



Trading Statement

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SABMiller plc Trading Update

SABMiller plc today issues the following update on trading for the six months ended 30 September 2014.

Alan Clark, Chief Executive of SABMiller, commented:

"We achieved resilient net producer revenue growth in the first half, powered by our Africa and Latin America businesses. Our total beverage volume growth was impacted by weaker lager volume performance in the second quarter, balanced by strong growth in soft drinks. Financial performance has been affected by ongoing foreign currency movements as well as weaker second quarter trading conditions in China and Australia."

First half and second quarter highlights

- For the first six months, group net producer revenue (NPR) grew by 5% and group NPR per hectolitre (hl) grew by 3%, both on an organic, constant currency basis
- For the second quarter, group NPR grew by 3% and group NPR per hectolitre (hl) grew by 4%, both on an organic, constant currency basis
- Total beverage volumes grew by 1% for the first six months on an organic basis, driven by strong performance across both lager and soft drinks in Latin America and Africa
- Ongoing top line weakness in Australia and softer second quarter lager volumes in China and Europe impacted by poor summer peak weather following growth in the first quarter

Q2 & H1 growth Organic, constant currency	Q2			H1		
	Group NPR growth %	Total beverage volume growth %	Group NPR/hl growth %	Group NPR growth %	Total beverage volume growth %	Group NPR/hl growth %
Latin America	9	5	3	7	3	3
Africa*	8	4	4	10	5	5
Asia Pacific	(3)	(8)	6	(1)	(3)	2
Europe	(2)	(1)	(1)	3	2	1
North America	1	(2)	3	2	(2)	3
Total	3	(1)	4	5	1	3

*Africa including the South Africa beverages business

The calculation of the organic growth rates excludes the impact of acquisitions and disposals. All growth rates are quoted on an organic basis for volumes and an organic, constant currency basis for group NPR and group NPR per hl.

Latin America

Return to lager volume growth in the second quarter, with strong soft drinks volume growth continuing

In Latin America, group NPR for the first six months grew by 7%, driven by price increases and favourable brand mix together with total beverage volume growth of 3%. Lager volume grew by 1% in the half year with trading restrictions impacting the first quarter. Soft drinks volumes saw strong growth across the region with volumes up 10%, driven by our non-alcoholic malt brands, together with further pack innovation. In Colombia, group NPR grew by 6% reflecting selective price increases together with total beverage volume growth of 2%. Colombia lager volumes for the first six months were level with the prior half year following a return to growth in the second quarter which was boosted by the performance of our bulk packs and Aguila Light. In Peru, group NPR grew by 4%, driven by soft drinks volume

growth together with continued positive momentum in lager from consumers trading up to Pilsen Callao. In Ecuador, group NPR growth of 13% was driven by firm pricing and positive brand mix from the robust growth of Pilsener Light, together with our sales service model which continues to assist volume growth. In Central America, against a backdrop of security concerns and trading restrictions impacting the on-premise channel, group NPR growth of 5% was driven by soft drinks volumes which were up by 7%.

Africa

Positive NPR growth in the newly integrated Africa region driven by premium lager mix and soft drinks volume

In the Africa region, now including the South Africa beverages business, group NPR grew by 10%, underpinned by total beverage volume growth of 5%, together with pricing and premiumisation in lager. Lager volumes grew by 2%, while total soft drinks volumes grew by 9% driven by South Africa, Ghana, Nigeria and Zambia, and our associate, Castel. In South Africa, group NPR grew by 10%. Total South Africa beverage volumes grew by 4% with lager volumes growing 1% owing to the softening economic environment, following a first quarter buoyed by an Easter peak and a number of public holidays. Pricing and mix benefits in lager, reflecting growth in our premium lager brands together with innovation, helped to drive group NPR growth. In Tanzania, group NPR grew by 6% while lager volumes were down 7% reflecting excise-related and other pricing taken in July 2014 and a weak agricultural harvest. In Mozambique, group NPR grew by 16%, and lager volumes by 8%, driven by our dual focus on affordability (through Impala) and premiumisation (with a strong performance from Castle Lite), aided by a stable political environment. In Zambia, group NPR grew by 4% although lager volumes were down 16%, impacted by excise-related price increases taken in January 2014. In Nigeria, incremental capacity and strong market execution drove group NPR growth of 41%. Positive group NPR growth continued in Botswana and Uganda. Group NPR in Zimbabwe declined by 3% with total beverage volumes declining due to the continued poor economic environment. High single digit group NPR growth at Castel reflected lager volume growth of 4% and soft drinks volume growth of 11%.

Asia Pacific

Group NPR decline reflecting ongoing pressure in Australia and poor summer weather in China

Asia Pacific group NPR declined by 1%, with the total beverage volume decline of 3% offset by group NPR per hl growth of 2% primarily reflecting the impact of changes in geographical mix. In Australia, group NPR declined by 4%, reflecting a 3% decline in group NPR per hl together with a lager volume decline of 1%, which outperformed the market. Consumer sentiment remains low following the federal budget in May. The NPR per hl decline was impacted by increased trade investment activity and competitive price pressure. In China, group NPR grew by 1% with a 3% lager volume decline offset by favourable mix, primarily as a result of increasing premiumisation. Poor weather impacted most of the central provinces, such that beer volumes declined markedly during the summer peak months of July and August compared with the prior year. In India, group NPR grew by 5% with NPR per hl growth of 4% driven largely by geographic mix and price increases in key states.

Europe

Lager volumes in line with the prior half year, even with a challenging second quarter

In Europe, group NPR grew by 3%, driven by total beverage volume growth of 2%, with lager volumes level with the prior half year. For lager volumes, a strong first quarter was assisted by cycling a soft volume comparative, followed by a more challenging second quarter, which was affected by poor weather across much of the region during the peak months. In the recently integrated businesses in the Czech Republic and Slovakia, group NPR was up by 3% and volumes grew 3% driven by the off-premise channel, which benefited from better execution and successful promotional activities. Both the on and off-premise channels have outperformed a stable market. Although volumes in Poland grew by 4%, group NPR was down 2% reflecting key brand initiatives and adverse channel mix. In the United Kingdom, group NPR grew by 11% led by the continued growth of Peroni Nastro Azzurro with increased rate of sale, improved distribution in key outlets and assisted by good weather. Group NPR in Italy was down 3% driven by a 4% volume decline in a market which was impacted by particularly poor weather during the peak summer months together with the effects of continued economic uncertainty on consumer confidence. Anadolu Efes' group NPR grew strongly with total beverage volumes up driven by the continued strong performance of soft drinks. Lager volumes were down impacted by the continuing effect of regulatory changes in the prior year in Turkey, although competitive performance in Russia improved against a difficult market backdrop.

North America

Above premium brands continue to drive growth

North America group NPR grew by 2%, driven by MillerCoors' group NPR growth of 2%. Improved group NPR per hl, driven by higher net pricing and positive sales mix, offset volume declines. US domestic sales volume to retailers (STRs) declined 2.5% for the half year and by 3.7% in the second quarter. Premium light STRs declined low-single digits in the half year with both Miller Lite and Coors Light down low-single digits. Premium regular brands declined mid-single digits with low-single digit growth of Coors Banquet and a double digit decline in Miller Genuine Draft. In line with the strategy to improve total above premium mix, total above premium STRs grew by high-single digits, driven by the Redd's franchise and innovations such as Miller Fortune and Smith & Forge Hard Cider, together with continued growth of Leinenkugel's. Growth within the segment was partially offset by double digit declines in strategically deprioritised brands. The below premium portfolio declined by mid-single digits. Domestic sales to wholesalers (STWs) for the second quarter and the half year were both down by 1.7% compared with the same periods in the prior year.

ENDS

Notes to editors

SABMiller plc is in the beer and soft drinks business. We are the world's second largest brewing company and are one of the world's largest bottlers of Coca-Cola drinks. We also produce a portfolio of wholly-owned soft drinks brands.

We are a FTSE-20 company, with shares trading on the London Stock Exchange, and we have a secondary listing on the Johannesburg stock exchange. We operate in more than 80 countries with around 70,000 employees.

The group's brand portfolio includes leading local brands such as Aguila (Colombia), Castle (South Africa), Miller Lite (USA), Snow (China), Victoria Bitter (Australia) and Tyskie (Poland) as well as global brands such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch. Every minute of every day, more than 140,000 bottles of SABMiller beer are sold.

In the year ended 31 March 2014, the group sold 318 million hectolitres of lager, soft drinks and other alcoholic beverages, generating group net producer revenue of US\$26,719 million and EBITA of US\$6,453 million.

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