



Trading Statement

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SABMiller plc Trading Update

SABMiller plc today issues its trading update for the group's third quarter ended 31 December 2014.

Alan Clark, Chief Executive of SABMiller, commented:

"We continued to drive steady net producer revenue growth, notwithstanding varied local market performances, as we benefited from the breadth of our global portfolio of businesses. During the quarter, our Latin America and Africa businesses continued to grow both volumes and revenues, together with Europe, while more difficult trading conditions, particularly in China, held back the overall group performance."

Third quarter highlights

- Group net producer revenue (NPR) for the third quarter grew by 4%, with group NPR per hectolitre (hl) growth in all regions
- Lager volume was down 1%, reflecting continuing volume weakness in China and in US shipments
- Continuing growth in soft drinks across the group, with volumes up 4% in the quarter

	Q3			YTD		
	Organic, constant currency	Group NPR growth**	Beverage volume growth	Group NPR growth	Beverage volume growth	Group NPR/hl growth
	%	%	%	%	%	%
Latin America	5	2	4	6	3	3
Africa*	7	4	3	9	4	4
Asia Pacific	(2)	(7)	6	(1)	(4)	3
Europe	3	2	1	3	2	1
North America	(1)	(3)	3	1	(2)	3
Total	4	-	3	4	1	3

*Africa including the South Africa beverages business

** Reported Group NPR for the third quarter declined by 5%

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

Latin America

Continued NPR growth through affordability and premiumisation

In Latin America, group NPR grew by 5% in the third quarter. Beverage volumes increased by 2%, with soft drink volumes up 4%, driven by our non-alcoholic malt brands, and lager volumes up 1%. In Colombia, group NPR grew by 5% with beverage volumes increasing by 1% and lager volumes decreasing by 1%. Lager volume performance was impacted by a shift in consumer spending patterns, along with pressure on disposable income driven by increased levels of household debt and rising inflation. This was partially offset by strong trading over the peak December period. Sales of our above mainstream brand Aguila Light, particularly in bulk packs, continued to grow, offsetting softer performance in other mainstream brands. Our local premium Club Colombia range also contributed positively to mix. In Peru, group NPR growth of 5% was supported by beverage volume growth of 3% with consumers continuing to trade up to our above mainstream brand Pilsen Callao, which grew by double digits, offsetting a decline in our premium Cusqueña brand. In Ecuador, beverage volumes were level while group NPR grew by 8%, driven by positive mix from the continued strong growth of our above mainstream brand Pilsener Light, and the benefit of the prior year price increase. In Central America, group NPR grew by 1% driven by beverage volume growth.

Africa

Group NPR growth in Africa through our balanced portfolio

Group NPR in Africa grew by 7% in the quarter driven by beverage volume growth of 4%, together with pricing and continued improvement in the premium category. Lager volumes increased by 3%, while soft drinks volumes grew by 5%. In South Africa, group NPR grew by 6% driven by positive pack and brand mix in lager which grew NPR by 8%. Both lager and soft drinks volumes grew by 2%, with continued strong growth in Castle Lite. Group NPR in Tanzania grew by 5% underpinned by pricing, positive lager segment mix and growth in wines and spirits, while lager volumes declined by 9% reflecting excise-related and other pricing in July 2014. In Mozambique, group NPR grew by 26%, and lager volumes by 21%, supported by strong performance of Castle Lite and a focus on affordability through the Impala brand. Group NPR in Zambia grew by 2% reflecting price increases in both lager and soft drinks. Lager volumes declined by 11% due to the continuing impact of the excise-related price increases in January 2014. In Nigeria, strong group NPR growth continued, up 33%, driven by volume growth of 27% supported by market execution and incremental capacity. Group NPR in Zimbabwe declined by 10% reflecting continued economic challenges. Castel delivered high-single digit growth in group NPR, supported by mid-single digit volume growth in both lager and soft drinks. Soft drinks volume growth in Africa was driven by South Africa, Ghana, Nigeria, Zambia and our associate Castel.

Asia Pacific

Group NPR decline driven by softer lager volumes in China

Asia Pacific group NPR declined by 2%. The beverage volume decline of 7% was partially offset by group NPR per hl growth of 6%, which principally reflected the impact of changes in geographic mix. In Australia, group NPR was level as growth in group NPR per hl of 1% was offset by a volume decline of 1%, outperforming the market. Volumes continue to be adversely impacted by competitive price pressure and reduced consumer spending due to negative sentiment. Continuing positive momentum in the contemporary and premium segments supported group NPR growth, together with price increases. In China, group NPR declined by 7% driven by a volume decline of 9%, with double digit declines in the northeast and central provinces with the continuing impact of the previous quarter's adverse weather conditions in key regions. Group NPR per hl growth of 2% was driven by favourable brand mix resulting from the strong growth in premium lager volumes. In India, group NPR grew by 3% driven by group NPR per hl growth of 8% partially offset by a volume decline of 5%, reflecting some trade destocking.

Europe

A solid quarter in Europe

In Europe, group NPR grew by 3%, driven by beverage volume growth of 2% with lager volumes also up 2%. Group NPR growth was achieved despite a low inflationary environment, although assisted by cycling a soft comparative prior year quarter. In the integrated Czech Republic and Slovakia business, group NPR was up by 4% with volume growth of 5% reflecting good performance in both countries, although channel mix and price promotion trends were adverse. In Poland, volumes grew by 2%, although group NPR declined by 4% due to higher levels of trade investment together with adverse brand and channel mix. In the United Kingdom, group NPR declined by 5% reflecting declines in the Polish brand portfolio, together with a decline in Ireland of Miller Genuine Draft, while Peroni Nastro Azzurro continued to grow by double digits. Group NPR growth was delivered in Italy and Romania against a subdued prior year quarter although market conditions continued to be challenging. Anadolu Efes' soft drinks volumes were suppressed by a sharp decline in consumer confidence in the Turkish market in the quarter. Lager volumes continue to be adversely impacted primarily by the declining beer market in Russia.

North America

Soft overall volumes, but with trend improvement in Miller Lite and Miller High Life

North America group NPR declined by 1%, reflecting a 1% decline in MillerCoors' group NPR. While MillerCoors' volumes were lower, this was partially offset by higher net pricing and favourable brand mix. US domestic sales to retailers (STRs) declined by 1.7%. Premium light STRs declined low-single digits. Miller Lite continued to benefit from the return to its original iconography and intrinsic-focused marketing campaign, posting its first quarter of volume growth since 2007, with low-single digit growth in STRs. Coors Light volumes declined low-single digits. Within above premium, STRs increased by low-single digits driven by high-single digit growth for the Redd's franchise and brand innovations such as Miller Fortune and Smith & Forge Hard Cider. STRs for Blue Moon and the Leinenkugel's portfolio, together, were level. The below premium portfolio declined mid-single digits. Miller High Life was down low-single digits, an improved quarterly trend on the strength of its current marketing campaign and associated packaging. Steel Reserve grew mid-single digits due to the performance of its "Alloy" series. Domestic sales to wholesalers (STWs) declined by 3.7%.

Other

Following the receipt of the net proceeds of the disposal of our investment in Tsogo Sun Holdings Limited, we announced on 7 November 2014 that we were exercising our issuer call option to redeem in full our US\$850 million 6.5% notes, due 2016. The redemption was completed on 8 December 2014 and resulted in net early redemption costs of approximately US\$48 million.

On 27 November 2014, we announced, together with The Coca-Cola Company and Coca-Cola Sabco, our agreement to combine our soft drinks bottling operations in eastern and southern Africa into a new company, to be named Coca-Cola Beverages Africa (CCBA). It will be the largest Coca-Cola bottler in Africa, with operations in 12 countries, including South Africa. Completion of the transaction is subject to a number of customary closing conditions, including regulatory approvals in South Africa and other African jurisdictions, and is expected to take place in two phases.

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.

Our 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, we 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\$6,460¹ million.

¹ As restated

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

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