



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 group's third quarter ended 31 December 2015.

Alan Clark, Chief Executive of SABMiller, said:

"This was a very strong quarter with volume growth of 4% and group NPR growth of 7%. The majority of our subsidiary businesses achieved strong growth. Africa performed well across the board, with group NPR in South Africa growing by 16% and our African subsidiaries by 18%. In Latin America growth was led by Colombia and the Asia Pacific region benefited from volume and NPR growth in Australia. Europe had a stronger quarter, with all of our subsidiaries in growth. Group NPR growth was held back by headwinds in our associates' and joint ventures' major markets and continued industry trends in the USA.

"Our reported results are materially impacted by the significant depreciation of our key operating currencies against the US dollar but the underlying performance we are reporting today reflects the strength of our business and the dedication of our people."

Q3 & YTD change Organic, constant currency v. prior	Q3			Q3 YTD		
	Group NPR change %	Beverage volume change %	Group NPR/hl change %	Group NPR change %	Beverage volume change %	Group NPR/hl change %
Latin America	8	5	3	8	6	2
Africa	12	8	4	10	6	4
Asia Pacific ¹	5	-	5	4	(2)	7
Europe	6	4	2	1	(1)	3
North America	(1)	(2)	1	(1)	(2)	1
Total	7	4	3	5	2	4

¹ Further detail of a potential full year adjustment by our associate in China is provided on the final page of this release.

On a reported basis, group NPR declined by 8% for the quarter and by 9% for the year to date due to the adverse translational impact on our results of continued depreciation of our key operating currencies against the US dollar.

The calculation of organic growth rates excludes the impact of acquisitions and disposals. All growth rates in this trading update are for the third quarter (or the year to date when indicated) 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 (unless noted otherwise).

Key third quarter highlights

- Group NPR for the third quarter grew by 7%, based on volume growth of 4% and price and mix realisation of 3%. Lager volume growth accelerated during our financial year to 3% in the quarter, underpinned by growth of 7% in Latin America and 6% from our subsidiary businesses in Africa.
- Subsidiary total beverage and lager volumes grew by 8% and 6% respectively, building on the momentum achieved in the second quarter and assisted by favourable weather conditions in some markets. This contrasts with the relatively weaker performance in our associates and joint ventures which resulted in group lager volume growth of 3% for the quarter.
- Premium lager brand² volumes grew by 4% and volumes of our global lager brands² increased by 8%.
- Soft drinks volumes grew by 8%, with double digit growth in Africa and a subdued performance in Latin America.
- We have been negatively impacted by the depreciation of our key operating currencies against the US dollar, which materially impacts our results.

Latin America

Strong top line growth in Colombia and Central America

In Latin America, group NPR for the third quarter grew by 8%, with beverage volume growth of 5% held back by soft drinks volume growth of 1%. Lager volume growth accelerated to 7% in the quarter. Group NPR per hl benefited from selective price increases and favourable brand mix.

- In Colombia, group NPR grew by 10% reflecting beverage volume growth of 6%, premiumisation and selective price increases in December 2015. Strong lager volume growth of 13% was driven by our affordability strategy and the continued momentum of our above mainstream brands, particularly Aguila Light and the alcohol-free Aguila Cero. Both our mainstream brand Poker and our local premium brand Club Colombia saw healthy growth. Volumes of our non-alcoholic malt beverage brand, Pony Malta, declined following an unfounded rumour that went viral on social media in October.
- In Peru, group NPR grew by 6% with beverage volumes up 1%. Group NPR per hl growth was a result of selective price increases in August 2015 together with positive mix from our above mainstream brand Pilsen Callao and our local premium brand Cusque-a. Lager volumes grew 1% against a backdrop of adverse weather conditions, a strong comparative and lower consumer confidence.
- In Ecuador, group NPR grew by 1% with beverage volumes down 1% as a result of softer macro-economic conditions. Group NPR growth was aided by positive brand mix, as consumers continued to trade up to Pilsener Light, and positive category mix.
- In Central America, group NPR grew by 10% with beverage volume growth of 10%. Our affordability initiatives in Honduras continue to exceed expectations. Lager volumes grew 8%, driven by double digit growth in Honduras, and partly offset by a decline in Panama due to excise-driven price increases earlier in the year.

Africa

Sustained strong momentum in our African subsidiaries

In a continuing volatile environment, group NPR in Africa grew by 12% reflecting beverage volume growth of 8%, selective pricing, and positive category mix in most markets. Lager volumes for the region grew by 4% while soft drinks volumes increased by 13%.

- Group NPR in South Africa rose by 16%, with beverage volume growth of 10% assisted by particularly warm weather. Group NPR growth was supported by pricing on key packs in October and premiumisation in lager. Lager volume growth of 2% reflects good trade execution over the peak trading period with continuing growth of Castle Lager, particularly in bulk packs, partly offset by Hansa Pilsener which declined. Our premium lager brand volumes increased by 12% as a result of continued growth of Castle Lite and supported by a return to growth of Redd's. Soft drinks volumes grew very strongly at 21% assisted by the warmer weather and growth of the still beverages portfolio.
- Our subsidiary businesses in the rest of Africa produced excellent growth with group NPR up 18% and beverage volumes up 12% with lager volumes up 16%.
 - Tanzania's group NPR grew by 5% with beverage volume growth of 8% underpinned by a substantial recovery in lager volumes which rose by 11%. Growth was led by greater distribution and sales of our affordable brand Eagle, complemented by renewed growth of Safari, together with a strong performance from traditional beer which was offset by a subdued performance in our wines and spirits category.
 - Despite cycling a strong comparative, group NPR in Mozambique increased by 23% reflecting beverage volume growth of 11% together with selective pricing, positive segment and pack mix with mainstream brands growing strongly in convenience packs driven by our 2M brand.
 - In Zambia, group NPR grew by 32% due in part to beverage volume growth of 19%. Favourable category mix resulted from lager volume growth of 39%, against a soft comparative, while NPR also benefited from premiumisation in lager.
 - In Nigeria, group NPR growth momentum continued, increasing by 28%, supported by volume growth of 25% as a result of enhanced market execution and utilisation of the additional brewing capacity commissioned in the year.
 - The continuing turmoil in South Sudan and the acute shortage of access to foreign exchange in the country significantly impacted our performance in the quarter. As a result, we are evaluating our options, including scaling back our operations.
- Our associate, Castel's group NPR declined with beverage volumes down 8% principally driven by significant economic and trading challenges in Angola. Group NPR in our associate in Zimbabwe marginally improved, cycling a weak comparative.

Asia Pacific

Improved momentum in Australia driving subsidiary NPR growth

In Asia Pacific, group NPR grew by 5% with group NPR per hl growth of 5% reflecting continued premiumisation in Australia and China, together with an increase in one-way packaging volumes in China. Beverage volumes were level with the prior year, as growth in Australia and India was offset by a 1% decline in volumes in China.

- In Australia, group NPR growth of 4% was primarily a result of positive mix and price realisation, together with volume growth of 1%. The business benefited from continuing improvements in commercial execution and a warmer summer than the prior year.

Volume growth trends continued to improve, with momentum in both the premium and contemporary segments. Premium segment growth was led by sustained high single digit growth of Peroni, with the Great Northern brands driving growth in our contemporary portfolio and the Yak franchise supporting growth in our craft brands. Our mainstream brands Victoria Bitter and Carlton Draught declined, partly due to the continuing consumer switch to premium and contemporary segments, although this was partially mitigated by strong Carlton Dry performance.

- In China, group NPR grew by 6% largely due to the continued roll-out of one way packaging. Beverage volumes declined 1% primarily due to continuing tough industry and trading headwinds, and despite adverse weather conditions in key regions in the prior period.

Europe

Strong group NPR growth in Europe

Group NPR grew by 6% in the quarter with beverage volume growth of 4% assisted by unseasonably mild weather but held back by the performance of our associates. Our European subsidiaries delivered group NPR growth and beverage volume growth of 8% in the quarter.

- In the Czech Republic and Slovakia, group NPR increased by 7% with beverage volume growth of 4% assisted by positive brand mix. Our Czech business reported a strong Christmas trading period due to continuing improvements in sales execution. Our premiumisation efforts delivered Pilsner Urquell growth of 18%.
- In Poland, group NPR increased by 6%, with volumes up 8% reflecting an improved trend following a challenging first half. Performance in the quarter was driven by restoring the price competitiveness of our brand portfolio, particularly our lower mainstream brand Zubr, and supported by a streamlined and more customer-focused sales model.
- In the United Kingdom, group NPR grew by 7%. Volumes were up 2% with favourable brand mix due to the continued growth of Peroni Nastro Azzurro, which was up 7%, and the Czech brand portfolio which offset the declines in Miller Genuine Draft and the Polish brand portfolio.
- In Romania, group NPR increased by 25%, with volumes up 20% as a result of double digit growth across all price segments and improved NPR per hl benefiting from a promotional campaign on our premium brand Ursus.
- The remainder of our European subsidiaries increased group NPR by 7%, with volume and group NPR growth across all markets. In Italy, group NPR grew by 5% driven by Peroni and our premium portfolio, while in the Netherlands group NPR increased by 3% owing to a strong performance in the off premise channel.
- Both the soft drinks and beer businesses of our associate Anadolu Efes continue to be adversely impacted by economic and political instability in their key markets.

North America

Softer volumes but premium lights continue to gain segment share

Group NPR in North America declined by 1% with beverage volumes down 2% driven by the performance of MillerCoors. While domestic sales to wholesalers (STWs) were down 3% in the quarter, MillerCoors group NPR per hl grew 1%, reflecting positive sales mix together with favourable net pricing. US domestic sales to retailers (STRs) were down 2% in the quarter.

- Premium light STRs declined low single digits, although MillerCoors continued to gain market share in the segment, with low single digit decreases in both Coors Light and Miller Lite. The decline in Coors Light STRs slowed in the quarter due to progress in rolling out the brand's new visual identity across all packages. A marginal decline in Miller Lite reflects a strong comparative period in the prior year driven by the successful launch of the heritage packaging campaign.
- STR volumes in the above premium segment decreased by low single digits. The Redd's franchise grew mid single digits, supported by additional media investment, while the Blue Moon franchise achieved a low single digit increase. The Leinenkugel's portfolio declined double digits due to a temporary production issue with the winter variety pack that has since been resolved.
- The below premium portfolio experienced a mid single digit decline, with both Keystone and Milwaukee's Best down high single digits while Miller High Life declined mid single digits.

Q3 and year to date change versus prior year: table by region and key country

Organic, constant currency v prior	Q3			Q3 YTD		
	Group NPR change %	Beverage volume change %	Group NPR/hl change %	Group NPR change %	Beverage volume change %	Group NPR/hl change %
Latin America	8	5	3	8	6	2
Colombia	10	6	3	10	8	2
Peru	6	1	4	7	3	4
Other	8	6	2	6	5	1
Africa	12	8	4	10	6	4
South Africa	16	10	5	11	6	5
Rest of Africa (subsidiaries)	18	12	5	15	12	3
Other*	(8)	(7)	(1)	3	(2)	5
Asia Pacific	5	-	5	4	(2)	7
Australia	4	1	3	2	(1)	4
China*	6	(1)	7	6	(2)	8
Other	6	2	3	6	-	6

Europe	6	4	2	1	(1)	3
Czech and Slovakia	7	4	2	4	-	3
Poland	6	8	(1)	(9)	(7)	(3)
Other*	6	3	3	4	-	4
North America	(1)	(2)	1	(1)	(2)	1
Total	7	4	3	5	2	4

* The performance of our associates' are based on estimated financial results which are then trued-up in subsequent months. For those associates with a December year end, the figures included above are still subject to audit and in some instances will be reported publicly in due course.

On a full year basis, the group expects to recognise its share of a reclassification (within the income statement) undertaken by its associate in China of certain selling expenses to NPR in the current year. The amount for the twelve months ended 31 December 2015 is still subject to audit and the quarterly phasing is not available. If a phased estimate were applied to the current period, year to date group NPR growth over the prior year would be 2% for China and 3% for Asia Pacific (rather than the 6% and 4%, respectively, shown in the table above). For the group, the impact would be de minimis with no change to the year to date group NPR growth of 5% shown above.

ENDS

Enquiries

SABMiller plc
t: +44 20 7659 0100

Christina Mills
Director, Group Communications
and Reputation
SABMiller plc
T +44 20 7659 0105

Richard Farnsworth
Group Media Relations
SABMiller plc
T +44 7734 776 317

Gary Leibowitz
Director,
Investor Engagement
SABMiller plc
T +44 20 7659 0119

Notes to editors

SABMiller is in the beer and soft drinks business, bringing refreshment and sociability to millions of people all over the world who enjoy our drinks. The company does business in a way that improves livelihoods and helps build communities.

SABMiller is passionate about brewing and has a long tradition of craftsmanship, making superb beer from high quality natural ingredients. Our local beer experts brew more than 200 beers from which a range of special regional and global brands have been carefully selected and nurtured.

SABMiller is a FTSE-20 company, with shares trading on the London Stock Exchange, and a secondary listing on the Johannesburg Stock Exchange. The group employs around 69,000 people in more than 80 countries, from Australia to Zambia, Colombia to the Czech Republic, and South Africa to the USA. Every minute of every day, more than 140,000 bottles of SABMiller beer are sold around the world.

In the year ended 31 March 2015, SABMiller sold 324 million hectolitres of lager, soft drinks and other alcoholic beverages, generating group net producer revenue of US\$26,288 million and EBITA of US\$6,367 million.

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

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