Interim Report

SABMiller plc Interim Report 2008

Graham Mackay, Chief Executive of SABMiller, said:

"Exceptional prior year volume growth and weakening consumer demand in certain markets presented a challenging start to the year. However, we have continued to drive revenue growth and offset higher input costs through firm pricing while protecting volumes and increasing share in some key markets. This performance demonstrates the advantage of our diversified global footprint, the strength of our brands and operational capability. Our North American joint venture, MillerCoors, has made a promising start and is on track to deliver US$500 million per annum of cost savings by the third year of combined operations."

Contents

Good growth achieved despite difficult environment

SABMiller plc, one of the world's leading brewers with operations and distribution agreements across six continents, reports its interim (unaudited) results for the six months to 30 September 2008.

Operational Highlights

- Lager volumes up 3%[1], with organic volumes slightly ahead of the high prior year base
- Organic constant currency revenue growth of 10%, with leading brands enabling firm pricing
- Reported EBITA up 9%; up 2% on an organic constant currency basis
- Conditions and performance varied across business segments:
  - Latin America performance mixed; EBITA[2] flat
  - Europe organic lager volume growth of 2% on very high comparables; share gains in Poland and Romania; EBITA[2] down 6%
  - North America EBITA[2] up 18%, MillerCoors' integration on track
  - Africa and Asia EBITA[2] up 7%; Africa lager volume growth remains strong at 11%; firm pricing in China
  - South Africa lager volumes down 1%; mix shifting towards mainstream

1) Following the inception of the MillerCoors joint venture the group has revised its volume definitions. Further details of these revised definitions can be found in the Financial review on page 8.

2) EBITA growth is shown on an organic constant currency basis.

	Sept 2008 US$m	Sept 2007 US$m	% change	March 2008 US$m
Revenue[a]	**11,166**	10,781	4	21,410
EBITA[b]	**2,225**	2,036	9	4,141
Adjusted profit before tax[c]	**1,860**	1,773	5	3,639
Profit before tax	**2,020**	1,579	28	3,264
Adjusted earnings[d]	**1,128**	1,036	9	2,147
Adjusted earnings per share[d]				
– US cents	**75.2**	69.1	9	143.1
– UK pence	**38.9**	34.5	13	71.2
– SA cents	**585.8**	492.0	19	1,021.2
Basic earnings per share (US cents)	**94.8**	63.9	48	134.9
Interim dividend per share (US cents)	**16.0**	16.0	–	

a) Revenue excludes the attributable share of associates' and joint ventures' revenue of US$3,056 million (2007: US$1,242 million).

b) Note 2 provides a reconciliation of operating profit to EBITA which is defined as operating profit before exceptional items and amortisation of intangible assets (excluding software) but includes the group's share of associates' and joint ventures' operating profit, on a similar basis. EBITA is used throughout the interim report.

c) Adjusted profit before tax comprises EBITA less adjusted net finance costs of US$358 million (2007: US$258 million) and share of associates' and joint ventures' net finance costs of US$7 million (2007: US$5 million).

d) A reconciliation of adjusted earnings to the statutory measure of profit attributable to equity shareholders is provided in note 5.

Segmental EBITA performance

	September 2008 EBITA US$m	Reported growth %	Organic, constant currency growth %
Latin America	**474**	8	–
Europe	**725**	16	(6)
North America	**355**	18	18
Africa and Asia	**311**	12	7
South Africa: Beverages	**332**	(18)	(10)
South Africa: Hotels and Gaming	**61**	3	13
Corporate	**(33)**	–	–
Group	**2,225**	9	2

Business review

The first half year results reflect the high comparable growth rates achieved in the same period last year and the moderation of consumer demand in many of SABMiller's markets. However, across the group's diversified global footprint there were areas of good growth, driven by enhanced operational execution and investment in brands. Pricing was generally strong contributing to revenue growth of 10% on an organic constant currency basis.

- The emphasis across the Latin America region on raising the appeal of the beer category continued to yield results, with the group's share of the alcohol market in the region increasing steadily as investment in new packaging, coupled with improvements to sales and distribution infrastructure, gained traction. However, the on-going impact of higher lending rates on consumer confidence in Colombia has slowed volume growth. Earnings have been impacted by commodity cost pressures, competition in Peru and increased depreciation following our significant capital investment programme.
- In Europe, performance was subdued following several years of strong growth in volume and profit. Total organic lager volumes grew by 2% but EBITA declined by 6% on an organic constant currency basis reflecting a mixed picture across the region. Poorer weather, high distributor stocks and stronger pricing constrained volume growth in most markets, particularly Russia and the Czech Republic. Volumes in Romania and the UK grew strongly. We have led industry pricing higher in most markets and our revenue per hectolitre was up 6% on an organic constant currency basis, but significant rises in input costs, general cost inflation, higher investment and depreciation impacted margins.
- The North America segment delivered a strong performance with EBITA up 18% in the first half with a good contribution from Miller Brewing Company in the first quarter and pleasing initial results from MillerCoors following its inception on 1 July 2008. On a *pro forma*(1) basis, MillerCoors' US sales to retailers (STRs) rose by 0.7% over the three months to September after adjusting for an extra trading day. Net revenue per barrel rose by 3% driven by robust growth of the Coors Light brand and a good performance from the craft and import portfolios incorporating Blue Moon, Leinenkugels and Peroni Nastro Azzurro. MillerCoors is implementing its integration strategy across the business and is confident of delivering its stated goal of achieving US$500 million per annum of cost synergies by the third year of combined operations.
- Lager volumes in Africa increased by 11% in markets that have so far been largely unaffected by the global financial conditions. Angola, Botswana, Zambia, Tanzania and Mozambique all reported good volume growth as their economies continued to expand and sales execution was improved. Traditional beer saw record organic volume growth of 35%, owing to good performances in Zambia, Malawi and Botswana. In China, volume growth was ahead of the market as our associate, CR Snow, recovered from a slow start to the year following the earthquake in Sichuan and higher pricing. In India, overall market share declined and in Australia our new venture is performing ahead of expectations.
- Lager volumes in South Africa were down 1% against the prior year in which the group had less competition in the premium segment. Consumers continued to feel the effects of higher food and fuel prices. Two price increases and growth in the mainstream segment from brands such as Hansa Pilsener and Castle Lager, have partially offset slower premium sales and the adverse mix effects. However, continuing rises in raw material and distribution costs, an increase in depreciation as well as some losses on raw material forward exchange contracts contributed to a decline in EBITA margin of 360 basis points. The company's premium brand portfolio was enhanced by the successful launch of new brands into the market. Soft drinks volumes grew 2%.

Aggregated beverage volumes were 191 million hectolitres (hl). Aggregated reported lager volumes were up 9% to 159 million hl including acquisitions in the Netherlands and China. Reported EBITA of US$2,225 million was up by 9% and included a benefit of 7% from favourable weighted average currency exchange rates. The group EBITA margin decreased to 15.6%, 130 basis points below the prior year, reflecting higher commodity costs and investment across the group. The capital investment programme continued, increasing capacity and operational efficiency with brewery expansions in Poland and Romania and the ongoing construction of new breweries in Russia, Angola and Mozambique. Net cash generated from operations before working capital movements (EBITDA) was 5.6% above the prior year, supporting the continued capital investment. The group's gearing increased during the period to 53.6% from 49.7% at year end. Adjusted earnings and adjusted earnings per share are up by 9%, to US$1,128 million and 75.2 US cents respectively for the first six month period. An interim dividend of 16 US cents per share will be paid to shareholders on 5 December 2008.

Outlook

We have achieved good growth over the period despite a difficult environment, with underlying performance enhanced by beneficial currency movements. The deterioration in global economic conditions is causing weakening consumer demand in many of our markets. Cost pressures will continue and the strength of the US dollar relative to the group's major currencies is expected to adversely affect reported results.

Our diversified geographical footprint and strong portfolio of brands puts us in a strong competitive position. We are reviewing spending and investment plans in the light of the current uncertain environment but, given our sound financial position, we will continue to invest selectively to support future growth.

1) MillerCoors *pro forma* figures are based on results for Miller and Coors' US and Puerto Rico operations reported under International Financial Reporting Standards (IFRS) and US GAAP respectively for the quarter ended 30 September 2007. Adjustments have been made to reflect both companies' comparative data on a similar basis including amortisation of definite-life intangible assets, depreciation reflecting revisions to property, plant and equipment values and the exclusion of exceptional items.

Operational review

Following the inception of the MillerCoors joint venture the group has revised its volume definitions. Further details can be found in the Financial review on page 8. All current and prior period volume figures and growth rates in the following operational reviews are presented under the new volume definition.

Latin America

Financial summary	Sept 2008	Sept 2007	%
Group revenue			
(including share of associates) (US$m)	**2,848**	2,453	16
EBITA* (US$m)	**474**	438	8
EBITA margin (%)	**16.6**	17.8	
Sales volumes** (hl 000)			
– Lager	**18,260**	17,757	3
– Soft drinks	**9,467**	9,144	4
– Soft drinks (organic)	**9,467**	9,058	5

*In 2008 before exceptional items of US$nil (2007: US$52 million being integration and restructuring costs in Latin America of US$69 million less the net profit on the sale of the soft drinks and juice businesses in Costa Rica and Colombia of US$17 million respectively).

**Volume figures have been restated for the prior period following the revision of the group's volume definitions (see page 8).

The region faced a number of challenges in the first half of the year, most notably in Colombia, and underlying EBITA performance in the period was muted. The region delivered EBITA growth of 8% aided by favourable exchange rates but on an organic constant currency basis EBITA was flat. Revenue per hl on an organic constant currency basis increased by 7% but margins have been impacted by aggressive competition in the economy segment in Peru, increased commodity costs and higher depreciation as a result of the capital investment programme. Fixed cost productivity across the region has been a major area of focus and has partially mitigated the impact of these margin pressures. The region continues to build differentiated portfolios and raise the appeal of the beer category through activities such as the recent Club Premium launch in Ecuador, the small pack innovation in Colombia and the focus on the premium Cusqueña brand in Peru. At the same time increased attention is being focused on execution at the point of sale and revenue enhancement.

Lager volumes in **Colombia** decreased 3% against high comparatives and as a result of pressures on discretionary disposable income from high interest rates and increasing inflation. However, our share of the alcohol market has increased steadily over the period and stood at 67% at the end of September, a gain of 130 basis points over the prior year. Revenue growth benefited from an 8% price increase late last year and we have executed another price increase of 9% in October. There has been some displacement of volume from Aguila to Póker in the mainstream segment but the volume of our worthmore brands Club Colombia and Redd's grew sharply. The first half has seen the launch of a new Aguila pack in the Pacific region, a 225ml returnable bottle, with initial volumes exceeding expectations. In the current environment, increased focus has been placed on operational efficiencies and improving service, and together with the benefit of pricing these measures resulted in an improvement in EBITA margin. In line with the company's strategy to focus on the brewing and distribution only of beer and malted beverages, the first half saw the company announce the disposal of its water brand, Brisa, for a cash consideration of approximately US$90 million. This transaction is expected to be completed by the end of the financial year.

In **Peru** volume growth has been robust in a highly competitive environment. Lager volumes grew 10% with a particularly strong second quarter. Competition remains fierce with our two major competitors continuing to discount heavily and launch new brands, at low price points. During the first part of the year, with multiple brand launches and competitive activity, the economy segment grew to 30% of the market. We have been able to gain and hold clear leadership in this rapidly growing segment with the Pilsen Trujillo brand, despite selective price increases. In recent months the growth of the segment has been contained and its share has fallen to 25%. Our overall market share has stabilised since January and is currently 85%. Sales mix has been helped by market share gains in our worthmore portfolio with the Cusqueña brand commanding a greater than 8% share. Overall revenue per hl was flat in constant currency and margins were negatively impacted by commodity cost pressures. Much work has been done on the portfolio strategy and market mapping in Peru; new opportunities have been identified and are now being actively pursued.

In **Ecuador** the first half of the year saw management continue to focus on building momentum through brand renovation and changes to the sales and distribution processes as well as substantial cooler investment. These initiatives were backed up by ongoing efforts aimed at achieving uniform pricing to the consumer across the country. These strategies have reaped rewards with lager volume growth of 14%. Outstanding growth was achieved by our local worthmore brand, Club Premium, driven not only by innovative marketing activation, but also more recently by the launch of the 550ml returnable bottle. Our flagship mainstream brand Pilsener continued to perform well following its renovation last year, growing at over 14%. New tank capacity has been installed at the Guayaquil plant and the modernisation of the Quito brewery is underway.

In **Panama** the re-launch of our mainstream brand Atlas has met with mixed reaction in the market and this together with heavy discounting by our competitors has affected brand volumes. However, the re-launch of our brand Balboa has been successful with the brand growing strongly whilst growth of worthmore brands has been achieved, albeit off a low base. Soft drinks have performed well with growth of 10%.

Total volumes in **Honduras** grew by 7%, with growth in both lager and soft drinks. Lager volumes grew by 6% driven by worthmore volumes with notable performances from Barena and Miller brands, positively impacting mix. In June a price increase averaging 8% was implemented. Increased cooler investment in the trade, beer outlet penetration and third party sales support have also assisted volume growth. Soft drinks volume growth was good at 8%, driven by the company owned brand Tropical which grew at over 15%. This has resulted in further market share gains with our share up 50 basis points on a 12 month moving annual basis. However volumes are being affected by a slowdown in the country's economy with lower remittances from the USA and increased inflation affecting disposable income. Soft drinks price increases were also implemented on our main returnable glass pack (12 oz) as well as family PET packs (2.5l and 3.0l).

With tough trading conditions across all sectors in **El Salvador**, the first half saw a decline of total volume of 1%, with soft domestic volumes partially offset by growing export sales, while soft drinks growth in the local market was subdued. High fuel and commodity prices, a slowing of remittances from the USA and continued political uncertainty have combined to soften growth. We continue to lead the soft drinks category with a 51% share, a good increase over the prior year.

Europe

Financial summary	Sept 2008	Sept 2007	%
Group revenue			
(including share of associates) (US$m)	**4,010**	2,876	39
EBITA* (US$m)	**725**	622	16
EBITA margin (%)	**18.1**	21.6	
Sales volumes** (hl 000)			
– Lager	**28,285**	25,715	10
– Lager (organic)	**26,219**	25,715	2

*In 2008 before net exceptional costs of US$10 million (2007: US$nil) being the unwind of fair value adjustments on inventory following the acquisition of Grolsch.

**Volume figures have been restated for the prior period following the revision of the group's volume definitions (see page 8).

Europe's performance was subdued on an organic constant currency basis following several years of strong growth in volume and profits. Total lager volume growth was 10% while organic growth was 2%. The half year cycled a strong comparative period when volumes grew 12% organically. Poorer weather, high distributor stocks and increased industry pricing constrained volume growth in most countries, particularly Russia and the Czech Republic, while in Romania and the UK volumes grew strongly. Significant increases in input costs particularly barley, malt and hops impacted margins. We have led industry prices higher in most markets and our revenue per hl was up 6% on an organic basis. Reported EBITA increased 16% benefiting from earlier strength in eastern European currencies and the acquisition of Grolsch, while organic constant currency EBITA declined 6%, as input cost pressures, general cost inflation, increased investment and depreciation all impacted margin.

In **Poland**, our domestic organic lager volumes were up 4% with all brands ahead of market growth. Consumer demand slowed sharply in the second quarter with total retail sales expanding at less than half the prior year's rate. This, together with a cooler summer, saw industry beer volumes for the first half grow 1% compared with 8% in the prior period. Tyskie, the country's leading brand with a 16% share, achieved 5% growth assisted by a complete renovation of its packaging and strong marketing centred on the Euro 2008 soccer championships and the Olympic Games. Premium brand Lech was also up 5% with non-alcoholic variant Lech Free benefiting from the introduction of a new sleek can, as did premium brand Redd's, up 17%. Zubr was up 3% with the introduction of new multi-packs. Our overall organic market share increased 190 basis points to 42%. The integration of Browar Belgia is complete and the Wojak brand has recently been relaunched. In April, we increased prices by an average of 4% which assisted in offsetting brewing raw material cost increases. Capital expenditure is focused on completing the Tychy and Poznan brewery expansions.

In the **Czech Republic**, the beer industry has experienced a wave of consolidation. We remain market leader, pursuing value rather than volume in a market which declined 4% and our market share decreased marginally. However revenue per hl is up 6%, reflecting our price increase in November 2007. Noteworthy brand performances came from Kozel up 8% following its crate upgrade and non-alcoholic Radegast Birell, up 14%, while mainstream Gambrinus declined by 10%. This decline, mainly in the on-premise channel, is being addressed with increased focus on higher value outlets. The iconic Pilsner Urquell brand showed a small decline, mainly reflecting lower tourism in Prague with the poorer summer weather and strong Czech currency. Significantly higher commodity costs (barley, hops and fuel) impacted margins. Capital expenditure has been directed at improving the export capability at the Plzen brewery.

In **Romania**, our volumes were up an encouraging 24% and our market share improved by more than 3%. The beer industry grew 5% as consumer disposable income has improved through real wage increases, access to credit and overall economic growth. This excellent performance was supported by our full brand portfolio, focused line extensions, much expanded off-premise channel visibility and increased PET packaging availability. The key driver was a 31% growth in Timisoreana to reach 14% market share, with Ciucas up 19% mainly through growth of its two litre PET package. In the premium segment, Peroni Nastro Azzurro doubled its volume, Ursus was up 5% and Redd's far exceeded our expectations. Average selling prices have been increased by 8%, which is ahead of consumer price inflation. Brewing capacity is being expanded to 7 million hl.

In **Russia**, the beer market slowed, with production statistics showing 3% growth (prior year 14%). The market has been affected by a number of factors including poor weather, sustained high inflation and, more recently, sharply deteriorating economic conditions. Moscow and its surrounding region posted a 9% decline, according to AC Nielsen, while other regions showed some growth. Our sales to retailers (STRs) showed small growth resulting in a 40 basis point national market share gain to 6% but some share has been lost in the premium segment because of our weight in the large Moscow premium market. The beverage distribution channel generally has started to respond to the softer market conditions and reduce wholesaler stocks, a trend that will continue into the second half of the year. As a result, our sales to wholesalers (STWs) have reduced in the first half by 4%. Zolotaya Botchka was down 8% and Miller Genuine Draft (MGD) was down 20%. Pilsner Urquell, Redd's and Holsten all showed good growth driven by packaging innovation, key account initiatives and regional distribution gains. Revenue per hl is up 12% reflecting two price increases during the period. Costs have been impacted by significant raw material increases, very high wage increases, rail tariffs up over 40% and an excise increase of 32% in January. In June 2008, we acquired LLC Vladpivo in the far-east region of Russia and in July we acquired CJSC Sarmat in the Ukraine. The integration of both acquisitions is progressing with production, technical and quality upgrade programmes in place. The construction of our greenfield brewery at Ulyanovsk is continuing according to plan.

In **Italy**, the economy is stagnant and unemployment is increasing. The beer market declined 6% while our branded volumes were down 2% with a market share gain of 70 basis points. Brand Peroni was up 1% benefiting from our sponsorship of the national soccer team at the European championships. Nastro Azzurro declined 9% as consumers traded down. Trade marketing and distribution advances in the affluent north of the country have improved outlet rate of sales and numeric distribution. A new 'club' bottle was introduced enabling Nastro Azzurro to penetrate high-end outlets and brand Peroni reinforced its gastronomy platform targeting key consumption occasions. In July, a fire at the Bari brewery interrupted brewing and damaged cellars, but business continuity actions ensured 96% on-time, in-full order delivery.

In the **Netherlands**, consumer confidence indicators are sharply lower and the beer market decreased 2% mainly in the on-premise channel (down 4%). This decline in the on-premise channel can be partly attributed to the smoking ban introduced in July. Although volume declined 1%, our market share grew by 20 basis points. The launches of a new swing-top green bottle and the innovative 'Cheersch' home-draught system helped volumes. The pricing environment is very challenging, in a highly concentrated retail environment, and a 30% excise increase has been announced for January. Integration activities are on track.

In **Hungary**, beer industry volumes contracted 7% as a result of deteriorating macroeconomic conditions and the continuing impact of fiscal austerity measures. Dreher's volumes were down 11% partly reflecting wholesaler de-stocking. Revenue per hectolitre is up 10% reflecting favourable pricing. In the **United Kingdom**, the premium lager market continues its decline, down 3%. Our volumes were up 17% with Peroni Nastro Azzurro ahead by 41% and Pilsner Urquell up 19%.

North America

Financial summary	30 Sept 2008	30 Sept 2007	%
Group revenue			
(including share of joint ventures) (US$m)	**2,916**	2,782	5
EBITA* (US$m)	**355**	300	18
EBITA margin (%)	**12.2**	10.8	
Sales volumes** (hl 000)			
– Lager – excluding contract brewing	**25,282**	26,191	(3)
– Lager – contract brewing***	**3,276**	4,065	(19)
– Soft drinks	**39**	54	(28)

*In 2008 before an exceptional credit of US$437 million being the profit on the deemed disposal of the Miller business and exceptional costs of US$23 million in relation to the integration and restructuring costs for MillerCoors, together with the group's share of MillerCoors' integration and restructuring costs of US$17 million and the group's share of the unwind of the fair value inventory adjustment of US$7 million (2007: US$nil).

**Volume figures have been restated for the prior period following the revision of the group's volume definitions (see page 8).

***Includes 172 (hl 000) relating to our share of contract brewing volumes produced by MillerCoors, the joint venture, on behalf of Miller Brewing International (MBI). These volumes are included in the 'lager – excluding contract brewing' total when sold to third parties by MBI.

North America delivered a strong performance in the first half with a good contribution from Miller Brewing Company in the first quarter and strong initial results from MillerCoors following its inception on 1 July 2008. Results in the segment were further enhanced by the realisation of some profits on the sale of hops as surpluses in Miller were sold. EBITA was up 18% for the six months when compared to the prior year.

First quarter

In the first quarter of our financial year, prior to the creation of the MillerCoors joint venture, Miller Brewing Company achieved a strong increase in EBITA, as a result of industry leading domestic net revenue per barrel and effective cost management, despite softer volumes in Miller's core markets.

Miller's US domestic STRs were down 2.0% while reported STWs decreased by 0.6%, as distributor inventories increased ahead of the summer peak. Contract brewing volumes were down 5.0%. Miller Lite STRs decreased 1.6% due to high prior year comparables and volume declines in the on-premise channel. Miller's worthmore portfolio STRs increased 8.1% with an ongoing benefit from the launching of Miller Chill and strong double-digit growth in Peroni Nastro Azzurro. Miller High Life continued to perform well delivering a 0.9% increase, and Steel Reserve grew 1.7%. The MGD 64 test in the Midwest and West regions performed ahead of expectations leading to a national roll-out.

Domestic net revenue per barrel grew 3.3% driven mainly by favourable pricing and brand mix, and Miller's EBITA margin increased as a result of the higher pricing, improved brand mix, and lower fixed costs despite pressure on input costs and an increase in marketing investment.

Second quarter

The Miller Brewing Company and the Coors Brewing Company combined their US and Puerto Rico operations with effect from 1 July 2008 to form MillerCoors. In the three months to 30 September, on a *pro forma* basis[1], MillerCoors US STRs rose by 0.7% after adjusting for the extra trading day in the period (2.3% unadjusted), whilst MillerCoors STWs declined by 0.5% due to reductions in distributor inventory levels in the quarter.

The company's flagship premium light brand STRs were up 1.4% (3.0% unadjusted) versus the prior year. Coors Light STRs increased 6.8% (8.5% unadjusted), due to gains in both distribution and rate of sale, while Miller Lite STRs decreased 3.6% (2.1% unadjusted) due to volume declines in the Midwest and Pacific regions as the brand cycled a strong volume comparison in the prior year.

The craft and import portfolio rose 5.0% (6.6% unadjusted), led by the strong performance of Blue Moon, Leinenkugel's and Peroni Nastro Azzurro. The domestic above-premium portfolio, which includes Miller Chill, Sparks and Killian's Irish Red, experienced a double-digit decline as Miller Chill cycled tough comparatives from the previous year, while facing a new competitive entry to the category.

The premium regular segment grew 0.2% as Coors Banquet delivered double-digit growth offsetting Miller Genuine Draft declines. Below premium brands grew 2.3% as Keystone Light posted double-digit gains and Miller High Life continued to generate solid growth.

MGD 64 continued to show strength ahead of expectations as consumers and retailers responded favourably to the national launch of this innovative premium light beer. During its national roll-out, MGD 64 gained traction across the country as STRs rose 77% over prior year compared to MGD Light volume a year earlier.

Pricing remained strong as net revenue per barrel increased 3.0% on a *pro forma* basis. MillerCoors' revenue growth outlook for the balance of the year is expected to remain strong, as the company implemented selective price increases on the majority of its beer volume in September and October this year. Net sales mix was virtually unchanged, with strong growth by the company's premium light, craft and import brands largely offset by cycling significant Miller Chill load-in volumes in the prior year.

Cost of goods sold per barrel increased, as reductions related to legacy savings initiatives by Miller Brewing Company (Project Unicorn) and Coors Brewing Company (Resources for Growth) were more than offset by increased commodity and fuel pricing costs.

Marketing, general and administrative expense decreased due to the non-recurrence of prior year Miller Chill launch costs, which were partially offset by MGD 64 launch costs this year.

MillerCoors is working aggressively to deliver its stated goal of achieving US$500 million of cost synergies in the first three years of combined operations commencing 1 July 2008. The company plans to deliver its initial commitment of US$50 million of cost synergies in the first year of combined operations ending 30 June 2009. These savings will be divided approximately evenly between the second half of 2008 and the first half of 2009. In addition, MillerCoors is on track to deliver US$350 million of savings in year two with approximately US$175 million delivered in the second half of 2009. The remaining US$100 million of savings will be delivered in year three ending 30 June 2011.

1) MillerCoors *pro forma* figures are based on results for Miller and Coors' US and Puerto Rico operations reported under International Financial Reporting Standards (IFRS) and US GAAP respectively for the quarter ended 30 September 2007. Adjustments have been made to reflect both companies' comparative data on a similar basis including amortisation of definite-life intangible assets, depreciation reflecting revisions to property, plant and equipment values and the exclusion of exceptional items.

In the first quarter of operation, MillerCoors began its brewery network optimisation project to shift volume and brew both Miller and Coors products throughout its expanded network of eight major breweries. The projects will be phased in at the breweries over the next 18 months. The moves will reduce shipping distances which will drive products to market quicker, generating significant savings. The company continues to integrate its information systems to enable robust data sharing and analysis within the commercial enterprise, further minimise duplicate systems and reduce costs. The MillerCoors employee selection process is nearing completion, and the full sales organisation selection will be completed in November 2008.

Africa and Asia

Financial summary	30 Sept 2008	30 Sept 2007	%
Group revenue (including share of associates and joint ventures) (US$m)	**2,255**	1,703	32
EBITA (US$m)	**311**	277	12
EBITA margin (%)	**13.8**	16.3	
Sales volumes* (hl 000)			
– Lager	**32,184**	30,712	5
– Lager (organic)	**31,269**	30,712	2
– Soft drinks	**4,084**	4,553	(10)
– Soft drinks (organic)	**4,078**	3,659	11
– Other alcoholic beverages	**2,091**	1,523	37

*Volume figures have been restated for the prior period following the revision of the group's volume definitions (see page 8).

Africa performed strongly with total organic sales volume growth of 14% over prior year. Asia delivered lager volume growth of 4%, with significant price increases in China. Pricing was strong with revenue, on an organic constant currency basis, up 31% in Africa and 24% in Asia. EBITA from the region was up 12%, 7% on organic constant currency basis, despite significant input cost pressure.

Africa

Lager volumes for Africa grew 11% for the period, while soft drinks advanced 12%. Traditional beer grew strongly to record 35% organic growth, due to very good performances in Zambia, Botswana and Malawi. Despite increasing global uncertainty and the threat of a global economic slowdown, our African markets showed strong volume growth momentum.

Tanzania grew strongly with lager volumes increasing by 9%. Sales volume growth accelerated to double digits in the second quarter due to focused in-trade activities aimed at regaining market share in a competitive environment. Our brand portfolio is strongly positioned to capture growth by competing across all the key segments in the market. Ndovu, Safari and Eagle all performed well over the period. Rising input costs were evident but were mitigated by operating efficiencies and a stable local currency. We have commenced building a new 0.5 million hl brewery in the Southern region to meet demand in that area.

Mozambique continued to grow, albeit at lower levels after five years of exceptional growth. The brand portfolio is in good shape, appropriately differentiated across all segments to drive consumer demand. Volumes in the North have continued to grow at a faster rate than in the South and we have commenced building a brewery in Nampula which will enable us to develop the Northern area further.

Botswana performed well over the period with lager volumes advancing 31% on prior year, while traditional beer posted growth of 16%. The recently launched new returnable bottle has driven greater affordability, reducing the cost per serving and now represents 12% of total volumes. There was an element of stock build by the trade in anticipation of the imposition by the government of a 30% duty on alcohol. We continue to work with the government around this issue, but we believe that a levy will be imposed in the second half which will dampen volumes.

Angola remains an attractive market with an economy that is growing extremely fast. Our soft drinks volumes grew 16% in the period, but continued to be restrained by poor infrastructure in the country. The key point of entry (the Luanda harbour) is constantly congested and limits our ability to meet demand. Some of these pressures will be alleviated through investments by our suppliers in local can and bottle manufacturing facilities. In turn we are expanding our own capacity through the construction of a new 2 million hl soft drinks facility and the construction of a brewery in Luanda North. In the South, our brewery performed well with volume growth of 31%, following our investment in new capacity.

In the premium segment, we have launched Peroni Nastro Azzurro and Miller Genuine Draft in key markets with favourable results. We plan to launch Grolsch to further enhance our premium brand portfolio while continuing our activities in the regional premium segment with brands such as Castle Lager, Redd's and Castle Milk Stout.

Traditional sorghum-based beer grew exceptionally strongly, with excellent results from Zambia, Malawi and Botswana. The category continues to play an important part in our African portfolio and is less vulnerable to international commodity cost increases given its use of local raw materials.

Castel enjoyed further growth over the period with lager volumes advancing 9% on the back of excellent growth in Angola and Ethiopia and an acquisition in Guinea which accounted for 1% of growth. The soft drinks portfolio grew by 12% with good growth in most markets and strong performances in the Congo, Tunisia and Algeria.

EBITA margins for our African businesses came under pressure from increasing commodity costs, however robust pricing and the portfolio benefit of having soft drinks and traditional beer mitigated some of these cost pressures.

Asia

In **China**, our associate CR Snow experienced a slow start to the year, with flat organic volumes following unprecedented price increases, and the effects of an earthquake in Sichuan, one of our key markets. However, the second quarter showed recovery in volume growth, and market share gains as the consequences of the earthquake began to abate and consumers began to accept the new pricing levels in the context of increasing inflation across many consumer goods categories. However, heavy flooding in certain markets still influenced our overall performance in the second quarter. EBITA growth of 21% was achieved against a background of marginal volume growth and rising commodity costs. We believe that the pricing actions will have a positive impact on the long-term profitability of the Chinese market.

Growth in **India** moderated, largely as a result of a deliberate reduction in supply to the key Andhra Pradesh market initiated in response to local government restrictions on pricing. Overall market share (including Andhra Pradesh) declined as a result, but good trading momentum was experienced in all other regions, with the northern region in particular outperforming.

Our new venture in **Australia** continues to perform well. In **Vietnam** our business is performing below expectations, with corrective action planned.

South Africa: Beverages

Financial summary	30 Sept 2008	30 Sept 2007	%
Group revenue			
(including share of associates) (US$m)	**2,007**	2,016	–
EBITA (US$m)	**332**	405	(18)
EBITA margin (%)	**16.5**	20.1	
Sales volumes* (hl 000)			
– Lager	**12,307**	12,478	(1)
– Soft drinks	**7,396**	7,253	2
– Other alcoholic beverages	**572**	533	7

*Volume figures have been restated for the prior period following the revision of the group's volume definitions (see page 8).

The economic outlook in South Africa has deteriorated over the first half of the year as consumers continue to feel the effects of higher food and fuel prices. Rising inflation, which is up 7% to 13% over the year to July 2008, and higher interest rates, have restricted economic growth, culminating in a 5.5% year-on-year decline in retail sales as at August 2008.

Volume performance across both the beer and soft drinks operations was satisfactory but premium volume performance was adversely affected by higher food and fuel prices and in beer, increased competition in the segment. EBITA declined 10% on an organic constant currency basis and margins reduced as the business experienced the impacts of higher commodity and diesel costs, a weakening currency, higher incremental costs associated with the direct store delivery strategy and higher container depreciation costs, as a result of the replacement of the 750ml returnable bottle population. Despite the current, tough operating environment, the business increased its investment in marketing spend, which included core brand packaging upgrades, new premium brand introductions and marketing campaigns.

Beer volumes for the six months were 1% down on the prior year, driven by lower premium sales which were partially offset by growth in mainstream beer sales as consumers traded down due to the tough economic environment. Lower Hansa Marzen Gold and Castle Lite sales accounted for the bulk of the decline in premium sales, partly due to the return to wide availability of a competitor premium brand.

Our brand portfolio was bolstered by the recent launch of three new brands. Grolsch, the iconic Dutch premium lager brand acquired by the group in the previous year, was launched in June this year in both the 450ml swing top and 330ml returnable packs. In addition, Blakes and Doyle, a premium, dry apple ale was launched in September to expand our range of flavoured alcoholic beverages. Dreher, also launched in September, is a premium lager brand from Hungary with three distinctive hop varieties brewed to deliver an aromatic, flavoursome beer. Over and above these new brand additions, Miller Genuine Draft received a comprehensive pack renovation.

Soft drinks volumes grew 2% driven by growth in sparkling soft drinks. Alternative beverages declined by 1% partially driven by the discontinuation of a number of low margin fruit cordial brands.

Revenue grew by 9% on an organic constant currency basis. Price increases taken on both beer and soft drinks products in the first quarter of this calendar year contributed to this revenue growth, although the increases were below inflation. As a result of the continuing commodity cost pressures in the beer and soft drinks businesses, further price increases were taken in the second quarter of the year. Prices of bulk mainstream beer returnable packs were increased from 1 September and a marginal increase was taken across all soft drinks products in August.

Despite revenue growth, higher raw material input costs, substantially higher fuel prices and incremental container depreciation costs saw margins contracting over the first half of the year. Brewing raw material costs, in particular barley and hops, as well as increased resin and sugar prices in the soft drinks business, accounted for the bulk of the raw material cost increases.

Distribution costs, which rose in excess of 30% in the prior year, were up a further 19%. The weakening rand, coupled with higher international crude oil prices, drove local diesel prices up in excess of 60%. Better fleet utilisation efficiencies in the current year partially mitigated incremental distribution costs associated with increased outlet servicing.

Container depreciation costs have increased significantly in the first six months of the year as a result of the injection of new 750ml returnable bottles in line with the replacement of the old bottle population. This project, which commenced in April 2007, is largely complete and all seven breweries were running the new 750ml bottles by September 2008.

EBITA for the period declined by 10% on an organic constant currency basis as revenue benefits generated from price increases were more than offset by higher raw material, distribution and depreciation costs as well as lower sales volumes and adverse mix effects in the beer business. EBITA was also adversely impacted by the reversal of foreign currency gains booked in the prior financial year on procurement-related contracts. EBITA margins declined to 16.5%.

The formulation of the liquor industry's Broad Based Black Economic Empowerment (BBBEE) sector code continues with the involvement of the Department of Trade and Industry and key industry players.

Sales of **Appletiser** showed reduced growth affected by supply constraints. **Distell** continues to exhibit strong domestic and international volume and revenue growth combined with operating efficiencies that have yielded improved profitability.

South Africa: Hotels and Gaming

Financial summary	30 Sept 2008	30 Sept 2007	%
Group revenue			
(share of associates) (US$m)	**186**	193	(3)
EBITA* (US$m)	**61**	58	3
EBITA margin (%)	**32.5**	30.4	
Revenue per available room			
(Revpar) – US$	**75.56**	68.29	11

*In 2008 before exceptional costs of US$9 million in relation to the fair value mark-to-market losses on financial instruments (2007: US$nil).

The group is a 49% shareholder in the Tsogo Sun group, the half year results of which were influenced by slower economic growth resulting from higher inflation and interest rates, with consumer spending patterns affected by lower available disposable income. The gaming division was negatively impacted by a new competitor casino to Montecasino. In the hotels division, trading in the first quarter was good, although the second quarter was affected by reduced trade in the corporate, government and leisure segment. Increases in room rates led to revpar 11% above the prior year.

Financial review

New accounting standards and restatements
The accounting policies followed are the same as those published within the Annual Report and Accounts for the year ended 31 March 2008 as amended for the changes set out in note 1, which have had no material impact on group results. The Annual Report and Accounts for the year ended 31 March 2008 are available on the company's website, www.sabmiller.com. The balance sheet as at 31 March 2008 has been restated for further adjustments relating to initial accounting for business combinations, further details of which are provided in note 12.

Segmental analysis
The group's operating results on a segmental basis are set out in the segmental analysis of operations, and the disclosures are in accordance with the basis on which the businesses are managed and according to the differing risk and reward profiles. SABMiller believes that the reported profit measures – before exceptional items and amortisation of intangible assets (excluding software), and including associates and joint ventures on a similar basis (i.e. before interest, tax and minority interests) – provide to shareholders additional information on trends and allow for greater comparability between segments. Segmental performance is reported after the specific apportionment of attributable head office service costs.

Disclosure of volumes
Following the inception of the MillerCoors joint venture, the group has revised its volume definitions.

In the determination and disclosure of sales volumes, the group aggregates 100% of the volumes of all consolidated subsidiaries and its equity accounted percentage of all associates' and joint ventures' volumes. Contract brewing volumes are excluded from volumes although revenue from contract brewing is included within revenue. Volumes exclude intra-group sales volumes. This measure of volumes is used in the segmental analyses as it more closely aligns with the consolidated group revenue and EBITA disclosures.

In the determination and disclosure of aggregated sales volumes, the group aggregates 100% of the volumes of all consolidated subsidiaries, associated companies and joint ventures. Contract brewing volumes are excluded from aggregated volumes although revenue from contract brewing is included within revenue. Aggregated volumes exclude intra-group sales volumes.

Organic, constant currency comparisons
The group discloses certain results on an organic, constant currency basis, to show the effects of acquisitions net of disposals and changes in exchange rates on the group's results. Organic results exclude the first twelve months' results of acquisitions and the last twelve months' results of disposals. Constant currency results have been determined by translating the local currency-denominated results for the six months ended 30 September 2008 at the exchange rates for the comparable period in the prior year.

In relation to the MillerCoors joint venture no adjustments have been made in the calculation of organic results as the group's share of the joint venture is deemed to be comparable with 100% of the Miller business in the comparative period.

Acquisitions and joint ventures
On 17 June 2008 the group acquired the Russian brewer LLC Vladpivo and on 4 July 2008, it acquired a 99.84% interest in the Ukrainian brewer CJSC Sarmat. The total cost of both acquisitions was US$75 million.

On 30 June 2008, SABMiller and Molson Coors Brewing Company announced that they had completed the transaction to combine the US and Puerto Rico operations of their respective subsidiaries, Miller and Coors, in a joint venture, MillerCoors, which began operating as a combined entity on 1 July 2008. SABMiller has a 58% economic interest in MillerCoors and Molson Coors has a 42% economic interest. Voting interests are shared equally between SABMiller and Molson Coors, and each of SABMiller and Molson Coors has equal board representation.

Exceptional items
Items that are material either by size or incidence are classified as exceptional items. Further details on the treatment of these items can be found in note 3 to the financial information.

Net exceptional credits of US$371 million (2007: US$52 million net charges) included net exceptional charges of US$33 million (2007: US$nil) relating to our share of joint ventures' and associates' exceptional charges reported during the period. The net exceptional credit included a US$437 million profit on the deemed disposal of 42% of the US and Puerto Rico operations of Miller, partly offset by a charge of US$23 million related to MillerCoors' integration and restructuring costs and a charge of US$10 million relating to the unwinding of fair value adjustments on inventory relating to the acquisition of Grolsch. Our share of joint ventures' and associates' exceptional items include a charge of US$17 million relating to our share of MillerCoors' integration and restructuring costs, US$7 million relating to our share of the unwinding of fair value adjustments on inventory in MillerCoors and a charge of US$9 million relating to fair value mark-to-market losses on financial instruments in Tsogo Sun. In 2007, the net exceptional charge included final restructuring costs in Latin America of US$69 million, partly offset by a net profit of US$17 million on the disposal of soft drinks businesses in Costa Rica and Colombia.

Borrowings and net debt
Gross debt at 30 September 2008, comprising borrowings together with the fair value of derivative assets or liabilities held to manage interest rate and foreign currency risk of borrowings, has increased to US$9,741 million from US$9,733 million at 31 March 2008. Net debt comprising gross debt net of cash and cash equivalents has increased to US$9,391 million from US$9,060 million at 31 March 2008 mainly reflecting capital expenditure and the acquisitions of CJSC Sarmat and LLC Vladpivo. An analysis of net debt is provided in note 10b. The group's gearing (presented as a ratio of debt/equity) has increased to 53.6% from 49.7% at 31 March 2008. The weighted average interest rate for the gross debt portfolio at 30 September 2008 was 8.1% (31 March 2008: 7.3%).

On 17 July 2008, SABMiller plc announced the completion of a US$1,250 million bond issue. The notes have been issued pursuant to Rule 144A and Regulation S under the US Securities Act of 1933 (as amended), in two tranches: US$550 million of 5.5 year notes with a coupon of 5.70% and US$700 million of 10 year notes with a coupon of 6.50%. The net proceeds of the bond issue have been used to repay certain existing indebtedness.

On 28 July 2008, SABMiller plc announced the establishment of a €5,000 million Euro Medium Term Note Programme to allow the group to further diversify its sources of funding in the future, although no notes have been issued under the programme at this time.

On 15 August 2008 US$600 million 4.25% Guaranteed Notes 2008, originally issued by Miller Brewing Company but assumed by SABMiller plc on 30 June 2008 matured and were refinanced in full by a three year committed bank facility.

Subsequent to 30 September 2008 the maturity date on the US$1,000 million 364 day facility was extended from October 2008 to 7 October 2009 with a one year term-out option.

Finance costs
Net finance costs increased to US$384 million, a 49% increase on the prior period's US$258 million. Finance costs in the current year include a net loss from the mark to market adjustments of various derivatives amounting to US$26 million (2007: US$nil) which are of a capital nature and for which the group has been unable to obtain hedge accounting. This loss has been excluded from the determination of adjusted earnings per share. Adjusted net finance costs were US$358 million, up 39%, reflecting an increase in net debt resulting from the group's capital expenditure programmes and the acquisitions of CJSC Sarmat, LLC Vladpivo and Grolsch. Interest cover, based on EBITDA and adjusted net finance costs, has decreased to 6.6 times from 8.6 times in the prior comparable period.

Profit before tax
Adjusted profit before tax of US$1,860 million increased by 5% reflecting performance improvements across the businesses and translation of results into US dollars. On a statutory basis, profit before tax of US$2,020 million was up 28% on prior year including the impact of exceptional items and the mark to market movements in finance costs as noted above.

Taxation
The effective tax rate of 31.0% (2007: 33.5%) before amortisation of intangible assets (other than software) and exceptional items and the adjustment to interest noted above, is below that of the prior year, principally reflecting a more favourable geographic mix of profits across the group, local statutory rate reductions and ongoing initiatives to manage our effective tax rate.

Earnings per share
The group presents adjusted basic earnings per share to exclude the impact of amortisation of intangible assets (other than software) and other non-recurring items, which include post-tax exceptional items, in order to present a more meaningful comparison for the periods shown in the consolidated financial statements. Adjusted basic earnings per share of 75.2 US cents were up 9% on the comparable period in the prior year, reflecting the improved performance noted above. An analysis of earnings per share is shown in note 5 to the condensed financial information. On a statutory basis, basic earnings per share are up 48% to 94.8 US cents.

Goodwill and intangible assets
Goodwill has decreased primarily due to the contribution of the Miller business to the MillerCoors joint venture and the deemed disposal of a 42% interest in the Miller business including the goodwill. The goodwill associated with the joint venture is included within the investment in the joint venture. Intangible assets have decreased since March as a result of the MillerCoors transaction partially offset by the identification and valuation of brands acquired with Grolsch.

Capital expenditure
The group has continued to invest in the business, and capital expenditure for the six months was US$1,245 million (2007: US$850 million) including brewery expansions in Poland and Romania and new breweries in Russia, Angola and Mozambique. With effect from 1 July 2008, the capital expenditure for the MillerCoors joint venture is excluded from the consolidated capital expenditure reported.

Capital expenditure as reflected in US dollars has also been increased by the strengthening of currencies against the US dollar in certain markets. Capital expenditure including the capitalisation of intangible software costs is US$1,268 million (2007: US$884 million).

Cash flow
Net cash generated from operations before working capital movements (EBITDA) increased by 5.6% to US$2,355 million compared to the prior comparable period. The ratio of EBITDA to revenue is 21.1% (2007: 20.7%). Net cash generated from operating activities, of US$1,178 million is down 16% reflecting an increase in working capital, due principally to an increase in debtors in Europe, reflecting higher pricing, the payment of accrued retention bonuses in North America and an increase in inventory held in Africa and Asia together with higher net interest paid.

Total equity
Total equity decreased from US$18,245 million (as restated) at 31 March 2008 to US$17,527 million at 30 September 2008. The decrease arose principally due to currency translation movements on foreign currency investments and dividend payments partly offset by profit in the period.

Currencies: South African rand/Colombian peso
The rand weakened against the US dollar during the six months and ended the period at R8.30 to the US dollar, while the weighted average rand/dollar rate weakened by 9% to R7.79 compared with R7.12 in the comparable period. The Colombian peso (COP) weakened against the US dollar during the six months and ended the period at COP2,175 to the US dollar compared with COP1,822 at 31 March 2008, while the weighted average COP/dollar rate strengthened by 10% to COP1,827 compared to COP2,030 in the comparable period.

Risks and uncertainties

The principal risks and uncertainties for the first six months and remaining six months of the financial year remain as reflected on page 8 of the 2008 Annual Report. These are summarised as follows:

- The risk that, as the industry consolidates, the group does not participate in attractive value-adding transactions, which may inhibit its ability to leverage additional scale benefits.
- The risk that expected benefits from scale, entering new growth markets and spreading the group's best operating practices may not be captured or may be inadequate, such that an appropriate return on capital is not achieved over time.
- The risk that significant growth opportunities are not realised because the group fails to ensure the relevance and attractiveness of its brands and the enhancement of its brand marketing.
- The risk that the group's growth potential is jeopardised due to a failure to develop and retain a global management capability at a high level, or to maintain its effective organisational leadership process which captures shared learning and leverages global synergies and expertise.
- The risk that an increase in regulatory constraints and restrictions on alcohol products, including sales and marketing activities or an increase in excise duties have an adverse impact on the group's business.
- The risk that margins could fall because the group fails to ensure an adequate supply of brewing and packaging raw materials at competitive prices.

In light of the current economic uncertainty and the recent crises in the global financial markets, the following additional risks have been identified:

- The group is exposed to the risk of a recession that could adversely affect demand for the group's products, and the prices that can be achieved in the relevant markets.
- Debt financing, refinancing or additional equity funding may not be available to the group or may be materially more expensive due to the current lack of liquidity in the markets and the general lack of confidence in the equity markets.

Dividend

The board has declared a cash interim dividend of 16.0 US cents per share. The dividend will be payable on Friday 5 December 2008 to shareholders registered on the London and Johannesburg registers on Friday 28 November 2008. The ex-dividend trading dates will be Wednesday 26 November 2008 on the London Stock Exchange (LSE) and Monday 24 November 2008 on the JSE Limited (JSE). As the group reports in US dollars, dividends are declared in US dollars. They are payable in South African rand to shareholders on the Johannesburg register, in US dollars to shareholders on the London register with a registered address in the United States (unless mandated otherwise), and in sterling to all remaining shareholders on the London register. Further details relating to dividends are provided in note 6.

The rate of exchange applicable for US dollar conversion into South African rand and sterling was determined on 12 November 2008. The rate of exchange determined for converting to South African rand was US$:ZAR 10.4888 resulting in an equivalent interim dividend of 167.8208 SA cents per share. The rate of exchange determined for converting to sterling was GBP:US$ 1.5220 resulting in an equivalent interim dividend of 10.5125 UK pence per share.

From the commencement of trade on Thursday 13 November 2008 until the close of business on Friday 28 November 2008, no transfers between the London and Johannesburg registers will be permitted, and from Monday 24 November 2008 until Friday 28 November 2008, no shares may be dematerialised or rematerialised, both days inclusive.

Directors' responsibility for financial reporting

This statement, which should be read in conjunction with the independent review report of the auditors set out below, is made to enable shareholders to distinguish the respective responsibilities of the directors and the auditors in relation to the consolidated interim financial information, set out on pages 12 to 27, which the directors confirm has been prepared on a going concern basis. The directors consider that the group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim report of the group is placed on the company's website. The directors are responsible for the maintenance and integrity of information on the company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The directors confirm that this condensed set of interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The directors of SABMiller plc are listed in the SABMiller plc Annual Report for the year ended 31 March 2008. Rob Pieterse and Maria Ramos were appointed to the board on 15 May 2008 and Lord Renwick of Clifton retired from the board on 31 July 2008. A list of current directors is maintained on the SABMiller plc website: www.sabmiller.com.

On behalf of the board

E A G Mackay	**M I Wyman**
Chief executive	Chief financial officer

13 November 2008

Independent review report

of half-yearly consolidated financial information to SABMiller plc

Introduction

We have been engaged by the company to review the condensed set of financial information in the half-yearly financial report for the six months ended 30 September 2008, which comprises the income statement, balance sheet, statement of recognised income and expense, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial information.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial information in the half-yearly financial report for the six months ended 30 September 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London

13 November 2008

Consolidated income statement
for the six months ended 30 September

	Notes	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Revenue	2	**11,166**	10,781	21,410
Net operating expenses		**(9,011)**	(9,091)	(17,962)
Operating profit	2	**2,155**	1,690	3,448
Operating profit before exceptional items		**1,751**	1,742	3,560
Exceptional items	3	**404**	(52)	(112)
Net finance costs		**(384)**	(258)	(456)
Interest payable and similar charges		**(654)**	(354)	(721)
Interest receivable and similar income		**270**	96	265
Share of post-tax results of associates and joint ventures		**249**	147	272
Profit before taxation		**2,020**	1,579	3,264
Taxation	4	**(455)**	(497)	(976)
Profit for the financial period		**1,565**	1,082	2,288
Profit attributable to minority interests		**142**	124	265
Profit attributable to equity shareholders		**1,423**	958	2,023
		1,565	1,082	2,288
Basic earnings per share (US cents)	5	**94.8**	63.9	134.9
Diluted earnings per share (US cents)	5	**94.3**	63.5	134.2

All operations are continuing.

The notes on pages 16 to 27 form an integral part of this condensed interim financial information.

Consolidated balance sheet
at 30 September

	Notes	30/9/08 Unaudited US$m	30/9/07 Unaudited US$m	31/3/08* Unaudited US$m
Assets				
Non-current assets				
Goodwill	7	**10,030**	13,783	15,122
Intangible assets	7	**4,197**	4,062	5,036
Property, plant and equipment	8	**8,077**	7,433	9,113
Investments in joint ventures	9	**5,133**	–	–
Investments in associates	9	**1,765**	1,524	1,825
Available for sale investments		**35**	50	53
Derivative financial instruments		**294**	37	208
Trade and other receivables		**127**	190	240
Deferred tax assets		**351**	142	341
		30,009	27,221	31,938
Current assets				
Inventories		**1,300**	1,048	1,362
Trade and other receivables		**1,759**	1,822	1,866
Current tax assets		**152**	105	190
Derivative financial instruments		**45**	3	45
Cash and cash equivalents	10b	**350**	501	673
		3,606	3,479	4,136
Total assets		**33,615**	30,700	36,074
Liabilities				
Current liabilities				
Derivative financial instruments		**(45)**	(21)	(34)
Borrowings	10b	**(1,569)**	(1,227)	(2,062)
Trade and other payables		**(2,686)**	(3,012)	(3,302)
Current tax liabilities		**(541)**	(513)	(540)
Provisions		**(276)**	(282)	(314)
		(5,117)	(5,055)	(6,252)
Non-current liabilities				
Derivative financial instruments		**(302)**	(310)	(497)
Borrowings	10b	**(8,255)**	(6,174)	(7,596)
Trade and other payables		**(239)**	(312)	(338)
Deferred tax liabilities		**(1,731)**	(1,440)	(1,949)
Provisions		**(444)**	(1,190)	(1,197)
		(10,971)	(9,426)	(11,577)
Total liabilities		**(16,088)**	(14,481)	(17,829)
Net assets		**17,527**	16,219	18,245
Equity				
Share capital		**158**	158	158
Share premium		**6,192**	6,162	6,176
Merger relief reserve		**3,395**	3,395	3,395
Other reserves		**710**	1,177	2,215
Retained earnings		**6,387**	4,688	5,602
Total shareholders' equity		**16,842**	15,580	17,546
Minority interests in equity		**685**	639	699
Total equity		**17,527**	16,219	18,245

*As restated see note 12.

The notes on pages 16 to 27 form an integral part of this condensed interim financial information.

Consolidated cash flow statement

for the six months ended 30 September

	Notes	**Six months ended 30/9/08 Unaudited US$m**	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Cash flows from operating activities				
Cash generated from operations	10a	**2,017**	2,128	4,276
Interest received		**122**	104	228
Interest paid		**(511)**	(378)	(730)
Tax paid		**(450)**	(447)	(969)
Net cash from operating activities		**1,178**	1,407	2,805
Cash flows from investing activities				
Purchase of property, plant and equipment		**(1,245)**	(850)	(1,978)
Proceeds from sale of property, plant and equipment		**22**	42	110
Purchase of intangible assets		**(34)**	(34)	(59)
Purchase of investments		**–**	(5)	–
Proceeds from sale of investments		**1**	–	5
Proceeds from sale of associates		**–**	–	2
Proceeds on disposal of shares in subsidiaries		**–**	71	71
Overdraft disposed with subsidiaries		**2**	–	–
Acquisition of subsidiaries (net of cash acquired)		**(67)**	–	(1,284)
Purchase of shares from minorities		**(2)**	(2)	(49)
Funding to joint ventures		**(123)**	–	–
Funding to associates		**–**	(29)	(179)
Purchase of shares in associates		**(5)**	–	–
Dividends received from joint ventures		**81**	–	–
Dividends received from associates		**119**	47	91
Dividends received from other investments		**1**	–	1
Net cash used in investing activities		**(1,250)**	(760)	(3,269)
Cash flows from financing activities				
Proceeds from the issue of shares		**16**	25	39
Purchase of own shares for share trusts		**(26)**	(9)	(33)
Proceeds from borrowings		**2,466**	2,679	6,492
Repayment of borrowings		**(1,878)**	(2,725)	(5,038)
Capital element of finance lease payments		**(3)**	(2)	(7)
Net cash (payments)/receipts on net investment hedges		**(24)**	2	(16)
Dividends paid to shareholders of the parent		**(640)**	(537)	(769)
Dividends paid to minority interests		**(118)**	(87)	(197)
Net cash (used)/generated in financing activities		**(207)**	(654)	471
Net cash from operating, investing and financing activities		**(279)**	(7)	7
Effects of exchange rate changes		**42**	(18)	(113)
Net decrease in cash and cash equivalents		**(237)**	(25)	(106)
Cash and cash equivalents at 1 April		**188**	294	294
Cash and cash equivalents at period end	10b	**(49)**	269	188

The notes on pages 16 to 27 form an integral part of this condensed interim financial information.

Consolidated statement of recognised income and expense

for the six months ended 30 September

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Currency translation differences on foreign currency net investments	**(1,589)**	812	2,029
Actuarial (losses)/gains on defined benefit plans	**(37)**	–	31
Fair value (losses)/gains on available for sale investments	**(3)**	–	2
Fair value gains/(losses) on net investment and cash flow hedges	**136**	(90)	(225)
Transfer to profit on disposal of Miller's US and Puerto Rico business	**(4)**	–	–
Tax on items taken directly to equity	**10**	–	(8)
Share of associates' and joint ventures' losses recognised directly in equity	**(38)**	–	–
Net (losses)/gains recognised directly in equity	**(1,525)**	722	1,829
Profit for the period	**1,565**	1,082	2,288
Total recognised income/(expense) for the period	**40**	1,804	4,117
– attributable to equity shareholders	**(91)**	1,662	3,795
– attributable to minority interests	**131**	142	322

The notes on pages 16 to 27 form an integral part of this condensed interim financial information.

Notes to the financial information

1. Basis of preparation

The condensed consolidated interim financial information (the 'financial information') comprises the unaudited results of SABMiller plc for the six months ended 30 September 2008 and 30 September 2007, together with the audited results for the year ended 31 March 2008, restated for further unaudited adjustments relating to initial accounting for business combinations. Further details of these adjustments are provided in note 12. The financial information in this report is not audited and does not constitute statutory accounts within the meaning of s240 of the Companies Act 1985 (as amended). The board of directors approved this financial information on 12 November 2008. The annual financial statements for the year ended 31 March 2008, approved by the board of directors on 2 June 2008, which represent the statutory accounts for that year, have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement made under s237(2) or (3) of the Companies Act 1985.

The unaudited financial information in this interim report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority, and with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2008, which have been prepared in accordance with IFRS as adopted by the European Union.

Items included in the financial information of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in US dollars which is the group's presentational currency.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2008, which were published in June 2008, as described in those financial statements. The financial statements are prepared under the historical cost convention, except for the revaluation to fair value of certain financial assets and liabilities, share based payments, and pension assets and liabilities.

The following interpretations are mandatory for the first time in the financial year ending 31 March 2009 and are relevant for the group.

– IFRIC 14 'IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction'. This interpretation has not had any impact on the group.

As a result of SABMiller entering into the MillerCoors joint venture, joint ventures have now become a material item in the group's financial statements. This has also that meant that the investments in immaterial joint ventures previously classified as investments in associates have now been reclassified as investments in joint ventures together with the MillerCoors joint venture.

The group's accounting policy for joint ventures is as follows:

Joint ventures

Joint ventures are contractual arrangements which the group has entered into with one or more parties to undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing the control.

The group's share of the recognised income and expenses of joint ventures is accounted for using the equity method from the date joint control is achieved to the date joint control ceases. The date joint control commences is not necessarily the same as the closing date or any other date named in the contract.

2. Segmental information (unaudited)

The segmental information presented below includes the reconciliation of GAAP measures presented on the face of the income statement to non-GAAP measures which are used by management to analyse the group's performance.

Six months ended 30 September:	Segment revenue 2008 US$m	Share of associates' and joint ventures' revenue 2008 US$m	Group revenue 2008 US$m	Segment revenue 2007 US$m	Share of associates' and joint ventures' revenue 2007 US$m	Group revenue 2007 US$m
Latin America	**2,842**	**6**	**2,848**	2,453	–	2,453
Europe	**3,992**	**18**	**4,010**	2,876	–	2,876
North America	**1,501**	**1,415**	**2,916**	2,782	–	2,782
Africa and Asia	**1,063**	**1,192**	**2,255**	869	834	1,703
South Africa:	**1,768**	**425**	**2,193**	1,801	408	2,209
– Beverages	**1,768**	**239**	**2,007**	1,801	215	2,016
– Hotels and Gaming	**–**	**186**	**186**	–	193	193
	11,166	**3,056**	**14,222**	10,781	1,242	12,023

Year ended 31 March:	2008 US$m	2008 US$m	2008 US$m
Latin America	5,239	12	5,251
Europe	5,242	6	5,248
North America	5,120	–	5,120
Africa and Asia	1,853	1,514	3,367
South Africa:	3,956	886	4,842
– Beverages	3,956	490	4,446
– Hotels and Gaming	–	396	396
	21,410	2,418	23,828

Operating profit

The following table provides a reconciliation of operating profit (segment result) to operating profit before exceptional items.

Six months ended 30 September:	Operating profit 2008 US$m	Exceptional items 2008 US$m	Operating profit before exceptional items 2008 US$m	Operating profit 2007 US$m	Exceptional items 2007 US$m	Operating profit before exceptional items 2007 US$m
Latin America	**411**	**–**	**411**	328	52	380
Europe	**695**	**10**	**705**	620	–	620
North America	**642**	**(414)**	**228**	293	–	293
Africa and Asia	**136**	**–**	**136**	133	–	133
South Africa: Beverages	**304**	**–**	**304**	380	–	380
Corporate	**(33)**	**–**	**(33)**	(64)	–	(64)
	2,155	**(404)**	**1,751**	1,690	52	1,742

Year ended 31 March:	2008 US$m	2008 US$m	2008 US$m
Latin America	892	61	953
Europe	947	–	947
North America	411	51	462
Africa and Asia	330	–	330
South Africa: Beverages	962	–	962
Corporate	(94)	–	(94)
	3,448	112	3,560

2. Segmental information (unaudited) (continued)

EBITA

This comprises operating profit before exceptional items, amortisation of intangible assets (excluding software) and includes the group's share of associates' and joint ventures' operating profit on a similar basis. The following table provides a reconciliation of operating profit before exceptional items to EBITA.

Six months ended 30 September:	Operating profit before exceptional items 2008 US$m	Share of associates' and joint ventures' operating profit before exceptional items 2008 US$m	Amortisation of intangible assets (excluding software) – group and share of associates' and joint ventures' 2008 US$m	EBITA 2008 US$m	Operating profit before exceptional items 2007 US$m	Share of associates' operating profit before exceptional items 2007 US$m	Amortisation of intangible assets (excluding software) – group and share of associates' and joint ventures' 2007 US$m	EBITA 2007 US$m
Latin America	**411**	**–**	**63**	**474**	380	–	58	438
Europe	**705**	**2**	**18**	**725**	620	–	2	622
North America	**228**	**113**	**14**	**355**	293	–	7	300
Africa and Asia	**136**	**172**	**3**	**311**	133	141	3	277
South Africa:	**304**	**89**	**–**	**393**	380	82	1	463
– Beverages	**304**	**28**	**–**	**332**	380	25	–	405
– Hotels and Gaming	**–**	**61**	**–**	**61**	–	57	1	58
Corporate	**(33)**	**–**	**–**	**(33)**	(64)	–	–	(64)
	1,751	**376**	**98**	**2,225**	1,742	223	71	2,036

Year ended 31 March:	2008 US$m	2008 US$m	2008 US$m	2008 US$m
Latin America	953	–	118	1,071
Europe	947	1	4	952
North America	462	–	15	477
Africa and Asia	330	231	7	568
South Africa:	962	203	2	1,167
– Beverages	962	64	–	1,026
– Hotels and Gaming	–	139	2	141
Corporate	(94)	–	–	(94)
	3,560	435	146	4,141

The group's share of associates' and joint ventures' operating profit is reconciled to the share of post-tax results of associates and joint ventures in the income statement as follows:

	Six months ended 30/9/08 US$m	Six months ended 30/9/07 US$m	Year ended 31/3/08 US$m
Share of associates' and joint ventures' operating profit before exceptional items	**376**	223	435
Share of associates' and joint ventures' exceptional items	**(33)**	–	–
Share of associates' and joint ventures' net finance cost	**(7)**	(5)	(11)
Share of associates' and joint ventures' tax	**(65)**	(55)	(120)
Share of associates' and joint ventures' minority interests	**(22)**	(16)	(32)
	249	147	272

Excise duties of US$2,271 million (2007: US$2,187 million) have been incurred during the six months as follows: Latin America US$721 million (2007: US$621 million); Europe US$734 million (2007: US$551 million); North America US$239 million (2007: US$468 million); Africa and Asia US$241 million (2007: US$201 million) and South Africa US$336 million (2007: US$346 million).

Beer volumes increase during the summer months leading to higher revenues being recognised in the first half of the year in the Europe and North America segments. Due to the spread of the business between Northern and Southern hemispheres, the results for the group as a whole are not highly seasonal in nature.

2. Segmental information (unaudited) (continued)

The following table provides a reconciliation of EBITDA (the net cash inflow from operating activities before working capital movements) before cash exceptional items to EBITDA after cash exceptional items. A reconciliation of profit for the period for the group to EBITDA after cash exceptional items for the group can be found in note 10a.

Six months ended 30 September:	EBITDA before cash exceptional items 2008 US$m	Cash exceptional items 2008 US$m	EBITDA 2008 US$m	EBITDA before cash exceptional items 2007 US$m	Cash exceptional items 2007 US$m	EBITDA 2007 US$m
Latin America	**621**	**–**	**621**	545	(10)	535
Europe	**902**	**–**	**902**	732	–	732
North America*	**244**	**(20)**	**224**	372	–	372
Africa and Asia	**185**	**–**	**185**	172	–	172
South Africa: Beverages	**414**	**–**	**414**	453	–	453
Corporate	**9**	**–**	**9**	(35)	–	(35)
	2,375	**(20)**	**2,355**	2,239	(10)	2,229

Year ended 31 March:	2008 US$m	2008 US$m	2008 US$m
Latin America	1,319	(17)	1,302
Europe	1,203	–	1,203
North America	569	(2)	567
Africa and Asia	404	–	404
South Africa: Beverages	1,073	–	1,073
Corporate	(31)	–	(31)
	4,537	(19)	4,518

*EBITDA excludes the results of associates and joint ventures and hence the decline in EBITDA for North America is due to the US and Puerto Rico operations of the Miller business being contributed into the MillerCoors joint venture during the period.

3. Exceptional items

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Subsidiaries' exceptional items included in operating profit			
Latin America	**–**	(52)	(61)
Integration and restructuring costs	**–**	(69)	(78)
Profit on disposal of subsidiaries	**–**	17	17
Europe			
Unwinding of fair value adjustments on inventory	**(10)**	–	–
North America	**414**	–	(51)
Profit on disposal of Miller's US and Puerto Rico business	**437**	–	–
MillerCoors' integration and restructuring costs	**(23)**	–	(51)
Exceptional items included in operating profit	**404**	(52)	(112)
Share of associates' and joint ventures' exceptional items			
North America	**(24)**	–	–
MillerCoors' integration and restructuring costs	**(17)**	–	–
Unwinding of fair value adjustments on inventory	**(7)**	–	–
Hotels and Gaming			
Fair value losses on financial instrument	**(9)**	–	–
Share of associates' and joint ventures' exceptional items	**(33)**	–	–
Taxation credits relating to subsidiaries' and the group's share of associates' and joint ventures' exceptional items	**19**	20	40

2008

Subsidiaries' exceptional items

Europe

On acquisition the Grolsch inventory was fair valued to market value. The uplift is charged to the income statement as the inventory is sold. US$10 million was charged to operating profit in the period.

North America

A profit of US$437 million arose on the deemed disposal of the US and Puerto Rico operations of the Miller business into the MillerCoors joint venture (see note 12 for further details). A charge of US$23 million was incurred during the period for staff retention and for certain integration costs within operating profit.

Share of associates' and joint ventures' exceptional items

North America

The group's share of MillerCoors' integration and restructuring costs of US$17 million mainly related to retrenchment costs and the group's share of MillerCoors' charge to operating profit in the period relating to the unwind of the fair value adjustment to inventory of US$7 million.

Hotels and Gaming

The group's share of losses relating to fair value mark to market adjustments on financial instruments amounted to US$9 million.

Taxation credits

Taxation credits of US$19 million arose in relation to exceptional items during the period and include US$10 million in relation to MillerCoors although the tax credit is recognised in Miller Brewing Company – see note 4.

2007

Latin America

Integration and restructuring costs of US$69 million associated with the consolidation of Bavaria were incurred during the period.

A net US$17 million profit on disposal was recognised in Latin America on the disposal of soft drinks businesses in Costa Rica and Colombia in the six months ended 30 September 2007 and the year ended 31 March 2008.

4. Taxation

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Current taxation	**453**	466	926
– Charge for the period(1)	**452**	486	935
– Adjustments in respect of prior years	**1**	(20)	(9)
Withholding taxes and other taxes	**52**	40	64
Total current taxation	**505**	506	990
Deferred taxation	**(50)**	(9)	(14)
– Charge for the period(2)	**(42)**	(11)	8
– Adjustments in respect of prior years	**(8)**	8	(17)
– Rate change	**–**	(6)	(5)
Total taxation	**455**	497	976
Effective tax rate, before amortisation of intangibles (excluding software) and exceptional items (%)	**31.0**	33.5	32.5

1) The current tax charge for the period includes a UK corporation tax charge of US$nil (2007: US$nil).

2) The deferred tax charge for the period includes a UK corporation tax credit of US$nil (2007: US$9 million credit).

The effective tax rate is calculated using operating profit before exceptional items including the share of associates' and joint ventures' operating profit on the same basis less adjusted net finance costs (net finance costs, the share of associates' and joint ventures' net finance costs and adjustments to finance costs determined in the calculation of adjusted earnings), and tax before exceptional items including the share of associates' and joint ventures' tax on the same basis. This calculation is on a basis consistent with that used in prior years and is also consistent with other group operating metrics.

Although the US and Puerto Rico operations of the Miller business were contributed into the MillerCoors joint venture during the period, MillerCoors is not a taxable entity therefore the tax balances and obligations remain with Miller Brewing Company as a 100% subsidiary of the group. This subsidiary's tax charge will include tax (including deferred tax) on the group's share of the MillerCoors' taxable profits.

5. Earnings per share

	Six months ended 30/9/08 Unaudited US cents	Six months ended 30/9/07 Unaudited US cents	Year ended 31/3/08 Audited US cents
Basic earnings per share	**94.8**	63.9	134.9
Diluted earnings per share	**94.3**	63.5	134.2
Headline earnings per share*	**65.8**	62.5	133.0
Adjusted basic earnings per share	**75.2**	69.1	143.1
Adjusted diluted earnings per share	**74.8**	68.7	142.4

*Six months ended 30 September 2007 restated to comply with the new headline earnings definitions contained within the South African Circular 8/2007.

	30/9/08 Unaudited Millions of shares	30/9/07 Unaudited Millions of shares	31/3/08 Audited Millions of shares
The weighted average number of shares was:			
Ordinary shares	**1,506**	1,503	1,504
ESOP trust ordinary shares	**(6)**	(4)	(4)
Basic shares	**1,500**	1,499	1,500
Dilutive ordinary shares from share options	**7**	10	8
Diluted shares	**1,507**	1,509	1,508

The calculation of diluted earnings per share excludes 13,913,075 (2007: 6,046,925) share options that were anti-dilutive for the period because the exercise price of the option exceeds the fair value of the shares during the year and 6,371,049 (2007: 6,818,498) share options that were anti-dilutive for the period because the performance conditions attached to the options have not been met. These options could potentially dilute earnings per share in the future.

5. Earnings per share (continued)

Adjusted and headline earnings

The group presents an adjusted earnings per share figure to exclude the impact of amortisation of intangible assets (excluding capitalised software) and other non-recurring items in order to present a more useful comparison for the periods shown in the consolidated financial information. Adjusted earnings per share has been based on adjusted headline earnings for each financial period and on the same number of weighted average shares in issue as the basic earnings per share calculation. Headline earnings per share has been calculated in accordance with the new South African Circular 8/2007 entitled 'Headline Earnings' which forms part of the listing requirements for the JSE Ltd (JSE). The adjustments made to arrive at headline earnings and adjusted earnings are as follows:

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Profit for the financial period attributable to equity holders of the parent	**1,423**	958	2,023
Headline Adjustments			
Impairment of property, plant and equipment	**–**	–	5
Profit on disposal of property, plant and equipment	**–**	(4)	(12)
Profit on disposal of subsidiaries	**(437)**	(17)	(17)
Tax effects of the above items	**–**	–	(4)
Share of joint ventures' and associates' headline adjustments, net of tax and minority interests	**2**	–	–
Headline earnings*	**988**	937	1,995
Other Adjustments			
Integration and restructuring costs	**23**	68	129
Loss/(gain) on fair value movements on capital items**	**26**	–	(35)
Unwind of fair value adjustments on inventory	**10**	–	–
Amortisation of intangible assets (excluding capitalised software)	**86**	70	141
Tax effects of the above items	**(48)**	(40)	(88)
Minority interests' share of the above items	**(2)**	–	–
Share of joint ventures' and associates' other adjustments, net of tax and minority interests	**45**	1	5
Adjusted earnings	**1,128**	1,036	2,147

*Six months ended 30 September 2007 restated to comply with the new headline earnings definitions contained within the South African Circular 8/2007.

**This does not include all fair value movements but includes those in relation to capital items for which hedge accounting cannot be applied.

6. Dividends paid and proposed

Dividends paid were as follows:

	Six months ended 30/9/08 Unaudited US cents	Six months ended 30/9/07 Unaudited US cents	Year ended 31/3/08 Audited US cents
Prior year final dividend paid per ordinary share	**42.0**	36.0	36.0
Current year interim dividend paid per ordinary share	**–**	–	16.0

The interim dividend declared of 16.0 US cents per ordinary share is payable on 5 December 2008 to ordinary shareholders on the register as at 28 November 2008 and will absorb an estimated US$240 million of shareholders' funds.

7. Goodwill and intangible assets

	Goodwill Unaudited US$m	**Intangible assets Unaudited US$m**
Net book amount at 1 April 2008*	15,122	5,036
Exchange adjustments	(1,140)	(544)
Arising on increase in share of subsidiary undertakings	1	–
Arising on acquisition of subsidiary undertakings (provisional)	45	9
Additions – separately acquired	–	34
Contributed to joint ventures	(3,998)	(232)
Amortisation	–	(108)
Transfers from other assets	–	2
Net book amount at 30 September 2008	**10,030**	**4,197**

*As restated (see note 12).

Goodwill

Goodwill arising on the formation of the joint venture is recorded within the investment in joint ventures.

8. Property, plant and equipment

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08* Audited US$m
Net book amount at beginning of period	**9,113**	6,750	6,750
Exchange adjustments	**(720)**	355	775
Additions	**1,122**	795	2,000
Arising on acquisition of subsidiary undertakings	**135**	–	586
Disposals	**(22)**	(45)	(98)
Contributed to joint ventures	**(1,043)**	–	–
Depreciation	**(459)**	(410)	(848)
Other movements	**(49)**	(12)	(52)
Net book amount at end of period	**8,077**	7,433	9,113

*As restated (see note 12).

9. Investments in joint ventures and associates

	Investments in joint ventures Unaudited US$m	Investments in associates Unaudited US$m
At 1 April 2008*	–	1,825
Exchange adjustments	3	(78)
Additions	5,142	5
Reclassification between joint ventures and associates	30	(30)
Share of (losses)/gains recognised in reserves	(48)	10
Share of results retained	87	162
Dividends	(81)	(129)
At 30 September 2008	**5,133**	**1,765**

*As restated (see note 12).

10a. Reconciliation of profit for the period to net cash generated from operations

	Six months ended 30/9/08 Unaudited US$m	Six months ended 30/9/07 Unaudited US$m	Year ended 31/3/08 Audited US$m
Profit for the period	**1,565**	1,082	2,288
Taxation	**455**	497	976
Share of post-tax results of associates and joint ventures	**(249)**	(147)	(272)
Interest receivable and similar income	**(270)**	(96)	(265)
Interest payable and similar charges	**654**	354	721
Operating profit	**2,155**	1,690	3,448
Depreciation:			
Property, plant and equipment	**345**	297	633
Containers	**114**	113	215
Container breakages, shrinkage and write-offs	**12**	11	27
Loss/(profit) on disposal of property, plant and equipment	**–**	8	(12)
Impairment of property, plant and equipment	**–**	–	5
Amortisation of intangible assets	**108**	94	190
Unrealised net loss/(gain) from fair value hedges	**20**	3	(26)
Profit on disposal of subsidiaries	**(437)**	(17)	(17)
Dividends received from other investments	**(1)**	(1)	(1)
Charge with respect to share options	**39**	28	58
Other non-cash movements	**–**	3	(2)
Net cash generated from operations before working capital movements (EBITDA)	**2,355**	2,229	4,518
Net outflow in working capital	**(338)**	(101)	(242)
Net cash generated from operations	**2,017**	2,128	4,276

Cash generated from operations includes cash outflows relating to exceptional costs of US$20 million in respect of integration and restructuring costs relating to MillerCoors (2007: US$10 million).

10b. Analysis of net debt

Net debt is analysed as follows:

	As at 30/9/08 Unaudited US$m	As at 30/9/07 Unaudited US$m	As at 31/3/08 Unaudited US$m
Borrowings	**(9,414)**	(7,154)	(9,160)
Borrowings-related derivative financial instruments	**83**	(154)	(75)
Overdrafts	**(399)**	(232)	(485)
Finance leases	**(11)**	(15)	(13)
Gross debt	**(9,741)**	(7,555)	(9,733)
Cash and cash equivalents (excluding overdrafts)	**350**	501	673
Net debt	**(9,391)**	(7,054)	(9,060)

Cash and cash equivalents on the balance sheet are reconciled to cash and cash equivalents on the cash flow as follows:

	As at 30/9/08 Unaudited US$m	As at 30/9/07 Unaudited US$m	As at 31/3/08 Audited US$m
Cash and cash equivalents (balance sheet)	**350**	501	673
Overdrafts	**(399)**	(232)	(485)
Cash and cash equivalents (cash flow)	**(49)**	269	188

The movement in net debt is analysed as follows:

	Cash and cash equivalents (excluding overdrafts) US$m	Overdrafts US$m	Borrowings US$m	Derivative financial instruments US$m	Finance leases US$m	Total gross borrowings US$m	Net debt US$m
At 1 April 2008	673	(485)	(9,160)	(75)	(13)	(9,733)	(9,060)
Exchange adjustments	(20)	62	465	–	1	528	508
Cash flow	(311)	22	(588)	(7)	3	(570)	(881)
Acquisitions	8	–	(155)	–	–	(155)	(147)
Disposals	–	2	–	–	–	2	2
Other movements	–	–	24	165	(2)	187	187
At 30 September 2008	**350**	**(399)**	**(9,414)**	**83**	**(11)**	**(9,741)**	**(9,391)**

The group does not have any material exposure to sub-prime lending or collateralised debt obligations. The group has sufficient headroom to enable it to conform to covenants on its existing borrowings. The group has sufficient working capital and undrawn financing facilities to service its operating activities and ongoing capital investment. The group has the following undrawn committed borrowing facilities available at 30 September in respect of which all conditions precedent have been met at that date:

	As at 30/9/08 Unaudited US$m	As at 30/9/07 Unaudited US$m	As at 31/3/08 Audited US$m
Amounts falling due:			
Within one year	**1,056**	1,366	980
Between one and two years	**11**	19	157
Between two and five years	**736**	1,003	53
In five years or more	**12**	–	32
	1,815	2,388	1,222

Subsequent to 30 September 2008 the maturity date on the US$1,000 million 364 day facility, shown as falling due within one year in the table above, was extended to 7 October 2009, with a one year term-out option.

11. Commitments, contingencies and guarantees

Except as stated below there have been no material changes to commitments, contingencies or guarantees as disclosed in the annual financial report for the year ended 31 March 2008.

Commitments

Contracts placed for future capital expenditure for property, plant and equipment not provided in the financial statements amount to US$692 million at 30 September 2008.

In the annual financial report for the year ended 31 March 2008, the group disclosed commitments relating to contracts placed for future expenditure for Miller relating to various long-term non-cancellable advertising and promotion commitments. As a result of the contribution of the Miller business into the MillerCoors joint venture, this commitment will no longer be disclosed as a commitment of the group, but will be reported as a commitment of the joint venture.

Guarantees

The following changes to guarantees occurred during the period:

Debt securities ('the Notes')	To 30 June 2008	From 1 July 2008
US$600,000,000 4.25% Notes issued by Miller due 2008 ('2008 Notes')	SABMiller plc as guarantor US Guarantors(1)	SABMiller plc assumes the liability – no guarantor.
US$1,100,000,000 5.50% Notes issued by Miller due 2013 ('2013 Notes')	SABMiller plc as guarantor US Guarantors(1)	SABMiller plc assumes the liability – no guarantor.
US$300,000,000 6.625% Notes issued by SABMiller due 2033 ('2033 Notes')	Miller and US Guarantors(1)	MillerCoors LLC as guarantor
US$300,000,000 Floating Rate Notes issued by SABMiller due 2009 ('2009 Notes')	Miller and US Guarantors(1)	No guarantors
US$600,000,000 6.20% Notes issued by SABMiller due 2011 ('2011 Notes')	Miller and US Guarantors(1)	No guarantors
US$850,000,000 6.50% Notes issued by SABMiller due 2016 ('2016 Notes')	Miller and US Guarantors(1)	No guarantors

1) Defined as MBC1, LLC a limited liability company organised under the laws of the State of Wisconsin, MBC2, LLC, a limited liability company organised under the laws of the State of Wisconsin, Miller Products Company, LLC (formerly Miller Products Company), a limited liability company organised under the laws of the State of Wisconsin, Miller Breweries West, L.P., a Wisconsin limited partnership and Miller Breweries East, LLC (formerly Miller Breweries East, Inc.), a limited liability company organised under the laws of the State of Wisconsin.

The 2008 Notes were repaid on 15 August 2008 and there are no outstanding guarantees in relation to these notes.

12. Business combinations and disposals

Acquisitions

On 17 June 2008, SABMiller plc completed the acquisition of the Russian brewer LLC Vladpivo and on 4 July 2008 it completed the acquisition of a 99.84% interest in the Ukrainian brewer CJSC Sarmat.

The following table represents the assets and liabilities acquired in respect of all business combinations entered into during the six months ended 30 September 2008:

	Carrying values pre-acquisition and provisional fair value US$m
Intangible assets	9
Property, plant and equipment	135
Inventories	36
Trade and other receivables	16
Current tax assets	4
Cash and cash equivalents	8
Borrowings	(155)
Trade and other payables	(19)
Net deferred tax liabilities	(4)
Net assets acquired	30
Provisional goodwill	45
Consideration	**75**

Goodwill represents, amongst other things, intangible assets yet to be recognised separately from goodwill, and the value of the assembled workforce.

12. Business combinations and disposals (continued)

From the date of acquisition to 30 September 2008 the following amounts have been included in the group's income statement for the period:

	US$m
Income statement	
Revenue	35
Operating loss	(8)
Loss before tax	(11)

If the date of the acquisitions made in the six months ended 30 September 2008 had been 1 April 2008, then the group's revenue, operating profit and profit before tax for the six months ended 30 September 2008 would have been as follows:

	US$m
Income statement	
Revenue	11,204
Operating profit	2,062
Profit before tax	1,920

Disposal into a joint venture

On 30 June 2008, SABMiller plc and Molson Coors Brewing Company announced that they had closed the transaction to combine the US and Puerto Rico operations of their respective subsidiaries, Miller and Coors, in a joint venture to create MillerCoors a stronger, brand-led US brewer in the increasingly competitive US marketplace. MillerCoors began operating as a combined entity on 1 July 2008. SABMiller has a 58% economic interest in MillerCoors and Molson Coors has a 42% economic interest. Voting interests are shared equally between SABMiller and Molson Coors, and each of SABMiller and Molson Coors has equal board representation. A profit of US$437 million arose on the deemed disposal of the US and Puerto Rico operations of the Miller business into the MillerCoors joint venture.

Initial accounting

The initial accounting under IFRS 3, 'Business Combinations', for the Grolsch and Browar Belgia acquisitions had not been completed as at 31 March 2008. During the six months ended 30 September 2008, adjustments to provisional fair values in respect of the Grolsch and Browar Belgia acquisitions have been made. As a result comparative information for the year ended 31 March 2008 has been presented in this interim financial information as if the adjustments to provisional fair values had been made from the transaction dates of 12 February 2008 and 8 January 2008 respectively. The impact on the prior period income statement has been reviewed and no material adjustments to the income statement as a result of the adjustments to provisional fair values are required. The following table reconciles the impact on the balance sheet reported for the year ended 31 March 2008 to the comparative balance sheet presented in this interim financial information.

12. Business combinations and disposals (continued)

Balance Sheet

	At 31/3/08 Audited US$m	Adjustments to provisional fair values Unaudited US$m	**At 31/3/08 As restated Unaudited US$m**
Assets			
Non-current assets			
Goodwill	15,600	(478)	**15,122**
Intangible assets	4,383	653	**5,036**
Property, plant and equipment	9,037	76	**9,113**
Other non-current assets	2,666	1	**2,667**
	31,686	252	**31,938**
Current assets			
Inventories	1,350	12	**1,362**
Trade and other receivables	1,871	(5)	**1,866**
Other current assets	906	2	**908**
	4,127	9	**4,136**
Total assets	35,813	261	**36,074**
Liabilities			
Current liabilities			
Trade and other payables	(3,273)	(29)	**(3,302)**
Other current liabilities	(2,930)	(20)	**(2,950)**
	(6,203)	(49)	**(6,252)**
Non-current liabilities			
Trade and other payables	(338)	–	**(338)**
Provisions	(1,160)	(37)	**(1,197)**
Other non-current liabilities	(9,868)	(174)	**(10,042)**
	(11,366)	(211)	**(11,577)**
Total liabilities	(17,569)	(260)	**(17,829)**
Net assets	18,244	1	**18,245**
Total equity	18,244	1	**18,245**

13. Related party transactions

The MillerCoors joint venture is deemed to be a related party from 1 July 2008. Since 1 July 2008 group companies have sold beer to and purchased hops from MillerCoors. MillerCoors has also entered into a distribution agreement with a group company and carried out contract brewing on behalf of group companies. The group has also received a dividend of US$81 million. Details of transactions with MillerCoors will be disclosed in the annual report for the year ending 31 March 2009 and are not material for disclosure for the current period.

Other than as described above, there have been no material changes to the nature or relative quantum of related party transactions as described in the 2008 Annual Report.

Changes to key management during the period were as follows: Rob Pieterse and Maria Ramos were appointed to the board on 15 May 2008 and Lord Renwick of Clifton retired from the board on 31 July 2008. On 1 July 2008 and 30 September 2008 respectively, Tom Long and Johann Nel ceased to be members of Excom. Consequently, there were 23 key management at 30 September 2008 (31 March 2008: 24). Norman Adami was appointed as a member of Excom with effect from 1 October 2008.

14. Post balance sheet events

Subsequent to 30 September 2008 the maturity date on the US$1,000 million 364 day facility was extended to 7 October 2009 with a one year term-out option.

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