



**MILLERCOORS REPORTS LOWER THIRD QUARTER UNDERLYING NET INCOME  
BUT HIGHER NET REVENUE PER BARREL**

***Coors Light and Miller Lite Gain Market Share of Premium Light Segment in the Third Quarter***

**November 5, 2015 (London and Denver)** – SABMiller plc (LN:SAB; OTC:SABMRY) and Molson Coors Brewing Company (NYSE: TAP; TSX: TPX) reported that third quarter MillerCoors underlying net income declined 8.6 percent to \$344.4 million versus the same period in the prior year, driven by lower volume and increased marketing investment, partially offset by lower cost of sales, positive sales mix and net pricing growth. For the second consecutive quarter, Coors Light and Miller Lite both gained market share of the Premium Light segment, with Miller Lite delivering volume growth. Combined, Coors Light and Miller Lite delivered their best quarterly performance in three years.

“As we relentlessly pursue total portfolio growth, job number one is taking share and growing our American Light Lagers. This past quarter, we took a step in this direction by taking segment share with both Coors Light and Miller Lite,” said Gavin Hattersley, MillerCoors Chief Executive Officer. “We have a lot of work ahead of us to address our economy segment performance, but all other segments across our portfolio are in good shape as we close out the year. Net income was down this quarter due to lower volume, partially due to bringing distributor inventories down as anticipated coming out of peak-selling season, and increased media investments across our brands.”

**Third Quarter Highlights**

Unless otherwise indicated, all amounts are in U.S. dollars and calculated in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP). All market share references are per A.C. Nielsen. Percentages are versus the prior year comparable period and include MillerCoors operations in the U.S. and Puerto Rico.

- Underlying net income, a non-GAAP measure, decreased 8.6 percent to \$344.4 million.
- Total net sales decreased 3.4 percent to \$2.000 billion.
- Domestic net revenue per barrel, excluding contract brewing and company-owned distributor sales, increased 1.2 percent.
- Total cost of goods sold (COGS) per barrel decreased 0.8 percent.
- Domestic sales-to-retail volume (STRs) decreased 2.5 percent.
- Domestic sales-to-wholesalers volume (STWs) decreased 4.6 percent.

### **Brand Highlights for the Third Quarter**

Miller Lite STRs increased low-single digits and, according to Nielsen, gained share of the Premium Light segment in the third quarter. Earlier this year, the brand launched a new advertising campaign titled “Bodega,” designed to further leverage Miller Lite’s perspective that people stay connected to who they really are, just as the brand has reconnected with its true self. The brand has gained momentum since returning to its original white packaging and is further celebrating its history and heritage by releasing the original Steinie bottle from 1975. The shorter neck bottle is available now for a limited time, with production set to end at the close of the year.

Coors Light declined low-single digits but gained share of the Premium Light segment in the third quarter. Coors Light continued to execute its brand overhaul with the continued rollout of a contemporary and new visual identity across all packages, while 72andSunny was announced as the new advertising and digital agency of record for the Coors family of brands. The Los Angeles-based company, which was named “Agency of the Year” by *AdAge* in both 2013 and 2014, will drive forward the unique, engaging stories behind the Coors Light brand.

Our Above Premium portfolio was down low-single digits this quarter with the strategic de-prioritization of Miller Fortune, while the portfolio was up low-single digits excluding Fortune. The Redd’s franchise achieved mid-single digit growth, driven by Redd’s Wicked brands, including the 2015 introduction of Redd’s Wicked Mango.

The MillerCoors Tenth & Blake portfolio grew low-single digits. The Blue Moon Brewing Company grew low-single digits, driven by Blue Moon Belgian White’s 80<sup>th</sup> consecutive quarter of growth and the release of Blue Moon White IPA, which is the No. 4 new craft offering in 2015, according to Nielsen. The Jacob Leinenkugel Brewing Company grew low-single digits, driven by the continued growth of its Shandy portfolio, and its newest varietals, Harvest Patch Shandy and Grapefruit Shandy. According to Nielsen, Grapefruit Shandy is the No. 1 new craft offering in 2015. MillerCoors also announced the acquisition of San Diego’s Saint Archer Brewing Company, a fast-growing craft brewer with a portfolio currently available only in California.

In the Premium Regular segment, Coors Banquet grew low-single digits in the third quarter and is in the midst of its ninth consecutive year of growth. According to Nielsen, Coors Banquet remains the only national Premium Regular brand that is growing due to its continued success with the “stubby” heritage bottle, led by 12-packs and 18-packs nationwide. The growth from Banquet partially offset a double-digit decline for Miller Genuine Draft.

Consistent with the overall industry trend that has seen declines in economy brands, the MillerCoors Below Premium portfolio decreased mid-single digits, driven by a double-digit decline of Milwaukee's Best and a high-single digit decline of Keystone Light, while Miller High Life declined mid-single digits. Steel Reserve grew low-single digits, due to the continuing success of the Steel Reserve Alloy Series, the brand's line of flavored malt beverages.

### **Financial Highlights for the Third Quarter**

Domestic net revenue per barrel grew 1.2 percent as a result of favorable net pricing and positive sales mix.

Total company net revenue per barrel, including contract brewing and company-owned distributor sales, increased 1.1 percent. Third-party contract brewing volumes were down 3.5 percent.

Total COGS per barrel decreased 0.8 percent, driven by lower aluminum pricing, malt and corn costs, and fuel expense, along with supply chain cost savings. These factors were partially offset by brewery and freight inflation, and lower fixed-cost absorption due to lower volumes.

Marketing, general and administrative costs increased by 5.6 percent, driven by higher brand investments, employee related benefits and technology investments.

MillerCoors achieved cost savings of \$26 million in the third quarter, primarily related to procurement savings and brewery efficiencies.

Depreciation and amortization expenses for MillerCoors in the third quarter were \$99.9 million, including accelerated depreciation related to the planned closure of our Eden, North Carolina, brewery of \$21.8 million included in special items. Additions to tangible and intangible assets totaled \$77.3 million.

Special items of \$28 million were recognized in the third quarter related to the announced closure of the Eden Brewery, with additional special items expected to be recognized through the third quarter of 2016, when the closure is planned.

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## **Overview of MillerCoors**

Through its diverse collection of storied breweries, MillerCoors brings American beer drinkers an unmatched selection of the highest quality beers steeped in centuries of brewing heritage. Miller Brewing Company and Coors Brewing Company offer domestic favorites such as Coors Light, Miller Lite, Miller High Life and Coors Banquet. Tenth and Blake Beer Company, our craft and import division, offers beers such as Leinenkugel's Summer Shandy from sixth-generation Jacob Leinenkugel Brewing Company and Blue Moon Belgian White from modern craft pioneer Blue Moon Brewing Company, which celebrates its 20th Anniversary this year. Tenth and Blake also operates Crispin Cidery, an artisanal maker of pear and apple ciders using fresh-pressed American juice. The company imports world-renowned beers such as Italy's Peroni Nastro Azzurro, the Czech Republic's Pilsner Urquell and the Netherlands' Grolsch. MillerCoors also offers pioneering new brands such as the Redd's franchise and Smith & Forge Hard Cider. MillerCoors seeks to become America's best beer company through an uncompromising promise of quality, a keen focus on innovation and a deep commitment to sustainability. MillerCoors is a joint venture of SABMiller plc and Molson Coors Brewing Company. Learn more at [MillerCoors.com](http://MillerCoors.com), at [facebook.com/MillerCoors](https://facebook.com/MillerCoors) or on Twitter through [@MillerCoors](https://twitter.com/MillerCoors).

## **Overview of SABMiller**

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 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 hectoliters 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.

Further information is also available on:

[www.sabmiller.com](http://www.sabmiller.com)

[www.facebook.com/sabmiller](https://www.facebook.com/sabmiller)

[www.twitter.com/sabmiller](https://www.twitter.com/sabmiller)

[www.youtube.com/sabmiller](https://www.youtube.com/sabmiller)

## **Overview of Molson Coors**

Molson Coors Brewing Company is one of the world's largest brewers. The Company's operating segments include Canada, the United States, Europe, and Molson Coors International (MCI). The Company has a diverse portfolio of owned and partner brands, including signature brands Carling, Coors Banquet, Coors Light, Molson Canadian and Staropramen. Molson Coors is listed on the 2014/2015 Dow Jones Sustainability World Index (W1SGITRD), the most recognized global benchmark of sustainability among global corporations. For more information on Molson Coors Brewing Company, visit the company's website, [www.molsoncoors.com](http://www.molsoncoors.com).

## Forward-Looking Statements

*This press release includes “forward-looking statements” within the meaning of the U.S. federal securities laws, and language indicating trends, such as “anticipated” and “expected.” It also includes financial information, of which, as of the date of this press release, the Companies’ independent auditors have not completed their audit. Although the Companies believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Companies’ projections and expectations are disclosed in Molson Coors’ filings with the Securities and Exchange Commission or in SABMiller’s annual report and accounts for the year ended March 31, 2015, and in other documents which are available on SABMiller’s website at [www.sabmiller.com](http://www.sabmiller.com). These factors include, among others, changes in consumer preferences and product trends; price discounting by major competitors; failure to realize anticipated results from cost saving initiatives; and increases in costs generally. All forward-looking statements in this press release are expressly qualified by such cautionary statements and by reference to the underlying assumptions. Neither SABMiller nor Molson Coors undertakes to update forward-looking statements relating to their respective businesses, whether as a result of new information, future events or otherwise. You should not place undue reliance on any forward-looking statement. Neither SABMiller nor Molson Coors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.*

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## MillerCoors Results and Related Reconciliations

The table below reconciles net income attributable to MillerCoors, reported in accordance with U.S. GAAP as used for inclusion within Molson Coors reported results, to MillerCoors EBITA as used for inclusion within SABMiller's reported results in accordance with IFRS as adopted by the European Union. Underlying net income and EBITA are non-GAAP measures. Management of both companies believes that underlying net income and EBITA provide shareholders with a useful basis for assessing the profit performance of MillerCoors. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ between companies.

(In millions of \$US)	Three Months Ended		Nine Months Ended	
	Sept 30, 2015	Sept 30, 2014	Sept 30, 2015	Sept 30, 2014
<b>U.S. GAAP:</b> Net Income	\$ 316.5	\$ 376.5	\$ 1,108.3	\$ 1,112.9
Attributable to MillerCoors				
Plus: Special/Exceptional Items <sup>1</sup>	28.0	0.2	28.0	1.4
Tax effect of the adjustments to arrive at underlying net income <sup>2</sup>	(0.1)	-	(0.1)	-
<b>Non-GAAP Underlying Net Income</b>	\$ 344.4	\$ 376.7	\$ 1,136.2	\$ 1,114.3
Adjustments to IFRS Underlying EBITA-Reported <sup>3</sup>	33.2	20.0	96.4	68.8
Restatement Adjustments to IFRS Underlying EBITA-Restated <sup>4</sup>	-	-	-	3.5
<b>IFRS:</b> MillerCoors underlying earnings before interest, taxes and amortization before exceptional items (EBITA <sup>5</sup> )	\$ 377.6	\$ 396.7	\$ 1,232.6	\$ 1,186.6
Percent change versus prior year MillerCoors underlying EBITA Restated <sup>5</sup>	(4.8%)		3.9%	

<sup>1</sup>Current year Special/Exceptional items include costs related to the planned closure of the Eden Brewery, including accelerated depreciation of \$21.8M. Prior year Special/Exceptional items include restructuring related costs

<sup>2</sup>The tax effect of the adjustments to arrive at underlying net income attributable to MillerCoors, a non-GAAP measure is calculated based on the estimated tax rate applicable to the item(s) being adjusted in the period in which they arose.

<sup>3</sup>GAAP Underlying net income to IFRS EBITA adjustments relate to differing treatment of step-up depreciation, pension, post-retirement benefits, consolidation of container joint ventures, share-based compensation and certain special items between U.S. GAAP and IFRS. Amortization of intangible assets, interest, taxes and non-controlling interest have been removed to arrive at Underlying EBITA.

<sup>4</sup>With effect from April 1, 2014, SABMiller adopted IFRS 10, "Consolidated Financial Statements." The accounting standard has been applied retrospectively and results have been restated for SABMiller's fiscal year ended March 31, 2014.

<sup>5</sup>EBITA-Earnings Before Interest, Taxes, and Amortization, excluding exceptional items.

**MILLERCOORS LLC**  
**RESULTS OF OPERATIONS**  
(VOLUMES IN THOUSANDS, DOLLARS IN MILLIONS \$US)  
(UNAUDITED)

**U.S. GAAP**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>Sept 30, 2015</b>	<b>Sept 30, 2014</b>	<b>Sept 30, 2015</b>	<b>Sept 30, 2014</b>
Total STW volume in barrels	15,740	16,470	46,506	47,843
Sales	\$ 2,286.8	\$ 2,374.3	\$ 6,826.9	\$ 6,951.3
Excise taxes	(286.8)	(304.8)	(849.6)	(884.7)
Net sales	2,000.0	2,069.5	5,977.3	6,066.6
Cost of goods sold	(1,173.9)	(1,237.7)	(3,490.6)	(3,614.2)
Gross profit	826.1	831.8	2,486.7	2,452.4
Marketing, general and administrative expenses	(475.1)	(449.7)	(1,333.0)	(1,321.8)
Special items, net	(28.0)	(0.2)	(28.0)	(1.4)
Operating income	323.0	381.9	1,125.7	1,129.2
Interest income (expense), net	(0.3)	(0.4)	(1.0)	(1.0)
Other income (expense), net	0.2	1.1	4.6	4.3
Income before income taxes and non-controlling interests	322.9	382.6	1,129.3	1,132.5
Income taxes	(1.1)	(1.3)	(3.8)	(4.6)
Net income	321.8	381.3	1,125.5	1,127.9
Net income attributable to non-controlling interests	(5.3)	(4.8)	(17.2)	(15.0)
Net income attributable to MillerCoors LLC	\$ 316.5	\$ 376.5	\$ 1,108.3	\$ 1,112.9