Trading Statement

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SABMiller PLC
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SABMiller plc Trading Update

SABMiller plc today issues its trading update for the 12 months ended 31 March 2015.

Alan Clark, Chief Executive of SABMiller, said:

"Our topline performance was strong in the final quarter, driven by double digit revenue growth in Africa and sustained growth in Latin America. Asia Pacific also returned to growth during the last three months of the year as lager volumes in China returned to growth. In the final quarter our revenues grew by 6%, repeating the strength of the first quarter, while full year revenue growth of 4% was driven by revenue per hectolitre growth in all regions"

Full year and fourth quarter highlights

- Group net producer revenue (NPR) for the full year grew by 4%, with total beverage volume growth of 1%
- Lager volume for the year was in line with prior, with growth in Africa and Latin America offset by volume weakness in China and North America
- Lager volumes increased by 2% in the fourth quarter reflecting a strong performance led by South Africa and a recovery in volume growth in China
- Continuing growth in soft drinks across the group, with volumes up 8% for the year and the fourth quarter, driven by Africa and Latin America

	Q4			Full Year		
Organic, constant currency	Group NPR growth* %	Beverage volume growth %	Group NPR/hl growth %	Group NPR growth* %	Beverage volume growth %	Group NPR/hl growth %
Latin America	8	5	3	7	3	3
Africa**	12	9	3	9	5	4
Asia Pacific	7	3	4	1	(2)	3
Europe	-	(1)	1	2	1	1
North America	(1)	(2)	1	-	(2)	3
Total	**6**	**4**	**2**	**4**	**1**	**3**

* Reported group NPR for the full year declined by 2% and for the fourth quarter declined by 5%
** 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 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.

Depreciation of key currencies against the US dollar, particularly during the second half of the year, adversely impacted reported results.

Latin America

Firm NPR growth through lager affordability and premiumisation, supported by soft drinks growth

In Latin America, group NPR grew by 7%, with beverage volume growth of 3% reflecting soft drinks volume growth of 8% and lager volume growth of 1%. Lager volumes grew by 3% in the final quarter due to a strong performance ahead of Easter, particularly in Peru and Ecuador, together with affordability initiatives in Central America. In Colombia, group NPR growth of 6% reflected selective price increases and beverage volume growth of 2%, buoyed by strong non-alcoholic malt volume growth. Lager volumes were in line with the prior year, with continued growth in our above mainstream brand Aguila Light and bulk packs, together with strong performance in our premium brands, Club Colombia and Miller Lite, offsetting softer performance from mainstream brands. In Peru, group NPR grew by 5% driven by beverage volume growth of 4%. Lager volumes increased by 2% with our above mainstream brand Pilsen Callao achieving double digit growth, with consumers continuing to trade up from mainstream, more than offsetting a decline in our premium Cusqeña brand. In Ecuador, group NPR growth of 10% was underpinned by price increases in the latter half of the prior year, and the continuing robust growth of our above mainstream brand Pilsener Light which drove lager volume growth of 2%. In Central America, group NPR grew by 5% driven by beverage volume growth. Our affordability strategy supported lager volume growth of 2% against a backdrop of increased competition and difficult trading conditions.

Africa

Balanced portfolio driving strong top line growth

Group NPR in Africa grew by 9% reflecting beverage volume growth of 5% combined with selective pricing and continued premiumisation in lager. Lager volumes grew by 4% for the full year aided by a strong fourth quarter which benefited from the timing of Easter and cycling weaker trading. In South Africa, group NPR growth of 9% was underpinned by positive lager brand mix enhanced by premium innovations, modest lager price increases across selected bulk and convenience packs and strong Easter trading performance. In Tanzania, group NPR grew by 6% driven by price increases in the first half of the year, together with growth in Castle Lite and the spirits portfolio, while lager volumes were down 7% reflecting excise-related and other pricing taken in July 2014. Group NPR in Mozambique grew by 22% supported by successful in-trade execution and our dual focus on premiumisation, through Castle Lite, and affordability, through our cassava-based lager, Impala, which both grew volumes ahead of the portfolio. Zambia group NPR grew by 3% reflecting price increases in both lager and soft drinks and growth in soft drinks volumes. Lager volumes declined by 8% in the year but recovered in the final quarter as a result of having cycled the excise-related price increases taken in January 2014, together with price reductions in the final quarter of the financial year. In Nigeria, group NPR growth remained strong, with volume growth supported by incremental capacity. Challenges persist in Zimbabwe due to the economic environment and group NPR was down 5%. Castel delivered mid-single digit group NPR growth in line with volume growth. Soft drinks volume growth of 9% in Africa was driven by all countries except Zimbabwe, with South Africa and our associate Castel performing particularly well.

Asia Pacific

Group NPR growth driven by China, reflecting continuing premiumisation

Asia Pacific group NPR was up 1% compared with the prior year. The beverage volume decline of 2% was offset by group NPR per hl growth of 3%, reflecting premiumisation in China as well as a change in the relative weighting of volumes in Australia compared with China. In Australia, group NPR declined by 2%, reflecting a volume decline of 1%. Group NPR per hl was marginally lower than the prior year, with improved trends in the second half of the year reflecting price increases, together with positive momentum in the contemporary and premium segments, which largely offset the increased trade investment activity in the first half of the year. In China, group NPR grew by 2% as a 3% volume decline was offset by continued premiumisation, driving group NPR per hl growth of 5%. A return to volume growth in the final quarter in the northeast and west, together with an improved trend in the key central region, partially offset the impact of adverse weather conditions during the peak summer months. In India, group NPR grew by 6%, reflecting price increases across several states.

Europe

Volume and group NPR per hl improvements deliver group NPR growth

In Europe, group NPR grew by 2%, with an increase in group NPR per hl of 1%. Total beverage volume grew by 1% with lager volumes level with prior year. In the integrated Czech Republic and Slovakia business, group NPR was up by 4% with volume growth of 5% reflecting market outperformance in both channels and boosted by Easter trading, although channel mix was adverse as off-premise grew ahead of the more profitable on-premise channel. In Poland, volumes grew by 2%, although group NPR declined by 2% due to higher investment in promotions, especially during the peak season, together with adverse pack and channel mix. In the United Kingdom, group NPR grew by 4% driven by the continued strong performance of Peroni Nastro Azzurro due to improved rate of sale, increased distribution in key outlets and assisted by good weather. Group NPR declined by 1% in Italy in line with the volume decline, reflecting the impact of adverse weather in the summer months. Anadolu Efes' delivered group NPR growth. Total beverage volume growth was driven by soft drinks, offsetting a decline in lager volumes which continued to be impacted by the uncertain market conditions in Russia and Ukraine.

North America

Group NPR per hl growth through pricing and sales mix

North America group NPR was in line with the prior year, driven by MillerCoors. MillerCoors' volumes were lower, offset by improved group NPR per hl driven by higher net pricing and favourable brand mix. US domestic sales to retailers (STRs) declined by 2.3% for the full year and 2.7% in the fourth quarter. For the full year, both Coors Light and Miller Lite STRs declined by low single digits. Total above premium brands grew mid-single digits for the full year, driven primarily by double-digit growth of the Redd's franchise. In the fourth quarter, above premium STRs declined low-single digits as improved growth in the Blue Moon franchise and the Leinenkugel's portfolio was offset by the double-digit decline of Miller Fortune which cycled its launch in February 2014. The below premium portfolio declined mid-single digits as growth in Steel Reserve and the continuing positive performance of its "Alloy" series was offset by declines across the rest of the portfolio. Domestic sales to wholesalers (STWs) declined by 2.4% on a full year basis, with a 2.5% decline in the fourth quarter.

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$6,460[1] million.

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

Further information is also available on:
www.sabmiller.com
www.facebook.com/sabmiller
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[1] As restated

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