



SABMiller plc
Consumer Analyst Group
of New York Conference

Boca Raton, Florida

February 19, 2015



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.





CAGNY speakers



Gary Leibowitz
SVP Internal and Investor Engagement



Karl Lippert
President – Latin America



Who we are

- One of the world's largest brewers, with total beverage volumes of 321 mhl
- Group net producer revenue* of \$27 billion
- EBITA* of \$6.5 billion
- 72% of EBITA from developing economies**
- 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

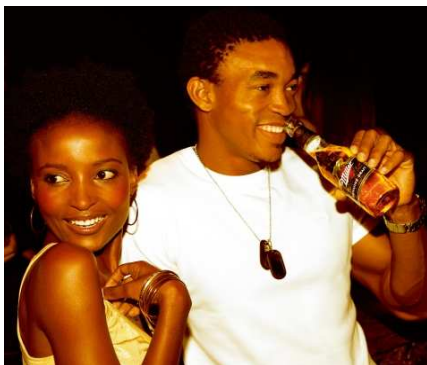


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A global brewer built on local insights



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SABMiller Video one

Nurturing large, powerful brands

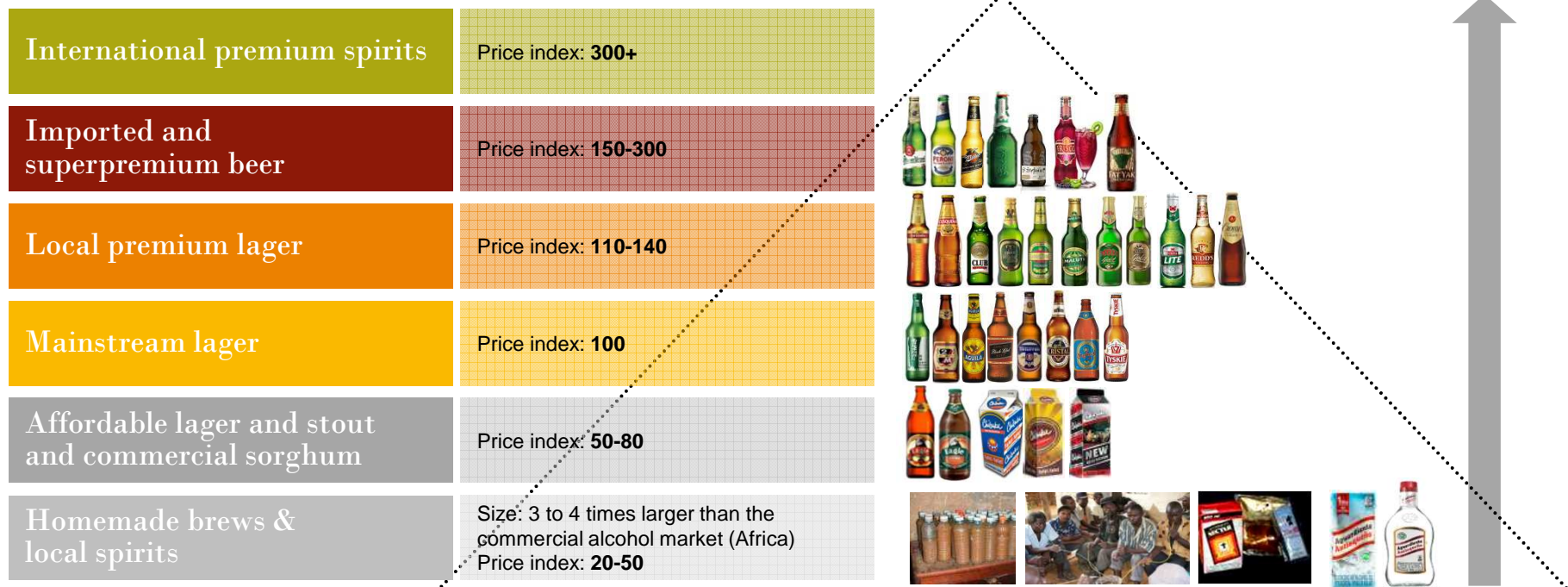


National leaders

Regional and global brands



Well positioned portfolios across alcohol price segments



Transformative beer growth in SABMiller-led markets

Per capita consumption of beer



Mozambique

2000 5 litres per capita

2012 9 litres per capita

+75%



China

2000 18 litres per capita

2012 36 litres per capita

+105%



Uganda

2000 5 litres per capita

2012 10 litres per capita

+98%



Peru

2000 22 litres per capita

2012 45 litres per capita

+104%

Cumulative total growth (2000-2012) in per capita consumption via Plato Logic's International



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Driving growth by extending distribution and retail service

Direct service delivery growth continues to expand within geographies

Across countries: Colombia

Colombia outlet growth

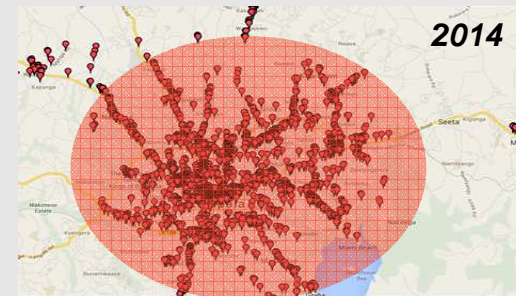
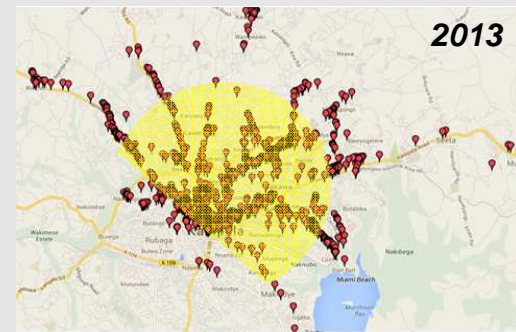
2010	2014	Δ
210,900	279,000	+32%

In city areas: Kampala, Uganda outlet growth

Kampala outlet growth

2013	2014	Δ
477	1,463	3x

Uganda: Kampala outlet map



Improving livelihoods and building communities Prosper



A Thriving World



A Sociable World



A Resilient World



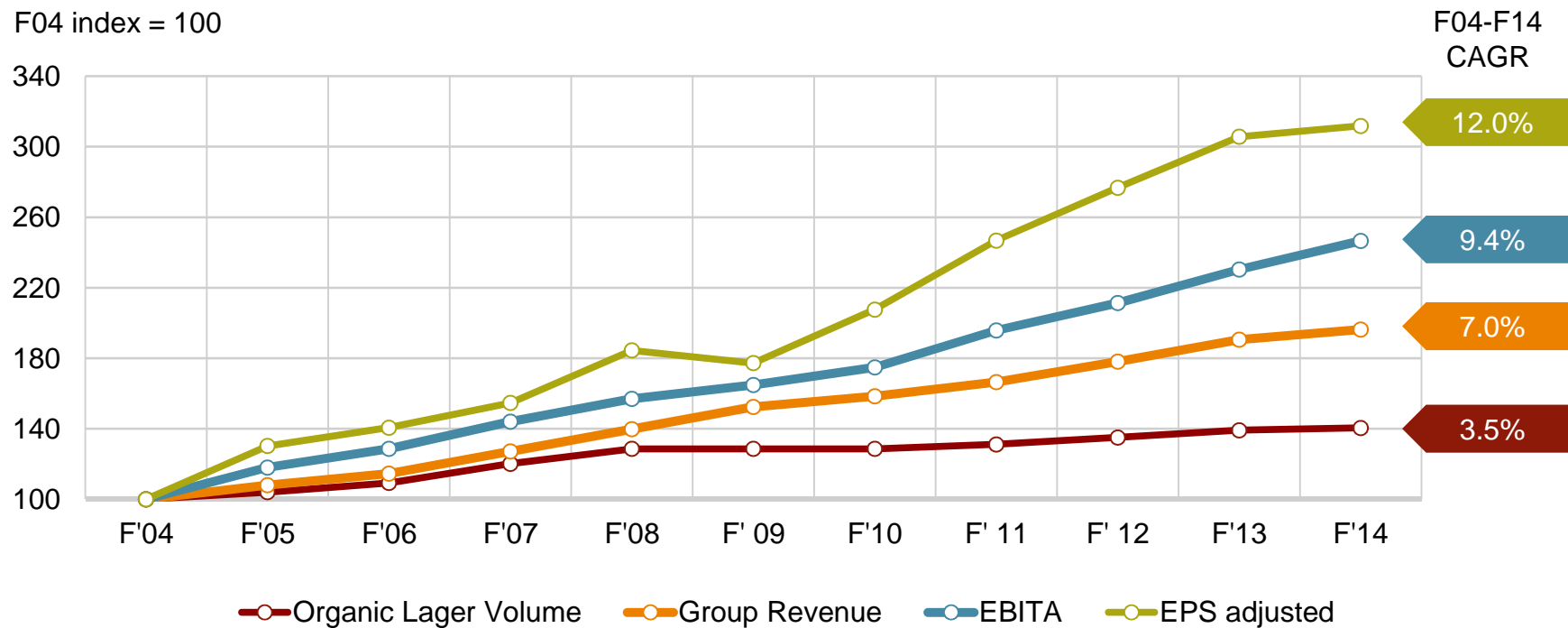
A Clean World



A Productive World



A decade of sustained growth



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



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Our strategic choices

1. Drive superior topline growth
 - A growth strategy for the beer category
2. Liberate resources to win in market and reduce costs in a globally integrated organisation
3. Shape global footprint to contribute to superior growth



Strategic choice #1

Drive superior topline growth

A growth strategy for the beer category

Romancing core lager



Capturing wine and spirits occasions



Ensuring affordability



Improving premium mix



Extending refreshment occasions



Strategic choice #1 - examples

Premiumisation

Improving premium mix in the Snow family

*Snow
Draft*



*Snow
Brave
the
World*



>5x

Growth in premium
volume 2008-2014

>26%

of CRSB volumes
are premium, up
from 9% in 2008

Affordability

Impala and Eagle drive growth using local inputs



3.5x

Increase
in Impala
volumes
from F13
to F15e



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Strategic choice #2

*Liberate
resources to win
in market and
reduce costs*



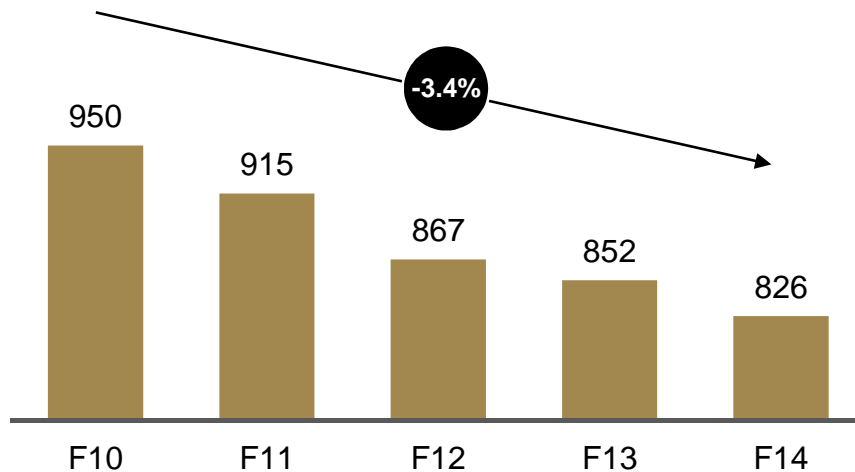
- Building on existing capabilities to deliver continuous cost savings and efficiencies
- Next generation cost savings programme: to deliver incremental direct savings rising to approximately US\$500m by 31 March 2018
- Key programme initiatives:
 - Global business service centers in Bogota, Krakow and 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 #2

Continuous cost savings

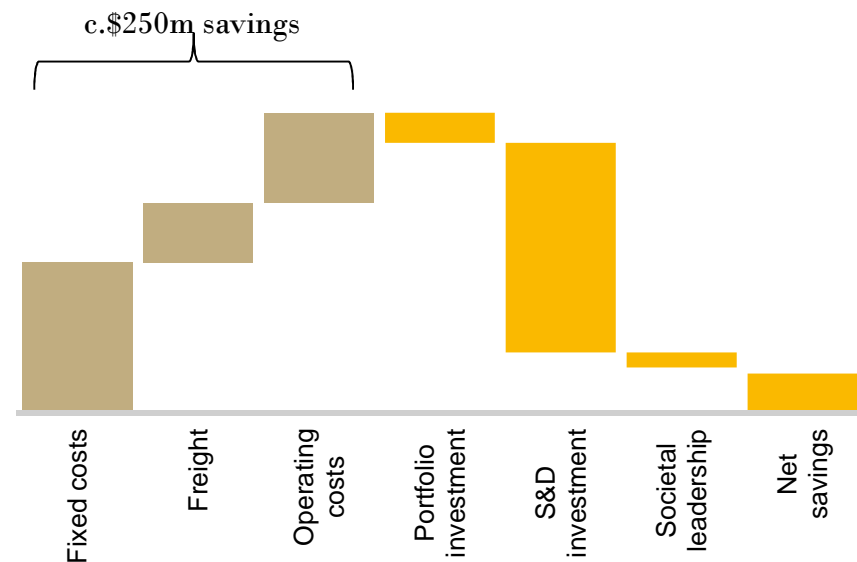
Europe, Total fixed costs, US\$m



Going forward expect ongoing Fixed Cost Productivity¹ in range of 2-3%

1. Fixed costs reduction per hl in constant currency

South Africa, five yrs to F14



c.\$250 million in savings achieved and reinvested, F09 – F14



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Strategic choice #2

Win with leading execution across channels

*Liberate
resources to win
in market and
reduce costs*



- Higher value add sales-service models to win on the front line
- Reinvigorating the on-trade
- More focus on retailer training and tools
- Promotional activities, outlet layout and customer engagement
- Growing sophistication in the modern trade

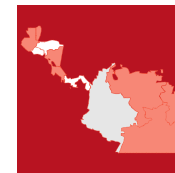
Strategic choice #3

Shape global footprint to contribute to superior growth



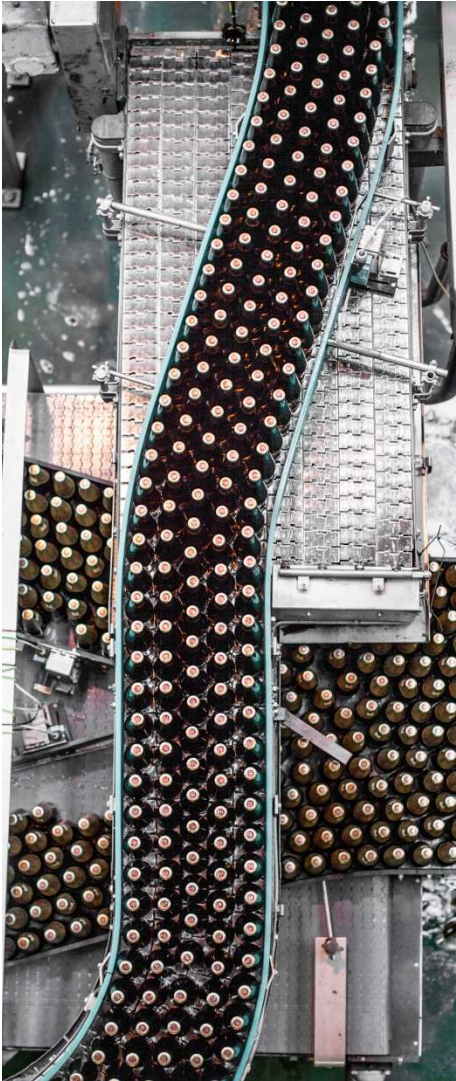
Soft drink positions

The Coca-Cola Company



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Segmental review

Africa

F15 YTD underlying NPR growth of 9%

- Continued strength in soft drink volumes and most beer businesses
- Driving strong growth in Nigeria: resurgence in Mozambique and Botswana
- Renewed vigorous growth of affordability brands such as Impala and Eagle
- Robust South African performance
- Tanzania and Zambia constrained by pricing and excise
- Castle Lite driving premiumisation



Asia Pacific

Softer market conditions

- CUB outperformed weak beer market with portfolio strength in premium
- Pressure in consumer occasions and retail trade terms continues in Australia
- CRSB share gains and premium expansion in China; performance hindered by weather
- Indian beer market remains bedevilled by regulation



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Europe

Solid performance, with lager volume growth

- F15 YTD 3% underlying NPR growth despite a low inflation environment
- Challenging channel and segment mix dynamics continue
- Innovating in brands, packages and marketing execution to diversify portfolios and lift consumer perceptions of beer
- Difficult trading environments for Efes



North America

Trend improvement in core brands

- Significant improvements in Miller Lite and Miller High Life performance
- Innovations such as Redd's, Smith & Forge, Steel Reserve Alloy Series and Miller Fortune have built positive momentum
- Firm pricing with unit revenue contribution from mix
- MillerCoors Business Transformation driving sustained margin growth ahead of forecast



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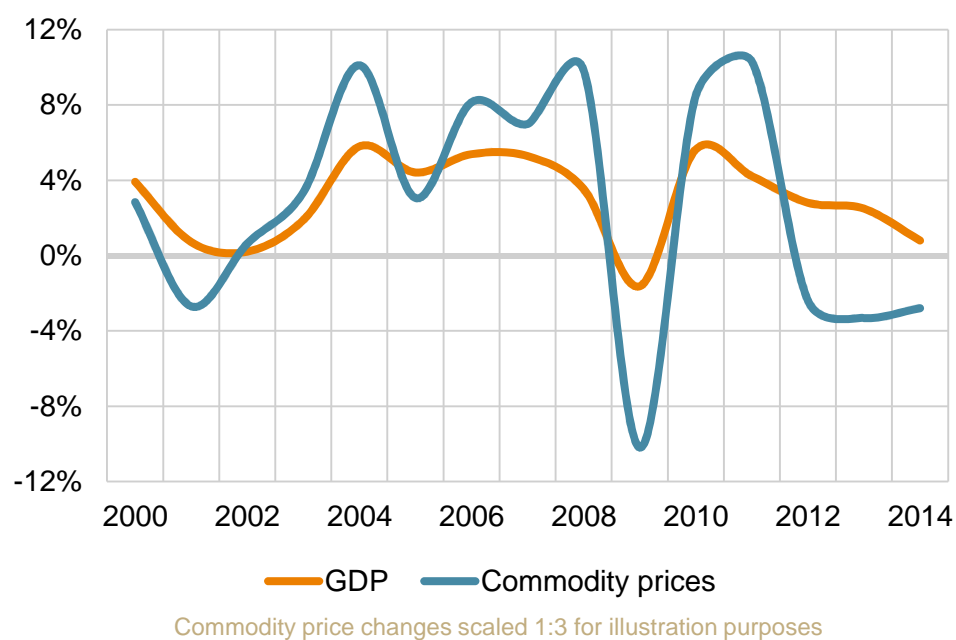
Karl Lippert

President – Latin America



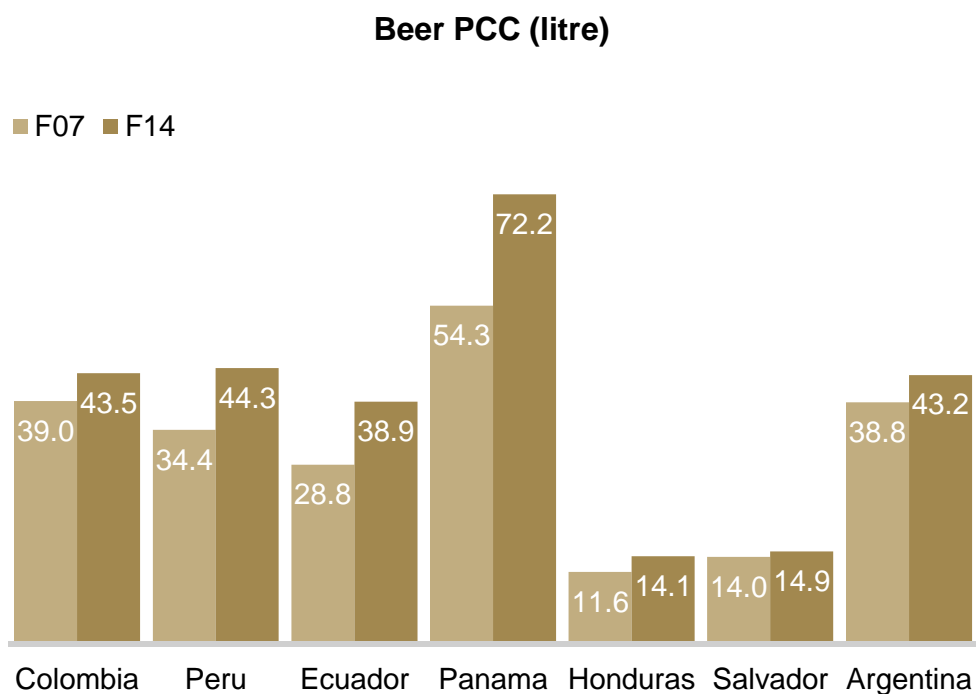
*Latin America
Current dynamics &
future prospects*

Recent economic deceleration is moderating



GDP growth	2013	2014	2015
Colombia	4.7	4.8	3.9
Peru	5.8	2.7	4.5
Ecuador	4.7	3.9	3.0
Chile	4.1	1.7	2.7
Argentina	3.0	(0.8)	(0.4)
Brazil	2.5	0.2	0.5
Mexico	1.4	2.2	3.3
Latin America	2.8	1.0	1.5

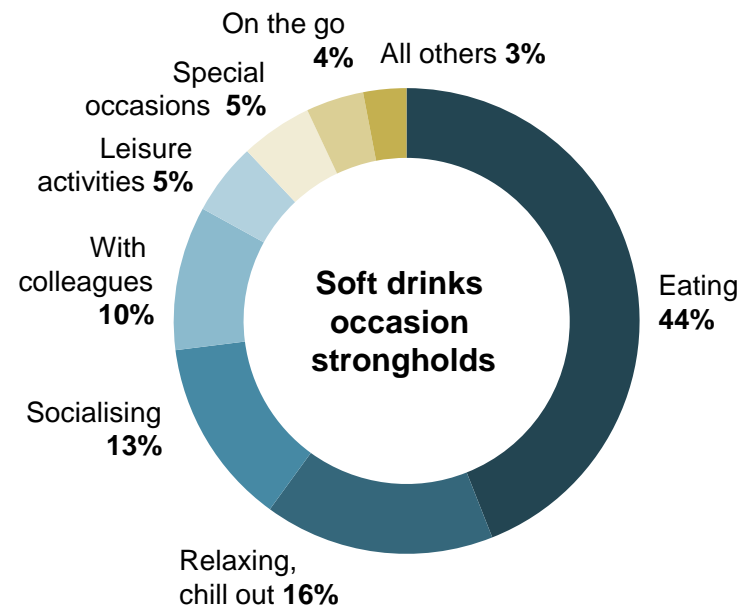
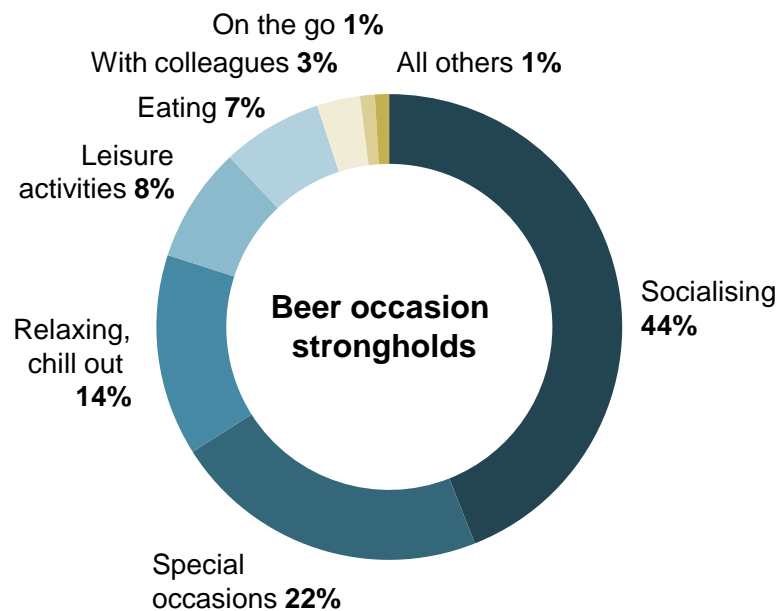
Our beer category has remained strong



Beer share of household	Income F10-F14	Expenditure F10-F14
Colombia	2.2% to 2.1%	2.4% to 2.3%
Peru	2.5% to 2.4%	Stable at 2.7%
Ecuador	1.6% to 1.8%	1.8% to 2.0%
Panama	Stable at 2.2%	2.3% to 2.2%
Honduras	Stable at 2.1%	2.2% to 2.1%
El Salvador	1.0% to 1.1%	1.0% to 1.1%
Total	2.0% to 2.1%	2.2% to 2.3%

Extending from beer to alcohol to total beverages

Beverage occasion types



* Among adult alcohol consumers

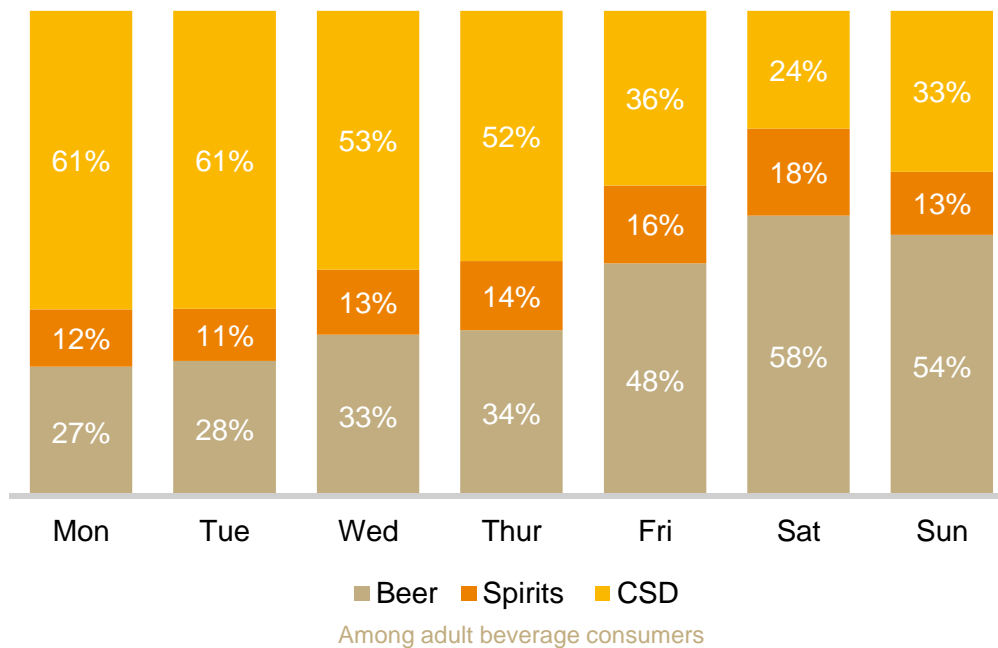


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Extending from beer to alcohol to total beverages

Beverage consumption profile



Our category challenge

Growing vertical frequency

Converting monthly to more regular consumption in the same occasion
"The Path of Least Resistance"

Growing horizontal frequency

Developing consumption in under-represented week day occasions
"The Path of Most Resistance"

Horizontal growth will require more than just marketing focus ...
It will require extensions of our liquid, pack and price ranges






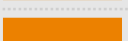






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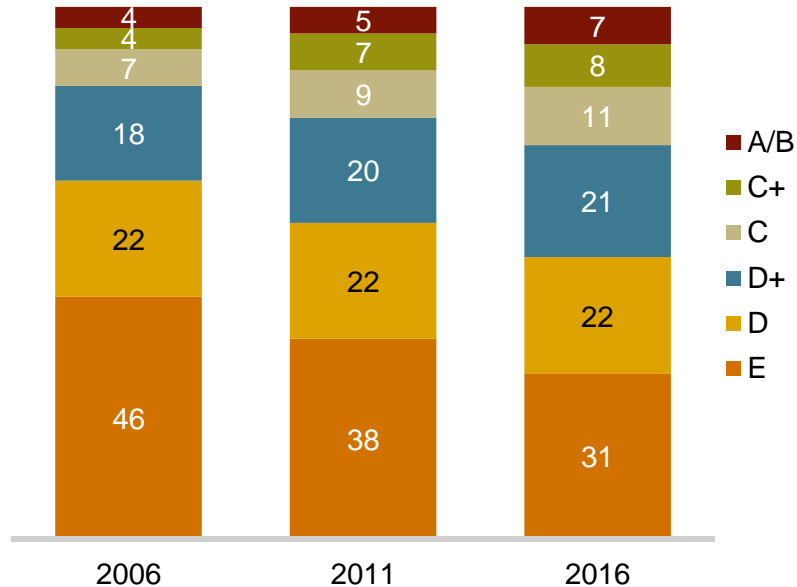
Growth levers – consumers and occasions

		PCC	Frequency
High frequency	Brazil	67	7.2
	Panama	70	5.7
	Costa Rica	32	5.0
	Argentina	48	4.8
	Venezuela	74	4.5
	DR	45	4.5
Medium frequency	Mexico	65	4.0
	Honduras	15	4.0
	Colombia	43	3.9
	Peru	44	3.6
	Salvador	17	3.6
	Ecuador	41	3.1
Low frequency	Guatemala	15	2.9
	Nicaragua	18	2.4
	Bolivia	35	2.1

	Female PCC (litres)	Female beer penetration	% of beer consumed by females
Venezuela	 37	45	25
Panama	 32	35	23
Brazil	 28	43	21
Mexico	 26	58	20
Colombia	 18	45	21
Peru	 18	24	20
Argentina	 17	49	18
Ecuador	 13	30	16
Honduras	 3	9	10
El Salvador	 3	15	9

Growth levers – affordability

Socio-economic levels

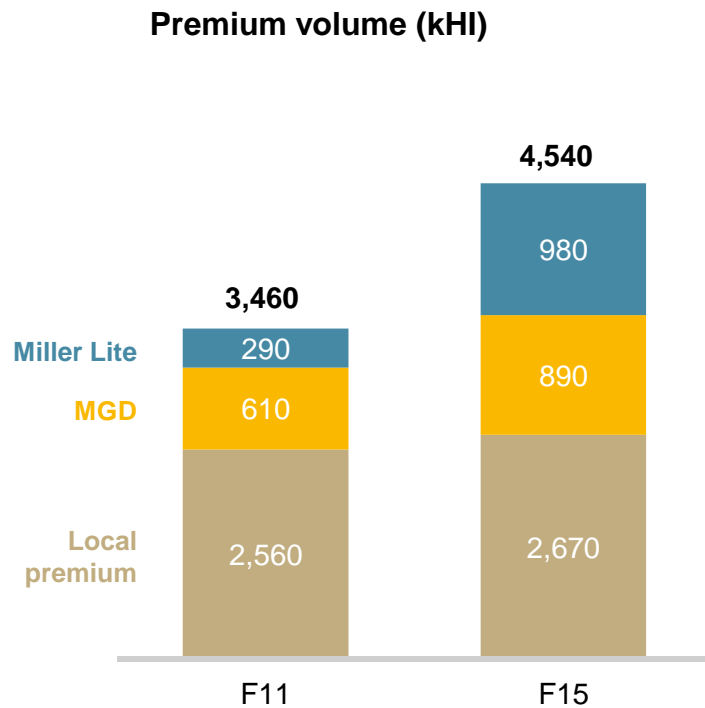


Affordable pack strategy

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

- Countries with high levels of poverty
 - Extreme poverty in Honduras 60%, in Salvador 20%
- Work needed to pay for 500 ml of beer in poorest quintile
 - Honduras 6 hours, Salvador 2 hours, Colombia 80 minutes
- Proven affordability (bulk) pack strategy
 - Cannibalization less than 50%, despite 20%+ discount
 - Sustained profit margins
- Successful deep affordability pilots in Honduras

Growth levers – premiumisation



Premium mix

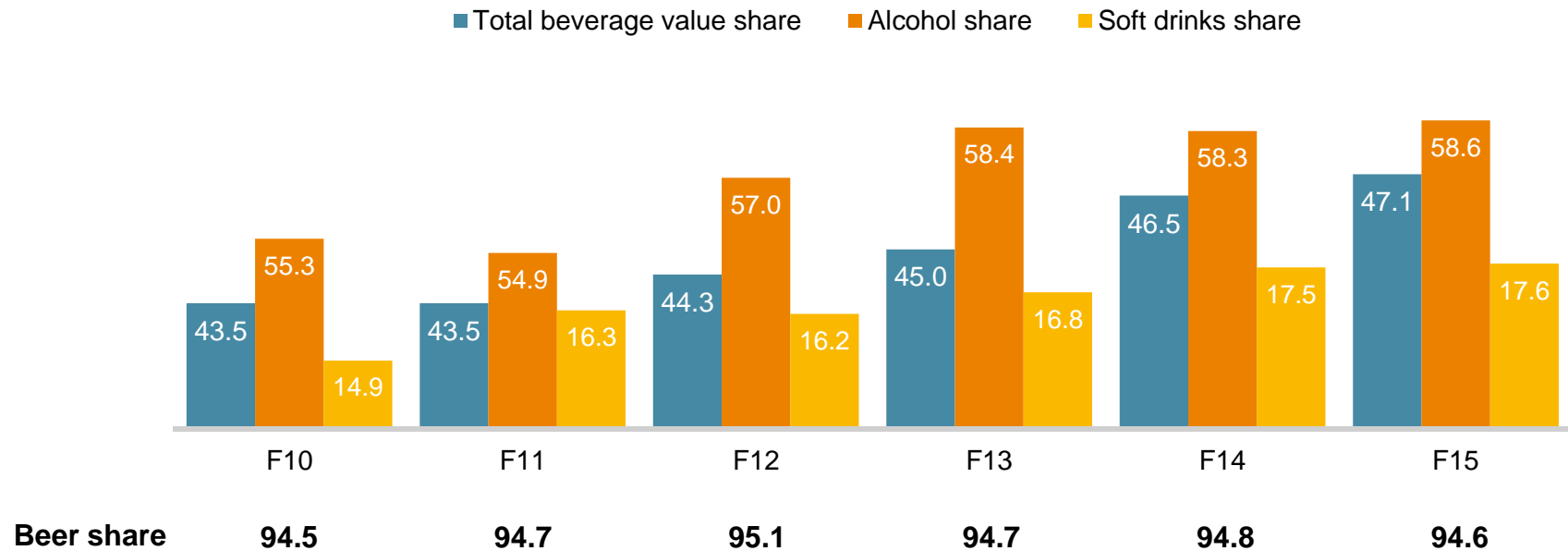
Beer revenue	F11	F15
Premium mix	10.5%	12.8%

- Continental footprint for international brands
 - MGD in 14 countries
 - Miller Lite in 11 countries
- Production footprint optimisation
 - Colombia, Ecuador, Panama, Honduras and Argentina
- International premium expansion
 - Miller franchise continental expansion
 - Grolsch seeding in six countries



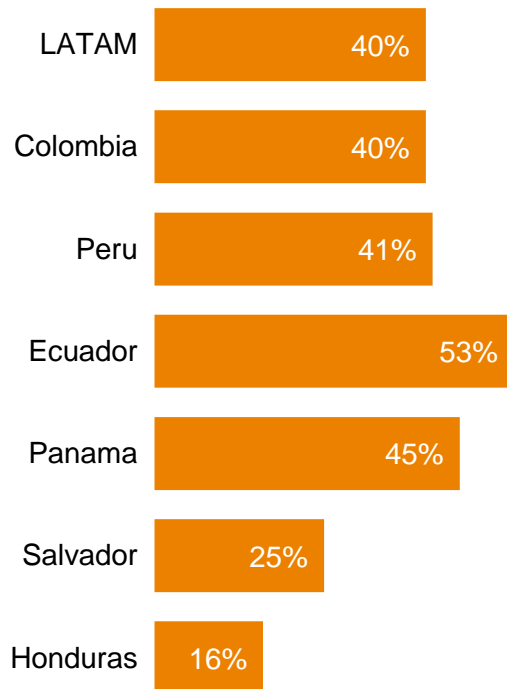
Extending from beer to alcohol to total beverages

SABMiller share (6 core countries)

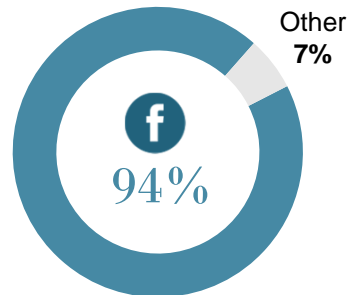


Engagement with consumers

Internet penetration



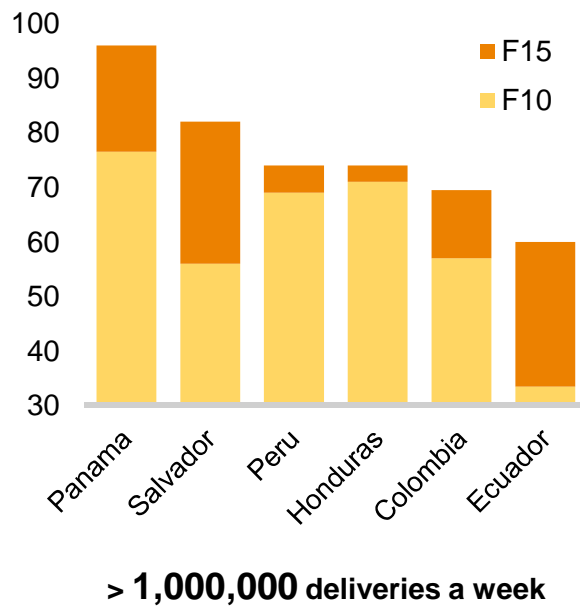
Social media consumption
(adults)



- Social media penetration and media mix
 - Facebook dominates
 - Investment in engagement through Facebook increasing +50% per year
- Social command centre in Bogota
 - To generate consumer insights
 - To track brand followers & stakeholders
 - To develop brand communities
- Growing digital fan base
 - Digital a material part of media mix
 - Total digital investment increasing by +40%

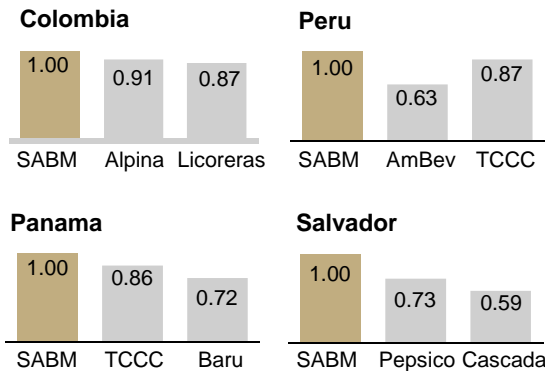
Engagement with customers

Extending DSD



Service leadership

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

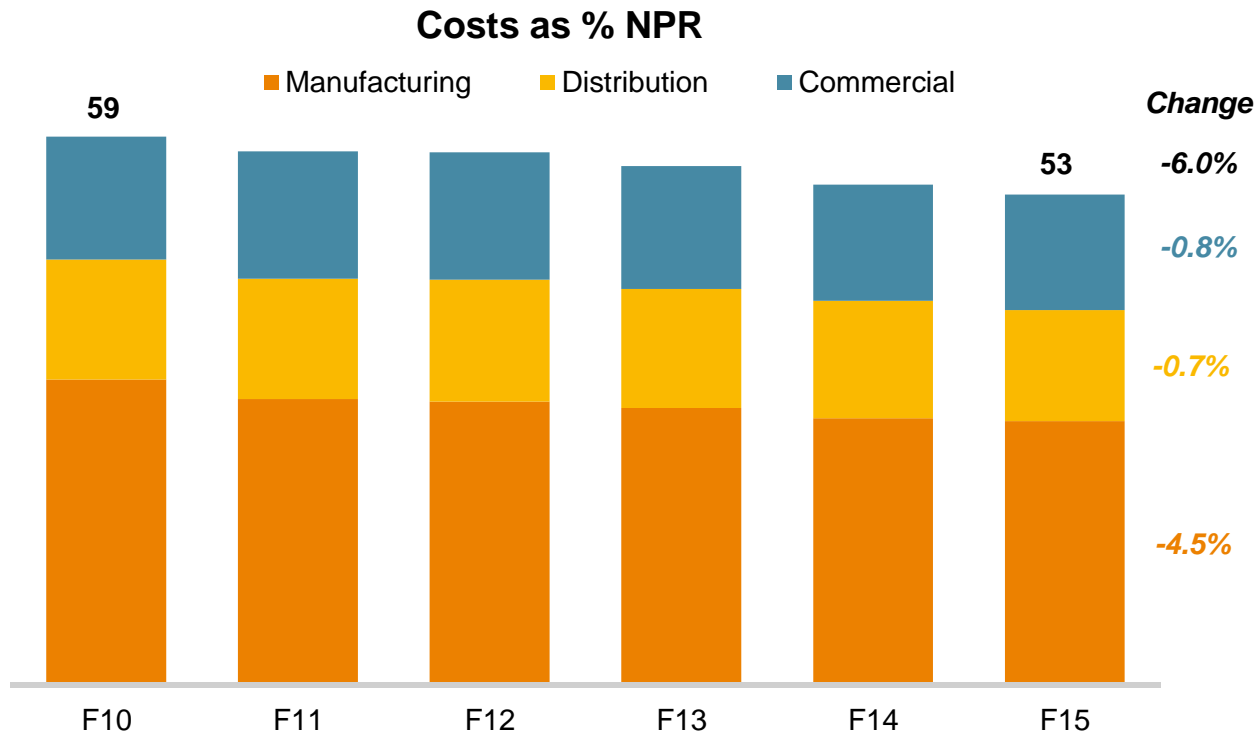


Digital platform

- Salesforce.com integration platform
- AOP (automatic order processing)
- Customer portal
- Mobile payment pilot



Continued efficiency gains



Integrated Change Program

• Global Business Services

- Global delivery centre in Bogota
- Smooth transition
- Business intelligence & analytics capability

• End-to-End Supply Chain

- Standardised S&OP routines
- Regional planning capability
- Lower costs and inventories

• Procurement

- Regional procurement centre in Miami
- Savings around \$50 million per year



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High engagement with meaningful jobs

Meaningful jobs construct

-  **Understand the big picture**
-  **Clarity about what is expected**
-  **Empowerment to use discretion**
-  **Appropriate tools**
-  **Regular feedback**
-  **Someone to turn to with problems**
-  **Opportunities for development**
-  **Opportunities for career advancement**

Employee engagement

	Latam employee survey	Vs Latam norm	Vs FMCG norm	Vs Global Hi-Performance
Engagement	91	3	8	1
Customer orientation	85	15	12	8
Enablement	85	6	9	5
Collaboration	85	7	6	2
Company image	84	4	13	
Well-being	83	3	5	1
Leadership	82	6	14	
Development	80	8	10	4
Management	77	8	7	3
Communication	77	9	9	3
Retention	75	6	11	3
Reward	63	7	8	4

New frontiers

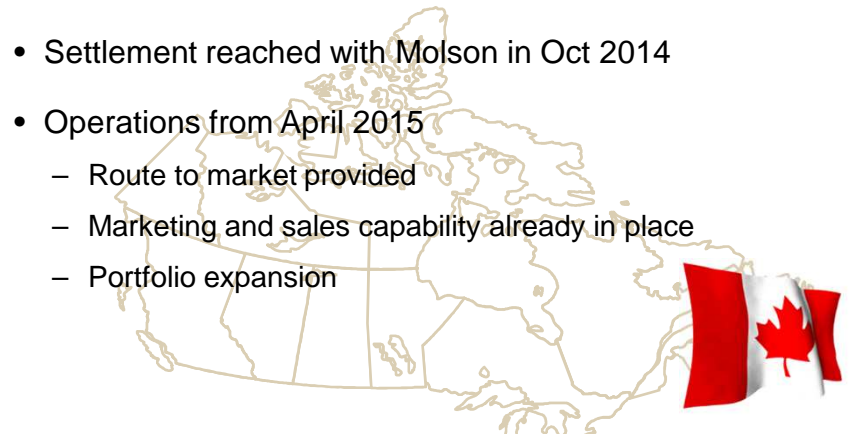
Brazil – the 2nd largest beer profit pool in the world

- 42% of all Latin American beer consumption
- PCC of 68 litre with high home and weekday consumption
- Ranking – Ambev, Petropolis, Kirin, Heineken
- Premium segment small (<5%) but growing fast
- Previous presence



Canada – the 6th largest beer profit pool in the world

- Highest profit per HL, supported by high minimum prices
- Settlement reached with Molson in Oct 2014
- Operations from April 2015
 - Route to market provided
 - Marketing and sales capability already in place
 - Portfolio expansion



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Thank you