



# *Welcome*

## SABMiller plc

### F10 annual results

Twelve months ended March 31, 2010

May 20, 2010

Malcolm Wyman, CFO  
Gary Leibowitz, SVP-IR





# 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. 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.



## Overview



- **Strong SABMiller performance amidst weak economies**
  - 6% EBITA growth\*; tight grip on revenues and costs
  - Adjusted eps growth of 17%; free cash flow up strongly to over \$2 billion
  
- **Capitalising on SABMiller's local power brands**
  - 4% revenue/hl growth\* despite moderating pricing
  - Growing local premium volumes to enhance mix
  
- **Cost reductions across US, Latin America, Europe, SA**
  
- **Continuing investment for growth in Africa and Asia**

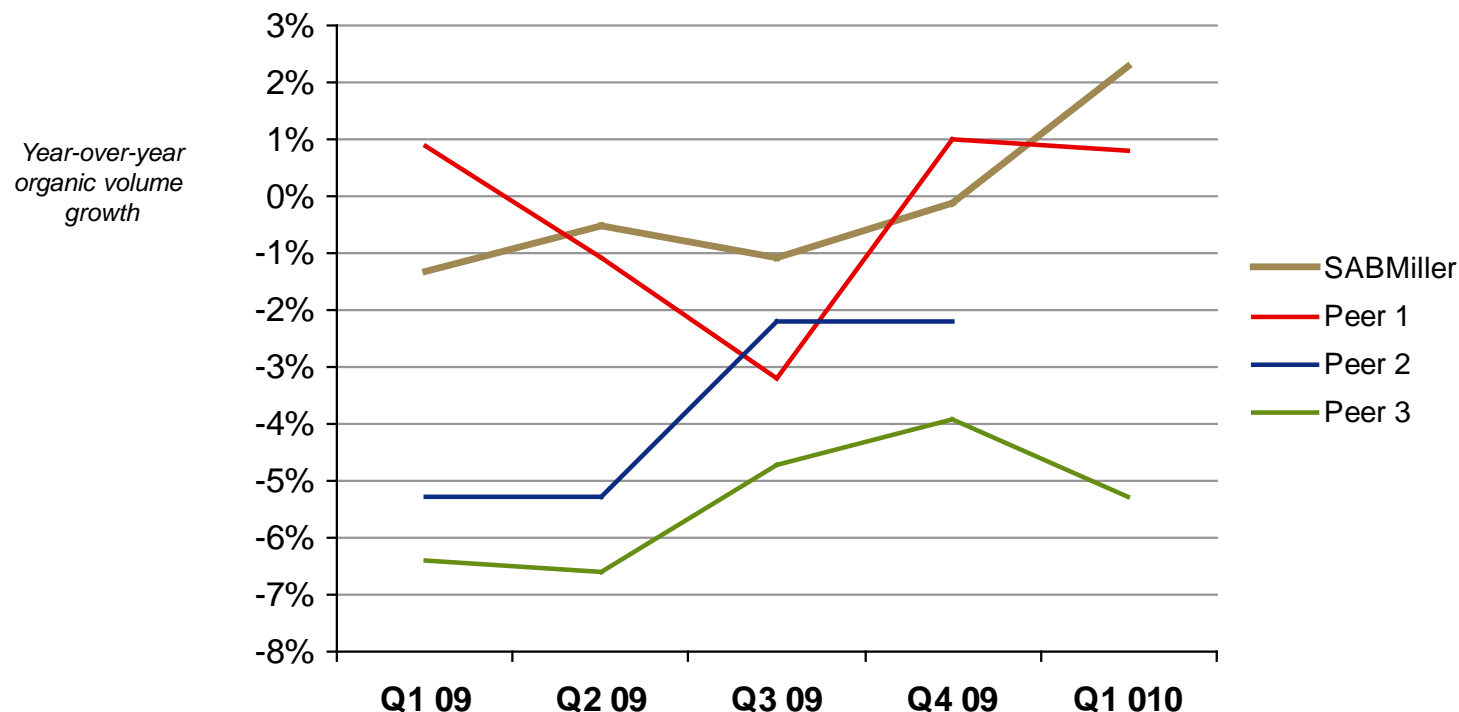


# Overview



## ■ Strong SABMiller performance amidst weak economies

– Lager volumes level, improving trend, ahead of the beverage alcohol peer group



## ■ Our medium-term growth prospects remain excellent



## Divisional highlights: Latin America



- Signs of economic recovery
- Lager volume growth of 3%
  - Competitive success in Peru
  - Despite increased Colombian beer taxes
- Volume growth in Honduras despite turmoil
- Improving sales mix
  - Premium brands are now 9% of mix, almost double F07
  - Broadening brand/pack portfolio
- Improved profitability, despite challenging economies





## Divisional highlights: North America



- Tough trading conditions driven by unemployment; pricing remains firm
- JV integration progressing well
  - Synergies and cost reductions on track for a total of \$750m for JV
- Good market share performance from focus brands
  - Coors Light gaining segment share, enhanced by package innovation, as is MGD 64
  - Blue Moon accelerating within craft segment



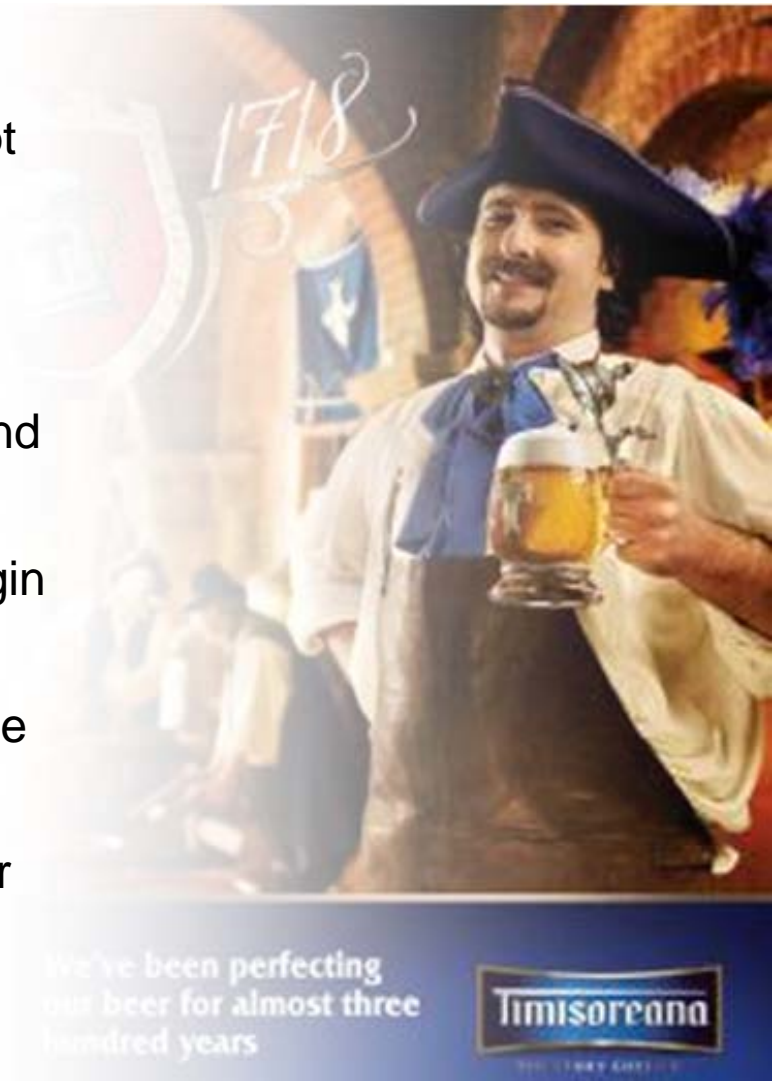




## Divisional highlights: Europe



- Economic weakness persists with consumer debt overhang
- Widening lead versus competition in Poland and Romania
- Held share in Czech despite negative channel and segment mix in the market
- Initial success behind more focussed gross margin and profit improvement strategy in Italy
- Peroni Nastro Azzurro driving double-digit volume growth in UK
- Rising premium segment share in Russia; further regulatory risks remain





## Divisional highlights: Africa



- Broadly resilient markets
- Investment in capacity and marketing
- Mozambique up to 11% lager growth, driven by new brewery and local premium brand
- Strength in Uganda: 24% growth, leading market share
- Strong Castel lager volume growth of 11%
- Taxation effects: Zambia buoyed by excise reduction, Botswana impacted by Social Levy
- Profit restrained by upfront growth investment, Angola headwinds and commodities/currencies



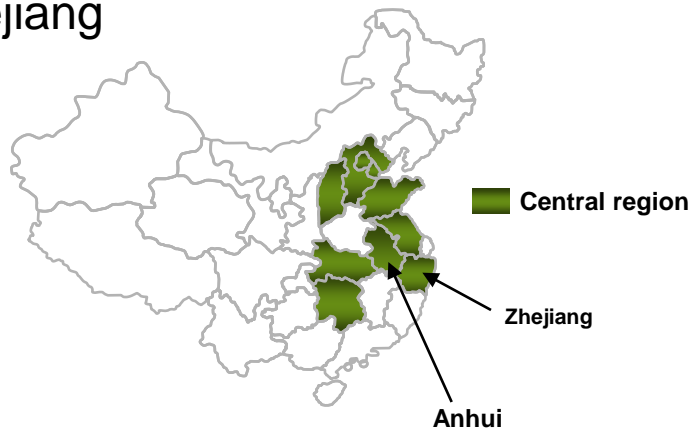




## Divisional highlights: Asia



- Continued volume and share growth in China
- Organic profit improvement diluted by expansion
- Particular success in central provinces, led by Anhui and Zhejiang



- India challenges persist
- Australia volumes up 32%; Peroni Nastro Azzurro share gains continue
  - Greenfield brewery to open in June





## Divisional highlights: **South Africa**



- Increasing brand investment
- Improved retail execution – widening lead versus competition
- Partly funded by internal cost saving
- BBBEE transaction welcomed by stakeholders and policy makers
- Strong volume performance by Distell



## Consistent strategic priorities driving value growth



- **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**





# Leading volume growth exposure



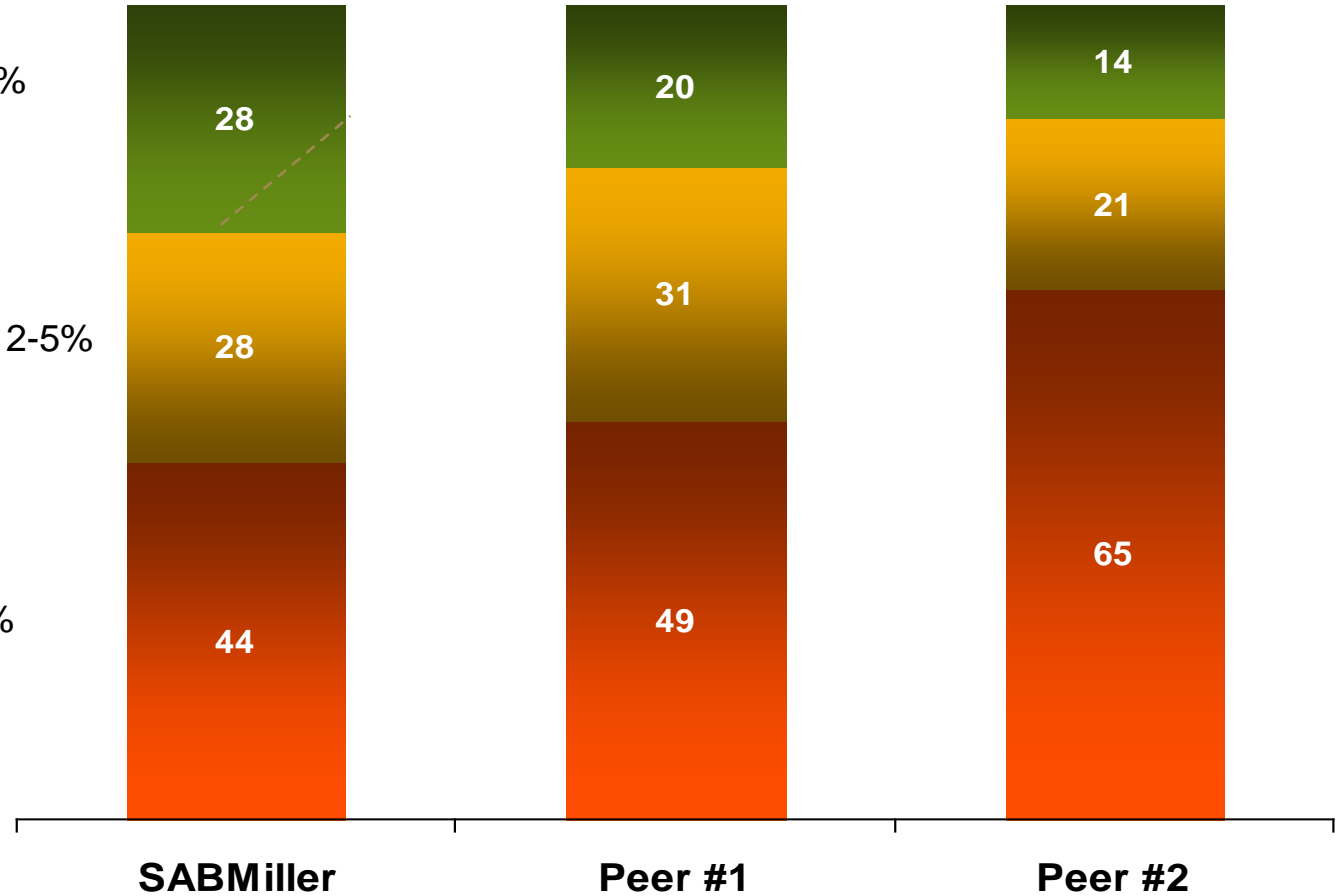
**Projected lager volume growth rate  
CAGR 2009-15**

**% share of volume 2008**

■ High growth markets: >5%

■ Medium growth markets: 2-5%

■ Low growth markets: <2%



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



# Expanding Africa footprint



## Organic growth investment

- Expanding our lager footprint in existing markets
  - Tanzania, Mozambique, Angola, Uganda
  - Opening new sales territories in low PCC areas
  - Reducing distribution costs
- Investing behind our entry into new markets
  - Nigeria & Southern Sudan



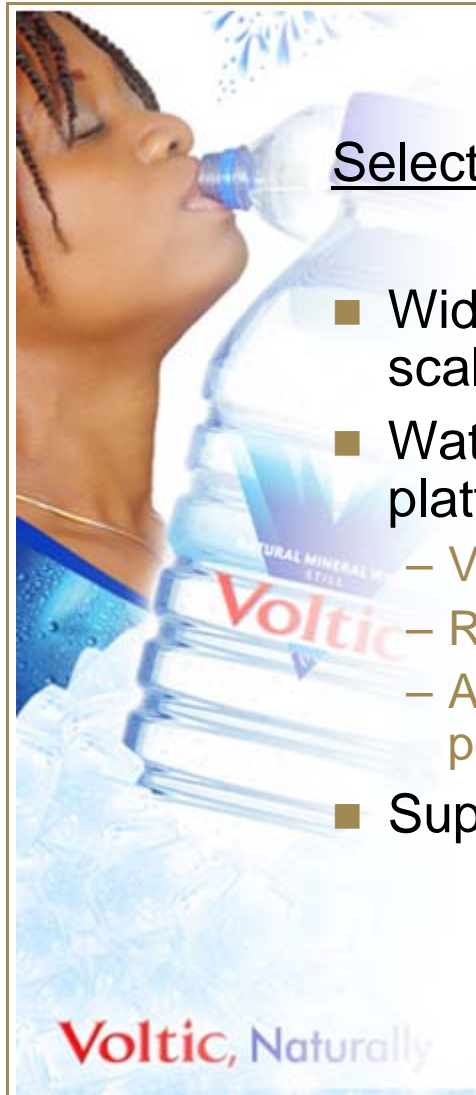


## Expanding Africa footprint



### Selected acquisitions

- Wider beverage portfolio improves scale and margins
- Water acquisitions enhancing our platform
  - Voltic Water in Ghana and Nigeria
  - Rwenzori in Uganda
  - Ambo Water in Ethiopia as an entry point
- Super Maheu in Zambia





# Local premium development

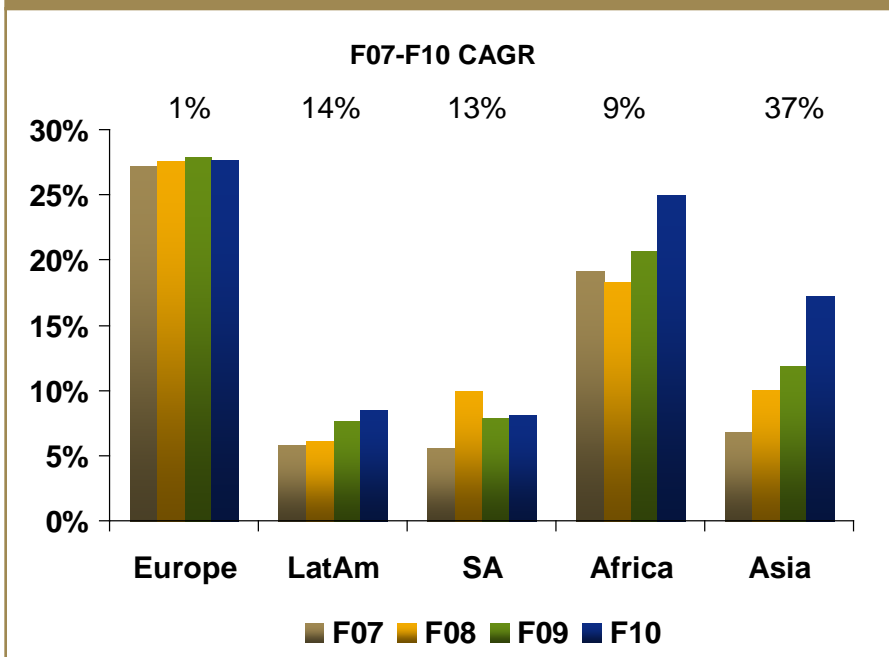




# Local premium development



## Local premium % of portfolio



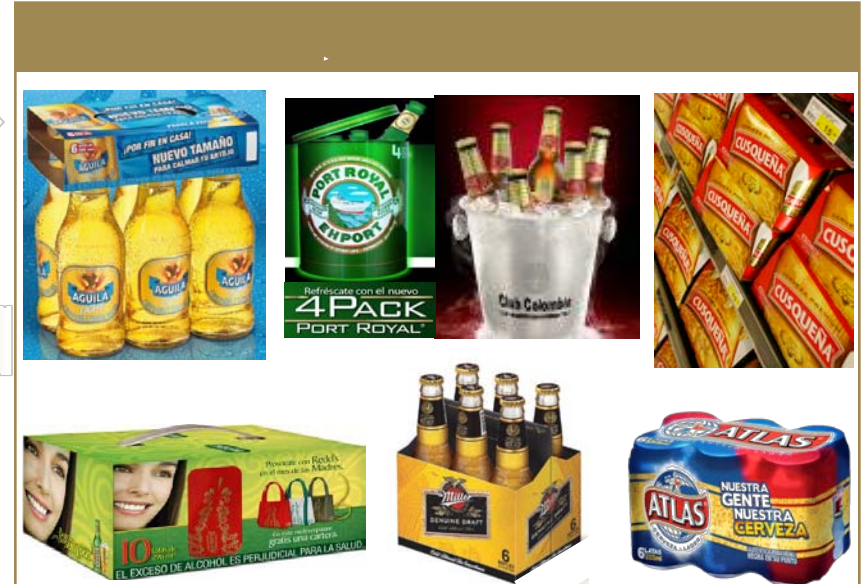
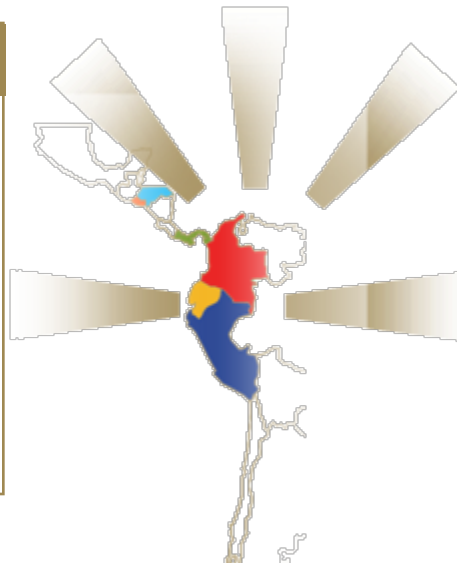
South Africa share pro forma excluding Amstel all years

- 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





# Latin America

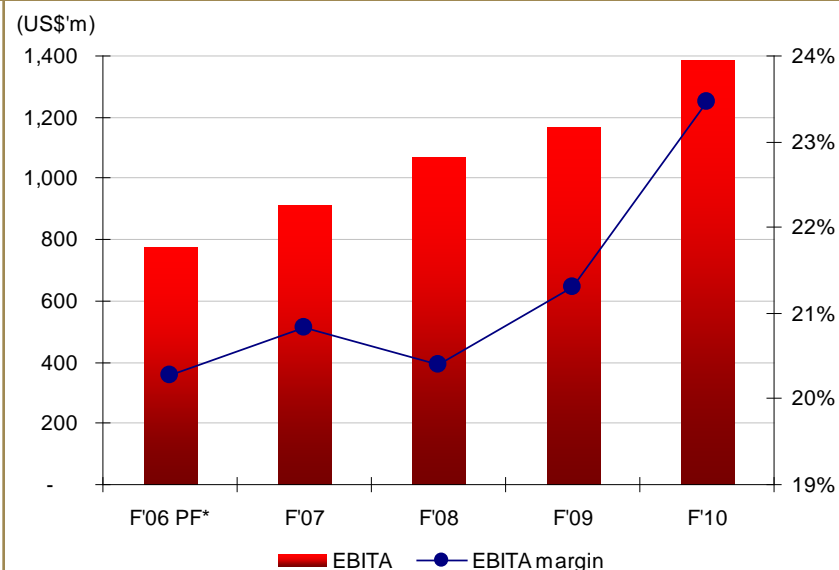




# Americas

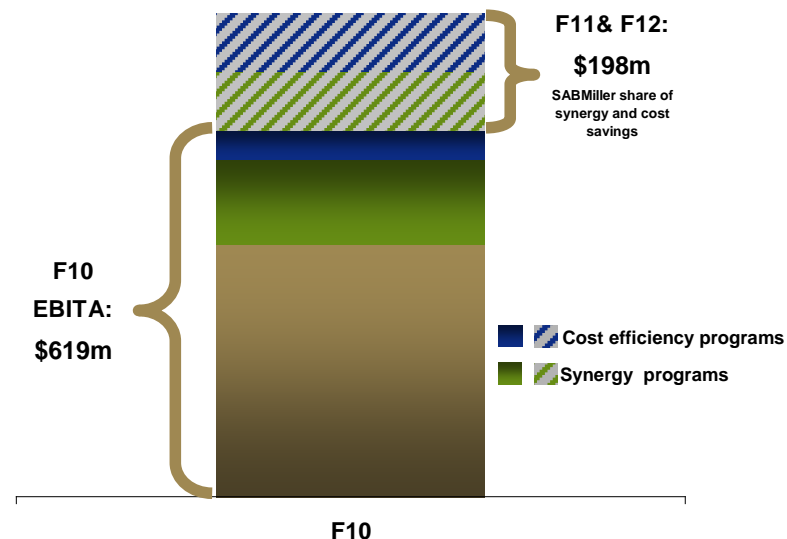


## LatAm EBITA and EBITA margin



- F06\*-F10 EBITA CAGR of 16%, margins up 320 bps
- Now exceeding cost of capital

## North America synergies & cost savings



- Synergy and cost savings enhancing margins; of \$750m total for JV, \$340m remains to be realised by end of 2012
- On track to exceed cost of capital in F11

\* F'06 is pro-forma Central America plus the Bavaria group (including 12 months results for Colombia, Peru, Ecuador and Panama) in order to show the EBITA and margin progression from F'06 on a like for like region basis.





## 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



## Strong EPS growth



### ■ Adjusted EPS

- US \$ +17%
- Sterling +26%
- Rand +3%
- Euro +19%

### ■ Annual Dividend

68 US cents per share – Up 17%



# Good performance despite tough economic environment



■ Total volumes of 261.4 mhl *		+0.5%
– Organic *	+0.3%	
■ Lager organic volumes * – Level with prior year		
■ Organic group revenue *		+3.9%
– Constant currency *	+4.2%	
■ Organic EBITA *		+6.5%
– Constant currency *	+6.3%	
■ EBITA margin *		+30 bps
– Constant currency *	+20bps	
■ Adjusted EPS growth in US\$		+17%

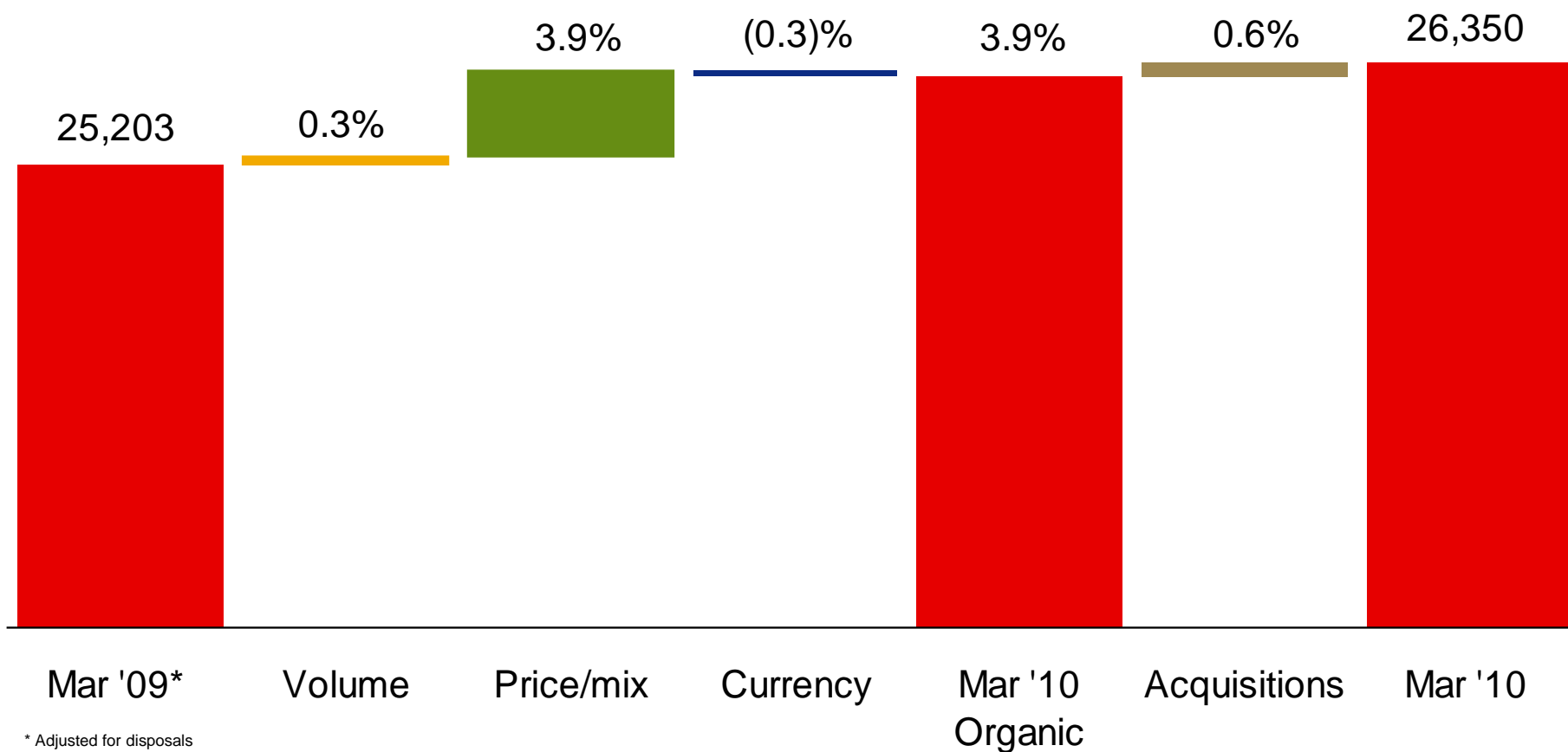
\* including share of associates and joint ventures



## Revenue benefits from solid pricing



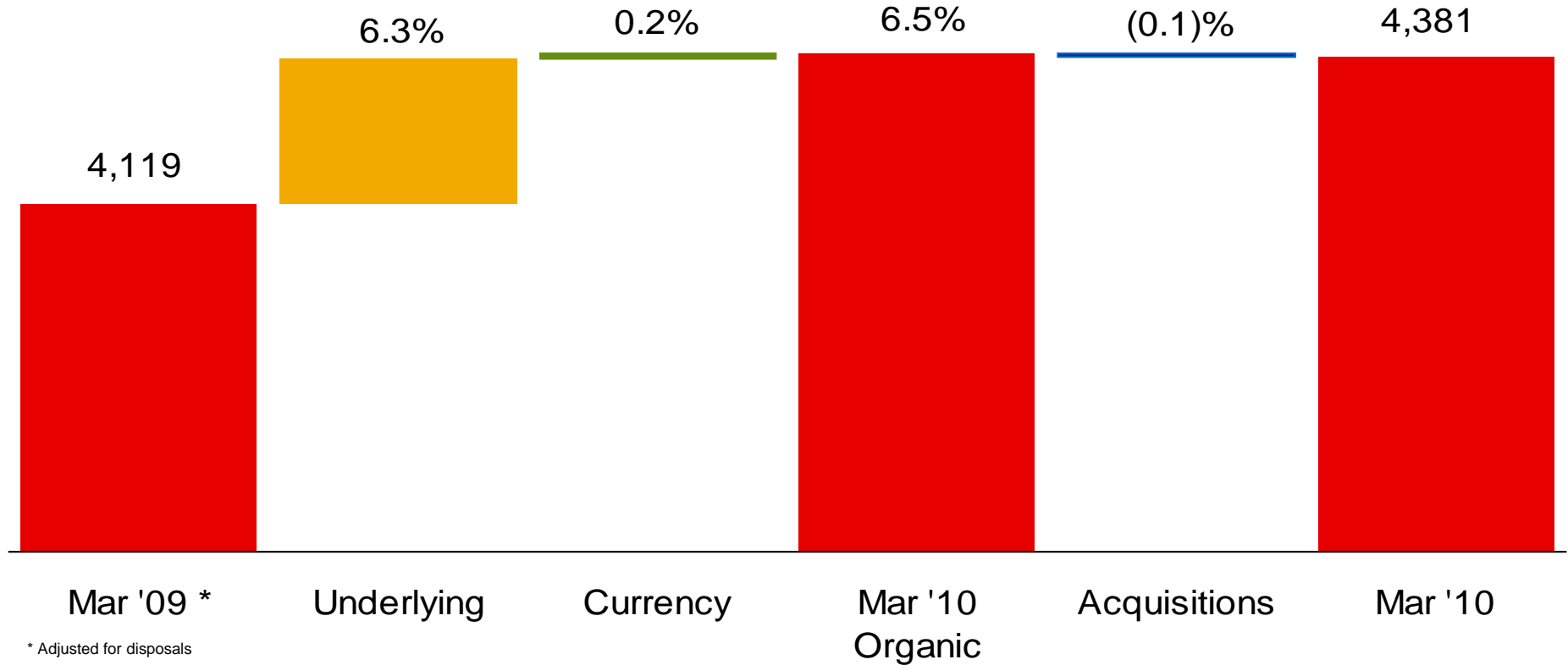
Group Revenue (including associates and joint ventures) components of performance, US\$m





## Strong EBITA growth

EBITA (including associates and joint ventures) components of performance, US\$m







## Input cost pressures ease in the second half



- Full year constant currency increase per hl
  - Total raw materials up 4%
  - Total COGS up 3%
- Lower brewing raw material costs offset by higher sugar and packaging costs
- Local raw material costs impacted by adverse currency hedges
- Lower distribution costs benefit COGS



# Cash Flow and Taxation



- Normalised EBITDA\* up 1% to US\$4,681m from US\$4,618m
- Normalised EBITDA\* margin 40 basis points lower than prior year
- Working capital inflow US\$563m
- Capex\*\* down US\$619m to US\$1,528m
- Free cash flow\*\*\* improved by US\$1,913 to US\$2,010m
- Effective tax rate 28.5%

\* EBITDA including dividends of US\$707 million from MillerCoors joint venture (2009: US\$454 million)

The revenue included in the calculation of the normalised EBITDA margin is the revenue of our subsidiaries, including our share of the MillerCoors revenue.

\*\* Includes purchases of property, plant and equipment, and intangible assets. MillerCoors capex not included

\*\*\* Net cash generated after investment activities and dividends paid to minorities (excluding net cash on available for sale investments & net cash of acquired businesses)



# Net debt



US\$m	Mar 10	Mar 09*
Non-current borrowings	7,809	7,470
Current borrowings	1,605	2,148
Cash and cash equivalents	(779)	(422)
Borrowing related derivative financial instruments	(237)	(487)
Net debt	8,398	8,709
Adjusted net finance costs **	538	699
Gearing (%)	40.8	54.0
Normalised EBITDA Interest cover *** (times)	8.7	6.6
Net Debt/Normalised EBITDA	1.8	1.9
Weighted average interest rate for gross debt portfolio (%)	5.7	7.1

\* As restated

\*\* This comprises net finance costs excluding fair value movements in relation to capital items for which hedge accounting cannot be applied and any exceptional finance charges or income

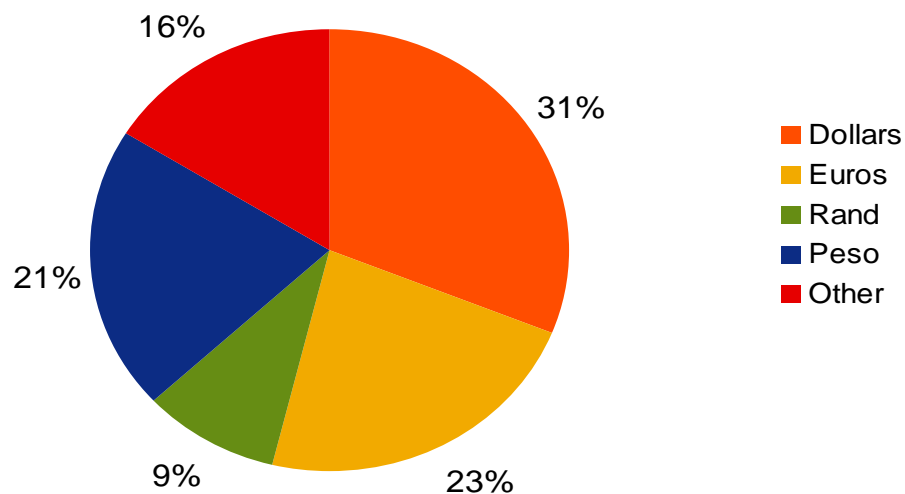
\*\*\* This is the ratio of normalised EBITDA (including the MillerCoors dividends) to adjusted net finance costs



# Net debt profile and maturity



Debt profile



Debt Maturity

0 – 1 Year	US\$ 942m
1 – 2 Years	US\$ 1,052m
2 – 5 Years	US\$ 4,561m
Over 5 Years	US\$ 1,843m



## Financial outlook – current financial year

- Signs of economic conditions improving in some markets
  - Raw material input costs expected to benefit from firmer local currencies
    - Total raw materials per hl\*
    - Total COGS per hl\*
- } Flat to marginally down
- Continued focus on cash generation
    - Improvements in working capital maintained
    - Level of capex to reduce further to c. US\$1,400m for the year
  - Finance costs expected to increase marginally
  - Tax rate between 28% and 29%

\*Stated in constant currency





## Conclusion



- Economic headwinds are continuing
  - Beer consumer indicators lagging GDP stabilisation
- Past the commodity cost peak, with more benign trend looking ahead
- Continuing rigorous cost management
- SABMiller's local brand equities and portfolios remain strong

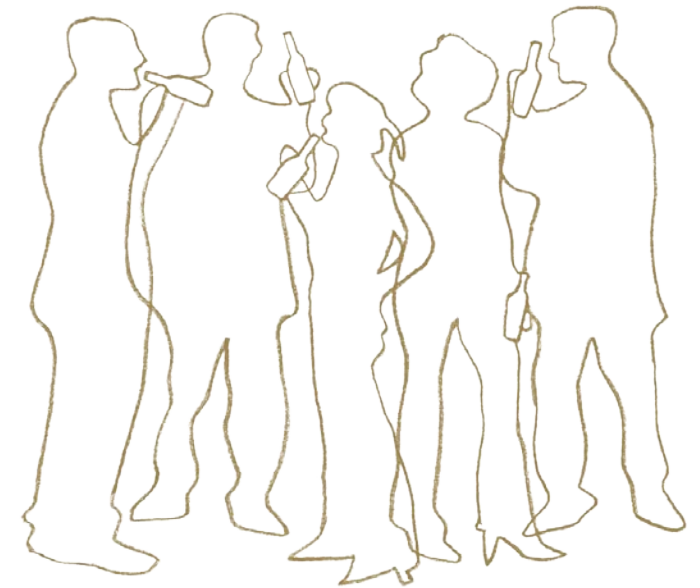
SABMiller plc

Q&A

F10 annual results  
20 May 2010



# Supplementary information

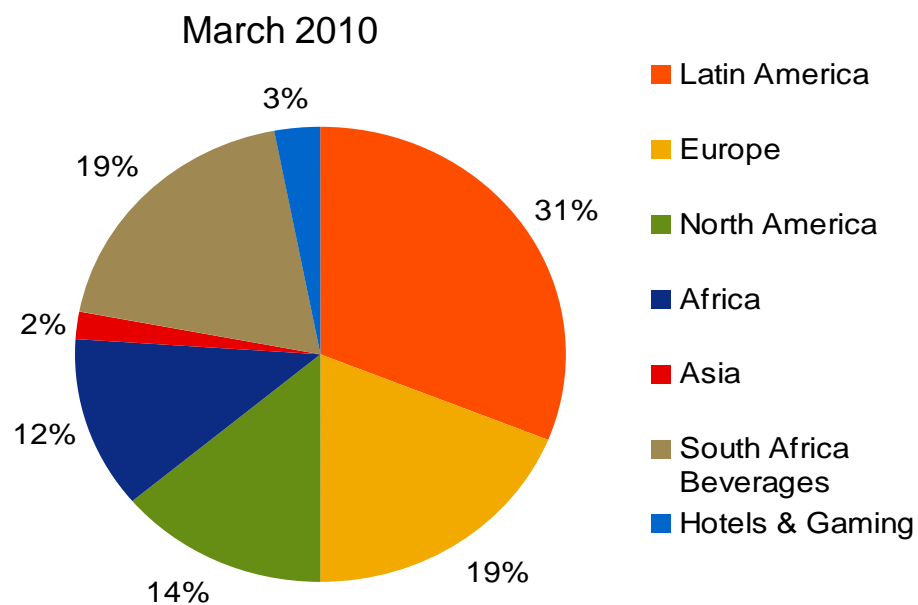
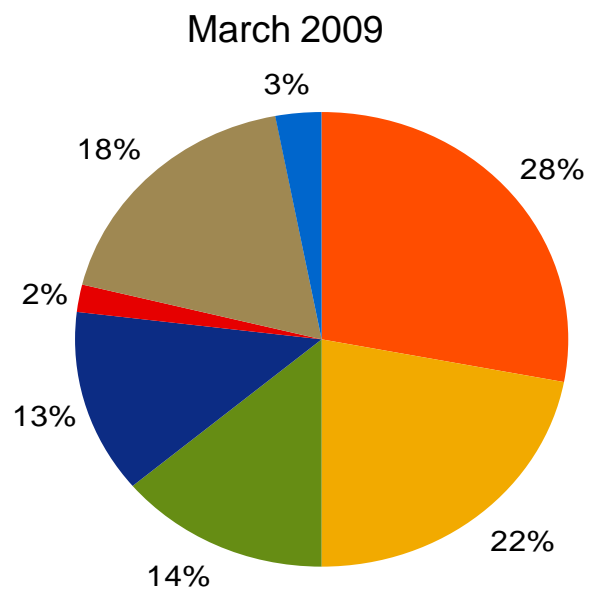




# Reported EBITA contribution



## EBITA contribution\*



\* Before corporate costs



## Financial results



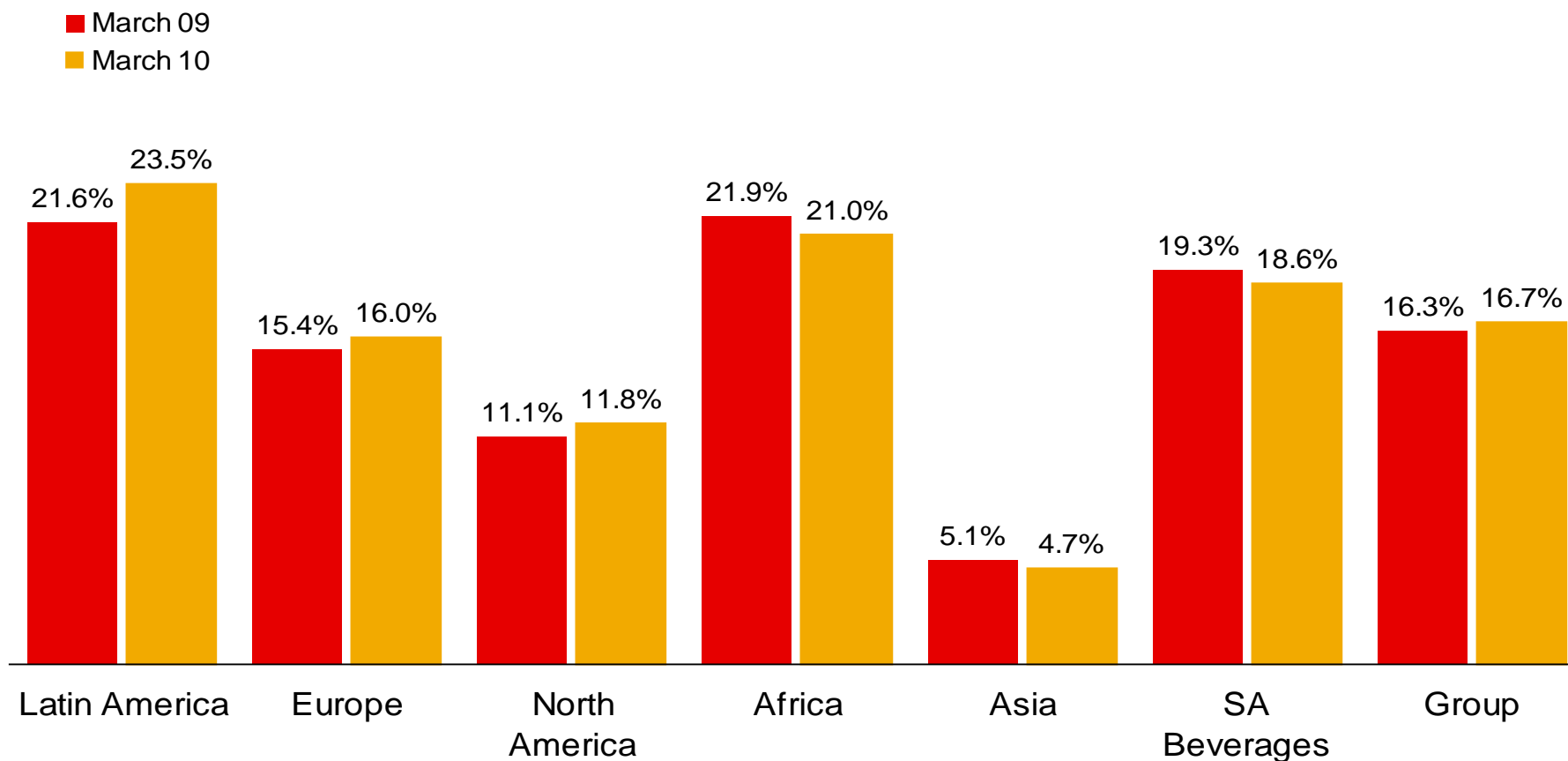
US\$m	Mar 10	Mar 09	Change %
<b>Reported currency</b>			
Group revenue	26,350	25,302	4
EBITA	4,381	4,129	6
EBITA margin (%)	16.6	16.3	30 bps
<b>Sales volumes (hl'000)</b>			
Total	261,447	260,139	1
Lager	212,576	210,393	1
Soft drinks	43,509	44,328	(2)
Other alcoholic beverages	5,361	5,418	(1)



## EBITA margin performance



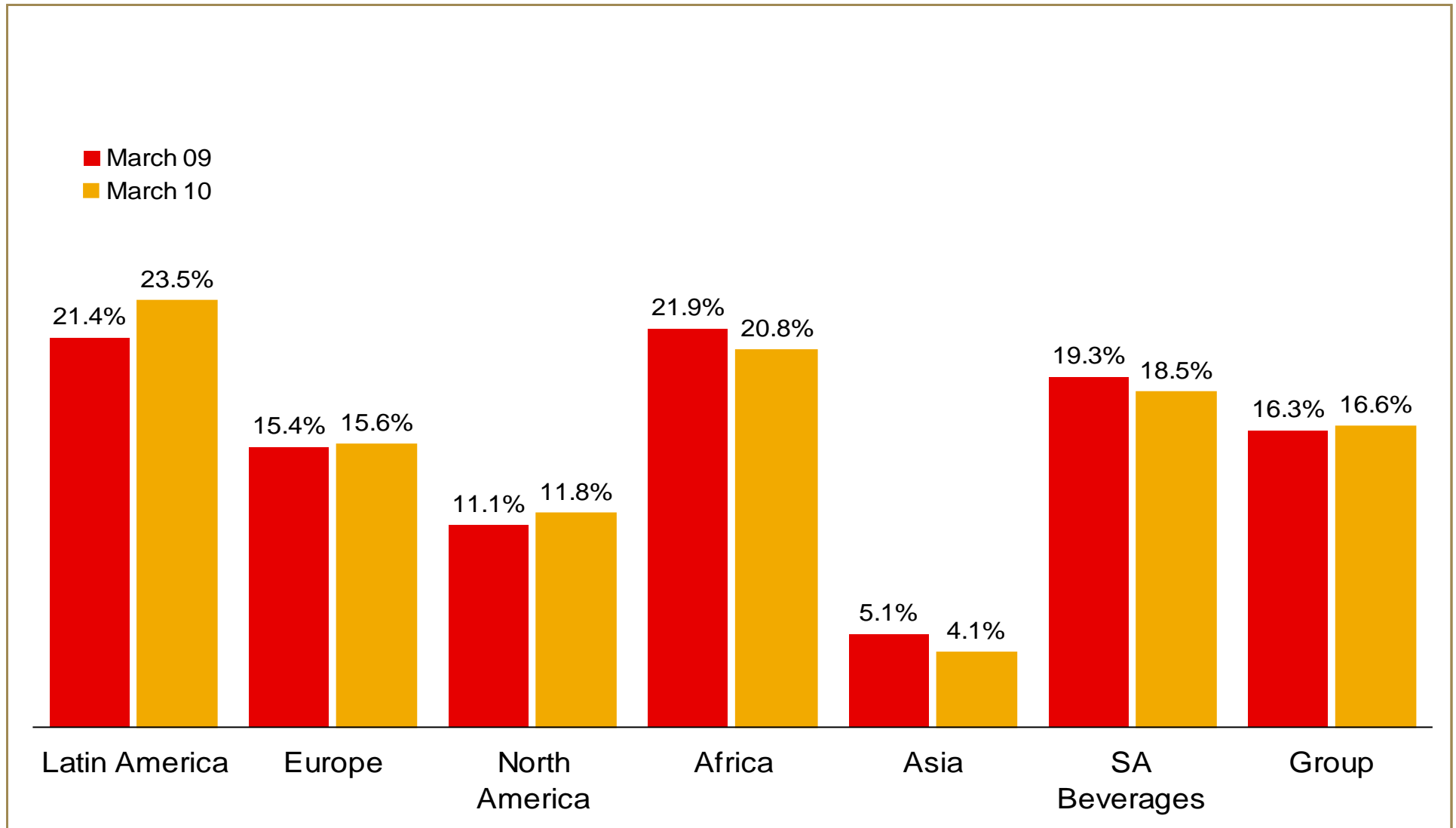
Organic constant currency basis







# Reported EBITA margin performance





## Latin America



- Stronger second half volumes
- Firm pricing, mix benefits & cost controls deliver double digit EBITA growth
- Enhanced sales execution & brand portfolio development

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	5,824	5,395	8
EBITA *	1,367	1,164	17
EBITA margin * (%)	23.5	21.6	190 bps
<b>Organic volumes (hl'000)</b>			
Lager	38,075	37,138	3
Soft drinks	15,895	15,071	5

\* In 2010 before exceptional charges of US\$156 million, including US\$97m of business capability programme costs (2009: net exceptional credits of US\$45 million)



## Europe



- Volumes impacted by ongoing downturn in consumer spending
- EBITA growth from robust pricing and cost rationalisation
- Market share gains reflect brand portfolio strength

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	6,163	6,145	-
EBITA *	986	944	4
EBITA margin * (%)	16.0	15.4	60 bps
<b>Organic volumes (hl'000)</b>			
Lager	44,872	47,237	(5)

\* In 2010 before exceptional charges of US\$202 million, including US\$138 million of business capability programme costs (2009: exceptional charges of US\$452 million)



## North America



- Volumes impacted by adverse economic conditions and high unemployment
- Down-trading trend continues
- Network optimisation and marketing synergies deliver considerable savings

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	5,227	5,227	-
EBITA *	619	581	7
EBITA margin * (%)	11.8	11.1	70 bps
<b>Sales volumes (hl'000)</b>			
- Lager - excluding contract brewing	43,472	45,629	(5)
<b>MillerCoors' volumes**- pro forma</b>			
- Lager - excluding contract brewing	42,100	43,099	(2)
- Sales to Retailers (STRs)	41,865	42,836	(2)

\* In 2010 before exceptional charges of US\$18 million relating to the group's share of integration and restructuring costs and unwind on fair value inventories (2009: net exceptional credit of US\$325 million)

\*\* Volumes are based on results for Miller and Coors' US and Puerto Rico operations respectively for the year ended 31 March 2009. Adjustments have been made to reflect both companies' comparative data on a similar basis



## Africa



- Volume growth supported by capacity expansions
- Weaker currencies & higher costs impact second half margins
- Continued development of our full beverage and brand portfolio

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	2,792	2,567	9
EBITA *	587	562	4
EBITA margin * (%)	21.0	21.9	(90) bps
<b>Organic volumes (hl'000)</b>			
Lager	13,443	12,726	6
Soft drinks	8,687	8,352	4
Other alcoholic beverages	3,922	4,079	(4)

\* In 2010 before net exceptional charges of US\$3 million being business capability programme costs (2009: US\$nil million)



## Asia



- Further share gains in China supported by the Snow brand
- Volume and EBITA growth held back by trading difficulties in India

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	1,716	1,565	10
EBITA	80	80	-
EBITA margin (%)	4.7	5.1	(40) bps
<b>Organic volumes (hl'000)</b>			
Lager	44,815	41,714	7





# South Africa Beverages



- Mainstream brands strengthened
- Higher raw material costs offset by firm pricing
- Significant investment behind key brands and customer service

US\$m	Mar 10	Mar 09	Change %
<b>Organic constant currency</b>			
Group revenue	4,194	3,955	6
EBITA *	779	764	2
EBITA margin * (%)	18.6	19.3	(70) bps
<b>Organic volumes (hl'000)</b>			
Lager	25,761	25,949	(1)
Soft drinks	17,044	17,303	(1)
Other alcoholic beverages	1,404	1,325	6

\* In 2010 before net exceptional charges of US\$53 million, being business capability programme costs of US\$42 million and costs associated with the establishment of the broad-based black economic empowerment transaction of US\$11 million (2009: US\$nil million)



# Reported Volumes\*



## Reported Domestic Lager volumes by country hl '000

Mar 10

Change %

South Africa	25,721	(1)
Colombia	19,192	3
Poland	14,653	(2)
Peru	10,213	(0)
Czech	7,398	(5)
Russia	5,470	(3)
Ecuador	5,144	9
Romania	5,118	(10)
India	4,039	(14)
Italy	3,507	(7)
Tanzania	2,616	(4)
China **	41,821	13

\* excluding intra-group volumes

\*\* equity accounted share of volumes



# Net debt



	Mar 10	Mar 09
Average interest rate (gross debt) – %	5.7%	7.1%
<b>Net debt currency profile*</b>		
US dollars	31%	33%
Euro	23%	21%
SA rand	9%	10%
Colombian peso	21%	19%
Other	16%	17%
	100%	100%

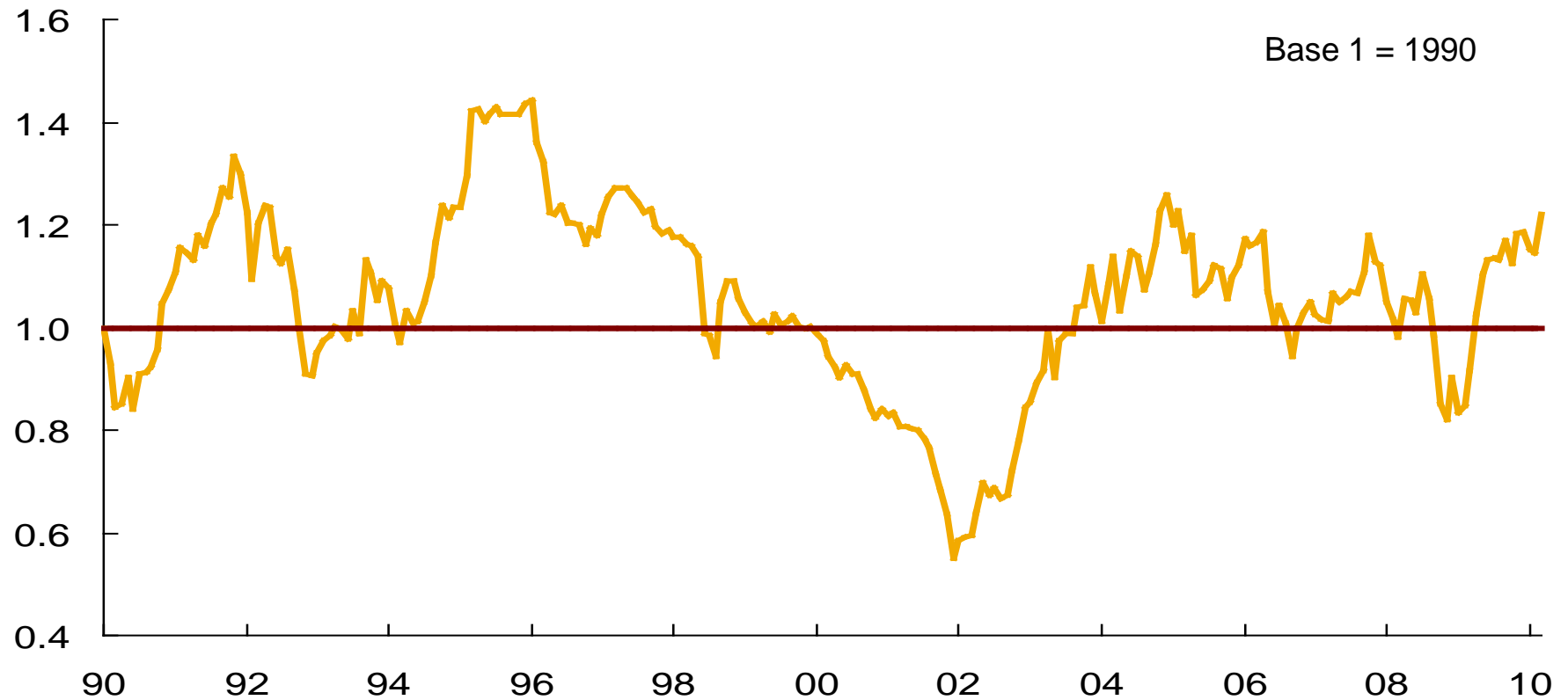
\* Including the effect of derivatives



# Financial & commercial rand / US\$ : rate



(CPI differentials) month-on-month basis



Source: Bloomberg, JP Morgan



# Exchange rates



Closing rates currency vs US\$	31 Mar 10	30 Sep 09	31 Mar 09
Colombia	1,929	1,922	2,561
Peru	2.84	2.88	3.15
Honduras	18.90	18.90	18.90
Euro	0.74	0.68	0.75
Poland	2.86	2.88	3.52
Czech Republic	18.87	17.18	20.57
Russia	29.36	30.09	34.01
Romania	3.03	2.88	3.20
Hungary	196.88	184.09	232.79
Tanzania	1,360	1,320	1,335
Mozambique	34.70	28.50	28.30
Botswana	6.76	6.57	7.70
Kenya	77.75	74.75	80.65
China	6.83	6.83	6.83
India	44.85	47.75	50.58
South Africa	7.30	7.55	9.61



# Balance Sheet



US\$m	Mar 10	Mar 09
Goodwill and Intangibles assets	15,938	12,458
Property, plant and equipment	8,915	7,406
Investment in joint ventures and associates	8,035	7,282
Other non-current assets	721	1,010
Current assets excluding cash	3,116	3,050
Cash and cash equivalents	779	422
Borrowings	(9,414)	(9,618)
Other current and non-current liabilities	(7,491)	(5,893)
<b>Net Assets</b>	<b>20,599</b>	<b>16,117</b>





## Exceptional items



US\$m

Mar 10

**Business capability programme costs:**

- |                                 |       |
|---------------------------------|-------|
| - included in operating profit  | (325) |
| - included in net finance costs | (17)  |

**Integration and restructuring costs:**

- |  |      |
|--|------|
| - subsidiaries                           | (78) |
| - share of associates and joint ventures | (14) |

**Impairments:**

- |                |      |
|----------------|------|
| - subsidiaries | (45) |
|----------------|------|

**Other:**

- |  |      |
|--|------|
| - subsidiaries                           | (24) |
| - share of associates and joint ventures | (4)  |

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**Total exceptional items**

**(507)**

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