SABMiller plc Trading Update

18 October 2012

SABMiller plc (SABMiller) today provides an update on trading during the six months ended 30 September 2012. The calculation of the organic growth rates excludes the impact of acquisitions and disposals on volumes and revenues.

On an organic basis lager volumes for the first six months were 4% ahead of the prior year with good growth across most regions. Soft drinks volumes were 6% higher than the prior year for the six months on an organic basis. Including the effect of acquisitions and disposals, total volumes were up 9% compared with the first half of the prior year. Organic, constant currency group revenue grew by 8% in the half year, with group revenue per hectolitre up by 3% on the same basis, reflecting selective price increases helped by improved brand mix in most regions. Overall, financial performance for the half year was in line with our expectations.

In Latin America lager volumes grew by 4%. While economic expansion continued across the region, this was at a more modest pace in the second quarter due to weaker consumer sentiment. Despite selective price increases in April, Colombia’s lager volumes grew by 3%, assisted by consumer acceptance of the more affordable bulk packs introduced in the prior year. In Peru lager volumes grew by 6% with consumers continuing to trade up from informal alcohol to lager, and supported by improved trade coverage. In Ecuador, lager volumes increased by 4% following strong growth in the comparative period and reflecting the continued expansion of our direct service model. In Central America lager volumes grew by 6% on the back of strong trade execution in El Salvador and superior growth of our premium brands in Panama. Soft drinks volumes were up 3% benefiting from wider availability and pack range extensions of our non-alcoholic malt brands.

In Europe lager volumes were up 9% on an organic basis, driven by selective price reductions together with growth in the economy segment. Additionally, the second quarter benefited from the cycling of a weak comparative period. In Poland increased promotional spend, resetting of some price points, the launch of various innovations and the effect of the Euro 2012 football tournament resulted in volume growth of 10%. Domestic volumes in the Czech Republic were up 2% benefiting from a number of innovation launches and despite continued weakness in the higher value on-premise channel in which we are disproportionately represented. In Romania strong performance of the new PET pack of economy brand Ciucas coupled with the cycling of the weak prior year comparative resulted in volume growth of 10%. Domestic volumes in the UK rose by 8% driven by continued growth of Peroni Nastro Azzurro. Growth was moderate across most other markets in Europe with volumes up by low single digits. Organic results exclude the volumes of Anadolu Efes following the completion of our strategic alliance in March 2012.

For the six months ended 30 September 2012, MillerCoors’ US domestic sales to retailers (STRs) declined 1.9% on a trading day adjusted basis, and by 2.4% in the second quarter. Premium light STRs declined in low single digits in the quarter. Coors Light delivered growth, up low single digits, with a mid single digit decline in Miller Lite. The Tenth and Blake division saw double digit growth driven by Leinenkugel’s, including the strong success of Leinenkugel’s Summer Shandy and Blue Moon. The below premium portfolio declined by mid single digits. Domestic sales to wholesalers (STWs) for the second quarter were down 2.7% against the comparative period and were 1.2% lower for the half year, both on an organic basis.

Lager volumes in Africa grew by 6% on an organic basis, cycling strong comparatives. Robust volume growth continued in most African markets although overall growth in the second quarter was impacted by a significant excise increase in Tanzania. Lager volumes in Zambia grew strongly at 14% driven by improved availability and enhanced distribution in rural areas coupled with favourable economic conditions. 10% lager volume growth in Mozambique was underpinned by robust growth in the mainstream brand, Manica, together with the continued growth of the cassava-based brand Impala. In Uganda lager volumes declined by 3% in the context of continuing economic weakness and cycling particularly strong prior year comparatives. South Sudan continued to grow lager volumes by double digits despite the political and economic challenges of recent months. A focus on premiumisation and pack innovation coupled with improved availability helped increase volumes in our associate in Zimbabwe by 9% on an organic basis. The beer market in Tanzania was negatively impacted by a 25% excise increase passed through to consumers in July 2012, which resulted in an 8% decline in our lager volumes for the half year. Our associate Castel delivered lager growth of 5% on a pro forma basis including the combined Angola business and their Madagascar acquisition. Other beverage categories contributed significantly to total volume growth, with soft drinks 8% higher and other alcoholic beverages up 12%, both on an organic basis.

Lager volumes in Asia Pacific grew by 5% on an organic basis, while reported volumes grew by 17% reflecting the acquisition of Foster's and other acquisitions in China. In China, lager volume grew by 4% on an organic basis with...
Two litre PET packs and still drinks delivered particularly strong margins in the second quarter due to a volume decline in Sichuan, and in other provinces growth rates remaining broadly in line with the first quarter. Volumes were up 23% in India with continued strong growth in Andhra Pradesh, cycling trading restrictions in the state through to the end of August, and double digit growth across the other states with accelerating growth in the second quarter. In Australia, lager volumes declined by 8% for the half year on a pro forma basis, slightly worse than the market, excluding the impact of the termination of some licensed brands and the loss of two trading days. Including these impacts, CUB lager volumes were down 13% in total. While our share of draught remained firm, a reduction in off-premise share reflected more constrained customer programmes during the first half of the year and our focus on revenue optimisation.

In South Africa lager volumes grew by 1% and we continued to gain market share in a challenging economic and trading environment. Volume growth was driven largely by ongoing brand investment combined with continued focus on customer service and execution. The strong performance of Castle Lite continued and Castle Lager also performed well. Cycling a relatively weak comparative period in the prior year, soft drinks volumes grew 8%, benefiting from increased channel penetration. Two litre PET packs and still drinks delivered particularly strong growth.

ENDS

Notes to editors

SABMiller plc is one of the world's leading brewers with more than 200 beer brands and some 70,000 employees in over 75 countries. The group's portfolio includes global brands such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch; as well as leading local brands such as Aguila (Colombia), Castle (South Africa), Miller Lite (USA), Snow (China), Victoria Bitter (Australia) and Tyskie (Poland). SABMiller also has growing soft drinks businesses and is one of the world's largest bottlers of Coca-Cola products.

In the year ended 31 March 2012 the group reported EBITA of US$5,634 million and group revenue of US$31,388 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.

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