scale



## *Strategic priority*

Strong, relevant brand portfolios that win in local markets



1. Expand Beer and other categories
2. Build a differentiated premium portfolio
3. Strengthen mainstream brands
4. Revenue management
5. Win with channel execution



### Expanding the category

- Driving affordability
- Making beer relevant to more beer occasions
- Expanding our presence into non alcoholic beverages

### Driving superior revenue management

- Brand pack channel mix
- Premiumization



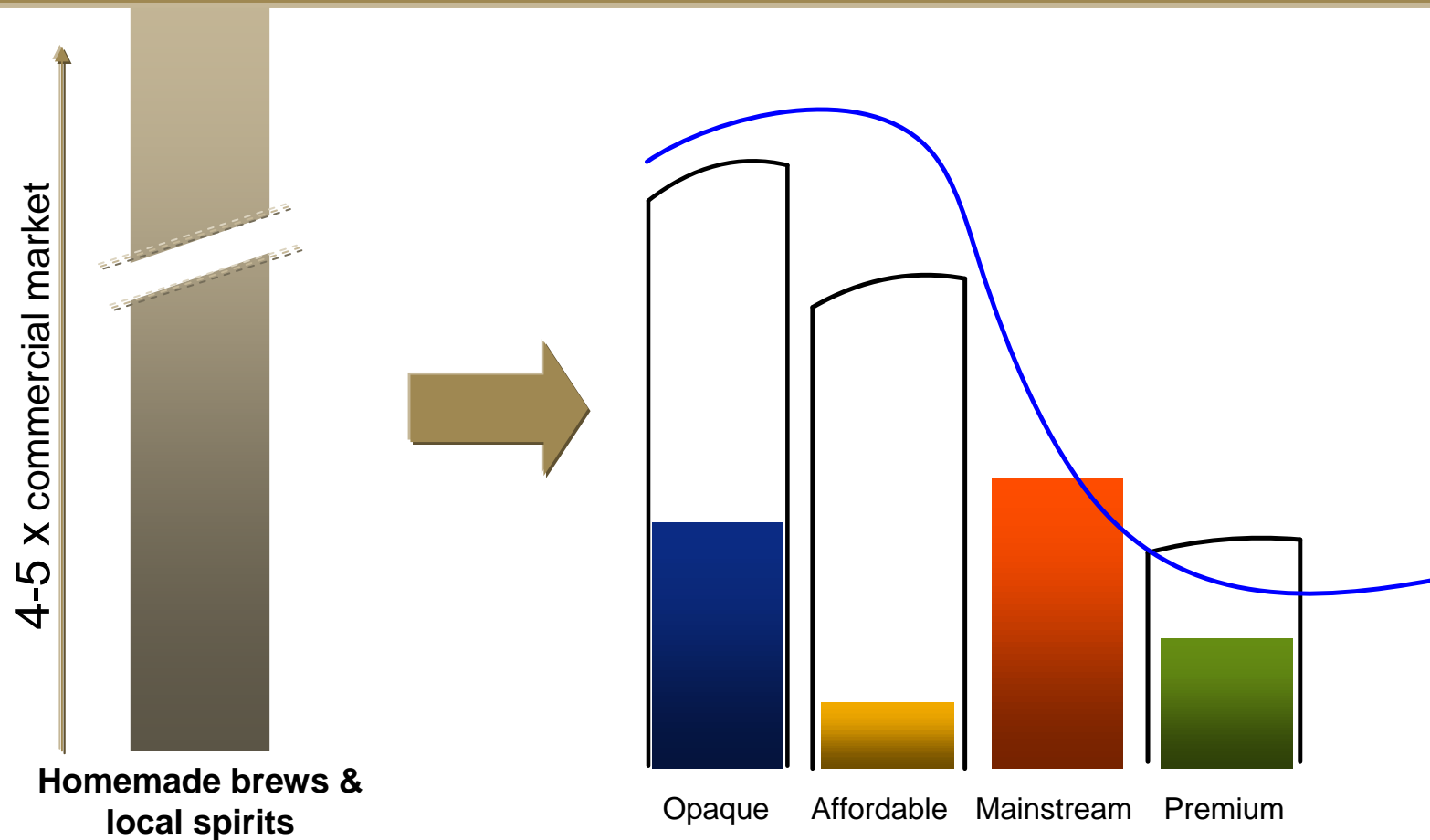
# Category expansion



## Category expansion Affordability



In Africa, there is significant opportunity to move consumers up to the commercial beer category



Source: Internal strategic analysis based on in depth market study of 10 African markets

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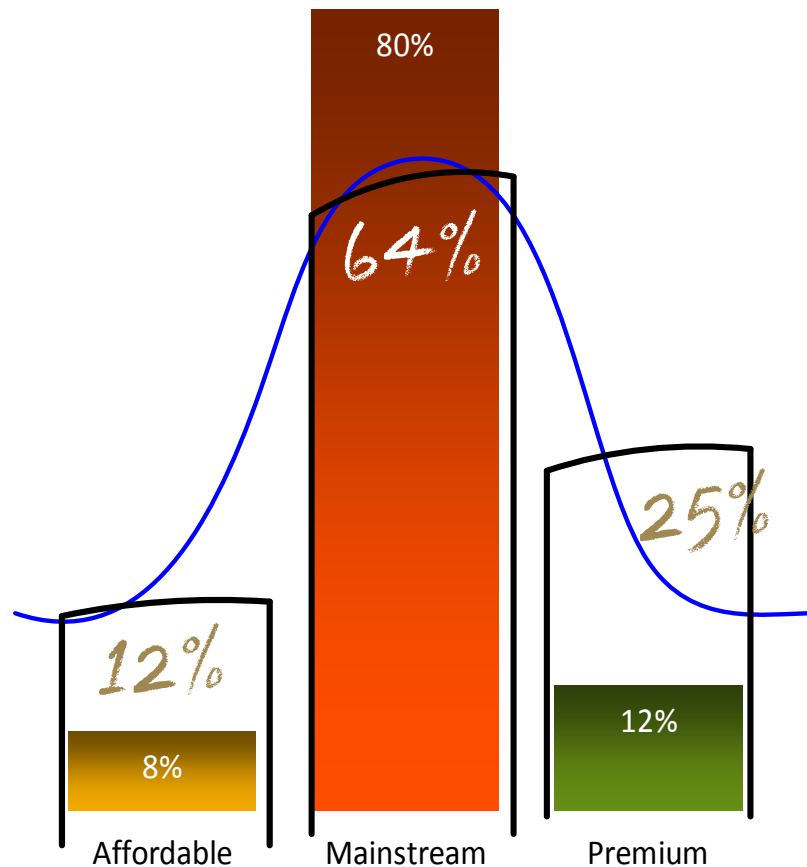




## Category expansion Affordability



### Clear Beer Portfolio: 2008 to 2010



### Africa strategy to drive affordability

- We aim to halve the entry price of beer

$\frac{1}{2}$

and ...

- Double the market for premium beer while increasing price

$\times 2$



## Category expansion Affordability





## Category expansion Affordability



### Millet/Maize/Sorghum based



### Cane spirits





## Category expansion Affordability



- Develop local farms and local ingredients
  - Excise breaks up to 50%
  - Government and NGO partnerships
- Passing the financial benefit to consumers whilst maintaining margins
  - Affordable brand (e.g. Eagle franchise) indexed at 70% to mainstream
- Continue investing behind mainstream brands for category growth



### **Example: Uganda F08 – F10**

Volume growth >15% pa  
Affordable brands growth > 45% pa  
Mainstream brands growth > 7% pa  
Market share from 45% to 60%





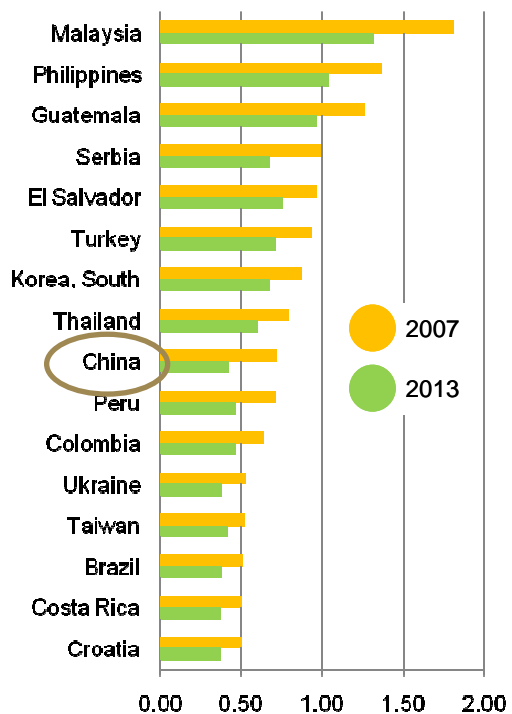


## Category expansion Affordability



In China, we continue to drive affordability via scale and route to market initiatives

Hours of work required to buy  
 $\frac{1}{2}$  L of mainstream beer



Source: WHO, Canadean, C-GIDD, Canback Dangel analysis

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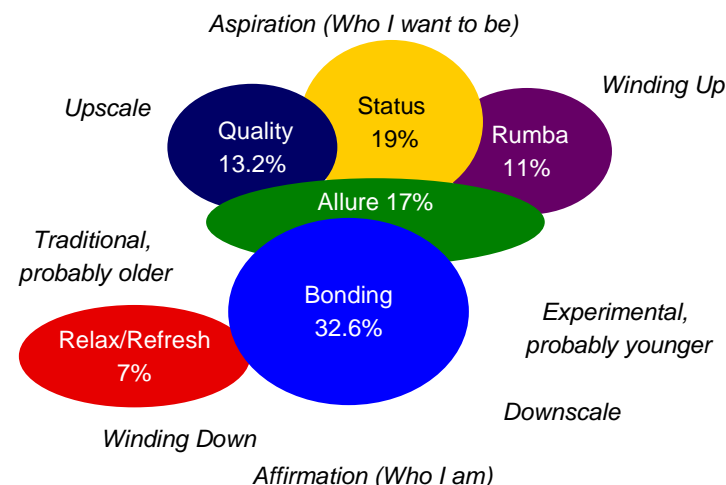


## Category expansion

### Expanding beer occasions



- Augment industry-leading beer consumer segmentation with specific occasion segmentation across total beverage market
- Identifying opportunities to significantly grow the value of the beer market:
  - from CSD's
  - from other alcohol
  - from premiumization within beer



		National									
		LDA-24		25-34				35+			
		SEL-4		SEL-4+		SEL-4		SEL-4+		SEL-4	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Home	Food	29.9%		5.2% / 2.5% / 6.2%				4.5%		0.6%	
	No food	6.0% / 3.8%		5.6% / 2.7% / 3.7%				4.8%		3%	
	Mon - Thurs	5.2% / 2.5% / 6.2%		5.6% / 2.7% / 3.7%				4.8%		3%	
Out of home	Mon - Thurs	2.2%		2.4%		6.2%		2.6%		10.7%	
		0.4%		1.8%		1.6%		1.9%		4.8%	
	Fri - Sun	17.5%		3.8%		2.9%		4.8%		3%	
		12.7%		2.9%		4.8%		3%		4.6%	
	Premium restaurants	0.7%		0.6%		0.1%		0.7%		0.1%	
		0.7%		0.6%		0.1%		0.7%		0.1%	
	Disco / Bars	8.1%		27.9%		0.9%		8.1%		27.9%	
		8.1%		27.9%		0.9%		8.1%		27.9%	
	Events	3.5%		15.1%		1%		3.5%		15.1%	
		3.5%		15.1%		1%		3.5%		15.1%	

% Occasions  
% Beer Volume  
% Malt Volume



## Category expansion

Expanding beer occasions... with packaging



### Smaller packs increase occasions



#### Success of Aguilita in Colombia

- Increases affordability
- Increases consumption in hot climates
- 29% of incremental volume from outside beer category
- Venezuela: small pack (250ml) is the dominant pack

#### Pilsener 225ml bottle launched in January in Ecuador

- Targets non-beer day time refreshment occasions, stop & go and with meals
- Already represents 8% of volume
- Cannibalization of beer is minimal at <10% - sourcing mainly from CSDs
- Favorable gross margin





## Category expansion

Expanding beer occasions... with brands



### ■ Redds in Colombia

- Addresses non-beer consumers within bars, discos, and entertainment venues
- Flavored beer oriented primarily to females when partying with friends
  - o Consumption by females is 51% (27% beer)
- 35% of volume from non beer
- Accounts for 23% of premium segment
- Current growth rate at 100% per annum

		COL	PER	ECU	PAN	HON	SAL
% Beer share of LAE	F07	64	49	41	62	39	29
	F10	66	60	44	66	49	24
Beer PCC ltrs	F06	40	29	28	52	15	12
	F10	43	41	38	71	13	12





## *Category expansion*

Expanding beer occasions... with channel execution



- **Primary focus has been on:**
  - Continuing to improve beer availability – reduce stock outs
  - Increasing penetration in retail outlets
  - Enhancing consumer drinking experience
    - o Cold culture
    - o Freshness
  
- **Major opportunities:**
  - Implementing retail and shopper segmentation with tailored service packages
    - o Understand how they make business decisions
    - o Why, what's behind those decisions?
    - o How can we influence them?
  - Increasing direct sales service
  - Increasing direct delivery



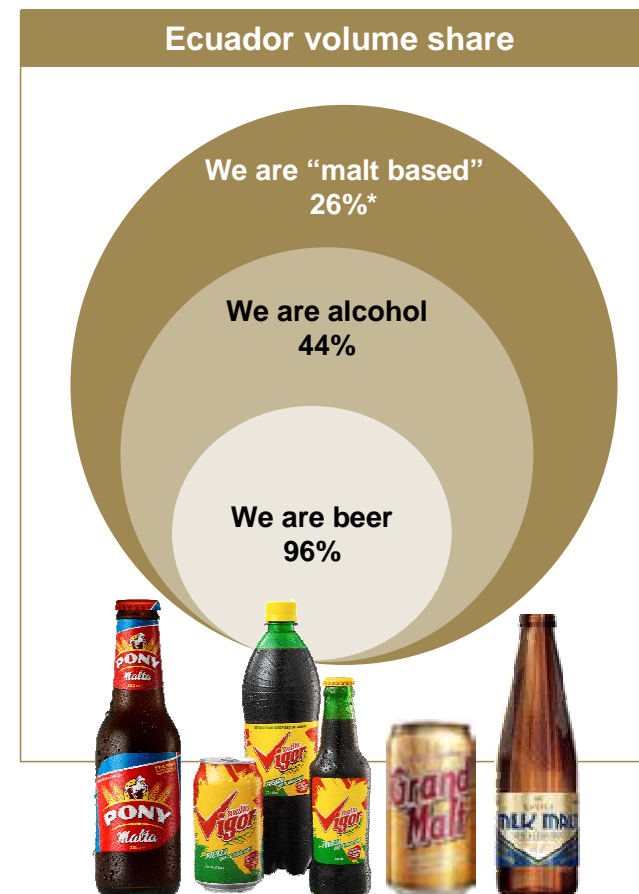
## Category expansion

### Expanding beyond beer



## Expanding into Malt in Latin America & Africa

- Initial focus on increasing share of beer market
- Subsequent focus was on increasing share of the alcohol market addressing:
  - Consumer needs and occasions
  - Discriminatory taxes and relative affordability
- Vision has expanded to a “malt based” beverage company



\*26% of RTD market

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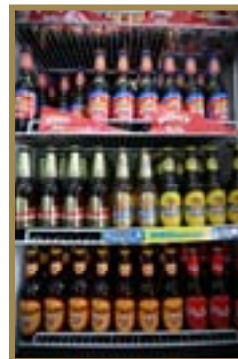
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## Category expansion Expanding beyond beer



### Expanding into Malt in Latin America

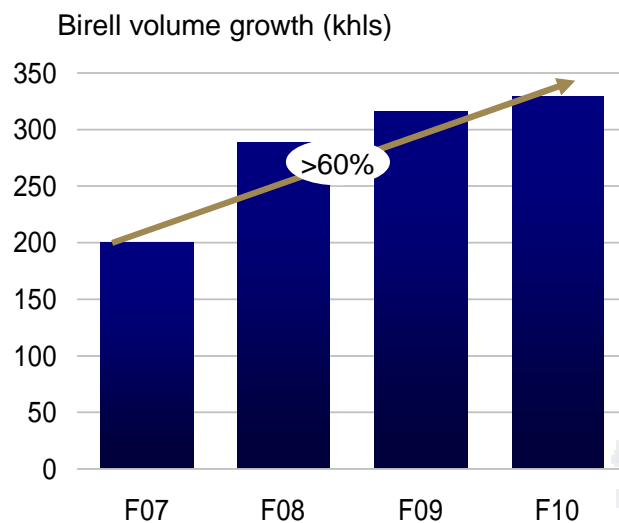




## Category expansion Expanding beyond beer



### Expanding into non-alcoholic beer in Europe



**Birell Czech:**  
#1 non-alcoholic beer in  
rapidly growing segment





# Superior revenue management



# Superior revenue management

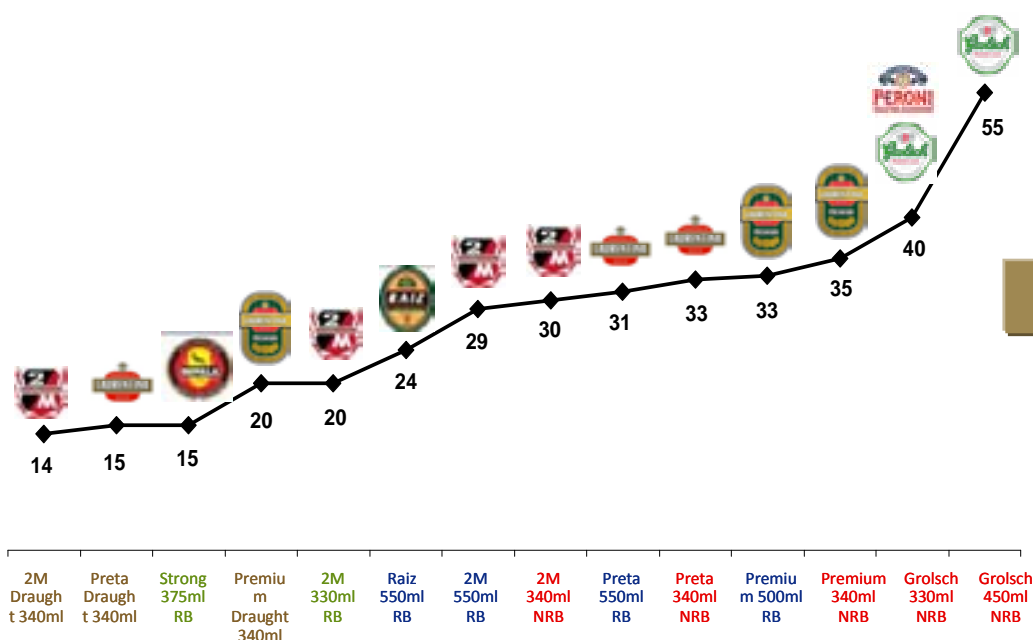
## Portfolio brand-pack-channel mix



### Driving revenue and category growth in Mozambique

#### Mozambique Pricing Architecture

Price p/serving in Mzm



#### Results F08-F10

Category growth > 10%

Local premium growth > 90%

Market share > 95%

Index vs mainstream	48	52	52	69	69	83	100	103	107	112	114	121	138	190
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# Superior revenue management

## Portfolio brand-pack-channel mix



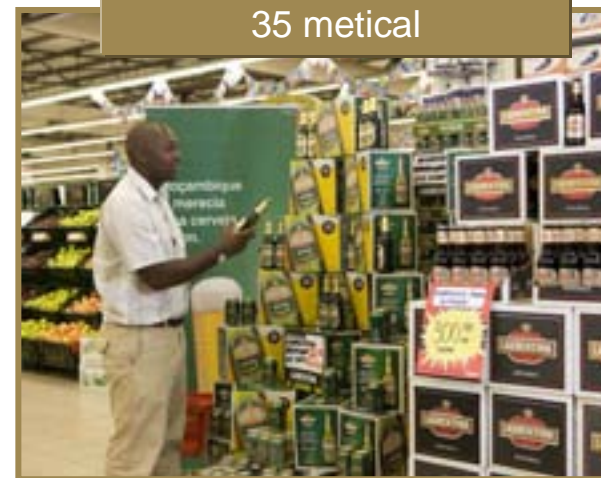
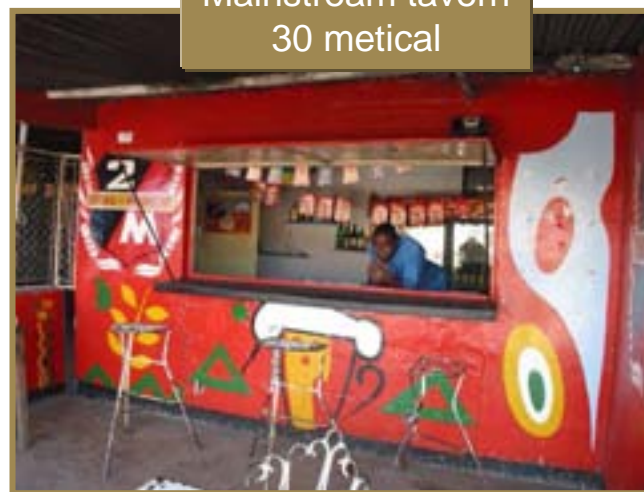
2M 340ml draught  
Mainstream tavern  
10-14 metical



2M 550ml RB  
Mainstream tavern  
30 metical



Laurentina 340ml NRB  
On & off Premium outlet s  
35 metical



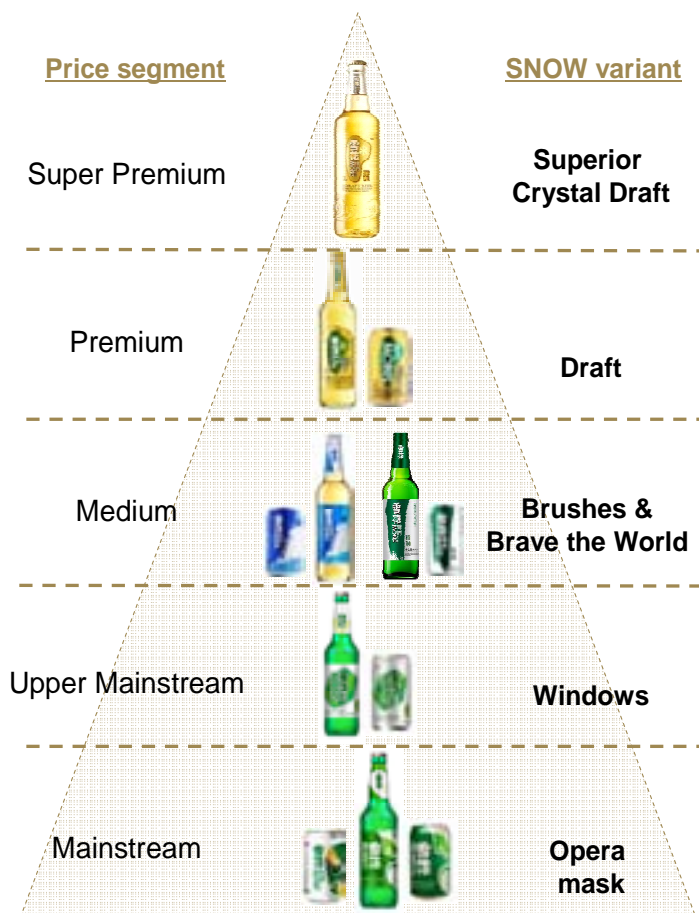


# Superior revenue management

## Portfolio brand-pack-channel mix



### Single brand portfolio development in China

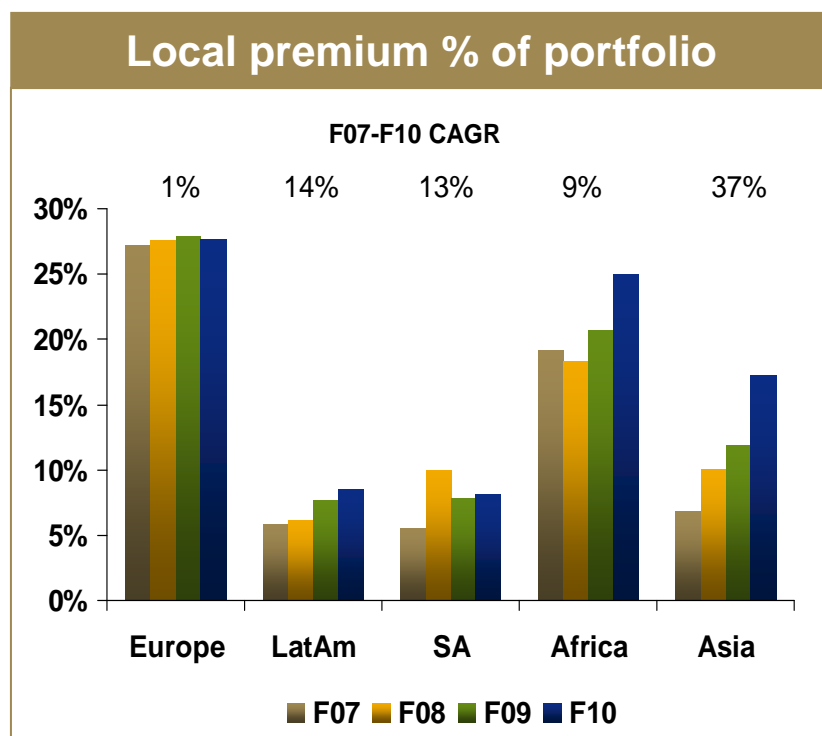






# Superior revenue management

## Premiumization



South Africa share pro forma excluding Amstel all years

- Pilsner Urquell in Czech and Lech in Poland growing in tough conditions
- LatAm focus on local premium packaging innovation has driven 17% 3-year CAGR
- Castle Lite in South Africa up 8% in F10 recovering lost share
- Africa's launch of 9 new brands. Strong growth of Laurentina Preta in Mozambique
- Snow premium variants commanding price multiples in China



## *Superior revenue management*

Development and leadership of local premium segment





# Superior revenue management

Development and leadership of local premium segment



## Using scale and efficiency in Africa

### Packaging & Brew

#### 1. Crystal Malt



#### 2. Maluti/ Sibebe



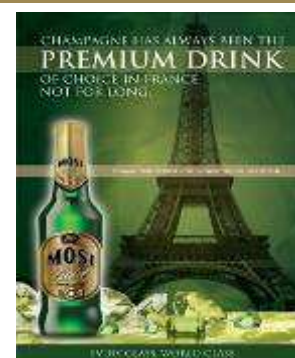
#### 3. 100% Malt



#### 4. Preta (dark beer)



### Communication





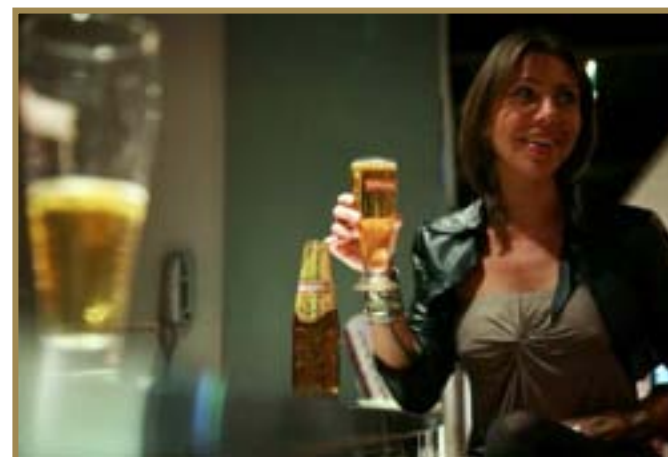
# Superior revenue management

## Premiumization



### Driving premium category aspiration in Latin America

- Over 80% of premium opportunity is local brands
  - Sell at 120 index vs. mainstream
  - Puts brand-led aspiration within reach
  
- Latest premium mix reaches 8.8%\* almost double F07
  - Primary focus on low/ middle class consumers
  - Selective outlet reach
  - Packaging innovation



Premium % of portfolio							
	COL	PER	ECU	PAN	HON	SAL	LATAM
F07	2	2	3	1	49	6	5
F09	4	11	8	2	53	6	8

\* 12/09

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## *Leveraging our skills and global scale*

### Business capability programme highlights



#### ■ Objectives

- Reduce local complexity by standardising back office
- Lower costs with global procurement and back-office systems
- Undivided in-country commercial focus

#### ■ Progress to date

- Global procurement office established
- Back office system now going live in South Africa and UK
- Lead developments:
  - Customer facing systems live in Latin America
  - SSC outsourced in South Africa
  - Supply chain process and systems enhancements in SA and Latin America
- Improved working capital controls and efficiency generated \$333m of F10 cash flow savings

#### ■ Implications for SABMiller organisational development



**Nehl Horton**  
**MillerCoors**  
**Chief Communications & Government Affairs Officer**



## Agenda

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- Winning in Premium Lights
- Winning in Craft & Imports
- Building Commercial Capability
- Delivering Results



## Winning in Premium Lights



Winning in  
Premium  
Lights



Multicultural  
Consumers



Distinct  
Positioning

Innovation






## Winning in Premium Lights - Distinct Positioning

### Fun & Liberation

- Social occasions, where energy level is higher
- Transformative consumer desire, leaving one mind state to engage in another
- Characterized by extroversion, exploration, celebrating what's possible, outer-directed
- Key defining imagery and occasions: fun with the crowd, tailgating, concerts and sporting events, team participation, nights on the town, etc.

Anchor  in this motivation space




Proposition relevance: Cold refreshment, sessionability, thirst quenching, portability, accessibility, innovativeness, etc.

Communication strategy: Cold refreshment for when the heat is on (real or otherwise)

### Sociability & Belonging

- Social occasions with a focus on connecting with friends
- Grounding desire is purposeful, upbeat, warm
- Characterized by social needs, sharing a moment, belonging to the group, more inner-directed
- Key defining imagery and occasions: fun with good friends, backyard barbeque, watching the game, neighborhood bars, etc.

Anchor  in this motivation space









Proposition relevance: More discernable taste, popularity, reflecting smart drinker (says you know beer), quality, etc.

Communication strategy: Light beer that tastes like beer, because real guys expect to taste their beer



**Must be “all things to all people,” and thereby, is the generic, default choice**

## Winning in Premium Lights - Relevant Innovation

	2010	2011
Brand Innovation	 Vortex Bottle and Coors Light CAW	 Super Cold Activation
Aluminum Pint	 16oz Aluminum Pint	 <b>Launch</b> Aluminum Pint Multi-Pack (12-18pk) <b>Test</b> 20oz+ Aluminum Bottle
Home Draft	 Miller Lite/Coors Light Home Draft	 HD Cooling Units

## Winning in Premium Lights - Multicultural Connection

**S**ponsorships



**L**ocal market



**I**nnovation



**C**ulturally relevant programs

**E**xecution



## Winning in Premium Lights - 360 Activation of Multicultural Sponsorships

- 360 Activation creates bigness and engagement at retail
- NFL, Primera Division, Gold Cup, Chivas, Essence, HBCU, TMCF, CIAA





## Winning in Premium Lights - Great Creative



## Winning in Craft & Imports

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### Vision

- Passionate brewers and merchants of the world's finest specialty beers, celebrating the joy of beer with our customers and consumers

### Mission

- Building the beer drinker's beer company driving profitable growth and share of segment through understanding and celebrating beer with our customers and consumers



## Winning in Craft & Imports - Tenth and Blake Vision of Success

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### Brand Portfolio

- Consumer relevant growth portfolio



### Operating Model

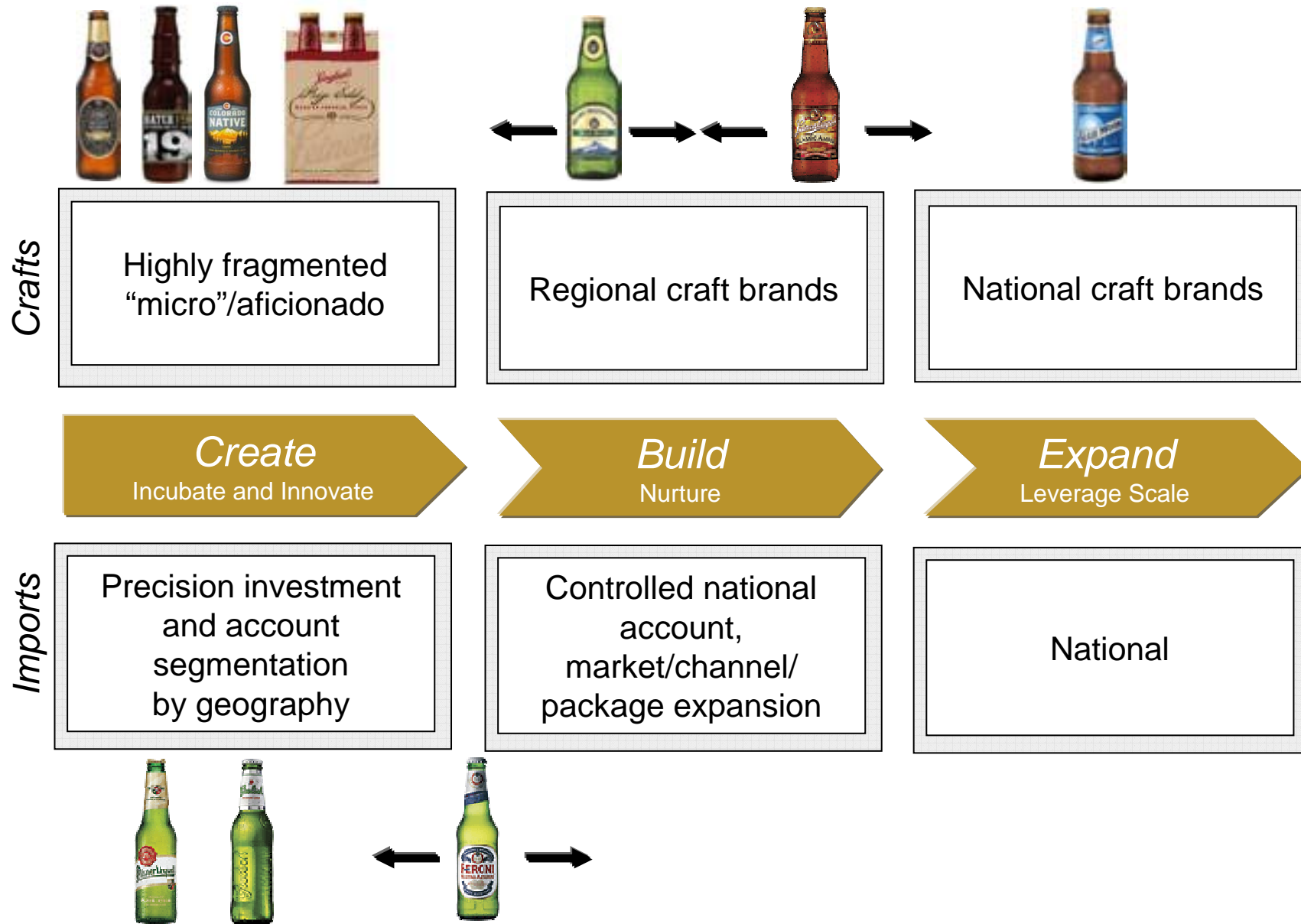
- Credible voice in the segment
- Category leader & portfolio management
- Deep beer culture, entrepreneurial spirit
- A desired career destination



### Distributor

- Aligned portfolio ownership
- Distributor portfolio leadership

## Winning in Craft & Imports - Focused Approach to Brand Building



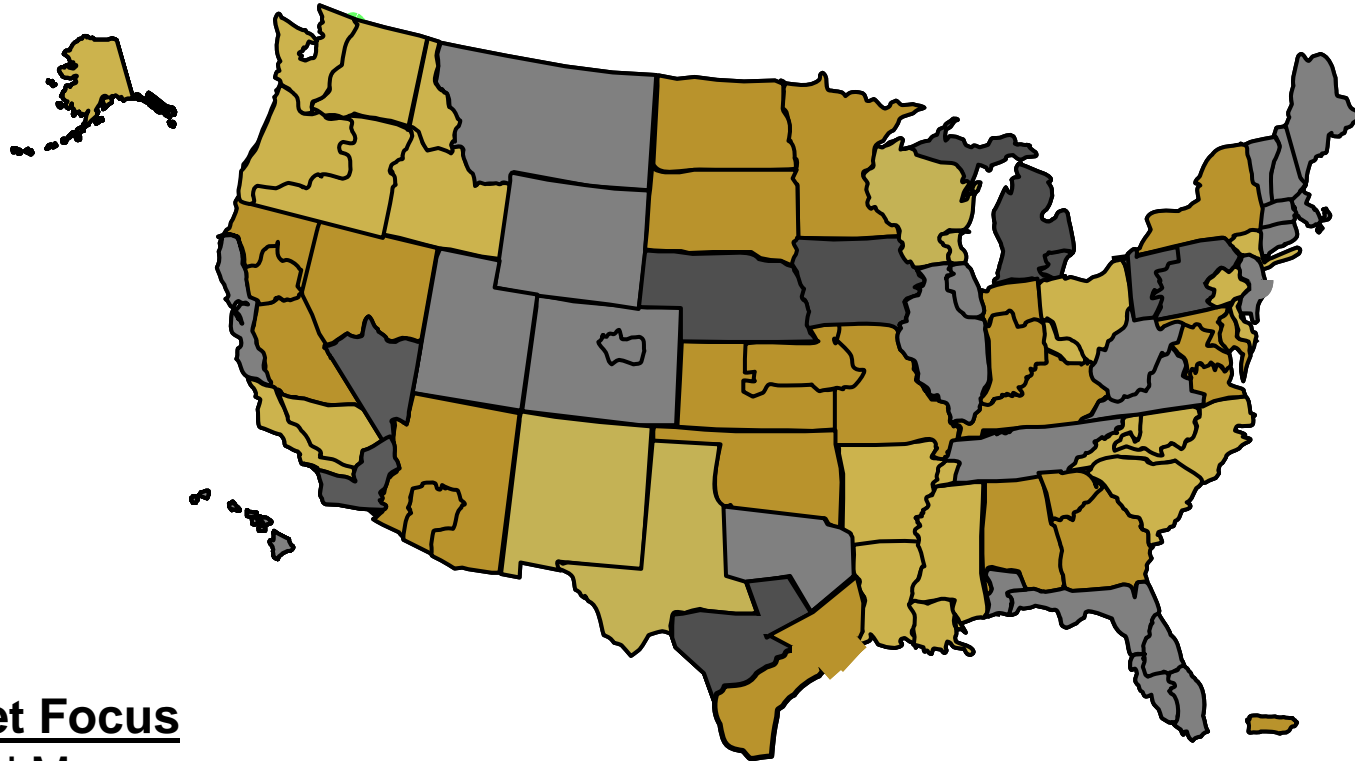


## Winning in Craft & Imports - Relevant Innovation



## Building Capability - General Manager Structure

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### Local Market Focus

- 32 General Managers
- Fully-loaded P&L
- Local brand building
- Local business plans

## Building Capability - Focus on Chain



# Building Capability - Commercial Team Development

## Commercial Leadership Way



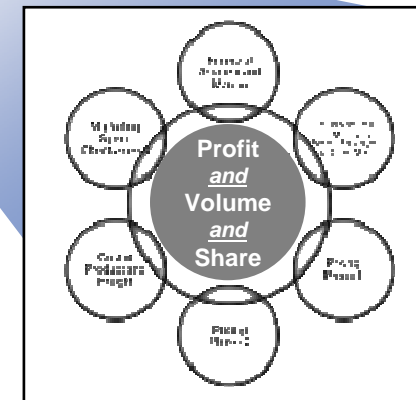
## Category Management



## Selling Way



## Commercial Mindset



## Big Rocks



## Building Capability - MillerCoors Selling Way



### Plan

- **Analyze** results from surveys
- **Prepare** summary and recommendation
- **Review** for validation



### Sell (BEER)

- **Connect** with distributors/accounts
- **Collaborate** with distributor on National & local goals
- **Close** commitment for execution

### Execute (surveys)

- **Communicate** agreed to goals
- **Monitor** account survey plan
- **Measure** using BEER

### Steward (gap closing)

- **Evaluate** data from reporting
- **Share** results with distributors
- **Learn** of new opportunities, document for planning



## Building Capability - BEER



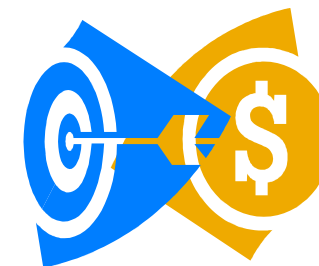
Building  
Execution  
Excellence at  
Retail



- The BEER application is the bridge between our brewer and distributor plans and executing at retail



Collaborative Approach and  
Survey Development



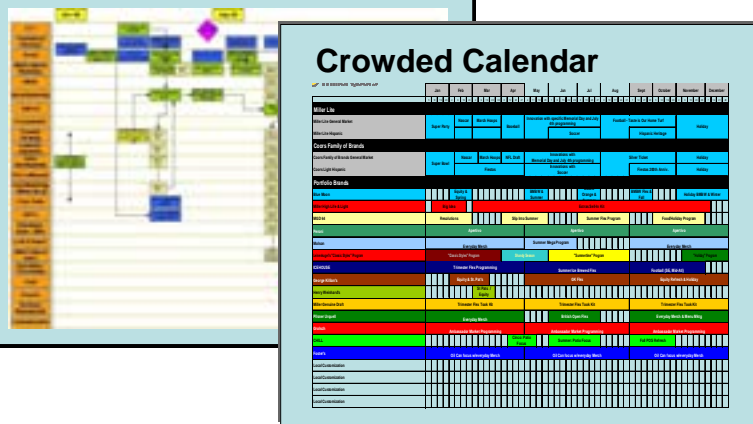
Execution  
Excellence

# Building Capability - Ideas to Activation

## Goals

- Create deep alignment across Commercial function
- Design and implement simple and repeatable processes
- Organize around channels and fully fund biggest ideas first

## Complex Process



## 2011 Big Rocks



## Delivering Results - Synergies and Cost Savings

Annual Cost Savings (US\$ millions)	2H 2008	2009	2010	1H 2011	Total
MillerCoors Synergies - Delivered	28	245	117	--	390
MillerCoors Synergies - Anticipated	--	--	60	50	110
<b>Total</b>	<b>28</b>	<b>245</b>	<b>177</b>	<b>50</b>	<b>500</b>

- On target to deliver \$450 million of cumulative synergies by year end, and \$500 million by the end of the program mid-year 2011

MillerCoors' additional cost savings – with a goal of \$200 million by 2012 – already delivered \$42 million since 4<sup>th</sup> quarter 2009, with \$158 million to go.



## Delivering Results - Q2 Performance

### MillerCoors Q2 Results\*

	Q2 10	Q2 09	Change %
Profit	\$390M	\$325M	19.8%
Retail volume	16,522	16,936	-2.4%

\* Results presented under US GAAP



## SABMiller Group: conclusion



- Our medium term outlook for growth in volume, value and profitability remains strong
- Consumer recoveries are occurring only slowly, with significant short-term volatility
- Our commercial strategies are unwavering, developing the beer category and our leading positions
- SABMiller's truly global beer footprint is unique and an advantage

