

SABMiller

16:10 11 Nov 2015

AB Inbev and SABMiller to sell MillerCoors

Anheuser-Busch InBev and SABMiller are to sell their MillerCoors US joint venture for US\$12bn in a bid to get their mega-merger approved.

The pair said they had already agreed to sell the venture to partner Molson Coors as part of efforts to persuade regulators to give their £71bn tie-up the green light.

The merger will create the world's biggest brewer with operations in virtually every major beer market - potentially sparking competition concerns.

In a statement confirming AB Inbev's offer, the two brewers said: "While the companies' geographic footprints are largely complementary, AB InBev and SABMiller are committed to working with the relevant authorities in seeking to bring all potential regulatory reviews to a timely and appropriate resolution."

Josh Mahony at spread-betting firm IG said: "The resulting mega brewer would be head and shoulders above any other firm in the sector, and this is questionable in terms of the impact it would have upon competition.

"However, given that SABMiller has focused its efforts into Latin America and Africa, this is arguably a deal which would benefit shareholders rather than simply management."

AB Inbev, which makes Stella Artois, said the long-awaited takeover of Peroni brewer SABMiller would value it at £44 per share.

It would strengthen AB InBev's position in key emerging regions with strong growth prospects such as Asia, Central and South America, and Africa.

AB Inbev said in a statement: "In short, AB InBev believes more can be achieved together than apart."

The formal proposal follows a string of offers from AB Inbev that SABMiller turned down on the grounds that they undervalued it.

AB Inbev chief executive Carlos Brito said: "We believe this combination will generate significant growth opportunities and create enhanced value to the benefit of all stakeholders."

SABMiller chief executive Alan Clark said: "The SABMiller story is a simply amazing achievement, and everyone who has been a part of it should feel immensely proud of the value they have helped create.

"I am sure the next chapter will bring new opportunities for exceptional success."

Stella Artois brewer AB Inbev also makes Budweiser, Corona and Leffe, while Britain-based SABMiller - which holds second position - owns Peroni, Grolsch and Pilsner Urquell beers.

ABI employs about 1,000 people at its UK breweries in Magor, Samlesbury and Mortlake, as well as its company

Share Information

Code: SAB
Listing: LSE
Sector: Food & drink
Website: www.sabmiller.com

Company Synopsis:

SABMiller plc is one of the world's largest brewers with brewing interests and distribution agreements across six continents. The group's wide portfolio of brands includes premium international beers such as Grolsch, Miller Genuine Draft, Peroni Nastro Azzurro and Pilsner Urquell, as well as market-leading local brands such as Aguila, Castle, Miller Lite, Snow and Tyskie.

action@proactiveinvestors.com

headquarters in Luton. It has at least 200 beer brands.

SABMiller has around 69,000 staff in more than 80 countries, from Australia, Zambia and Colombia to the Czech Republic, South Africa and the US, also producing more than 200 beers.

Formerly known as South African Breweries, SAB acquired US rival Miller Brewing Company in 2002, resulting in the renaming of the group as SABMiller.

A merged group would be worth about £177bn and would add AB InBev's dominance of Latin America to SABMiller's strong presence in Africa, as well as their breweries in Asia.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.