



Trading Statement

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SABMiller plc Trading Update

SABMiller plc today issues an update on trading for the 12 months ended 31 March 2014. The calculation of organic growth rates excludes the impact of acquisitions and disposals.

Alan Clark, Chief Executive of SABMiller, commented:

"We continued to deliver top line growth for the year, despite a number of headwinds and a challenging fourth quarter. The combination of our global overview and deep local insights enables us to fine tune our operations in each market and to deliver commercial progress, which underpins our confidence in our ability to deliver higher revenue growth in the longer term."

Full year and fourth quarter highlights

- Group net producer revenue (NPR) for the full year grew by 3% and group NPR per hectolitre (hl) grew by 2%, both on an organic, constant currency basis
- In the fourth quarter, group NPR grew by 2% and group NPR per hl grew by 1%, both on an organic, constant currency basis
- Total beverage volumes grew by 2% for the full year on an organic basis, with lager volumes up 1% and soft drinks volumes up 5%
- Depreciation of key currencies against the US dollar will adversely impact reported results
- The group's financial performance is in line with expectations

Latin America

Solid revenue growth despite difficult trading conditions

On an organic, constant currency basis, Latin America grew group NPR by 5% in the year, underpinned by firmer pricing and above mainstream brand momentum. Total beverage volumes and lager volumes were up 3% and 1% respectively on an organic basis for the full year. In Colombia, stronger trading in the fourth quarter contributed to full year lager volume growth of 2%, driven by growth in the Poker brand and trading up in our Águila franchise to Águila Light. In Peru, full year domestic lager volumes were slightly ahead of the prior year, despite the May 2013 excise increase, with growth in the fourth quarter. In Ecuador, Pilsener Light volumes continued to grow in double digits, driving 2% lager volume growth for the year, assisted by extended distribution reach. In Central America, lager volumes were level with the prior year, as strong premium segment growth, particularly from Miller Lite, offset slower mainstream performance and the impact of new trading restrictions and the recent sales tax increase in Honduras. Soft drinks volumes on an organic basis grew by 6% across Latin America, with a solid performance in all categories.

Europe

Improvement in trend but challenging market conditions remain

In Europe, group NPR on an organic, constant currency basis for the full year was in line with the prior year with an improved growth trend in the fourth quarter. On an organic basis, total volumes for the full year were down 1%, with lager volumes down 4%, following a challenging first half adversely affected by poor weather in our key markets, which had a particular impact on our innovation launches. Across the region, economic uncertainty and weak consumer sentiment persisted. In the Czech Republic, full year lager volumes declined by 4%. While the market environment continued to be challenging, our volume performance improved in the second half, driven by better execution and a focus on the on-premise channel where prices remained unchanged. In Poland, full year lager volumes were down 9%, with an associated effect on margin, impacted by the competitive environment and the cycling of a strong prior year which included a planned stock build at the end of the year ahead of the implementation in Poland of our global template. Italy's domestic volumes were down 1%, outperforming a declining market, despite a reduction of discounts. Domestic lager volumes in the UK were up 5% with strong performance throughout the year from Peroni Nastro Azzurro. In our other Central and Eastern European markets, lager volumes were up low single digits for the full year on an organic basis. Anadolu Efes full year total volumes grew on an organic basis, driven by the continued growth of soft drinks volumes with lager volumes negatively impacted by regulatory conditions in Turkey and Russia. On a reported basis, Anadolu Efes' soft drinks volumes benefited from the full consolidation of the Coca-Cola Icecek's results.

North America

Innovations drive growth in above premium

For the 12 months ended 31 March 2014, MillerCoors' group NPR was level with the prior year. Volume declines were offset by improved group NPR per hl driven by the above premium portfolio's increased share of sales and higher net pricing. On a trading day adjusted basis, US domestic sales volume to retailers (STRs) declined 2.9% for the full year, and by 3.4% in the fourth quarter. In the latest quarter, premium light STRs declined by mid single digits as Coors

Light and Miller Lite were both down by mid single digits. Premium regular brands declined by low single digits in the quarter with mid single digit growth of Coors Banquet offset by a double digit decline of Miller Genuine Draft. Total above premium STRs grew by double digits for the quarter, delivering an increase in the overall above premium proportion of MillerCoors' NPR, driven by innovations including the notable success of the Redd's franchise. Within Tenth & Blake, Leinenkugel's growth of double digits was more than offset by declines in smaller brands. The below premium portfolio declined by high single digits for the quarter. Domestic sales volume to wholesalers (STWs) declined 3.1% for the year ended 31 March 2014, with a 3.0% decline in the fourth quarter.

Africa

Moderate growth given a more challenging fourth quarter

Group NPR for the full year ended 5% ahead of the prior year on an organic, constant currency basis, driven by total volume growth of 5% (lager growth of 6%) from effective in-trade execution and share gains across the majority of our subsidiary markets. In Tanzania, lager volumes grew by 4% for the full year driven by solid growth in the mainstream and affordable segments partially offset by poor weather and weak market conditions in the fourth quarter. Zambia encountered a challenging fourth quarter due to the excise-related pricing taken in January 2014, limiting full year lager volume growth to 6%. Political tensions in Mozambique continued to impact demand, and lager volumes ended down 2% for the year. Nigeria and Ghana delivered strong double digit volume growth in spite of economic challenges, supported by increased capacity progressively coming on-stream. In Uganda, full year lager volumes declined 3%, although there was an improvement in the fourth quarter. Soft economic conditions persisted in Zimbabwe, resulting in lager volumes declining by 18%. Our associate Castel delivered lager volume growth of 6%, driven principally by a strong performance in Angola. Soft drinks volume growth of 6% reflected good performances in Zimbabwe, Ghana and Zambia, and by our associate Castel. Other alcoholic beverage volumes ended 2% lower on an organic basis, primarily as a result of lower sales in Zambia.

Asia Pacific

Group NPR driven by robust growth in China with continued category and competitor pressure in Australia

Asia Pacific group NPR grew by 4% for the year on an organic, constant currency basis. In Australia, continuing domestic lager group NPR on a constant currency basis for the full year was in line with the prior year, as a volume decline of 3% was offset by a 3% improvement in NPR per hl. The soft volume performance was driven by continuing category pressure reflecting negative consumer sentiment, along with continued competitive intensity. Total Australia volumes including discontinued brands were down 8% for the full year on an organic basis. In China, group NPR grew by 17% on an organic basis for the full year, driven by volume growth of 8% and with favourable mix trends, primarily as a result of increasing premiumisation. In India, group NPR declined by 3% due to a volume decline of 7%, partially offset by robust NPR per hl growth of 4%. Volumes were impacted by regulatory changes made in the earlier part of the year in several key states, coupled with the prolonged monsoon season during the year.

South Africa: Beverages

NPR growth in an increasingly challenging trading environment

South Africa: Beverages group NPR grew by 6% on an organic, constant currency basis for the full year driven by group NPR per hl growth of 6%, which benefited from price increases and positive lager brand mix. Lager volumes were level with the prior year, affected by the timing of Easter and the slowing economy. The local premium portfolio performed strongly, benefiting from significant efforts in brand and retail execution, with Castle Lite and Castle Milk Stout delivering combined growth of more than 10%. In the mainstream segment, Castle Lager grew and Carling Black Label continued to stabilise, while targeted investment slowed the decline of Hansa Pilsener. Soft drinks volumes for the full year were level with the prior year, amid challenging economic conditions and particularly bad weather in the last quarter, and the impact of industrial action in Gauteng and KwaZulu-Natal. Given the growing intensity of sparkling B-brand competition in the marketplace, the business has remained focused on portfolio expansion, market penetration, retail execution and productivity initiatives. The still beverage portfolio continued to show growth.

Other

SABMiller currently has an effective 39.6% shareholding in Tsogo Sun Holdings Limited, a company listed on the Johannesburg Stock Exchange. The trading value of SABMiller's shareholding is approximately ZAR 10.9 billion (USD 1,042 million). This investment is not considered to be core to the beverage operations of SABMiller and therefore SABMiller is reviewing its strategic options for its shareholding, however, there can be no certainty that the review will result in SABMiller taking any action.

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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 2013 the group reported group lager volumes of 242 million hectolitres, group net producer revenue* of US\$26,932 million and EBITA* of US\$6,379 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.

*On 17th October 2013 SABMiller announced new and revised reporting metrics in which a new reporting metric 'group net producer revenue' and a restatement of the calculation of EBITA, among other things, were explained. These new and revised metrics are included above for the year ended 31 March 2013.

This announcement is available on the company website: www.sabmiller.com

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