Interim Management Statement

Released : 24.07.2014 07:00

RNS Number : 1679N
SABMiller PLC
24 July 2014

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SABMiller plc Trading Update

SABMiller plc today issues its Interim Management Statement for the group's first quarter ended 30 June 2014.

Alan Clark, Chief Executive of SABMiller, commented:
We continued to drive strong NPR growth across our businesses. This has been achieved through our prolonged success in building local and global flagship brands across our broad geographic footprint, together with innovations and improved trade execution. Strong growth in Africa, South Africa and Europe was balanced by slower momentum in North America and a reduction in NPR in Australia in difficult trading conditions. Latin America performed well despite a number of one-off trading restrictions in Colombia.

First quarter highlights

- Group NPR grew by 6% and group NPR per hectolitre (hl) grew by 3%, both on an organic, constant currency basis
- Total beverage volumes grew by 3% on an organic basis
- Lager volumes grew by 1% on an organic basis, driven by China, Europe and Africa
- Soft drinks volumes grew by 10% on an organic basis, reflecting strong growth in Latin America, Europe, South Africa and Africa
- The group's financial performance is in line with expectations

Q1 growth Organic, constant currency	Group NPR growth %	Total beverage volume growth %	Group NPR/hl growth %
Latin America	5	2	3
Africa	11	5	5
South Africa: Beverages	12	6	6
Asia Pacific	1	2	(1)
Europe	8	5	3
North America	3	(2)	4
Total	**6**	**3**	**3**

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 net producer revenue (NPR), except where otherwise stated.

Latin America
Group NPR growth reflecting strong pricing in the region offsetting softer volume performance in Colombia
Latin America delivered group NPR growth of 5% driven by selective price increases and favourable brand mix. Total beverage volumes increased by 2%. Although lager volumes were 2% below the prior year as a result of numerous trading restrictions, soft drinks volumes grew by 9% with strong performances across the region. In Colombia, group NPR grew by 2% although lager volumes were down by 6%, impacted by the selective price increase in April 2014 and dry laws for the two rounds of the Presidential elections and in key cities during Colombia's World Cup football matches. Peru delivered group NPR growth of 6% underpinned by Pilsen Callao's continued growth and reflecting the cycling of the May 2013 excise increase. In Ecuador, group NPR grew by 12% driven by firm pricing on the Pilsener brand and positive brand mix. In Central America, group NPR increased by 3% reflecting a strong performance in soft drinks volumes which grew by 6%, while lager volumes increased by 1%.

Africa
Strong group NPR performance with lager volumes returning to growth
In Africa, group NPR grew by 11%, driven by pricing and total beverage volume growth of 5%. Lager volume growth of 3% was aided by market share gains. Total soft drinks volume growth was 9%, with strong performance in Ghana, Zambia, Nigeria and Zimbabwe. In Tanzania, group NPR grew by 11% and lager volumes recovered in June to end level for the quarter after a slow start impacted by particularly heavy rainfall. Group NPR in Mozambique grew by 15%, driven by the strong growth of Castle Lite and the return to lager volume growth in the quarter. In Uganda, lager volumes returned to growth, helping to drive group NPR growth of 7%. Group NPR in Zambia grew by 4% although lager volumes declined as a result of the excise-related pricing in January. In Zimbabwe, group NPR grew by 6%

while lager volumes declined, reflecting poor economic fundamentals. Strong group NPR growth continued in Nigeria assisted by the recently commissioned incremental capacity. In Botswana, group NPR grew by 8% reflecting strong market execution in both lager and soft drinks. High single digit group NPR growth at our associate, Castel, reflected lager volume growth of 1% and soft drinks growth of 8%.

South Africa: Beverages

Strong group NPR growth buoyed by Easter trading

South Africa: Beverages group NPR grew by 12% reflecting price increases, the continuing premiumisation of the portfolio, and total beverage volume growth of 6%, against a backdrop of the challenging economic environment. Lager volume growth of 4% benefited from a number of public holidays and favourable weather conditions throughout the country over Easter. The premium lager portfolio performed well, with both Castle Lite and Castle Milk Stout delivering double digit volume growth. Soft drinks volume grew 11% also benefiting from public holidays at the start of the quarter, but driven further by effective in trade execution, focus on the full brand portfolio, and price point management of bulk PET packs in particular. The rand has continued to depreciate, and consequently reported group NPR grew by only 1%.

Asia Pacific

Group NPR growth driven by China, with enduring category and price pressure in Australia

Asia Pacific group NPR grew by 1% for the quarter. In Australia, group NPR declined by 6% reflecting a volume decline of 3% and a decline in NPR per hl. The soft volume and price performance was driven by continuing category pressure, reflecting increased negative consumer sentiment following the tough federal budget in May, along with continued competitive intensity. The NPR per hl decline was exacerbated by price competition from international premium brands. In China, group NPR grew by 8%, reflecting volume growth of 4% and favourable mix trends, primarily as a result of increasing premiumisation. In India, group NPR declined by 3% reflecting a volume decline of 8%, partially offset by robust NPR per hl growth of 6%. Volumes in India continued to be impacted by regulatory changes imposed in the earlier part of the prior year in several key states, as well as trading restrictions caused by the imposition of the election code of conduct during the national elections in April and May.

Europe

Strong group NPR growth assisted by a soft volume comparative

In Europe, group NPR grew by 8% driven by total beverage volume growth of 5%, with lager volumes up 3%. Performance in the quarter was assisted by cycling a comparative prior year quarter with poor weather and which excluded an Easter trading period. In the recently integrated businesses in the Czech Republic and Slovakia, group NPR was 6% ahead of the prior year reflecting volume growth driven by better performance in the off-premise channel, assisted by seasonal promotional activities, along with improved execution and an enhanced focus in the on-premise channel. In Poland, increased sales through discounters and selective brand price repositioning resulted in level group NPR while volumes grew by 7%. The quarter also cycled a subdued prior year quarter which was impacted by the pre-quarter stock build in the trade ahead of our global template deployment. Group NPR in the United Kingdom was up by 23% driven by the continued growth of Peroni Nastro Azzurro, reflecting improved distribution both in the off-premise and on-premise channels. Italy's group NPR grew by 5%, driven by higher volumes reflecting Peroni's seasonal promotional activities in the off-premise channel and the launch of its Peroni Lemon Chill radler. Anadolu Efes' group NPR grew strongly, with total beverage volume growth driven by the continued growth of soft drinks volumes while lager volumes were negatively impacted by market regulatory conditions in Turkey.

North America

Continued growth of the above premium segment

North America group NPR grew by 3%, driven by MillerCoors' group NPR growth of 2%, with lower volumes offset by positive sales mix and higher net pricing. US domestic sales volume to retailers (STRs) declined 1.2% in the quarter. Premium light STRs declined low single digits reflecting a low single digit decline in both Miller Lite and Coors Light, which benefited from the launch of Coors Light Summer Brew. Premium regular brands declined low single digits with high single digit growth of Coors Banquet offset by a double digit decline in Miller Genuine Draft. In line with the strategy to improve above premium mix, total above premium STRs grew double digits, driven by the Redd's franchise and innovations such as Miller Fortune and Smith & Forge Hard Cider. Within above premium, the Tenth and Blake division declined low single digits with high single digit growth from the Leinenkugel's portfolio, low single digit growth of Blue Moon Belgian White and high single digit decline of Blue Moon seasonals. The below premium portfolio declined mid single digits. Domestic sales volume to wholesalers (STWs) declined 1.7% in the quarter.

Other

On 18 July 2014, the group announced that it had successfully placed approximately 67% of its shareholding in Tsogo Sun Holdings Limited (Tsogo), a company listed on the Johannesburg Stock Exchange, through an institutional placing for a total gross consideration of ZAR 7.6 billion (approximately US$707 million). A further ZAR 200 million (approximately US$19 million) worth of shares are expected to be purchased by members of Tsogo's executive management team, and the balance of the group's shareholding will be bought back by Tsogo for ZAR 2.8 billion (approximately US$261 million), subject to Tsogo shareholder approval. On the basis that this approval is granted, the buy back is expected to be completed on or about 5 September 2014, following which the SABMiller group would no longer hold any ordinary shares in Tsogo.

On 7 April 2014, the group announced that its South Africa and Africa divisions would be consolidated into one division for management purposes with effect from 1 July 2014. Mark Bowman has been appointed as the Managing Director of that division.

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.

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

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