



*SABMiller plc*  
*Consumer Analyst Group*  
*of Europe*

**London**

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*Gary Leibowitz*

SVP Internal and Investor Engagement

# *Forward looking statements*

This presentation 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 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 document. 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.

All references to “EBITA” in this presentation refer to earnings before interest, tax, amortisation of intangible assets (excluding software) and exceptional items. EBITA also includes the group’s share of associates’ and joint ventures’ EBITA on the same basis. All references to “organic” mean as adjusted to exclude the impact of acquisitions and disposals, 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. References to “underlying” mean in organic, constant currency.

# Who we are

- Total beverage volumes of 321 mhl
- Group net producer revenue\* of \$27 billion and EBITA\* of \$6.5 billion
- 72% of EBITA from developing economies\*\*
- Market-leading brands and positions in 22 of our 33 domestic markets\*\*\*
- Strong cash flow growth from key developed markets
- To become the largest KO bottler in Africa
- 95% of lager volumes from No. 1 or 2 market share positions
- Strategic partnerships with Castel, CRE, Efes and The Coca-Cola Company; joint venture with Molson Coors in the US

\* Including attributable share of associates and joint ventures, for the twelve months to September 30, 2014

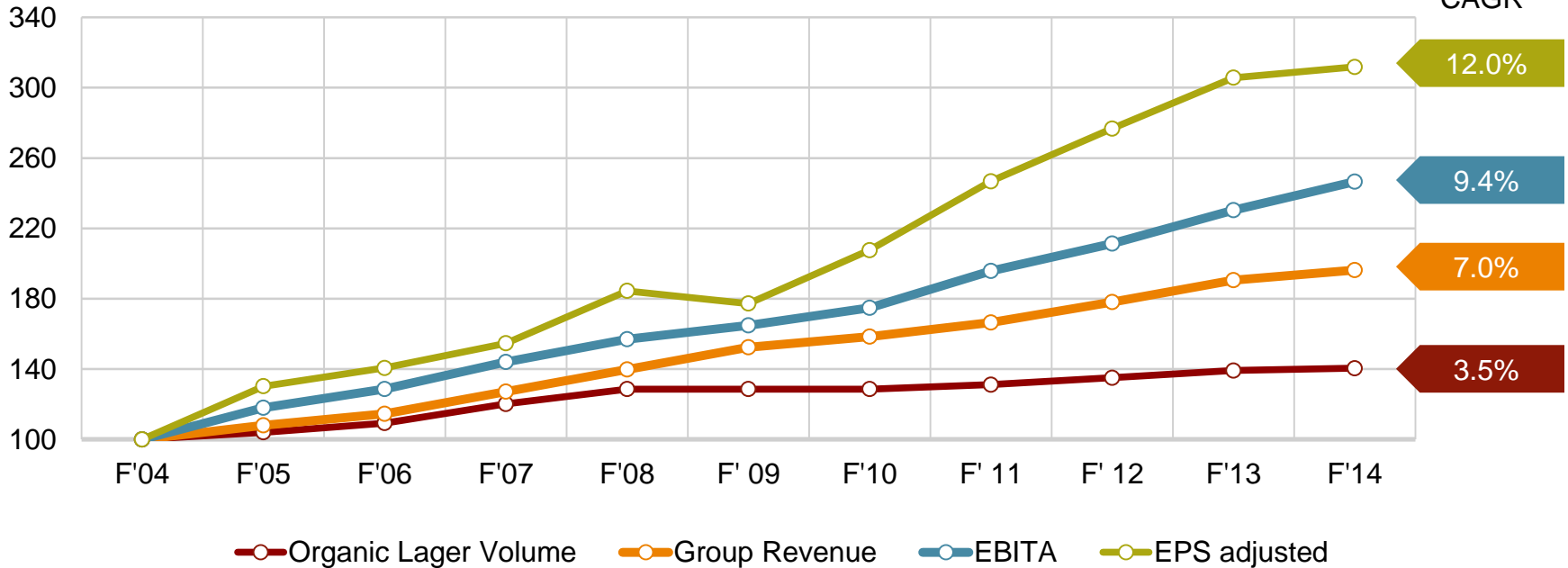
\*\* F14

\*\*\* Includes China and MCJV, not Castel or Efes markets or export markets



# *Delivery of a decade of sustained growth*

F04 index = 100



Source: SABMiller results F04 = 100, growth – organic constant currency

*SABMiller Video one*

# *CAGE speaker*



**Alan Clark**  
CEO – SABMiller Group plc



*Alan Clark*

Chief Executive





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# ...capturing long term growth potential...

## Africa upside potential from population dynamics

### 2015 Annual growth %

2.6% Population growth

5.4% GDP/capita growth (a developing middle class)

4.3% Increase in urbanisation

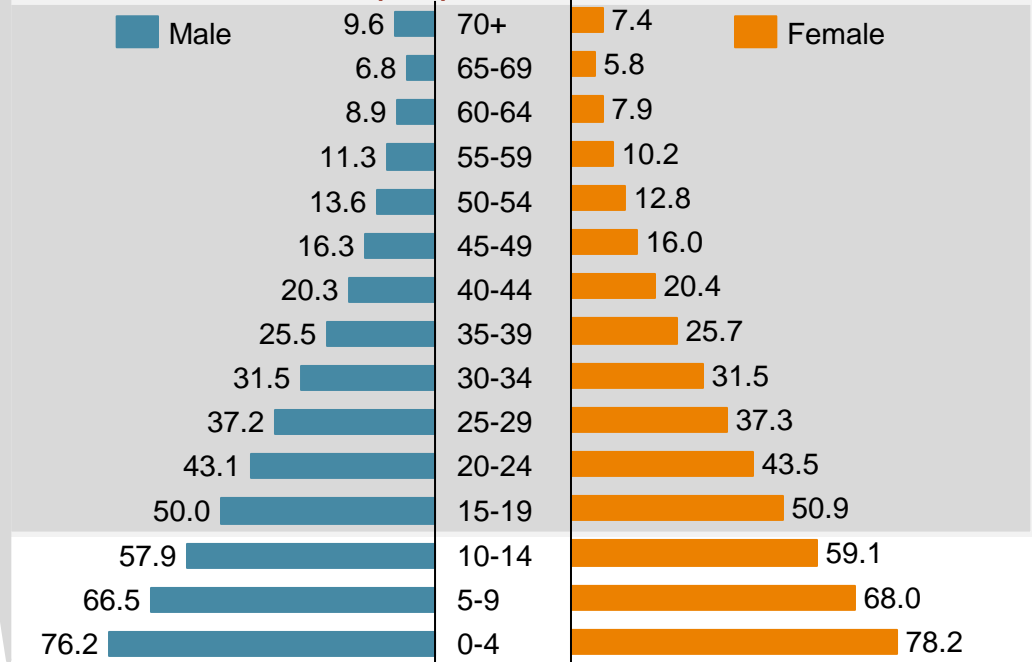
9/ beer PCC  
(vs. global average of 45/)

Source: SABMiller Africa investor presentation

1. Note: excludes South Africa from data

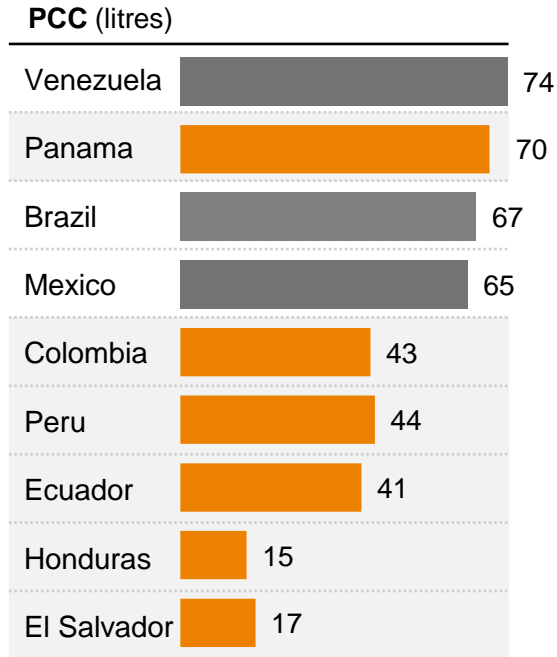
### A young and fast growing consumer base

#### Number of people, millions

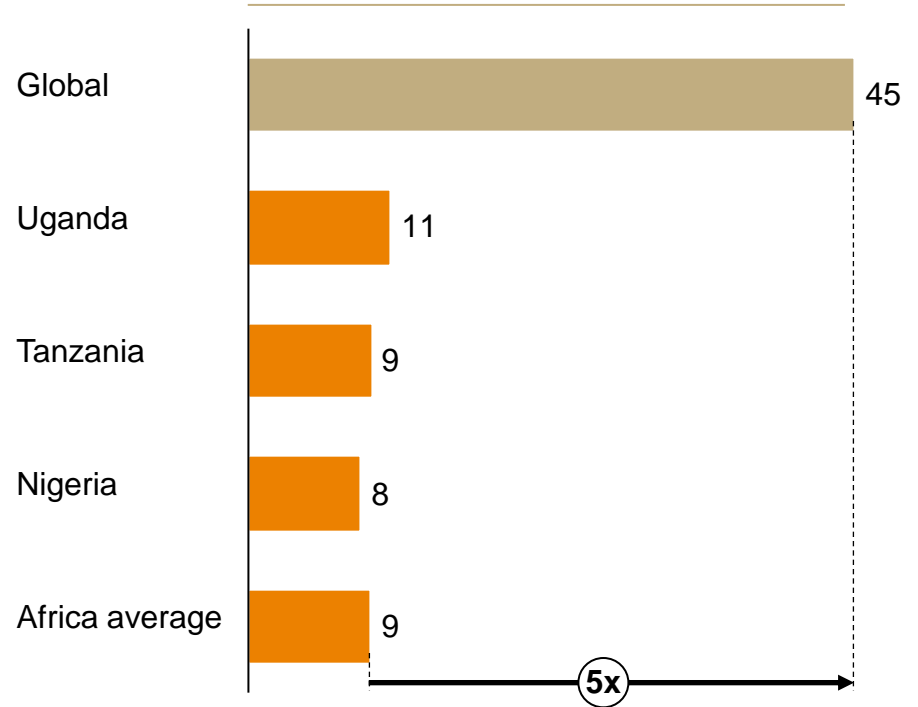


## ...and long-term PCC potential as markets develop

**Growth levers: PCC across Latin America (total population), l**



**Africa Clear beer PCC (total population), l**



Source: WHO, Canadean, World Bank, US Government Census

...founded in our local portfolios and large, powerful brands

## Regional brands

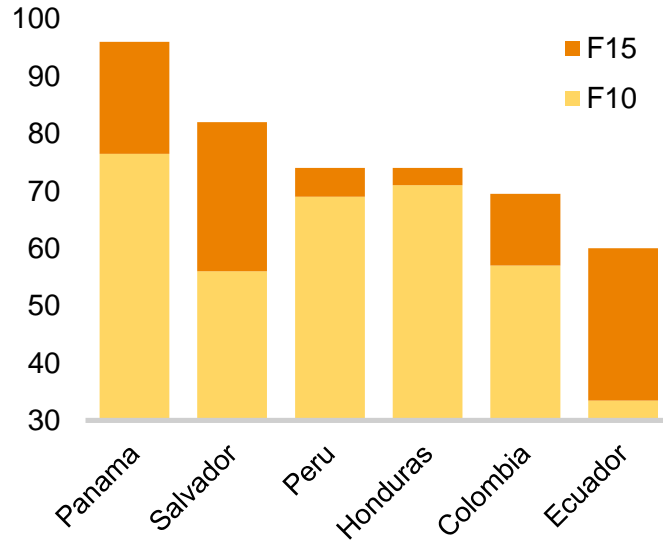
National leaders



# Leveraging growth through retail operations

## Operational capabilities driving growth

### Extending DSD



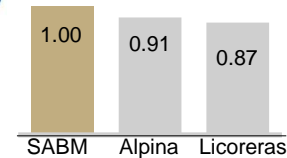
> 1,000,000 deliveries a week

### Service leadership and customer satisfaction

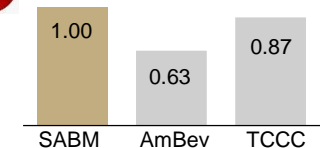
- Account development
- Significant revenue contribution
- Service quality tracking
- 4e retail development program



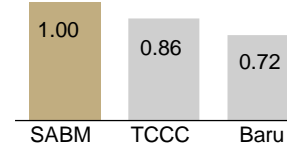
#### Colombia



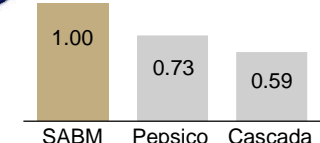
#### Peru



#### Panama

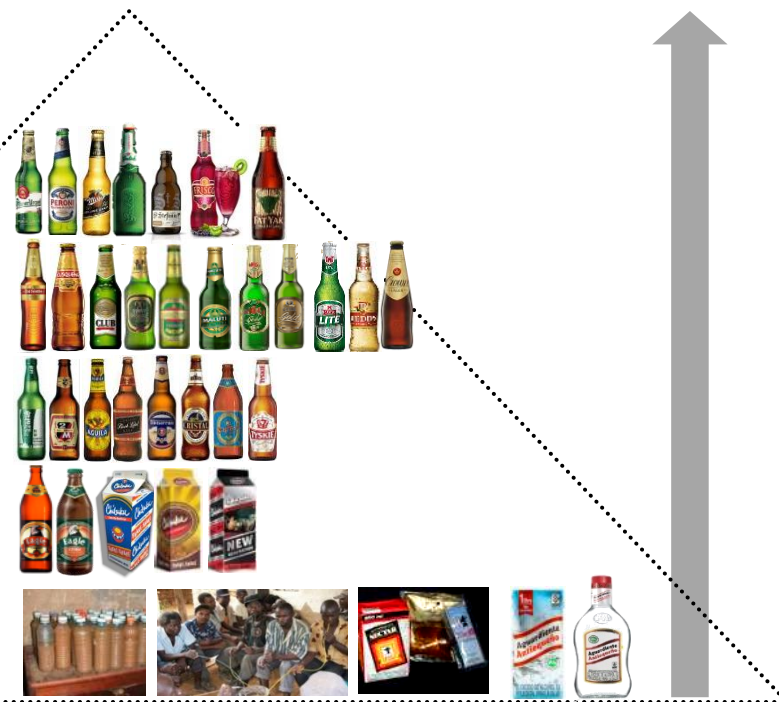


#### Salvador



# Well positioned portfolios across all alcohol price segments

International premium spirits	Price index: <b>300+</b>
Imported and superpremium beer	Price index: <b>150-300</b>
Local premium lager	Price index: <b>110-140</b>
Mainstream lager	Price index: <b>100</b>
Affordable lager and stout and commercial sorghum	Price index: <b>50-80</b>
Homemade brews & local spirits	Size: 3 to 4 times larger than the commercial alcohol market (Africa) Price index: <b>20-50</b>





# *Improving livelihoods and building communities*

## *Prosper*



*A Thriving World*

*A Sociable World*

*A Resilient World*

*A Clean World*

*A Productive World*



# *Our key strategic choices to drive superior long term growth*

1. Drive superior topline growth through strengthening our brand portfolios and expanding our beer category
2. Build an organisation to liberate and improve resource, win in market and reduce costs
3. Actively shape our global mix to drive a superior growth profile





# Strategic choice #1

## Sourcing superior growth from five occasions

A growth strategy for the beer category to drive topline growth



4 Extending refreshment occasions

2

Improving premium mix



1

Romancing core lager



5

Capturing wine and spirits occasions



3

Ensuring affordability



# Strategic choice #1

## Romancing core lager across geographies



### Hero lager, Nigeria



- High quality at a fair price
- Consumer insights to develop relevant local positioning
- Customised route-to-market
- 1mhl within 2 years of launch



### Great Northern, Australia



- Easy drinking, clear glass contemporary regional leading lager from Queensland.
- Emphasis on locally brewed lager
- >71% increase in volume from F'12 – F'15e in Queensland

# Strategic choice #1

*Ensuring affordability to drive volume growth and category expansion*

## Africa - Chibuku and Impala



- Chibuku provides good quality opaque beer at an affordable price with a “take home” opportunity for Chibuku Super
- Impala priced at 75% of mainstream lager with volume gains incremental to mainstream

## Latin America – bulk pack strategy

Bulk pack share	F10	F15
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Colombia	-	9%
Honduras	7%	19%
Salvador	9%	24%



- Proven affordability (bulk) pack strategy
  - Cannibalization less than 50%, despite 20%+ discount
  - Sustained profit margins
- Successful deep affordability pilots in Honduras

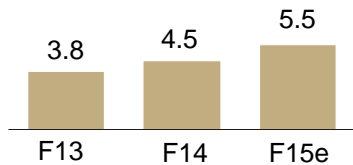
# Strategic choice #1

## Improving the premium mix

### Castle Lite



Africa volume (m'hl)



- Roll out Castle Lite across Africa
- Lower carb, lighter beer appealing to modern consumers
- Powerful marketing and innovation mix developed in SA and relevant for Africa

\*Source: Canadian (shipments to wholesalers on retail volumes)



### Miller franchise



- Leverage Miller franchise to develop easy-drinking price ladder in Latin America
- Use on-trade to drive premiumisation through distinctive brands
- Premium and super-premium segments has moved from 6.8% in 2011 to 10.3% in 2014\*



# Strategic choice #1

## Extending refreshment occasions

### Flying Fish (Africa)



- New flavoured beer subcategory attracting both male and female consumers
- New convenience packs driving volume
- Now launched in five additional Africa countries
- Estimated 200k'hl sold in South Africa for F'15

### Radlers (Europe) and Crispin (North America)



- Radlers is popular among younger adults
- Incremental to our business
- Crispin is a super-premium cider offer with ranged varieties
- Over-indexes among millennials vs. craft and imports

# Strategic choice #1

## *Capturing wine and spirits occasions through innovation*

- Developing beer offers to expand category into new consumers, needs and occasions
- Leveraging craft beers and brand extensions to win in occasions
- Key development of “spirit fighters” such as Miller Fortune in US and Ksiazecze in Poland
- Future platforms for growth and development



## Strategic choice #2

*Liberate  
resources to win  
in market and  
reduce costs*



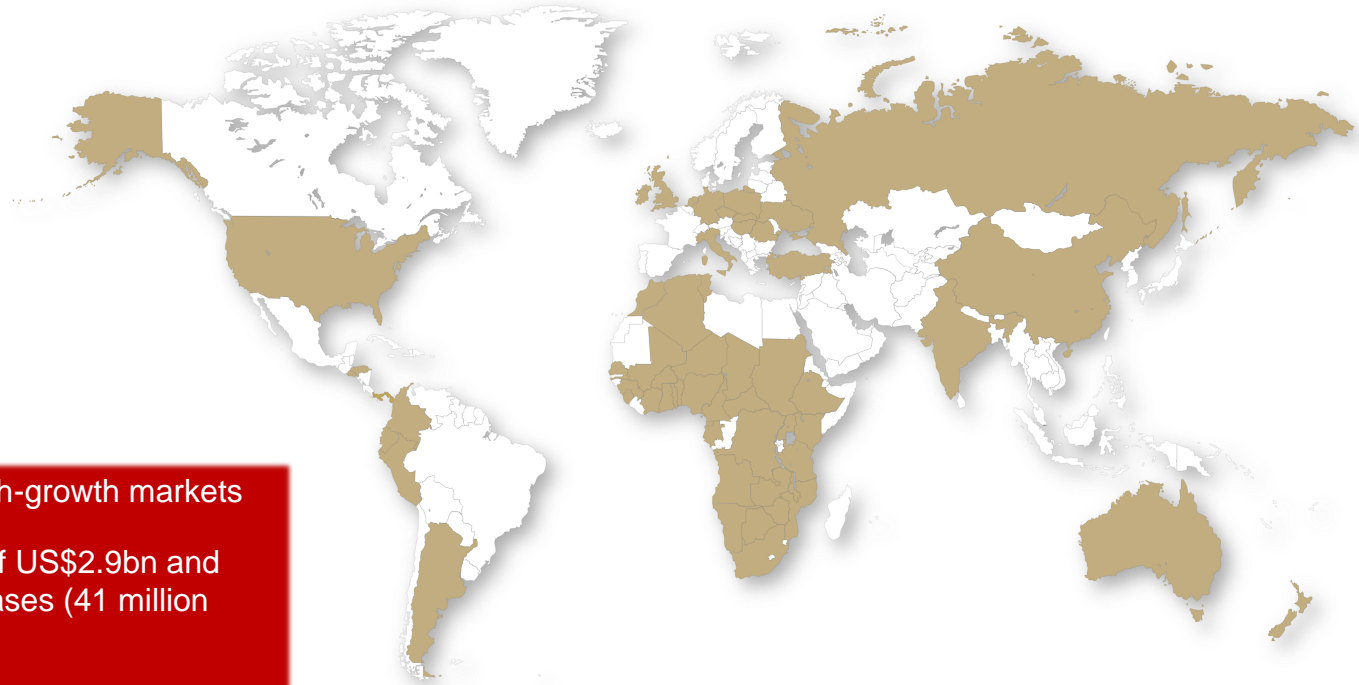
- Building on existing capabilities to deliver continuous cost savings and efficiencies
- Next generation cost savings programme:  
to deliver incremental direct savings rising to approximately US\$500m by 31 March 2018
- Key programme initiatives:
  - Global business service centers in Bogota, Krakow and Bangalore
  - Further performance enhancements across our global supply chain operations
  - Expand the scope of global SABMiller Procurement to reach in excess of 80% spend under management

## Strategic choice #3

*Shape global footprint to contribute to superior growth*

### *Coca-Cola Beverages Africa*

- Bottling operations in 12 high-growth markets
- Pro forma annual revenue of US\$2.9bn and volume of 729 million unit cases (41 million hectolitres)
- Largest Coca-Cola bottler in Africa and 10th largest worldwide





# *In summary well placed to drive strong sustainable long-term growth*

- Unique and advantaged portfolio, assets and capabilities to drive growth:
- Increasing exposure to growing soft drinks segment in Africa
- Focussed strategy of driving category growth and premiumisation
- Leveraging our scale and skills to sustain our advantage
- Ongoing consolidation opportunities provide further option value



\* Includes China and MCJV, not Castel or Efes markets or export markets