Creation of the Largest African Coca-Cola Bottler

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Creation of the largest African Coca-Cola bottler

- The transaction forms the No 1 bottler in Africa and 10th largest globally, spanning 12 countries with leading market positions

SABMiller
- South African soft drinks ABI and Appletiser
- Other African soft drinks businesses in Botswana, Comoros, Ethiopia, Kenya, Mayotte, Swaziland, Uganda and Zambia.

Gutsche Family Investments (GFI)
- Coca-Cola Sabco (CCS) business being South African operations Coca-Cola Fortune (CCF) and six businesses in Africa

The Coca-Cola Company
- South African soft drinks businesses Canners, Valprè and Coca-Cola Shanduka Beverages (CCSB)
**Strong strategic rationale for SABMiller**

- Soft drinks are important to SABMiller strategy
  - Highly attractive growth profile in certain regions for soft drinks, especially Africa
  - Comparable return on invested capital to beer with capacity to increase further
  - Margin upside opportunity through greater and best operating practices
  - Complementary to existing skills and track record in beer and Africa
- CCS’s scale and footprint brings an established growth platform
- Strengthens strategic relationship with TCCC
  - Combines highly complementary operational and brand building expertise
  - Joint long term strategy to capture growth supported by investment

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![Diagram](image.png)

**Low African PCC and high growth potential**

**Soft drinks PCC (L per capita)**

- **Emerging markets**
- **CCBA markets**
  - Significant upside

![Graph showing 2010-2013 CAGR volume growth](image.png)

**Note:** Volume growth for Coca-Cola businesses in African countries

*Source: Canback & Co, Company information*
**Shaping our business for long term growth**

### SABMiller volumes today

- **Soft drinks**: 21%
  - Asia Pacific: 14%
  - Africa: 12%
  - Latin America: 6%
  - Europe: 14%
  - North America: 10%
  - Associates: 6%
- **Beer**: 79%
  - Asia Pacific: 17%
  - Africa: 22%
  - Latin America: 5%
  - Europe: 17%
  - North America: 12%
  - Associates: 10%

### SABMiller proforma volumes

- **Soft drinks**: 26%
  - Asia Pacific: 16%
  - Africa: 14%
  - Latin America: 11%
  - Europe: 13%
  - North America: 16%
  - Associates: 4%
- **Beer**: 74%
  - Asia Pacific: 21%
  - Africa: 13%
  - Latin America: 13%
  - Europe: 13%
  - North America: 13%
  - Associates: 4%

*Note: Based on F14 SABMiller volumes and calendar year 2013 pro forma CCBA volumes, % given post Phase II*
Accelerating growth in South Africa through consolidation

- Coca-Cola Beverages Africa will account for a majority of Coca-Cola’s system volumes in South Africa

- Opportunity to accelerate growth in South Africa through:
  - Material increase in scale and efficiencies from consolidation of bottling operations
  - Investment in route to market infrastructure, core brands and stills expansion
  - Enhanced ability to compete more effectively
  - Aligned and focused joint strategy

- Expanded value chain to help improve livelihoods of communities
Strong long term growth potential in Africa

Favourable dynamics

**Annual growth**

- 2.6% Population growth
- 5.4% GDP per capita growth
- 4.4% Urbanisation
- 10% New middle class entrants

Sub-Saharan Africa has significant PCC growth potential

Over 30% of Sub-Saharan population lives in CCBA markets

*Source: Canback & Co, UN*

*X-axis shown in logarithmic scale to cover the large range of GDP per capita data*
Pro forma financial metrics

- EPS accretive in year 3 following completion of Phase I
- Cash consideration of approx. US$260m for brands sold or licenced to The Coca Cola Company
- Material gain in scale
- Margins top of class for soft drinks

<table>
<thead>
<tr>
<th></th>
<th>SABMiller contributed businesses</th>
<th>Coca-Cola Beverages Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume (m UC)</strong></td>
<td>369</td>
<td>729</td>
</tr>
<tr>
<td><strong>Volume (m hl)</strong></td>
<td>21.0</td>
<td>41.4</td>
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<tr>
<td><strong>Revenue (USD m)</strong></td>
<td>1,531</td>
<td>2,937</td>
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<td><strong>EBITA (USD m)</strong></td>
<td>292</td>
<td>505</td>
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<tr>
<td><strong>Margin (%)</strong></td>
<td>19.1%</td>
<td>17.2%</td>
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<tr>
<td><strong>PBT (USD m)</strong></td>
<td>286</td>
<td>474</td>
</tr>
<tr>
<td><strong>Gross assets (USD m)</strong></td>
<td>794</td>
<td>2,262</td>
</tr>
</tbody>
</table>

Note: Pro forma financial figures assume completion of Phase II. Financial figures represent non-IFRS, unaudited management estimates. SABMiller contributed businesses shown on March 2014 financial year end (except for ABI volume, revenue and EBITA which is shown on December 2013 year end); The Coca-Cola Company and GFI contributed businesses shown on December 2013 year end.
Governance & next steps

- **Governance & reporting**
  - Board of Directors: SABMiller 5, GFI 3, The Coca-Cola Company 2; SABMiller has casting vote
  - Phil Gutsche to be the first non-executive Chairman for a 3-year term
  - SABMiller will consolidate Coca-Cola Beverages Africa
  - Separate segmental reporting in SABMiller financial statements

- **Regulatory & shareholder approvals**
  - SA Competition Authorities
  - Regulatory approvals in a number of African countries
  - Shareholder approvals in Botswana, Swaziland and Zambia

- **Completion timeline**
  - Subject to regulatory approvals:
    - Phase I of the transaction expected to close within 6-9 months
    - Phase II expected to close within 12-18 months after Phase I
Q&A