# Welcome

SABMiller plc
Quarterly divisional seminar series

Molson Coors Brewing Company

MillerCoors

MillerCoors LLC – divisional seminar

June 2, 2009 – London
June 9, 2009 – New York



# Introduction

Gary Leibowitz
Senior Vice President, Investor Relations
SABMiller plc

Dave Dunnewald
Vice President, Global Investor Relations
Molson Coors Brewing Company



# Forward looking statements

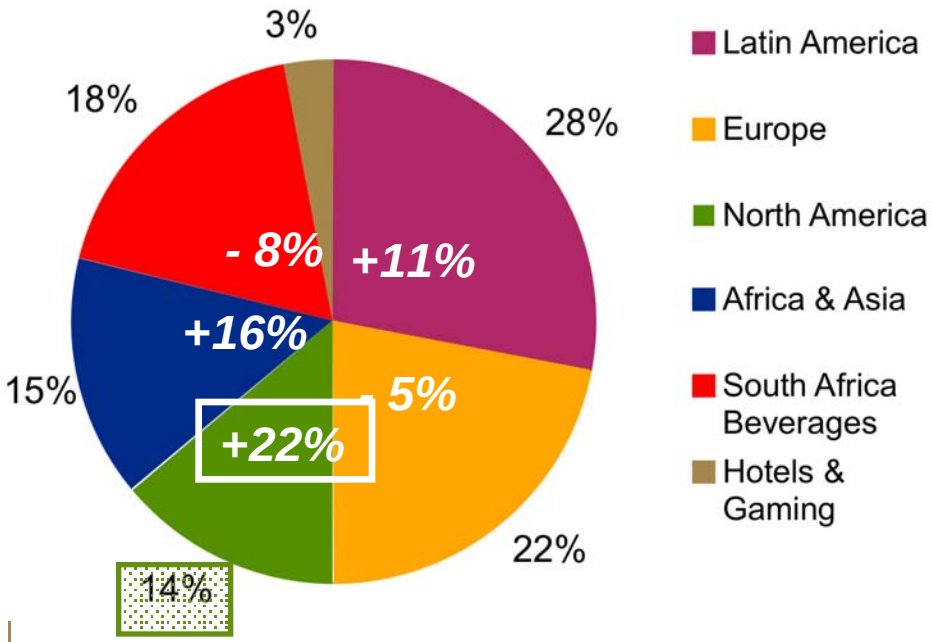
This presentation includes 'forward-looking statements'. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this presentation. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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# Contribution to global parent companies' profits

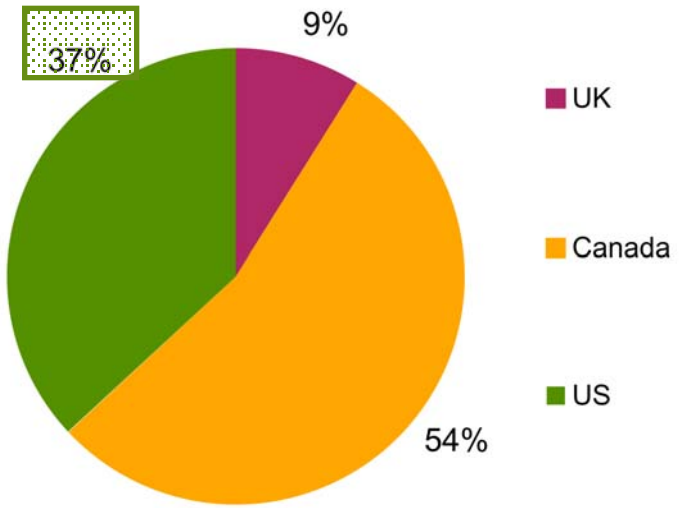
## SABMiller plc, F09 EBITA*

*Inner %s are F09 org cc EBITA growth rates*




## Molson Coors, 2008

% of Business Unit Income**




* Before corporate costs; operating profit before exceptionals and amortization of intangibles; incl. share of associates and JVs

** Underlying pretax income, excluding special and other one-time items

# Our speakers today

## Tom Long

President and Chief Commercial Officer, MillerCoors
CEO, Miller Brewing Company
Chief Marketing Officer, Miller Brewing Company
President, Northwest Europe Division, The Coca-Cola Company

## Pat Edson

Vice President, Innovation, MillerCoors
Vice President, Insights & Innovation, Coors Brewing
Director of New Products and Innovation, CBC
President, PurchaseSolutions Inc., startup

## Gavin Hattersley

CFO, MillerCoors
CFO, Miller Brewing Company
Chief Financial Officer, SAB Ltd

# Seminar agenda

- Opening and industry overview
- People
- Brands
- Innovation
- Revenue management
- Scale
- Partners
- Conclusion and Q&A

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# Winning in Beer

Tom Long, President and Chief Commercial Officer

MillerCoors™

WINNING IN BEER

BECOMING
# AMERICA'S BEST BEER COMPANY

## PEOPLE

- Attract, engage and retain people and teams who demonstrate:
  - Passion for beer
  - Connection with people
  - Commitment to customers
  - Pride and integrity
  - Bias for action
  - Thirst for learning
- Invest in people development
- Create a customer-focused and learning organization
- Grow and leverage diversity
- Create a safe, flexible and productive work environment

## BRANDS

- Win in premium lights, taking share and growing the segment
- Win in above premium, growing share and profit
- Bring our portfolio to life at the local level
- Accelerate growth with multicultural consumers
- Deliver innovation and quality that excites consumers

## PARTNERS

- Develop the best sales force in the industry
- Drive national and regional chain growth
- Build and motivate the most effective distributor network
- Grow share and profit at the market level

## SCALE

- Deliver our synergy commitment
- Maximize cash flow and capital investment returns
- Reduce fixed costs to lower our break-even

## RESPONSIBILITY

- Promote responsible enjoyment of beer
- Imbed environmental sustainability
- Invest in our communities
- Model ethical practices and transparency in reporting




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# MillerCoors nine month financials

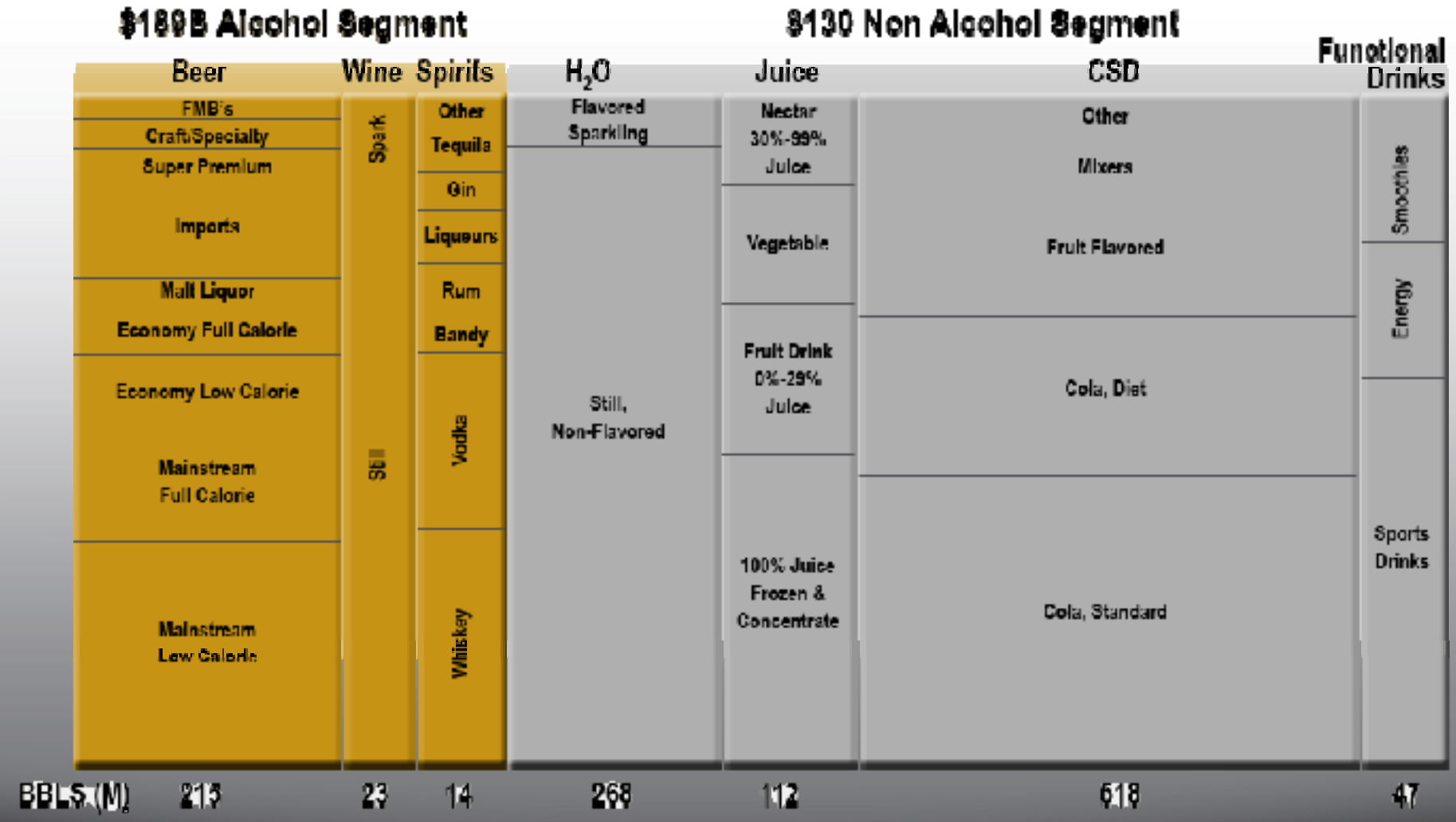
| | | |
|---|---|---|
| Total net sales |  | 3.1% |
| Underlying EBITA |  | 29% |
| STRs |  | 0.4% |
| NRPB |  | 5.3% |

# Industry Overview

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# U.S. beverage landscape

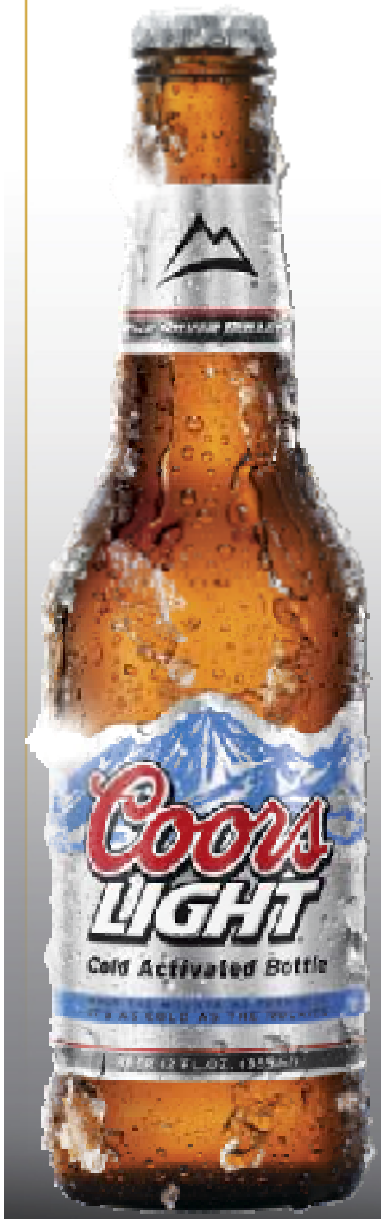
## Alcohol is only 20% of Volume but 60% of Industry Value*




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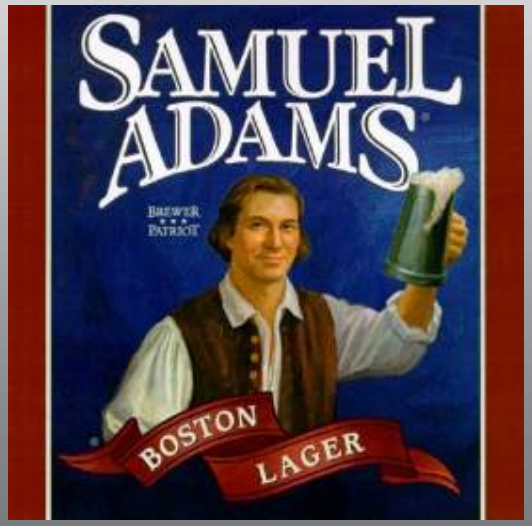
*not including: Coffee, Tea, Milk

Source: MBI, Datamonitor, Beverage Marketing
















MillerCoors

# Wine & Spirits growth slowing

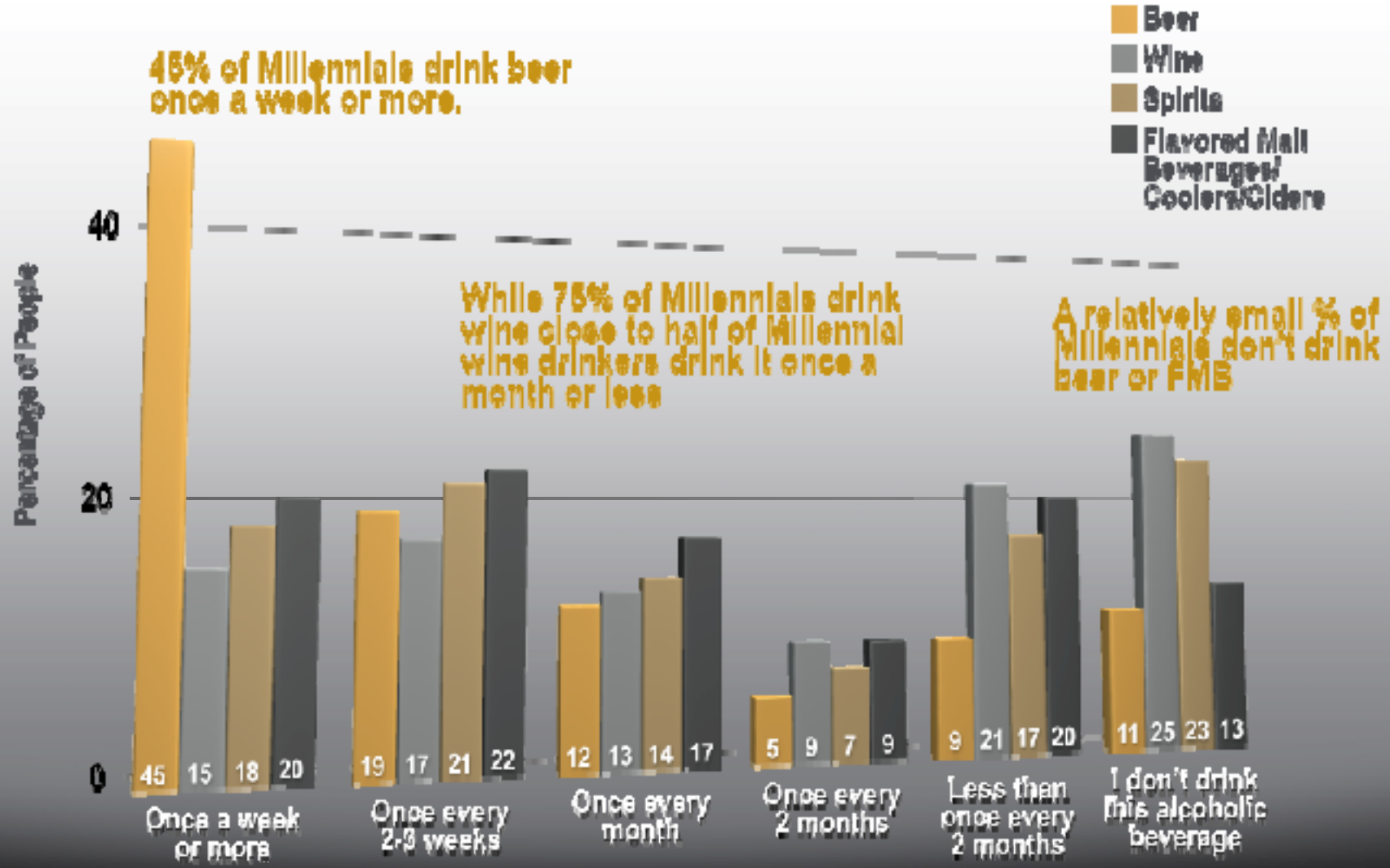



| | CAGR '04-'08 | CAGR '09-'12 |
|---|---|---|
| Beer | 0.9% | 0.6% |
| Wine | 2.9% | 1.3% |
| Spirits | 2.7% | 1.1% |
| Total | 1.2% | 0.7% |

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Source: Beer Institute, Commercial Insights Estimates

# Millennials (21-30) drink beer more frequently

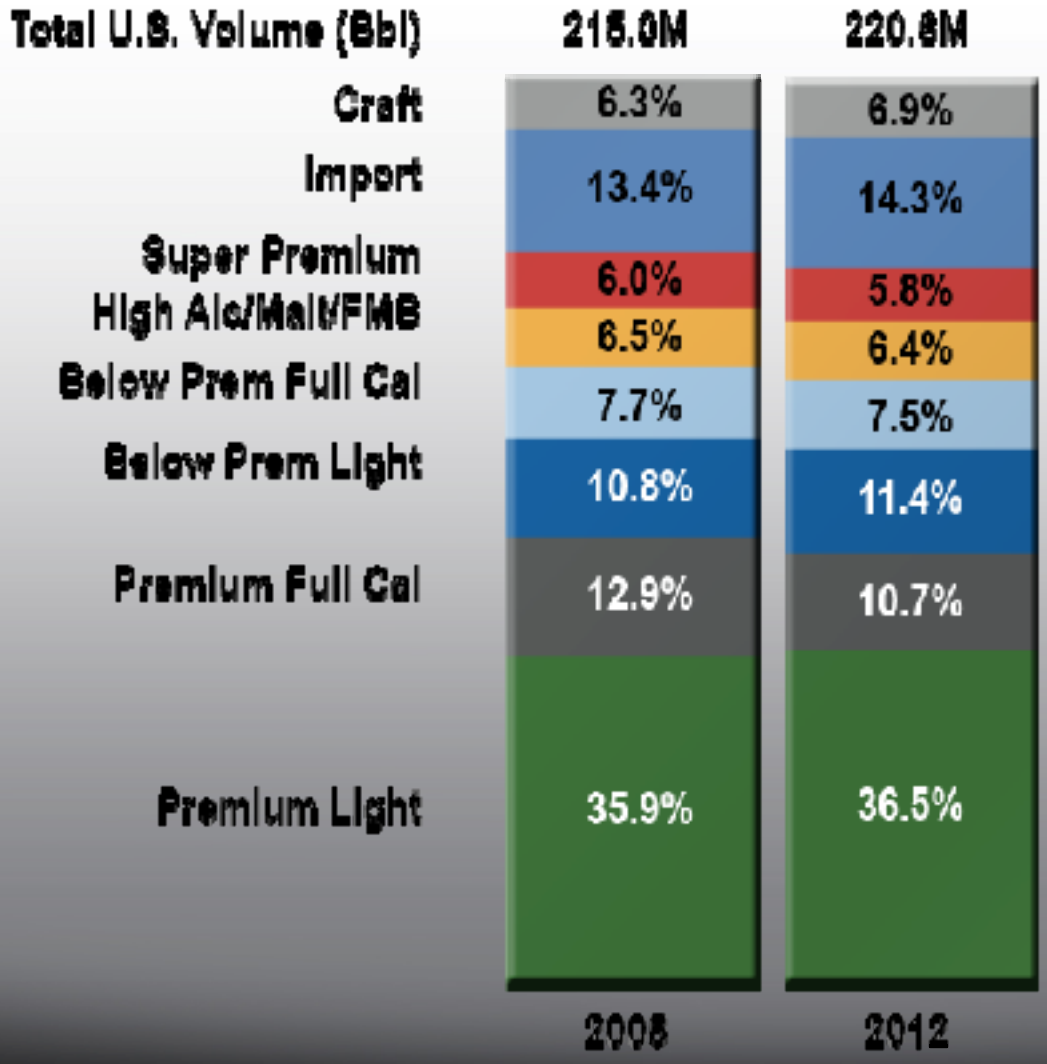



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Base: All Millennial respondents to screening question #5 (n=1449)

*Q5: How often do you drink each of the following types of alcoholic beverages? (Multiple Answers)*

# Beer is the right place to be and we're in the right segments




| Volume CAGR '08-'12 | |
|---|---|
| Total | 0.6% |
| Craft | 2.9% |
| Import | 2.3% |
| Super-Premium | -0.6% |
| High Alc / Malt | -0.1% |
| Below Prem Full Cal | 0.0% |
| Below Prem Light | 2.2% |
| Premium Full Cal | -4.0% |
| Premium Light | 1.1% |

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Source: Commercial Insights

# Challenges

- Economy
- Channel shifts
- Excise taxes



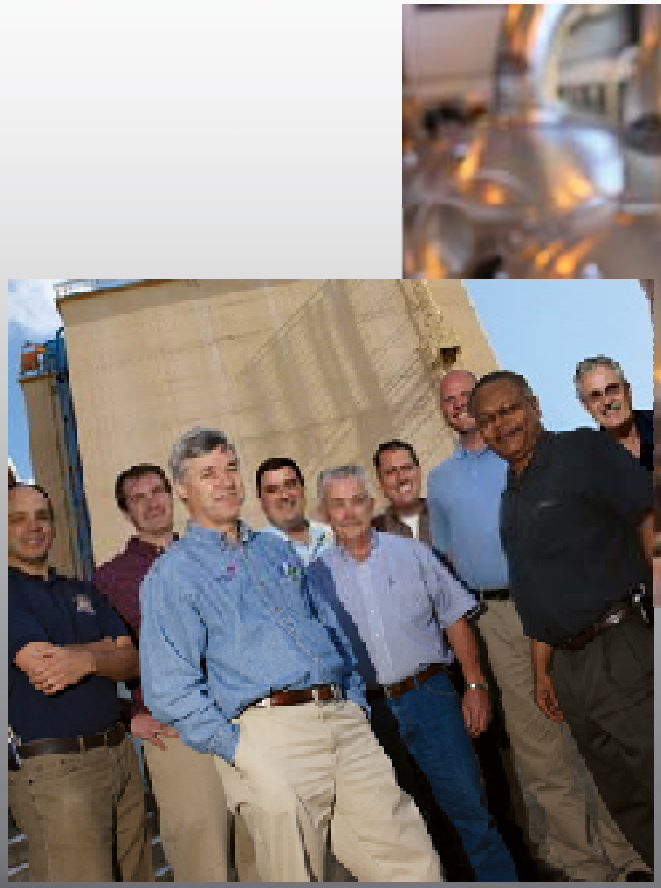
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# People

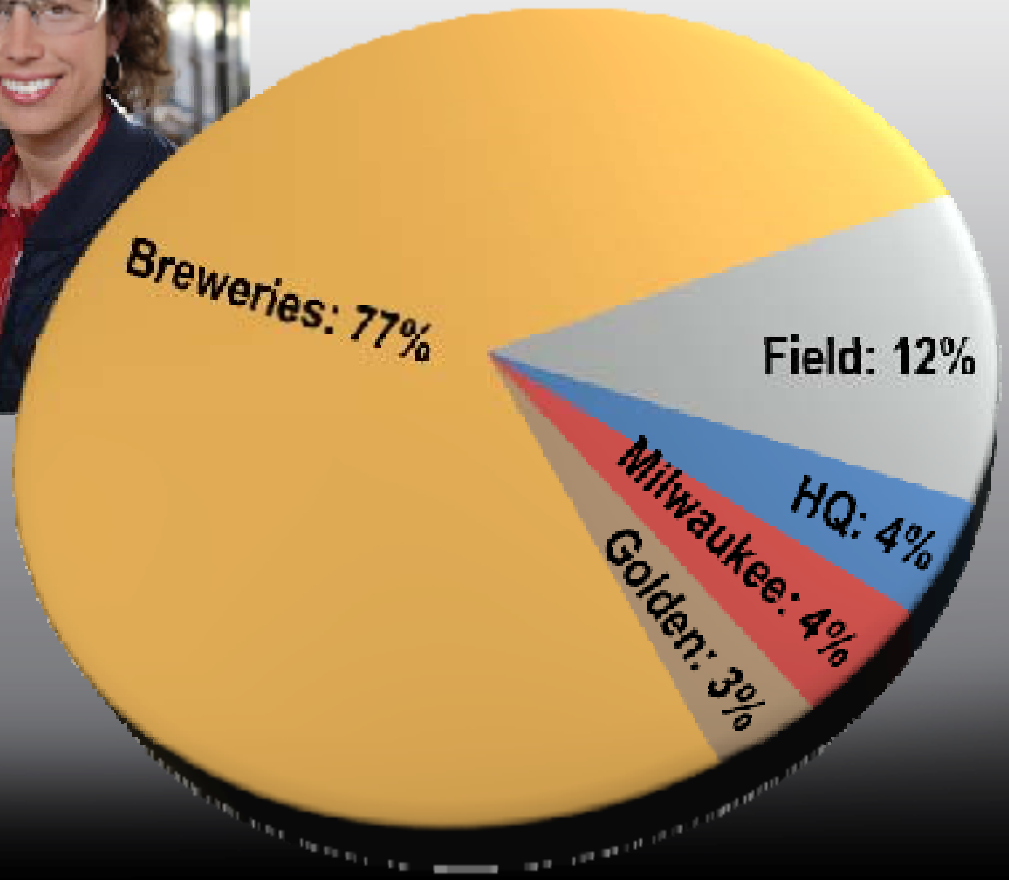
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# Our team

- Approximately 8,800 employees at MillerCoors








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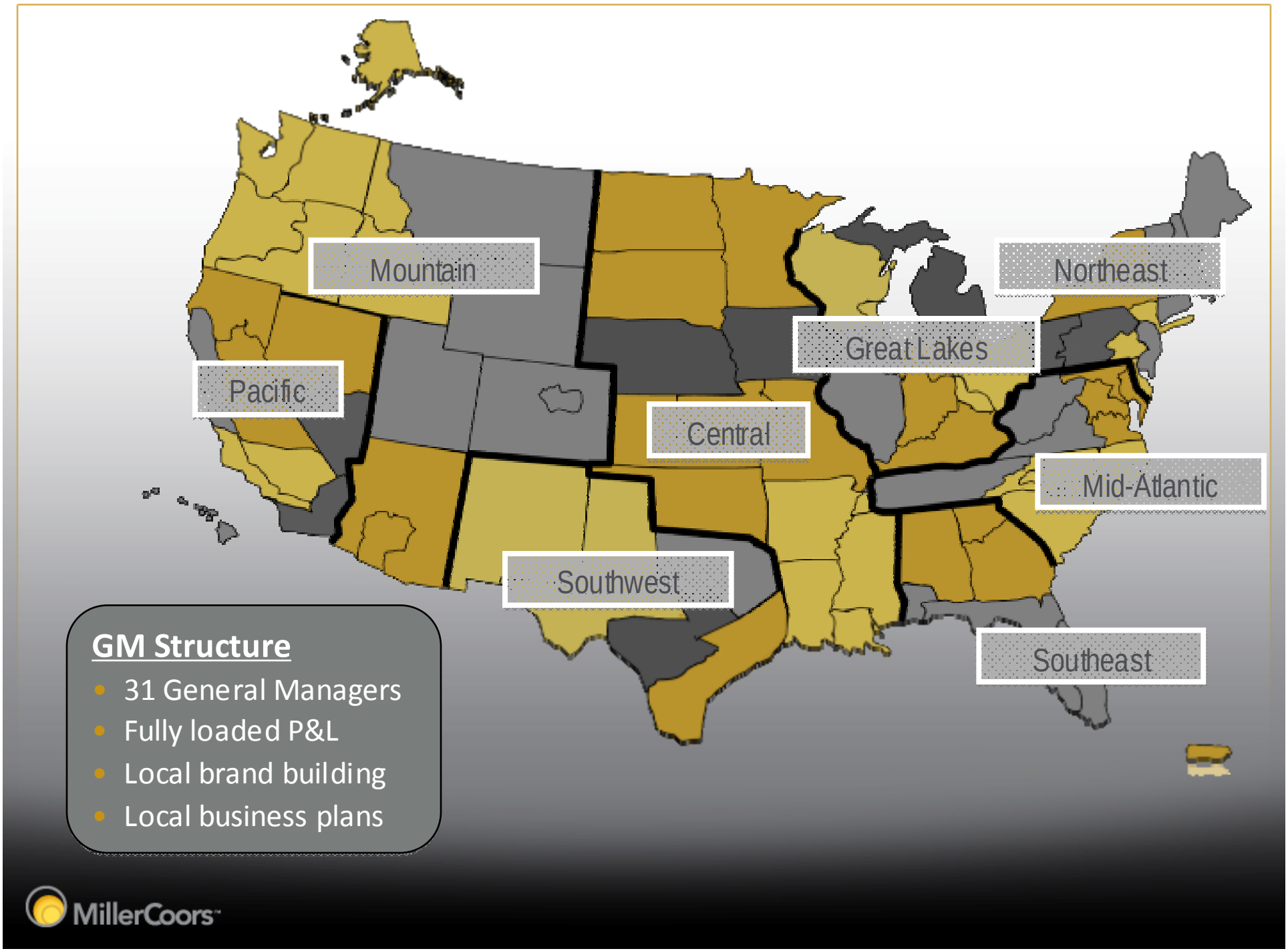
# Our goal…

To build a winning culture at MillerCoors by building a customer-focused and learning organization.

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# Building the MillerCoors sales organization

1. Focus on our customers
2. Closer to the market
3. Broad jobs with deep accountability
4. Strong teams…teams with clear roles
5. Evaluate people on their vapor trail…who gets results and who develops people




**GM Structure**

- 31 General Managers
- Fully loaded P&L
- Local brand building
- Local business plans

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# Wisconsin – Coors Light 30/pk




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# Ohio – On-Premise Miller Lite Velocity driving programs

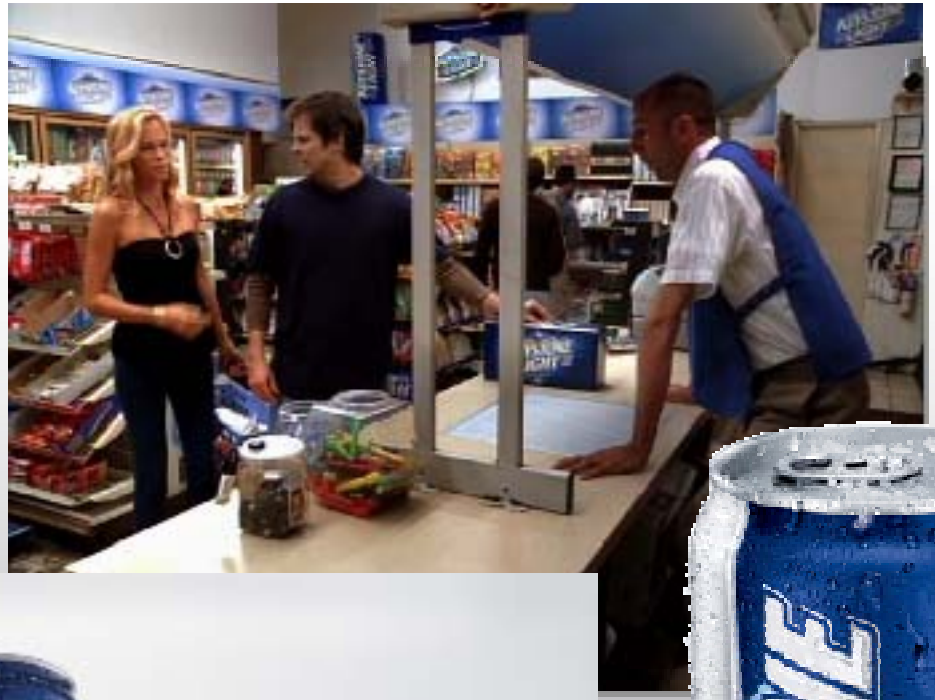




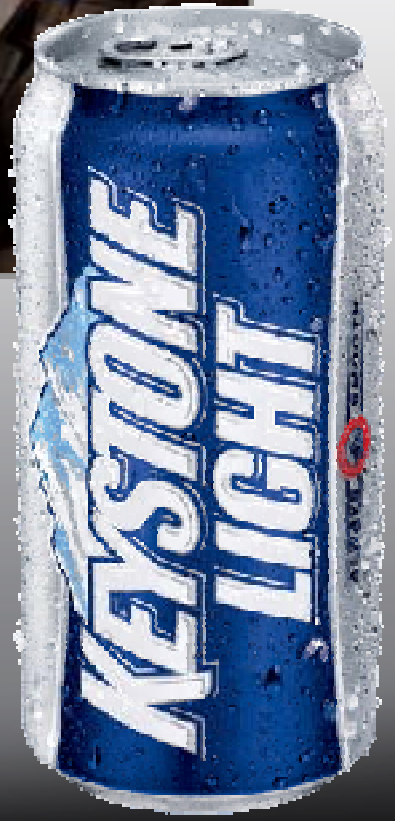


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# A powerful portfolio

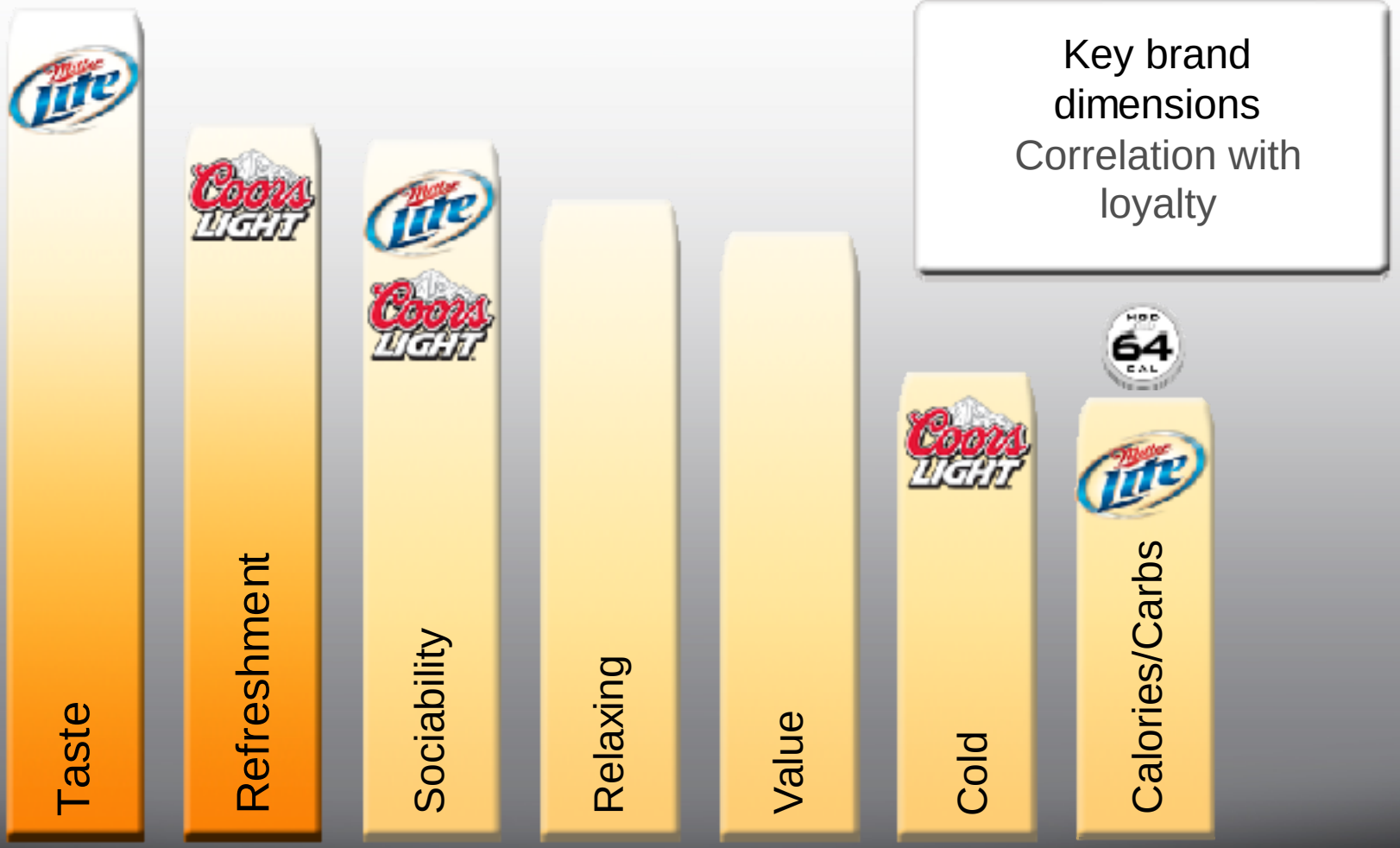



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# Premium Light Drivers of Consumer Choice




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Source: Project Volume Consumer Research

# Segment share

**1 POINT OF VOLUME SHARE**

**0.2 POINTS OF DOLLAR SHARE**




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Since July 1, According to Nielsen







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Coors Light

# Roll Ad Spot

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Taste Protect

# Roll Ad Spot

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# CAN BOTH GROW AT THE SAME TIME?




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# Premium Light Interaction

**Volume Interaction**
52 Weeks Ending 12/27/09

**Total U.S. All-Outlet (Off Premise)**

| | |
|---|---|
| **Miller Lite & Coors Light** | **14.3%** |
| Miller Lite & Bud Light | 33.9% |
| Coors Light & Bud Light | 23.1% |




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Source: ACNielsen Homescan

# Opportunities




| Opportunity | Dist Pts | Vol |
|---|---|---|
| Great Lakes: Coors Light | 235,000 | 1,713,100 |
| Northeast: Miller Lite | 135,000 | 719,722 |
| **Annual Volume = 2.4 Million Cases** | | |

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# MGD 64




MillerCoors

MGD 64

# Roll Ad Spot

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Coors
LIGHT
Cold Activated Bottle
Miller
Lite
MGD
Light
64
CALORIES
Miller
GENUINE
DRAFT
64
BLUE MOON
BELGIAN WHITE
BLUE MOON
Miller
HIGH LIFE
KEYSTONE
LIGHT
MillerCoors

# Above Premium

## Crafts

- 29% of segment
- 45% of growth within segment




## Imports

- Peroni up high single digits




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Blue Moon

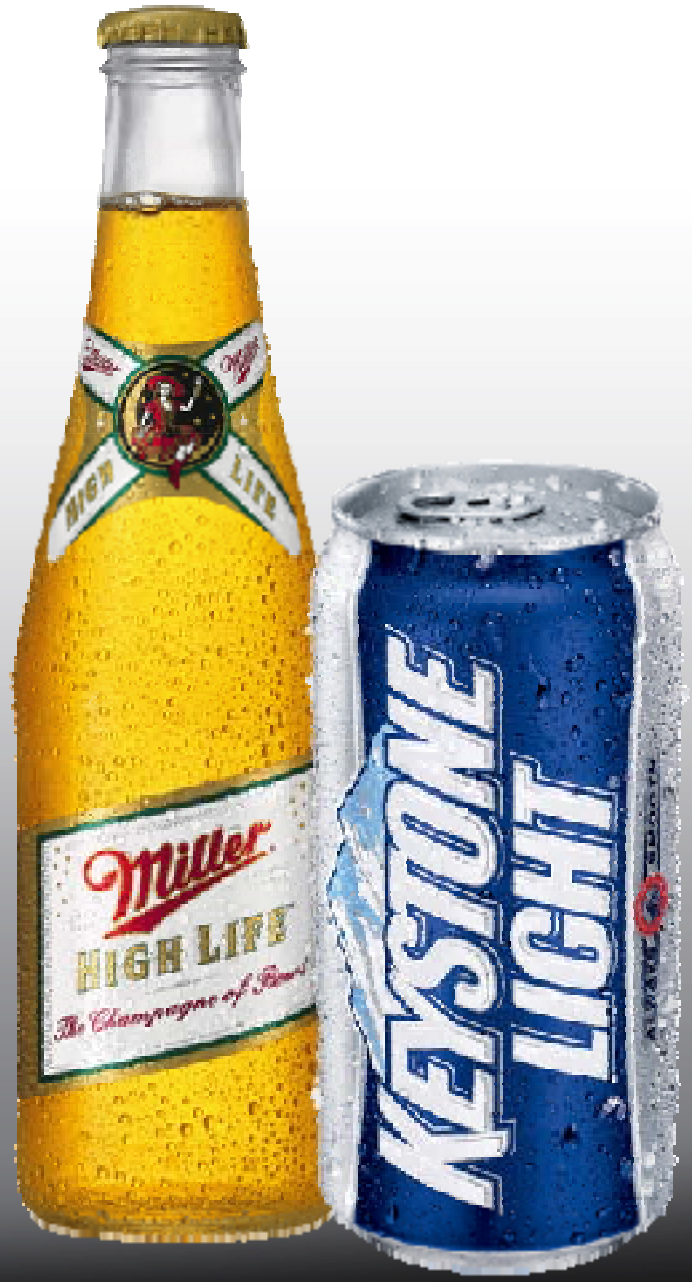
# Roll Ad Spot

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# Below Premium




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High Life

# Roll Ad Spot

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Keystone Light

# Roll Ad Spot

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# Strong results in 5 of our 6 national focus brands

| First quarter retail volume by brand (variance to PY) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Miller Lite | Coors Light | MGD64/MGD Light | Miller High Life | Keystone Light | Blue Moon | All Others | Total Retail |
| ↓ | ↑ | ↑ | ↑ | ↑ | ↑ | ↓ | ↑ |




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# Innovation

Pat Edson, Vice President, Innovation

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# IDEAS ARE THE FUEL FOR GROWTH

# IDEAS ARE FUTURE CASH FLOW

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THE RIGHT IDEAS + FOCUSED ON BIG ECONOMIC LEVERS = PROFIT SUCCESS

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# Innovation Success Formula

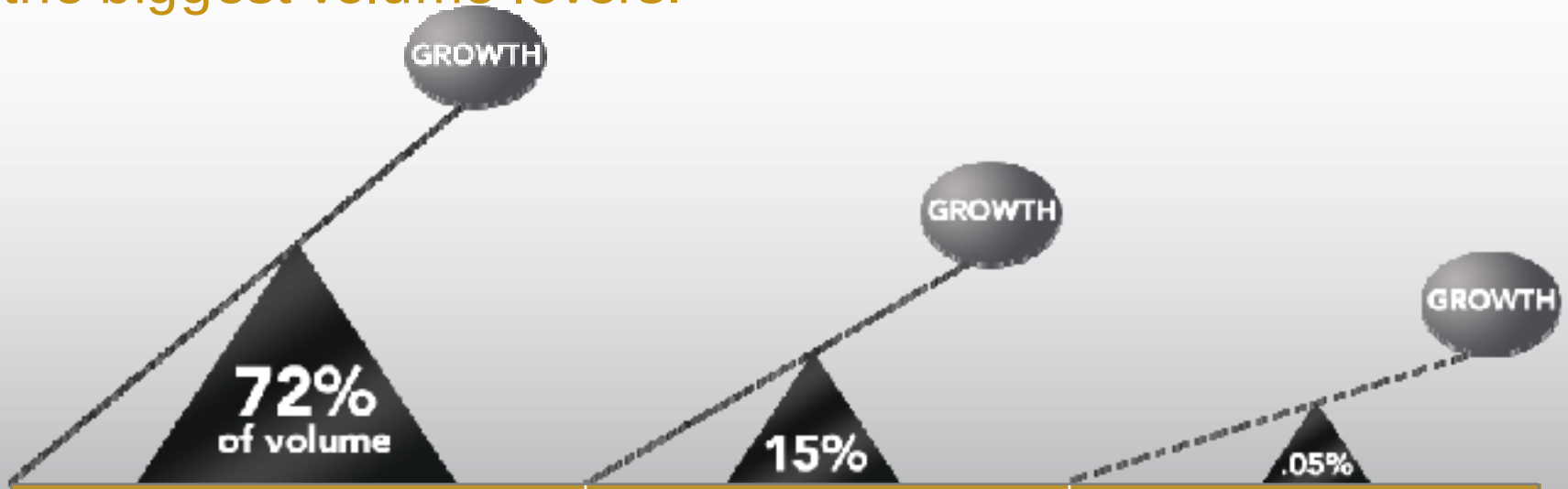
The Right Ideas (purchase intent) are…

- Driven by compelling consumer insights
- Anchored in brand positioning
- Dramatize point of difference vs. competition
- Provide a reason to believe



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# The key is to use innovation to drive organic growth on Coors Light and Miller Lite by creating "tipping points" on the biggest volume levers.




| Baseline – "Big 4" | | Key Channel Drivers* | New SKUS |
|---|---|---|---|
| "Big 4 cans | "Big 4" LNNRs | **On-premise** – draft | '09 – aluminum pint |
| 12pk | 6pk | **C-stores** – single serve | |
| 18pk | 12pk | *Doesn't include packs already listed in baseline | |
| 24flat | 18pk | | |
| 30pk | 24pk | | |

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# 2009 Coors Light Plan – “Cold is our policy!”

| Cold Activated Packaging |
| --- |
| the mountains turn blue when your beer is a cold as the Rockies -- First year on all cans! |
| **Insight** |
| Of course everyone loves cold beer, but cold activation also…<br>• Gives evidence of RMCR when beer is in consumers’ hands.<br>• Creates risk that consumer may get a warm beer if they buy a competitor. |
| **Size of Prize** |
| Touches 85% of business…1% change = $10 M in marginal contribution |




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Innovation

# Roll Shadow Teaser Spot

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# 2009 Miller Lite Plan: Taste Protection

## Taste Protection Packaging

The new Miller Lite "Taste Protection" cans, and bottles have a special gold coating to protect the beer from metal taste and oxygen ("skunky" beer).

## Insight

- The #1 consumer complaint is "metal can" taste.
- Beer drinkers are acutely aware that taste can be damaged and values extra steps to protect it.

## Size of Prize

Touches 84% of the business… a 1% change = $10M in marginal contribution.






TV




OOH




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Innovation

# Roll Taste Protector Spot

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THE RIGHT IDEAS + FOCUSED ON BIG ECONOMIC LEVERS = PROFIT SUCCESS

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# Revenue Management

Gavin Hattersley, Chief Financial Officer

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# Pricing strong despite a tough economy

**Q1 net revenue per barrel up +5.6% over PY**




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# Managing Pricing Gaps

**Miller Lite has been at price parity with Bud Light for two consecutive quarters, while Coors Light has continued to price above Bud Light**

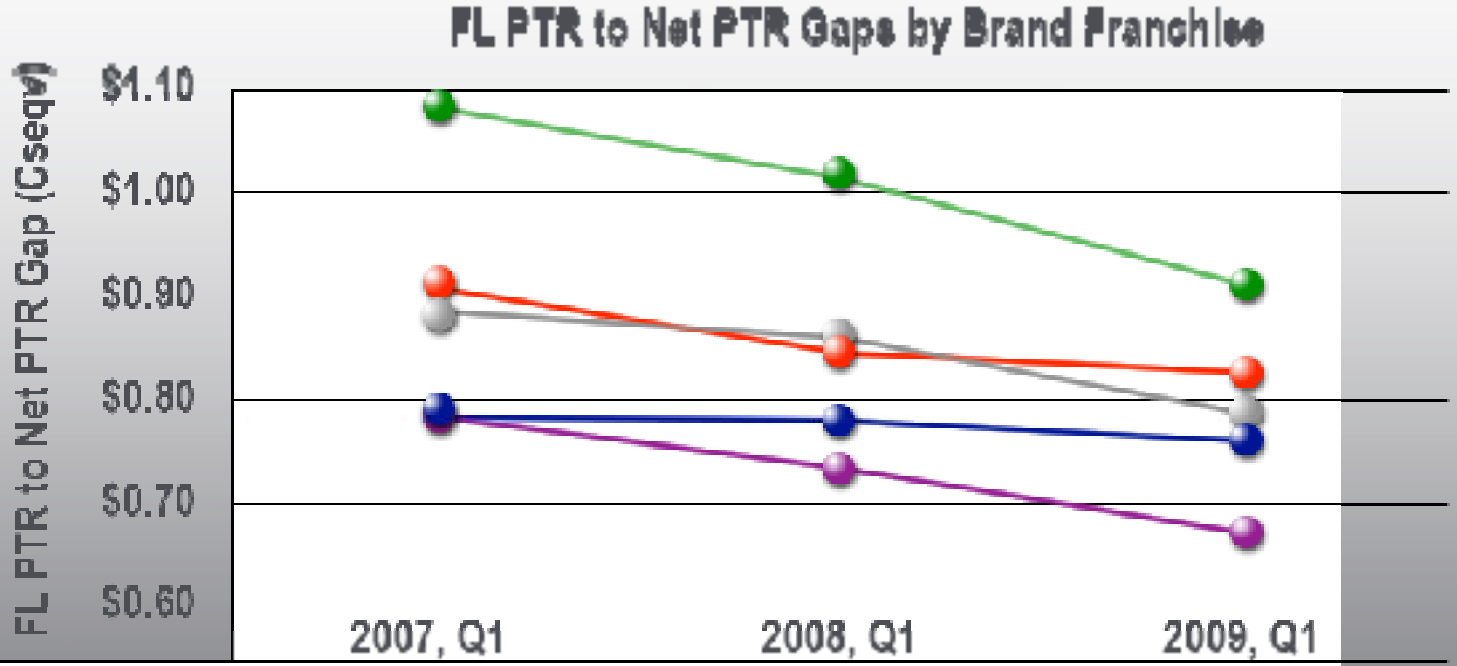
| | Miller Lite Price Gaps Actual Price Gap | | | | Coors Light Price Gaps Actual Price Gap | | | |
|---|---|---|---|---|---|---|---|---|
| Imports | 2008 | CY08 Q3 | CY08 Q4 | CY09 Q1 | 2008 | CY08 Q3 | CY08 Q4 | CY09 Q1 |
| Heineken | (9.66) | (9.42) | (8.68) | (9.53) | (9.54) | (9.01) | (8.64) | (9.46) |
| Corona | (9.66) | (9.08) | (8.31) | (8.36) | (9.53) | (8.69) | (8.29) | (8.29) |
| Premium | | | | | | | | |
| Bud Light | (0.08) | (0.23) | 0.01 | 0.00 | 0.05 | 0.07 | 0.09 | 0.10 |
| Coors Light/Miller Lite | (0.13) | (0.29) | (0.07) | (0.09) | 0.13 | 0.29 | 0.07 | 0.09 |
| Below Premium | | | | | | | | |
| Busch Franchise | 4.20 | 4.34 | 4.53 | 4.46 | 4.20 | 4.48 | 4.57 | 4.51 |
| Natural Franchise | 4.96 | 4.80 | 5.02 | 4.91 | 5.02 | 5.07 | 5.10 | 5.01 |
| Miller High Life Frn | 4.37 | 4.28 | 4.54 | 4.44 | 4.47 | 4.60 | 4.63 | 4.53 |
| Keystone Franchise | 4.86 | 4.65 | 4.94 | 4.79 | 4.87 | 4.89 | 4.99 | 4.87 |



Source: Nielsen Supermarkets, Price Decomp Tool

# Reduced reliance on price promotions

**Reducing our reliance on price promotions continued in 2009, across all segments, despite larger than usual frontline increases.**
**Result: $15M savings**




| | 2007, Q1 | 2008, Q1 | 2009, Q1 |
|---|---|---|---|
| Coors Light | $0.89 | $0.86 | $0.79 |
| Miller Lite | $0.78 | $0.78 | $0.76 |
| High Life | $0.91 | $0.85 | $0.83 |
| Keystone | $1.08 | $1.02 | $0.91 |
| Best | $0.78 | $0.73 | $0.67 |

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Source: Internal data, actual distributor pricing to retail

CASUAL &
FINE DINING



OFF-PREMISE
& LARGE PACKS



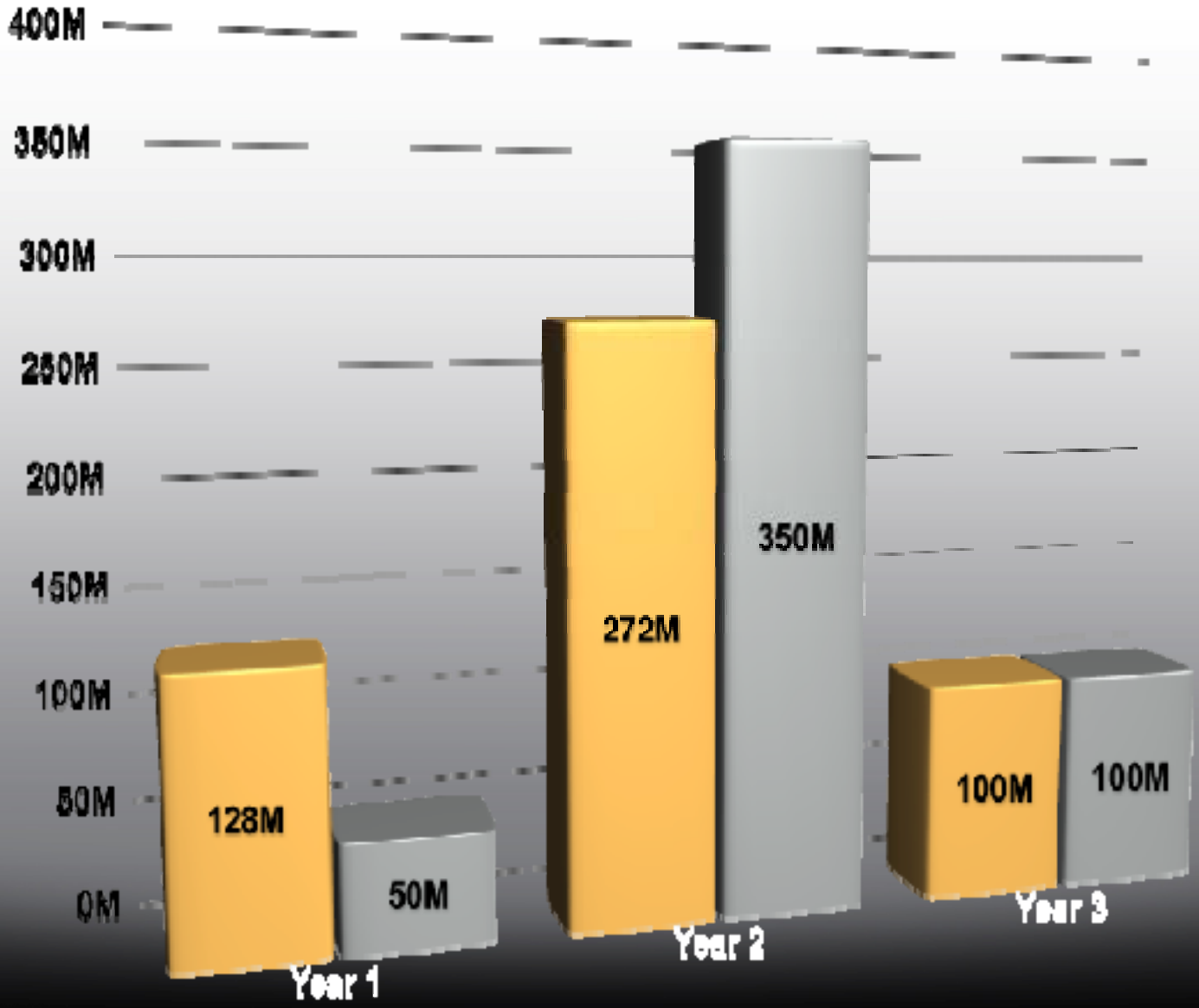
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# Scale

Gavin Hattersley, Chief Financial Officer

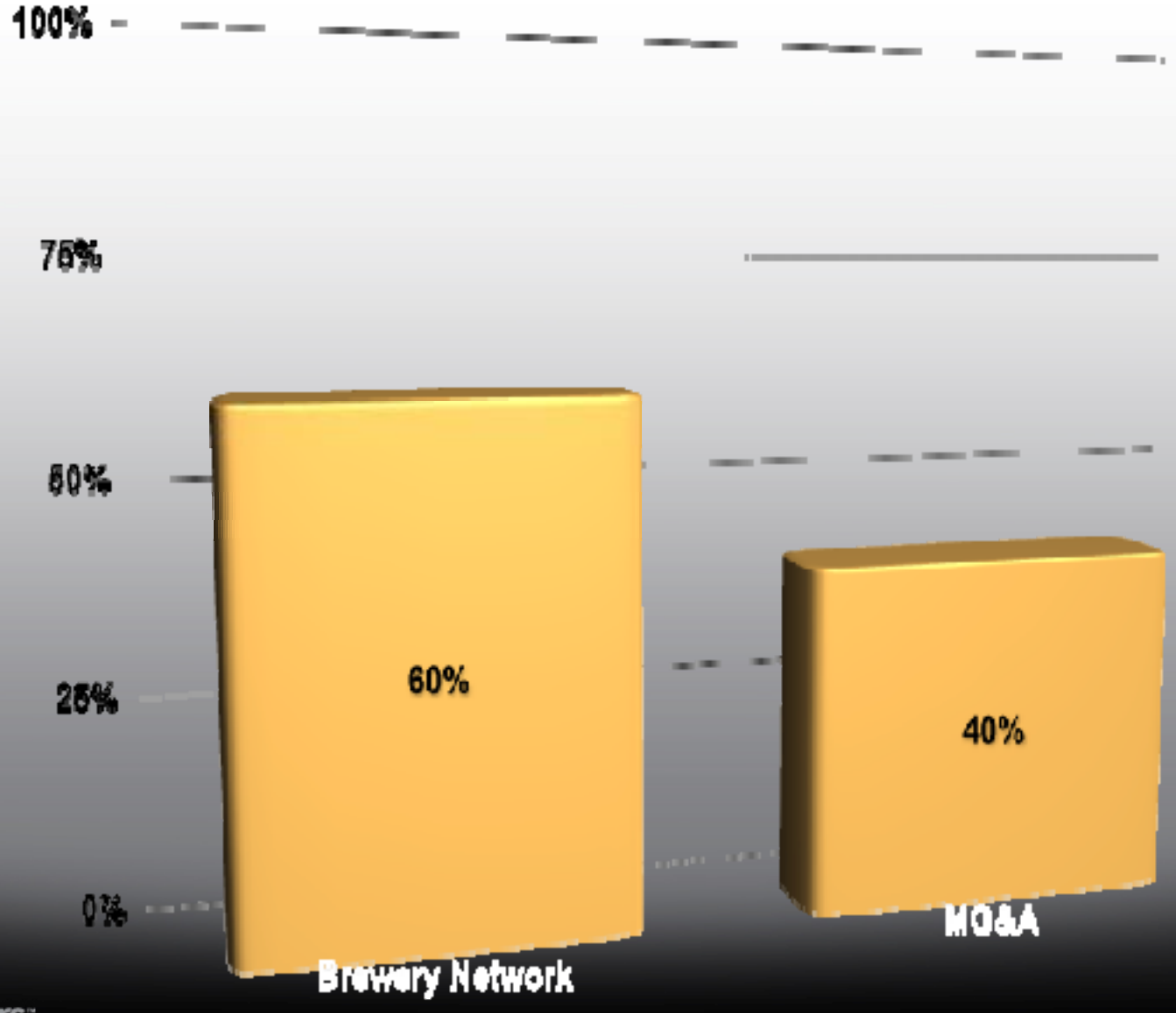
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# $500 million in annual savings in three years




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# Where are synergies coming from?




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# Brewery optimization



# Network transformation: where we're headed



Coors



Miller



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# Supply chain optimization

- Forecasting
- Inventory
- Keg Identification
- Pallet Conversion

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NFL

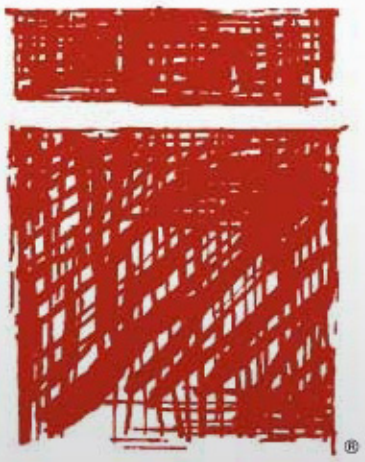



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# Agency consolidation

DRAFTFCB

SAATCHI & SAATCHI

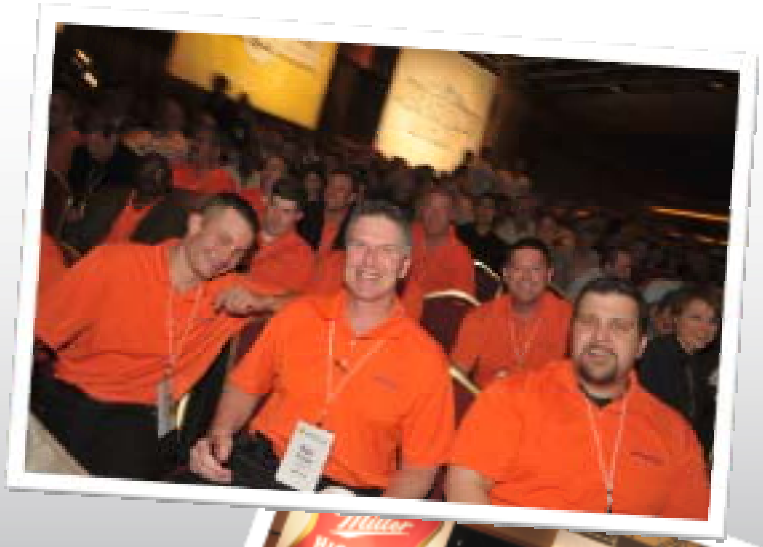


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# MillerCoors Distributor Conference 2009





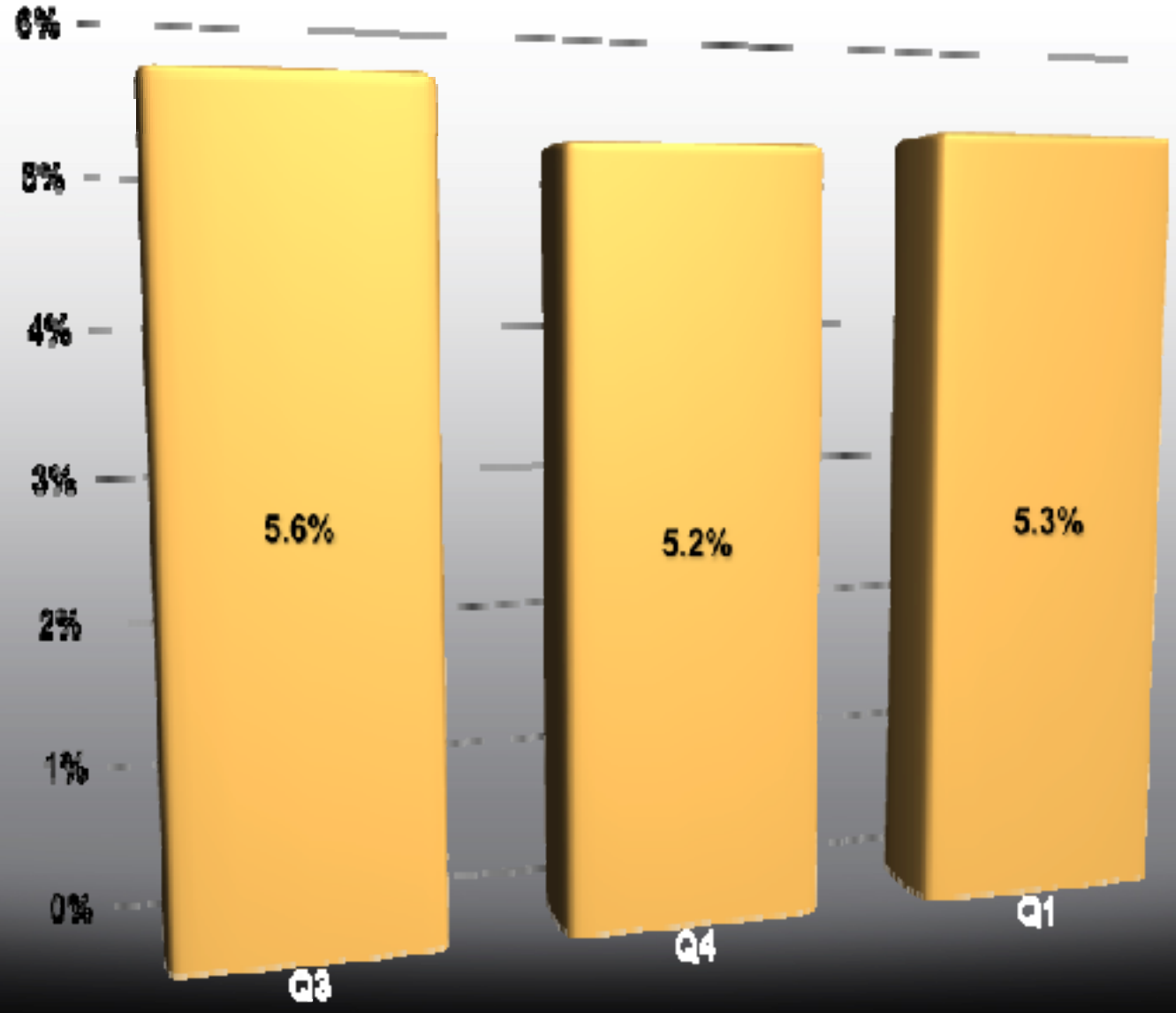






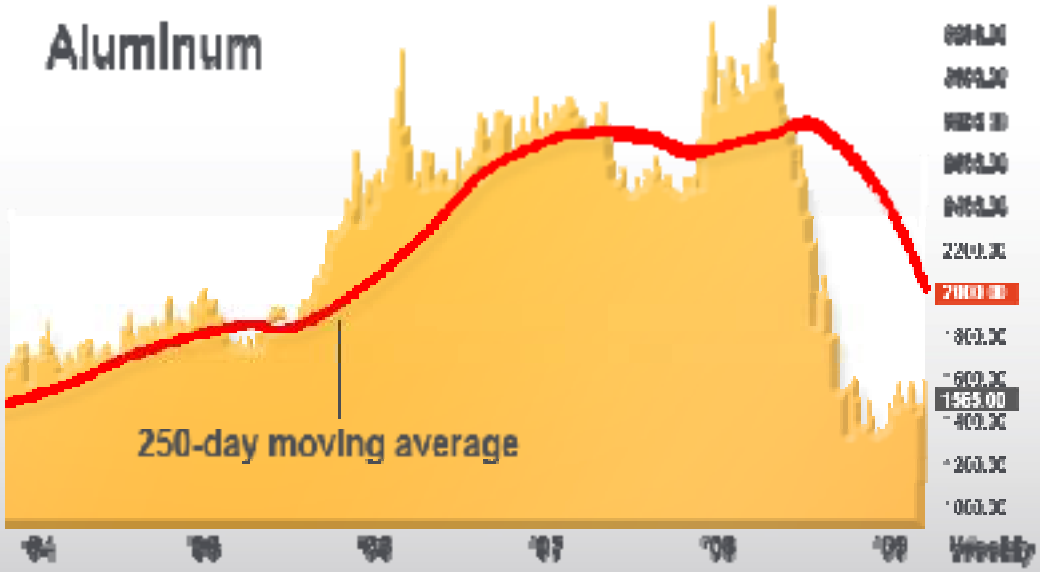

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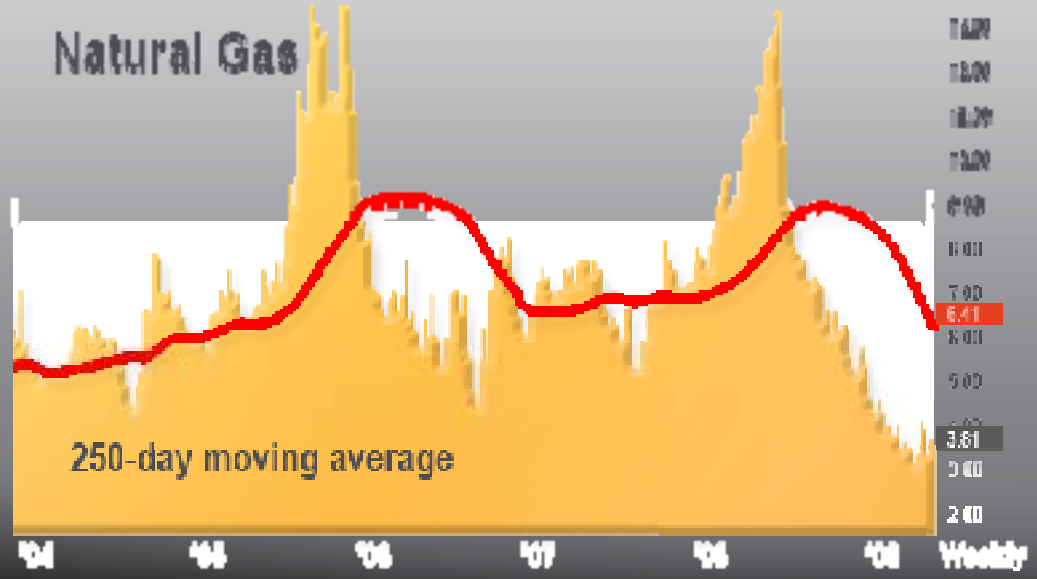
# COGS reflect low single digit increases




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# Commodities

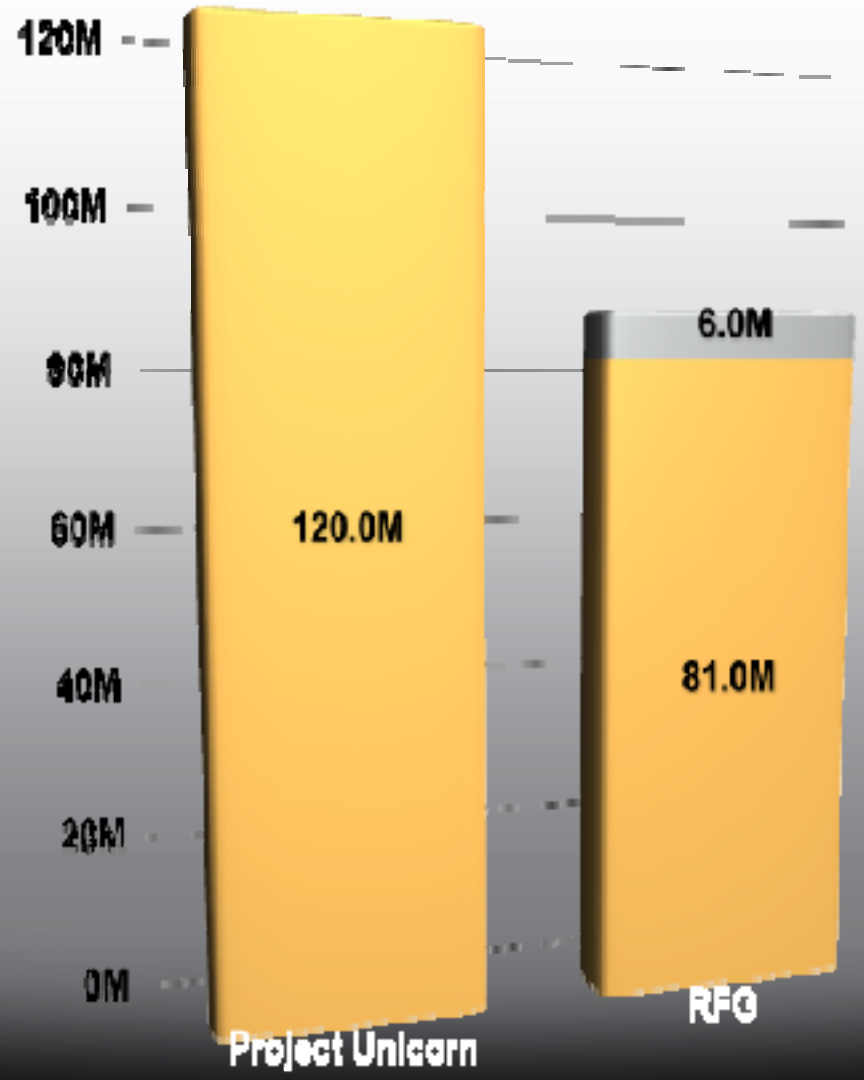



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# Project Unicorn and Resources for Growth

**World Class Manufacturing**
- Asset care initiatives
- Procurement savings
- Freight savings




**Resources for Growth**
- Operational efficiencies
- Innovation
- Procurement
- Shared services
- Outsourcing

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# Partners

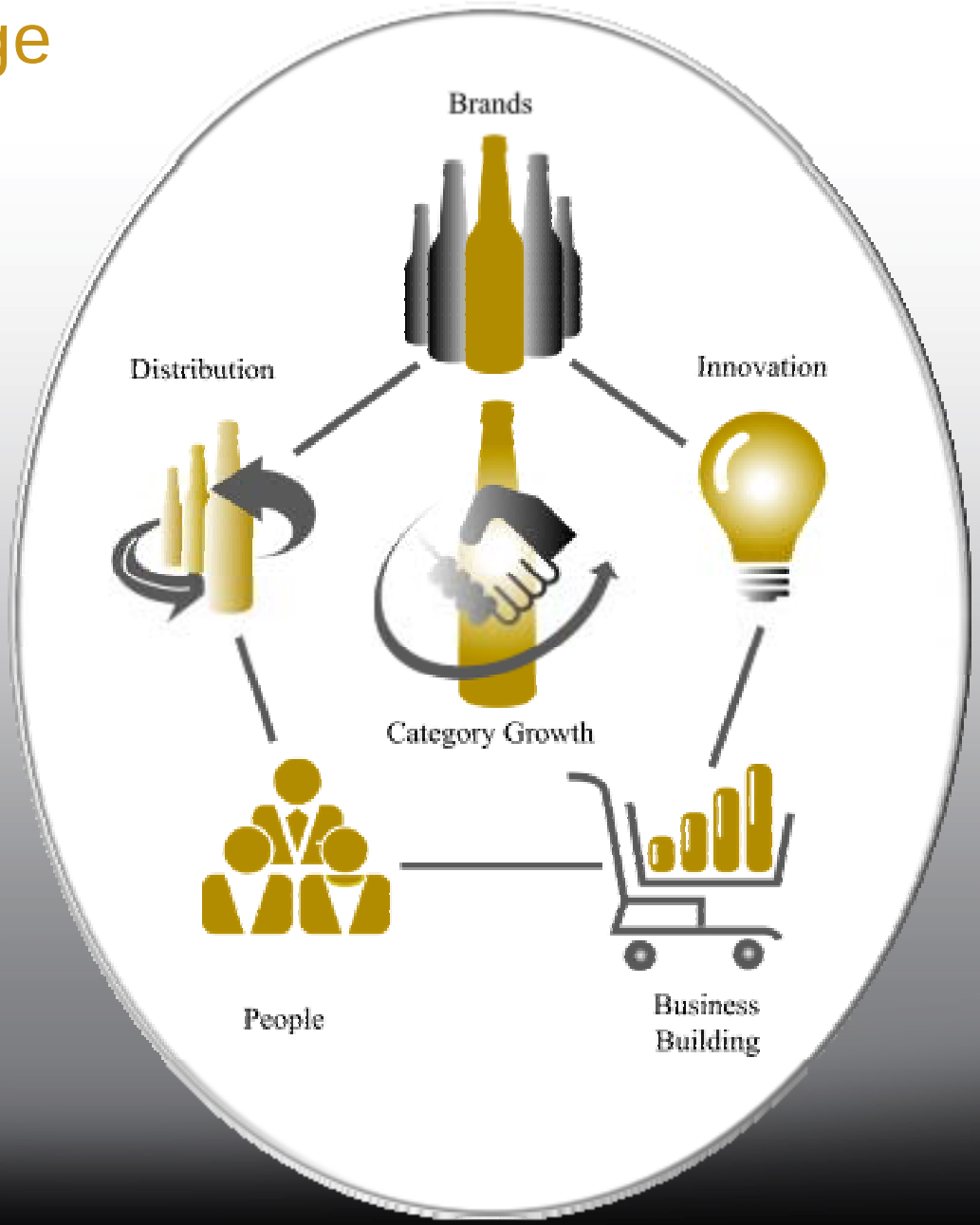
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# 1PT = 10.6 MILLION CASES
# = $40.6 MILLION

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# MillerCoors Advantage

- Best players on the field
- Channel-focused teams
- Dedicated resources for our top retailers




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# Big wins











# Chain game plan

- Gain space
- Win share in premium lights and crafts
- Take share in C-Stores

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# Space and assortment solutions

**600**
**OUTLETS**




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# WIN SHARE IN PREMIUM LIGHTS & CRAFTS

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# BUILDING THE MOST EFFECTIVE DISTRIBUTOR NETWORK

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# CONSOLIDATION







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# Building an effective distributor network

- Value creation
- Purchasing power
- Simplicity

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# Conclusion

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# Where we expect to be …

America's Best Beer Company

- Build the most talented team in the beer business
- Drive value and volume in premium light
- Win in above premium
- Deliver innovation and quality that excites consumers
- Strong net revenue management
- Drive chain growth
- Build and motivate the most effective distributor network
- Deliver our synergy commitment

# Thank You

