

ANHEUSER-BUSCH COMPANIES, INC.

Form F-4

December 03, 2009

Table of Contents

As filed with the Securities and Exchange Commission on December 3, 2009

Registration No. 333-[ ]

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM F-4**

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

**Anheuser-Busch InBev SA/NV**

(Exact Name of Registrant as Specified in Its Charter)

|   |  |   |
|---|--|---|
| <b>Belgium</b>  | <b>2082</b>  | <b>Not Applicable</b>                   |
| (State or other jurisdiction of<br>incorporation or organization) | (Primary Standard Industrial<br>Classification Code Number)<br><b>Brouwerijplein 1,<br/>3000 Leuven, Belgium</b> | (IRS Employer<br>Identification Number) |
|   | <b>(32) 16 27 61 11</b>  |   |

(Address and telephone number of Registrant's principal executive offices)

(FOR CO-REGISTRANTS, PLEASE SEE TABLE OF CO-REGISTRANTS ON THE FOLLOWING PAGE)

**John Blood**

**Anheuser-Busch InBev Services, LLC**

**250 Park Avenue**

**New York, New York 10177**

**(212) 573-4366**

(Name, address and telephone number of agent for service)

*with a copy to:*

**George H. White**

**Sullivan & Cromwell LLP**

**1 New Fetter Lane**

**London EC4A 1AN**

**(44) 20 7959 8900**

Approximate date of commencement of proposed sale to the public: As promptly as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

#### CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Note | Proposed Maximum Aggregate Offering | Amount of Registration Fee |
|--|-------------------------|--|-------------------------------------|----------------------------|
|--|-------------------------|--|-------------------------------------|----------------------------|

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

|  |                    |      | Price <sup>(1)</sup> |            |
|--|--------------------|------|----------------------|------------|
| 3.000% Notes due 2012                              | \$ 1,500,000,000   | 100% | \$ 1,500,000,000     | \$ 83,700  |
| 4.125% Notes due 2015                              | \$ 1,250,000,000   | 100% | \$ 1,250,000,000     | \$ 69,750  |
| 5.375% Notes due 2020                              | \$ 2,250,000,000   | 100% | \$ 2,250,000,000     | \$ 125,550 |
| 6.375% Notes due 2040                              | \$ 500,000,000     | 100% | \$ 500,000,000       | \$ 27,900  |
| Guarantees of 3.000% Notes due 2012 <sup>(2)</sup> | N/A <sup>(3)</sup> | (3)  | (3)                  | (3)        |
| Guarantees of 4.125% Notes due 2015 <sup>(2)</sup> | N/A <sup>(3)</sup> | (3)  | (3)                  | (3)        |
| Guarantees of 5.375% Notes due 2020 <sup>(2)</sup> | N/A <sup>(3)</sup> | (3)  | (3)                  | (3)        |
| Guarantees of 6.375% Notes due 2040 <sup>(2)</sup> | N/A <sup>(3)</sup> | (3)  | (3)                  | (3)        |

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended (the Securities Act ).

(2) See inside facing page for additional registrant subsidiary co- issuers and guarantors.

(3) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

**Table of Contents****TABLE OF CO REGISTRANTS**

| <b>Exact Name as Specified in its Charter</b> | <b>State or Other Jurisdiction</b> | <b>Primary Standard Industrial Classification Number</b> | <b>I.R.S. Employer Identification Number</b> | <b>Address, Including Zip Code and Telephone Number, Including Area Code, of Principal Executive Offices</b>  |
|---|------------------------------------|--|--|---|
| Anheuser-Busch InBev Worldwide Inc.*          | Delaware,<br><br>United States     | 2082   | 43-1162835                                   | One Busch Place, St. Louis,<br><br>Missouri 63118, U.S.A.   |
| AmBrew S.A. .                                 | Luxembourg                         | 2082   | N/A  | Tel: +1 (314) 577-2000<br>5, Parc d Activité Syrdall, L-5365 Münsbach,<br>Luxembourg  |
| Cobrew NV/SA                                  | Belgium                            | 2082   | N/A  | Tel: +352 26 15 96<br>Brouwerijplein 1, 3000 Leuven, Belgium  |
| InBev Belgium NV/SA                           | Belgium                            | 2082   | N/A  | Tel: +32 16 27 61 11<br>21, Boulevard Industriel,<br>1070 Brussels (Anderlecht), Belgium  |
| AB InBev France S.A.S.                        | France                             | 2082   | N/A  | Tel: +32 16 27 61 11<br>Immeuble le Crystal Zac Euralille Romarin, 38<br>Place Vauban,<br><br>avenue de la République, 59110,<br>La Madeleine, France |
| InBev Nederland N.V. .                        | The Netherlands                    | 2082   | N/A  | Tel: +33 3 20 48 30 30<br>Ceresstraat 1, 4811 CA Breda,<br><br>The Netherlands.   |
| Interbrew Central European Holding B.V.       | The Netherlands                    | 2082   | N/A  | Tel: +31 76 525 2424<br><br>Ceresstraat 1, 4811 CA Breda,<br><br>The Netherlands  |
| Interbrew International B.V.                  | The Netherlands                    | 2082   | N/A  | Tel: +31 76 525 2398<br>Ceresstraat 1, 4811 CA Breda,<br><br>The Netherlands  |
| Nimbuspath Limited                            | United Kingdom                     | 2082   | N/A  | Tel: +31 76 525 2398<br>Porter Tun House, 500 Capability Green,<br>Luton, Bedfordshire,<br><br>LU1 3LS, United Kingdom                                |

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

|                                |                            |      |            |   |
|--------------------------------|----------------------------|------|------------|---|
| BrandBrew S.A. .               | Luxembourg                 | 2082 | N/A        | Tel: +44 (0) 1582 391 166<br>5 Parc d Activité Syrdall, L-5365 Munsbach,<br>Luxembourg                    |
| Anheuser-Busch Companies, Inc. | Delaware, United<br>States | 2082 | 43-1162835 | Tel: +352 26 15 96<br>One Busch Place, St. Louis,<br>Missouri 63118, U.S.A.<br><br>Tel: +1 (314) 577-2000 |

\* Anheuser-Busch InBev Worldwide Inc. is the issuer of the new notes offered hereby. The other listed registrants are guarantors of the new notes.

---

**Table of Contents**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 3, 2009

**PROSPECTUS**

***Anheuser-Busch InBev Worldwide Inc.***

**Offer to Exchange up to**

**U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012, U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015, U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 and U.S.\$500,000,000 principal amount of 6.375% Notes due 2040**

**all of which have been registered under the Securities Act of 1933 For Any and All Outstanding Unregistered**

**U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012, U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015, U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 and U.S.\$500,000,000 principal amount of 6.375% Notes due 2040**

**We are conducting the exchange offers in order to provide you with an opportunity to exchange your unregistered notes for freely tradable notes that have been registered under the Securities Act.**

**The Exchange Offers**

We will exchange all outstanding old notes that are validly tendered and not validly withdrawn for an equal principal amount of new notes that are freely tradable.

You may withdraw tenders of old notes at any time prior to the expiration date of the applicable exchange offer.

Each exchange offer for old notes expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2009, unless extended.

The terms of the new notes to be issued in the exchange offers are substantially identical to the old notes, except that the new notes will be freely tradable. The new notes will have the same financial terms and covenants as the old notes, and are subject to the same business and financial risks.

All untendered old notes will continue to be subject to the restrictions on transfer set forth in the old notes and in the indenture. In general, the old notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, we do not currently anticipate that we will register the old notes under the Securities Act.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for the old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading

activities. We have agreed that, for a period of 90 days commencing on the day the relevant exchange offer is consummated (or such shorter period during which participating broker-dealers are required by law to deliver such prospectus) we will make available a prospectus meeting the requirements of the Securities Act for use by broker-dealers in connection with any such resale. See Plan of Distribution .

*For a more detailed description of the new notes, see Description of the New Notes beginning on page 234.*

See Risk Factors beginning on page 16 for a discussion of certain risks you should consider before participating in the exchange offers.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the new notes to be issued in the exchange offers or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

, 2009

**Table of Contents**

**TABLE OF CONTENTS**

|   | Page |
|---|------|
| <u>General Information</u>  | ii   |
| <u>Presentation of Financial and Other Data</u>   | iii  |
| <u>Presentation of Market Information</u>   | v    |
| <u>Available Information</u>  | vi   |
| <u>Jurisdiction and Service of Process in the United States and Enforcement of Foreign Judgments in Belgium</u> | vii  |
| <u>Forward-Looking Statements</u>   | vii  |
| <u>Prospectus Summary</u>   | 1    |
| <u>Risk Factors</u>   | 16   |
| <u>Use of Proceeds</u>  | 38   |
| <u>Exchange Rate Information</u>  | 38   |
| <u>Capitalisation</u>   | 39   |
| <u>Selected Financial Information</u>   | 40   |
| <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>                    | 43   |
| <u>Business Description</u>   | 124  |
| <u>Directors, Senior Management and Employees</u>   | 170  |
| <u>Major Shareholders and Related Party Transactions</u>  | 200  |
| <u>Description of the Issuer, the Parent Guarantor and the Subsidiary Guarantors</u>                            | 206  |
| <u>The Exchange Offers</u>  | 224  |
| <u>Description of the New Notes</u>   | 234  |
| <u>Summary of Material United States Federal Income Tax Considerations</u>                                      | 257  |
| <u>Plan of Distribution</u>   | 258  |
| <u>Validity of the New Notes and the Guarantees</u>   | 260  |
| <u>Experts</u>  | 260  |
| <u>Financial Statements</u>   | 260  |
| <u>AB InBev Group Actual Historical Financial Information</u>   | F-1  |
| <u>Unaudited Pro-Forma Condensed Consolidated Financial Information</u>   | PF-1 |
| <u>Anheuser-Busch Companies, Inc. Historical Financial Information</u>  | AF-1 |



**Table of Contents**

**GENERAL INFORMATION**

In this registration statement on Form F-4 ( **Form F-4** ) references to:

AB InBev , we , us and our are, as the context requires, to Anheuser-Busch InBev SA/NV or Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV (including Anheuser-Busch Companies, Inc., for all periods following the closing of the acquisition of Anheuser-Busch by InBev on 18 November 2008);

Parent Guarantor are to Anheuser-Busch InBev SA/NV

AB InBev Group are to Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV;

InBev or the InBev Group are to InBev SA/NV or InBev SA/NV and the group of companies owned and/or controlled by InBev SA/NV, as existing prior to the closing of the Anheuser-Busch acquisition;

Anheuser-Busch are to Anheuser-Busch Companies, Inc. and the group of companies owned and/or controlled by Anheuser-Busch Companies, Inc., as the context requires; and

AmBev are to Companhia de Bebidas das Américas AmBev, a Brazilian company listed on the New York Stock Exchange and on the São Paulo Stock Exchange.

**NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421.B OF THE NEW HAMPSHIRE REVISED STATUTES ( RSA ) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

---

**Table of Contents**

**PRESENTATION OF FINANCIAL AND OTHER DATA**

We have prepared our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 and our unaudited condensed consolidated interim financial statements as of and for the six-month periods ended 30 June 2009 and 2008 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union ( **IFRS** ). The financial information and related discussion and analysis contained in this item are presented in U.S. dollars except as otherwise specified. Unless otherwise specified the financial information analysis in this Form F-4 is based on our actual audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

The Anheuser-Busch acquisition closed on 18 November 2008, and our audited consolidated financial statements as of, and for the year ended, 31 December 2008, reflect the contribution of the Anheuser-Busch business only for the period between the closing of this acquisition on 18 November 2008 and 31 December 2008. As the impact of this acquisition on our actual 2008 results is limited compared to the impact it would have had if we had owned Anheuser-Busch for the entire fiscal year, we have prepared pro-forma income statement information for the year ended 31 December 2008, the **2008 full-year pro-forma financial information** , based on the assumption that the acquisition occurred on 1 January 2008. The 2008 full-year pro-forma financial information is unaudited. The 2008 full-year pro-forma financial information was prepared to illustrate the effects of including the results of operations of the Anheuser-Busch businesses for the period between 1 January 2008 to 17 November 2008 in our actual audited consolidated financial statements for the year ended 31 December 2008, and reflects various adjustments, as described in further detail in the 2008 full-year pro-forma financial information starting on page PF-1 of this Form F-4. Information included in the 2008 full-year pro-forma financial information was prepared on a basis consistent in all material respects with our accounting policies in accordance with IFRS.

The 2008 full-year pro-forma financial information is provided solely for illustrative purposes. The 2008 full-year pro-forma financial information describes a hypothetical situation, is based on assumptions and is inherently uncertain. For instance, the 2008 full-year pro-forma financial information includes certain purchase accounting adjustments, such as the estimated change in depreciation and amortisation expenses on acquired tangible and intangible assets. The 2008 full-year pro-forma financial information does not, however, include any anticipated cost savings or other effects of the planned integration of Anheuser-Busch. Accordingly, the 2008 full-year pro-forma financial information should not be used as an indicator of how our business, financial condition and results of operations would have developed had the structure upon which the 2008 full-year pro-forma financial information is based been in place from 1 January 2008. The 2008 full-year pro-forma financial information is also not intended to be an indicator of our financial condition or results of operations in the future. You should review the 2008 full-year pro-forma financial information together with our audited consolidated financial statements as of, and for the year ended, 31 December 2008. You should also separately review Anheuser-Busch's unaudited, consolidated financial statements for the nine months ended 30 September 2008 included in this Form F-4.

Prior to 1 January 2009, we used the euro as our financial statements presentation currency. Effective 1 January 2009, we changed the presentation currency of our consolidated financial statements from the euro to the U.S. dollar, reflecting the post-Anheuser-Busch acquisition profile of our revenue and cash flows, which are now primarily generated in U.S. dollars and U.S. dollar-linked currencies. We believe that this change provides greater alignment of our presentation currency with our most significant operating currency and underlying financial performance. For comparability purposes in this Form F-4, we have also restated our historical audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 from the euro to the U.S. dollar. Unless otherwise specified, all financial information included in this Form F-4 has been stated in U.S. dollars.

## Table of Contents

You should note that we have recently and may continue to dispose of certain of our assets or businesses, and expect to utilize the proceeds from any such disposals to repay indebtedness incurred to finance the Anheuser-Busch acquisition. Accordingly the financial information presented in this Form F-4 may not reflect the scope of our business as it will be conducted in the future.

For financial periods ending after the date of consummation of the Anheuser-Busch acquisition on 18 November 2008, InBev and its subsidiaries and Anheuser-Busch and its subsidiaries have been consolidated into a common group. Therefore, our actual consolidated financial statements after the date of consummation of the Anheuser-Busch acquisition differ materially from the actual historical financial statements of InBev prior to the consummation of the Anheuser-Busch acquisition and of Anheuser-Busch presented in this Form F-4.

All references in this Form F-4 to (i) **euro** or **EUR** are to the common currency of the European Union, (ii) **U.S. dollar** , **\$** , or **USD** are to the currency of the United States, (iii) **RMB** are to the currency of China, (iv) **CAD** are to the currency of Canada, (v) **real** or **reais** are to the currency of Brazil, (vi) **KRW** are to the currency of South Korea and (vii) **GBP** (pounds sterling) are to the currency of the United Kingdom.

Unless otherwise specified, volumes, as used in this Form F-4, include both beer and non-beer (primarily carbonated soft drinks) volumes. In addition, unless otherwise specified, our volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor, and third-party products that we sell through our distribution network, particularly in Western Europe. Our volume figures in this Form F-4 reflect 100% of the volumes of entities that we fully consolidate in our financial reporting and a proportionate share of the volumes of entities that we proportionately consolidate in our financial reporting, but do not include volumes of our associates or non-consolidated entities. Our pro rata share of volumes in Grupo Modelo, S.A.B. de C.V. ( **Grupo Modelo** ) and Tsingtao Brewery Co., Ltd. ( **Tsingtao** ) are not included in the reported volumes.

The historical volume information of Anheuser-Busch presented in the AF pages of this Form F-4 is presented in barrels. For informational purposes, we estimate that 1 barrel = 1.1734776 hectoliters.

Certain monetary amounts and other figures included in this Form F-4 have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

**Table of Contents**

**PRESENTATION OF MARKET INFORMATION**

Market information (including market share, market position and industry data for our operating activities and those of our subsidiaries or of companies acquired by us) or other statements presented in this Form F-4 regarding our position (or that of companies acquired by us) relative to our competitors largely reflect the best estimates of our management. These estimates are based upon information obtained from customers, trade or business organisations and associations, other contacts within the industries in which we operate and, in some cases, upon published statistical data or information from independent third parties. Except as otherwise stated, our market share data, as well as our management's assessment of our comparative competitive position, has been derived by comparing our sales figures for the relevant period to our management's estimates of our competitors' sales figures for such period, as well as upon published statistical data and information from independent third parties, and, in particular, the reports published and the information made available by, among others, the local brewers' associations and the national statistics bureaus in the various countries in which we sell our products. The principal sources generally used include Plato Logic Limited and AC Nielsen, as well as Beverage Marketing Corp. (for the United States), the Brewers Association of Canada (for Canada), AC Nielsen (for Brazil, Croatia, Guatemala, Hungary and Russia), CCR (for Peru and Ecuador), CIES (for Bolivia), CAVEFACE (for Venezuela), CAMERA de cerveza (for Argentina), Belgian Brewers (for Belgium), MREB (for Montenegro), the Korea Alcoholic Liquor Industry Association (for South Korea), the National Statistics Bureau (for China), the British Beer and Pub Association (for the United Kingdom), Deutscher Brauer-Bund (for Germany), Centraal Brouwerij Kantoor CBK (for the Netherlands), Brasseurs de France (for France), Associazione degli Industriali della Birra e del Malto (for Italy), Fédération des Brasseurs Luxembourgeois (for Luxembourg), the Czech Beer and Malt Association (for the Czech Republic), the MEMRB (for Romania), Union of Brewers in Bulgaria (UBB) (for Bulgaria), government statistics (for Cuba) and other local brewers' associations (including for the Dominican Republic, Paraguay, Chile, Uruguay, Ukraine and Serbia). You should not rely on the market share and other market information presented herein as precise measures of market share or of other actual conditions.

---

**Table of Contents**

**AVAILABLE INFORMATION**

You may read and copy any reports or other information that we file at the public reference rooms of the Securities and Exchange Commission (SEC) at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices located at the Woolworth Building, 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Electronic filings made through the Electronic Data Gathering, Analysis and Retrieval System are also publicly available through the SEC's website on the Internet at [www.sec.gov](http://www.sec.gov).

We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is <http://www.ab-inbev.com>. The information contained on our website is not incorporated by reference in this document.

We will provide you, free of charge, with a copy of the Notes, the indenture and supplemental indentures governing the Notes and the related registration rights agreement. The indenture and the supplemental indentures governing the Notes and the related registration rights agreement are filed as Exhibits 4.1 through 4.7 to this Form F-4. You may also request these documents by contacting us at Anheuser-Busch InBev SA/NV, Brouwerijplein 1, 3000 Leuven, Belgium.

We have filed our amended and restated articles of association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk's office of the Commercial Court of Brussels (Belgium), where they are available to the public. A copy of the articles of association dated 22 October 2009 has been filed as Exhibit 3.1 to this Form F-4, and is also available on our website under [http://www.ab-inbev.com/go/corporate\\_governance/bylaws.cfm](http://www.ab-inbev.com/go/corporate_governance/bylaws.cfm).

In accordance with Belgian law, we must prepare audited annual statutory and consolidated financial statements. The audited annual statutory and consolidated financial statements and the reports of our Board and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a listed company, we publish an annual announcement preceding the publication of our annual financial report (which includes the audited annual financial statements, the report of our Board and the statutory auditor's report). In addition, we publish interim management statements. Copies of these documents are available on our website under:

[http://www.ab-inbev.com/go/investors/reports\\_and\\_publications/statutory\\_accounts.cfm](http://www.ab-inbev.com/go/investors/reports_and_publications/statutory_accounts.cfm)

[http://www.ab-inbev.com/go/investors/reports\\_and\\_publications/annual\\_and\\_half\\_reports.cfm](http://www.ab-inbev.com/go/investors/reports_and_publications/annual_and_half_reports.cfm)

[http://www.ab-inbev.com/go/investors/reports\\_and\\_publications/quarterly\\_reports.cfm](http://www.ab-inbev.com/go/investors/reports_and_publications/quarterly_reports.cfm)

We also disclose price sensitive information (inside information) and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market, such information and documentation is made available through our website, press releases and the communication channels of Euronext Brussels.

Our head office is located at Brouwerijplein 1, 3000 Leuven, Belgium. Our telephone number is +32 16 27 61 11 and our website is [www.ab-inbev.com](http://www.ab-inbev.com). The contents of such website do not form a part of this Form F-4. Although certain references are made to our website in this Form F-4, no information on our website forms part of this Form F-4.

---

**Table of Contents**

Documents related to us that are available to the public (reports, our Corporate Governance Charter, written communications, financial statements and our historical financial information for each of the three financial years preceding the publication of this Form F-4) can be consulted on our website ([www.ab-inbev.com](http://www.ab-inbev.com)) and at: Anheuser-Busch InBev SA/NV, Brouwerijplein 1, 3000 Leuven, Belgium.

Unless stated otherwise in this Form F-4, none of these documents form part of this Form F-4.

**JURISDICTION AND SERVICE OF PROCESS IN THE UNITED STATES AND ENFORCEMENT OF FOREIGN JUDGMENTS IN BELGIUM**

We are a Belgian public limited liability company. Most of the members of our Board of Directors and Executive Board of Management and certain of the persons named herein are non-residents of the United States. A substantial portion of our assets and all or a substantial portion of the assets of such non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or us or to enforce against them or us a judgment obtained in U.S. courts. Original actions or actions for the enforcement of judgments of U.S. courts relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Belgium. The United States and Belgium do not currently have a multilateral or bilateral treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. In order for a final judgment for the payment of money rendered by U.S. courts based on civil liability to produce any effect on Belgian soil, it is accordingly required that this judgment be recognised or be declared enforceable by a Belgian court pursuant to the relevant provisions of the 2004 Belgian Code of Private International Law. Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognised or declared enforceable in Belgium if it infringes upon one or more of the grounds for refusal which are exhaustively listed in Article 25 of the 2004 Belgian Code of Private International Law. In addition to recognition or enforcement, a judgment by a federal or state court in the United States against us may also serve as evidence in a similar action in a Belgian court if it meets the conditions required for the authenticity of judgments according to the law of the state where it was rendered. In addition certain of the Subsidiary Guarantors (as defined herein) are organized outside the United States. Certain of their respective officers and directors reside outside the United States and all or a substantial portion of the assets of such Subsidiary Guarantors and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside such Subsidiary Guarantor's jurisdiction of organisation upon such Subsidiary Guarantor or such persons, or to enforce judgments against them obtained in U.S. courts, including any judgment predicated upon United States federal or state securities laws.

**FORWARD-LOOKING STATEMENTS**

There are statements in this Form F-4, such as statements that include the words or phrases *will likely result*, *are expected to*, *will continue*, *is anticipated*, *estimate*, *project*, *may* or similar expressions that are forward-looking statements. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the risks or uncertainties listed below. See also **Risk Factors** for further discussion of risks and uncertainties that could impact our business.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others:

Greater than expected costs (including taxes) and expenses, including in relation to the integration of acquisitions such as the Anheuser-Busch acquisition;

**Table of Contents**

The risk of unexpected consequences resulting from acquisitions, including the Anheuser-Busch acquisition;

Our expectations with respect to expansion, projected asset divestitures, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections;

Lower than expected revenue;

Greater than expected customer losses and business disruptions including, without limitation, difficulties in maintaining relationships with employees, following the Anheuser-Busch acquisition;

Limitations on our ability to contain costs and expenses;

Local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact;

The monetary and interest rate policies of central banks, in particular the European Central Bank, the Board of Governors of the U.S. Federal Reserve System, the Bank of England, and other G-7 central banks;

Continued availability of financing and our ability to achieve our targeted coverage and debt levels and terms;

Market risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, inflation or deflation;

Our ability to continue to introduce competitive new products and services on a timely, cost-effective basis;

The effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies;

Changes in pricing environments and volatility in commodity prices;

Regional or general changes in asset valuations;

Tax consequences of restructuring and our ability to optimise our tax rate after the Anheuser-Busch acquisition;

Changes in consumer spending;

The outcome of pending and future litigation and governmental proceedings;

Changes in government policies;

Changes in applicable laws, regulations and taxes in jurisdictions in which we operate including the laws and regulations governing our operations, as well as actions or decisions of courts and regulators;

Natural and other disasters;

Any inability to economically hedge certain risks;



**Table of Contents**

Inadequate impairment provisions and loss reserves;

Technological changes; and

Our success in managing the risks involved in the foregoing.

The cost savings and synergies information related to the Anheuser-Busch acquisition set forth in Business Description Strengths and Strategy Strengths of this Form F-4 constitute forward-looking statements and may not be representative of the actual cost savings and synergies that will result from the Anheuser-Busch acquisition. Such information included in this Form F-4 reflects potential opportunities for savings and synergies identified by us based on estimates and assumptions that are inherently subject to significant uncertainties which are difficult to predict, and accordingly there can be no assurance that these cost savings and synergies will be realized. The statements relating to the synergies, cost savings and business growth opportunities we expect to continue to achieve following the Anheuser-Busch acquisition are based on assumptions. However, these expected synergies, cost savings and business growth opportunities may not be achieved. There can be no assurance that we will be able to continue to implement successfully the strategic and operational initiatives that are intended.

Our statements regarding market risks, including interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, inflation and deflation, are subject to uncertainty. For example, certain market risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

We caution that the forward-looking statements in this Form F-4 are further qualified by the risk factors disclosed in Risk Factors that could cause actual results to differ materially from those in the forward-looking statements. Subject to our obligations under Belgian and U.S. law in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights some information from this Form F-4 and it may not contain all of the information that is important to you. You should read the following summary together with the more detailed information regarding us and the new notes being offered in exchange for the old notes in the exchange offers included in this Form F-4.*

**BUSINESS OVERVIEW**

**Overview**

We are the world's largest brewing company by volume, and one of the world's five largest consumer products companies by 2008 EBITDA, as defined, based on the 2008 full-year pro-forma financial information. As a consumer-centric, sales-driven company, we produce, market, distribute and sell a strong, balanced portfolio of nearly 300 beer brands. These include global flagship brands Budweiser, Stella Artois and Beck's; multi-country brands such as Leffe and Hoegaarden; and many local champions such as Bud Light, Skol, Brahma, Quilmes, Michelob, Harbin, Sedrin, Klinskoye, Sibirskaya Korona, Chernigivske and Jupiler. We also produce and distribute soft drinks, particularly in Latin America.

Our brewing heritage and quality are rooted in brewing traditions that originate from the Den Horen brewery in Leuven, Belgium, dating back to 1366, and those of Anheuser & Co brewery, established in 1860 in St. Louis, U.S.A. As at 31 December 2008, we employed approximately 120,000 people, with operations in over 30 countries across the world. Given the breadth of our operations, we are organised along seven business zones or segments: North America, Latin America North, Latin America South, Western Europe, Central & Eastern Europe, Asia Pacific and Global Export & Holding Companies. The first six correspond to specific geographic regions in which our operations are based. As a result, we have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our six geographic regions.

On 18 November 2008, InBev completed its acquisition of Anheuser-Busch, the largest brewer of beer and other malt beverages in the United States. Following completion of the Anheuser-Busch acquisition, the combined company has significant brewing operations within our North America business zone. On a pro-forma basis for the combined company, the North America business zone would have accounted for 33.8% of our consolidated volumes for the year ended 31 December 2008 as compared to 4.8% of our actual consolidated volumes for the year ended 31 December 2007. Through Anheuser-Busch, we own a number of subsidiaries that conduct various other business operations, including a major manufacturer of aluminum cans and one of the largest recyclers of aluminum cans in the United States by weight.

We also have significant exposure to fast-growing emerging markets in Latin America North (which on a pro-forma basis for the combined company would have accounted for 24.5% of our consolidated volumes in the year ended 31 December 2008), Central & Eastern Europe (which would have accounted for 11.0% on the same basis), Asia Pacific (which would have accounted for 13.4% on the same basis) and Latin America South (which would have accounted for 8.2% on the same basis).

Based on the 2008 pro-forma information for the combined company, our 2008 volumes (beer and non-beer) would have amounted to 416 million hectoliters and our revenue would have amounted to approximately USD 39.0 billion.

**THE ISSUER AND THE SUBSIDIARY GUARANTORS**

The issuer of the new notes, under the name of InBev Worldwide S.à.r.l, was incorporated on 9 July 2008 as a private limited liability company (*société à responsabilité limitée*) under the Luxembourg act dated 10 August 1915 on commercial companies, as amended. On 19 November 2008, the issuer was domesticated as a

**Table of Contents**

corporation in the State of Delaware in accordance with Section 388 of the Delaware General Corporation Law and, in connection with such domestication, changed its name to Anheuser-Busch InBev Worldwide Inc. The Issuer's registered office is located at 1209 Orange Street, Wilmington, Delaware 19801.

Each of InBev Belgium SA/NV, BrandBrew S.A., Cobrew NV/SA, InBev Nederland N.V., AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., Nimbuspath Limited, AmBrew S.A. and Anheuser-Busch Companies, Inc., which are direct or indirect subsidiaries of Anheuser-Busch InBev SA/NV, will, along with Anheuser-Busch InBev SA/NV, jointly and severally guarantee the new notes, on an unconditional, full and irrevocable basis, subject to certain limitations described in Description of the New Notes. In addition, such subsidiaries are guarantors of the Anheuser-Busch InBev Worldwide Inc.'s \$45,000,000,000 senior facilities agreement and Anheuser-Busch InBev Worldwide Inc.'s January Notes, May Notes and Euro MTN Notes, which are each described in Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources, and Acquisition of Anheuser-Busch.

---

**Table of Contents**

**THE EXCHANGE OFFERS**

**General**

On 16 October 2009, Anheuser-Busch InBev Worldwide Inc. issued U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012, U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015, U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 and U.S.\$500,000,000 principal amount of 6.375% Notes due 2040, which we refer to together as the **Old Notes**, in a private offering. At that time, Anheuser-Busch InBev SA/NV, Anheuser-Busch InBev Worldwide Inc. and certain subsidiary guarantors entered into a registration rights agreement, which we refer to as the **Registration Rights Agreement**, with the initial purchasers of the Old Notes, for the benefit of the holders of the Old Notes, under which we are required to use commercially reasonable efforts to complete an offer to exchange the Old Notes for new issues of substantially identical series of notes registered under the Securities Act of 1933, or have one or more shelf registration statements in respect of the Old Notes declared effective, prior to 13 July 2010. We are making the exchange offers (as defined below) to satisfy our obligations under the Registration Rights Agreement.

**The Exchange Offers**

We are offering U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012 registered under the Securities Act of 1933, as amended ( **Securities Act** ), for any and all U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012 issued on 16 October 2009.

We are offering U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015 registered under the Securities Act for any and all U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015 issued on 16 October 2009.

We are offering U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 registered under the Securities Act for any and all U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 issued on 16 October 2009.

We are offering U.S.\$500,000,000 principal amount of 6.375% Notes due 2040 registered under the Securities Act for any and all U.S.\$500,000,000 principal amount of 6.375% Notes due 2040 issued on 16 October 2009.

We refer to each of the above offers as an **Exchange Offer** and to them collectively as the **Exchange Offers**. Additionally, we refer to the four series of notes described above that are being offered in exchange for the Old Notes pursuant of the Exchange Offers as the **New Notes**. In this prospectus we sometimes refer to the New Notes and the Old Notes together as the **notes**.

In order to exchange an Old Note, you must follow the required procedures and we must accept the Old Note for exchange. We will

**Table of Contents**

exchange all Old Notes validly offered for exchange, or tendered, and not validly withdrawn.

**Expiration Date**

Each Exchange Offer expires at 5:00 p.m., New York City time, on [ ] 2009, unless we extend such date or time for an Exchange Offer, which we refer to as the expiration date. We may extend one or more of the expiration dates for any reason. We will complete the Exchange Offers and issue the New Notes promptly after the applicable expiration date.

**Resale of New Notes**

Based on interpretive letters of the Securities and Exchange Commission, or SEC, staff to third parties, we believe that you may offer for resale, resell and otherwise transfer New Notes issued pursuant to the Exchange Offers without compliance with the registration and prospectus delivery provisions of the Securities Act, if you:

are not a broker-dealer that acquired the Old Notes from us or in market-making transactions or other trading activities;

acquire the New Notes issued in the Exchange Offers in the ordinary course of your business;

are not participating, and do not intend to participate, and have no arrangement or understanding with any person to participate in, the distribution of the New Notes issued in the Exchange Offers; and

are not an affiliate of ours, as defined in Rule 405 under the Securities Act.

By tendering Old Notes as described in The Exchange Offers Procedures for Tendering, you will be making representations to this effect. If you fail to satisfy any of these conditions, you cannot rely on the position of the SEC set forth in the interpretive letters referred to above and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the New Notes.

If you are a broker-dealer that acquired Old Notes as a result of market-making or other trading activities, you must comply with the prospectus delivery requirements of the Securities Act in connection with a resale of the New Notes as described in this summary under Restrictions on Sale by Broker-Dealers below.

We base our belief on interpretations by the SEC staff in interpretive letters issued to other issuers in exchange offers like ours. We cannot guarantee that the SEC would make a similar decision about our Exchange Offers. If our belief is wrong, you could incur liability under the Securities Act. We will not protect you against any loss incurred as a result of this liability under the Securities Act.

---

**Table of Contents**

**Restrictions on Sale by Broker-Dealers**

If you are a broker-dealer that has received New Notes for your own account in exchange for Old Notes that were acquired as a result of market-making or other trading activities, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of New Notes. For a period of 90 days commencing on the day the relevant Exchange Offer is consummated (or such shorter period during which participating broker-dealers are required by law to deliver such prospectus) we will make available a prospectus meeting the requirements of the Securities Act for use by broker-dealers in connection with any such resale.

**Consequences If You Do Not Exchange Your Old Notes**

If you are eligible to participate in the Exchange Offers and you do not tender your Old Notes, you will not have any further registration or exchange rights and your Old Notes will continue to be subject to transfer restrictions. These transfer restrictions and the availability of New Notes could adversely affect the trading market for your Old Notes. The Old Notes and the New Notes will not be fungible.

**Procedures for Tendering Old Notes**

If you wish to accept one or more of the Exchange Offers, the following must be delivered to the exchange agent identified below:

your Old Notes by timely confirmation of book-entry transfer through The Depository Trust Company, or **DTC** ;

an agent's message from DTC, stating that the tendering participant agrees to be bound by the letter of transmittal and the terms of the relevant Exchange Offers as described in **The Exchange Offers Terms of the Exchange Offers** ; and

all other documents required by the letter of transmittal.

These actions must be completed before the expiration of the relevant Exchange Offers.

You must comply with DTC's standard procedures for electronic tenders, by which you will agree to be bound by the letter of transmittal.

**Withdrawal Rights**

You may withdraw your tender of Old Notes any time prior to the relevant expiration date.

**Tax Consequences**

The exchange of Old Notes for New Notes pursuant to the Exchange Offers generally should not be a taxable event for U.S. federal income tax purposes. See **Material United States Federal Income Tax Considerations** .

**Use of Proceeds**

We will not receive any cash proceeds from the exchange or the issuance of New Notes in connection with the Exchange Offers. Old Notes that are validly tendered and exchanged will be retired and canceled. We will pay all expenses incident to the Exchange Offers.



**Table of Contents**

We used all of the net proceeds from the sale of the Old Notes to repay outstanding amounts under our senior facilities agreement, with USD 4.107 billion applied to the Facility C loan and USD 1.348 billion applied to the Facility A loan. As a result, all amounts due under the Facility A loan have now been repaid. The Facility C loan, the Facility A loan and the senior facilities agreement are described in [Business Description](#) [Material Contracts](#) [Financing the Anheuser-Busch Acquisition](#) [Senior Facilities Agreement](#) . No portion of the proceeds from the sale of the Old Notes was on-lent to any member of the AB InBev Group.

**Exchange Agent**

The Bank of New York Mellon Trust Company, N.A. is serving as exchange agent in connection with the Exchange Offers. The address and telephone number of the exchange agent are set forth under [The Exchange Offers](#) [Exchange Agent](#) . The Bank of New York Mellon Trust Company, N.A. is also the trustee under the indenture, as supplemented, governing both the New Notes and the Old Notes.



**Table of Contents**

**THE NEW NOTES**

*A summary of the terms of the New Notes, which have the same financial terms and covenants as the Old Notes, follows. This summary contains basic information about the New Notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete description of the New Notes, please refer to Description of the New Notes .*

**Issuer** Anheuser-Busch InBev Worldwide Inc., a Delaware corporation, which we refer to as the **Issuer** .

**Parent Guarantor** Anheuser-Busch InBev SA/NV, a Belgium public limited liability company, which we refer to as the **Parent Guarantor** .

**Subsidiary Guarantors** Each of the following companies, which are direct or indirect subsidiaries of the Parent Guarantor and are referred to together as the **Subsidiary Guarantors** , will, along with the Parent Guarantor, jointly and severally guarantee the New Notes on an unconditional, full and irrevocable basis, subject to certain limitations described in Description of the New Notes : InBev Belgium SA/NV, BrandBrew S.A., Cobrew NV/SA, InBev Nederland N.V., AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., Nimbuspath Limited, AmBrew S.A. and Anheuser-Busch Companies, Inc. We refer to the Subsidiary Guarantors and the Parent Guarantor together as the **Guarantors** .

**New Notes Offered** \$1,500,000,000 aggregate principal amount of 3.000% senior notes due 2012, which we refer to as the **2012 Notes** .

\$1,250,000,000 aggregate principal amount of 4.125% senior notes due 2015, which we refer to as the **2015 Notes** .

\$2,250,000,000 aggregate principal amount of 5.375% senior notes due 2020, which we refer to as the **2020 Notes** .

\$500,000,000 aggregate principal amount of 6.375% senior notes due 2040, which we refer to as the **2040 Notes** .

The New Notes will mature on 15 October 2012, 15 January 2015, 15 January 2020 and 15 January 2040, respectively, and are redeemable prior to maturity as described in Description of the New Notes Optional Redemption and Description of the New Notes Optional Tax Redemption .

**Ranking of the Notes** The New Notes will be senior unsecured obligations of the Issuer and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer.

**Ranking of the Guarantees** Subject to certain limitations described herein, each New Note will be jointly and severally guaranteed by each of the Guarantors, on an unconditional, full and irrevocable basis. We refer to each of such guarantees as a **Guarantee** and to such guarantees collectively as the **Guarantees** . The Guarantees will be the direct, unconditional,

---

**Table of Contents**

unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding. Each of the Guarantors other than the Parent Guarantor shall be entitled to terminate its Guarantee in certain circumstances as further described under Description of the New Notes Guarantees .

**Minimum Denomination**

The New Notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Interest**

The 2012 Notes will bear interest at the rate per annum of 3.000%, the 2015 Notes will bear interest at the rate per annum of 4.125%, the 2020 Notes will bear interest at the rate per annum of 5.375% and the 2040 Notes will bear interest at the rate per annum of 6.375%, in each case from 16 October 2009. Interest on the 2012 Notes will be payable semi-annually in arrears on 15 April and 15 October of each year, and interest on the 2015 Notes, 2020 Notes and 2040 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year, commencing on 15 April 2010, with respect to the 2012 Notes, and 15 July 2010, with respect to the 2015 Notes, 2020 Notes and 2040 Notes (or, if any such date is not a business day, on the next succeeding business day) until the principal of the New Notes is paid or duly made available for payment. Interest on the New Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the New Notes will be paid to the persons in whose names the New Notes (or one or more predecessor notes) are registered at the close of business on 1 April and 1 October, with respect to the 2012 Notes, and 1 January and 1 July, with respect to the 2015 Notes, 2020 Notes and 2040 Notes, as the case may be, immediately preceding the applicable interest payment date, whether or not such date is a business day.

**Business Day**

The term **business day** means any day other than a day on which commercial banks or foreign exchange markets are permitted or required to be closed in New York City, London or Brussels. If the date of maturity of interest on or principal of the New Notes or the date fixed for redemption of any New Note is not a business day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue as a result of the delayed payment.

**Additional Amounts**

To the extent any Guarantor is required to make payments in respect of the New Notes, such Guarantor will make all payments in respect of the New Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organised, or otherwise tax resident or any political subdivision or

---

**Table of Contents**

any authority thereof or therein having power to tax, which we refer to as the **relevant taxing jurisdiction**, unless such withholding or deduction is required by law, in which event, such Guarantor will pay to the holders such additional amounts, which we refer to as the **additional amounts**, as shall be necessary in order that the net amounts received by the holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such additional amounts shall be payable on account of any taxes or duties in the circumstances described in the prospectus under Description of the New Notes Additional Amounts .

References to principal or interest in respect of the New Notes include any additional amounts, which may be payable as set forth in the indenture governing the New Notes (the **Indenture** ).

The covenant regarding additional amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States, but shall apply to the Issuer at any time that the Issuer is incorporated in any jurisdiction outside the United States.

**Optional Redemption**

Each series of New Notes may be redeemed at any time, at the Issuer's option, as a whole or in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to the greater of:

100% of the aggregate principal amount of the New Notes to be redeemed; and

as determined by the independent investment banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the New Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate described herein plus 25 basis points in the case of the 2012 Notes, 30 basis points in the case of the 2015 Notes and 35 basis points in the case of each of the 2020 Notes and the 2040 Notes;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) the redemption date.

**Optional Tax Redemption**

Each series of New Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the New Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all additional amounts, if any) to (but excluding) the redemption date, if (i) as a result of any

**Table of Contents**

change in, or amendment to, the laws, treaties, regulations or rulings of a relevant taxing jurisdiction or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after the issue date (any such change or amendment, a **change in tax law** ), the Issuer (or, if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay additional amounts and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it, *provided, however*, that any series of New Notes may not be redeemed to the extent such additional amounts arise solely as a result of the Issuer assigning its obligations under such New Notes to a Substitute Issuer (as defined in Description of the New Notes ), unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by the Parent Guarantor.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obligated to pay the additional amounts if a payment in respect of such series of New Notes were then due.

**Holders Option to Require Repayment upon a Change in Control**

As is described in detail below under Description of the New Notes Holders Option to Require Repayment upon a Change in Control , in the event that (a) a Change of Control occurs, and (b) within the Change of Control Period, a Ratings Downgrade in respect of that Change of Control occurs, which we refer to together as an early redemption event , (i) the Issuer will (A) within 30 days after becoming aware of the early redemption event, provide written notice thereof to the holders, and (B) determine and provide written notice of the effective date for the purposes of early repayment, which we refer to as the **effective date** and which must be a business day not less than 60 and not more than 90 days after the giving of the notice regarding the early redemption event pursuant to subparagraph (i)(A); and (ii) any holder may, by submitting a redemption notice, demand from the Issuer repayment as of the effective date of any (in integral multiples of \$1,000) or all of its New Notes which have not otherwise been declared due for early redemption, at a repurchase price in cash of 101% of their principal amount plus interest accrued until (but excluding) the effective date (and all additional amounts, if any).

The above provisions on holders option to require repayment upon a Change in Control will not be effective unless and until they are approved by a resolution of the general meeting of shareholders of the Parent Guarantor.

The terms Change of Control , Change of Control Period and Ratings Downgrade are defined in Description of the New Notes Holders Option to Require Repayment upon a Change of Control .

**Table of Contents**

**Interest Rate Adjustment Based on Rating Events** As further described below under Description of the New Notes Interest Rate Adjustment Based on Rating Events , the interest rate payable on a series of New Notes will be subject to adjustment from time to time if any of three rating agencies downgrades (or subsequently upgrades) its rating assigned to that series of New Notes below an investment grade rating, based on the lowest two ratings assigned. The interest rate on a series of New Notes will be increased by 25 basis points for every one notch downgrade below an investment grade rating subject to a cap of 200 basis points. Similarly, if at any time the interest rate on a series of New Notes has been increased as a result of a ratings downgrade by a rating agency, and such rating agency subsequently increases its rating of that series of New Notes, the interest rate on that series of New Notes will be decreased by 25 basis points for every one notch upgrade until it reverts to the interest rate payable on that series of New Notes at the date of their issuance. If any of the rating agencies subsequently increases its rating of a series of New Notes to better than BB+/Ba1 or its equivalent, the adjustment from the original interest rate attributable to that rating agency shall no longer apply, and unless one or more other rating agencies rates that series of Notes BB+/Ba1 or lower, the interest rate shall revert to the interest rate payable on that series of New Notes at the date of their issuance.

In addition, if at any time during the term of the New Notes, any series of the Notes is rated A-/A3 or above by any two of the specified rating agencies, the interest rate adjustment provision will cease to apply to such series and the effective interest rate on such series of New Notes at original issuance will remain in effect until the maturity or redemption of that series of New Notes.

**Book-Entry Form**

The New Notes will initially be issued to investors in book-entry form only. Fully-registered global notes representing the total aggregate principal amount of the New Notes will be issued and registered in the name of a nominee for DTC, the securities depository for the New Notes, for credit to accounts of direct or indirect participants in DTC, including Euroclear and Clearstream. Unless and until New Notes in definitive certificated form are issued, the only holder will be Cede & Co., as nominee of DTC, or the nominee of a successor depository. Except as described in this prospectus, a beneficial owner of any interest in a global note will not be entitled to receive physical delivery of definitive New Notes. Accordingly, each beneficial owner of any interest in a global note must rely on the procedures of DTC, Euroclear, Clearstream, or their participants, as applicable, to exercise any rights under the New Notes.

**Governing Law**

The New Notes, the Guarantees and the Indenture related thereto, will be governed by, and construed in accordance with, the laws of the State of New York.

**Listing and Trading**

The New Notes will not be listed on any securities exchange.

**Trustee, Principal Paying Agent, Transfer Agent and Registrar**

The Trustee, principal paying agent, transfer agent and registrar is The Bank of New York Mellon Trust Company, N.A.

**Table of Contents****SUMMARY FINANCIAL INFORMATION**

The summary historical financial information presented below as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, has been derived from our audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union, which we refer to as **IFRS**. The summary historical financial information presented below as of and for the six-month periods ended 30 June 2009 and 2008 has been derived from our unaudited IFRS condensed consolidated interim financial statements. The interim data include all adjustments, consisting of normally recurring adjustments, necessary for a fair statement of the results for the interim period.

The summary historical financial information presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes and our unaudited condensed consolidated interim financial statements and the accompanying notes that, in each case, have been included in this Form F-4.

Effective 1 January 2009, we changed the presentation currency of our consolidated financial statements from the euro to the U.S. dollar, reflecting the post-Anheuser-Busch acquisition profile of our revenue and cash flows, which are now primarily generated in U.S. dollars and U.S. dollar-linked currencies. We believe that this change provides greater alignment of our presentation currency with our most significant operating currency and underlying financial performance. For comparability purposes in this Form F-4, we have also restated our historical audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, and the summary financial information as of and for the years ended 31 December 2005 and 2004 set out below, from the euro to the U.S. dollar. Unless otherwise specified, all financial information included in this Form F-4 has been stated in U.S. dollars.

For a summary of recent developments affecting us, see [Recent Developments](#).

|  | Six months ended                                 |        | Year ended 31 December (restated) |        |        |             |        |
|--|--|--------|-----------------------------------|--------|--------|-------------|--------|
|  | 30 June 2009                                     | 2008   | 2008                              | 2007   | 2006   | 2005        | 2004   |
|  | (unaudited)                                      |        | (audited)                         |        |        | (unaudited) |        |
|  | <i>(USD million, unless otherwise indicated)</i> |        |                                   |        |        |             |        |
| <b>Income Statement Data</b>   |  |        |                                   |        |        |             |        |
| Revenue <sup>(1)</sup>   | 17,698   | 10,563 | 23,507                            | 19,735 | 16,692 | 14,577      | 10,598 |
| Profit from operations   | 4,928  | 2,508  | 5,340                             | 5,872  | 3,925  | 2,749       | 1,625  |
| Profit   | 2,343  | 1,766  | 3,126                             | 4,167  | 2,667  | 1,753       | 1,111  |
| Profit attributable to our equity holders  | 1,787  | 1,207  | 1,927                             | 3,005  | 1,770  | 1,131       | 889    |
| EBITDA, <sup>(2)</sup> as defined  | 6,289  | 3,350  | 7,252                             | 7,280  | 5,296  | (3)         | (3)    |
| Ratio of earnings to fixed charges <sup>(4)</sup>                                      | 2.29   | *      | 2.90                              | 5.88   | 4.87   | 3.38        | 3.75   |
| Weighted average number of ordinary shares (million shares) <sup>(5) (8)</sup>         | 1,582  | 960    | 999                               | 976    | 972    | 960         | 768    |
| Diluted weighted average number of ordinary shares (million shares) <sup>(6) (9)</sup> | 1,590  | 963    | 1,000                             | 981    | 980    | 964         | 773    |
| Basic earnings per share (USD) <sup>(7) (9)</sup>                                      | 1.13   | 1.26   | 1.93                              | 3.08   | 1.82   | 1.18        | 1.16   |
| Diluted earnings per share (USD) <sup>(8) (9)</sup>                                    | 1.12   | 1.25   | 1.93                              | 3.06   | 1.81   | 1.17        | 1.15   |
| Dividends per share (USD)  | n/a  | n/a    | 0.35                              | 3.67   | 0.95   | 0.57        | 0.52   |
| Dividends per share (EUR)  | n/a  | n/a    | 0.28                              | 2.44   | 0.72   | 0.48        | 0.39   |

\* Not applicable

**Table of Contents**

|                                     | Six months ended                                 |         | Year ended 31 December |         |         |
|-------------------------------------|--|---------|------------------------|---------|---------|
|                                     | 30 June  |         | (restated)             |         |         |
|                                     | 2009   | 2008    | 2008                   | 2007    | 2006    |
|                                     | <i>(USD million, unless otherwise indicated)</i> |         |                        |         |         |
| <b>Cash Flow Data</b>               | <b>(unaudited)</b>                               |         | <b>(audited)</b>       |         |         |
| Cash flow from operating activities | 5,067  | 1,829   | 6,158                  | 5,557   | 4,122   |
| Cash flow from investing activities | 157  | (2,019) | (55,503)               | (3,225) | (4,365) |
| Cash flow from financing activities | (1,452)  | (330)   | 49,879                 | (1,327) | 261     |

|   | As of 30 June                                    |         | As of 31 December (restated) |        |                    |        |
|---|--|---------|------------------------------|--------|--------------------|--------|
|   | 2009   | 2008    | 2007                         | 2006   | 2005               | 2004   |
|   | <i>(USD million, unless otherwise indicated)</i> |         |                              |        |                    |        |
| <b>Balance Sheet Data</b>                 | <b>(unaudited)</b>                               |         | <b>(audited)</b>             |        | <b>(unaudited)</b> |        |
| Total assets                              | 117,699  | 113,160 | 42,247                       | 34,566 | 27,795             | 25,395 |
| Equity                                    | 27,999   | 24,431  | 21,949                       | 17,308 | 13,979             | 11,841 |
| Equity attributable to our equity holders | 25,586   | 22,442  | 20,057                       | 16,149 | 13,532             | 11,331 |
| Issued capital                            | 1,731  | 1,730   | 559                          | 558    | 554                | 605    |
| <b>Other Data</b>                         |  |         |                              |        |                    |        |
| Volumes (million hectoliters)             | 200  | 285     | 271                          | 247    | 224                | 154    |
| Book value per share                      | 16.17  | 22.46   | 20.55                        | 16.61  | 14.09              | 14.75  |

- (1) Turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see Management's Discussion and Analysis of Financial Condition and Results of Operations Key Factors Affecting Results of Operations Excise Taxes).
- (2) The following table shows the calculation of our EBITDA, as defined, for the periods shown. A performance measure such as EBITDA, as defined, is a non-IFRS measure. The most directly comparable financial measure to EBITDA, as defined, presented in accordance with IFRS in our consolidated financial statements is profit. EBITDA, as defined, is a measure used by our management to evaluate our business performance and is defined as profit from operations before depreciation, amortisation and impairment. EBITDA, as defined, does, however, have limitations as an analytical tool. It is not a recognised term under IFRS and does not purport to be an alternative to profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. As a result, you should not consider EBITDA, as defined, in isolation from, or as a substitute analysis for, our results of operations.

For a discussion of how we use EBITDA, as defined, and its limitations, please see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operation Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined.

|   | Six months ended 30 June |       | Year ended 31 December |       |       |
|---|--------------------------|-------|------------------------|-------|-------|
|   | 2009                     | 2008  | 2008                   | 2007  | 2006  |
|   | <i>(USD million)</i>     |       |                        |       |       |
|   | <b>(unaudited)</b>       |       | <b>(audited)</b>       |       |       |
| Profit                                    | 2,343                    | 1,766 | 3,126                  | 4,167 | 2,667 |
| Income tax expense                        | 820                      | 232   | 674                    | 888   | 666   |
| Net finance cost                          | 1,993                    | 513   | 1,600                  | 818   | 593   |
| Share of result of associates             | (228)                    | (3)   | (60)                   | (1)   | (1)   |
| Profit from operations                    | 4,928                    | 2,508 | 5,340                  | 5,872 | 3,925 |
| Depreciation, amortisation and impairment | 1,361                    | 842   | 1,912                  | 1,408 | 1,371 |
| EBITDA, as defined                        | 6,289                    | 3,350 | 7,252                  | 7,280 | 5,296 |

(3) EBITDA, as defined, is not available for the years ended 31 December 2005 and 2004.



**Table of Contents**

- (4) The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purposes of computing this ratio, earnings consist of profit from operations before taxes and share of results of associates, plus fixed charges, minus interest capitalized during the period. Fixed charges consist of interest and accretion expense, interest on finance lease obligations, interest capitalized, plus one-third of rent expense on operating leases, estimated by the company as representative of the interest factor attributable to such rent expense. We did not have any preferred stock outstanding and did not pay or accrue any preferred stock dividends during the periods presented above. Set forth below is an overview of how we calculate the ratio of earnings to fixed charges for the six months ended 30 June 2009 and each of the five years ended 31 December 2008, 2007, 2006, 2005 and 2004:

|  | Six months<br>ended<br>30 June 2009 | 2008         | Year ended 31 December          |              |              |              |
|--|-------------------------------------|--------------|---------------------------------|--------------|--------------|--------------|
|  | (unaudited)                         |              | (USD million)<br>2007      2006 |              | 2005         | 2004         |
|  |                                     |              | (audited)                       |              | (unaudited)  |              |
| <i>Earnings:</i>   |                                     |              |                                 |              |              |              |
| Profit from operations before taxes and share of results of associates | 2,935                               | 3,740        | 5,054                           | 3,332        | 2,244        | 1,412        |
| Add: Fixed charges (below)   | 2,281                               | 1,965        | 1,035                           | 860          | 941          | 514          |
| Less: Interest Capitalized (below)                                     | 1                                   | -            | -                               | -            | -            | -            |
| <b>Total earnings</b>  | <b>5,215</b>                        | <b>5,705</b> | <b>6,089</b>                    | <b>4,192</b> | <b>3,185</b> | <b>1,926</b> |
| <i>Fixed charges:</i>  |                                     |              |                                 |              |              |              |
| Interest expense and similar charges                                   | 2,030                               | 1,761        | 926                             | 771          | 849          | 454          |
| Accretion expense  | 208                                 | 127          | 49                              | 30           | 23           | 7            |
| Interest capitalized   | 1                                   | -            | -                               | -            | -            | -            |
| Estimated interest portion of rental expense                           | 42                                  | 77           | 60                              | 59           | 69           | 53           |
| <b>Total fixed charges</b>   | <b>2,281</b>                        | <b>1,965</b> | <b>1,035</b>                    | <b>860</b>   | <b>941</b>   | <b>514</b>   |
| <b>Ratio of earnings to fixed charges</b>                              | <b>2.29</b>                         | <b>2.90</b>  | <b>5.88</b>                     | <b>4.87</b>  | <b>3.38</b>  | <b>3.75</b>  |

- (5) Weighted average number of ordinary shares means, for any period, the number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.
- (6) Diluted weighted average number of ordinary shares means the weighted average number of ordinary shares, adjusted by the effect of share options issued.
- (7) Earnings per share means, for any period, profit attributable to our equity holders for the period divided by the weighted average number of ordinary shares.
- (8) Diluted earnings per share means, for any period, profit attributable to our equity holders for the period divided by the diluted weighted average number of ordinary shares.
- (9) In accordance with IAS33, we have adjusted historical data per share for each of the years ended 31 December 2007, 2006, 2005 and 2004 by an adjustment ratio of 0.6252 as a result of the capital increase pursuant to the rights offering we completed in December 2008 to restate (i) the weighted average number of ordinary shares; (ii) the diluted weighted average number of ordinary shares; (iii) the basic earnings per share; and (iv) the diluted earnings per share.

**Recent Developments**

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

For a discussion of our interim financial results for the three months and nine months ended 30 September 2009 and for details of recent transactions impacting our business, see Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments .

**Table of Contents****Results of Operations for the Three Months and Nine Months Ended 30 September 2009 Compared to the Three Months and Nine Months Ended 30 September 2008**

The table below presents our condensed consolidated results of operations for the three-month and nine-month periods ended 30 September 2009 and 2008. The data for the three months and the nine months ended 30 September 2009 are reported figures and include Anheuser-Busch data for such periods. The data for the three months and the nine months ended 30 September 2008 are also reported figures and, therefore, do not include Anheuser-Busch figures for such periods.

|                                   | Reported<br>Three<br>months<br>ended 30<br>September<br>2009 | Reported<br>Three<br>months<br>ended 30<br>September<br>2008 | Reported<br>Nine<br>months<br>ended 30<br>September<br>2009 | Reported<br>Nine<br>months<br>ended 30<br>September<br>2008 |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million, except volumes)</i>                         |  |   |   |
| Volumes (thousand hectoliters)    | 106,609  | 71,832   | 306,884   | 199,295   |
| Revenue                           | 9,763  | 6,061  | 27,461  | 16,624  |
| Cost of sales                     | (4,505)  | (2,559)  | (12,894)  | (7,024)   |
| Gross profit                      | 5,259  | 3,502  | 14,567  | 9,600   |
| Distribution expenses             | (694)  | (711)  | (1,970)   | (2,006)   |
| Sales and marketing expenses      | (1,311)  | (884)  | (3,582)   | (2,578)   |
| Administrative expenses           | (528)  | (340)  | (1,619)   | (1,071)   |
| Other operating income/expenses   | 117  | 104  | 467   | 288   |
| EBITDA, as defined <sup>(1)</sup> | 3,961  | 2,020  | 10,250  | 5,363   |

- (1) The following table shows the calculation of our EBITDA, as defined, for the periods shown. For a discussion of how we use EBITDA, as defined, and its limitations, please see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operation Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined .

|   | Three<br>months<br>ended 30<br>September<br>2009 | Three<br>months<br>ended 30<br>September<br>2008 | Nine<br>months<br>ended 30<br>September<br>2009 | Nine<br>months<br>ended 30<br>September<br>2008 |
|---|--|--|---|---|
|   | <i>(USD million)</i>                             |  |   |   |
| <b>Profit</b>                             | <b>1,844</b>                                     | <b>998</b>                                       | <b>4,187</b>                                    | <b>2,764</b>                                    |
| Income tax expense                        | 601  | 275  | 1,421   | 507   |
| Net finance cost                          | 966  | 281  | 2,958   | 794   |
| Share of result of associates             | (157)  | (1)  | (385)   | (4)   |
| <b>Profit from operations</b>             | <b>3,254</b>                                     | <b>1,553</b>                                     | <b>8,181</b>                                    | <b>4,061</b>                                    |
| Depreciation, amortisation and impairment | 707  | 467  | 2,069   | 1,302   |
| <b>EBITDA, as defined</b>                 | <b>3,961</b>                                     | <b>2,020</b>                                     | <b>10,250</b>                                   | <b>5,363</b>                                    |

**Table of Contents**

**RISK FACTORS**

*We expect to be exposed to some or all of the risks described below in our future operations. Risks to us include, but are not limited to, the risk factors described below. Any of the risk factors described below could also affect our business operations and have a material adverse effect on our business activities, financial condition, results of operations and prospects and cause the value of the New Notes to decline. Moreover, if and to the extent that any of the risks described below materialise, they may occur in combination with other risks which would compound the adverse effect of such risks on our business activities, financial condition, results of operations and prospects.*

*You should carefully consider the following information in conjunction with the other information contained or incorporated by reference in this document before making any investment decision. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or of the potential magnitude of their financial consequence.*

**Risks Related to the Exchange Offers**

*If you do not properly tender your Old Notes, you will continue to hold unregistered Old Notes and your ability to transfer Old Notes will continue to be subject to transfer restrictions, which may adversely affect their market price.*

If you do not properly tender your Old Notes for New Notes in the applicable Exchange Offer, you will continue to be subject to restrictions on the transfer of your Old Notes. In general, the Old Notes may not be offered or sold unless they are registered under the Securities Act, as well as applicable state securities laws, or exempt from registration thereunder. Except as required by the Registration Rights Agreement, we do not intend to register resales of the Old Notes under the Securities Act. You should refer to **The Exchange Offers Procedures For Tendering** for information about how to tender your Old Notes. The tender of Old Notes under the Exchange Offers will reduce the outstanding amount of each series of the Old Notes, which may have an adverse effect upon, and increase the volatility of, the market prices of the Old Notes due to a reduction in liquidity.

*Late deliveries of Old Notes and other required documents could prevent you from exchanging your Old Notes.*

Holders are responsible for complying with all procedures of the Exchange Offers. The issuance of New Notes in exchange for Old Notes will occur only upon completion of the procedures described under **The Exchange Offers Procedures For Tendering** . Therefore, holders of Old Notes who wish to exchange them for New Notes should allow sufficient time for timely completion of the exchange procedure. Neither we nor the exchange agent are obligated to extend the Exchange Offers or notify you of any failure to follow the proper procedure or waive any defect if you fail to follow the proper procedure.

*If you are a broker-dealer, your ability to transfer the New Notes may be restricted.*

A broker-dealer that purchased Old Notes for its own account as part of market making or trading activities must comply with the prospectus delivery requirements of the Securities Act when it sells the New Notes. Our obligation to make this prospectus available to broker-dealers is limited. Consequently, we cannot guarantee that a proper prospectus will be available to broker-dealers wishing to resell their New Notes.

**Risks Relating to Our Business**

*We are exposed to the risks of an economic recession, credit and capital market volatility and economic and financial crisis, which could adversely affect the demand for our products and adversely affect the value of our shares and American depositary shares and the New Notes.*

We are exposed to the risk of a global recession or a recession in one or more of our key markets, credit and capital market volatility and economic and financial crisis, which could result in lower revenue and reduced

## **Table of Contents**

profit. Any such development could adversely affect demand for beer, which could result in a deterioration in our results of operations.

Beer consumption in many of the jurisdictions in which we operate is closely linked to general economic conditions, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income. Additionally, per capita consumption is inversely related to the sale price of our products.

Besides moving in concert with changes in per capita income, beer consumption also increases or decreases in accordance with changes in disposable income.

Currently, disposable income is low in many of the emerging market countries in which we operate compared to disposable income in more developed countries. Any decrease in disposable income resulting from an increase in inflation, income taxes, the cost of living, or other factors would likely adversely affect demand for beer. Moreover, because a significant portion of our brand portfolio consists of premium beers, our volumes and revenue may be impacted to a greater degree than those of some of our competitors, as some consumers may choose to purchase value or discount brands rather than super-premium, premium or mainstream/mid-market brands. For additional information on segmentation of the beer market and our positioning, see Business Description Principal Activities and Products Beer .

Capital and credit market volatility, such as has been experienced recently, may result in downward pressure on stock prices and credit capacity of issuers. A continuation or worsening of the levels of market disruption and volatility seen in the last two years could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, and on the value of our shares and American depositary shares and the New Notes.

***We may not be able to obtain the necessary funding for our future capital or refinancing needs.***

We may be required to raise additional funds for our future capital needs or refinance our current indebtedness through public or private financing, strategic relationships or other arrangements. There can be no assurance that the funding, if needed, will be available on attractive terms, or at all. We may be required to issue additional equity under unfavourable conditions, which could dilute our existing shareholders. Furthermore, any debt financing, if available, may involve restrictive covenants.

We have incurred substantial indebtedness in connection with the Anheuser-Busch acquisition (see Business Description Material Contracts Financing the Anheuser-Busch Acquisition and Risks Relating to the Anheuser-Busch Acquisition ).

Our failure to raise additional equity capital or debt financing or to realise proceeds from asset sales when needed could adversely impact our business, results of operations and financial condition.

***Our results could be negatively affected by increasing interest rates.***

We use issuances of debt and bank borrowings as a source of funding and, following the Anheuser-Busch acquisition, our level of debt has increased significantly. Nevertheless, pursuant to our capital structure policy, we aim to optimise shareholder value through tax efficient maximisation of cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimising cash and investments with a return below our weighted average cost of capital.

Some of the debt we have issued or incurred was issued or incurred at variable interest rates, which exposes us to changes in such interest rates. Moreover, a significant part of our external debt is denominated in non-U.S. dollar currencies, including the euro, Brazilian real and the Canadian dollar. Further, the USD 31.396 billion that remained outstanding as of 30 June 2009 under the financing arrangements we entered

---

**Table of Contents**

into in connection with the Anheuser-Busch acquisition is based on variable interest rates and has therefore increased our exposure to interest rate risk substantially. Although we enter into interest rate swap agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest-rate risk on interest-bearing financial liabilities, there can be no assurance that such instruments will be successful in reducing the risks inherent in exposures to interest rate fluctuations. See Management's Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures About Market Risk Market Risk, Hedging and Financial Instruments and note 30 to our audited financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further detail on our approach to foreign currency and interest-rate risk. See also Risks Relating to the Anheuser-Busch Acquisition We will face financial risks in refinancing the Anheuser-Busch acquisition due to our increased level of debt and challenging market conditions .

***Changes in the availability or price of raw materials, commodities and energy could have an adverse effect on our results of operations.***

A significant portion of our operating expenses are related to raw materials and commodities, such as malt, hops, wheat, corn grits, corn syrup, adjuncts, sugar, aluminium cans, polyethylene terephthalate ( **PET** ), steel, metal closures, plastic closures, labels, preforms, folding carton, soda ash, bottle caps and glass bottles.

The supply and price of raw materials and commodities used for the production of our products can be affected by a number of factors beyond our control, including the level of crop production around the world, export demand, quality and availability of supply, speculative movements in the raw materials or commodities markets, currency fluctuations, governmental regulations and legislation affecting agriculture, trade agreements among producing and consuming nations, adverse weather conditions, economic factors affecting growth decisions, various plant diseases and pests.

We cannot predict future availability or prices of the raw materials or commodities required for our products. The markets in certain raw materials or commodities have experienced and may in the future experience shortages and significant price fluctuations. The foregoing may affect the price and availability of ingredients that we use to manufacture our products, as well as the cans and bottles in which our products are packaged. We may not be able to increase our prices to offset these increased costs or increase our prices without suffering reduced volume, revenue and operating income. We use both fixed price purchasing contracts and commodity derivatives to minimise our exposure to commodity price volatility. To some extent, derivative financial instruments and the terms of supply agreements can protect against increases in materials and commodities costs in the short term. However, derivatives and supply agreements expire and upon expiry are subject to renegotiation and therefore cannot provide complete protection over the medium or longer term. To the extent we fail to adequately manage the risks inherent in such volatility, including if our hedging and derivative arrangements do not effectively or completely hedge changes in commodity prices, our results of operations may be adversely impacted. In addition, it is possible that the hedging and derivative instruments we use to establish the purchase price for commodities in advance of the time of delivery may lock us into prices that are ultimately higher than actual market prices at the time of delivery. See Management's Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures About Market Risk Market Risk, Hedging and Financial Instruments for further detail on our approach to hedging commodity price risk.

The production and distribution of our products consumes material amounts of energy, including the consumption of oil-based products and electricity. Energy prices have been subject to significant price volatility in the recent past and may be again in the future. High energy prices over an extended period of time, as well as changes in energy taxation and regulation in certain geographies, may result in a negative effect on operating income and could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased energy costs to our customers in every case.

## **Table of Contents**

### ***Our results of operations are affected by fluctuations in exchange rates.***

As from 1 January 2009, we have reported our consolidated results in U.S. dollars, and we have restated our historical financial statements included in this Form F-4 from the euro to the U.S. dollar. In 2008 on a pro-forma basis for the combined company based on the 2008 full-year pro-forma financial information, we derived approximately 57% of our revenue from operating companies that have non-U.S. dollar functional currencies (that is, in most cases, the local currency of the respective operating company). Consequently, any change in exchange rates between our operating companies' functional currencies and the U.S. dollar will affect our consolidated income statement and balance sheet when the results of those operating companies are translated into U.S. dollars for reporting purposes. Decreases in the value of our operating companies' functional currencies against the U.S. dollar will tend to reduce those operating companies' contributions in dollar terms to our financial condition and results of operations.

In addition to currency translation risk, we incur currency transaction risks whenever one of our operating companies enters into transactions using currencies other than their respective functional currencies, including purchase or sale transactions and the issuance or incurrence of debt. Although we have hedge policies in place to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies' functional currencies, there can be no assurance that such policies will be able to successfully hedge against the effects of such foreign exchange exposure, particularly over the long-term.

Moreover, although we seek to match borrowing currency liabilities to functional currency cash flows, following the Anheuser-Busch acquisition, much of our debt is denominated in U.S. dollars, while a significant portion of our cash flows are denominated in currencies other than the U.S. dollar. From time to time we enter into financial instruments to mitigate currency risk, but these transactions and any other efforts taken to better match the effective currencies of our liabilities to our cash flows could result in increased costs.

See Management's Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures About Market Risk Market Risk, Hedging and Financial Instruments and note 30 to our audited financial information as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further detail on our approach to hedging commodity price and foreign currency risk.

### ***Certain of our operations depend on independent distributors or wholesalers to sell our products.***

Certain of our operations are dependent on government-controlled or privately owned but independent wholesale distributors for distribution of our products for resale to retail outlets. See Business Description Distribution of Products and Business Description Regulations Affecting Our Business for further information in this respect. There can be no assurance that these distributors, who often act both for us and our competitors, will not give our competitors' products higher priority, thereby reducing their efforts to sell our products.

In the United States, for instance, we sell substantially all of our beer to independent wholesalers for distribution to retailers and ultimately consumers. As independent companies, wholesalers make their own business decisions that may not always align themselves with our interests. If our wholesalers do not effectively distribute our products, our financial results could be adversely affected.

In addition, contractual restrictions and the regulatory environment of many markets may make it very difficult to change distributors in a number of markets. In certain cases, poor performance by a distributor or wholesaler is not a sufficient reason for replacement. Our consequent inability to replace unproductive or inefficient distributors could adversely impact our business, results of operations and financial condition.

---

**Table of Contents**

***Competition could lead to a reduction of our margins, increase costs and adversely affect our profitability.***

Globally, brewers compete mainly on the basis of brand image, price, quality, distribution networks and customer service. Consolidation has significantly increased the capital base and geographic reach of our competitors in some of the markets in which we operate, and competition is expected to increase further as the trend towards consolidation among companies in the beer industry continues.

Competition may divert consumers and customers from our products. Competition in our various markets could cause us to reduce pricing, increase capital investment, increase marketing and other expenditures, prevent us from increasing prices to recover higher costs, and thereby cause us to reduce margins or lose market share. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Innovation faces inherent risks, and the new products we introduce may not be successful.

Additionally, the absence of level playing fields in some markets and the lack of transparency, or even certain unfair or illegal practices, such as tax evasion and corruption, may skew the competitive environment, with material adverse effects on our profitability or ability to operate.

***The ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.***

To a large extent, Anheuser-Busch InBev SA/NV is organized as a holding company and our operations are carried out through subsidiaries. Our domestic and foreign subsidiaries' and affiliated companies' ability to upstream or distribute cash (to be used, amongst other things, to meet our financial obligations) through dividends, intercompany advances, management fees and other payments is, to a large extent, dependent on the availability of cash flows at the level of such domestic and foreign subsidiaries and affiliated companies and may be restricted by applicable laws and accounting principles. In particular, 29.5% (USD 11.5 billion) of our total pro-forma revenue for the combined company of USD 39.0 billion in 2008 based on our 2008 full-year pro-forma financial information came from our Brazilian listed subsidiary Companhia de Bebidas das Américas AmBev ( **AmBev** ), which is not wholly-owned and is listed on the São Paulo Stock Exchange and the New York Stock Exchange. Certain of our equity investments (such as our investment in Grupo Modelo) contribute cash flow to us through dividend payments but are not controlled by us, and our receipt of dividend payments from these entities is therefore outside our control. In addition to the above, some of our subsidiaries are subject to laws restricting their ability to pay dividends or the amount of dividends they may pay. See Management's Discussion and Analysis of Financial Condition and Results of Operations' Liquidity and Capital Resources' Transfers from Subsidiaries' for further information in this respect.

If we are not able to obtain sufficient cash flows from our domestic and foreign subsidiaries and affiliated companies, this could adversely impact our ability to pay our substantially increased debt resulting from the Anheuser-Busch acquisition and otherwise negatively impact our business, results of operations and financial condition.

***An inability to reduce costs could affect profitability.***

Our future success and earnings growth depend in part on our ability to be efficient in producing, advertising and selling our products and services. We are pursuing a number of initiatives to improve operational efficiency. Failure to generate significant cost savings and margin improvement through these initiatives could adversely affect our profitability and our ability to achieve our financial goals.

***We are exposed to emerging market risks.***

A substantial proportion of our operations, representing approximately 36% of 2008 revenue on a pro-forma basis for the combined company based on the 2008 full-year pro-forma financial information, are carried out in emerging markets, including Brazil, Argentina, Venezuela, Bolivia, China, Russia, Ukraine and



## **Table of Contents**

other emerging European and Latin American markets. We also have equity investments in brewers in China and Mexico and own breweries in China.

Our operations and equity investments in these markets are subject to the customary risks of operating in developing countries, which include potential political and economic uncertainty, application of exchange controls, nationalisation or expropriation, crime and lack of law enforcement, political insurrection, external interference, currency fluctuations, changes in government policy, political and economic changes, changes in the relations between the countries, actions of governmental authorities affecting trade and foreign investment, regulations on repatriation of funds, interpretation and application of local laws and regulations, enforceability of intellectual property and contract rights, local labour conditions and regulations. Such factors could affect our results by causing interruptions to our operations or by increasing the costs of operating in those countries or by limiting our ability to repatriate profits from those countries. Financial risks of operating in emerging markets also include risks of liquidity, inflation (for example, Brazil, Argentina and Russia have periodically experienced extremely high rates of inflation), devaluation (for example, the Brazilian and Argentine currencies have been devalued frequently during the last four decades), price volatility, currency convertibility and country default. These various factors could adversely impact our business, results of operations and financial condition. Due to our specific exposure, these factors could affect us more than our competitors with less exposure to emerging markets, and any general decline in emerging markets as a whole could impact us disproportionately compared to our competitors.

### ***We may not be able to successfully carry out further acquisitions and business integrations.***

We have made in the past and may make in the future acquisitions of, investments in, and joint venture and similar arrangements with, other companies and businesses. We cannot make further acquisitions unless we can identify suitable candidates and agree on the terms with them. Such transactions also involve a number of risks. We may not be able to successfully complete such transactions. After completion of a transaction, we may be required to integrate the acquired companies, businesses or operations into our existing operations. In addition, such transactions may involve the assumption of certain actual or potential, known or unknown, liabilities, which may have a potential impact on our financial risk profile. Further, the price we may pay in any future acquisition may prove to be too high as a result of various factors, such as a significant change in market conditions, the limited opportunity to conduct due diligence prior to a purchase or unexpected changes in the acquired business. See also in this respect Risks Relating to the Anheuser-Busch Acquisition .

### ***We rely on the reputation of our brands.***

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and to develop a favourable image and reputation for new products. The image and reputation of our products may be reduced in the future; concerns about product quality, even when unfounded, could tarnish the image and reputation of our products. An event, or series of events, that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Restoring the image and reputation of our products may be costly and may not be possible. Moreover, our marketing efforts are subject to restrictions on the permissible advertising style, media and messages used. In a number of countries, for example, television is a prohibited medium for advertising alcoholic products, and in other countries, television advertising, while permitted, is carefully regulated. Any additional restrictions in such countries, or the introduction of similar restrictions in other countries, may constrain our brand building potential and thus reduce the value of our brands and related revenues.

### ***Negative publicity may harm our business.***

Media coverage, and publicity generally, can exert significant influence on consumer behaviour and actions. If the social acceptability of beer or soft drinks were to decline significantly, sales of our products could materially decrease. In recent years, there has been increased public and political attention directed at the alcoholic beverage and soft drink industries. This attention is a result of public concern over alcohol-related

## **Table of Contents**

problems, including drunk driving, underage drinking and health consequences resulting from the misuse of beer (for example, alcoholism and obesity), as well as soft-drink related problems, including health consequences resulting from the excessive consumption of soft drinks (for example, obesity). Negative publicity regarding alcohol or soft drink consumption, publication of studies that indicate a significant health risk from consumption of alcohol or soft drinks, or changes in consumer perceptions in relation to alcohol or soft drinks generally could adversely affect the sale and consumption of our products and could harm our business, results of operations, cash flows or financial condition as consumers and customers change their purchasing patterns.

Key brand names are used by us, our subsidiaries, associates and joint ventures, and licensed to third-party brewers. To the extent that we, one of our subsidiaries, associates, joint ventures or licensees are subject to negative publicity, and the negative publicity causes consumers and customers to change their purchasing patterns, it could have a material adverse effect on our business, results of operations, cash flows or financial condition. As we continue to expand our operations into emerging and growth markets, there is a greater risk that we may be subject to negative publicity, in particular in relation to labour rights and local work conditions. Negative publicity that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business, which could adversely impact our business, results of operations, cash flows and financial condition.

### ***Demand for our products may be adversely affected by changes in consumer preferences and tastes.***

We depend on our ability to satisfy consumer preferences and tastes. Consumer preferences and tastes can change in unpredictable ways due to a variety of factors, such as changes in demographics, consumer health concerns about obesity, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather, negative publicity resulting from regulatory action or litigation against us or comparable companies or a downturn in economic conditions. Consumers also may begin to prefer the products of competitors or may generally reduce their demand for products in the category. Failure by us to anticipate or respond adequately to changes in consumer preferences and tastes could adversely impact our business, results of operations and financial condition.

### ***Seasonal consumption cycles and adverse weather conditions may result in fluctuations in demand for our products.***

Seasonal consumption cycles and adverse weather conditions in the markets in which we operate may have an impact on our operations. This is particularly true in the summer months, when unseasonably cool or wet weather can affect sales volumes. Demand for beer is normally more depressed in our major markets in the Northern Hemisphere during the first and fourth quarters of each year, and our consolidated net revenue from those markets is therefore normally lower during this time. Although this risk is somewhat mitigated by our relatively balanced footprint in both hemispheres, we are relatively more exposed to the markets in the Northern Hemisphere than to the markets in the Southern Hemisphere since the closing of the Anheuser-Busch acquisition, which could adversely impact our business, results of operations and financial condition.

### ***If any of our products is defective or found to contain contaminants, we may be subject to product recalls or other liabilities.***

We take precautions to ensure that our beverage products are free from contaminants and that our packaging materials (such as bottles, crowns, cans and other containers) are free of defects. Such precautions include quality-control programmes for primary materials, the production process and our final products. We have established procedures to correct problems detected.

In the event that contamination or a defect does occur in the future, it may lead to business interruptions, product recalls or liability, each of which could have an adverse effect on our business, reputation, prospects, financial condition and results of operations.

---

**Table of Contents**

Although we maintain insurance policies against certain product liability (but not product recall) risks, we may not be able to enforce our rights in respect of these policies, and, in the event that contamination or a defect occurs, any amounts that we recover may not be sufficient to offset any damage we may suffer, which could adversely impact our business, results of operations and financial condition.

***We may not be able to protect our intellectual property rights.***

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how. We have been granted numerous trademark registrations covering our brands and products and have filed, and expect to continue to file, trademark and patent applications seeking to protect newly developed brands and products. We cannot be sure that trademark and patent registrations will be issued with respect to any of our applications. There is also a risk that we could, by omission, fail to renew a trademark or patent on a timely basis or that our competitors will challenge, invalidate or circumvent any existing or future trademarks and patents issued to, or licensed by, us.

We cannot be certain that the steps we have taken to protect our portfolio of intellectual property rights (including trademark registration and domain names) will be sufficient or that third parties will not infringe upon or misappropriate proprietary rights. Moreover, some of the countries in which we operate, such as China, offer less intellectual property protection than is available in Europe or the United States. If we are unable to protect our proprietary rights against infringement or misappropriation, it could have a material adverse effect on our business, results of operations, cash flows or financial condition, and in particular, on our ability to develop our business.

***We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.***

We rely on key third-party suppliers, including third-party suppliers for a range of raw materials for beer and soft drinks, and for packaging material, including aluminium cans, glass, kegs and PET bottles. We seek to limit our exposure to market fluctuations in these supplies by entering into medium- and long-term fixed-price arrangements. We have a limited number of suppliers of aluminium cans, glass and PET bottles. Consolidation of the aluminium can industry, glass and PET bottle industry in certain markets in which we operate has reduced local supply alternatives and increased the risk of disruption to aluminium can, glass and PET bottle supplies. Although we generally have other suppliers of raw materials and packaging materials, the termination of or material change to arrangements with certain key suppliers, disagreements with suppliers as to payment or other terms, or the failure of a key supplier to meet our contractual obligations or otherwise deliver materials consistent with current usage would or may require us to make purchases from alternative suppliers, in each case at potentially higher prices than those agreed with this supplier, and this could have a material impact on our production, distribution and sale of beer and have a material adverse effect on our business, results of operations, cash flows or financial condition.

A number of key brand names are both licensed to third-party brewers and used by companies over which we do not have control. For instance, our global brand Stella Artois is licensed to third-parties in Algeria, Australia, New Zealand, Tanzania, South Africa and Greece, and another global brand, Beck's, is licensed to third parties in Algeria, Turkey, Australia, New Zealand, Tunisia, Nigeria and Mauritius. Finally, Budweiser is licensed to third-parties in, amongst other countries, Argentina, Canada, Ireland, Japan, Korea, Panama and Spain. See Business Description Licensing for more information in this respect. To the extent that one of these key brand names or our joint ventures, investments in companies in which we do not own a controlling interest and our licensees are subject to negative publicity, it could have a material adverse effect on our business, results of operations, cash flows or financial condition.

For certain packaging supplies, raw materials and commodities, we rely on a small number of important suppliers. If these suppliers became unable to continue to meet our requirements, and we are unable to develop alternative sources of supply, our operations and financial results could be adversely affected.

---

**Table of Contents**

***The consolidation of retailers may adversely affect us.***

The retail industry in Europe, the United States and in other countries in which we operate continues to consolidate. Large retailers may seek to improve profitability and sales by asking for lower prices or increased trade spending. Although retailers purchase products from wholesalers (including in a limited number of markets, from our wholesaler operations), rather than directly from us, the efforts of retailers could result in reduced profitability for the beer industry as a whole and indirectly adversely affect our financial results.

***We could incur significant costs as a result of compliance with, and/or violations of or liabilities under various regulations that govern our operations.***

Our business is highly regulated in many of the countries in which we operate. The regulations adopted by the authorities in these countries govern many parts of our operations, including brewing, marketing and advertising (in particular to persons under the legal drinking age), transportation, distributor relationships and sales. We may be subject to claims that we have not complied with existing laws and regulations, which could result in fines and penalties. We are also routinely subject to new or modified laws and regulations with which we must comply in order to avoid claims, fines and other penalties, which could adversely impact our business, results of operations and financial condition. There can be no assurance that we will not incur material costs or liabilities in connection with compliance with applicable regulatory requirements, or that such regulation will not interfere with our beer or soft drinks businesses.

The level of regulation to which our businesses are subject can be affected by changes in the public perception of beer consumption. In recent years, there has been increased social and political attention in certain countries directed at the alcoholic beverage industry, and governmental bodies may respond to any public criticism by implementing further regulatory restrictions on opening hours, drinking ages or advertising. Such public concern and any resulting restrictions may cause the social acceptability of beer to decline significantly and consumption trends to shift away from beer to non-alcoholic beverages, which would have a material adverse effect on our business, financial condition and results of operations.

***We are exposed to the risk of litigation.***

We are now and may in the future be party to legal proceedings and claims and significant damages may be asserted against us. See Business Description Legal and Arbitration Proceedings and Management's Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations and Contingencies Contingencies and note 33 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for a description of certain material contingencies which we believe will possibly (but not probably) be realised. Given the inherent uncertainty of litigation, it is possible that we might incur liabilities as a consequence of the proceedings and claims brought against us, including those not currently believed by us to be possible.

Moreover, companies in the alcoholic beverage industry are, from time to time, exposed to collective suits (class actions) or other litigation relating to alcohol advertising, alcohol abuse problems or health consequences from the excessive consumption of alcohol. As an illustration, certain beer and alcoholic beverage producers from the United States, Canada and Europe were recently involved in class actions in the U.S. seeking damages for alleged marketing of alcoholic beverages to underage consumers. If any of these types of litigation result in fines, damages or reputational damage for us, this could have a material adverse effect on our business, results of operations, cash flows or financial position.

See Legal and Arbitration Proceedings for additional information on litigation matters.

***The beer and beverage industry may be subject to changes in taxation.***

Taxation on our beer and non-beer products in the countries in which we operate is comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes. In many jurisdictions, such

**Table of Contents**

excise and other indirect taxes make up a large proportion of the cost of beer charged to customers. Increases in excise and other indirect taxes applicable to our products either on an absolute basis or relative to the levels applicable to other beverages tend to adversely affect our revenue or margins, both by reducing overall consumption and by encouraging consumers to switch to lower-taxed categories of beverages. These increases also adversely affect the affordability of our products and our ability to raise prices. For example, in November 2008 the Brazilian Congress approved certain changes (effective 1 January 2009) to the taxable basis and tax rates of the Imposto Sobre Produtos Industrializados (the Brazilian federal excise tax) and the PIS/COFINS (Brazilian social contributions). Under the previous system, these taxes were paid as a fixed rate per hectoliter by all taxpayers. The new system provides that higher priced brands will pay higher taxes per hectoliter than lower priced brands. The actual increase in AmBev's federal excise tax and PIS/COFINS tax burden will depend on AmBev's price, packaging and brand mix, but we estimate that AmBev's total tax burden regarding such taxes will increase approximately 15%.

Similarly, the United States brewing industry is subject to significant taxation. The United States federal government currently levies an excise tax of \$18 per barrel (equivalent to 1.1734776 hectoliters) of beer sold for consumption in the United States. All states also levy excise and/or sales taxes on alcoholic beverages. From time to time, there are proposals to increase these taxes, and as a result of the current economic climate and the fiscal difficulties of some states, these proposals have become more prevalent. Earlier this year, the State of New York increased its excise tax on alcohol, and the State of Kentucky increased its retail tax rate on off-premise alcohol sales. In addition, although no legislation has been introduced to this effect, there have been proposals to increase federal excise taxes on alcohol to raise revenue to pay the costs of health care proposals. Increase in excises taxes on alcohol could adversely affect our United States business or its profitability.

In the second half of 2009, the governments of Russia and the Ukraine have considered increasing the excise tax rates on beer. A 200% increase in the excise tax on regular-strength beer has been adopted by the Russian parliament, with the upper legislative chamber and the president still considering the legislation. If enacted, this tax could result in average price increases of up to 25%, and would likely cause our volumes of beer sold in Russia to decrease. In the Ukraine, the proposed increase seeks to double excise taxes on all beers. Such an increase could result in an average price increase of up to 14%, and would likely cause our volumes of beer sold in the Ukraine to decrease.

To the extent that the effect of the tax reforms described above or other proposed changes to excise and other indirect duties in the countries in which we operate is to increase the total burden of indirect taxation on our products, the results of our operations in those countries could be adversely affected.

In addition to excise and other indirect duties, we are subject to income and other taxes in the countries in which we operate. There can be no assurance that the operations of our breweries and other facilities will not become subject to increased taxation by national, local or foreign authorities or that we and our subsidiaries will not become subject to higher corporate income tax rates or to new or modified taxation regulations and requirements. Any such increases or changes in taxation would tend to adversely impact our results of operations.

***We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws.***

We are subject to antitrust and competition laws in the jurisdictions in which we operate and may be subject to regulatory scrutiny in certain of these jurisdictions, including due to our size and market share in such jurisdictions. In a number of the jurisdictions in which we operate, we produce and/or sell a significant portion of the beer consumed. Our ability to grow through acquisitions in certain countries might be limited due to our important position in those markets. For instance, our Brazilian listed subsidiary, AmBev, has been subject to monitoring by Brazilian antitrust authorities (see Business Description Legal and Arbitration Proceedings AmBev and its Subsidiaries Antitrust Matters ). There can be no assurance that the introduction of new competition laws in the jurisdictions in which we operate, the interpretation of existing antitrust or competition

---

**Table of Contents**

laws or the enforcement of existing antitrust or competition laws, or any agreements with antitrust or competition authorities, against us or our subsidiaries, including AmBev, will not affect our business or the businesses of our subsidiaries in the future.

*Our operations are subject to environmental regulations, which could expose us to significant compliance costs and litigation relating to environmental issues.*

Our operations are subject to environmental regulations by national, state and local agencies, including, in certain cases, regulations that impose liability without regard to fault. These regulations can result in liability which might adversely affect our operations. The environmental regulatory climate in the markets in which we operate is becoming stricter, with greater emphasis on enforcement.

While we have budgeted for future capital and operating expenditures to maintain compliance with environmental laws and regulations, there can be no assurance that we will not incur substantial environmental liability or that applicable environmental laws and regulations will not change or become more stringent in the future.

*We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba has been identified by the U.S. Department of State as a state sponsor of terrorism and is targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities.*

We own indirectly a 50% equity interest in Cerveceria Bucanero S.A., a Cuban company in the business of producing and selling beer. The other 50% equity interest is owned by the Government of Cuba. Cerveceria Bucanero S.A. is operated as a joint venture, in which we appoint the general manager. Cerveceria Bucanero S.A.'s main brands are Bucanero and Cristal. In 2008, Cerveceria Bucanero S.A. sold 1.07 million hectoliters, representing about 0.3% of our global volume of 416 million hectoliters based on pro-forma information for our combined company. Although Cerveceria Bucanero S.A.'s production is primarily sold in Cuba, a small portion of its production is exported and sold by certain of our non-U.S. affiliates in other countries outside Cuba (but not the United States). Cerveceria Bucanero S.A. also imports and sells in Cuba a small quantity of Becks branded products produced by one of our German subsidiaries.

Cuba has been identified by the United States government as a state sponsor of terrorism, and the U.S. Treasury Department's Office of Foreign Assets Control and the U.S. Commerce Department together administer and enforce broad and comprehensive economic and trade sanctions based on U.S. foreign policy towards Cuba. Although our operations in Cuba are quantitatively immaterial, our overall business reputation may suffer or we may face additional regulatory scrutiny as a result of our activities in Cuba based on its identification as a state sponsor of terrorism and target of U.S. economic and trade sanctions. In addition, there are initiatives by federal and state lawmakers in the United States, and certain U.S. institutional investors, including pension funds, to adopt laws, regulations or policies requiring divestment from, or reporting of interests in to facilitate divestment from, companies that do business with countries designated as state sponsors of terrorism, including Cuba. If investors decide to liquidate or otherwise divest their investments in companies that have operations of any magnitude in Cuba, the market in and value of our securities could be adversely impacted.

In addition, the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (known as the **Helms-Burton Act**) authorizes private lawsuits for damages against anyone who traffics in property confiscated without compensation by the Government of Cuba from persons who at the time were, or have since become, nationals of the United States. Although this section of the Helms-Burton Act is currently suspended by discretionary presidential action, the suspension may not continue in the future. Claims accrue notwithstanding the suspension and may be asserted if the suspension is discontinued. The Helms-Burton Act also includes a section that authorizes the U.S. Department of State to prohibit entry into the United States of non-U.S. persons who traffic in confiscated property, and corporate officers and principals of such persons, and their families. We have received notice of claims purporting to be made under the Helms-Burton Act relating to Cerveceria

## **Table of Contents**

Bucanero S.A.'s use of a trademark, which is alleged to have been confiscated by the Cuban government and trafficked by us through our ownership and management of Cerveceria Bucanero S.A. Although we have attempted to review and evaluate the validity of the claims, due to the uncertain underlying circumstances, we are currently unable to express a view as to the validity of such claims, or as to the standing of the claimants to pursue them.

### ***We may not be able to recruit or retain key personnel.***

In order to develop, support and market our products, we must hire and retain skilled employees with particular expertise. The implementation of our strategic business plans could be undermined by a failure to recruit or retain key personnel or the unexpected loss of senior employees, including in acquired companies.

Our success following the Anheuser-Busch acquisition will also depend, among other things, on our capacity to retain the key employees of Anheuser-Busch and InBev. These key employees could leave their employment because of the uncertainties about their roles in our combined company, difficulties related to the combination, or a general desire not to remain with us. Redundancies and early retirements at Anheuser-Busch, made in connection with the integration of InBev and Anheuser-Busch following the Anheuser-Busch acquisition, could also impact our ability to retain key personnel at Anheuser-Busch and relations with the Anheuser-Busch workforce. Moreover, we will have to address issues inherent in the management of a greater number of employees in some very diverse geographic areas. Therefore, it is not certain that we will be able to attract or retain our key employees and successfully manage them, which could disrupt our business and have an unfavourable material effect on our financial position, our income from operations and our competitive position.

Our success also depends upon maintaining good relations with our workforce. A substantial majority of our workforce in several of our operations is unionised. For instance, a majority of the hourly employees at breweries in the U.S. are represented by the International Brotherhood of Teamsters. Any work stoppages or strikes which tend to arise at the occasion of the renegotiation of collective bargaining agreements could adversely affect our ability to operate our businesses. The reorganisation and restructuring of our business to meet current market challenges or as a result of the Anheuser-Busch acquisition has also led to a more strained relationship with unions in certain of our business zones. There can be no assurance that any increase in labour costs would not adversely impact our business, results of operations and financial condition.

### ***Information technology failures could disrupt our operations.***

We increasingly rely on information technology systems to process, transmit, and store electronic information. A significant portion of the communication between our personnel, customers, and suppliers depends on information technology. As with all large systems, our information systems may be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers or other security issues. These or other similar interruptions could disrupt our operations, cash flows or financial condition.

We depend on information technology to enable us to operate efficiently and interface with customers, as well as to maintain in-house management and control. We have also entered into various information technology services agreements (with, among others, IBM Belgium, BT Limited Belgian Branch and LogicaCMG SA/NV) pursuant to which our information technology infrastructure is outsourced. The concentration of processes in shared services centres means that any disruption could impact a large portion of our business within the operating zones served. If we do not allocate, and effectively manage, the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, or the loss of or damage to intellectual property through security breach. As with all information technology systems, our system could also be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes. Such interruptions could disrupt our business and could have a material adverse effect on our business, results of operations, cash flows or financial condition.

---

## **Table of Contents**

### ***Natural and other disasters could disrupt our operations.***

Our business and operating results could be negatively impacted by social, technical or physical risks such as earthquakes, hurricanes, flooding, fire, power loss, loss of water supply, telecommunications and information technology system failures, political instability, military conflict and uncertainties arising from terrorist attacks, including a global economic slowdown, the economic consequences of any military action and associated political instability.

### ***Our insurance coverage may not be sufficient.***

The cost of some of our insurance policies could increase in the future. In addition, some types of losses, such as losses resulting from wars, acts of terrorism, or natural disasters, generally are not insured because they are either uninsurable or it is not economically practical to obtain insurance. Moreover, insurers recently have become more reluctant to insure against these types of events. Should an uninsured loss or a loss in excess of insured limits occur, this could adversely impact our business, results of operations and financial condition.

### **Risks Relating to the Anheuser-Busch Acquisition**

#### ***We face financial risks due to our increased level of debt and challenging market conditions.***

We financed the Anheuser-Busch acquisition with a combination of a fully committed USD 45 billion senior debt facility (of which USD 44 billion was ultimately drawn) and a fully committed bridge facility of USD 9.8 billion. On 18 December 2008, we repaid the debt incurred under the bridge facility with the net proceeds of our rights offering, which closed on 16 December 2008, and cash proceeds we received from hedging the foreign exchange rate between the euro and the U.S. dollar in connection with the rights offering. We have also refinanced a portion of the debt incurred under the senior facility with a combination of the net proceeds from certain debt offerings, the net proceeds of the disposal of certain assets and businesses, and cash from operations, as described in Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Net debt and Equity . The terms of the senior financing arrangements, as well as their intended uses, are described under Business Description Material Contracts Financing the Anheuser-Busch Acquisition .

The senior debt facility we entered into in connection with the Anheuser-Busch acquisition could have significant consequences, including:

- whether or not we are able to refinance the indebtedness incurred in connection with the Anheuser-Busch acquisition through asset disposals, the portion of our consolidated balance sheet represented by debt will remain significantly higher as compared to our historical position.

Our consolidated liabilities following the Anheuser-Busch acquisition also include any outstanding Anheuser-Busch indebtedness, including indebtedness not refinanced in connection with the acquisition. As at 30 June 2009, the total long-term indebtedness of Anheuser-Busch was USD 5.8 billion after purchase price allocation. Our increased level of debt could have significant consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;

- limiting our ability to fund future working capital and capital expenditure, to engage in future acquisitions or development activities or to otherwise realise the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal on our debt or to comply with any restrictive terms of our debt;



**Table of Contents**

limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

impairing our ability to obtain additional financing in the future;

requiring us to issue additional equity (possibly under unfavourable conditions); and

placing us at a competitive disadvantage compared to our competitors that have less debt.

Further, a credit rating downgrade affecting us as a result of increased leverage or other reasons could have a material adverse effect on our ability to finance our ongoing operations or to refinance our existing indebtedness. In addition, if we fail to comply with the covenants or other terms of any agreements governing these facilities, our lenders will have the right to accelerate the maturity of that debt.

We may reduce the amount of dividends we will pay in the next two to three years and may have to make further reductions or reduce dividends for a longer period as a result of our increased level of debt, our strategy to reduce our leverage and the effect of the financial covenants in the debt facilities entered into to fund the Anheuser-Busch acquisition. See Business Description Material Contracts Financing the Anheuser-Busch Acquisition Senior Facilities Agreement Financial Condition Undertaking for a description of the main covenants under our senior facilities agreement.

Our ability to repay our outstanding indebtedness will depend upon market conditions. The capital and credit markets have been experiencing volatility and disruption for more than twelve months. In the final months of 2008, for example, the volatility and disruption reached unprecedented levels. In some cases, the markets produced downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced, and in some cases, ceased to provide funding to borrowers. If such unfavourable conditions continue or worsen, our costs could increase beyond what is anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due would have a material adverse effect on our financial condition and results of operations.

***We may fail to realise the anticipated business growth opportunities, cost savings, increased profits, synergies and other benefits anticipated from the Anheuser-Busch acquisition.***

Achieving the advantages of the Anheuser-Busch acquisition will depend partly on the continued rapid and efficient combination of the activities of InBev and Anheuser-Busch, two companies of considerable size that functioned independently and were incorporated in different countries, with geographically dispersed operations, and with different business cultures and compensation structures.

The integration process involves inherent costs and uncertainties, and there is no assurance that the Anheuser-Busch acquisition will achieve anticipated business growth opportunities, cost savings, increased profits, synergies and other benefits. We believe the consideration paid for the Anheuser-Busch acquisition was justified, in part, by the business growth opportunities, cost savings, increased profits, synergies, revenue benefits and other benefits we anticipate achieving by combining our InBev operations with those of Anheuser-Busch. However, these anticipated business growth opportunities, cost savings, increased profits, synergies and other benefits may not develop, and the assumptions upon which we determined the consideration paid for the Anheuser-Busch acquisition may prove to be incorrect because, among other things, such assumptions were based on publicly available information. In addition, benefits may be lower than anticipated if we are not able to successfully introduce the Anheuser-Busch brands (such as Budweiser) into the markets outside the United States in which we intend to do so, or if we fail to successfully use the intellectual property rights of any such brands in

## **Table of Contents**

those markets, for example if we are legally restricted in using such rights, including as a result of third-party ownership of the relevant trademarks in various countries. Further, anticipated benefits may be adversely affected by a negative reaction of consumers or customers to the acquisition.

Implementation of the acquisition and the successful integration of Anheuser-Busch will also require a significant amount of management time and, thus, may affect or impair management's ability to run our business effectively during the period of the acquisition and integration. In addition, we may not have, or be able to retain, employees with the appropriate skill sets for the tasks associated with our integration plan, which could adversely affect the integration of Anheuser-Busch. In addition, employee departures and early retirements in the process of achieving synergies and company integration may create management challenges in respect of the businesses that have been acquired.

Although the estimated expense savings and revenue synergies contemplated by the Anheuser-Busch acquisition are significant, there can be no assurance that we will realise these benefits in the time expected, or at all. Any failures, material delays or unexpected costs of the integration process could therefore have a material adverse effect on our business, results of operations and financial condition.

*An impairment of goodwill or other intangible assets would adversely affect our financial condition and results of operations.*

As a result of the Anheuser-Busch acquisition, we have recognised USD 32.2 billion of goodwill on our balance sheet and have recorded several brands from the Anheuser-Busch business (including brands in the Budweiser brand family, the Michelob brand family, the Busch brand family and the Natural brand family) as intangible assets with indefinite life with a fair value of USD 21.5 billion. Under IFRS, goodwill and intangible assets with indefinite life are not amortised but are tested for impairment annually, or more often if an event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. In particular, if the combination of the businesses meets with unexpected difficulties, or if our business does not develop as expected, impairment charges may be incurred in the future that could be significant and that could have an adverse effect on our results of operations and financial condition.

*We may not be able to complete any planned or other restructuring or divestitures in connection with the Anheuser-Busch acquisition promptly, or at all.*

Following the Anheuser-Busch acquisition, we have recently and may continue to dispose of certain assets or businesses of InBev or Anheuser-Busch, and we expect to utilise the proceeds from any such disposals to repay indebtedness incurred to finance the acquisition. However, we may not be able to affect any restructuring or divestitures at the time intended, or at all, or at the desired price, especially in challenging market conditions. In addition, any restructuring or divestiture could be the subject of challenges or litigation, and a court could delay any such transactions or prohibit them from occurring on their proposed terms, or from occurring at all, which could adversely affect the funding, synergies and cost savings sought to be achieved in connection with the Anheuser-Busch acquisition.

*Actions taken to enjoin the integration of our InBev and Anheuser-Busch businesses could significantly reduce the expected advantages thereof and could have a material adverse effect on us.*

On 10 September 2008 an action brought under Section 7 of the Clayton Antitrust Act entitled Ginsburg et al. v. InBev NV/SA et al., C.A. No. 08-1375, was filed against InBev, Anheuser-Busch and Anheuser-Busch, Inc. in the United States District Court for the Eastern District of Missouri. The complaint alleges that the Anheuser-Busch acquisition will have certain anticompetitive effects and consequences on the beer industry and

**Table of Contents**

will create a monopoly in the production and sale of beer in the United States. Plaintiffs generally seek declaratory relief that the Anheuser-Busch acquisition violates Section 7 of the Clayton Antitrust Act, injunctive relief to prevent consummation of the acquisition, and fees and expenses. On 18 November 2008 plaintiffs' request for injunctive relief was denied. On 3 August 2009 the Court granted defendants' Motion to Dismiss plaintiffs' claims with prejudice. On 4 August 2009 the Court entered judgment in favour of the defendants. On 19 August 2009, plaintiffs filed an appeal of such judgment. We continue to vigorously defend against these claims through the appellate process.

On 16 October 2008, Grupo Modelo, Diblo S.A. de C.V. and the Grupo Modelo series A shareholders filed a notice of arbitration, under the arbitration rules of the United Nations Commission on International Trade Law, against Anheuser-Busch, Anheuser-Busch International Inc. and Anheuser-Busch International Holdings Inc. The notice of arbitration claimed the transaction between Anheuser-Busch and InBev violated provisions of the 1993 investment agreement, governed by the law of the United Mexican States, between the Anheuser-Busch entities, Grupo Modelo, Diblo and the series A shareholders. It seeks post-closing relief, including (i) a declaration that Anheuser-Busch breached the 1993 investment agreement, (ii) rescission of certain continuing rights and obligations under the 1993 investment agreement, (iii) a permanent injunction against Anheuser-Busch or its successors from exercising governance rights under the 1993 investment agreement, (iv) suspension of Anheuser-Busch's right to exercise a right of first refusal to purchase the stock of Grupo Modelo held by the series A shareholders, (v) rectification of the 1993 investment agreement to add additional restrictions on the Anheuser-Busch entities and (vi) money damages of up to \$2.5 billion. The respondents believe that the claims are without merit because, among other things, there is no change of control clause in the investment agreement and no sale or transfer of the shares of Grupo Modelo and Diblo held by Anheuser-Busch International Holdings Inc. occurred. However, the relief sought by Grupo Modelo, Diblo and its series A shareholders in the arbitral proceeding or any other equitable or other relief they may seek may have an adverse effect on us, including by limiting our ability to exercise governance rights under the investment agreement with Grupo Modelo after the closing of the Anheuser-Busch acquisition. On 2 February 2009, the arbitration panel denied Grupo Modelo's request for interim measures that would have prevented Anheuser-Busch from exercising its corporate governance rights pending the final arbitration proceeding. The panel also ruled that Anheuser-Busch was to provide 90 days notice if it intends to sell its shares. In August 2009, the final arbitration proceeding was conducted in New York City. The arbitration panel has not yet issued a ruling.

See Business Description Legal and Arbitration Proceedings Anheuser-Busch Grupo Modelo Arbitration .

Any of the proceedings or actions that seek equitable or other relief that affects our combination with Anheuser-Busch and our operations in specific jurisdictions or our ability or that of our subsidiaries to exercise rights under existing agreements, such as the Grupo Modelo investment agreement, or that may require us to take other actions, including the divestiture of any of our assets or businesses, could diminish substantially the synergies and the advantages which we expect from the Anheuser-Busch acquisition, and have a material adverse effect on us and on the trading price of our securities.

***The Anheuser-Busch acquisition was subject to the review and authorisation of various governmental authorities, which imposed conditions that could have an unfavourable impact on InBev and Anheuser-Busch.***

On 14 November 2008, we reached a proposed consent final judgment with Anheuser-Busch and the U.S. Department of Justice that permitted the completion of our acquisition of Anheuser-Busch subject to certain actions being taken in accordance with the terms of the proposed consent final judgment, filed on 14 November 2008 in the U.S. District Court for the District of Columbia. These actions were completed in February 2009 with our sale of InBev USA LLC (d/b/a Labatt USA) to KPS Capital Partners, LP. See Legal and Arbitration Proceedings Anheuser-Busch Acquisition Antitrust Matters United States . The proposed consent final judgment received final approval by the U.S. District Court for the District of Columbia on 11 August 2009.

## **Table of Contents**

In addition, the U.S. antitrust laws enable the Department of Justice and others, such as U.S. state governments and private individuals, to bring antitrust actions contending that an already completed merger substantially lessens competition or has created a monopoly or otherwise violates the antitrust laws in different or additional respects not contemplated by the action filed on 14 November 2008 and resolved by the final judgment described above.

Authorisation, approval and/or clearance under applicable antitrust/competition laws was also obtained in Bosnia and Herzegovina, Brazil, China, Germany, Mexico, Montenegro, Serbia, Uruguay and the United Kingdom, and the regulatory review in Argentina is ongoing.

The terms and conditions of any authorisations, approvals and/or clearances still to be obtained, or any other action taken by a governmental authority following the consummation of the Anheuser-Busch acquisition, may require, among other things, the divestiture of our assets or businesses to third-parties, changes to operations in connection with the completion of the Anheuser-Busch acquisition, restrictions on our ability to operate in certain jurisdictions following the acquisition, restrictions on the combination of the InBev and Anheuser-Busch operations in certain jurisdictions or other commitments to regulatory authorities regarding ongoing operations. Any such actions could have a material adverse effect on our business and diminish substantially the synergies and the advantages which we expect to achieve from the Anheuser-Busch acquisition. Any event that delays our integration of the InBev and Anheuser-Busch businesses and operations in any jurisdiction could have a material adverse effect on us and the trading price of our shares.

In addition, divestitures and other commitments, if any, may have an adverse effect on our business, results of operations, financial condition and prospects. These or any conditions, remedies or changes also could have the effect of reducing the anticipated benefits of the transaction or imposing additional costs on us or limiting our revenues following the completion of the Anheuser-Busch acquisition, any of which might have a material adverse effect on us.

***The uncertainties about the effects of the Anheuser-Busch acquisition could materially and adversely affect our businesses and operations.***

Uncertainty regarding the effect of the Anheuser-Busch acquisition could cause disruptions to our businesses. These uncertainties may materially and adversely affect our businesses and their operations and could cause customers, distributors, other business partners and other parties that have business relationships with us to defer the consummation of other transactions or other decisions concerning our businesses, or to seek to change existing business relationships.

### **Risks Relating to the New Notes**

***Since the Issuer and the Parent Guarantor are holding companies that conduct operations through subsidiaries, your right to receive payments on the New Notes and the Guarantees is subordinated to the other liabilities of the Issuer's subsidiaries and those of the Parent Guarantor who are not Subsidiary Guarantors.***

The Parent Guarantor is organised as a holding company for our operations, and the Issuer is the holding company for Anheuser-Busch. As a result, substantially all of the Issuer's and the Parent Guarantor's operations are carried on through subsidiaries. The Issuer's principal source of income is the dividends and distributions the Issuer receives from its subsidiaries. The Parent Guarantor had guaranteed a total of USD 52.598 billion of debt as of 31 August 2009. Following the completion of the acquisition of Anheuser-Busch by InBev, the Parent Guarantor has guaranteed all of the outstanding capital markets debt issued or guaranteed by Anheuser-Busch and any outstanding debt under the senior and bridge facilities established to fund the acquisition and may guarantee certain indebtedness of certain of its subsidiaries.

The Issuer's and the Parent Guarantor's ability to meet their financial obligations is dependent upon the availability of cash flows from their domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. The Issuer's and the Parent

---

**Table of Contents**

Guarantor's subsidiaries and affiliated companies are not required and may not be able to pay dividends to the Issuer or the Parent Guarantor. Only certain of the Parent Guarantor's subsidiaries are Guarantors of the New Notes. Claims of the creditors of the Issuer's or the Parent Guarantor's subsidiaries who are not Subsidiary Guarantors have priority as to the assets of such subsidiaries over the claims of creditors of the Issuer or the Parent Guarantor. Consequently, noteholders are structurally subordinated, on the Issuer's or the Parent Guarantor's insolvency, to the prior claims of the creditors of the Issuer's or the Parent Guarantor's subsidiaries who are not Subsidiary Guarantors.

***The Guarantees to be provided by the Parent Guarantor and the Subsidiary Guarantors are subject to certain limitations that may affect the validity or enforceability of the Guarantees.***

Enforcement of each Guarantee will be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*actio pauliana*), voidable preference, financial assistance, corporate purpose, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find a Guarantee given by a Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defences, or to the extent that agreed limitations on Guarantees apply (see Description of the New Notes Guarantee Limitations), holders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors and, if payment had already been made under the relevant Guarantee, the court could require that the recipient return the payment to the relevant Guarantor.

***The Guarantees provided by AmBrew, Brandbrew, AB InBev France, Interbrew Central European Holding, Interbrew International and InBev Nederland (each as defined below), respectively, are subject to certain limitations.***

For the purposes of the Guarantee provided by AB InBev France, such Guarantee shall not include any obligation or liability which if incurred would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L.241-3 or L.242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts. In addition, the obligations and liabilities of AB InBev France under its Guarantee shall be limited, at any time, to an amount equal to the aggregate principal amount of the New Notes to the extent, however, directly or indirectly on-lent or otherwise provided by the Issuer to AB InBev France or its subsidiaries under intercompany loans or similar arrangements and outstanding at the date a payment is to be made by AB InBev France under its Guarantee.

For the purposes of the Guarantees provided by AmBrew and Brandbrew (the **Luxembourg Guarantors**) respectively, the maximum aggregate liability, in the case of AmBrew's Guarantee, and in the case of Brandbrew, Brandbrew's Guarantee and as Guarantor of the Brandbrew Guaranteed Facilities (as defined below) (excluding its Guarantee), shall not exceed an amount equal to the aggregate of (without double counting): (A) the aggregate amount of all moneys received by the relevant Luxembourg Guarantor and the relevant Luxembourg Guarantor's subsidiaries as a borrower or issuer under the relevant Luxembourg Guarantor's Guaranteed Facilities (as defined below); (B) the aggregate amount of all outstanding intercompany loans made to the relevant Luxembourg Guarantor and the relevant Luxembourg Guarantor's Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the relevant Luxembourg Guarantor's Guaranteed Facilities; and (C) an amount equal to 100% of the greater of: (I) the sum of the relevant Luxembourg Guarantor's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted above) (both as referred to in the Law of 2002) as reflected in the relevant Luxembourg Guarantor's then most recent annual accounts approved by the competent organ of the relevant Luxembourg Guarantor (as audited by its *réviseur*

---

**Table of Contents**

*d entreprises* (external auditor), if required by law); and (II) the sum of relevant Luxembourg Guarantor's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of the relevant Guarantee.

In addition, the obligations and liabilities of a Luxembourg Guarantor under its Guarantee and under any of its Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to the relevant Luxembourg Guarantor.

The Guarantees granted by Interbrew International, Interbrew Central European Holding and InBev Nederland, respectively, shall not apply to any liability to the extent that it would result in such Guarantee constituting unlawful financial assistance.

***The Guarantees provided by the Subsidiary Guarantors (but not the Parent Guarantor) may be released in certain circumstances.***

Each of the Guarantors, other than the Parent Guarantor, may terminate its Guarantee in the event that (i) the relevant Guarantor is released from its Guarantee of, or is no longer a Guarantor under, the Issuer's USD 45 billion senior facilities agreement and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. In addition, each Subsidiary Guarantor whose Guarantee is subject to the limitations described below under

Description of the New Notes Guarantee Limitations may terminate its Guarantee in the event that under the rules, regulations or interpretations of the SEC such Subsidiary Guarantor determines that it would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under the Indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). For more information see Description of the New Notes Guarantees .

In relation to any future periodic or other filings of ours with the SEC, the rules and regulations of the SEC require that the Guarantees be full and unconditional obligations of each of the Subsidiary Guarantors, otherwise, in connection with such filing, separate financial statements of the Subsidiary Guarantors would be required to be filed as well. As discussed below under Description of the New Notes Guarantee Limitations , such Guarantee may be terminated or amended or modified in order to ensure compliance with the SEC's rules and regulations and to ensure that separate financial statements of such Subsidiary Guarantor need not be provided. It may not be possible to amend the limitations on the Guarantees in a manner that would meet the SEC's requirements for full and unconditional guarantees and be consistent with local law requirements for guarantees. For more information see Description of the New Notes Guarantees .

If the Guarantees by the Subsidiary Guarantors are released, the Issuer and the Parent Guarantor are not required to replace them, and the New Notes will have the benefit of fewer or no Subsidiary Guarantees for the remaining maturity of the New Notes.

AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., InBev Nederland N.V., AmBrew S.A and BrandBrew S.A., the six Subsidiary Guarantors whose Guarantees are subject to limitations, accounted for approximately two percent (2%) of the total consolidated EBITDA of AB InBev Group for the first six months of 2009 and approximately two percent (2%) of the total consolidated debt of AB InBev Group as of 30 June 2009.

---

**Table of Contents**

*Since the New Notes are unsecured, your right to receive payments may be adversely affected.*

The New Notes that the Issuer is offering for exchange will be unsecured. The New Notes are not subordinated to any of the Issuer's other debt obligations, and therefore, they will rank equally with all its other unsecured and unsubordinated indebtedness. As of 1 December 2009, neither the Parent Guarantor nor the Subsidiary Guarantors had any secured indebtedness outstanding. If the Issuer defaults on the New Notes or the Guarantors default on the Guarantees, or after bankruptcy, examinership, liquidation or reorganisation, then, to the extent that the Issuer or the Guarantors have granted security over their assets, the assets that secure their debts will be used to satisfy the obligations under that secured debt before the Issuer or the Guarantors can make payment on the New Notes or the Guarantees. There may only be limited assets available to make payments on the New Notes or the Guarantees in the event of an acceleration of the New Notes. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

*Your rights as a holder may be inferior to the rights of holders of a different series of the Issuer's notes issued under the Indenture.*

The New Notes are governed by the Indenture described under "Description of the Exchange Notes" among the Issuer, the Parent Guarantor, the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A. The Issuer may issue additional series of notes under the Indenture that have different terms from the New Notes. The Issuer may also issue series of notes under the Indenture that provide holders of those notes with rights superior to the rights attaching to the New Notes or that may be granted in the future to note holders of other series. You should read carefully the specific terms of the New Notes.

*Should the Guarantors default on their Guarantees, your right to receive payments on the Guarantees may be adversely affected by the insolvency laws of the jurisdiction of organisation of the defaulting Guarantors.*

The Parent Guarantor and Subsidiary Guarantors are organized under the laws of various jurisdictions, and it is likely that any insolvency proceedings applicable to a Guarantor would be governed by the law of its jurisdiction of organisation. The insolvency laws of the various jurisdictions of organisation of the Guarantors may vary as to treatment of unsecured creditors and may contain prohibitions on the Guarantor's ability to pay any debts existing at the time of the insolvency.

*Since the Parent Guarantor is a Belgian company, Belgian insolvency laws may adversely affect a recovery by the holders of amounts payable under the New Notes.*

There are two types of insolvency procedures under Belgian law: (i) the judicial restructuring (*réorganisation judiciaire/gerechtigde reorganisatie*) procedure and (ii) the bankruptcy (*faillite/faillissement*) procedure, each of which is described below.

A proceeding for a judicial restructuring may be commenced if the continuation of the debtor's business is, either immediately or in the future, at risk. The continuation of the debtor's business is, in any event, deemed to be at risk if, as a result of losses, the debtor's net assets have declined to less than 50% of its stated capital.

A request for a judicial restructuring is filed on the initiative of the debtor by a petition. The court can consider a preliminary suspension of payments during an initial period of six months, which can be extended by up to a maximum period of six months at the request of the company. In exceptional circumstances and in the interest of the creditors, there may be an additional extension of six months. In principle, during the initial suspension period, the debtor cannot be dissolved or declared bankrupt. However, the initial suspension period can be terminated if it becomes manifestly clear that the debtor will not be able to continue its business. Following early termination of the initial suspension period, the debtor can be dissolved or declared bankrupt. As a rule, creditors cannot enforce their rights against the debtor's assets during the period of preliminary suspension.

## Table of Contents

of payments, except in the following circumstances: (i) failure by the debtor to pay interest or charges falling due in the course of the preliminary suspension period, (ii) failure by the debtor to pay any new debts (*e.g.*, debts which have arisen after the date of the preliminary suspension of payments), or (iii) enforcement by a creditor of security (or certain netting arrangements and relating accelerated termination arrangements) pursuant to the Belgian Act of 15 December 2004 on financial collateral.

During the preliminary suspension period, the debtor must draw up a restructuring plan which must be approved by a majority of its creditors who were present at a meeting of creditors and whose aggregate claims represent over half of all outstanding claims of the debtor. The restructuring plan must have a maximum duration of five years. This plan will be approved by the court provided the plan does not violate the formalities required by the judicial restructuring legislation nor public policy. The plan will be binding on all creditors listed in the plan. Enforcement rights of creditors secured by certain types of *in rem* rights are not bound by the plan. Such creditors may, as a result, enforce their security from the beginning of the final suspension period. Under certain conditions, and subject to certain exceptions, enforcement by such creditors can be suspended for up to 24 months (as from the filing of the request for a judicial restructuring with the relevant court). Under further conditions, this period of 24 months may be extended by a further 12 months.

Any provision providing that an agreement would be terminated as the result of a debtor entering a judicial composition is ineffective, subject to exceptions set forth in the Belgian Act of 15 December 2004 on financial collateral.

The above essentially describes the so-called judicial restructuring by collective agreement of the creditors. The judicial restructuring legislation also provides for alternative judicial restructuring procedures, including (i) by amicable settlement between the debtor and two or more of its creditors and (ii) by court-ordered transfer of part or all of the debtor's business.

A company which, on a sustained basis, has ceased to make payments and whose credit is impaired will be deemed to be in a state of bankruptcy. Within one month after the cessation of payments, the company must file for bankruptcy. If the company is late in filing for bankruptcy, its directors could be held liable for damages to creditors as a result thereof. Bankruptcy procedures may also be initiated on the request of unpaid creditors or on the initiative of the public prosecutor.

Once the court decides that the requirements for bankruptcy are met, the court will establish a date before which claims for all unpaid debts must be filed by creditors. A bankruptcy trustee will be appointed to assume the operation of the business and to organize a sale of the debtor's assets, the distribution of the proceeds thereof to creditors and the liquidation of the debtor.

Payments or other transactions (as listed below) made by a company during a certain period of time prior to that company being declared bankrupt (the **suspect period**) (*période suspecte/verdachte periode*) can be voided for the benefit of the creditors. The court will determine the date of commencement and the duration of the suspect period. This period starts on the date of sustained cessation of payment of debts by the debtor. The court can only determine the date of sustained cessation of payment of debts if it has been requested to do so by a creditor proceeding for a bankruptcy judgment or if proceedings are initiated to that effect by the bankruptcy trustee or by any other interested party. This date cannot be earlier than six months before the date of the bankruptcy judgment, unless a decision to dissolve the company was made more than six months before the date of the bankruptcy judgment, in which case the date could be the date of such decision to dissolve the company. The ruling determining the date of commencement of the suspect period or the bankruptcy judgment itself can be opposed by third parties, such as other creditors, within 15 days following the publication of that ruling in the Belgian Official Gazette.

The transactions which can or must be voided under the bankruptcy rules for the benefit of the bankrupt estate include (i) any transaction entered into by a Belgian company during the suspect period if the value given to creditors significantly exceeded the value the company received in consideration, (ii) any transaction entered



---

**Table of Contents**

into by a company which has stopped making payments if the counter party to the transaction was aware of the suspension of payments, (iii) security interests granted during the suspect period if they intend to secure a debt which existed prior to the date on which the security interest was granted, (iv) any payments (in whatever form, *i.e.* money or in kind or by way of set-off) made during the suspect period of any debt which was not yet due, as well as all payments made during the suspect period other than with money or monetary instruments (*i.e.* checks, promissory notes, etc.), and (v) any transaction or payment effected with fraudulent intent irrespective of its date.

Following a judgment commencing a bankruptcy proceeding, enforcement rights of individual creditors are suspended (subject to exceptions set forth in the Belgian Act of 15 December 2004 on financial collateral). Creditors secured by *in rem* rights, such as share pledges, will regain their ability to enforce their rights under the security after the bankruptcy trustee has verified the creditors' claims.

***The New Notes lack a developed trading market, and such a market may never develop. The trading price for the New Notes may be adversely affected by credit market conditions.***

The Issuer does not intend to list the New Notes on any securities exchange. There can be no assurance that an active trading market will develop for the New Notes, nor any assurance regarding the ability of holders to sell their New Notes or the price at which such holders may be able to sell their New Notes. If a trading market were to develop, the New Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including, among other things, prevailing interest rates, the Issuer's or the Parent Guarantor's financial results, any decline in the Issuer's or the Parent Guarantor's credit-worthiness and the market for similar securities. The trading market for the New Notes will be affected by general credit market conditions, which in recent periods have been marked by significant volatility and price reductions, including for debt issued by investment-grade companies.

***The change in control clause may not be effective.***

The change in control clause, as detailed under Description of the New Notes Holder's Option to Require Repayment upon a Change of Control is subject to the approval of our shareholders. The approval of the change in control clause is expected to be raised at the next general meeting of our shareholders. In the event that the shareholders do not approve the change in control clause it will not be effective.

***The Issuer may not be able to repurchase all of the notes upon a change of control, which would result in a default under the notes.***

Upon the occurrence of specific kinds of change of control events, each holder will have the right to require the Issuer to repurchase all or any part of such holder's notes at a price equal to 101% of its principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If such change of control event occurs, there can be no assurance that the Issuer would have sufficient financial resources available to satisfy its obligations to repurchase the notes. In addition, the Issuer's ability to repurchase the notes for cash may be limited by law or by the terms of other agreements relating to its indebtedness outstanding at that time. The Issuer's failure to repurchase the notes within the applicable time period would result in a default under the Indenture, which could have material adverse consequences for the Issuer and for holders.

**Table of Contents****USE OF PROCEEDS**

We will not receive any cash proceeds from the issuance of the New Notes pursuant to the Exchange Offers. In consideration for issuing the New Notes as contemplated in this Form F-4, we will receive in exchange a like principal amount of Old Notes, the terms of which are identical in all material respects to the New Notes. The Old Notes surrendered in exchange for the New Notes will be cancelled.

We used all of the net proceeds from the sale of the Old Notes to repay outstanding amounts under our senior facilities agreement, with USD 4.107 billion applied to the Facility C loan and USD 1.348 billion applied to the Facility A loan. As a result, all amounts due under the Facility A loan have now been repaid. The Facility C loan, the Facility A loan and the senior facilities agreement are described in Business Description Material Contracts Financing the Anheuser-Busch Acquisition Senior Facilities Agreement. No portion of the proceeds from the sale of the Old Notes was on-lent to any member of the AB InBev Group.

**EXCHANGE RATE INFORMATION**

The following tables set forth, for the periods and dates indicated, certain information regarding the exchange rate between the euro and the U.S. dollar, based on the closing spot rates as published by Bloomberg at 5:00 p.m. (New York time) on each business day during the period. These rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this Form F-4. Inclusion of these exchange rates is not meant to suggest that the U.S. dollar amounts actually represent such euro amounts or that such amounts could have been converted into euro at any particular rate, if any. The following tables have been set out solely for the purpose of convenience.

| <b>Years ended 31 December</b> | <b>High</b>                    | <b>Low</b> | <b>Average<sup>(1)</sup></b> | <b>Period End</b> |
|--------------------------------|--------------------------------|------------|------------------------------|-------------------|
|                                | <i>(U.S. dollars per euro)</i> |            |                              |                   |
| 2008                           | 1.5991                         | 1.2453     | 1.4710                       | 1.3971            |
| 2007                           | 1.4872                         | 1.2893     | 1.3796                       | 1.4589            |
| 2006                           | 1.3343                         | 1.1820     | 1.2657                       | 1.3197            |
| 2005                           | 1.3465                         | 1.1670     | 1.2387                       | 1.1849            |
| 2004                           | 1.3637                         | 1.1822     | 1.2494                       | 1.3554            |

(1) The average of the exchange rates on the last business day of each month during the relevant period.

| <b>Months</b>                      | <b>High</b>                    | <b>Low</b> |
|------------------------------------|--------------------------------|------------|
|                                    | <i>(U.S. dollars per euro)</i> |            |
| December 2009 (through 2 December) | 1.5081                         | 1.5044     |
| November 2009                      | 1.5134                         | 1.4724     |
| October 2009                       | 1.5033                         | 1.4545     |
| September 2009                     | 1.4790                         | 1.4224     |
| August 2009                        | 1.4412                         | 1.4082     |
| July 2009                          | 1.4257                         | 1.3884     |
| June 2009                          | 1.4303                         | 1.3803     |

**Table of Contents****CAPITALISATION**

The following table shows our cash and cash equivalents and capitalisation as of 30 September 2009 on an actual basis and on an as adjusted basis to give effect to (i) the offering of the Old Notes and (ii) the application of the net proceeds of the offering of the Old Notes. You should read the information in this table in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and the accompanying notes included in this Form F-4.

|   | <b>As of 30 September 2009 (unaudited)</b> |  |
|---|--|--|
|   | <b>Actual</b>                              | <b>As Adjusted for Sale<br/>of Old Notes</b> |
|   | <i>(USD million)</i>                       |  |
| Cash and cash equivalents, less bank overdrafts | 4,482                                      | 4,482  |
| <b>Current interest-bearing liabilities</b>     |  |  |
| Secured bank loans                              | 85   | 85   |
| Unsecured bank loans                            | 1,557                                      | 1,557  |
| Unsecured bond issues                           | 515  | 515  |
| Unsecured other loans                           | 6  | 6  |
| Finance lease liabilities                       | 5  | 5  |
| <b>Non-current interest-bearing liabilities</b> |  |  |
| Secured bank loans                              | 68   | 68   |
| Unsecured bank loans(1)                         | 30,389                                     | 24,934                                       |
| Unsecured bond issues(1)                        | 22,896                                     | 28,396                                       |
| Secured other loans                             | 6  | 6  |
| Unsecured other loans                           | 211  | 211  |
| Finance lease liabilities                       | 46   | 46   |
| <b>Total interest-bearing liabilities</b>       | <b>55,784</b>                              | <b>55,829</b>                                |
| Equity attributable to equity holders of InBev  | 27,675                                     | 27,675                                       |
| Minority interests                              | 2,644                                      | 2,644  |
| <b>Total capitalisation:</b>                    | <b>86,103</b>                              | <b>86,148</b>                                |

- (1) As a result of the sale of the Old Notes, non-current unsecured bond issues increased by USD 5.455 billion. We used all of the net proceeds from the sale of the Old Notes to repay outstanding amounts under our senior facilities agreement, with USD 4.107 billion applied to the Facility C loan and USD 1.348 billion applied to the Facility A loan. In addition to the repayments made from the net proceeds of the sale of the Old Notes, between 30 September 2009 and 5 November 2009, we repaid an additional USD 833 billion under the Facility A loan. The Facility A loan, the Facility C loan and the senior facilities agreement generally are described in Business Description Material Contracts Financing the Anheuser-Bush Acquisition Senior Facilities Agreement .

**Table of Contents****SELECTED FINANCIAL INFORMATION**

The selected historical financial information presented below as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, has been derived from our audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union, which we refer to as **IFRS**. The selected historical financial information presented below as of and for the six-month periods ended 30 June 2009 and 2008 has been derived from our unaudited IFRS condensed consolidated interim financial statements. The interim data include all adjustments, consisting of normally recurring adjustments, necessary for a fair statement of the results for the interim period.

The selected historical financial information presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes and our unaudited condensed consolidated interim financial statements and the accompanying notes that, in each case, have been included in this Form F-4.

Effective 1 January 2009, we changed the presentation currency of our consolidated financial statements from the euro to the U.S. dollar, reflecting the post-Anheuser-Busch acquisition profile of our revenue and cash flows, which are now primarily generated in U.S. dollars and U.S. dollar-linked currencies. We believe that this change provides greater alignment of our presentation currency with our most significant operating currency and underlying financial performance. For comparability purposes in this Form F-4, we have also restated our historical audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, and the selected financial information as of and for the years ended 31 December 2005 and 2004 set out below, from the euro to the U.S. dollar. Unless otherwise specified, all financial information included in this Form F-4 has been stated in U.S. dollars.

For a summary of recent developments affecting us, see [Recent Developments](#).

|  | Six months ended<br>30 June                      |        | Year ended 31 December (restated) |        |             |                |                |
|--|--|--------|-----------------------------------|--------|-------------|----------------|----------------|
|  | 2009   | 2008   | 2008                              | 2007   | 2006        | 2005           | 2004           |
|  | (unaudited)                                      |        | (audited)                         |        | (unaudited) |                |                |
|  | <i>(USD million, unless otherwise indicated)</i> |        |                                   |        |             |                |                |
| <b>Income Statement Data</b>   |  |        |                                   |        |             |                |                |
| Revenue <sup>(1)</sup>   | 17,698   | 10,563 | 23,507                            | 19,735 | 16,692      | 14,577         | 10,598         |
| Profit from operations   | 4,928  | 2,508  | 5,340                             | 5,872  | 3,925       | 2,749          | 1,625          |
| Profit   | 2,343  | 1,766  | 3,126                             | 4,167  | 2,667       | 1,753          | 1,111          |
| Profit attributable to our equity holders  | 1,787  | 1,207  | 1,927                             | 3,005  | 1,770       | 1,131          | 889            |
| EBITDA, <sup>(2)</sup> as defined  | 6,289  | 3,350  | 7,252                             | 7,280  | 5,296       | <sup>(3)</sup> | <sup>(3)</sup> |
| Ratio of earnings to fixed charges <sup>(4)</sup>                                      | 2.29   | *      | 2.90                              | 5.88   | 4.87        | 3.38           | 3.75           |
| Weighted average number of ordinary shares (million shares) <sup>(5) (8)</sup>         | 1,582  | 960    | 999                               | 976    | 972         | 960            | 768            |
| Diluted weighted average number of ordinary shares (million shares) <sup>(6) (9)</sup> | 1,590  | 963    | 1,000                             | 981    | 980         | 964            | 773            |
| Basic earnings per share (USD) <sup>(7) (9)</sup>                                      | 1.13   | 1.26   | 1.93                              | 3.08   | 1.82        | 1.18           | 1.16           |
| Diluted earnings per share (USD) <sup>(8) (9)</sup>                                    | 1.12   | 1.25   | 1.93                              | 3.06   | 1.81        | 1.17           | 1.15           |
| Dividends per share (USD)  | n/a  | n/a    | 0.35                              | 3.67   | 0.95        | 0.57           | 0.52           |
| Dividends per share (EUR)  | n/a  | n/a    | 0.28                              | 2.44   | 0.72        | 0.48           | 0.39           |

\* Not applicable.

**Table of Contents**

|  | Six months ended<br>30 June |         | Year ended 31 December<br>(restated) |         |         |
|--|-----------------------------|---------|--------------------------------------|---------|---------|
|  | 2009                        | 2008    | 2008                                 | 2007    | 2006    |
|  | (unaudited)                 |         | (audited)                            |         |         |
| <i>(USD million, unless otherwise indicated)</i> |                             |         |                                      |         |         |
| <b>Cash Flow Data</b>                            |                             |         |                                      |         |         |
| Cash flow from operating activities              | 5,067                       | 1,829   | 6,158                                | 5,557   | 4,122   |
| Cash flow from investing activities              | 157                         | (2,019) | (55,503)                             | (3,225) | (4,365) |
| Cash flow from financing activities              | (1,452)                     | (330)   | 49,879                               | (1,327) | 261     |

|  | As of 30 June<br>2009 |         | As of 31 December (restated) |        |             |        |
|--|-----------------------|---------|------------------------------|--------|-------------|--------|
|  | 2009                  | 2008    | 2007                         | 2006   | 2005        | 2004   |
|  | (unaudited)           |         | (audited)                    |        | (unaudited) |        |
| <i>(USD million, unless otherwise indicated)</i> |                       |         |                              |        |             |        |
| <b>Balance Sheet Data</b>                        |                       |         |                              |        |             |        |
| Total assets                                     | 117,699               | 113,160 | 42,247                       | 34,566 | 27,795      | 25,395 |
| Equity   | 27,999                | 24,431  | 21,949                       | 17,308 | 13,979      | 11,841 |
| Equity attributable to our equity holders        | 25,586                | 22,442  | 20,057                       | 16,149 | 13,532      | 11,331 |
| Issued capital                                   | 1,731                 | 1,730   | 559                          | 558    | 554         | 605    |
| <b>Other Data</b>                                |                       |         |                              |        |             |        |
| Volumes (million hectoliters)                    | 200                   | 285     | 271                          | 247    | 224         | 154    |
| Book value per share                             | 16.17                 | 22.46   | 20.55                        | 16.61  | 14.09       | 14.75  |

- (1) Turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see Management's Discussion and Analysis of Financial Condition and Results of Operations Key Factors Affecting Results of Operations Excise Taxes).
- (2) The following table shows the calculation of our EBITDA, as defined, for the periods shown. A performance measure such as EBITDA, as defined, is a non-IFRS measure. The most directly comparable financial measure to EBITDA, as defined, presented in accordance with IFRS in our consolidated financial statements is profit. EBITDA, as defined, is a measure used by our management to evaluate our business performance and is defined as profit from operations before depreciation, amortisation and impairment. EBITDA, as defined, does, however, have limitations as an analytical tool. It is not a recognised term under IFRS and does not purport to be an alternative to profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. As a result, you should not consider EBITDA, as defined, in isolation from, or as a substitute analysis for, our results of operations.

For a discussion of how we use EBITDA, as defined, and its limitations, please see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined.

|   | Six months ended 30 June<br>2009 |       | Year ended 31 December<br>(USD million) |       |       |
|---|----------------------------------|-------|---|-------|-------|
|   | 2009                             | 2008  | 2008                                    | 2007  | 2006  |
|   | (unaudited)                      |       | (audited)                               |       |       |
| Profit                                    | 2,343                            | 1,766 | 3,126                                   | 4,167 | 2,667 |
| Income tax expense                        | 820                              | 232   | 674                                     | 888   | 666   |
| Net finance cost                          | 1,993                            | 513   | 1,600                                   | 818   | 593   |
| Share of result of associates             | (228)                            | (3)   | (60)                                    | (1)   | (1)   |
| Profit from operations                    | 4,928                            | 2,508 | 5,340                                   | 5,872 | 3,925 |
| Depreciation, amortisation and impairment | 1,361                            | 842   | 1,912                                   | 1,408 | 1,371 |
| EBITDA, as defined                        | 6,289                            | 3,350 | 7,252                                   | 7,280 | 5,296 |

- (3) EBITDA, as defined, is not available for the years ended 31 December 2005 and 2004.
  
- (4) The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purposes of computing this ratio, earnings consist of profit from operations before taxes and share of results of associates, plus fixed charges, minus interest capitalized during the period. Fixed charges consist of interest and accretion

**Table of Contents**

expense, interest on finance lease obligations, interest capitalized, plus one-third of rent expense on operating leases, estimated by the company as representative of the interest factor attributable to such rent expense. We did not have any preferred stock outstanding and did not pay or accrue any preferred stock dividends during the periods presented above. Set forth below is an overview of how we calculate the ratio of earnings to fixed charges for the six months ended 30 June 2009 and each of the five years ended 31 December 2008, 2007, 2006, 2005 and 2004:

|  | Six months ended |              | Year ended 31 December     |              |              |              |
|--|------------------|--------------|----------------------------|--------------|--------------|--------------|
|  | 30 June 2009     | 2008         | 2007                       | 2006         | 2005         | 2004         |
|  | (unaudited)      |              | (USD million)<br>(audited) |              | (unaudited)  |              |
| <i>Earnings:</i>   |                  |              |                            |              |              |              |
| Profit from operations before taxes and share of results of associates | 2,935            | 3,740        | 5,054                      | 3,332        | 2,244        | 1,412        |
| Add: Fixed charges (below)   | 2,281            | 1,965        | 1,035                      | 860          | 941          | 514          |
| Less: Interest Capitalized (below)                                     | 1                | -            | -                          | -            | -            | -            |
| <b>Total earnings</b>  | <b>5,215</b>     | <b>5,705</b> | <b>6,089</b>               | <b>4,192</b> | <b>3,185</b> | <b>1,926</b> |
| <i>Fixed charges:</i>  |                  |              |                            |              |              |              |
| Interest expense and similar charges                                   | 2,030            | 1,761        | 926                        | 771          | 849          | 454          |
| Accretion expense  | 208              | 127          | 49                         | 30           | 23           | 7            |
| Interest capitalized   | 1                | -            | -                          | -            | -            | -            |
| Estimated interest portion of rental expense                           | 42               | 77           | 60                         | 59           | 69           | 53           |
| <b>Total fixed charges</b>   | <b>2,281</b>     | <b>1,965</b> | <b>1,035</b>               | <b>860</b>   | <b>941</b>   | <b>514</b>   |
| <b>Ratio of earnings to fixed charges</b>                              | <b>2.29</b>      | <b>2.90</b>  | <b>5.88</b>                | <b>4.87</b>  | <b>3.38</b>  | <b>3.75</b>  |

- (5) Weighted average number of ordinary shares means, for any period, the number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.
- (6) Diluted weighted average number of ordinary shares means the weighted average number of ordinary shares, adjusted by the effect of share options issued.
- (7) Earnings per share means, for any period, profit attributable to our equity holders for the period divided by the weighted average number of ordinary shares.
- (8) Diluted earnings per share means, for any period, profit attributable to our equity holders for the period divided by the diluted weighted average number of ordinary shares.
- (9) In accordance with IAS33, we have adjusted historical data per share for each of the years ended 31 December 2007, 2006, 2005 and 2004 by an adjustment ratio of 0.6252 as a result of the capital increase pursuant to the rights offering we completed in December 2008 to restate (i) the weighted average number of ordinary shares; (ii) the diluted weighted average number of ordinary shares; (iii) the basic earnings per share; and (iv) the diluted earnings per share.

---

**Table of Contents**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following is a review of our financial condition and results of operations as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, and the six-month periods ended 30 June 2009 and 2008, and of the key factors that have affected or are expected to be likely to affect our ongoing and future operations. You should read the following discussion and analysis in conjunction with our audited and unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this Form F-4.*

*Some of the information contained in this discussion, including information with respect to our plans and strategies for our business and our expected sources of financing, contain forward-looking statements that involve risk and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks related to those statements. You should also read "Risk Factors" for a discussion of certain factors that may affect our business, financial condition and results of operations, including with respect to Anheuser-Busch.*

*We have prepared our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 and our unaudited condensed consolidated interim financial statements as of and for the six-month periods ended 30 June 2009 and 2008 in accordance with IFRS. The financial information and related discussion and analysis contained in this item are presented in U.S. dollars except as otherwise specified. Unless otherwise specified the financial information analysis in this Form F-4 is based on our actual audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.*

*See "Presentation of Financial and Other Data" for further information on our presentation of financial information.*

**KEY FACTORS AFFECTING RESULTS OF OPERATIONS**

We consider acquisitions, divestitures and other structural changes, economic conditions and pricing, consumer preferences, our product mix, raw material and transport prices, the effect of our distribution arrangements, excise taxes, the effect of governmental regulations, foreign currency effects and weather and seasonality to be the key factors influencing the results of our operations. The following section discusses these key factors.

**Acquisitions, Divestitures and Other Structural Changes**

We regularly engage in acquisitions, divestitures and investments. We also engage in start up or termination of activities and may transfer activities between business zones. Such events have had and are expected to continue to have a significant effect on our results of operations and the comparability of period-to-period results. Significant acquisitions, divestitures, investments and transfers of activities between business zones in the first six months of 2009 and in the years ended 31 December 2008, 2007 and 2006 are described below.

Events subsequent to 1 January 2009 that have had or are expected to have scope effects on our results include:

On 13 March 2009, we announced that we had completed the sale of InBev USA, the exclusive importer of Labatt branded beer in the U.S., to an affiliate of KPS Capital Partners, LP to satisfy requirements imposed by the U.S. Department of Justice in connection with its clearance of our acquisition of Anheuser-Busch.

On 30 April 2009, we announced that we had completed the sale of 19.9% of Tsingtao to Asahi Breweries, Ltd. On 8 May 2009, we announced that we had entered into an agreement with a



**Table of Contents**

private investor, Mr. Chen Fashu, to sell our remaining 7% stake in Tsingtao for USD 235 million. The sale was completed on 5 June 2009.

On 24 July 2009, we completed the previously announced sale of Oriental Brewery to an affiliate of Kohlberg Kravis Roberts & Co. L.P. ( **KKR** ) for USD 1.8 billion, which resulted in USD 1.5 billion of cash proceeds at closing.

On 1 October 2009, we completed the previously announced sale of four metal beverage can and lid manufacturing plants from our U.S. metal packaging subsidiary, Metal Container Corporation, to Ball Corporation for approximately USD 577 million. In connection with this transaction, Ball Corporation has entered into a long-term supply agreement to continue to supply us with metal beverage cans and lids from the divested plants, and has committed, as part of the acquisition agreement, to offer employment to each active employee of the plants.

During the first half of 2009 we concluded the sale of our integrated distribution network, CafeIn, in France.

For details of more recent developments, see [Recent Developments](#) [Recent Transactions](#) .  
Events in the year ended 31 December 2008 that had scope effects on our results included:

The acquisition of Anheuser-Busch in November 2008, which was a transformational transaction that significantly affects our operational scale, financial condition and results of operations. Based on 2008 pro-forma information for the combined company, if this acquisition had occurred on 1 January 2008, we estimate that our consolidated volumes, revenue and profit from operations would have been higher by 131.4 million hectoliters, USD 15.7 billion and USD 3.3 billion, respectively, for the year ended 31 December 2008. On the same basis, the share of our consolidated revenue accounted for by the North America business zone would have increased by 23.5% to 39.5%, significantly increasing operations in our North America business zone;

The sale of the Cintra brands, acquired through the 2007 business combination with Cervejarias Cintra Ind. e Com. Ltda., in May 2008; and

The sale of four wholesalers in Western Europe.  
Events in the year ended 31 December 2007 that had scope effects on our results included:

The sale of the United Dutch Breweries BV business in the Netherlands;

The acquisition of Lakeport Brewing Income Fund ( **Lakeport** ) in Canada and Cervejarias Cintra Ind. e Com. Ltda. in Brazil;

The import license entered into with Anheuser-Busch, Inc., pursuant to which Anheuser-Busch, Inc. imports our European brands into the U.S. market, effective as of 1 February 2007; as a result of the entering into this agreement, our European brands business in the United States shifted from the North America business zone to the Global Holding & Export business zone until the closing of the Anheuser-Busch acquisition, when this business was shifted back to the North America business zone; and

The sale of certain Dutch and Belgian real estate to Cofinimmo S.A.

Events in the year ended 31 December 2006 that had scope effects on our results included:

The acquisition of Fujian Sedrin Brewery Co., Ltd. in China;

---

## **Table of Contents**

The full consolidation of Quinsa into our operating results due to the acquisition of substantially all remaining minority interests in August 2006; and

The sale of Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH in Germany and the Rolling Rock family of brands in the United States, as well as certain plants in our Western Europe zone.

In addition to the divestitures described above, we may dispose of further assets or businesses and expect to utilise the proceeds from any such disposals to repay indebtedness incurred to finance the Anheuser-Busch acquisition. Accordingly, the financial information presented in this Form F-4 may not reflect the scope of our business as it will be conducted in the future.

### **Economic Conditions and Pricing**

General economic conditions in the geographic regions in which we sell our products, such as the level of disposable income, the level of inflation, the rate of economic growth, the rate of unemployment, exchange rates and currency devaluation or revaluation, influence consumer confidence and consumer purchasing power. These factors, in turn, influence the demand for our products in terms of total volumes sold and the price that can be charged. This is particularly true for emerging countries in our Latin America North, Latin America South, Central & Eastern Europe and Asia Pacific business zones, which tend to have lower disposable income per capita and may be subject to greater economic volatility than our principal markets in North America and Western Europe. The level of inflation has been particularly significant in our Latin America North, Latin America South and Central & Eastern Europe business zones. For instance, Brazil has periodically experienced extremely high rates of inflation. The annual rates of inflation, as measured by the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor*), have in the past reached a hyper-inflationary peak of 2,489.1% in 1993. Brazilian inflation, as measured by the same index, was 6.5% in 2008. Similarly, Russia and Argentina have experienced periods of hyper-inflation. Due to the decontrol of prices in 1992, retail prices in Russia increased by 2,520% in that year, as measured by the Russian Federal State Statistics Institute. Argentine inflation in 1983 was 4,923.6% according to the *Instituto Nacional de Estadística y Censos*. As measured by these institutes, in 2008, Russian inflation was 11.3% and Argentine inflation was 7.2%. Consequently, a central element of our strategy for achieving sustained profitable volume growth is our ability to anticipate changes in local economic conditions and their impact on consumer demand in order to achieve the optimal combination of pricing and sales volume.

In addition to affecting demand for our products, the general economic conditions described above may cause consumer preferences to shift between on-trade consumption channels, such as restaurants and cafés, bars, sports and leisure venues and hotels, and off-trade consumption channels, such as traditional grocery stores, supermarkets, hypermarkets and discount stores. Products sold in off-trade consumption channels typically generate higher volumes and lower margins per retail outlet than those sold in on-trade consumption channels, although on-trade consumption channels typically require higher levels of investment. The relative profitability of on-trade and off-trade consumption channels varies depending on various factors, including costs of invested capital and the distribution arrangements in the different countries in which we operate. A shift in consumer preferences towards lower margin products may adversely affect our price realisation and profit margins.

### **Consumer Preferences**

We are a consumer products company, and our results of operations largely depend on our ability to respond effectively to shifting consumer preferences. Consumer preferences may shift due to a variety of factors, including changes in demographics, changes in social trends, such as consumer health concerns about obesity, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather or negative publicity resulting from regulatory action or litigation.

---

## **Table of Contents**

### **Product Mix**

The results of our operations are substantially affected by our ability to build on our strong family of brands by re-launching or reinvigorating existing brands in current markets, launching existing brands in new markets and introducing brand extensions and packaging alternatives for our existing brands, as well as our ability to both acquire and develop innovative local products to respond to changing consumer preferences. Strong, well-recognized brands that attract and retain consumers, for which consumers are willing to pay a premium, are critical to our efforts to maintain and increase market share and benefit from high margins. See Business Description Principal Activities and Products Beer for further information regarding our brands.

### **Raw Material and Transport Prices**

We have significant exposure to fluctuations in the prices of raw materials, packaging materials, energy and transport services, each of which may significantly impact our cost of sales or distribution expenses. Increased costs or distribution expenses will reduce our profit margins if we are unable to recover these additional costs from our customers through higher prices (see Economic Conditions and Pricing ).

The main raw materials used in our beer production are malted barley, corn grits, corn syrup, rice, hops and water, while those used in our non-beer production are flavoured concentrate, fruit concentrate, sugar, sweeteners and water. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials, such as glass or PET bottles, aluminium or steel cans, labels and bottle caps.

The price and supply of the raw and packaging materials that we use in our operations are determined by, among other factors, the level of crop production (both in the countries in which we are active and elsewhere in the world), weather conditions, export demand and governmental regulations and legislation affecting agriculture and trade. Several of the commodities used in our operations experienced significant price increases during the course of 2008 due to constraints in global supply amidst growing demand in emerging markets such as Brazil, Russia, India and China. Increased energy prices over the same period led to increases in the price of energy-intensive commodities, such as aluminium, PET and glass, while increased food and bio-fuel demand led to higher prices for agricultural commodities. We are also exposed to increases in fuel and other energy prices through our direct and indirect distribution networks and production operations. Increases in the prices of our products affect demand for our products and affect our sales volumes and revenue.

While prices for our raw materials, packaging materials and energy requirements have now declined significantly from their 2008 peaks, we expect that raw material and energy prices will continue to experience price fluctuations. As further discussed under Quantitative and Qualitative Disclosures About Market Risk Market Risk, Hedging and Financial Instruments , we use both fixed price purchasing contracts and commodity derivatives to minimise exposure to commodity price volatility when practicable. Fixed price contracts to purchase raw materials comprise the majority of our purchase commitments. These contracts generally have a term of one to two years although a small number of contracts have a term of over five years. The majority of these contracts obligate us to make a minimum volume of purchases or to purchase fixed quantities. See Business Description Brewing Process; Raw Materials and Packaging; Production Facilities; Logistics Logistics for further details regarding our arrangements for sourcing of raw and packaging materials.

### **Distribution Arrangements**

We depend on effective distribution networks to deliver our products to our customers. Generally, we distribute our products through (i) direct distribution networks, in which we deliver to points of sale directly, and (ii) indirect distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. Indirect distribution networks may be exclusive or non-exclusive and may, in certain business zones, involve use of third-party distribution while we retain the sales function through an agency framework. We use

---

## **Table of Contents**

different distribution networks in the markets in which we operate, as appropriate, based on the structure of the local retail sectors, local geographic considerations, scale considerations, regulatory requirements, market share and the expected added-value and capital returns.

Although specific results may vary depending on the relevant distribution arrangement and market, in general, the use of direct distribution networks or indirect distribution networks will have the following effects on our results of operation:

*Revenue.* Revenue per hectoliter derived from sales through direct distribution tends to be higher than revenue derived from sales through third parties. In general, under direct distribution, we receive a higher price for our products since we are selling directly to points of sale, capturing the margin that would otherwise be retained by intermediaries;

*Transportation costs.* In our direct distribution networks, we sell our products to the point of sale directly and incur additional freight costs in transporting those products between our plant and such points of sale. Such costs are included in our distribution expenses under IFRS. In most of our direct distribution networks, we use third-party transporters and incur costs through payments to these transporters, which are included in our distribution expenses under IFRS. In indirect distribution networks, our distribution expenses are generally limited to expenses incurred in delivering our products to relevant wholesalers or independent distributors in those circumstances in which we make deliveries; and

*Sales expenses.* Under fully indirect distribution systems, the salesperson is generally an employee of the distributor, while under our direct distribution networks and indirect agency networks, the salesperson is generally our employee. To the extent that we deliver our products to points of sale through direct or indirect agency distribution networks, we will incur additional sales expenses from the hiring of additional employees (which may offset to a certain extent increased revenue gained as a result of direct distribution).

In addition, in certain countries, we enter into exclusive importer arrangements and depend on our counterparties to these arrangements to market and distribute our products to points of sale. To the extent that we rely on counterparties to distribution agreements to distribute our products in particular countries or regions, the results of our operations in those countries and regions will, in turn, be substantially dependent on our counterparties' own distribution networks operating effectively.

### **Excise Taxes**

Taxation on our beer and non-beer products in the countries in which we operate are comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes. In many jurisdictions, these excise and other indirect taxes make up a large proportion of the cost of beer charged to customers. Increases in excise and other indirect taxes applicable to our products will tend to adversely affect our revenue or margins, both by reducing overall consumption and by encouraging consumers to switch to lower-taxed categories of beverages. For example, see the discussion of U.S., Brazilian, Russian and Ukrainian taxes in [Risk Factors](#) [Risks Relating to Our Business](#). The beer and beverage industry may be subject to changes in taxation.

### **Governmental Regulations**

Governmental restrictions on beer consumption in the markets in which we operate vary from one country to another, and in some instances, within countries. The most relevant restrictions are:

Legal drinking ages;

Global and national alcohol policy reviews and the implementation of policies aimed at preventing the harmful effects of alcohol misuse;

---

**Table of Contents**

Restrictions on sales of alcohol generally or beer specifically, including restrictions on distribution networks, restrictions to certain retail venues, requirements that retail stores hold special licences for the sale of alcohol and restrictions on times or days of sale;

Advertising restrictions, which affect, among other things, the media channels employed, the content of advertising campaigns for our products and the time and places where our products can be advertised;

Restrictions imposed by antitrust or competition laws;

Deposit laws (including for bottles, crates and kegs); and

Heightened environmental regulations and standards, including regulations addressing emissions of gas and liquid effluents and the disposal of one-way packaging, compliance with which imposes costs.

Please refer to **Business Description Regulations Affecting Our Business** for a fuller description of the key laws and regulations to which our operations are subject.

**Foreign Currency**

Our financial statements presentation and reporting currency is the U.S. dollar. A number of our operating companies have functional currencies (that is, in most cases, the local currency of the respective operating company) other than our reporting currency. Consequently, foreign currency exchange rates have a significant impact on our consolidated financial statements. In particular:

Decreases in the value of our operating companies' functional currencies against other currencies in which their costs and expenses are priced may increase those operating companies' cost of sales and operating expenses, and thus negatively impact their operating margins in functional currency terms. For instance, in 2008 as a result of market volatility, the Brazilian real depreciated 24.2% against the U.S. dollar. This resulted in an increase in AmBev's expenses and operating costs due to a significant portion of its debt and cost of goods sold being denominated in or linked to the U.S. dollar. Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions, while monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities in currencies other than an operating company's functional currency are recognised in the income statement. Historically, we have been able to raise prices and implement cost saving initiatives to partly offset cost and expense increases due to exchange rate volatility. We also have hedge policies designed to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies' respective functional currencies. Please refer to **Quantitative and Qualitative Disclosures about Market Risk** **Market Risk, Hedging and Financial Instruments** for further detail on our approach to hedging commodity price and foreign currency risk.

Any change in the exchange rates between our operating companies' functional currencies and our reporting currency affects our consolidated income statement and balance sheet when the results of those operating companies are translated into the reporting currency for reporting purposes. Assets and liabilities of foreign operations are translated to the reporting currency at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations are translated to the reporting currency at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of transactions. The components of shareholders' equity are translated at

---

## **Table of Contents**

historical rates. Exchange differences arising from the translation of shareholders' equity to the reporting currency at year-end are taken to equity (that is, in a translation reserve). Decreases in the value of our operating companies' functional currencies against the reporting currency tend to reduce their contribution to, among other things, our consolidated revenue and profit.

For further details of the currencies in which our revenue is realised and the effect of foreign currency fluctuations on our results of operations see "Impact of Changes in Foreign Exchange Rates" below.

### **Weather and Seasonality**

Weather conditions directly affect consumption of our products. High temperatures and prolonged periods of warm weather favour increased consumption of our products, while unseasonably cool or wet weather, especially during the spring and summer months, adversely affect our sales volumes and, consequently, our revenue. Accordingly, product sales in all of our business zones are generally higher during the warmer months of the year (which also tend to be periods of increased tourist activity) as well as during major holiday periods.

Consequently, for most countries in the Latin America North and Latin America South business zones (particularly Argentina and most of Brazil), volumes are usually stronger in the fourth quarter due to year-end festivities and the summer season in the Southern Hemisphere, while for countries in North America, Western Europe, Central & Eastern Europe and Asia Pacific business zones, volumes tend to be stronger during the spring and summer seasons in the second and third quarters of each year.

Based on 2008 pro-forma information, for example, we would have realised 18.0% of our volume in Central & Eastern Europe in the first quarter, 30.6% in the second quarter, 31.0% in the third quarter and 20.4% in the fourth quarter, while in Latin America South, we would have realised 27.2% of our sales volume in the first quarter, 19.6% in the second quarter, 21.8% in the third quarter and 31.4% in the fourth quarter.

Although such sales volume figures are the result of a range of factors in addition to weather and seasonality, they are nevertheless broadly illustrative of the historic trend described above. Since Anheuser-Busch has substantial operations in the United States, the effects of weather conditions and seasonality in the Northern Hemisphere on our results of operations have increased following the Anheuser-Busch acquisition in November 2008. The peak selling periods in the United States are the second and third quarters.

### **SIGNIFICANT ACCOUNTING POLICIES**

The U.S. Securities and Exchange Commission (the "SEC") has defined a critical accounting policy as a policy for which there is a choice among alternatives available, and for which choosing a legitimate alternative would yield materially different results. We believe that the following are our critical accounting policies. We consider an accounting policy to be critical if it is important to our financial condition and results of operations and requires significant or complex judgments and estimates on the part of our management. For a summary of all of our significant accounting policies, see note 3 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 included in this Form F-4.

Although each of our significant accounting policies reflects judgments, assessments or estimates, we believe that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to our business operations and the understanding of its results: accounting for business combinations and impairment of goodwill and intangible assets; pension and other post-retirement benefits; share-based compensation; contingencies; deferred and current income taxes; and accounting for derivatives. Although we believe that our judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

---

## **Table of Contents**

### **Revenue Recognition**

Our products are sold for cash or on credit terms. In relation to the sale of beverages and packaging, we recognize revenue when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Our sales terms do not allow for a right of return.

Our customers can earn certain incentives, which are treated as deductions from revenue. These incentives primarily include volume-based incentive programs, free beer and cash discounts. The aggregate deductions from revenue recorded by the Company in relation to these programs was approximately USD 3.3 billion and USD 2.9 billion for the six-month periods ended 30 June 2009 and 2008, respectively and USD 6.3 billion, USD 4.8 billion, and USD 3.8 billion for the years ended 31 December 2008, 2007 and 2006, respectively. In preparing the financial statements, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts recorded as deductions from revenue. Management also considers past results in making such estimates. The actual amounts ultimately paid may be different from our estimates. Such differences are recorded once they have been determined and have historically not been significant.

In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers. The aggregate deductions from revenue recorded by the Company in relation to these taxes was USD 4.0 billion and USD 3.2 billion for the six-month periods ended 30 June 2009 and 2008, respectively and USD 6.8 billion, USD 6.0 billion and USD 5.2 billion for the years ended 31 December 2008, 2007 and 2006, respectively.

### **Accounting for Business Combinations and Impairment of Goodwill and Intangible Assets**

We have made acquisitions that included a significant amount of goodwill and other intangible assets, including the acquisition of Anheuser-Busch.

Our acquisition of Anheuser-Busch was accounted for using the purchase method of accounting under IFRS. The provisional allocation of the purchase price to Anheuser-Busch's property, plant and equipment, intangible assets, investments in associates, interest bearing loans and borrowings and employee benefits is reflected in our consolidated balance sheet as of 31 December 2008. The provisional allocation of the purchase price to the other Anheuser-Busch's assets and liabilities is based on the current best estimates of our management. We are still in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed in compliance with IFRS 3. The purchase price allocation is expected to be finalized by December 2009 and may result in further adjustment to the carrying value of Anheuser-Busch's recorded assets and liabilities and the determination of any residual amount that will be allocated to goodwill, although we do not believe these further adjustments will be material. The provisional allocation, as of 31 December 2008, of the purchase price included the following:

The transaction resulted in USD 32.2 billion of goodwill, which was provisionally allocated primarily to the U.S. business on the basis of expected synergies.

Most of the value of the acquired intangible assets relates to brands with indefinite life. The determination that brands have indefinite life is based on a series of factors, including the brand history, the operating plan and the countries in which the brands are sold. The brands with indefinite life include the Budweiser family (including Bud and Bud Light), the Michelob brand family, the Busch brand family and the Natural brand family; the total fair value of such brands was determined to be USD 21.5 billion.



---

**Table of Contents**

The total fair value of acquired distribution agreements and favourable contracts was determined to be USD 335 million. These are being amortised over the term of the associated contracts, ranging from 3 to 18 years.

Investments in associates (including Grupo Modelo) were valued by considering the respective share prices and exchange rates prevailing on 18 November 2008. The valuation of our stake in Tsingtao was adjusted to reflect the consideration from the disposal of a 19.9% interest on 30 April 2009 (as announced on 23 January 2009).

A deferred tax liability of USD 10.6 billion was accrued on most fair value adjustments based on a tax rate of 39%.

For additional information on the purchase price allocation, see note 6 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

We exercise significant judgment in the process of identifying tangible and intangible assets and liabilities, valuing such assets and liabilities and in determining their remaining useful lives. We generally engage third-party valuation firms to assist in valuing the acquired assets and liabilities. The valuation of these assets and liabilities is based on the assumptions and criteria which include, in some cases, estimates of future cash flows discounted at the appropriate rates. The use of different assumptions used for valuations purposes including estimates of future cash flows or discount rates may have resulted in different estimates of value of assets acquired and liabilities assumed. Although we believe that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

We test our goodwill and other long-lived assets for impairment annually or whenever events and circumstances indicate that the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those items. Our cash flow estimates are based on historical results adjusted to reflect our best estimate of future market and operating conditions. Our estimates of fair values used to determine the resulting impairment loss, if any, represent our best estimate based on forecasted cash flows, industry trends and reference to market rates and transactions. Impairments can also occur when we decide to dispose of assets.

The key judgments, estimates and assumptions used in the fair-value-less-cost-to-sell calculations are as follows:

The first year of the model is based on management's best estimate of the free cash flow outlook for the current year;

In the second to fourth years of the model, free cash flows are based on our strategic plan as approved by key management. Our strategic plan is prepared per country and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions;

For the subsequent six years of the model, data from the strategic plan is extrapolated using simplified assumptions such as constant volumes and variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;

Cash flows after the first ten-year period are extrapolated using expected annual long-term consumer price indices, based on external sources, in order to calculate the terminal value;

Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital. The latter ranged primarily between 7.6% and 25.5% in euro nominal terms for goodwill impairment testing conducted for 2008; and

## **Table of Contents**

Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

The above calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators.

Impairment testing of intangible assets with an indefinite useful life is primarily based on a fair value approach applying multiples that reflect current market transactions to indicators that drive the profitability of the asset or the royalty stream that could be obtained from licensing the intangible asset to another party in an arm's length transaction.

For additional information on goodwill, intangible assets, tangible assets and impairments, see notes 13, 14, and 15 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

### **Pension and other Post-Retirement Benefits**

We sponsor various post-employment benefit plans world-wide. These include pension plans, both defined contribution plans, and defined benefit plans, and other post-employment benefits (OPEB). Usually, pension plans are funded by payments made both by us and our employees, taking into account the recommendations of independent actuaries. We maintain funded and unfunded plans.

#### ***Defined contribution plans***

Contributions to these plans are recognised as expenses in the period in which they are incurred.

#### ***Defined benefit plans***

For defined benefit plans, expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method takes into account each period of service as giving rise to an additional unit of benefit to measure each unit separately. Under this method, the cost of providing pensions is charged to the income statement during the period of service of the employee. The amounts charged to the income statement consist of current service cost, interest cost, the expected return of any plan assets, past service costs and the effect of any settlements and curtailments. The obligations of the plan recognised in the balance sheet are measured at the current value of the estimated future cash outflows using a discount rate equivalent to the bond rates with maturity terms similar to those of the obligation, less any past service cost not yet recognised and the fair value of any plan assets. Past service costs result from the introduction of a new plan or changes to an existing plan. They are recognised in the income statement over the period the benefit vests. Actuarial gains and losses consist of the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognised in equity. For further information on how changes in these assumptions could change the amounts recognised see the sensitivity analysis within note 26 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

A portion of our plan assets is invested in equity securities. The equity markets have experienced volatility, which has affected the value of our pension plan assets. This volatility may make it difficult to estimate the long-term rate of return on plan assets. Actual results that differ from our assumptions are accumulated and amortised over future periods and therefore generally affect our recognised expense and recorded obligation in such future periods. Our assumptions are based on actual historical experience and external data regarding compensation and discount rate trends. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our pension obligation and our future expense.

## **Table of Contents**

Where the calculated amount of a defined benefit plan liability is negative (an asset), we recognise such pension asset to the extent of any unrecognised past service costs plus any economic benefits available to us either from refunds or reductions in future contributions.

### ***Other post-employment obligations***

We and our subsidiaries provide health care benefits and other benefits to certain retirees. The expected costs of these benefits are recognised over the period of employment, using an accounting methodology similar to that for defined benefit plans.

### **Share-Based Compensation**

We have various types of equity settled share-based compensation schemes for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments as at the date of grant, excluding the impact of any non-market vesting conditions. Fair value of stock options is estimated by using the binomial Hull model on the date of grant based on certain assumptions. Those assumptions are described in note 17 to our consolidated interim financial statements as of 30 June 2009 and for the six-month periods ended 30 June 2009 and 2008, and note 27 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 included in this Form F-4 and include, among others, the dividend yield, expected volatility and expected life of stock options. The binominal Hull model assumes that all employees would immediately exercise their options if our share price were 2.5 times above the option exercise price. As a consequence, no single expected option life applies, whereas the assumption of the expected volatility has been set by reference to the implied volatility of our shares in the open market and in light of historical patterns of volatility.

### **Contingencies**

The preparation of our financial statements requires management to make estimates and assumptions regarding contingencies which affect the valuation of assets and liabilities at the date of the financial statements and the revenue and expenses during the reported period.

We disclose material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable. We discuss our material contingencies in note 19 to our consolidated interim financial statements as of 30 June 2009 and for the six-month periods ended 30 June 2009 and 2008, and note 33 to our audited consolidated financial statements as of 31 December 2008 and 2007 and for the three years ended 31 December 2008.

Under IFRS, we record a provision for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur and typically those events will occur a number of years in the future. The accruals are adjusted as further information becomes available.

As discussed in Business Description Legal and Arbitration Proceedings, note 19 to our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and 2008, and in note 33 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, legal proceedings covering a wide range of matters are pending or threatened in various jurisdictions against us. We record provisions for pending litigation when we determine that an unfavourable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

## **Table of Contents**

### **Deferred and Current Income Taxes**

We recognise deferred tax effects of tax loss carry-forwards and temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities. We estimate our income taxes based on regulations in the various jurisdictions where we conduct business. This requires us to estimate our actual current tax exposure and to assess temporary differences that result from different treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we record on our consolidated balance sheet. We regularly review the deferred tax assets for recoverability and will only recognise these if we believe that it is probable that there will be sufficient taxable profit against any temporary differences that can be utilised, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. We reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. If the final outcome of these matters differs from the amounts initially recorded, differences may positively or negatively impact the income tax and deferred tax provisions in the period in which such determination is made.

### **Accounting for Derivatives**

We enter into exchange contracts, exchange traded foreign currency futures, interest rate swaps, cross-currency interest rate swaps, forward rate agreements, exchange traded interest rate futures, aluminium swaps and forwards, exchange traded sugar futures and exchange traded wheat futures. Our policy prohibits the use of derivatives in the context of speculative trading.

Derivative financial instruments are recognised initially at fair value. Fair value is the amount for which the asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arms length transaction.

Subsequent to initial recognition, derivative financial instruments are re-measured taking into account their fair value on the financial statements date. Depending on the type of instrument the changes in fair value are recognised, whether fair value hedging directly in the income statement while cash flow hedging in both equity and income statement.

The estimated fair value amounts have been determined by us using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. The fair values of financial instruments that are not traded in an active market (for example, unlisted equities, currency options, embedded derivatives and over-the-counter derivatives) are determined using valuation techniques. We use judgment to select an appropriate valuation methodology and underlying assumptions based principally on existing market conditions. Changes in these assumptions may cause the company to recognise impairments or losses in the future periods.

Although our intention is to maintain these instruments through maturity, they may be realised at our discretion. Should these instruments be settled only on their respective maturity dates, any effect between the market value and estimated yield curve of the instruments would be totally eliminated.

### **BUSINESS ZONES AND SECONDARY SEGMENTS**

Both from an accounting and managerial perspective, we are organised along seven business units or zones: North America, Latin America North (which includes Brazil, the Dominican Republic, Guatemala, Ecuador, Venezuela and Peru), Latin America South (which includes Bolivia, Paraguay, Uruguay, Argentina and Chile), Western Europe, Central & Eastern Europe, Asia Pacific and Global Export & Holding Companies. Prior

---

## **Table of Contents**

to 2007, Latin America North and Latin America South together constituted one business zone Latin America. Following the Anheuser-Busch acquisition in November 2008, the Anheuser-Busch businesses are reported according to their geographical presence in the following segments: the U.S. beer business and Grupo Modelo are reported in North America; the U.K. business is reported in Western Europe; the Harbin, Budweiser China and Tsingtao businesses are reported in Asia Pacific; and the Export, Entertainment and Packaging businesses are reported in Global Export & Holding Companies.

The financial performance of each business zone, including the business zone's sales volume and revenue, is measured based on our product sales within the countries that comprise that business zone rather than based on products manufactured within that business zone but sold elsewhere. The Global Export & Holding Companies business zone is comprised of our headquarters and the countries in which our products are sold only on an export basis and in which we do not otherwise have any operations or production activities. Beginning in 2007, the Global Export & Holding Companies business zone also encompassed the distribution platform established under the Import Agreement we entered into with Anheuser-Busch, Inc. for the import of our European brands into the United States. As a result, our North America zone during that period was comprised mainly of sales within Canada and the export of our Canadian brands into the U.S. market. Since the Anheuser-Busch acquisition in November 2008, the transactions under the Import Agreement are considered intra-company transactions and imports of our European brands into the United States are reported under the North America zone, which also encompasses Anheuser-Busch's U.S. beer business and Grupo Modelo, in addition to the pre-existing Canadian business.

On a pro-forma basis to illustrate the impact of the Anheuser-Busch acquisition as if we had owned Anheuser-Busch for the entire 2008 fiscal year, North America would have accounted for 33.8% of our consolidated volumes in 2008, Latin America North for 24.5%, Central & Eastern Europe for 11.0%, Asia Pacific for 13.4%, Western Europe for 8.4%, Latin America South for 8.2% and Global Export & Holding Companies for 0.7%. A substantial portion of our operations are carried out through our two largest subsidiaries, Anheuser-Busch (wholly-owned) and AmBev (61.75% owned as of 30 June 2009) and their respective subsidiaries.

Throughout the world, we are chiefly active in the beer business. However, we also have non-beer activities (primarily consisting of soft drinks). As a result, we historically reported our beer and non-beer business results as secondary segments within certain countries in our Latin America and Western Europe business zones, in particular, Brazil, the Dominican Republic, Peru, Venezuela, Uruguay, Argentina and Germany. Please refer to note 5 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further details on our secondary segments. Both the beer and non-beer segments comprise sales of brands that we own or license, third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network.

## **EQUITY INVESTMENTS**

We own a 35.12% direct interest in Grupo Modelo, Mexico's largest brewer and producer of the Corona brand, and a 23.25% direct interest in Grupo Modelo's operating subsidiary Diblo, S.A. de C.V. ( **Diblo** ). Our direct investments in Grupo Modelo and Diblo give us an effective (direct and indirect) 50.2% equity interest in Diblo. We hold nine of 19 positions on Grupo Modelo's board of directors (with a controlling shareholders trust holding the other 10 positions) and also have membership on the audit committee. However, we do not have voting or other effective control of either Diblo or Grupo Modelo and consequently account for our investments using the equity method.

Beginning in 2003, Anheuser-Busch participated in a strategic alliance with Tsingtao, one of the largest brewers in China and producer of the Tsingtao brand. Through the Anheuser-Busch acquisition, we acquired Anheuser-Busch's 27% economic ownership interest, and 20% voting interest, in Tsingtao. Local government authorities held the proxy voting rights for the 7% difference between our voting and economic stakes. Following

**Table of Contents**

the Anheuser-Busch acquisition, we announced that we had entered into an agreement with Asahi Breweries, Ltd., whereby Asahi acquired 19.9% of Tsingtao for USD 667 million. The sale closed on 30 April 2008 and the proceeds from the sale were used to repay part of the Facility B under the senior debt facilities incurred as a result of the Anheuser-Busch acquisition. On 8 May 2009, we announced that we had entered into an agreement with a private investor, Mr. Chen Fashu, to sell our remaining 7% stake in Tsingtao for USD 235 million. The sale was completed on 5 June 2009.

See note 16 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further details on these equity investments.

**RESULTS OF OPERATIONS****Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008****Volumes**

Our reported volumes include both beer and non-beer (primarily carbonated soft drinks) volumes. In addition, volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe. Volumes sold by the Global Export & Holding Companies business are shown separately. Our pro-rata share of volumes in Grupo Modelo and Tsingtao are not included in the reported volumes.

The table below summarises the volume evolution by zone.

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change<br>(%)(1) |
|-----------------------------------|----------------------------------|----------------------------------|------------------|
|                                   | <i>(thousand hectoliters)</i>    |                                  |                  |
| North America                     | 68,846                           | 6,040                            | -                |
| Latin America North               | 49,960                           | 47,244                           | 5.7              |
| Latin America South               | 15,841                           | 15,789                           | 0.3              |
| Western Europe                    | 16,458                           | 16,689                           | (1.4)            |
| Central & Eastern Europe          | 20,736                           | 22,422                           | (7.5)            |
| Asia Pacific                      | 25,953                           | 17,070                           | 52.0             |
| Global Export & Holding Companies | 2,481                            | 2,210                            | 12.3             |
| <b>Total</b>                      | <b>200,274</b>                   | <b>127,463</b>                   | <b>57.1</b>      |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our six-month consolidated volumes for the period ended 30 June 2009 increased by 72.8 million hectoliters, or 57.1%, to 200.3 million hectoliters compared to the volumes for the six months ended 30 June 2008.

The November 2008 acquisition of Anheuser-Busch, which was included within our consolidated scope for the six months ended 30 June 2009, increased our volumes by 74.2 million hectoliters. The acquisition primarily affected our North American volumes and, to a lesser degree, our Asia Pacific, Western Europe and Global Export and Holding Companies volumes.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a 0.3 million hectoliter increase in volumes compared to the six-month period ended 30 June 2008.

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Our volumes over the six-month period ended 30 June 2009 also reflect a volume decrease of 0.6 million hectoliters due primarily to the sale of the Cintra brands in 2008.

## **Table of Contents**

Excluding volume changes attributable to the acquisitions and the disposal described above, our consolidated beer volumes would have decreased by 1.9% and our own beer volumes would have decreased by 1.4% in the six months ended 30 June 2009 compared to the six-month volumes for the period ended 30 June 2008, slightly ahead of our consolidated beer volumes, as a result of our ongoing focus on growing our own branded volumes.

In the six months ended 30 June 2009, our soft drinks volumes grew by 5.1% compared to our volumes for the six-month period ended 30 June 2008.

### **North America**

Our volumes in North America grew by 62.8 million hectoliters during the six-month period ended 30 June 2009 compared to our volumes for the six-month period ended 30 June 2008. This was primarily due to the inclusion of Anheuser-Busch volumes in our results following the Anheuser-Busch acquisition.

### **Latin America North**

Our volumes in the Latin America North zone grew by 2.7 million hectoliters during the six-month period ended 30 June 2009 compared to the six-month period ended 30 June 2008, as a result of the successful launch of new packaging, enhanced marketing efforts and a favourable Carnival calendar, supported by higher consumer disposable income resulting from minimum wage increases and a lower rate of inflation for food prices. Better weather compared to the same period last year also contributed to volume increases.

### **Latin America South**

Latin America South volumes for the six months ended 30 June 2009 increased by 0.3% in the six-month period ended 30 June 2009 compared to the six months ended 30 June 2008, mainly as a result of the acquisition of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia. Excluding the effect of these acquisitions, our volumes would have declined by 1.3%, primarily due to industry weakness throughout most of the Zone, especially in soft drinks. Despite the challenging environment, we were able to increase beer volumes in Argentina, Chile, and Uruguay.

### **Western Europe**

Our volumes for the six months ended 30 June 2009 declined by 1.4% compared with our volumes for the six months ended 30 June 2008 despite the Anheuser-Busch acquisition, primarily as a result of industry weakness in most Western European markets and a significant decrease in subcontracting volumes as a result of our strategy of focusing on our own beer products. The decline was partially offset by increased volumes due to the inclusion of the UK operations of Anheuser-Busch.

### **Central & Eastern Europe**

Our 7.5% decline in volumes for the six-month period ended 30 June 2009 as compared to the six-month period ended 30 June 2008 is largely attributable to continued volume reductions in certain of our less profitable brands in Russia and Ukraine, as well as to an overall industry slowdown.

### **Asia Pacific**

In the six months ended 30 June 2009, our volumes increased by 52.0% compared to the six months ended 30 June 2008, which was primarily due to the inclusion of Anheuser-Busch volumes in our results following the Anheuser-Busch acquisition. Excluding the effect of the acquisition, the Zone experienced a slight volume decline as growth in the North East of China and South Korea was more than offset by reduced volumes in the South East of China.



**Table of Contents****Global Export & Holding Companies**

During the six months ended 30 June 2009, Global Export & Holding Company volumes increased by 12.3% compared to the six months ended 30 June 2008, largely as a result of the inclusion of Anheuser-Busch's international volumes in our results following the Anheuser-Busch acquisition.

**Revenue**

Revenue refers to turnover less excise taxes and discounts. See [Key Factors Affecting Results of Operations - Excise Taxes](#).

The following table reflects changes in revenue across our business zones for the six months ended 30 June 2009 as compared to our revenue for the six months ended 30 June 2008.

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change<br>(%)(1) |
|-----------------------------------|----------------------------------|----------------------------------|------------------|
|                                   | <i>(USD million)</i>             |                                  |                  |
| North America                     | 7,871                            | 1,122                            | -                |
| Latin America North               | 3,111                            | 3,731                            | (16.6)           |
| Latin America South               | 883                              | 812                              | 8.7              |
| Western Europe                    | 2,049                            | 2,427                            | (15.6)           |
| Central & Eastern Europe          | 1,222                            | 1,576                            | (22.5)           |
| Asia Pacific                      | 1,074                            | 685                              | 56.8             |
| Global Export & Holding Companies | 1,487                            | 210                              | -                |
| <b>Total</b>                      | <b>17,698</b>                    | <b>10,563</b>                    | <b>67.5</b>      |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated revenue was USD 17,698 million for the six months ended 30 June 2009. This represented growth of 67.5% as compared our consolidated revenue for the six months ended 30 June 2008 of USD 10,563 million.

USD 8,856 million of the growth in revenue during the six months ended 30 June 2009 was attributable to the Anheuser-Busch acquisition.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a USD 9 million increase in revenue compared to the six-month period ended 30 June 2008.

Our consolidated revenue for the six-month period ended 30 June 2009 also reflects a net revenue decrease of USD 23 million as compared to the six-month period ended 30 June 2008 attributable to the impact of the sale of the Cintra brands.

Our consolidated revenue for the six months ended 30 June 2009 also reflects a negative currency translation impact of USD 2,186 million.

Our revenue for the six months ended 30 June 2009 was partly impacted by the developments in volume discussed above. Our revenue per hectoliter on a consolidated basis (which excludes revenue from our entertainment and packaging activities) increased as a result of the business acquisitions and disposals described above (as the revenue per hectoliter of Anheuser-Busch is higher than the average revenue per hectoliter of the AB InBev Group as a whole) and as a result of revenue management activities. However, this increase was generally offset by negative

currency translation effects.

**Table of Contents**

The U.S. entertainment business contributed USD 580 million to our revenue for the six months ended 30 June 2009. The U.S. packaging business contributed USD 722 million in revenue for the same period.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, the main business zones contributing to revenue growth were Latin America North, Latin America South and Central and Eastern Europe. In Latin America North, revenue growth was attributable to higher volumes. In Latin America South and Central and Eastern Europe, revenue growth was primarily attributable to revenue management initiatives.

Also excluding the effects of the business acquisitions and disposals and the currency translation effects described above, our revenue increased by 4.5% for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008. This change in revenue included a decrease of 0.8% as a result of lower overall volumes, which was offset by a 5.4% increase attributable to higher revenue per hectoliter, primarily as a result of revenue management initiatives. These revenue management initiatives include price increases, particularly in Latin America South and Central and Eastern Europe, and our strategy to improve product mix by focusing on building branded volumes while reducing subcontracted volumes and lower margin beer products, particularly in Western Europe and Central and Eastern Europe. In Brazil, despite the price increases implemented during the summer, revenue per hectoliter was negatively impacted by higher than inflation tax increases (excise and value-added taxes).

**Cost of Sales**

The following table reflects changes in cost of sales across our business zones for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|----------------------------------|----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>             |                                  |                              |
| North America                     | (3,785)                          | (363)                            | -                            |
| Latin America North               | (986)                            | (1,301)                          | 24.2                         |
| Latin America South               | (351)                            | (344)                            | (2.0)                        |
| Western Europe                    | (922)                            | (1,141)                          | 19.2                         |
| Central & Eastern Europe          | (584)                            | (799)                            | 26.9                         |
| Asia Pacific                      | (571)                            | (361)                            | (58.2)                       |
| Global Export & Holding Companies | (1,191)                          | (156)                            | -                            |
| <b>Total</b>                      | <b>(8,390)</b>                   | <b>(4,465)</b>                   | <b>(87.9)</b>                |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated cost of sales was USD 8,390 million for the six months ended 30 June 2009. This represented an increase of 87.9% or USD 3,925 million as compared to our consolidated cost of sales for the six months ended 30 June 2008.

The Anheuser-Busch acquisition resulted in a USD 4,917 million increase in cost of sales.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a USD 5 million increase in cost of sales compared to the six-month period ended 30 June 2008.

Our consolidated cost of sales for the six-month period ended 30 June 2009 also reflect a net decrease of USD 17 million as compared to the six-month period ended 30 June 2008 attributable to the aggregate impact of the sale of the Cintra brand.



## **Table of Contents**

Our consolidated cost of sales for the six months ended 30 June 2009 also reflect a positive currency translation impact of USD 852 million mainly in Latin America North, Western Europe and Central and Eastern Europe.

Our cost of sales per hectoliter on a consolidated basis (which excludes cost of sales from our entertainment and packaging activities) increased for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008. The cost of sales per hectoliter increased as a result of the business acquisitions and disposals described above, because the cost of sales per hectoliter of Anheuser-Busch is higher than the average cost of sales for the AB InBev Group as a whole. In Latin America South our cost of sales per hectoliter increased as a result of higher personnel related costs, which were partially offset by increased productivity in our plants. In Latin America North the cost of sales per hectoliter further benefited from favourable currency hedges on the purchases of raw materials, whereas in Central and Eastern Europe our cost of sales per hectoliter was negatively impacted by the currency impact on our purchases. On an absolute basis, our cost of sales also increased as a result of volume increases in Latin America North and Latin America South.

Approximately 25% of our cost of sales consists of fixed costs which are not impacted by our volumes. Fixed costs comprise principally depreciation and amortization and indirect production costs.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, our cost of sales declined by 2.9% as compared to the first six months of 2008. Of this decline, 0.8% was attributable to lower volumes and 2.1% was attributable to a lower cost of sales per hectoliter. Our cost of sales per hectoliter on a consolidated basis decreased by 2.1%, as we benefited from lower commodity prices on our non-hedgeable input cost, improved procurement practices and productivity initiatives, mainly the Voyager Plant Optimization Programme.

### ***Expenses***

The discussion below relates to our operating expenses, which equal the sum of our distribution expenses, sales and marketing expenses, administrative expenses and other operating income and expenses (net), for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008. Our operating expenses do not include exceptional charges, which are reported separately.

Our operating expenses for the six months ended 30 June 2009 increased by 21.2% compared to our operating expenses for the six months ended 30 June 2008, primarily due to the inclusion of Anheuser-Busch operating expenses in our results following the Anheuser-Busch acquisition.

During 2009, we continued our efforts to shift non-working money (that is, expenses that do not directly impact revenue, sales volumes or beer value since they are not directly visible to consumers) into working money (that is, expenses directly visible to consumers).

**Table of Contents****Distribution expenses**

The following table reflects changes in distribution expenses across our business zones for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change                   |
|-----------------------------------|----------------------------------|----------------------------------|--------------------------|
|                                   | <i>(USD million)</i>             |                                  | <i>(%)<sup>(1)</sup></i> |
| North America                     | (398)                            | (212)                            | (87.7)                   |
| Latin America North               | (323)                            | (437)                            | 26.1                     |
| Latin America South               | (78)                             | (65)                             | (20.0)                   |
| Western Europe                    | (228)                            | (310)                            | 26.5                     |
| Central & Eastern Europe          | (122)                            | (203)                            | 39.9                     |
| Asia Pacific                      | (76)                             | (46)                             | (65.2)                   |
| Global Export & Holding Companies | (51)                             | (23)                             | (121.7)                  |
| <b>Total</b>                      | <b>(1,276)</b>                   | <b>(1,296)</b>                   | <b>1.5</b>               |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated distribution expenses were USD 1,276 million for the six months ended 30 June 2009. This represented a decrease of USD 20 million, or 1.5%, as compared to the six months ended 30 June 2008.

The Anheuser-Busch acquisition resulted in a USD 306 million increase in distribution expense.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a USD 4 million increase in distribution expenses compared to the six-month period ended 30 June 2008.

Our consolidated distribution expenses for the six-month period ended 30 June 2009 reflect a net decrease of USD 7 million as compared to the six-month period ended 30 June 2008 attributable to the aggregate impact of the sale of the Cintra brands and Labatt USA.

Our consolidated distribution expenses for the six months ended 30 June 2009 also reflect a positive currency translation impact of USD 233 million.

Aside from the effects of the Anheuser-Busch acquisition and currency translation, the decrease in distribution expenses was mainly due to the realisation of synergies in North America, lower tariffs in Central and Eastern Europe, and lower fuel and transportation costs in most Zones other than Latin America South.

**Sales and marketing expenses**

Marketing expenses include all costs relating to the support and promotion of brands, including operating costs (such as payroll and office costs) of the marketing departments, advertising costs (such as agency costs and media costs), sponsoring and events and surveys and market research. Sales expenses include all costs relating to the selling of products, including operating costs (such as payroll and office costs) of the sales department and sales force.



**Table of Contents**

The following table reflects changes in sales and marketing expenses across our business zones for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|----------------------------------|----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>             |                                  |                              |
| North America                     | (793)                            | (144)                            | -                            |
| Latin America North               | (414)                            | (415)                            | 0.2                          |
| Latin America South               | (77)                             | (91)                             | 15.4                         |
| Western Europe                    | (379)                            | (508)                            | 25.4                         |
| Central & Eastern Europe          | (226)                            | (328)                            | 31.1                         |
| Asia Pacific                      | (256)                            | (162)                            | (58.0)                       |
| Global Export & Holding Companies | (126)                            | (45)                             | (180.0)                      |
| <b>Total</b>                      | <b>(2,271)</b>                   | <b>(1,694)</b>                   | <b>(34.1)</b>                |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated sales and marketing expenses were USD 2,271 million for the six months ended 30 June 2009. This represented an increase of USD 577 million, or 34.1%, as compared to our sales and marketing expenses for the six months ended 30 June 2008.

The Anheuser-Busch acquisition resulted in a USD 920 million increase in sales and marketing expense.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a USD 1 million increase in sales and marketing expenses compared to the six-month period ended 30 June 2008.

Our consolidated sales and marketing expenses for the six-month period ended 30 June 2009 reflect a net decrease of USD 5 million as compared to the six-month period ended 30 June 2008 attributable to the aggregate impact of the sale of the Cintra brands and Labatt USA.

Our consolidated sales and marketing expenses for the six months ended 30 June 2009 also reflect a positive currency translation impact of USD 322 million.

Excluding the effects of the business acquisitions and disposals described above and currency translation, our overall sales and marketing expenses for the six months ended 30 June 2009 decreased as a result of significant media and advertising cost deflation and a favourable comparison to the six months ended 30 June 2008, when a number of product launches and costs related to the Olympic Games increased our sales and marketing expenses. These factors more than offset higher sales and marketing expenses in Latin America North.

**Administrative expenses**

The following table reflects changes in administrative expenses across our business zones for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

Change



Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

|                                   | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | (%)(1)        |
|-----------------------------------|----------------------------------|----------------------------------|---------------|
|                                   | <i>(USD million)</i>             |                                  |               |
| North America                     | (297)                            | (59)                             | -             |
| Latin America North               | (232)                            | (223)                            | (4.0)         |
| Latin America South               | (34)                             | (28)                             | (21.4)        |
| Western Europe                    | (182)                            | (186)                            | 2.2           |
| Central & Eastern Europe          | (88)                             | (79)                             | (11.4)        |
| Asia Pacific                      | (77)                             | (46)                             | (67.4)        |
| Global Export & Holding Companies | (180)                            | (109)                            | (65.1)        |
| <b>Total</b>                      | <b>(1,090)</b>                   | <b>(730)</b>                     | <b>(49.3)</b> |

**Table of Contents**

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated administrative expenses were USD 1,090 million during the six months ended 30 June 2009. This represented an increase of USD 360 million, or 49.3%, as compared to our consolidated administrative expenses for the period ended 30 June 2008.

USD 295 million of the increase in administrative expense was attributable to the Anheuser-Busch acquisition.

Our consolidated administrative expenses for the six months ended 30 June 2009 also reflect a positive currency translation impact of USD 168 million.

The rest of the increase in our administrative expenses was a result of higher variable compensation recorded during the six months ended 30 June 2009, as compared to the six months ended 30 June 2008, when most Zones recorded lower variable compensation accruals based on the performance of the business during the period.

**Other operating income/(expense)**

The following table reflects changes in other operating income and expenses across our business zones for the six-month period ended 30 June 2009 as compared to the six-month period ended 30 June 2008:

|                                      | Six months ended<br>30 June 2009 | Six months ended<br>30 June 2008 | Change<br>(%) <sup>(1)</sup> |
|--------------------------------------|----------------------------------|----------------------------------|------------------------------|
|                                      | <i>(USD million)</i>             |                                  |                              |
| North America                        | 73                               | (3)                              | -                            |
| Latin America North                  | 90                               | 101                              | (10.9)                       |
| Latin America South                  | (2)                              | 5                                | (140.0)                      |
| Western Europe                       | (52)                             | (101)                            | 48.5                         |
| Central & Eastern Europe             | (62)                             | (77)                             | 19.5                         |
| Asia Pacific                         | 7                                | (2)                              | -                            |
| Global Export & Holding<br>Companies | 297                              | 261                              | 13.8                         |
| <b>Total</b>                         | <b>350</b>                       | <b>184</b>                       | <b>90.2</b>                  |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. The net balance of our other operating income and expenses for the six months ended 30 June 2009 was USD 166 million, or 90.2%, greater than the comparable net balance for the six months ended 30 June 2008. The acquisition of Anheuser-Busch caused a USD 178 million increase in other income, while currency translation had a USD 35 million negative impact for the six months ended 30 June 2009.

**Exceptional Items**

Exceptional items are items which, in our management's judgment, need to be disclosed separately by virtue of their size and incidence in order to obtain a proper understanding of our financial information. We consider these items to be of significance in nature, and accordingly, our management has excluded these items from their segment measure of performance as described in note 5 to our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and 2008. See note 7 to our consolidated interim financial statement as of 30 June 2009 and for the six-month periods ended 30 June 2009 and 2008, and note 8 to our audited consolidated financial statement as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further information about our exceptional items.



**Table of Contents**

In the six months ended 30 June 2009, exceptional items consisted of restructuring charges and business and asset disposals. Exceptional items were as follows in the six months ended 30 June 2009 and 2008:

|   | Six months<br>ended 30 June<br>2009 | Six months<br>ended 30 June<br>2008 |
|---|-------------------------------------|-------------------------------------|
|   | <i>(USD million)</i>                |                                     |
| Restructuring (including impairment losses) | (140)                               | (48)                                |
| Business and asset disposal                 | 47                                  | (6)                                 |
| <b>Total</b>                                | <b>(93)</b>                         | <b>(54)</b>                         |

**Restructuring**

Exceptional restructuring charges amounted to USD 140 million in the six months ended 30 June 2009 as compared to USD 48 million for the six months ended 30 June 2008.

The exceptional restructuring charges for the six months ended 30 June 2009 total USD 140 million. The charges are primarily related to the Anheuser-Busch integration, organizational alignments and outsourcing activities in Western Europe and Asia Pacific. These changes aim to eliminate overlap or duplicated processes and activities across functions and zones. These one time expenses as a result of this series of decisions are intended to provide us with a lower cost base, a stronger focus on our core activities, quicker decision-making and improvements to efficiency, service and quality.

Our restructuring charges for the six months ended 30 June 2008 were mainly related to organizational alignments and the outsourcing of activities in Western Europe.

**Business and asset disposal**

For the six months ended 30 June 2009, our business and asset disposals of USD 47 million mainly related to the sale of the assets of InBev USA LLC (also doing business under the name Labatt USA) to an affiliate of KPS Capital Partners, LP.

**Profit from Operations**

The following table reflects changes in profit from operations across our business zones for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

|                                   | Six months<br>ended 30 June<br>2009 | Six months<br>ended 30 June<br>2008 | Change<br>(%)(1) |
|-----------------------------------|-------------------------------------|-------------------------------------|------------------|
|                                   | <i>(USD million)</i>                |                                     |                  |
| North America                     | 2,717                               | 340                                 | -                |
| Latin America North               | 1,345                               | 1,454                               | (7.5)            |
| Latin America South               | 335                                 | 287                                 | 16.7             |
| Western Europe                    | 223                                 | 132                                 | 68.9             |
| Central & Eastern Europe          | 139                                 | 89                                  | 56.2             |
| Asia Pacific                      | 86                                  | 66                                  | 30.3             |
| Global Export & Holding Companies | 83                                  | 140                                 | (40.7)           |
| <b>Total</b>                      | <b>4,928</b>                        | <b>2,508</b>                        | <b>96.5</b>      |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

**Table of Contents**

Our profit from operations increased to USD 4,928 million for the six months ended 30 June 2009. This represented an increase of USD 2,420 million, or 96.5%, as compared to our profit from operations for the six months ended 30 June 2008.

The Anheuser-Busch acquisition resulted in a USD 2,573 million increase in profit from operations for the six months ended 30 June 2009.

Acquisitions of Budweiser distribution rights in Paraguay and a Pepsi bottler in Bolivia during the six months ended 30 June 2009 resulted in a USD 1 million decrease in profit from operations compared to the six-month period ended 30 June 2008.

The impact of the disposals of the Cintra brands and Labatt USA on our consolidated profit from operations for the six-month period ended 30 June 2009 was immaterial.

Our profit from operations for the six months ended 30 June 2009 also reflected a negative currency translation impact of USD 567 million.

Our profit from operations for the six months ended 30 June 2009 was impacted negatively by USD 93 million of certain exceptional items, as compared to a negative impact of USD 54 million for the six months ended 30 June 2008. See **Exceptional Items** above for a description of the exceptional items during the six months ended 30 June 2009 and 2008. These exceptional items mainly affected our Global Export and Holding Companies, where exceptional items reduced our profit from operations by USD 153 million for the six months ended 30 June 2009 as compared to an increase of USD 2 million for the six months ended 30 June 2008, and our Latin America North zone, where exceptional items increased our profit from operations by USD 98 million in 2009 as compared to a reduction of USD 2 million for the six months ended 30 June 2008.

See note 5 to our consolidated interim financial statements as of 30 June 2009, and for the six months ended 30 June 2009 and 2008 for additional information on our six-month profit from operations by zone.

**EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the six months ended 30 June 2009 as compared to the six months ended 30 June 2008:

|   | Six months<br>ended 30 June<br>2009 | Six months<br>ended 30 June<br>2008 | Change<br>(%) <sup>(1)</sup> |
|---|-------------------------------------|-------------------------------------|------------------------------|
|   | <i>(USD million)</i>                |                                     |                              |
| <b>Profit</b>                             | <b>2,343</b>                        | <b>1,766</b>                        | <b>32.7</b>                  |
| Income tax expense                        | 820                                 | 232                                 | -                            |
| Net finance cost                          | 1,993                               | 513                                 | -                            |
| Share of result of associates             | (228)                               | (3)                                 | -                            |
| <b>Profit from operations</b>             | <b>4,928</b>                        | <b>2,508</b>                        | <b>96.5</b>                  |
| Depreciation, amortisation and impairment | 1,361                               | 842                                 | 61.6                         |
| <b>EBITDA, as defined</b>                 | <b>6,289</b>                        | <b>3,350</b>                        | <b>87.7</b>                  |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. A performance measure such as EBITDA, as defined, is a non-IFRS measure. The most directly comparable financial measure to EBITDA, as defined, presented in accordance with IFRS in our consolidated financial statements is profit. EBITDA, as defined, is a measure used by our management to evaluate our

---

## **Table of Contents**

business performance and is defined as profit from operations before depreciation, amortisation and impairment. EBITDA, as defined, is a key component of the measures that are provided to senior management on a monthly basis at the group level, the zone level and lower levels. We believe EBITDA, as defined, is useful to investors for the following reasons.

We believe EBITDA, as defined, facilitates comparisons of our operating performance across our zones from period to period. In comparison to profit, EBITDA, as defined, excludes items which do not impact the day-to-day operation of our primary business (that is, the selling of beer and other operational businesses) and over which management has little control. Items excluded from EBITDA, as defined, are our share of result of associates, depreciation and amortization, impairment, financial charges and corporate income taxes, which management does not consider to be items that drive our company's underlying business performance. Because EBITDA, as defined includes only items management can directly control or influence, it forms part of the basis for many of our performance targets. For example, options under our share-based compensation plan are granted such that they vest only when certain targets derived from EBITDA, as defined, are met.

We further believe that EBITDA, as defined, and measures derived from it, are frequently used by securities analysts, investors and other interested parties in their evaluation of our company and in comparison to other companies, many of which present an EBITDA performance measure when reporting their results. EBITDA, as defined, is also a key component of the measures used by banks under the senior facility agreement to evaluate compliance with our debt covenants. See [Business Description](#) [Material Contracts](#) [Financing the Anheuser-Busch Acquisition](#) [Senior Facilities Agreement](#) .

EBITDA, as defined, does, however, have limitations as an analytical tool. It is not a recognised term under IFRS and does not purport to be an alternative to profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. As a result, you should not consider EBITDA, as defined, in isolation from, or as a substitute analysis for, our results of operations. Some limitations of EBITDA, as defined, are:

EBITDA, as defined, does not reflect the impact of financing costs, on our operating performance. Such costs are significant in light of our increased debt and could further increase as a result of our debt refinancing;

EBITDA, as defined, does not reflect depreciation and amortization, but the assets being depreciated and amortized will often have to be replaced in the future. EBITDA, as defined, does not reflect the impact of charges for existing capital assets or their replacements;

EBITDA, as defined, does not reflect our tax expense; and

EBITDA, as defined, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

Additionally, EBITDA, as defined, is not intended to be a measure of free cash flow for management's discretionary use, as it is not adjusted for all non-cash income or expense items that are reflected in our consolidated statement of cash flows.

We compensate for these limitations, in addition to using EBITDA, as defined, by relying on our results calculated in accordance with IFRS.

Our EBITDA, as defined, increased to USD 6,289 million for the six months ended 30 June 2009. This represented an increase of USD 2,939 million, or 87.7%, as compared to our EBITDA, as defined, for the six months ended 30 June 2008.



## **Table of Contents**

The Anheuser-Busch acquisition contributed USD 3,191 million to the increase in our EBITDA, as defined, for the six months ended 30 June 2009. Our EBITDA, as defined, for the six months ended 30 June 2009 also reflects a negative currency translation impact of USD 739 million. This net increase was partially offset by the negative USD 93 million impact of certain exceptional items in the six months ended 30 June 2009, as compared to a negative impact of USD 54 million during the six months ended 30 June 2008. The impact of our disposals of the Cintra brands and Labatt USA on our consolidated EBITDA, as defined, for the six-month period ended 30 June 2009 was immaterial.

See note 5 to our consolidated interim financial statement as of 30 June 2009, and for the six-month periods ended 30 June 2009 and 2008 for further performance measures used by our management.

### ***Net Finance Cost***

Our net finance cost for the six months ended 30 June 2009 was USD 1,993 million, as compared to USD 513 million for the six months ended 30 June 2008, or an increase of USD 1,480 million. The increase was primarily due to interest charges on the senior credit facilities used to fund the Anheuser-Busch acquisition, interest charges on existing Anheuser-Busch debt, and the amortization of the arrangement fees paid on the senior credit facilities. These increases were partially offset by lower interest charges on other debt and by foreign exchange gains.

### ***Share of Result of Associates***

Our share of result of associates for the six months ended 30 June 2009 was USD 228 million as compared to USD 3 million for the six months ended 30 June 2008, reflecting the recognition of six months of results of our direct and indirect investments in Grupo Modelo and Tsingtao following the acquisition of Anheuser-Busch.

### ***Income Tax Expense***

Our total income tax expense for the six months ended 30 June 2009 amounted to USD 820 million, with an effective tax rate of 27.9% (as compared to 11.6% for the six months ended 30 June 2008). Our income tax expense for the six months ended 30 June 2009 was mainly impacted by the acquisition of Anheuser-Busch, for which the marginal tax rate was approximately 40%, and higher realized profits at AmBev Brazil, which are taxed at a marginal tax rate of 34%. Furthermore, our non-deductible expenses increased from USD 163 million during the six months ended 30 June 2008 to USD 332 million in the six months ended 30 June 2009. The increase in expenses that are not deductible for tax purposes was mainly related to non-deductible interest expenses and foreign exchange losses on intra-group borrowings.

### ***Profit (Pre- and Post-Minorities)***

Profit attributable to our equity holders for the six months ended 30 June 2009 was USD 1,787 million (with earnings per share of USD 1.13, based on 1,582 million shares outstanding, representing the weighted average number of shares outstanding during the six months ended 30 June 2009, after taking into account share buy-back programmes and the effect of our rights offering in December 2008). The profit attributable to minority interests amounted to USD 556 million for the six months ended 30 June 2009 (as compared to USD 559 million for the six months ended 30 June 2008).

**Table of Contents****Year Ended 31 December 2008 Compared to Year Ended 31 December 2007****Volumes**

The following table reflects changes in our volumes across our business zones for the year ended 31 December 2008 as compared to volumes for the year ended 31 December 2007.

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|--------------------------------|--------------------------------|------------------------------|
|                                   | <i>(thousand hectoliters)</i>  |                                |                              |
| North America                     | 26,605                         | 12,572                         | 111.6                        |
| Latin America North               | 101,519                        | 100,877                        | 0.6                          |
| Latin America South               | 33,698                         | 30,524                         | 10.4                         |
| Western Europe                    | 33,753                         | 36,068                         | (6.4)                        |
| Central & Eastern Europe          | 46,142                         | 49,137                         | (6.1)                        |
| Asia Pacific                      | 38,337                         | 36,380                         | 5.4                          |
| Global Export & Holding Companies | 4,666                          | 5,054                          | (7.7)                        |
| <b>Total</b>                      | <b>284,720</b>                 | <b>270,611</b>                 | <b>5.2</b>                   |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our 2008 consolidated volumes increased by 14.1 million hectoliters, or 5.2%, compared to our 2007 volumes, to 284.7 million hectoliters.

15.8 million hectoliters of the increase was attributable to the Anheuser-Busch acquisition, pursuant to which Anheuser-Busch became a part of our consolidated group of companies following the closing date of the acquisition on 18 November 2008, and was reported as such for the remainder of our 2008 financial year.

0.2 million hectoliters of the 2008 increase reflected the inclusion of volumes from the Lakeport businesses in our results for the full year in 2008 as compared to inclusion of only nine months of these volumes in 2007 following the Lakeport acquisition in November 2007.

Our 2008 volumes also reflect a volume decrease of 1.2 million hectoliters primarily due to the sale of the Cintra brands and disposal of four wholesalers in 2008 and the sale of United Dutch Breweries BV business in the Netherlands in November 2007. Excluding volume changes attributable to the business acquisitions and disposals described above, our consolidated beer volumes would have decreased by 1.2% and our own beer volumes would have decreased by 0.7% in 2008 compared to 2007 volumes, slightly ahead of our consolidated beer volumes, as a result of our ongoing focus on growing our own branded volumes.

In 2008, our soft drinks volumes grew by 4.8% compared to 2007 soft drinks volumes.

On a pro-forma basis, after adjusting reported figures to eliminate intercompany sales volumes between InBev and Anheuser-Busch, and before taking into account any volumes sold by our equity investees, the total sales volumes for the combined company for 2008 would have been approximately 416 million hectoliters.

**North America**

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Our volumes in North America grew by 111.6% in 2008 compared to 2007 volumes, of which 110% was due to the inclusion of Anheuser-Busch volumes in our results following the Anheuser-Busch acquisition. The growth in our U.S. domestic beer volumes delivered to wholesalers in 2008 was driven mainly by the

## **Table of Contents**

inclusion of Anheuser-Busch volumes into our results following the Anheuser-Busch acquisition and by wholesaler inventory levels returning to a normal level by year-end and the successful introduction of the Bud Light Lime brand. Domestic U.S. beer sales-to-retailer increased slightly compared to 2007 sales-to-retailers, driven mainly by the inclusion of Anheuser-Busch volumes into our results following the Anheuser-Busch acquisition and by strong gains in the supermarket and supercentre segments. In addition to this, market share performance improved across all major retail channels in the second half of 2008.

### **Latin America North**

Volumes were essentially flat in 2008 compared to 2007 volumes, with essentially flat beer volume growth while non-beer volumes grew 3.5% compared to 2007 volumes. In Brazil, 2008 beer volumes declined by 0.2% compared to 2007 volumes reflecting the effects of weather that was colder and more humid than in 2007 and the sale of the Cintra brands during 2008. In addition, food inflation increased by twice the level of general consumer inflation, putting pressure on consumer spending. In 2008, due to price increases and aggressive competitor behaviour in can pricing, our full year market share in Brazil was 67.5%, a decrease of 0.3% from the previous year. Our Brazilian soft drinks business posted volume growth of 2.7% for 2008 compared to 2007 volumes, coupled with strong market share performance in Brazil throughout 2008.

### **Latin America South**

The Latin America South zone volumes grew by 10.4% in 2008 compared to 2007 volumes, with beer contributing 11.5% and non-beer 8.7% growth compared to 2007 volumes. Our strong performance resulted from our focus on the premium segment, as well as successful focus on brand marketing and innovation initiatives.

### **Western Europe**

Our own beer volumes for 2008 declined 2.5% compared to 2007 volumes due to industry weakness, especially in the United Kingdom and Belgium. Our continued significant decrease in lower value, non-branded products, consistent with our focus on our own brand portfolio and the disposal of four wholesalers in 2008 and sale of the United Dutch Breweries BV business in the Netherlands in 2007 led to a reported total 2008 volume decline of 6.4% compared to 2007 volumes. Despite this volume decline, we increased our market share in most countries in our Western European zone in 2008 compared to 2007. For instance, in the United Kingdom, our own beer volumes declined by 2.7% in 2008 compared to 2007 volumes. However, we gained 0.4% market share in 2008, of which the Stella Artois family contributed 0.2%, gaining market share for the first time since 2003, demonstrating the potential of the brand and the results of our focused commercial activities particularly with the launch of Stella Artois 4%.

### **Central & Eastern Europe**

Our 2008 decline in volumes of 6.1% compared to 2007 volumes is largely attributable to continued volume reductions in certain of our less profitable brands in Russia and Ukraine, as well as industry slowdown. In Russia, 2008 beer volumes fell by 12.4% compared to 2007 volumes due to weak industry volumes and market share losses in the value and price segments. However, we have maintained our focus on driving the market share of higher margin and premium brands such as Siberian Crown and Klinskoye, which showed positive volumes for 2008. In Ukraine, 2008 beer volume decreased 0.7% compared to 2007 volumes, also attributable to our focus on higher margin and premium brands, such as Chernigivske, which became the number one brand in the country towards the end of the year.

### **Asia Pacific**

In 2008, our volumes increased 5.4% compared to 2007 volumes, as strong volume growth in Korea was offset by a slight volume decline in China.

**Table of Contents****Global Export & Holding Companies**

In 2008, Global Export & Holding Company volumes declined by 7.7% compared to 2007 volumes, as a result of our ongoing process of transitioning to new licensing agreements in certain countries and the transition of the Anheuser-Busch Inc. Import Agreement from this zone to the North America zone and the characterisation of this agreement as an intra-company agreement since the Anheuser-Busch acquisition closed on 18 November 2008.

**Revenue**

The following table reflects changes in revenue across our business zones for the year ended 31 December 2008 as compared to revenue for the year ended 31 December 2007.

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|--------------------------------|--------------------------------|------------------------------|
|                                   | <i>(USD million)</i>           |                                |                              |
| North America                     | 3,753                          | 2,139                          | 75.5                         |
| Latin America North               | 7,664                          | 6,707                          | 14.3                         |
| Latin America South               | 1,855                          | 1,372                          | 35.2                         |
| Western Europe                    | 4,754                          | 4,725                          | 0.6                          |
| Central & Eastern Europe          | 3,267                          | 3,006                          | 8.7                          |
| Asia Pacific                      | 1,494                          | 1,359                          | 9.9                          |
| Global Export & Holding Companies | 720                            | 427                            | 68.6                         |
| <b>Total</b>                      | <b>23,507</b>                  | <b>19,735</b>                  | <b>19.1</b>                  |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated revenue was USD 23,507 million in the year ended 31 December 2008. This represented growth of 19.1% or USD 3,772 million as compared to the 2007 revenue of USD 19,735 million.

USD 1,829 million of the 2008 revenue growth was attributable to the Anheuser-Busch acquisition.

Our 2008 consolidated revenue reflects a net revenue decrease of USD 64 million as compared to 2007 attributable to the aggregate impact of the Lakeport acquisition, the sale of the Cintra brands and four wholesalers in Western Europe during 2008 and the disposal of the United Dutch Breweries BV business in November 2007.

Our 2008 consolidated revenue also reflects a positive currency translation impact of USD 1,028 million. Our revenue for the year ended 31 December 2008 was partly impacted by the developments in volume discussed above. Our revenue per hectoliter on a consolidated basis (which excludes revenue from our entertainment and packaging activities) increased as a result of the business acquisitions and disposals described above, as the revenue per hectoliter of Anheuser-Busch was higher than the average revenue per hectoliter of the AB InBev Group as a whole. Our revenue per hectoliter also benefited from an increase attributable to positive currency translation effects and revenue management activities.

The contribution of the U.S. entertainment business to our revenue from 18 November 2008 to 31 December 2008 was USD 91 million. The U.S. packaging business contributed USD 162 million of revenue from 18 November 2008 to 31 December 2008.



**Table of Contents**

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, the main business zones contributing to revenue growth in 2008 were Latin America South, North America, Asia Pacific, Latin America North and Central & Eastern Europe. With respect to Latin America South and North America, in particular, growth was attributable to higher volumes and the effects of revenue management initiatives.

Also excluding the effect of the business acquisition and disposals and currency translation described above, our consolidated revenue grew by 5.0% for the year ended 31 December 2008 as compared to the year ended 31 December 2007. This change in revenue included a decrease of 0.2% as a result of lower overall volumes, which was offset by a 5.2% increase attributable to higher revenue per hectoliter, primarily as a result of revenue management activities and changes in our sales channels mix and geographic mix. Revenue management activities included price increases and product mix improvements driven by our effort to sell a larger proportion of premium products, which are sold for higher prices and are generally more profitable. In Western Europe, as a result of our strategy to improve product mix we reduced the sales volume of products sold under subcontracting arrangements, which are generally less profitable. In Central and Eastern Europe and Latin America South our focus on premium brands as part of our product mix initiatives contributed towards revenue growth, while price increases resulted in revenue increases in Latin America North.

**Cost of Sales**

The following table reflects changes in cost of sales across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|--------------------------------|--------------------------------|------------------------------|
|                                   | <i>(USD million)</i>           |                                |                              |
| North America                     | (1,586)                        | (672)                          | (136.0)                      |
| Latin America North               | (2,634)                        | (2,274)                        | (15.8)                       |
| Latin America South               | (782)                          | (581)                          | (34.6)                       |
| Western Europe                    | (2,232)                        | (2,210)                        | (1.0)                        |
| Central & Eastern Europe          | (1,693)                        | (1,385)                        | (22.2)                       |
| Asia Pacific                      | (812)                          | (677)                          | (19.9)                       |
| Global Export & Holding Companies | (597)                          | (319)                          | (87.1)                       |
| <b>Total</b>                      | <b>(10,336)</b>                | <b>(8,118)</b>                 | <b>(27.3)</b>                |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated cost of sales was USD 10,336 million in 2008. This represented an increase of 27.3% or USD 2,218 million as compared to the 2007 cost of sales.

USD 1,165 million of the cost of sales increase was attributable to the Anheuser-Busch acquisition.

Our 2008 consolidated cost of sales reflects a net cost of sales decrease of USD 30 million as compared to 2007 attributable to the aggregate impact of the Lakeport acquisition, the sale of the Cintra brands and four wholesalers in Western Europe during 2008 and the disposal of the United Dutch Breweries BV business in November 2007.

Our 2008 consolidated cost of sales also reflects a negative currency translation impact of USD 351 million. Our cost of sales per hectoliter on a consolidated basis (which excludes cost of sales from our entertainment and packaging activities) increased for the year ended 31 December 2008 as compared to the year





**Table of Contents**

ended 31 December 2007, primarily as a result of commodity price pressures. The cost of sales per hectoliter also increased as a result of the business acquisitions and disposals described above, because the cost of sales per hectoliter of Anheuser-Busch was higher than the average cost of sales for the AB InBev Group as a whole, and as a result of commodity price pressures. Aside from the effect of currency translation, the increase in cost of sales per hectoliter for Latin America South was primarily due to commodity price pressures (such as increases in barley and malt prices) and increases in wages to offset higher real inflation rates. Aside from the effect of currency translation, the increase in cost of sales per hectoliter for Central & Eastern Europe was also primarily due to significant commodity price pressures on malt, hops and packaging, and the impact of changes to our product mix. On an absolute basis, the cost of sales also increased as a result of increased volumes in Latin America South and North America, primarily due to the Anheuser-Busch acquisition.

Approximately 20% of our cost of sales consists of fixed costs which are not impacted by our volumes. Fixed costs comprise principally depreciation and amortization and indirect production costs.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, our consolidated cost of sales increased by 9.0% as compared to the year ended 31 December 2007. This increase was partly attributable to an increase of 9.3% in the cost of sales per hectoliter on a consolidated basis, as a result of commodity price increases and inflationary pressures. Lower than expected volume growth in business zones with a below average cost of sales per hectoliter, such as Latin America North and Central & Eastern Europe and the spread of industrial fixed costs over lower than expected volumes also contributed to increased cost of sales. The increase in cost of sales per hectoliter was partially offset by a decline of 0.2% in overall cost of sales as a result of lower volumes.

**Expenses**

Our operating expenses increased 16.3% in 2008 compared to the 2007 operating expenses, primarily due to inclusion of Anheuser-Busch operating expenses into our results following the Anheuser-Busch acquisition and higher sales and marketing expenses, which more than offset fixed-cost management and lower bonus accruals and a negative currency translation impact on our operating expenses.

In 2008, we continued our efforts to shift non-working money (that is, expenses that do not directly impact revenue, sales volumes or beer value since they are not directly visible to consumers) into working money (that is, expenses directly visible to consumers).

**Distribution expenses**

The following table reflects changes in distribution expenses across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%)(1) |
|-----------------------------------|--------------------------------|--------------------------------|------------------|
|                                   | <i>(USD million)</i>           |                                |                  |
| North America                     | (499)                          | (376)                          | (32.7)           |
| Latin America North               | (916)                          | (756)                          | (21.2)           |
| Latin America South               | (145)                          | (112)                          | (29.5)           |
| Western Europe                    | (592)                          | (551)                          | (7.4)            |
| Central & Eastern Europe          | (410)                          | (399)                          | (2.8)            |
| Asia Pacific                      | (99)                           | (93)                           | (6.5)            |
| Global Export & Holding Companies | (64)                           | (56)                           | (14.3)           |
| <b>Total</b>                      | <b>(2,725)</b>                 | <b>(2,343)</b>                 | <b>(16.3)</b>    |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

**Table of Contents**

Our consolidated distribution expenses were USD 2,725 million in 2008. This represented an increase of USD 382 million, or 16.3%, as compared to the 2007.

USD 98 million of the distribution expense increase was attributable to the Anheuser-Busch acquisition.

Our 2008 consolidated distribution expenses also reflect a negative currency translation impact of USD 123 million. Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, the increase in distribution expenses was mainly due to higher unit transport expenses in Latin America South and Western Europe and more volumes being sold directly to customers, particularly in Latin America North.

**Sales and marketing expenses**

The following table reflects changes in sales and marketing expenses across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%)(1) |
|-----------------------------------|--------------------------------|--------------------------------|------------------|
|                                   | <i>(USD million)</i>           |                                |                  |
| North America                     | (430)                          | (282)                          | (52.5)           |
| Latin America North               | (837)                          | (672)                          | (24.6)           |
| Latin America South               | (191)                          | (161)                          | (18.6)           |
| Western Europe                    | (943)                          | (914)                          | (3.2)            |
| Central & Eastern Europe          | (660)                          | (536)                          | (23.1)           |
| Asia Pacific                      | (333)                          | (283)                          | (17.7)           |
| Global Export & Holding Companies | (116)                          | (71)                           | (63.4)           |
| <b>Total</b>                      | <b>(3,510)</b>                 | <b>(2,919)</b>                 | <b>(20.2)</b>    |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated sales and marketing expenses were USD 3,510 million in 2008. This represented an increase of USD 591 million, or 20.2%, as compared to 2007 sales and marketing expenses.

USD 210 million of the sales and marketing expense increase was attributable to the Anheuser-Busch acquisition.

Our 2008 consolidated sales and marketing expenses reflect a net sales and marketing expense decrease of USD 3 million as compared to 2007 attributable to the aggregate impact of the Lakeport acquisition, the sale of the Cintra brands and four wholesalers in Western Europe during 2008 and the disposal of the United Dutch Breweries BV business in November 2007.

Our 2008 consolidated sales and marketing expenses also reflect a negative currency translation impact of USD 151 million. Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, the increase in our 2008 sales and marketing expenses reflected our focus on generating long-term revenue growth by further strengthening sales execution, investments in our own brands and continued efforts to bring innovation to our consumers regardless of impact on short-term results. In particular, key increases in sales and marketing spending to support brand growth and/or sales efforts occurred in Latin America



**Table of Contents**

North, Latin America South, Central & Eastern Europe (including Russia and Ukraine) and Asia Pacific, while North America and Global Export & Holding Companies recorded a decrease as a result of a reduction in non-working expenses.

**Administrative expenses**

The following table reflects changes in administrative expenses across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                                   | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change        |
|-----------------------------------|--------------------------------|--------------------------------|---------------|
|                                   | <i>(USD million)</i>           |                                | <i>(%)(1)</i> |
| North America                     | (155)                          | (114)                          | (36.0)        |
| Latin America North               | (418)                          | (352)                          | (18.8)        |
| Latin America South               | (72)                           | (60)                           | (20.0)        |
| Western Europe                    | (345)                          | (321)                          | (7.5)         |
| Central & Eastern Europe          | (176)                          | (179)                          | 1.7           |
| Asia Pacific                      | (101)                          | (83)                           | (21.7)        |
| Global Export & Holding Companies | (211)                          | (245)                          | 13.9          |
| <b>Total</b>                      | <b>(1,478)</b>                 | <b>(1,354)</b>                 | <b>(9.2)</b>  |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated administrative expenses were USD 1,478 million during 2008. This represented an increase of USD 124 million, or 9.2% in 2008 as compared to 2007.

USD 73 million of the administrative expense increase was attributable to the Anheuser-Busch acquisition.

Our 2008 consolidated administrative expenses also reflect a negative currency translation impact of USD 91 million. In addition, our administrative expenses for 2008 were reduced by our ongoing commitment to cost containment, lower bonus accruals compared to 2007 and the impact of savings realised within our North America zone after the closing of the Anheuser-Busch acquisition on 18 November 2008. Cost savings in North America resulted from our Zero-Based Budgeting Programme and Anheuser-Busch's Blue Ocean savings initiatives.

**Other operating income/(expense)**

The following table reflects changes in other operating income and expenses across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                          | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change        |
|--------------------------|--------------------------------|--------------------------------|---------------|
|                          | <i>(USD million)</i>           |                                | <i>(%)(1)</i> |
| North America            | (4)                            | 4                              | (200.0)       |
| Latin America North      | 208                            | 166                            | 25.3          |
| Latin America South      | 11                             | (15)                           | 173.3         |
| Western Europe           | (144)                          | (96)                           | (50.0)        |
| Central & Eastern Europe | (132)                          | (94)                           | (40.4)        |

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

|                                      |            |            |             |
|--------------------------------------|------------|------------|-------------|
| Asia Pacific                         | 26         | -          | -           |
| Global Export & Holding<br>Companies | 475        | 395        | 20.3        |
| <b>Total</b>                         | <b>440</b> | <b>360</b> | <b>22.2</b> |

74

**Table of Contents**

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. The net balance of our other operating income and expenses increased by USD 80 million for 2008. This represented an increase of 22.2% from the comparable net balance in 2007. Aside from the effect of the Anheuser-Busch acquisition and currency translation, the increased balance was mainly due to gains on asset disposal. Our other operating income/expense for 2008 was also negatively impacted by USD 30 million in 2008 as compared to 2007 as a result of the incremental rental cost following our disposal of certain real estate to Cofinimmo S.A. in 2007.

***Exceptional Items***

In 2008, exceptional items consisted of restructuring charges, fair value adjustments, business and asset disposals and disputes. Exceptional items were as follows in the years ended 31 December 2008 and 2007:

|   | Year ended<br>31 December<br>2008 | Year ended<br>31 December<br>2007 |
|---|-----------------------------------|-----------------------------------|
|   | <i>(USD million)</i>              |                                   |
| Restructuring (including impairment losses) | (457)                             | (59)                              |
| Fair value adjustments                      | (43)                              |                                   |
| Business and asset disposal                 | (38)                              | 537                               |
| Disputes                                    | (20)                              | 33                                |
| <b>Total</b>                                | <b>(558)</b>                      | <b>511</b>                        |

See Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 Exceptional Items above for more information about our exceptional items.

**Restructuring**

Exceptional restructuring charges amounted to USD 457 million in the year ended 31 December 2008 as compared to USD 59 million in the year ended 31 December 2007 as described below.

As part of our plans to effectively integrate Anheuser-Busch, we announced on 8 December 2008 plans to cut approximately 1,400 U.S. salaried positions in our U.S. beer-related divisions. We estimate that the aggregate pre-tax expense associated with the reduction will be approximately USD 195 million. These costs were accrued at the time of the announcement in accordance with IAS 37.

Our 2008 exceptional restructuring charges further include USD 182 million in costs which mainly resulted from organisational re-alignments and the outsourcing of activities in Western Europe, global headquarters and Asia Pacific. These changes aim to eliminate overlap or duplicated processes and activities across functions and zones taking into account the right match of employee profiles with the new organisational requirements. The one-time expenses as a result of this series of decisions are expected to provide us with a lower cost base, a stronger focus on our core activities, quicker decision-making and improvements to efficiency, service and quality.

The 2008 restructuring charges also included an impairment loss of USD 80 million related to our plans to implement a new distribution model in France, involving the transfer of a controlling interest in our current integrated distribution network (CafeIn) and entry into a partnership for the distribution of our beverages. In connection with this reorganisation, CafeIn was recognised as an asset held for sale and an impairment loss of USD 80 million was recognised per end of December 2008.

## Table of Contents

### Fair value adjustments

Fair value adjustments, recognised in the 2008 exceptional items in the amount of USD 43 million in expense as compared to nil in 2007, related to the one-time impact of revaluing the inventories of Anheuser-Busch upon completion of the acquisition in line with IFRS 3.

### Business and asset disposal

In 2008, we recognised an exceptional expense of USD 38 million in respect of business and asset disposals in 2008 as compared to a net gain of USD 537 million in 2007, mainly resulting from the sale in 2007 of Immobrew SA/NV to Cofinimmo S.A. The 2008 figure is partly related to losses recognised in connection with the above-mentioned reorganisation in France (USD 10 million). Additional losses related to business and asset disposals of previous years that were booked in 2008.

### Disputes

Profit from operations as at 31 December 2008 was negatively affected by provisions for disputes of USD 20 million compared to the positive impact of a net reversal in provisions for disputes of USD 33 million in 2007.

### *Profit from Operations*

The following table reflects changes in profit from operations across our business zones for the year ended 31 December 2008 as compared to the year ended 31 December 2007:

|                                      | Year ended<br>31 December 2008 | Year ended<br>31 December 2007 | Change<br>(%) <sup>(1)</sup> |
|--------------------------------------|--------------------------------|--------------------------------|------------------------------|
|                                      | <i>(USD million)</i>           |                                |                              |
| North America                        | 859                            | 718                            | 19.6                         |
| Latin America North                  | 3,040                          | 2,840                          | 7.0                          |
| Latin America South                  | 672                            | 440                            | 52.7                         |
| Western Europe                       | 223                            | 1,108                          | (79.9)                       |
| Central & Eastern Europe             | 186                            | 392                            | (52.6)                       |
| Asia Pacific                         | 153                            | 227                            | (32.6)                       |
| Global Export & Holding<br>Companies | 207                            | 147                            | 40.8                         |
| <b>Total</b>                         | <b>5,340</b>                   | <b>5,872</b>                   | <b>(9.1)</b>                 |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our profit from operations decreased to USD 5,340 million in 2008. This represented a decrease of USD 532 million, or 9.1%, as compared to 2007 profit from operations.

USD 44 million of the decrease in profit from operations in 2008 was attributable to the Anheuser-Busch acquisition.

Our 2008 profit from operations reflects a net decrease of USD 39 million as compared to 2007 attributable to the aggregate impact of the sale of the Cintra brands, four wholesalers in Western Europe and Immobrew SA/NV during 2008, the sale of the United Dutch Breweries BV business in November 2007 and the Lakeport acquisition in 2007.

Our 2008 profit from operations also reflects a positive currency translation impact of USD 320 million.



**Table of Contents**

Our 2008 profit from operations was impacted negatively by USD 558 million in 2008 as a result of certain exceptional items, as compared to a positive impact of USD 511 in 2007. See **Exceptional Items** above for a description of the exceptional items in 2008 and 2007. These exceptional items mainly affected our Western Europe zone, where exceptional items decreased profit from operations by USD 275 million in 2008 as compared to an increase of USD 475 million in 2007, and our North America zone, where exceptional items decreased profit from operations by USD 220 million in 2008 as compared to an increase of USD 19 million in 2007.

See note 5 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further description of our 2008 and 2007 profit from operations by zone.

**EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the year ended 31 December 2008 as compared to our EBITDA, as defined, for the year ended 31 December 2007:

|   | Year ended<br>31 December<br>2008 | Year ended<br>31 December<br>2007 | Change<br>(%)(1) |
|---|-----------------------------------|-----------------------------------|------------------|
|   | <i>(USD million)</i>              |                                   |                  |
| <b>Profit</b>                             | <b>3,126</b>                      | <b>4,167</b>                      | <b>(25.0)</b>    |
| Income tax expense                        | 674                               | 888                               | (24.1)           |
| Net finance cost                          | 1,600                             | 818                               | 95.6             |
| Share of result of associates             | (60)                              | (1)                               | -                |
| <b>Profit from operations</b>             | <b>5,340</b>                      | <b>5,872</b>                      | <b>(9.1)</b>     |
| Depreciation, amortisation and impairment | 1,912                             | 1,408                             | 35.8             |
| <b>EBITDA, as defined</b>                 | <b>7,252</b>                      | <b>7,280</b>                      | <b>(0.4)</b>     |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

See **Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined** for additional information on our definition and use of EBITDA, as defined.

Our EBITDA, as defined, decreased to USD 7,252 million in 2008. This represented a decrease of USD 28 million, or 0.4%, as compared to 2007 EBITDA, as defined.

The Anheuser-Busch acquisition contributed to an increase in our EBITDA, as defined, in 2008 of USD 217 million, and our 2008 EBITDA, as defined, also reflects a positive currency translation impact of USD 404 million. However, these increases were offset by the decreases described below, in particular in respect of exceptional items.

Our 2008 EBITDA, as defined, reflects a net decrease of USD 42 million as compared to 2007 attributable to the aggregate impact of the sale of the Cintra brands, four wholesalers in Western Europe and Immobrew during 2008, the sale of the United Dutch Breweries BV business in November 2007 and the Lakeport acquisition in 2007.

Our 2008 EBITDA, as defined, was impacted negatively by USD 559 million in 2008 as a result of certain exceptional items, as compared to a positive impact of USD 454 million in 2007. In addition to the exceptional items for 2008 and 2007 described under **Exceptional Items** above, the exceptional items impacting our EBITDA, as defined, included a USD 1 million reversal of an impairment affecting the disposal of assets in 2008 and a USD 56 million reversal of an impairment loss in respect of restructuring charges in 2007. The exceptional items mainly affected our Western



---

## **Table of Contents**

Europe zone, where exceptional items decreased EBITDA, as defined, by USD 275 million in 2008 as compared to an increase of USD 436 million in 2007, and our North America zone, where exceptional items decreased EBITDA, as defined, by USD 220 million in 2008 as compared to an increase of USD 3 million in 2007.

See note 5 to our audited consolidated financial statement as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further performance measures used by our management. Also see note 10 to our audited consolidated financial statement as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for additional information regarding the allocation of our depreciation, amortisation and impairment charges.

### ***Net Finance Cost***

Our net finance cost was USD 1,600 million in 2008, as compared to USD 818 million in 2007. The USD 782 million increase was primarily due to the USD 187 million in exceptional finance cost described below and a USD 566 million increase in interest expense. USD 247 million of the increased interest expense stems from the interest on the Anheuser-Busch existing loans and the financing of the Anheuser-Busch acquisition following its completion on 18 November 2008. The remainder of the interest expense increase results from higher net debt positions in the parent companies (Anheuser-Busch InBev SA/NV, Cobrew NV/SA and BrandBrew SA) and AmBev Brazil, mainly as a result of dividend payments and share buyback programmes.

In connection with the combination with Anheuser-Busch, we recognised an exceptional financial expense of USD 187 million as of year-end 2008. USD 119 million of this expense related to the commitment fees for the syndicated senior debt facilities and bridge facility we entered into to finance the Anheuser-Busch acquisition and the underwriting and arrangement fees for this bridge facility. In addition, a USD 68 million loss was recognised for ineffectiveness of the interest-rate hedging on the Anheuser-Busch financing prior to the closing of the Acquisition. See note 11 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

### ***Share of Result of Associates***

Our share of result of associates in 2008 was USD 60 million as compared to USD 1 million in 2007, reflecting the recognition of six weeks of results of our direct and indirect investments in Grupo Modelo and Tsingtao following the acquisition of Anheuser-Busch.

### ***Income Tax Expense***

Our total 2008 income tax expense amounted to USD 674 million with an effective tax rate of 18.0% (as compared to 17.6% in 2007). Our 2008 income tax expense was mainly impacted by the recognition of a deferred tax asset of USD 123 million following the use of tax losses not previously recognised as a result of an intragroup transfer of certain intangibles. Furthermore, we continue to benefit at the AmBev level from the impact of interest on equity payments (that is, a specific type of profit distribution to shareholders (similar to dividends) which is tax deductible for AmBev, as the payer of such profit distribution, up to an amount determined in accordance with specified rules and limits established by the government of Brazil) and tax deductible goodwill from the merger between InBev Holding Brazil S.A. and AmBev in July 2005 and the acquisition of Quinsa in August 2006. The impact of this tax deductible goodwill on income tax expense as of 31 December 2008 was USD 277 million and, unless there is a change in tax law, we expect amortisation of this goodwill to end in 2014. On the other hand, our effective tax rate in 2008 was also affected by the fact that profit before tax for the year reflects the recognition of an exceptional impairment on the French distribution network, on which no deferred tax assets are recognised. Excluding the impact of the recognition of the deferred tax asset and the exceptional expense due to the French reorganisation, the effective tax rate would have been 20.4%.

**Table of Contents****Profit (Pre- and Post-Minorities)**

Profit attributable to our equity holders for 2008 was USD 1,927 million (with earnings per share of USD 1.93, based on 999 million shares outstanding, representing the weighted average number of shares outstanding during 2008 taking into account share buy-back programmes and the effect of our rights offering in December 2008). Excluding the exceptional items discussed above, profit attributable to our equity holders for 2008 would have been USD 2,511 million and earnings per share would have been USD 2.51, based on 999 million shares outstanding. For more information regarding our earnings per share, see note 24 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008. The profit attributable to our equity holders in 2008 included the impact of the net financing costs, share of result of associates and income tax expense described above. The profit attributable to minority interests amounted to USD 1,199 million (as compared to USD 1,162 million in 2007). The increase in profit attributable to minority interests was due to the positive currency impact, which offset lower AmBev profits and the impact of an AmBev share buy-back programme in 2008.

**Year Ended 31 December 2007 Compared to Year Ended 31 December 2006****Volumes**

The following table reflects changes in sales volumes across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(thousand hectoliters)</i>     |                                   |                              |
| North America                     | 12,572                            | 14,342                            | (12.3)                       |
| Latin America North               | 100,877                           | 94,586                            | 6.7                          |
| Latin America South               | 30,524                            | 22,566                            | 35.3                         |
| Western Europe                    | 36,068                            | 39,147                            | (7.9)                        |
| Central & Eastern Europe          | 49,137                            | 43,201                            | 13.7                         |
| Asia Pacific                      | 36,380                            | 30,924                            | 17.6                         |
| Global Export & Holding Companies | 5,054                             | 1,763                             | 186.7                        |
| <b>Total</b>                      | <b>270,611</b>                    | <b>246,529</b>                    | <b>9.8</b>                   |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated sales volumes grew 9.8% in 2007 as compared to 2006, with beer volumes rising 8.7% and non-beer volumes rising 16.3%. However, sales volumes of our own beer brands increased by 9.3% in that period, primarily as a result of the execution of our strategy to focus on building branded volumes, while reducing private labels and other lower margin beer products.

Beer growth generally was driven by operations in the Latin America North, Latin America South, Central & Eastern Europe and Asia Pacific business zones. The factors impacting our volume performance in 2007 in each zone are described below.

**North America**

Sales volumes decreased 12.3% in North America in 2007 as compared to 2006. This decrease was due to the shift of our sales of European brands to the United States from our North America business zone to our Global Export & Holding Companies zone as described below and volumes in Canada declining as a result of market share loss, which more than offset the effects of including Lakeport brands to our Canadian portfolio from April 2007 and the subsequent growth of those brands throughout the year. Our comparative volume decline in 2007 also reflects the effect of our sale of the Rolling Rock family of brands in 2006.



---

## **Table of Contents**

2007 saw Anheuser-Busch, Inc. importing our European brands into the U.S. market for the first time pursuant to the Import Agreement we entered into with Anheuser-Busch, Inc. in 2006. Although initial challenges around the implementation of the agreement arose, sales and volumes challenges were resolved during the year. Following entry into this Import Agreement, our sales of European import brands to the United States were reported under the Global Export & Holding Companies zone until the Anheuser-Busch acquisition. See Business Zones and Secondary Segments .

### **Latin America North**

In Latin America North, volumes rose by 6.7% in 2007 as compared to 2006, with beer products recording a 6.3% increase and non-beer products recording a 7.5% increase. Our beer volumes in Brazil increased 6.9%, largely as a result of growth in the Brazilian beer market generally. This was despite a modest 1.0% decline in our full year Brazilian market share in 2007 as compared to 2006. Our beer volumes in the other countries of the business zone were together down 4.6%, despite positive performances in Peru and the Dominican Republic and only small declines in Guatemala and Ecuador. This decrease was primarily due to larger volume decreases in Venezuela, where the impact of declining industry volume outweighed the impact of an increase in our market share.

In March 2007, we acquired two plants through the acquisition of Cervejarias Cintra Ind. e Com. Ltda., thereby increasing our production capacity in Brazil.

### **Latin America South**

Our volumes increased by 8.0 million hectoliters, or 35.3%, in Latin America South in 2007 as compared to 2006, with beer volumes increasing by 29.3% and non-beer volumes increasing by 45.4%.

6.5 million hectoliters of the 2007 volume increase reflected the full consolidation during 2007 of Quinsa's results and volumes in our operating results and volumes as compared to 2006 when Quinsa's results and volumes were fully consolidated for the last five months of 2006 following the acquisition of substantial minority interests in Quinsa from Beverage Associates Corp. in August 2006 but only proportionally consolidated for the first seven months of 2006. This volume increase was partially offset by the sale of certain Quinsa brands in December 2006 as required by Argentine antitrust authorities. The Quinsa consolidation into our business resulted in volume increases across our Latin America South zone.

Sales performance were particularly strong in Argentina, Bolivia and Uruguay in 2007. These increases were supported by the ongoing growth of our premium brands. Furthermore, to support growing demand for beer and soft drinks in the Argentine marketplace, investments have been made to expand capacity at existing breweries in Argentina, making 2007 a record year for our investment in that country. Our facilities in Bolivia and Paraguay were also expanded during the course of 2007.

### **Western Europe**

Our total volumes in Western Europe declined 7.9% in 2007 as compared to 2006, against a backdrop of lower industry volumes generally. However, volumes of our own beer brands were down by only 7.2%. Our beer volumes in the United Kingdom declined during 2007, which coincided with a decrease in our market share in the United Kingdom's beer segment. In particular, our flagship Stella Artois brand experienced difficulties in the United Kingdom during 2007 as reflected in loss of volumes and market share. Consistent with results in previous years, apart from the United Kingdom, we grew or maintained market share in all main Western Europe markets for 2007. Our 2007 volumes also reflected a volume decrease of 1.2 million hectoliters primarily due to the sale of the United Dutch Breweries BV business in the Netherlands in November 2007 and the sale of the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses in Germany in 2006.

**Table of Contents****Central & Eastern Europe**

Volume growth of 13.7% was achieved in Central & Eastern Europe in 2007, as compared to 2006. Beer volumes increased by 16.5% in Russia, leading to increased market share. We also continued to hold market leadership in Ukraine in 2007, with beer volumes rising 19.3% overall. All other markets in Central & Eastern Europe except Hungary also maintained or increased in volume. We continued to invest in our Central & Eastern Europe business zone production capabilities in 2007. In October 2007, our Russian brewery in Angarsk became operational, which should enable better satisfaction of growing demand in the East of the country. The strategic location of this brewery is expected to reduce distribution time to ensure that our beer products reach consumers with greater speed and efficiency.

**Asia Pacific**

As compared to 2006, Asia Pacific volumes increased by 17.6% in 2007 with growth in China, although this was lower than the growth of the Chinese market as a whole, and growth in South Korea supported by growth of the Cass brand, which resulted in a higher market share. The acquisition of Fujian Sedrin Brewery Co., Ltd. in China contributed substantially to growth in Asia Pacific in 2007.

**Global Export & Holding Companies**

Global Export & Holding Company volumes increased by 186.7%, as a result of improvements in volumes in countries in which our products are sold only on an export basis and in which we do not otherwise have any operations or production activities, as well as the distribution platform established under the import license entered into with Anheuser-Busch, Inc. for the import of our European brands into the United States market and the shift of certain sales activities which were previously reported in the Asia Pacific zone to the Global Export & Holding Companies zone.

**Revenue**

The following table reflects changes in revenue across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>              |                                   |                              |
| North America                     | 2,139                             | 2,296                             | (6.8)                        |
| Latin America North               | 6,707                             | 5,353                             | 25.3                         |
| Latin America South               | 1,372                             | 919                               | 49.3                         |
| Western Europe                    | 4,725                             | 4,573                             | 3.3                          |
| Central & Eastern Europe          | 3,006                             | 2,283                             | 31.7                         |
| Asia Pacific                      | 1,359                             | 1,144                             | 18.8                         |
| Global Export & Holding Companies | 427                               | 124                               | 244.4                        |
| <b>Total</b>                      | <b>19,735</b>                     | <b>16,692</b>                     | <b>18.2</b>                  |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated revenue grew to USD 19,735 million in the year ended 31 December 2007. This represented growth of 18.2% (or USD 3,043 million) as compared to the year ended 31 December 2006.

USD 539 million of the 2007 revenue growth was attributable to the full consolidation of Quinsa into our operating results in 2007 and the acquisitions of Lakeport in Canada and Cervejarias Cintra Ind. e Com. Ltda. in Brazil in 2007 and Fujian Sedrin Brewery Co., Ltd. in China in 2006.





**Table of Contents**

Our 2007 revenue reflects a net revenue decrease of USD 164 million as compared to 2006 attributable to the aggregate impact of the sale of United Dutch Breweries BV in 2007 and the sales of Rolling Rock family of brands and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses in 2006.

Our 2007 consolidated revenue also reflects a positive currency translation impact of USD 1,478 million. Our revenue for the year ended 31 December 2007 increased as compared to the year ended 31 December 2006 as a result of the developments in volume discussed above. Our revenue per hectoliter decreased as a result of the business acquisitions and disposals described above and in particular the full consolidation of Quinsa, as the revenue per hectoliter in Latin America South is lower than the average revenue per hectoliter of the AB InBev Group as a whole. This decrease was offset by an increase attributable to positive currency translation effects.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, the main business zones contributing to revenue growth in 2007 were Latin America North, Latin America South and Central & Eastern Europe.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, our revenue increased by 7.1% for the year ended 31 December 2007 as compared to the year ended 31 December 2006. This change in revenue included a 5.2% increase as a result of higher overall volumes and a 1.9% increase attributable to higher revenue per hectoliter. This increase in revenue per hectoliter was the result of price increases in selected markets, tighter control over discounts and overall product mix improvement driven by our strategy to focus on building branded volumes while reducing private labels and lower margin beer products, particularly in Western Europe.

The shift of our sales of European brands to the United States from our North America business zone to our Global Export & Holding Companies zone increased the revenue in the Global Export & Holding Companies zone and decreased the revenue in the North America zone. The implementation of the Import Agreement with Anheuser-Busch, Inc. for the import of our European brands into the United States also generally resulted in a change in distribution platform characterised by lower revenue, lower marketing and distribution expenses and higher operating income.

**Cost of Sales**

The following table reflects changes in cost of sales across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>              |                                   |                              |
| North America                     | (672)                             | (853)                             | 21.2                         |
| Latin America North               | (2,274)                           | (1,869)                           | (21.7)                       |
| Latin America South               | (581)                             | (393)                             | (47.8)                       |
| Western Europe                    | (2,210)                           | (2,031)                           | (8.8)                        |
| Central & Eastern Europe          | (1,385)                           | (1,054)                           | (31.4)                       |
| Asia Pacific                      | (677)                             | (586)                             | (15.5)                       |
| Global Export & Holding Companies | (319)                             | (84)                              | (279.8)                      |
| <b>Total</b>                      | <b>(8,118)</b>                    | <b>(6,870)</b>                    | <b>(18.2)</b>                |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

**Table of Contents**

Our consolidated cost of sales was USD 8,118 million in 2007. This represented an increase of 18.2% as compared to 2006.

USD 257 million of the 2007 cost of sales increase was attributable to the full consolidation of Quinsa into our operating results in 2007 and the acquisitions of Lakeport in Canada and Cervejarias Cintra Ind. e Com. Ltda. in Brazil in 2007 and Fujian Sedrin Brewery Co., Ltd. in China in 2006.

Our 2007 consolidated cost of sales reflects a net cost of sales decrease of USD 90 million as compared to 2006 attributable to the aggregate impact of the sale of United Dutch Breweries BV in 2007 and the sales of Rolling Rock family of brands and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses in 2006.

Our 2007 consolidated cost of sales also reflect a negative currency translation impact of USD 585 million.

Our cost of sales per hectoliter decreased as a result of the business acquisitions and disposals described above, because our acquired businesses had cost of sales per hectoliter below the average of the AB InBev Group and our disposals had cost of sales per hectoliter higher than the average cost of sales per hectoliter of the AB InBev Group. This decrease was offset by an increase in cost of sales as a result of currency translation effects. Cost of sales per hectoliter also increased as a result of inflationary pressures, though this increase was lower than the weighted average inflation of 4.0% across our countries of operation. The growth in cost of sales per hectoliter at levels below inflation in 2007 was the result of successful implementation of supply chain efficiency programmes, such as Voyager Plant Optimisation and value engineering, which aim to optimise resource utilisation and brewing process, resulting in lower consumption of raw materials and higher efficiency, while garnering quality and safety improvements. By the end of 2007, our Voyager Plant Optimisation Programme reached one of its most important milestones, becoming operational in all business zones apart from Latin America South.

Approximately 20% of our cost of sales consists of fixed costs which are not impacted by our volumes; these primarily include depreciation and amortization and indirect production costs.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, our cost of sales increased by 7.2%. Of this increase, 5.2% was attributable to higher volumes and 2.0% was attributable to a higher cost of sales per hectoliter.

**Expenses**

Our operating expenses totalled USD 6,256 million in 2007, an increase of 8.3% as compared to 2006.

**Distribution expenses**

The following table reflects changes in distribution expenses across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%)(1) |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------|
|                                   | <i>(USD million)</i>              |                                   |                  |
| North America                     | (376)                             | (339)                             | (10.9)           |
| Latin America North               | (756)                             | (626)                             | (20.8)           |
| Latin America South               | (112)                             | (70)                              | (60.0)           |
| Western Europe                    | (551)                             | (522)                             | (5.6)            |
| Central & Eastern Europe          | (399)                             | (304)                             | (31.3)           |
| Asia Pacific                      | (93)                              | (83)                              | (12.0)           |
| Global Export & Holding Companies | (56)                              | (1)                               | -                |
| <b>Total</b>                      | <b>(2,343)</b>                    | <b>(1,945)</b>                    | <b>(20.5)</b>    |



**Table of Contents**

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated distribution expenses were USD 2,343 million in 2007. This represented an increase of USD 398 million, or 20.5%, as compared to 2006. Aside from the effect of the full consolidation of Quinsa, the acquisitions of Lakeport, Cervejarias Cintra Ind. e Com. Ltda. and Fujian Sedrin Brewery Co., Ltd., the sale of United Dutch Breweries BV, the Rolling Rock family of brands and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses, and currency translation, the increase in distribution expenses was mainly due to a combination of higher volumes and the impact of increased transport costs in some operations. The higher transport costs were a consequence of increases in oil prices, which affected all business zones. The Latin America South business zone was particularly affected, registering an increase of 60% in 2007 as compared to 2006, driven by higher oil prices and labour costs.

**Sales and marketing expenses**

The following table reflects changes in sales and marketing expenses across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%)(1) |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------|
|                                   | <i>(USD million)</i>              |                                   |                  |
| North America                     | (282)                             | (390)                             | 27.7             |
| Latin America North               | (672)                             | (554)                             | (21.3)           |
| Latin America South               | (161)                             | (112)                             | (43.8)           |
| Western Europe                    | (914)                             | (903)                             | (1.2)            |
| Central & Eastern Europe          | (536)                             | (391)                             | (37.1)           |
| Asia Pacific                      | (283)                             | (218)                             | (29.8)           |
| Global Export & Holding Companies | (71)                              | (85)                              | 16.5             |
| <b>Total</b>                      | <b>(2,919)</b>                    | <b>(2,653)</b>                    | <b>(10.0)</b>    |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated sales and marketing expenses were USD 2,919 million in 2007. This represented an increase of USD 266 million, or 10.0%, from 2006. Excluding the effect of (i) full consolidation of Quinsa and the acquisitions of Lakeport, Cervejarias Cintra Ind. e Com. Ltda. and Fujian Sedrin Brewery Co., Ltd., which resulted in an increase in sales and marketing expenses of USD 76 million, (ii) the sale of United Dutch Breweries BV, the Rolling Rock family of brands and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses, which resulted in a decrease in sales and marketing expenses of USD 23 million and (iii) a negative currency translation effect of USD 216 million, our sales and marketing expenses in 2007 would have decreased by 0.6% as compared to 2006 reflecting savings in non-working sales and marketing expenses, as well as the impact of a changed business model for the import of our European brands into the United States. During 2007 (starting in February 2007), Anheuser-Busch, Inc. bore the sales and marketing costs for our European imports in the United States as reflected in the decrease in sales and marketing expenses in North America.

The reduction of non-working expenses was due to the visibility that Zero-Based Budgeting brings to our business, allowing us to better allocate resources to where they will best add value. Most business zones increased their sales and marketing expenses in 2007. North America and Western Europe were the only geographical business zones to reduce their total sales and marketing spending in 2007 as compared to 2006. Both the North America and Western Europe business zones focused on non-working expense reductions, such

**Table of Contents**

as agency fees, but also on procurement gains in working expenses (that is, expenses that directly impact revenue, sales volumes or beer value since they are directly visible to consumers), such as media buying and trade marketing materials.

**Administrative expenses**

The following table reflects changes in administrative expenses across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>              |                                   |                              |
| North America                     | (114)                             | (130)                             | 12.3                         |
| Latin America North               | (352)                             | (340)                             | (3.5)                        |
| Latin America South               | (60)                              | (64)                              | 6.3                          |
| Western Europe                    | (321)                             | (330)                             | 2.7                          |
| Central & Eastern Europe          | (179)                             | (176)                             | (1.7)                        |
| Asia Pacific                      | (83)                              | (68)                              | (22.1)                       |
| Global Export & Holding Companies | (245)                             | (240)                             | (2.1)                        |
| <b>Total</b>                      | <b>(1,354)</b>                    | <b>(1,348)</b>                    | <b>(0.4)</b>                 |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. Our consolidated administrative expenses were essentially flat in 2007 at USD 1,354 compared to 2006. This reflected our ongoing commitment to cost containment and was partly impacted by a higher accrual for bonus payments in 2006 offsetting a net increase in administrative expenses arising from the acquisitions and disposals of businesses during 2007 and 2006. In all cases, including Central & Eastern Europe where it was implemented in 2007, the reduction in administrative expenses was primarily the result of Zero-Based Budgeting efforts. The creation of shared service centres in 2006 also contributed in certain zones as did the change of business model for the import of our European brands to the United States.

**Other operating income/(expense)**

The following table reflects changes in other operating income and expenses across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>              |                                   |                              |
| North America                     | 4                                 | (8)                               | 150.0                        |
| Latin America North               | 166                               | 76                                | 118.4                        |
| Latin America South               | (15)                              | (11)                              | (36.4)                       |
| Western Europe                    | (96)                              | (135)                             | 28.9                         |
| Central & Eastern Europe          | (94)                              | (100)                             | 6.0                          |
| Asia Pacific                      |                                   | (1)                               |                              |
| Global Export & Holding Companies | 395                               | 346                               | 14.2                         |
| <b>Total</b>                      | <b>360</b>                        | <b>167</b>                        | <b>115.6</b>                 |

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

**Table of Contents**

The net balance of our other operating income and expenses resulted in a gain of USD 360 million for 2007. The main drivers were increased fiscal incentives in Latin America North, the release of provisions in Western Europe, gains on sales of assets in Western Europe and Central & Eastern Europe and increased royalties related to the Import Agreement with Anheuser-Busch, Inc.

**Exceptional Items**

Exceptional items, which are items of income or expense that do not occur regularly as part of our normal activities, consisting of restructuring charges, business and asset disposals and disputes, impacted our profit from operations as follows in the years ended 31 December 2007 and 2006:

|   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 |
|---|-----------------------------------|-----------------------------------|
|   | <i>(USD million)</i>              |                                   |
| Restructuring (including impairment losses) | (59)                              | (174)                             |
| Business and asset disposal                 | 537                               | (24)                              |
| Disputes                                    | 33                                | 80                                |
| <b>Total</b>                                | <b>511</b>                        | <b>(118)</b>                      |

See Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 Exceptional Items above for more information about our exceptional items.

**Restructuring**

Exceptional restructuring charges amounted to a net loss of USD 59 million in our profit from operations in 2007 as compared to a net loss of USD 174 million in 2006. The 2007 restructuring charges consisted of USD 115 million for organisational alignments in Western Europe, Central & Eastern Europe and the global headquarters and towards the further implementation of our European shared service centres for transactional services. These changes aimed to eliminate overlap or duplicated processes and activities across functions and business zones taking into account the right match of employee profiles with the new organisational requirements. The targeted outcome was a stronger focus on our core activities, quicker decision-making and improvements to efficiency, service and quality. This charge was partly offset by a reversal of an impairment loss of USD 56 million, based on a change in the recoverable amount of the respective assets.

**Business and asset disposal**

The sale of ImmoBrew SA/NV (a subsidiary of AB InBev Belgium that directly owned 824 pubs in Belgium and indirectly owned 245 pubs in the Netherlands) to Cofinimmo S.A. in October 2007 and the disposal of some dormant companies and assets held for sale resulted in a gain before taxes in our profit from operations of USD 537 million in 2007. The Cofinimmo S.A. transaction was structured to ensure that we retained a 10% interest in ImmoBrew SA/NV, which we account for as an associate, and that long-term operating lease agreements with renewal rights in respect of the properties owned by ImmoBrew SA/NV were simultaneously entered into between us and ImmoBrew SA/NV. We have not provided any guarantees to the acquirer as to the assets' residual values (see note 6 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further details). The sale in 2006 of the Rolling Rock family of brands, Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH resulted in a net business disposal loss of USD 24 million.

**Disputes**

Profit from operations was positively affected by a net reversal of provisions for disputes of USD 33 million in 2007. The comparable reversal of provisions for disputes in 2006 was USD 80 million.

**Table of Contents*****Profit from Operations***

The following table reflects changes in profit from operations across our business zones from the year ended 31 December 2006 to the year ended 31 December 2007:

|                                   | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change<br>(%) <sup>(1)</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                   | <i>(USD million)</i>              |                                   |                              |
| North America                     | 718                               | 571                               | 25.7                         |
| Latin America North               | 2,840                             | 2,117                             | 34.2                         |
| Latin America South               | 440                               | 274                               | 60.6                         |
| Western Europe                    | 1,108                             | 478                               | 131.8                        |
| Central & Eastern Europe          | 392                               | 255                               | 53.7                         |
| Asia Pacific                      | 227                               | 179                               | 26.8                         |
| Global Export & Holding Companies | 147                               | 51                                | 188.2                        |
| <b>Total</b>                      | <b>5,872</b>                      | <b>3,925</b>                      | <b>49.6</b>                  |

(1) The percentage change reflects the improvement of results for the period as a result of the change in each item.

Our profit from operations increased to USD 5,872 million in 2007. This represented an increase of USD 1,947 million, or 49.6%, as compared to 2006.

Our 2007 profit from operations reflects a net increase of USD 42 million as compared to 2006 attributable to the aggregate impact of the full consolidation of Quinsa, the acquisitions of Lakeport, Cervejarias Cintra Ind. e Com. Ltda. and Fujian Sedrin Brewery Co., Ltd. and the sale of United Dutch Breweries BV, the Rolling Rock family of brands and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses.

Our 2007 profit from operations also reflects a positive currency translation impact of USD 480 million.

Our 2007 profit from operations was impacted positively by USD 511 million in 2007 as a result of certain exceptional items, as compared to a negative impact of USD 118 million in 2006. See **Exceptional Items** above for a description of the exceptional items in 2007 and 2006. These exceptional items mainly affected our Western Europe zone, where exceptional items increased profit from operations by USD 475 million in 2007 as compared to a decrease of USD 174 million in 2006.

See note 5 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further description of our 2007 and 2006 profit from operations by zone.

***EBITDA, as defined***

The following table reflects changes in EBITDA, as defined, across our business zones for the year ended 31 December 2007 as compared to 2006 EBITDA, as defined:

|  | Year ended<br>31 December<br>2007 | Year ended<br>31 December<br>2006 | Change |
|--|-----------------------------------|-----------------------------------|--------|
|--|-----------------------------------|-----------------------------------|--------|



Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

|   | <i>(USD million)</i> |              | <i>(%)(1)</i> |
|---|----------------------|--------------|---------------|
| <b>Profit</b>                             | <b>4,167</b>         | <b>2,667</b> | <b>56.2</b>   |
| Income tax expense                        | 888                  | 666          | 33.3          |
| Net finance cost                          | 818                  | 593          | 37.9          |
| Share of result of associates             | (1)                  | (1)          | -             |
| <b>Profit from operations</b>             | <b>5,872</b>         | <b>3,925</b> | <b>49.6</b>   |
| Depreciation, amortisation and impairment | 1,408                | 1,371        | 2.7           |
| <b>EBITDA, as defined</b>                 | <b>7,280</b>         | <b>5,296</b> | <b>37.5</b>   |

---

**Table of Contents**

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item. See Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined for additional information on our definition and use of EBITDA, as defined.

Our EBITDA, as defined, increased to USD 7,280 million in 2007. This represented an increase of USD 1,984 million, or 37.5%, as compared to 2006 EBITDA, as defined.

Our 2007 EBITDA, as defined, reflects a net increase of USD 86 million as compared to 2006 attributable to the aggregate impact of the full consolidation of Quinsa, the acquisitions of Lakeport, Cervejarias Cintra Ind. e Com. Ltda. and Fujian Sedrin Brewery Co., Ltd. and the sale of United Dutch Breweries BV, the Rolling Rock family of brands, Immborew and the Dinkelacker-Schwaben Bräu GmbH & Co. KG and Hofbrauhaus Wolters GmbH businesses.

Our 2007 EBITDA, as defined, also reflects a positive currency translation impact of USD 576 million.

Our 2007 EBITDA, as defined, was impacted positively by USD 454 million in 2007 as a result of certain exceptional items, as compared to a negative impact of USD 17 million in 2006. In addition to the exceptional items for 2007 and 2006 described under Exceptional Items above, the exceptional items impacting our EBITDA, as defined, included a USD 56 million reversal of an impairment loss in respect of restructuring charges in 2007 and net impairment losses of USD 101 million in respect of business and asset disposals in 2006. These exceptional items mainly affected our Western Europe zone, where exceptional items increased EBITDA, as defined, by USD 436 million in 2007 as compared to a decrease of USD 99 million in 2006.

See note 5 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further performance measures used by our management. Also see note 10 to our audited consolidated financial statement as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for additional information regarding the allocation of our depreciation, amortisation and impairment charges.

***Net Finance Cost***

Our net finance cost was USD 818 million in 2007, as compared to USD 593 million in 2006. The USD 225 million increase was primarily due to an increase in interest expense following the higher mix of Brazilian real interest-bearing liabilities in our 2007 average net debt in comparison to the mix in 2006 and the adoption of hedge accounting on certain AmBev bonds in 2007. See note 11 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further description of our finance income and finance costs.

***Income Tax Expense***

Our income tax expense increased to USD 888 million in 2007 (at an effective income tax rate of 17.6%) from USD 666 million in 2006 (at an effective tax rate of 20.0%). The decrease in the effective tax rate was mainly attributable to the fact that AmBev continues to benefit from the impact of interest on equity payments, by tax deductible goodwill from the merger between InBev Holding Brazil S.A. and AmBev in July 2005 and the acquisition of Quinsa in August 2006, by the positive impact of low taxed capital gains on the sale of real estate to Cofinimmo S.A. and by the recognition of a deferred tax asset on U.S. tax loss carry forward. Excluding the impact of this exceptional capital gain, other exceptional items and the recognition of the deferred tax asset in the United States, our effective tax rate in 2007 would have been 19.7%.

**Table of Contents****Profit (Pre- and Post-Minorities)**

Reported profit attributable to our equity holders was USD 3,005 million in 2007, up 69.8% year-over-year. Excluding the exceptional items described above, profit attributable to our equity holders in 2007 would have been USD 2,547 million as compared to USD 1,909 million in 2006. The increase in reported profit attributable to our equity holders was primarily due to the improvement in our profit from operations and the full consolidation of Quinsa since August 2006, which more than offset an increase in net finance costs and income taxes. Profit attributable to minority interests increased to USD 1,162 million in 2007 from USD 897 million in 2006. The increase of USD 265 million was mainly triggered by increased profit at AmBev, partly offset by a decrease of the minority stake following the execution of the AmBev share buyback programmes.

**IMPACT OF CHANGES IN FOREIGN EXCHANGE RATES**

Foreign exchange rates have a significant impact on our consolidated financial statements. The following table sets forth the percentage of our revenue realized by currency for the six months ended 30 June 2009 and 2008, and the years ended 31 December 2008, 2007 and 2006:

|                              | Six months ended 30 June<br>(unaudited) |       | Year ended 31 December<br>(audited) |       |       |
|------------------------------|---|-------|-------------------------------------|-------|-------|
|                              | 2009                                    | 2008  | 2008                                | 2007  | 2006  |
| Brazilian reais              | 16.7%                                   | 33.8% | 30.7%                               | 32.2% | 30.0% |
| Euro                         | 8.5%                                    | 18.2% | 15.6%                               | 18.2% | 20.2% |
| U.S. dollars                 | 47.3%                                   | 1.3%  | 9.8%                                | 1.4%  | 3.6%  |
| Canadian dollars             | 5.0%                                    | 9.4%  | 8.4%                                | 9.5%  | 10.2% |
| Russian ruble                | 3.0%                                    | 7.1%  | 6.5%                                | 7.8%  | 6.7%  |
| Great Britain pound sterling | 3.6%                                    | 6.8%  | 6.2%                                | 7.9%  | 9.2%  |
| Argentinean peso             | 3.2%                                    | 5.0%  | 4.9%                                | 4.5%  | 3.6%  |
| Chinese yuan                 | 4.5%                                    | 3.3%  | 3.5%                                | 3.4%  | 3.0%  |
| South Korean won             | 1.6%                                    | 3.3%  | 3.0%                                | 3.7%  | 3.7%  |

During the six months ended 30 June 2009 and 2008:

The fluctuation of the foreign currency rates had a negative translation impact on our revenue of USD 2,186 million (as compared to a positive impact of USD 2,418 million during the six months ended 30 June 2008) and a negative translation impact on our profit from operations of USD 567 million (as compared to a positive impact of USD 632 million during the six months ended 30 June 2008).

The fluctuation of foreign currencies had a negative USD 352 million impact on our reported profit after tax (as compared to a positive impact of USD 456 million during the six months ended 30 June 2008), while the impact on our earnings base (profit attributable to our equity holders) was negative USD 204 million or USD (0.13) per share (as compared to a positive impact of USD 305 million, or USD 0.32 per share, during the six months ended 30 June 2008).

The foreign currency fluctuations had a USD 640 million impact on our net debt (increase of net debt) and a USD 1,465 million impact on our equity (increase of equity), as compared to a USD 529 million impact on our net debt (increase of net debt) and USD 891 million impact on our equity (increase of equity) during the first half of 2008.

As a result of the fluctuation of foreign exchange rates during the years ended 31 December 2008, 2007 and 2006:

We recorded a positive translation impact of USD 1,028 million on our 2008 revenue (as compared to a positive impact of USD 1,478 million in 2007 and a positive impact in 2006 of USD 695



---

**Table of Contents**

million) and a positive translation impact of USD 320 million on our 2008 profit from operations (as compared to a positive impact of USD 480 million in 2007 and a positive impact of USD 277 million in 2006);

Our 2008 reported profit (after tax) was positively affected by a USD 218 million translation impact (as compared to a positive translation impact in 2007 of USD 350 million and a positive translation impact in 2006 of USD 207 million), while the positive translation impact on our 2008 earnings per share base (profit attributable to our equity holders) was USD 122 million or USD 0.12 per share (as compared to USD 243 million or USD 0.25 per share in 2007 and USD 125 million or USD 0.13 per share in 2006); and

Our equity decreased by USD 3,866 million in 2008 as a result of translation impacts (as compared to increases of USD 1,981 million in 2007 and decreases of USD 1,159 million in 2006).

Following the Anheuser-Busch acquisition, a significantly greater portion of our assets and revenue is denominated in U.S. dollars as a result of the significant assets and revenue of Anheuser-Busch in the United States. As a result, effective 1 January 2009, we changed the presentation currency of our consolidated financial statements from the euro to the U.S. dollar and have restated our historical audited consolidated financial statements included in this Form F-4 from euros to U.S. dollars.

**LIQUIDITY AND CAPITAL RESOURCES**

**General**

Our primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities. Our material cash requirements have included the following:

Debt service;

Capital expenditures;

Investments in companies participating in the brewing, carbonated soft drinks and malting industries;

Increases in ownership of our subsidiaries or companies in which we hold equity investments;

Share buyback programmes; and

Payments of dividends and interest on shareholders' equity.

We are of the opinion that our working capital, as an indicator of our ability to satisfy our short-term liabilities, is, based on our expected cash flow from operations for the coming 12 months, sufficient for the 12 months following the date of this Form F-4. Over the longer term, we believe that our cash flows from operating activities, available cash and cash equivalents and short-term investments, along with our derivative instruments and our access to borrowing facilities, will be sufficient to fund our capital expenditures, debt service and dividend payments going forward. As part of our cash flow management, we are restraining growth in capital expenditures by optimizing use of our existing brewery capacity and standardizing operational processes to make our capital investments more efficient. We are also attempting to improve operating cash flow through procurement initiatives designed to leverage economies of scale and improve terms of payment to suppliers.

---

**Table of Contents**

The Group's equity attributable to our equity holders and minority interests amounted to USD 28.0 billion as at 30 June 2009 (USD 24.4 billion at 31 December 2008 and USD 21.9 billion at 31 December 2007) and the Group's net debt amounted to USD 53.1 billion as at 30 June 2009 (USD 56.7 billion at 31 December 2008 and USD 7.5 billion at 31 December 2007). Our overriding objectives when managing capital resources are to safeguard the business as a going concern and to optimize our capital structure so as to maximize shareholder value while keeping the desired financial flexibility to execute strategic projects.

To finance the acquisition of Anheuser-Busch, we entered into a USD 45 billion senior debt facilities agreement (of which USD 44 billion was ultimately drawn) and a USD 9.8 billion bridge facility agreement. USD 1.0 billion under the senior facilities agreement remains undrawn and on 18 December 2008, we repaid the debt we had incurred under the bridge facility agreement with the net proceeds of a rights offering and cash proceeds received by us from pre-hedging the foreign exchange rate between the euro and the U.S. dollar in connection with the rights offering.

We intend to continue to reduce our aggregate financial indebtedness through a combination of strong operating cash flow generation, asset disposals and a short-term reduction in dividend payments. We have repaid a portion of the debt incurred under the senior debt facilities agreement as described under [Net debt and Equity](#) below, and we intend to actively manage the maturity profile of our remaining indebtedness by refinancing borrowings under the senior facilities agreement through capital markets issuances. Of the USD 45 billion senior debt facilities agreement, USD 19 billion was originally scheduled to mature in one year, USD 13 billion in three years, and the remainder in five years. Shortly after the Anheuser-Busch acquisition, as of 31 December 2008, the amount of outstanding unsecured bank loans payable by us in less than 12 months was \$12.8 billion. After the \$4.7 billion cash flow available to pay down debt generated in the first six months of 2009 and total bond refinancing of \$13 billion, as of 30 June 2009, the amount of outstanding unsecured bank loans payable by us in less than 12 months has been reduced to \$3.8 billion. See [Contractual Obligations and Contingencies](#) [Contractual Obligations](#) .

Following the Anheuser-Busch acquisition and the resulting increased leverage, the AB InBev Group has publicly stated an objective to achieve asset disposals aggregating approximately USD 7 billion. As of 30 June 2009, pursuant to our disposal program, we had entered into agreements for the sale of the 27% stake in Tsingtao (USD 901 million), of Oriental Breweries (USD 1.8 billion), of four metal beverage can and lid manufacturing plants from our U.S. metal packaging subsidiary (USD 577 million) and of the Labatt USA distribution rights.

Our ability to manage the maturity profile of our debt and repay our outstanding indebtedness in line with management plans will nevertheless depend upon market conditions. If such unfavourable market conditions as have been experienced in the past twelve months continue or worsen, our costs could increase beyond what is currently anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due would have a material adverse effect on our financial condition and results of operations. See [Risk Factors](#) [Risks Relating to the Anheuser-Busch Acquisition](#) We will face financial risks due to our increased level of debt and challenging market conditions.

Our cash and cash equivalents less bank overdrafts as at 30 June 2009 amounted to USD 6,189 million. As of 30 June 2009, we had an aggregate of USD 321 million available to us under committed short-term credit facilities and an aggregate of USD 4,431 million available to us under committed long-term credit facilities. Although we may borrow such amounts to meet our liquidity needs, we principally rely on cash flows from operating activities to fund our continuing operations.

**Table of Contents****Cash Flow**

The following table sets forth our consolidated cash flows for the six months ended 30 June 2009 and 2008, and the years ended 31 December 2008, 2007 and 2006:

|  | Six months ended 30 June<br>(unaudited) |         | Year ended 31 December<br>(audited) |         |         |
|--|---|---------|-------------------------------------|---------|---------|
|  | 2009                                    | 2008    | 2008                                | 2007    | 2006    |
|  |   |         | <i>(USD million)</i>                |         |         |
| Cash flow from operating activities        | 5,067                                   | 1,829   | 6,158                               | 5,557   | 4,122   |
| Cash flow from investing activities        | 157                                     | (2,019) | (55,503)                            | (3,225) | (4,365) |
| Cash flow from financing activities        | (1,452)                                 | (330)   | 49,879                              | (1,327) | 261     |
| <b>Cash Flow from Operating Activities</b> |   |         |                                     |         |         |

Our cash flows from operating activities for the six months ended 30 June 2009 and 2008, and the years ended 31 December 2008, 2007 and 2006 were as follows:

|   | Six months ended 30 June<br>(unaudited) |              | Year ended 31 December<br>(audited) |              |              |
|---|---|--------------|-------------------------------------|--------------|--------------|
|   | 2009                                    | 2008         | 2008                                | 2007         | 2006         |
|   |   |              | <i>(USD million)</i>                |              |              |
| Profit (including minority interests)   | 2,343                                   | 1,766        | 3,126                               | 4,167        | 2,667        |
| Interest, taxes and non-cash items included in profit                                       | 4,059                                   | 1,748        | 4,809                               | 2,920        | 2,858        |
| <b>Cash flow from operating activities before changes in working capital and provisions</b> | <b>6,402</b>                            | <b>3,514</b> | <b>7,935</b>                        | <b>7,087</b> | <b>5,525</b> |
| Change in working capital <sup>(1)</sup>  | (45)                                    | (498)        | 802                                 | 370          | 164          |
| Pension contributions and use of provisions   | (279)                                   | (206)        | (490)                               | (496)        | (552)        |
| Interest, dividends, and taxes (paid)/received  | (1,011)                                 | (981)        | (2,089)                             | (1,404)      | (1,015)      |
| <b>Cash flow from operating activities</b>  | <b>5,067</b>                            | <b>1,829</b> | <b>6,158</b>                        | <b>5,557</b> | <b>4,122</b> |

(1) For purposes of the table above, working capital includes inventories, trade and other receivables and trade and other payables, both current and non-current.

Non-cash items included in profit include: depreciation, amortisation and impairments, including impairment losses on receivables and inventories; additions and reversals in provisions and employee benefits; losses and gains on sales of property, plant and equipment, intangible assets, subsidiaries and assets held for sale; equity share-based payment expenses; share of result of associates; net finance cost; income tax expense and other non-cash items included in profit. Please refer to our consolidated financial statements included in this Form F-4 for a more comprehensive overview of our cash flow from operating activities.

Our primary source of cash flow for our ongoing activities and operations is our cash flow from operating activities. For extraordinary transactions (such as the Anheuser-Busch acquisition), we may, from time to time, also rely on cash flows from other sources. See Cash Flow from Financing Activities, below.

Net cash from operating activities for the six months ended 30 June 2009 increased by USD 3,238 million, as compared to the six months ended 30 June 2008. The improvement was the combined result of higher profit following the Anheuser-Busch acquisition and improved working capital management. We devote substantial efforts to the more efficient use of our working capital especially those elements of our working capital that are perceived as core (including trade receivables, inventories and trade payables). The initiatives to improve our working capital include the implementation of best practices on collection of receivables and inventory management, such as optimising our inventory levels per stock taking unit, improving the batch sizes





**Table of Contents**

in our production process and optimising the duration of overhauls. Similarly, we aim to efficiently manage our payables by reviewing our standard terms and conditions on payments and resolving, where appropriate, the terms of payment within 120 days upon receipt of invoice. The negative USD 45 million change in working capital includes a USD 357 million cash outflow from derivatives. Excluding the impact of derivatives, the change in working capital would have resulted in a positive USD 312 million cash impact.

Net cash from operating activities increased by USD 601 million, or 10.8%, in the year ended 31 December 2008 as compared to the comparable period in 2007. The increase in the year ended 31 December 2008 was primarily the result of our devotion of substantial efforts to the more efficient use of our working capital, especially those elements of working capital that are perceived as core. The resulting changes in working capital had a USD 802 million cash positive flow impact in 2008. This improvement was partially the result of outstanding consideration payable to former Anheuser-Busch shareholders who did not claim the proceeds by year end 2008. Excluding this payable, the change in working capital would have resulted in a USD 302 million positive cash impact despite an increase in inventories by USD 388 million in 2008 as compared to year-end 2007 due to higher prices of raw materials (particularly malt). The improvement in working capital was partially offset by higher taxes and interest paid in 2008 as compared to 2007.

In 2007, the increase in net cash from operating activities amounted to an additional USD 1,435 million, or 34.8%, as compared to 2006. The improvement was the combined result of higher profit and improved working capital management.

**Cash Flow from Investing Activities**

Our cash flows from investing activities for the six months ended 30 June 2009, and the years ended 31 December 2008, 2007 and 2006 were as follows:

|  | Six months ended 30 June<br>(unaudited) |                | Year ended 31 December<br>(audited) |                |                |
|--|---|----------------|-------------------------------------|----------------|----------------|
|  | 2009                                    | 2008           | 2008                                | 2007           | 2006           |
|  | <i>(USD million)</i>                    |                |                                     |                |                |
| Net capital expenditure <sup>(1)</sup>   | (508)                                   | (1,074)        | (2,424)                             | (1,969)        | (1,528)        |
| Net acquisition of subsidiaries and associates, net of cash acquired/disposed of, and purchase of minority interests | 368                                     | (918)          | (53,044)                            | (1,259)        | (2,844)        |
| Other  | 297                                     | (27)           | (35)                                | 3              | 7              |
| <b>Cash flow from (used in) investing activities</b>   | <b>157</b>                              | <b>(2,019)</b> | <b>(55,503)</b>                     | <b>(3,225)</b> | <b>(4,365)</b> |

(1) Net capital expenditure consists of acquisitions of plant, property and equipment and of intangible assets, minus proceeds from sale. Net cash from investing activities increased to USD 157 million for the six months ended 30 June 2009 as compared to USD 2,019 million of cash used in investing activities during the six months ended 30 June 2008. This was mainly due to lower cash expenditures on purchases of minority interests and, especially, property, plant and equipment in the first half of 2009 than in the same period last year. This development was partially offset by our payment of USD 529 million in the first six months of 2009 on acquiring businesses as compared to USD 76 million during the same period last year. Of the cash used to acquire businesses during the first half of 2009, USD 508 million represented the settlement of outstanding consideration payable to former Anheuser-Busch shareholders who had not claimed the proceeds by year-end 2008, as well as the settlement of transaction costs related to the Anheuser-Busch acquisition. Further details on the acquisition of new businesses are disclosed in note 6 to our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and 2008. Furthermore, as a result of the sale of our 27% economic interest in Tsingtao in the first half of 2009, proceeds from the sale of associates increased compared to the same period last year.

**Table of Contents**

Acquisition of subsidiaries, net of cash acquired, the purchase of minority interests and the acquisition of plant, property and equipment accounted for our most significant cash outlays in each of the three years ending 31 December 2008, 2007 and 2006.

The evolution of the cash used in investment activities from USD 3,225 million in 2007 to USD 55,503 million in 2008 is mainly explained by the Anheuser-Busch acquisition for which the net cash used amounted to USD 52,158 million. Further details on the Anheuser-Busch acquisition are disclosed in note 6 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 and under Business Description Material Contracts The Merger Agreement .

Net cash used in investment activities decreased to USD 3,225 million in 2007 as compared to USD 4,365 million in 2006. This was mainly due to the proceeds from the sale of ImmoBrew SA/NV in 2007, a decrease in expenditure on acquisitions in 2007, partly offset by higher purchases of minority interests through the AmBev share buyback programmes.

**Cash Flow from Financing Activities**

Our cash flows from financing activities for the six months ended 30 June 2009 and 2008, and the years ended 31 December 2008, 2007 and 2006 were as follows:

|  | Six months ended 30 June<br>(unaudited) |              | Year ended 31 December<br>(audited) |                |            |
|--|---|--------------|-------------------------------------|----------------|------------|
|  | 2009                                    | 2008         | 2008                                | 2007           | 2006       |
|  | <i>(USD million)</i>                    |              |                                     |                |            |
| Net proceeds from the issue of share capital         | 33                                      | 36           | 9,764                               | 115            | 103        |
| Net purchase of treasury shares                      | -                                       | (1,080)      | (797)                               | (821)          | (74)       |
| Proceeds from borrowings                             | 10,598                                  | 8,083        | 56,425                              | 8,950          | 8,064      |
| Payments on borrowings                               | (11,540)                                | (4,902)      | (11,953)                            | (8,449)        | (6,960)    |
| Cash net financing costs other than interests        | 132                                     | (251)        | (632)                               | (60)           | (94)       |
| Payment of finance lease liabilities                 | (2)                                     | (4)          | (6)                                 | (10)           | (4)        |
| Dividends paid                                       | (673)                                   | (2,212)      | (2,922) <sup>(1)</sup>              | (1,052)        | (774)      |
| <b>Cash flow from (used in) financing activities</b> | <b>(1,452)</b>                          | <b>(330)</b> | <b>49,879</b>                       | <b>(1,327)</b> | <b>261</b> |

(1) Dividends paid in 2008 consist primarily of USD 1,983 million paid by Anheuser-Busch InBev SA/NV, USD 630 million paid by AmBev and USD 268 million paid by Anheuser-Busch.

Cash flows used in financing activities amounted to USD 1,452 million for the six months ended 30 June 2009, as compared to USD 330 million of cash flows used in financing activities for the six months ended 30 June 2008. The change was primarily due to higher payments on borrowings, reflecting principal repayments made during the six months ended 30 June 2009, the effects of which were partially offset by lower levels of purchases of treasury shares and lower dividends paid.

Cash flows from financing activities for the year ended 31 December 2008 amounted to USD 49,879 million, compared to cash flows used in financing activities of USD 1,327 million for the year ended 31 December 2007. The change was primarily due to an increase in the net proceeds from the issue of share capital in the amount of USD 9,764 million pursuant to a rights offering that was completed in December 2008 and an increase in proceeds from borrowings, related to the senior debt facility entered into to finance a part of the Anheuser-Busch acquisition. Proceeds of the rights offering were used to repay debt incurred under the bridge facility used to finance a part of the Anheuser-Busch acquisition.

Cash flows used in financing activities for the year ended 31 December 2007 amounted to USD 1,327 million compared to cash flows provided by financing activities of USD 261 million for the year ended 31 December 2006. This was principally due to higher share buybacks, debt repayments and dividend payments during the year.

## Table of Contents

### Transfers from Subsidiaries

The amount of dividends payable by our operating subsidiaries to us is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organised and operate. For example, in Brazil, which accounted for 28% of our actual reported profit from operations for the six months ended 30 June 2009, current legislation permits the Brazilian government to impose temporary restrictions on remittances of foreign capital abroad in the event of a serious imbalance or an anticipated serious imbalance of Brazil's balance of payments. For approximately six months in 1989 and early 1990, the Brazilian government froze all dividend and capital repatriations held by the Central Bank that were owed to foreign equity investors in order to conserve Brazil's foreign currency reserves.

Dividends paid to us by certain of our subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 10%.

Capital transfer restrictions are also common in certain emerging market countries, and may affect our flexibility in implementing a capital structure we believe to be efficient. For example, China has very specific approval regulations for all capital transfers to or from the country and certain capital transfers to and from the Ukraine are subject to obtaining a specific permit.

### Funding Sources

#### *Funding Policies*

We aim to secure committed credit lines with financial institutions to cover our liquidity risk on a 12-month and 24-month basis. Liquidity risk is identified using both the budget and strategic planning process input of the AB InBev Group on a consolidated basis. Depending on market circumstances and the availability of local (debt) capital markets, we may decide, based on liquidity forecasts, to secure funding on a medium- and long-term basis.

We also seek to continuously optimise our capital structure with a view to maximising shareholder value while keeping desired financial flexibility to execute strategic projects. Our capital structure policy and framework aims to optimise shareholder value through tax efficient maximisation of cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimising cash and investments with a return below our weighted average cost of capital.

#### *Cash and Cash Equivalents*

Our cash and cash equivalents less bank overdrafts for the six months ended 30 June 2009, and the years ended 31 December 2008, 2007 and 2006 were as follows:

|              | Six months ended 30 June<br>(unaudited)<br>2009 | Year ended 31 December<br>(audited) |              |            |
|--------------|---|-------------------------------------|--------------|------------|
|              |   | 2008                                | 2007         | 2006       |
|              | <i>(USD million)</i>                            |                                     |              |            |
| <b>Total</b> | <b>6,189</b>                                    | <b>2,171</b>                        | <b>1,831</b> | <b>705</b> |

For operational purposes, we hold cash and cash equivalents in the functional currencies of our operating companies. However, based on our most significant regions of operation, as of 30 June 2009, a significant amount of our cash and cash equivalents were held in the U.S. dollar (57.9% of total cash and cash equivalents), the real (17.9% of total cash and cash equivalents) and the euro (8.2% of total cash and cash equivalents). As of 31 December 2008, 34% of our cash and cash equivalents were held in the U.S. dollar, 31% were held in the real and 18% were held in the euro.

---

**Table of Contents*****Borrowings***

Pursuant to the long- and short-term financing commitments in the amount of USD 54.8 billion that we obtained in connection with the Anheuser-Busch acquisition, we drew down USD 53.8 billion for the closing of the acquisition, which significantly increased our level of indebtedness on a consolidated basis. For further information regarding our financing commitments in connection with the Acquisition, see Business Description Material Contracts Financing the Anheuser-Busch Acquisition .

All of the USD 54.8 billion financing commitments entered into by us in connection with the Anheuser-Busch acquisition bear interest at variable rates, and, except as described below, we will be exposed to interest rate risk on any amounts utilised under these commitments. As of 30 June 2009, USD 31.4 billion of the financing commitments entered into by us under the variable rate senior debt facilities in connection with the Anheuser-Busch acquisition remained outstanding. In accordance with our dynamic interest rate hedging approach (see Quantitative and Qualitative Disclosures About Market Risk Market Risk, Hedging and Financial Instruments Interest Rate Risk ), we have entered into hedging arrangements with respect to a substantial portion of the amounts borrowed under these financing commitments for an initial three-year period. At the time of the Anheuser-Busch acquisition, the interest rate for an amount of up to USD 34.5 billion of the financing commitments had effectively been fixed at 3.875% per annum (plus applicable fixed spreads) for the period from 2009 to 2011. Since then, a portion of the hedging arrangement has been extended for an additional two-year period, and other amounts have been repaid.

These hedging arrangements include a series of forward U.S. dollar LIBOR fixed interest-rate swaps. As a result, effective from January 2009, the interest rates for an amount of up to USD 29.5 billion (under the USD 45 billion senior debt facilities agreement we entered into to finance the Anheuser-Busch acquisition) have effectively been fixed. The interest rate for USD 25 billion from Facilities C and D of these senior debt facilities has been fixed at a weighted average rate of 4.038% per annum (plus applicable fixed spreads) and the interest rate for USD 4.5 billion has been fixed as a pre-hedge of potential debt capital market issuance at 3.507% per annum (plus applicable fixed spreads), in each case for the period from 2009 to 2011. In addition, with respect to an amount of up to USD 7.4 billion of the USD 29.5 billion, the interest rates applicable during the subsequent period, from 2011 to 2013, have effectively been fixed at 2.85% per annum, plus applicable fixed spreads. These and other hedging arrangements we have entered into resulted in an increase in our trade and other payables for the period ended 30 June 2009.

Our borrowings are linked to different interest rates, both variable and fixed. As of 30 June 2009, after certain hedging and fair value adjustments, USD 11.0 billion, or 18.49%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate, while USD 48.7 billion, or 81.51%, bore a fixed interest rate.

The senior facilities agreement requires us to abide by a specified interest cover ratio and leverage ratio which is tested semi-annually for the 12-month test period ending on the test date, beginning on 30 June 2009. The initial required interest cover ratio (which is the ratio of EBITDA, calculated in accordance with the senior facilities agreement, to net interest expense on a consolidated basis) is 2.5:1 and is stepped up incrementally during the term of the agreement to 3.0:1. The initial required leverage ratio (which is the ratio of total net debt to EBITDA, each calculated in accordance with the senior facilities agreement, on a consolidated basis) is 5.2:1 and is stepped down during the term of the agreement to 3.5:1.

The interest cover ratio is defined in the senior facilities agreement as the ratio of EBITDA to net interest expense in respect of any relevant period. EBITDA for purposes of the interest cover ratio under the senior facilities agreement is EBITDA, as defined adjusted for exceptional items, dividends or other profit distributions received in cash of non-consolidated entities, gains or losses of non-financial assets. For our definition of EBITDA, as defined see Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined . This measure of EBITDA reached USD 10.793 million

**Table of Contents**

as of 30 June 2009. Net interest expense means, in respect of the AB InBev Group and in relation to any period, interest expenses (as reported for the preceding 12-month period) minus interest income (as reported for the preceding 12-month period) and reached USD 2.485 million as of 30 June 2009. The interest coverage ratio as of 30 June 2009 was 4.34.

The leverage ratio is defined in the senior facilities agreement as the total net debt at the last day of the relevant period divided by the EBITDA for that period. Net debt for purposes of the leverage ratio under the senior facilities agreement is financial indebtedness excluding obligations owned under or in respect of shareholders' equity, deductions made of cash, cash equivalent investments and judicial deposits and was USD 52.955 million as of 30 June 2009. EBITDA for purposes of the leverage ratio calculation under the senior facilities agreement bears the same definition as that used in the interest cover ratio, further adjusted to add or subtract on a pro-forma basis over the preceding 12-month period the results of any entities or businesses acquired or sold during that period. This measure of EBITDA was USD 12.737 million as of 30 June 2009. The leverage ratio as of 30 June 2009 was 4.16.

Failure to comply with the covenants in the senior debt facility we entered into in connection with the Anheuser-Busch acquisition could have significant consequences on our financial condition and liquidity. Such non-compliance is an event of default under the facility and our lenders would have the right to accelerate the maturity of that debt. Such event of default may trigger cross-default clauses under other debt we have incurred resulting in further harm to our financial condition and liquidity. Conversely, compliance with the covenants in the senior debt facility may limit our operating flexibility, including by limiting our ability to engage in future acquisitions or development activities or to otherwise realise the value of our assets and opportunities fully because of the need to comply with the covenants. See Risk Factors Risks Relating to the Anheuser-Busch Acquisition We will face financial risks due to our increased level of debt and challenging market conditions.

Further, upon the completion of the acquisition, Anheuser-Busch became part of our consolidated group and its outstanding indebtedness became part of our consolidated liabilities. Anheuser-Busch InBev SA/NV has also guaranteed the outstanding capital markets debt issued or guaranteed by Anheuser-Busch and may guarantee Anheuser-Busch's obligations under any guarantee provided by Anheuser-Busch of its subsidiaries' other debt obligations. As of 30 June 2009, the Anheuser-Busch obligations guaranteed by Anheuser-Busch InBev SA/NV amounted to USD 7,488 million.

Most of our other interest-bearing loans and borrowings are for general corporate purposes, based upon strategic capital structure concerns, although certain borrowing is incurred to fund significant acquisitions of subsidiaries, such as the borrowings to fund the Anheuser-Busch acquisition. Although seasonal factors affect the business, they have little effect on our borrowing requirements.

On 8 December 2005, InBev (as borrower), Brandbrew S.A., Cobrew SA/NV and InBev Belgium (as borrowers and guarantors) entered into a EUR 2.5 billion revolving loan facility with, among others, ABN AMRO Bank N.V., Calyon, Citigroup Global Markets Ltd and ING Belgium NV/SA (as bookrunners), Fortis Bank SA/NV (as facility agent) and certain banks and financial institutions (as original lenders). This facility can be used for general corporate purposes, including but not limited to acquisitions and, without having an obligation to do so, refinancing indebtedness of the AB InBev Group. This facility contains customary representations and warranties, covenants and events of default and is unsecured. As of 30 June 2009, USD 1,477 million remains available to be drawn under this facility. The final maturity date of this facility is 8 December 2012.

We have also established a Belgian commercial paper programme under which Anheuser-Busch InBev SA/NV and Cobrew NV/SA may issue and have outstanding at any time commercial paper notes up to a maximum aggregate amount of EUR 1.0 billion (USD 1.4 billion) or its equivalent in alternative currencies. The proceeds from the issuance of any such notes may be used for general corporate purposes. The notes may be issued in two tranches: Tranche A has a maturity of not less than seven and not more than 364 days from and including the day of issue, Tranche B has a maturity of not less than one year. As of 30 June 2009, we had

**Table of Contents**

borrowed approximately USD 370.3 million under the programme. Our ability to borrow additional amounts under the programme is subject to investor demand. If we are ever unable to borrow under this commercial programme, we may borrow an additional amount, or refinance commercial paper as it becomes due, up to an amount of EUR 125 million (USD 174 million) under a committed special-purpose credit line or through the use of our other committed lines of credit.

Our net debt is denominated in various currencies, though primarily in the U.S. dollar, the euro, the Brazilian real and the Canadian dollar. Our policy is to have our subsidiaries incur debt in their functional currencies, through long-term or short-term borrowing arrangements, either directly in their functional currencies or indirectly through hedging arrangements, to the extent possible.

The currency of borrowing is driven by various factors in the different countries of operation, including a need to hedge against functional currency inflation, currency convertibility constraints, or restrictions imposed by exchange control or other regulations. In accordance with our policy aimed at achieving an optimal balance between cost of funding and volatility of financial results, we seek to match borrowing liabilities to functional currency cash flow, and may enter into certain financial instruments in order to mitigate currency risk. We have also entered into certain financial instruments in order to mitigate interest rate risks. For further details on our approach to hedging foreign currency and interest rate risk, see [Quantitative and Qualitative Disclosures About Market Risk](#) [Market Risk, Hedging and Financial Instruments](#) .

We have substantially increased our U.S. dollar liabilities as a result of U.S. dollar amounts borrowed and assumed in connection with the Anheuser-Busch acquisition. Following the acquisition, we adopted a hybrid currency matching model pursuant to which we may (i) match net debt currency exposure to cash flows in such currency, measured on the basis of EBITDA, as defined, adjusted for exceptional items, by swapping a significant portion of U.S. dollar debt to other currencies, such as Brazilian real (with a higher coupon), although this would negatively impact our profit and earnings due to the higher Brazilian real interest coupon, and (ii) use Anheuser-Busch's U.S. dollar cash flows to service interest payments under our debt obligations. See [Quantitative and Qualitative Disclosures About Market Risk](#) [Market Risk, Hedging and Financial Instruments](#) [Foreign Currency Risk](#) for further details of our hedging arrangements. For our definition of EBITDA, as defined, see [Results of Operations](#) [Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008](#) [EBITDA, as defined](#) .

We were in compliance with all our debt covenants as of 30 June 2009. For further details regarding our total current and non-current liabilities, please refer to note 16 of our unaudited consolidated financial statements for the half-year ended 30 June 2009, and note 25 of our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

The following table sets forth the level of our current and non-current interest-bearing loans and borrowings as of 30 June 2009, and as of 31 December 2008 and 2007:

|                            | Six months ended 30 June<br>(unaudited) | Year ended 31 December<br>(audited) |              |
|----------------------------|---|-------------------------------------|--------------|
|                            | 2009                                    | 2008                                | 2007         |
|                            | <i>(USD million)</i>                    |                                     |              |
| Secured bank loans         | 318                                     | 108                                 | 546          |
| Unsecured bank loans       | 36,333                                  | 50,553                              | 6,064        |
| Unsecured bond issues      | 22,627                                  | 8,432                               | 2,875        |
| Secured other loans        | 6                                       | 7                                   | 0            |
| Unsecured other loans      | 208                                     | 173                                 | 237          |
| Secured bank facilities    | -                                       | -                                   | 6            |
| Finance lease liabilities  | 51                                      | 53                                  | 22           |
| <b>Total<sup>(1)</sup></b> | <b>59,543</b>                           | <b>59,326</b>                       | <b>9,750</b> |

**Table of Contents**

(1) Total shown excludes USD 765 million of bank overdrafts in 2008 and USD 117 million in 2007.  
The following table sets forth the contractual maturities of our interest-bearing liabilities as of 30 June 2009:

|                            | Carrying<br>Amount <sup>(1)</sup> | Less than<br>1 year | 1 2 years            | 2-3 years     | 3 5 years     | More than<br>5 years |
|----------------------------|-----------------------------------|---------------------|----------------------|---------------|---------------|----------------------|
|                            |                                   |                     | <i>(USD million)</i> |               |               |                      |
| Secured bank loans         | 318                               | 218                 | 61                   | 20            | 12            | 7                    |
| Unsecured bank loans       | 36,333                            | 2,599               | 5,814                | 13,573        | 14,172        | 175                  |
| Unsecured bond issues      | 22,627                            | 1,054               | 474                  | 989           | 5,709         | 14,401               |
| Secured other loans        | 6                                 | -                   | -                    | -             | 6             | -                    |
| Unsecured other loans      | 208                               | 4                   | 26                   | 91            | 22            | 65                   |
| Finance lease liabilities  | 51                                | 5                   | 5                    | 4             | 2             | 35                   |
| <b>Total<sup>(2)</sup></b> | <b>59,543</b>                     | <b>3,880</b>        | <b>6,380</b>         | <b>14,677</b> | <b>19,923</b> | <b>14,683</b>        |

(1) Carrying Amounts refers to net book value as recognised in the balance sheet as per 30 June 2009.

(2) Total shown excludes USD 150 million of bank overdrafts as of 30 June 2009.  
The following table sets forth the contractual maturities of our interest-bearing liabilities as of 31 December 2008:

|                            | Carrying<br>Amount <sup>(1)</sup> | Less than<br>1 year | 1 3 years            | 3 5 years     | More than<br>5 years |
|----------------------------|-----------------------------------|---------------------|----------------------|---------------|----------------------|
|                            |                                   |                     | <i>(USD million)</i> |               |                      |
| Secured bank loans         | 108                               | 51                  | 27                   | 31            | -                    |
| Unsecured bank loans       | 50,553                            | 10,723              | 25,444               | 14,261        | 125                  |
| Unsecured bond issues      | 8,432                             | 520                 | 1,640                | 1,307         | 4,964                |
| Secured other loans        | 7                                 | -                   | 2                    | 4             | 1                    |
| Unsecured other loans      | 173                               | 4                   | 66                   | 64            | 40                   |
| Finance lease liabilities  | 53                                | 4                   | 9                    | 4             | 35                   |
| <b>Total<sup>(2)</sup></b> | <b>59,326</b>                     | <b>11,302</b>       | <b>27,188</b>        | <b>15,671</b> | <b>5,165</b>         |

(1) Carrying Amounts refers to net book value as recognised in the balance sheet as per 31 December 2008.

(2) Total shown excludes USD 765 million of bank overdrafts in 2008.  
Please refer to note 30(c) of our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for a description of the currencies of our financial liabilities and a description of the financial instruments we use to hedge our liabilities.

**Credit Rating**

Our credit rating from Standard and Poor's is BBB+ for long-term obligations and A-2 for short-term obligations, and our credit rating from Moody's Investors Service is Baa2 for long-term obligations. Credit ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any of our or our subsidiaries' securities.

**Capital Expenditures**

We spent USD 508 million (net of proceeds from the sale of property, plant, equipment and intangible assets) during the six months ended 30 June 2009 on acquiring capital assets. Of this amount, approximately 72% was used to improve our production facilities, while 18% was used for logistics and commercial investments. Approximately 10% was used for improving administrative capabilities and purchase of hardware and software.



---

## **Table of Contents**

We spent USD 2,424 million in 2008 on acquiring capital assets. In 2008, out of the total capital expenditures, approximately 66% was used to improve our production facilities, while 24% was used for logistics and commercial investments. Approximately 10% was used for improving administrative capabilities and purchase of hardware and software.

We spent USD 1,969 million during 2007 on acquiring capital assets. Of our total capital expenditures in 2007, approximately 67% was used to improve our production facilities, 22% was used for logistics and commercial investments and approximately 11% was used for improving administrative capabilities and purchase of hardware and software.

We spent USD 1,528 million during 2006 on acquiring capital assets. Of our total capital expenditures in 2006, approximately 63% was used to improve our production facilities, 26% was used for logistics and commercial investments and approximately 11% was used for improving administrative capabilities and purchase of hardware and software.

## **Investments**

We acquired the Budweiser distribution rights in Paraguay for an amount of USD 24 million in April 2009 and we bought a Pepsi bottler in Bolivia for USD 27 million in March 2009.

During the first half of 2009, we also disposed of certain of our businesses. The three main disposals were the sales of InBev USA (also doing business under the name Labatt USA) and our interest in Tsingtao and Oriental Brewery.

On 13 March 2009, we announced that we had completed the sale of InBev USA, the exclusive importer of Labatt branded beer in the U.S., to an affiliate of KPS Capital Partners, LP to satisfy requirements imposed by the U.S. Department of Justice in connection with its clearance of our acquisition of Anheuser-Busch.

On 30 April 2009, we announced that we had completed the sale of 19.9% of Tsingtao to Asahi Breweries, Ltd. for USD 667 million. We used the net proceeds from this divestiture to repay part of the senior debt facilities we incurred to finance the Anheuser-Busch acquisition. On 8 May 2009, we announced that we had entered into an agreement with a private investor, Mr. Chen Fashu, to sell our remaining 7% stake in Tsingtao for USD 235 million. The sale was completed on 5 June 2009.

On 24 July 2009, we completed the previously announced sale of Oriental Brewery, South Korea's second largest brewery, to an affiliate of KRR for USD 1.8 billion (equivalent to approximately KRW 2.3 trillion converted at the then-current spot rate of 1272.6 KRW per USD), which resulted in USD 1.5 billion of cash proceeds at closing. We expect to continue our relationship with Oriental Brewery through the exchange of best practices, by granting Oriental Brewery exclusive licenses to distribute certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden, and by having an ongoing interest in Oriental Brewery through an agreed earn-out. In addition, we will have the right, but not the obligation, to re-acquire Oriental Brewery five years after the closing of the transaction based on predetermined financial terms. The divestiture of Oriental Brewery is part of our ongoing deleveraging programme and allows us to repay debt incurred as a result of the Anheuser-Busch acquisition. We expect the impact on recurring results to be immaterial.

In 2008, our expenditures on acquiring businesses were largely the result of the Anheuser-Busch acquisition, for which the total amount of funds required was approximately USD 54.8 billion and for which we recognised goodwill of USD 32.2 billion provisionally allocated primarily to our U.S. business on the basis of expected synergies. Aside from this acquisition, we spent USD 946 million during the course of 2008 on acquisitions of businesses and purchases of minority interests. We reached an agreement to purchase the Cintra

**Table of Contents**

brands in January 2008 and subsequently sold the Cintra brands at net carrying value in May 2008. We also acquired several local distributors throughout the world during 2008. These distributors were immediately integrated in our operations and goodwill on these transactions amounted to USD 85 million. We also received a USD 47 million cash inflow for the disposal of certain wholesalers in Western Europe and the partial collection of the remaining receivable from the sale of Immobrew in 2007. Our purchases of minority interests principally related to AmBev (through share buyback programmes), Zhejiang Shiliang Brewery Co., Ltd. and Quinsa. As a result of a share buy-back programme of AmBev shares during 2008, our percentage interest in AmBev increased from 61.01% to 61.75%. Other purchases of minority interests related to the buy-out of InBev Shiliang (Zhejiang) Brewery and to the closing of AmBev's tender offer for Quinsa shares, resulting in an increase of AmBev's economic interest in Quinsa to 99.83%. The total cash consideration for these purchases of minority interests amounted to USD 853 million, including USD 342 million for the repurchase of shares by AmBev. As the related subsidiaries were already fully consolidated, the purchases did not impact our profit, but reduced the minority interests and thus impacted the profit attributable to our equity holders.

During the course of 2007, we spent USD 1,836 million on acquisitions of businesses and purchases of minority interests. In 2007, our expenditures on acquiring businesses were largely the result of the acquisition of Lakeport (for an aggregate purchase price of just over CAD 201.4 million), Goldensand Comercio e Serviços Lda, the controlling shareholder of Cervejarias Cintra Ind. e Com. Ltda. (for a total transaction value of approximately USD 150 million), and several local distributors, while our purchases of minority interests principally related to the AmBev share buyback programmes (whereby 25.6 million AmBev shares were acquired for an amount of USD 1,544 million) and our share buyback programme under which we acquired 10.3 million of our shares for an amount of USD 821 million.

During the course of 2006, we spent USD 2,847 million on acquisitions of businesses and purchases of minority interests. Our expenditure on acquiring businesses in 2006 was principally directed towards the acquisition of Fujian Sedrin Brewery Co., Ltd. (for a total cash consideration of RMB 5,886 million, which was settled in U.S. dollars for USD 779 million) and the acquisition (through AmBev) of all Beverage Associates Corp.'s remaining shares in Quinsa (for a total purchase price of USD 1,237 million).

**Net Debt and Equity**

We define net debt as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by our management to highlight changes in our overall liquidity position. We believe that net debt is meaningful for investors as it is one of the primary measures our management uses when evaluating our progress towards deleveraging.

The following table provides a reconciliation of our net debt to the sum of current and non-current interest bearing loans and borrowings as of the dates indicated:

|  | <b>30 June (unaudited)<br/>2009</b> | <b>31 December (audited)<br/>2008</b> |              | <b>2007</b> |
|--|-------------------------------------|---------------------------------------|--------------|-------------|
|  |                                     | <i>(USD million)</i>                  |              |             |
| Non-current interest bearing loans & borrowings                              | 55,663                              | 48,025                                | 7,633        |             |
| Current interest bearing loans & borrowings                                  | 3,880                               | 11,301                                | 2,117        |             |
|  | <b>59,543</b>                       | <b>59,326</b>                         | <b>9,750</b> |             |
| Bank overdrafts  | 150                                 | 765                                   | 117          |             |
| Cash & cash equivalents  | (6,339)                             | (2,936)                               | (1,949)      |             |
| Interest bearing loans granted (included within Trade and other receivables) | (91)                                | (97)                                  | (31)         |             |
| Debt securities (included within Investment securities)                      | (127)                               | (397)                                 | (391)        |             |
| <b>Total net debt</b>  | <b>53,136</b>                       | <b>56,661</b>                         | <b>7,497</b> |             |

---

**Table of Contents**

Our net debt decreased to USD 53,136 million as of 30 June 2009, from USD 56,661 million as of 31 December 2008. Apart from operating results net of capital expenditures, our net debt was impacted by dividend payments to our shareholders (USD 559 million), dividend payments to minority shareholders of AmBev (USD 94 million), the payment of previously unclaimed consideration to former Anheuser-Busch shareholders and the payment of other transaction costs associated with our acquisition (USD 508 million), offset by the net proceeds from the sale of our interest in Tsingtao (USD 901 million) and the impact of changes in foreign exchange rates (USD 640 million).

Our net debt increased to USD 56,661 million as of 31 December 2008, from USD 7,497 million as of 31 December 2007. Apart from operating results net of capital expenditures, our net debt was impacted by the net proceeds from the issue of share capital (USD 9,764 million), offset by the acquisition of Anheuser-Busch and other business combinations (USD 52,251 million); our share buy-back programme (USD 1,044 million) and AmBev's share buy-back programme (USD 342 million); the purchase of minority interests of Quinsa and Zhejiang Shiliang (USD 432 million and USD 79 million, respectively); dividend payments (USD 2,922 million) and the impact of changes in foreign exchange rates.

Our net debt increased to USD 7,497 million as of 31 December 2007, from USD 7,326 million as of 31 December 2006. Our cash flow was positively impacted by higher cash flow from operating activities and lower cash flow from investments in 2007. Our net debt was decreased by the sale of real estate to Cofinimmo S.A. in Belgium and the Netherlands (USD 573 million in 2007), the sale of Dinkelacker-Schwaben Bräu GmbH & Co. KG (USD 30 million) and the impact of changes in foreign exchange rates, which, together with the impact of operating results net of capital expenditures, more than offset the increase in our net debt as a result of the acquisition of Lakeport Brewing Income Fund, Cervejarias Cintra Ind. e Com. Ltda. and certain Brazilian distributors (USD 260 million), our share buyback programme (USD 820 million), the AmBev share buyback programme (USD 1,544 million) and dividend payments (USD 1,052 million).

Consolidated equity attributable to our equity holders as at 30 June 2009 was USD 25,586 million, compared to USD 22,442 million at the end of 2008. The combined effect of the strengthening of the Brazilian real, the Canadian dollar, the euro, the Pound sterling, the Mexican peso, the South Korean won and the Ukrainian hryvnia and the weakening of the Argentinean peso, the Chinese yuan and the Russian ruble resulted in a positive foreign exchange translation adjustment of USD 1,320 million. Further details on equity movements can be found in our consolidated interim statement of changes in equity in our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and 2008.

Consolidated equity attributable to our equity holders as at 31 December 2008 was USD 22,442 million, compared to USD 20,057 million at the end of 2007 primarily reflecting the capital increase as a result of the rights offering we completed in December 2008, which was partially offset by foreign exchange translation adjustments. The movement of the foreign exchange translation adjustment of USD 3.866 million is primarily the effect of the weakening of the closing rates of the Mexican peso, the Brazilian real, the Pound sterling, the Russian ruble, the South Korean won, the Ukrainian hryvnia and the Canadian dollar. Further details on equity movements can be found in note 23 to our audited consolidated financial statements as of, and for the year ended, 31 December 2008.

Consolidated equity attributable to our equity holders as at 31 December 2007 was USD 20,057 million, compared to USD 16,149 million at 31 December 2006, which included a positive foreign exchange translation adjustment of USD 1,985 million due mainly to the combined effect of the strengthening of the closing rates of the Brazilian real and the Canadian dollar and the weakening of the closing rates of the Argentinean peso, the Chinese yuan, the pound sterling, the Russian ruble, the South Korean won, and the Ukrainian hryvnia.

Note that further details on equity movements can be found in note 23 to our audited consolidated financial statements as of, and for the year ended, 31 December 2008.

**Table of Contents*****Acquisition of Anheuser-Busch***

To finance the acquisition of Anheuser-Busch, we entered into a USD 45 billion senior debt facilities agreement (of which USD 44 billion was ultimately drawn) and a USD 9.8 billion bridge facility agreement, enabling us to consummate the acquisition, including the payment of USD 52.5 billion to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness, which together amounted to approximately USD 54.8 billion.

On 18 December 2008, we repaid the debt we had incurred under the bridge facility with the net proceeds of the rights offering and cash proceeds we received from pre-hedging the foreign exchange rate between the euro and the U.S. dollar in connection with the rights offering. The rights offering is described further below under [Rights Offering](#).

As of 30 June 2009, the amounts outstanding under our financing commitments under our USD 45 billion variable rate senior debt facilities entered into in connection with the Anheuser-Busch acquisition had been reduced to USD 31.4 billion.

The costs of the Anheuser-Busch acquisition totalled approximately USD 1.2 billion, of which USD 0.3 billion were allocated to goodwill, USD 0.1 billion related to the capital increase and USD 0.1 billion related to the senior and equity bridge facilities, commitment fees and equity bridge facility arrangement fees and are reported in the 2008 income statement and USD 0.7 billion related to the senior debt facility arrangement fees and will be taken in the income statement as an accretion expense over the remaining life time of the financing using the effective interest rate method.

***January Notes Offering***

On 12 January 2009, we issued three series of notes in an aggregate principal amount of USD 5.0 billion, consisting of USD 1.25 billion aggregate principal amount of notes due 2014 (the **January 2014 Notes**), USD 2.5 billion aggregate principal amount of notes due 2019 (the **January 2019 Notes**) and USD 1.25 billion aggregate principal amount of notes due 2039 (the **January 2039 Notes**), and together with the January 2014 Notes and the January 2019 Notes, the **January Notes**. The January 2014 Notes, January 2019 Notes and January 2039 Notes bear interest at a rate of 7.20%, 7.75% and 8.20%, respectively. The net proceeds from the January Notes offering were used to repay USD 3.5 billion of the Facility B loan and USD 1.5 billion of the Facility A loan, both of which comprise part of the senior debt facilities agreement and which are described under [Business Description](#) [Material Contracts](#) [Financing the Anheuser-Busch Acquisition](#).

***Euro MTN Notes Offerings***

In the first half of 2009, we completed the issuance of eight series of notes, consisting of EUR 750 million aggregate principal amount of notes due 2013 (the **2013 Euro Notes**), EUR 750 million aggregate principal amount of notes due 2014 (the **2014 Euro Notes**), EUR 600 million aggregate principal amount of notes due 2017 (the **2017 Euro Notes**), EUR 50 million aggregate principal amount of notes due 2014 (the **2014 FRN Notes**), GBP 550 million aggregate principal amount of notes due 2024 (the **2024 GBP Notes**), Swiss Franc (CHF) 600 million aggregate principal amount notes due 2014 (the **2014 CHF Notes**), EUR 250 million aggregate principal amount of notes due June 2015 (the **2015 EUR Notes**) and GBP 750 million aggregate principal amount of notes due June 2017 (the **2017 GBP Notes**) and together with the 2013 Euro Notes, the 2014 Euro Notes, the 2017 Euro Notes, the 2014 FRN Notes, the 2024 GBP Notes, the 2014 CHF Notes and the 2015 EUR Notes, the **Euro MTN Notes**. The 2013 Euro Notes, 2014 Euro Notes, 2017 Euro Notes, 2014 FRN Notes, 2024 GBP Notes, 2014 CHF Notes, 2015 EUR Notes and the 2017 GBP Notes bear interest at a rate of 7.375%, 6.57%, 8.625%, 9.75%, 4.5%, 5.75% and 6.5%, respectively. The 2014 FRN Notes bear interest at a floating rate of 3 month EURIBOR plus 3.90%. The net proceeds from the 2013 Euro Notes, 2014 Euro Notes, 2017 Euro Notes, 2014 FRN Notes, 2024 GBP Notes and 2014 CHF Notes, as of

**Table of Contents**

30 June 2009 were used to repay approximately USD 2.447 billion of the Facility A loan and approximately USD 1.1 billion of other short term indebtedness. For a description of the Facility A loan, see [Business Description](#) [Material Contracts](#) [Financing the Anheuser-Busch Acquisition](#) .

**May Notes Offering**

On 14 May 2009, we issued three series of notes in an aggregate principal amount of USD 3.0 billion, consisting of USD 1.55 billion aggregate principal amount of notes due 2014 (the [May 2014 Notes](#) ), USD 1.0 billion aggregate principal amount of notes due 2019 (the [May 2019 Notes](#) ) and USD 0.450 billion aggregate principal amount of notes due 2039 (the [May 2039 Notes](#) ), and together with the [May 2014 Notes](#) and the [May 2019 Notes](#), the [May Notes](#) ). The [May 2014 Notes](#), [May 2019 Notes](#) and [May 2039 Notes](#) bear interest at a rate of 5.375%, 6.875% and 8.0%, respectively. The net proceeds from the [May Notes](#) offering were used to repay USD 2.977 billion of the Facility A loan, which comprises part of the senior debt facilities agreement and which are described under [Business Description](#) [Material Contracts](#) [Financing the Anheuser-Busch Acquisition](#) .

**Rights Offering**

On 24 November 2008, we commenced an offering to existing shareholders of new shares without nominal value, each with a VVPR strip. The purpose of this share capital increase and offering of new shares was to refinance part of the bridge facility agreement upon which we drew in order to finance part of the consideration paid to shareholders of Anheuser-Busch in connection with the acquisition. Settlement of the rights offering occurred on 16 December 2008, with 986,109,272 new shares issued in exchange for an aggregate consideration of EUR 6.36 billion. Our new shares issued were of the same class as the previously existing shares and started trading on the regulated market of Euronext Brussels on 16 December 2008.

**Share Buy-Back Programmes**

As a result of share buy-back programmes of 2008 we acquired 12.7 million of our shares for an amount of USD 1,044 million and AmBev acquired 5 million AmBev shares for an amount of USD 349 million. Since the second quarter of 2008, as part of our strategy to deleverage, we have reduced share buy-backs conducted by us and our subsidiaries.

**CONTRACTUAL OBLIGATIONS AND CONTINGENCIES****Contractual Obligations**

The following table reflects certain of our contractual obligations, and the effect such obligations are expected to have on our liquidity and cash flows in future periods, as at 30 June 2009:

| Contractual Obligations     | Contractual cash flows <sup>(2)</sup> | Less than 1 year | Payment Due By Period |                 |                   |
|-----------------------------|---------------------------------------|------------------|-----------------------|-----------------|-------------------|
|                             |                                       |                  | 1-3 years             | 3-5 years       | More than 5 years |
|                             |                                       |                  | <i>(USD million)</i>  |                 |                   |
| Secured bank loans          | (357)                                 | (236)            | (93)                  | (19)            | (9)               |
| Unsecured bank loans        | (40,805)                              | (3,768)          | (21,454)              | (15,376)        | (207)             |
| Unsecured bond issues       | (42,229)                              | (2,704)          | (4,569)               | (8,385)         | (26,571)          |
| Secured other loans         | (9)                                   | (1)              | (2)                   | (6)             | -                 |
| Unsecured other loans       | (220)                                 | (7)              | (127)                 | (24)            | (62)              |
| Finance lease liabilities   | (128)                                 | (6)              | (19)                  | (6)             | (97)              |
| Operating lease liabilities | (2,271)                               | (248)            | (406)                 | (362)           | (1,255)           |
| Bank overdraft              | (150)                                 | (150)            | -                     | -               | -                 |
| Purchase commitments        | (3,229)                               | (1,825)          | (1,294)               | (43)            | (67)              |
| Trade & other payables      | (9,147)                               | (8,649)          | (400)                 | (7)             | (91)              |
| <b>Total<sup>(1)</sup></b>  | <b>(98,545)</b>                       | <b>(17,594)</b>  | <b>(28,364)</b>       | <b>(24,228)</b> | <b>(28,359)</b>   |



**Table of Contents**

- (1) Total amounts refer to non-derivative financial liabilities including interest payments.
- (2) The loan and bond issue contractual cash flow amounts presented above differ from the carrying amounts for these items in our financial statements in that they include our best estimates of future interest payable (not yet accrued) in order to better reflect our future cash flow position.

The following table reflects certain of our contractual obligations, and the effect such obligations are expected to have on our liquidity and cash flows in future periods, as at 31 December 2008:

| Contractual Obligations     | Contractual cash flows <sup>(2)</sup> | Payment Due By Period |                                   |                 | More than 5 years |
|-----------------------------|---------------------------------------|-----------------------|-----------------------------------|-----------------|-------------------|
|                             |                                       | Less than 1 year      | 1-3 years<br><i>(USD million)</i> | 3-5 years       |                   |
| Secured bank loans          | (138)                                 | (54)                  | (39)                              | (45)            | -                 |
| Unsecured bank loans        | (56,306)                              | (12,834)              | (27,123)                          | (16,203)        | (146)             |
| Unsecured bond issues       | (16,414)                              | (1,321)               | (2,770)                           | (2,589)         | (9,734)           |
| Secured other loans         | (9)                                   | -                     | (3)                               | (5)             | (1)               |
| Unsecured other loans       | (230)                                 | (19)                  | (86)                              | (74)            | (51)              |
| Finance lease liabilities   | (132)                                 | (8)                   | (16)                              | (9)             | (99)              |
| Operating lease liabilities | (2,260)                               | (217)                 | (431)                             | (369)           | (1,243)           |
| Bank overdraft              | (765)                                 | (765)                 | -                                 | -               | -                 |
| Purchase commitments        | (2,996)                               | (2,037)               | (859)                             | (40)            | (60)              |
| Trade & other payables      | (8,773)                               | (8,370)               | (304)                             | (25)            | (74)              |
| <b>Total<sup>(1)</sup></b>  | <b>(88,023)</b>                       | <b>(25,625)</b>       | <b>(31,631)</b>                   | <b>(19,359)</b> | <b>(11,408)</b>   |

- (1) Total amounts refer to non-derivative financial liabilities including interest payments.
- (2) The loan and bond issue contractual cash flow amounts presented above differ from the carrying amounts for these items in our financial statements in that they include our best estimates of future interest payable (not yet accrued) in order to better reflect our future cash flow position.
- Please refer to Liquidity and Capital Resources Funding Sources Borrowings for further information regarding our short term borrowings and long-term debt.

Please refer to note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, and in particular to the discussions therein on Liquidity Risk, for more information regarding the maturity of our contractual obligations, including interest payments and derivative financial assets and liabilities.

Please refer to note 31 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for more information regarding our operating lease obligations.

Information regarding our pension commitments and funding arrangements is described in our Significant Accounting Policies and in note 26 to our audited consolidated financial statements. The level of contributions to funded pension plans is determined according to the relevant legislation in each jurisdiction in which we operate. In some countries there are statutory minimum funding requirements while in others we have developed our own policies, sometimes in agreement with the local trustee bodies. The size and timing of contributions will usually depend upon the performance of investment markets. Depending on the country and plan in question the funding level will be monitored periodically and the contribution amount amended appropriately. Consequently it is not possible to predict with any certainty the amounts that might become payable from 2010 onwards. In 2008 our employer contributions to defined benefit and defined contribution pension plans amounted to US\$224

million. Contributions to pension plans for 2009 are estimated to be around



**Table of Contents**

US\$273 million. This increase is predominantly attributable acquisition of Anheuser-Busch. Please refer to note 26 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further information on our employee benefit obligations.

**Collateral and Contractual Commitments**

The following table reflects our collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other, as of 30 June 2009, and as of 31 December 2008, 2007 and 2006:

|   | Six months ended     | Year ended 31 December |      |      |
|---|----------------------|------------------------|------|------|
|   | 30 June (unaudited)  | (audited)              |      |      |
|   | 2009                 | 2008                   | 2007 | 2006 |
|   | <i>(USD million)</i> |                        |      |      |
| Collateral given for own liabilities  | 506                  | 561                    | 642  | 533  |
| Collateral and financial guarantees received for own receivables and loans to customers | 185                  | 181                    | 293  | 273  |
| Contractual commitments to purchase property, plant and equipment                       | 190                  | 196                    | 349  | 303  |
| Contractual commitments to acquire loans to customers                                   | 214                  | 230                    | 268  | 246  |
| Other commitments   | 484                  | 447                    | 461  | 72   |

**Contingencies**

We are subject to various contingencies with respect to tax, labour, distributors and other claims. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. To the extent that we believe these contingencies will probably be realised, a provision has been recorded in our balance sheet.

To the extent that we believe that the realisation of a contingency is possible (but not probable) and is above a materiality threshold of USD 70 million, we have disclosed the same in note 19 to our consolidated interim financial statements as of 30 June 2009 and for the six-month periods ended 30 June 2009 and 2008, and note 33 to our audited consolidated financial statements as of 31 December 2008 and 2007 and for the three years ended 31 December 2008).

**OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. Please refer to Contractual Obligations and Contingencies Collateral and Contractual Commitments for a description of certain collateral and contractual commitments to which we are subject.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK****Market Risk, Hedging and Financial Instruments**

We are exposed to foreign currency, interest rate, commodity price, liquidity and credit risks in the normal course of our business. We analyse each of these risks individually as well as on an interconnected basis, and define strategies to manage the economic impact on our performance in line with our financial risk management policy. The risk management committee meets on a frequent basis and is responsible for reviewing the results of the risk assessment, approving recommended risk management strategies, monitoring compliance with the financial risk management policy and reporting to the Finance Committee of our Board.

---

**Table of Contents**

We use derivative financial instruments to manage actual foreign currency, interest rate, commodity price and credit risks arising in the normal course of business. We do not, as a matter of policy, make use of derivative financial instruments in the context of trading.

Financial markets experienced greater volatility in 2008 than in recent years, which we have addressed and are continuing to address through our existing risk management policies.

Please refer to note 18 to our unaudited consolidated financial statements for the half-year ended 30 June 2009, and note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for a fuller quantitative and qualitative discussion on the market risks to which we are subject and our policies with respect to managing those risks.

***Foreign Currency Risk***

We are exposed to foreign currency risk on borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licences, management fees and interest expense/income whenever they are denominated in a currency other than the functional currency of our subsidiary engaged in the relevant transaction. To manage this risk, we primarily make use of forward exchange contracts, exchange traded foreign currency futures and cross-currency interest rate swaps.

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, our policy is to hedge operational transactions which are reasonably expected to occur (for example, cost of goods sold and selling, general and administrative expenses) within a designated period. Operational transactions that are certain (such as capital expenditure) are hedged without any limitation in time. Non-operational transactions (such as acquisitions and disposals of subsidiaries) are hedged as soon as they are certain. Although we systematically hedge our transactional foreign exchange exposure, we do not hedge translational exposure.

As of 30 June 2009, we have locked in all of our anticipated Brazilian real/USD transactional exposure through the first half of 2010 at an average forward rate of 2.016 Brazilian real per USD. As of 31 December 2008, we had locked in all of our anticipated Brazilian real/USD transactional exposure for 2009 at an average forward rate of 1.78 Brazilian real per USD, which is 11% lower than the 2.00 Brazilian real per USD average rate for 2008. Other exposures such as USD/Argentine peso, USD/Russian ruble, EUR/Russian ruble, EUR/Romanian leu and EUR/Ukrainian hryvnia, had been either fully or mostly covered for 2009 before the market turmoil in September and October 2008 at rates in line with 2008 averages and therefore with no material transactional impact. Regarding the EUR/Ukrainian hryvnia specifically, please note that liquidity completely dried up after the events of September 2008 and therefore, as of 30 June 2009, we were not able to cover our exposure beyond the third quarter of 2009.

We have performed analyses in relation to our foreign currency translation exposures using a currency sensitivity model which identified varying ranges of possible closing and average exchange rates for 2008, factoring in the possible volatility in those exchange rates (see note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008). We estimate that if the U.S. dollar had weakened or strengthened during 2008 based on such analysis, our 2008 profit would have been USD 854 million (27.3%) higher or lower, respectively, while the translation reserves in equity would have been USD 4,972 million higher or lower, respectively. Following a similar model with respect to foreign currency transactional risk, if certain currencies where we hold non-derivative monetary financial instruments in the local currency (primarily in our Central and Eastern European zone) had weakened or strengthened against the US dollar or euro during 2008, our 2008 profit would have been USD 211 million lower or higher, respectively.

We experienced elevated levels of volatility in foreign exchange rates during 2008 compared with 2007 based on the currencies of the countries in which we have operations or the currencies in which our contracts are denominated, and we expect elevated levels of volatility to persist throughout 2009. We expect this volatility to ultimately decrease over the longer term as the financial markets recover. See note 30 to our audited consolidated

**Table of Contents**

financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the foreign currency risks to which we are subject and our policies with respect to managing those risks.

**Interest Rate Risk**

We are exposed to interest rate risk on our variable-rate interest-bearing financial liabilities. As of 31 December 2008, after certain hedging and fair value adjustments, USD 6,444 million, or 28%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate. We apply a dynamic interest rate hedging approach where the target mix between fixed and floating rate is reviewed periodically. The purpose of our policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy. From time to time, we enter into interest rate swap agreements and forward rate agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest-rate risk.

We have performed sensitivity analyses in relation to our interest-bearing financial liabilities and assets which bear a variable rate of interest, factoring in a range of possible volatilities in the different markets where we hold such instruments (see note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008). We have estimated that a change in market interest rates based on the range of volatilities considered in our analysis could have impacted our 2008 profit by plus or minus USD 152 million.

We experienced higher levels of volatility in interest rates throughout 2008 relative to 2007. During the first half of 2009, interest rates on average have declined. We expect to experience continued levels of volatility during the remainder of 2009.

See note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the interest rate risks to which we are subject and our policies with respect to managing those risks.

**Commodity Price Risk**

We have significant exposures to the following commodities: aluminium, corn grits, corn syrup, corrugated cardboard, crowns, glass, hops, labels, malt, fuel oil, natural gas, rice and wheat. During 2008, the commodity markets experienced price fluctuations throughout the year, and prices of commodities were affected by a number of factors beyond our control. For example, several commodities used in our operations experienced significant price increases during the course of 2008 due to constraints in global supply amidst growing demand in emerging markets such as Brazil, Russia, India and China. Additionally, higher energy prices increased the cost of energy intensive commodities such as aluminium, as well as impacting costs in our distribution networks and production operations. We expect these price fluctuations to continue throughout 2009. We therefore use both fixed price purchasing contracts and commodity derivatives to minimise exposure to commodity price volatility, primarily for aluminium and sugar. We are generally able to hedge a range of 25% to 35% of our commodity exposure.

As of 31 December 2008, we had the following commodity derivatives outstanding, by maturity:

| Commodities     | Notional |           |          | Total | Fair Value <sup>(1)</sup> |
|-----------------|----------|-----------|----------|-------|---------------------------|
|                 | <1 year  | 1-5 years | >5 years |       |                           |
| Aluminium swaps | 348      | 6         | -        | 354   | (167)                     |
| Sugar futures   | 51       | 17        | -        | 68    | (7)                       |
| Wheat futures   | 24       | -         | -        | 24    | (13)                      |

(1) Represents the excess of liabilities over assets at as 31 December 2008.

**Table of Contents**

As of 30 June 2009, our outstanding aluminium swaps had a notional amount of USD 1.077 billion, whereas the notional amounts for our exchange traded sugar futures and wheat futures have not changed materially since 31 December 2008.

In conformity with the IAS 39 hedge accounting rules these hedges are designated as cash flow hedges.

See note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for a fuller quantitative and qualitative discussion on the commodity risks to which we are subject and our policies with respect to managing those risks.

**Other Risks**

See note 30 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for a fuller quantitative and qualitative discussion on the equity, credit and liquidity risks to which we are subject and our policies with respect to managing those risks.

**RECENT DEVELOPMENTS****Results of Operations for the Three Months and Nine Months Ended 30 September 2009 Compared to the Three Months and Nine Months Ended 30 September 2008**

The table below presents our condensed consolidated results of operations for the three-month and nine-month periods ended 30 September 2009 and 2008. The data for the three months and the nine months ended 30 September 2009 are reported figures and include Anheuser-Busch data for such periods. The data for the three months and the nine months ended 30 September 2008 are also reported figures and, therefore, do not include Anheuser-Busch figures for such periods.

|                                   | Reported<br>three<br>months<br>ended<br>30 September<br>2009<br><i>(USD million, except<br/>volumes)</i> | Reported<br>three<br>months<br>ended<br>30 September<br>2008<br><i>(USD million, except<br/>volumes)</i> | Reported<br>nine<br>months<br>ended<br>30 September<br>2009<br><i>(USD million, except<br/>volumes)</i> | Reported<br>nine<br>months<br>ended<br>30 September<br>2008<br><i>(USD million, except<br/>volumes)</i> |
|-----------------------------------|--|--|---|---|
| Volumes (thousand hectoliters)    | 106,609  | 71,832   | 306,884   | 199,295   |
| Revenue                           | 9,763  | 6,061  | 27,461  | 16,624  |
| Cost of sales                     | (4,505)  | (2,559)  | (12,894)  | (7,024)   |
| Gross profit                      | 5,259  | 3,502  | 14,567  | 9,600   |
| Distribution expenses             | (694)  | (711)  | (1,970)   | (2,006)   |
| Sales and marketing expenses      | (1,311)  | (884)  | (3,582)   | (2,578)   |
| Administrative expenses           | (528)  | (340)  | (1,619)   | (1,071)   |
| Other operating income/expenses   | 117  | 104  | 467   | 288   |
| EBITDA, as defined <sup>(1)</sup> | 3,961  | 2,020  | 10,250  | 5,363   |

(1) For a discussion of how we use EBITDA, as defined, and its limitations, see Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined .

The changes in each of the items in the table above are attributable primarily to the November 2008 acquisition of Anheuser-Busch. The acquisition mainly affected our North American business, and, to a lesser degree, our Asia Pacific, Western Europe and Global Export and Holding Companies businesses. For a discussion of other scope effects and the impact of currency translation changes on our results, see the discussions of each line item below in this section.



---

**Table of Contents**

***Scope Effects and Impact of Currency Translation***

To facilitate an understanding of our underlying performance, in this *Recent Developments* section we measure the effects of *scope*, which is the impact of acquisitions and divestitures, the start up or termination of activities, or the transfer of activities between business zones, and currency effects on translation of foreign operations, on the growth (or decline) of sales volumes, revenues, cost of sales, operating expenses (including distribution expenses, sales and marketing expenses, administrative expenses and other operating income and expenses), profit from operations and EBITDA, as defined, between periods. In contrast, we generally do not measure scope effects or the impact of currency translation on financial items such as depreciation, amortisation and impairment, net finance cost and income tax expense and profit.

Scope effects in the periods under review in this *Recent Developments* section resulted primarily from the impacts of acquisitions, divestitures and transfers of activities between business zones. The key acquisitions, divestitures and transfers giving rise to scope effects during these periods are described more fully under *Key Factors Affecting Results of Operations Acquisitions, Divestitures and Other Scope Changes*. Currency effects on translation of our operations in the periods under review were the result of fluctuations in exchange rates between their operating companies' functional currencies and our reporting currency, as described more fully under *Key Factors Affecting Results of Operations Foreign Currency*.

***Combined Results of Operations for the Three-Month and the Nine-Month Periods Ended 30 September 2008***

Our unaudited interim consolidated financial information for the three months and the nine months ended 30 September 2009 was prepared in accordance with IFRS and reflects the contribution of the Anheuser-Busch business during the period under review. Given the transformational nature of the Anheuser-Busch acquisition, we believe that a comparison of our actual results for the three months and the nine months ended 30 September 2009 against our actual results for the three months and the nine months ended 30 September 2008, which do not include contributions from the Anheuser-Busch business, is of limited value. Accordingly, to facilitate meaningful comparisons between our results of operations for the three months ended 30 September 2009 and 2008 and the nine months ended 30 September 2009 and 2008, for volumes and the income statement items of revenue, cost of sales and operating expenses, we have prepared illustrative unaudited condensed combined interim results of operations for the three months and the nine months ended 30 September 2008 on the basis of (i) unaudited interim consolidated financial statements of the Anheuser-Busch businesses for the three months and the nine months ended 30 September 2008 and (ii) our unaudited interim consolidated financial results for the three months and the nine months ended 30 September 2008. The unaudited results of the Anheuser-Busch businesses for the three months and the nine months ended 30 September 2008 were prepared in the same manner as described under *Presentation of Financial and Other Data*. The combined financial data for the three-month and nine-month periods ended 30 September 2008 is subject to the same limitations and qualifications as the 2008 full-year pro-forma financial information, described under *Presentation of Financial and Other Data*.

The combined income statement data for the three-month and nine-month periods ended 30 September 2008 has not been audited and is presented for illustrative purposes only. You should consider the combined volume, revenue, cost of sales and operating expenses data for the three-month and nine-month periods ended 30 September 2008 in conjunction with our actual historical financial statements for the year ended 31 December 2008 and for the six months ended 30 June 2009 and the unaudited interim consolidated Anheuser-Busch financial statements for the nine months ended 30 September 2008, all of which are provided elsewhere in this Form F-4.

In the discussions of volumes, revenue, cost of sales and operating expenses below, we have used combined financial data for the three-month and nine-month periods ended 30 September 2008 as the comparative basis for the discussion of reported results of operations the three months and the nine months ended 30 September 2009. As the comparison of reported results of operations for the three months and nine months

**Table of Contents**

ended 30 September 2009, and the combined results of operations for the comparable periods in 2008, eliminates differences in scope related to the Anheuser-Busch acquisition, the discussion below does not generally address the direct impact of Anheuser-Busch acquisition itself. In this section and elsewhere in this Form F-4, references to combined results of operations for the three months and the nine months ended 30 September 2008 refer to information derived from the unaudited interim combined financial data for the three-month and nine-month periods ended 30 September 2008 described above.

The table below compares our reported condensed consolidated results of operations for the three months and nine months ended 30 September 2009 to combined condensed consolidated results of operations for the three months and nine months ended 30 September 2008. The discussions following describe the changes summarized in the table below.

|                                 | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008</b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008</b> |
|---------------------------------|--|--|---|---|
|                                 | <i>(USD million, except volumes)</i>                                     |  |   |   |
| Volumes (thousand hectoliters)  | 106,609  | 112,257  | 306,884   | 313,179   |
| Revenue                         | 9,763  | 10,893   | 27,461  | 30,195  |
| Cost of sales                   | (4,505)  | (5,293)  | (12,894)  | (14,916)  |
| Gross profit                    | 5,259  | 5,599  | 14,567  | 15,279  |
| Distribution expenses           | (694)  | (922)  | (1,970)   | (2,636)   |
| Sales and marketing expenses    | (1,311)  | (1,448)  | (3,582)   | (4,174)   |
| Administrative expenses         | (528)  | (573)  | (1,619)   | (1,750)   |
| Other operating income/expenses | 117  | 134  | 467   | 353   |
| <b>Volumes</b>                  |  |  |   |   |

The following table reflects changes in our volumes across our business zones for the three months and nine months ended 30 September 2009 as compared to the three months and nine months ended 30 September 2008. The volumes for the three months and the nine months ended 30 September 2009 are reported volumes and include Anheuser-Busch volumes for such periods. The volumes for the three months and the nine months ended 30 September 2008 are combined volumes and also include Anheuser-Busch volumes for such periods. See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(thousand hectoliters)</i>  |  |   |   |
| North America                     | 35,593   | 38,085   | 104,438   | 108,606   |
| Latin America North               | 25,803   | 23,777   | 75,763  | 71,021  |
| Latin America South               | 7,208  | 7,345  | 23,049  | 23,133  |
| Western Europe                    | 9,029  | 9,179  | 25,487  | 26,534  |
| Central & Eastern Europe          | 11,898   | 14,300   | 32,634  | 36,722  |
| Asia Pacific                      | 16,068   | 18,808   | 42,021  | 45,027  |
| Global Export & Holding Companies | 1,011  | 763  | 3,492   | 2,137   |
| <b>Total</b>                      | 106,609  | 112,257  | 306,884   | 313,179   |





## **Table of Contents**

Our reported three-month consolidated volumes for the period ended 30 September 2009 decreased by 5.6 million hectoliters to 106.6 million hectoliters compared to combined volumes for the three months ended 30 September 2008. Our reported nine-month consolidated volumes for the period ended 30 September 2009 decreased by 6.3 million hectoliters to 306.9 million hectoliters compared to combined volumes for the nine months ended 30 September 2009.

Scope effects (other than the Anheuser-Busch acquisition) accounted for net volume declines of 2.2 million hectoliters and 2.5 million hectoliters in the three months and nine months ended 30 September 2009, respectively, mainly attributable to the sale of our South Korean subsidiary. See [Recent Transactions](#) . Excluding volume changes attributable to scope effects, our reported consolidated beer volumes would have decreased by 3.2% in the three months ended 30 September 2009 and 1.2% in the nine months ended 30 September 2009, compared to combined volumes in the comparable periods of 2008. Also excluding scope effects, in the three months and nine months ended 30 September 2009, our reported consolidated soft drinks volumes declined by 2.3% and grew by 2.5%, respectively, compared to our combined volumes for the comparable periods of 2008.

### **North America**

In the three-month and nine-month periods ended 30 September 2009, our reported volumes in North America declined by 2.5 million hectoliters and 4.2 million hectoliters, respectively, compared to combined volumes for the comparable periods of 2008. This decline was due primarily to strong volume sales in the Anheuser-Busch business in the comparable periods in 2008, as well as to industry weakness.

### **Latin America North**

In the three-month and nine-month periods ended 30 September 2009, our reported volumes in the Latin America North zone grew by 2.0 million hectoliters and 4.7 million hectoliters, respectively, compared to combined volumes for the three-month and nine-month periods ended 30 September 2008, primarily due to strong growth in beer volume sales, as well as to increases in non-beer volumes. These increases resulted from a combination of strong industry performance and market share gains attributable to the introduction of product and packaging changes, as well as higher consumer disposable income.

### **Latin America South**

Our reported volumes in Latin America South declined by 137,000 hectoliters in the three months ended 30 September 2009 and 84,000 hectoliters in the nine months ended 30 September 2009 compared to combined volumes for the three-month and nine-month periods ended 30 September 2008. These declines were due mainly to an industry slowdown in the region, the impact of which was partially offset by the introduction of new marketing initiatives and increased innovations. The Stella Artois brand continued to build its leading position among international brands in Argentina.

### **Western Europe**

Our reported volumes in Western Europe for the three-month and nine-month periods ended 30 September 2009 declined by 150,000 hectoliters and 1.0 million hectoliters, respectively, compared to combined volumes for the three-month and nine-month periods ended 30 September 2008, reflecting industry weakness in the region and a decrease in subcontracted beer volumes following our decision to focus on our own beer products. These decreases were partially offset by smaller decreases in beer volumes in Belgium due to increased sales of the local flagship brand, Jupiler.

### **Central and Eastern Europe**

In the three months and the nine months ended 30 September 2009, our reported volumes in Central and Eastern Europe declined by 2.4 million hectoliters and 4.1 million hectoliters, respectively, compared to

**Table of Contents**

combined volumes for the three months and the nine months ended 30 September 2008, due primarily to an overall industry slowdown in the region, especially Russia. These decreases were partially offset by the introduction of customer loyalty programs and the successful placement of our products in the supermarket channel of distribution.

**Asia Pacific**

Our reported volumes in Asia Pacific for the three-month and nine-month periods ended 30 September 2009 declined by 2.7 million hectoliters and 3.0 million hectoliters, respectively, compared to combined volumes for the three months and the nine months ended 30 September 2008, as volume growth in the Southeast, Southwest and North of China was more than offset by reduced volumes in the Central and Eastern regions and the disposition of assets in South Korea. See Recent Transactions.

**Global Export and Holding Companies**

Global Export and Holding Companies reported volumes increased by 248,000 hectoliters and 1.4 million hectoliters in the three months and the nine months ended 30 September 2009 compared to combined volumes for the three months and the nine months ended 30 September 2008.

**Revenue**

The following table compares reported revenue across our business zones in the three months and the nine months ended 30 September 2009 to combined revenue by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | 4,090  | 4,232  | 11,961  | 11,974  |
| Latin America North               | 1,838  | 1,960  | 4,950   | 5,691   |
| Latin America South               | 419  | 426  | 1,302   | 1,238   |
| Western Europe                    | 1,209  | 1,382  | 3,258   | 3,930   |
| Central & Eastern Europe          | 757  | 1,085  | 1,979   | 2,661   |
| Asia Pacific                      | 515  | 731  | 1,590   | 1,821   |
| Global Export & Holding Companies | 935  | 1,076  | 2,423   | 2,879   |
| <b>Total</b>                      | <b>9,763</b>   | <b>10,893</b>  | <b>27,461</b>   | <b>30,195</b>   |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

Our reported consolidated revenue was USD 9,763 million for the three months ended 30 September 2009, representing a decrease of USD 1,130 million compared to combined revenue for the comparable period in 2008. Our reported consolidated revenue for the nine months ended 30 September 2009 was USD 27,461 million, a decrease of USD 2,734 million compared to combined revenue for the comparable period in 2008.

Our consolidated revenue for the three-month and nine-month periods ended 30 September 2009 was partly impacted by the developments in volume discussed above. Our revenue per hectoliter on a consolidated basis (which excludes revenue from our entertainment and packaging activities) increased as a result of the Anheuser-Busch acquisition (as the revenue per hectoliter of Anheuser-Busch is higher than the average revenue per hectoliter of the AB InBev Group as a whole) and as a result of revenue management activities, including selective price increases.



**Table of Contents**

The U.S. entertainment business contributed USD 486 million and USD 1,070 million to our revenue for the three-month and nine-month periods ended 30 September 2009, respectively. The U.S. packaging business contributed USD 376 million and USD 1,098 million in revenue for the same periods.

Scope effects (other than the Anheuser-Busch acquisition) accounted for net reductions in revenue of USD 223 million and USD 228 million in the three months and nine months ended 30 September 2009, respectively. Our reported consolidated revenue for the three months and nine months ended 30 September 2009 also reflects negative currency translation impacts of USD 863 million and USD 3,031 million, respectively.

Excluding the scope effects and currency translation changes described above, the main business zones contributing to growth in our reported consolidated revenues were Latin America North and Latin America South in the three months ended 30 September 2009, and the same two regions plus North America in the nine months ended 30 September 2009, in each case as compared to combined revenues for the comparable period in 2008. In Latin America North, revenue growth was attributable to higher volumes. In Latin America South and North America, revenue growth was primarily attributable to revenue management initiatives including selective price increases.

Also excluding the impact of scope effects and currency translation described above, our consolidated revenue fell by 0.4% for the three months ended 30 September 2009, but increased by 1.8% for the nine months ended 30 September 2009, in each case as compared to combined revenue for the comparable period of 2008. These figures reflect the declines in volume discussed above, offset in whole (for the nine month period) and in part (for the three month period) by the effects of higher revenue per hectoliter, primarily as a result of revenue management initiatives. These revenue management initiatives include price increases, particularly in Latin America South, North America and our strategy to improve product mix by focusing on building branded volumes while reducing subcontracted volumes and lower margin beer products, particularly in Western Europe and Central and Eastern Europe. In Brazil, despite the price increases implemented during the summer, revenue per hectoliter was negatively impacted by packaging mix and higher than inflation tax increases (excise and value-added taxes).

**Cost of Sales**

The following table compares reported cost of sales across our business zones in the three months and the nine months ended 30 September 2009 to combined cost of sales by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | (1,972)  | (2,177)  | (5,757)   | (6,088)   |
| Latin America North               | (615)  | (674)  | (1,600)   | (1,975)   |
| Latin America South               | (170)  | (194)  | (520)   | (538)   |
| Western Europe                    | (535)  | (625)  | (1,457)   | (1,835)   |
| Central & Eastern Europe          | (339)  | (533)  | (923)   | (1,332)   |
| Asia Pacific                      | (258)  | (390)  | (830)   | (977)   |
| Global Export & Holding Companies | (615)  | (701)  | (1,807)   | (2,171)   |
| <b>Total</b>                      | <b>(4,505)</b>   | <b>(5,293)</b>   | <b>(12,894)</b>   | <b>(14,916)</b>   |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

## **Table of Contents**

Our reported consolidated cost of sales was USD 4,505 million for the three months ended 30 September 2009, representing a decrease of USD 788 million compared to combined cost of sales for the comparable period in 2008. Our reported consolidated cost of sales for the nine months ended 30 September 2009 was USD 12,894 million, a decrease of USD 2,022 million compared to combined cost of sales for the comparable period in 2008.

Scope effects (other than the Anheuser-Busch acquisition) led to decreased consolidated cost of sales in the amounts of USD 108 million in the three months ended 30 September 2009 and USD 202 million in the nine months ended 30 September 2009. Our consolidated cost of sales for the three months and nine months ended 30 September 2009 also reflect a positive currency translation impact of USD 351 million and USD 1,194 million, respectively, mainly in Latin America North, Central and Eastern Europe and Western Europe.

Excluding the scope effects and the currency translation effects described above, our reported consolidated cost of sales declined by 6.4% in the three months ended 30 September 2009, and 4.2% in the nine months ended 30 September 2009, as compared to combined costs of sales for the comparable periods of 2008, reflecting increased efficiency in procurement processes and cost savings in our U.S. and Asia Pacific operations, as well as lower spot prices for non-hedgeable input costs. Also excluding the scope effects and currency translation changes described above, our reported consolidated cost of sales per hectoliter (which excludes cost of sales from our entertainment and packaging activities) decreased by 2.8% in the three months ended 30 September 2009 and by 1.1% in the nine months ended 30 September 2009 compared to combined cost of sales for the comparable period in 2008.

### ***Expenses***

The discussion below relates to our consolidated operating expenses, which equal the sum of our distribution expenses, sales and marketing expenses, administrative expenses and other operating income and expenses (net), for the three-month and nine-month periods ended 30 September 2009 as compared to combined operating expenses for the comparable period of 2008. Our operating expenses do not include exceptional charges, which are reported separately.

Our reported consolidated operating expenses for the three months and the nine months ended 30 September 2009 were USD 2,416 million and USD 6,704 million, respectively, representing decreases of USD 393 million and USD 1,503 million, respectively, compared to combined operating expenses for the three months and the nine months ended 30 September 2008. Excluding the scope effects and impacts of currency translation, each described below in this section, our reported consolidated operating expenses declined by 3.7% in the three months ended 30 September 2009, and 4.7% in the first nine months of 30 September 2009, as compared to combined operating expenses in the comparable period of 2008.

**Table of Contents****Distribution expenses**

The following table compares reported distribution expenses across our business zones in the three months and the nine months ended 30 September 2009 to combined distribution expenses by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | (212)  | (297)  | (610)   | (868)   |
| Latin America North               | (194)  | (234)  | (517)   | (670)   |
| Latin America South               | (37)   | (35)   | (115)   | (100)   |
| Western Europe                    | (123)  | (163)  | (351)   | (485)   |
| Central & Eastern Europe          | (69)   | (124)  | (191)   | (327)   |
| Asia Pacific                      | (35)   | (33)   | (111)   | (83)  |
| Global Export & Holding Companies | (25)   | (37)   | (76)  | (102)   |
| <b>Total</b>                      | <b>(694)</b>   | <b>(922)</b>   | <b>(1,970)</b>  | <b>(2,636)</b>  |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

Our reported consolidated distribution expenses for the three-month and nine-month periods ended 30 September 2009 decreased in each period, to USD 694 million and USD 1,970 million, respectively, compared to combined distribution expenses in the corresponding period in 2008.

Scope effects (other than the Anheuser-Busch acquisition) positively affected consolidated distribution expenses in the three months ended 30 September 2009 by USD 7 million, but negatively impacted distribution expenses in the nine months ended 30 September 2009 by USD 23 million. Our consolidated distribution expenses for the three months and nine months ended 30 September 2009 also reflect positive currency translation impacts of USD 86 million and USD 319 million, respectively.

Aside from the scope effects and currency translation impacts described above, our reported consolidated distribution expenses decreased 14.7% in the three months ended 30 September 2009 and 13.9% in the nine months ended 30 September 2009, as compared to combined distribution expenses in the comparable periods of 2008, benefiting from cost savings initiatives in North America and lower tariffs in Central and Eastern Europe.

**Table of Contents****Sales and marketing expenses**

The following table compares reported sales and marketing expenses across our business zones in the three months and the nine months ended 30 September 2009 to combined sales and marketing expenses by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | (461)  | (480)  | (1,254)   | (1,398)   |
| Latin America North               | (240)  | (215)  | (654)   | (630)   |
| Latin America South               | (52)   | (48)   | (129)   | (140)   |
| Western Europe                    | (201)  | (273)  | (580)   | (816)   |
| Central & Eastern Europe          | (135)  | (189)  | (361)   | (517)   |
| Asia Pacific                      | (134)  | (170)  | (390)   | (458)   |
| Global Export & Holding Companies | (88)   | (74)   | (214)   | (216)   |
| <b>Total</b>                      | <b>(1,311)</b>   | <b>(1,448)</b>   | <b>(3,582)</b>  | <b>(4,174)</b>  |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

Our reported consolidated sales and marketing expenses for the three-month and nine-month periods ended 30 September 2009 declined to USD 1,311 million and USD 3,582 million, respectively, compared to combined sales and marketing expenses for the corresponding period in 2008.

Scope effects (other than the Anheuser-Busch acquisition) positively affected our consolidated sales and marketing expenses in 2009, in the amount of USD 36 million in the three months ended 30 September 2009 and USD 37 million in the nine months ended 30 September 2009. Our consolidated sales and marketing expenses for the three months and nine months ended 30 September 2009 also reflect positive currency translation impacts of USD 124 million and USD 442 million, respectively.

Excluding the scope effects and currency translation changes described above, our reported consolidated sales and marketing expenses for the three-month and nine-month periods ended 30 September 2009 increased by 1.6% and decreased by 2.7%, respectively, over combined sales and marketing expenses for the comparable period in 2008, as a result of savings in non-working money in the United States being reinvested in the launch of product innovations. In addition, North America and Western Europe continued to benefit from significant media and advertising cost deflation.

**Table of Contents****Administrative expenses**

The following table compares reported administrative expenses across our business zones in the three months and the nine months ended 30 September 2009 compared to combined administrative expenses by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | (155)  | (231)  | (452)   | (692)   |
| Latin America North               | (132)  | (101)  | (364)   | (323)   |
| Latin America South               | (20)   | (20)   | (54)  | (49)  |
| Western Europe                    | (79)   | (84)   | (262)   | (272)   |
| Central & Eastern Europe          | (38)   | (53)   | (126)   | (132)   |
| Asia Pacific                      | (32)   | (31)   | (109)   | (86)  |
| Global Export & Holding Companies | (73)   | (54)   | (253)   | (197)   |
| <b>Total</b>                      | <b>(528)</b>   | <b>(573)</b>   | <b>(1,619)</b>  | <b>(1,750)</b>  |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

Our reported consolidated administrative expenses for the three-month and nine-month periods ended 30 September 2009 decreased to USD 528 million and USD 1,619 million, respectively, from combined administrative expenses for the corresponding period in 2008.

Scope effects (other than the Anheuser-Busch acquisition) positively affected our consolidated administrative expenses in 2009, in the amount of USD 6 million in the three months ended 30 September 2009 and USD 22 million in the nine months ended 30 September 2009. Our consolidated administrative expenses for the three months and nine months ended 30 September 2009 also reflect positive currency translation impacts of USD 51 million and USD 215 million, respectively.

Not including the scope effects and currency translation impacts described above, our reported consolidated administrative expenses increased by 2.1% in the three months ended 30 September 2009 and by 6.0% in the nine months ended 30 September 2009, as compared to combined administrative expenses in the comparable period of 2008. These increases were due to higher accruals for variable compensation during 2009 as compared with the relatively low levels of such accruals in 2008, reflecting the performance of the business at that time. These increases were partially offset by savings realized from our Zero-Based Budgeting initiative.



**Table of Contents****Other operating income/(expense)**

The following table compares reported other operating income and expenses across our business zones in the three months and the nine months ended 30 September 2009 to combined other operating income and expenses by business zone in the three months and the nine months ended 30 September 2008.

|                                   | <b>Reported<br/>three<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>three<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> | <b>Reported<br/>nine<br/>months<br/>ended<br/>30 September<br/>2009</b> | <b>Combined<br/>nine<br/>months<br/>ended<br/>30 September<br/>2008<sup>(1)</sup></b> |
|-----------------------------------|--|--|---|---|
|                                   | <i>(USD million)</i>   |  |   |   |
| North America                     | (53)   | 2  | 20  | (31)  |
| Latin America North               | 63   | 39   | 153   | 140   |
| Latin America South               | (4)  | (5)  | (7)   | 0   |
| Western Europe                    | (30)   | (37)   | (83)  | (137)   |
| Central & Eastern Europe          | (33)   | (45)   | (96)  | (121)   |
| Asia Pacific                      | 6  | 13   | 12  | 12  |
| Global Export & Holding Companies | 169  | 166  | 467   | 490   |
| <b>Total</b>                      | <b>117</b>   | <b>134</b>   | <b>467</b>  | <b>353</b>  |

(1) See Combined Results of Operations for the Three-Month and Nine-Month Periods Ended 30 September 2008 .

From the net balances of combined other operating income and expenses in the three-month and nine-month periods ended 30 September 2009, the net balance of our reported consolidated other operating income and expenses decreased to USD 117 million for the three-month period ended 30 September 2009 and increased to USD 467 million for the nine-month period ended 30 September 2009.

**Synergies**

In the nine months ended 30 September 2009, we captured USD 875 million of the USD 1 billion of synergy savings targeted for full-year 2009. Of the USD 875 million in synergies captured in the first nine months of 2009, we captured USD 295 million in the three months ended March 31 2009, USD 315 million in the three months ended 30 June 2009 and USD 265 million in the three months ended 30 September 2009. These savings were driven by the implementation of our Zero-Based Budgeting initiative and manufacturing best practices and, to a lesser extent, savings on our procurements. For more details of our synergies targets, refer to Business Description Strengths and Strategy Strengths Strict financial discipline .

**Table of Contents****EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the three months and nine months ended 30 September 2009 as compared to the corresponding period of 2008:

|   | Reported<br>three<br>months<br>ended<br>30 September<br>2009 | Reported<br>three<br>months<br>ended<br>30 September<br>2008 | Reported<br>nine<br>months<br>ended<br>30 September<br>2009 | Reported<br>nine<br>months<br>ended<br>30 September<br>2008 |
|---|--|--|---|---|
|   | <i>(USD million)</i>   |  |   |   |
| <b>Profit</b>                             | <b>1,844</b>   | <b>998</b>   | <b>4,187</b>  | <b>2,764</b>  |
| Income tax expense                        | 601  | 275  | 1,421   | 507   |
| Net finance cost                          | 966  | 281  | 2,958   | 794   |
| Share of result of associates             | (157)  | (1)  | (385)   | (4)   |
| <b>Profit from operations</b>             | <b>3,254</b>   | <b>1,553</b>   | <b>8,181</b>  | <b>4,061</b>  |
| Depreciation, amortisation and impairment | 707  | 467  | 2,069   | 1,302   |
| <b>EBITDA, as defined</b>                 | <b>3,961</b>   | <b>2,020</b>   | <b>10,250</b>   | <b>5,363</b>  |

See Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined for additional information on our definition and use of EBITDA, as defined.

Our EBITDA, as defined, increased to USD 3,961 million for the three months ended 30 September 2009 and to USD 10,250 million for the nine months ended 30 September 2009. These amounts represented increases of USD 1,941 million (or 96.1%) and USD 4,887 million (or 91.1%), as compared to our EBITDA, as defined, for the corresponding periods of 2008.

Our EBITDA, as defined, for the three-month and nine-month periods ended 30 September 2009 was positively affected by certain exceptional items, in the net amount of USD 412 million in the three-month period and USD 318 million for the nine-month period. These figures for exceptional items compare with the negative impacts in the amount of USD 118 million in the three months ended 30 September 2008 and USD 172 million in the nine months ended 30 September 2008. The exceptional items recorded in 2009 mainly impacted the Asia Pacific zone, as the figures reflect a USD 436 million gain on the sale of assets of South Korea, recorded in the three months ended 30 September 2009.

**Net Financing Costs**

Reported consolidated net financing costs totaled USD 966 million in the three-month period ended 30 September 2009 compared to USD 281 million in the three-month period ended 30 September 2008, and USD 2,958 million in the nine-month period ended 30 September 2009 compared to USD 794 million in the nine-month period ended 30 September 2008. The increase reflects interest on the existing Anheuser-Busch debt and the senior facilities to fund the acquisition, non-cash amortization of the arrangement fees paid on the senior facilities and amortization of the fair value adjustment on the Anheuser-Busch debt.

**Table of Contents**

The following table reflects our net financing cost, for the three months and nine months ended 30 September 2009 as compared to the corresponding period of 2008:

|                          | Reported<br>three<br>months<br>ended<br>30 September<br>2009 | Reported<br>three<br>months<br>ended<br>30 September<br>2008 | Reported<br>nine<br>months<br>ended<br>30 September<br>2009 | Reported<br>nine<br>months<br>ended<br>30 September<br>2008 |
|--------------------------|--|--|---|---|
|                          | <i>(USD million)</i>   |  |   |   |
| Net Interest expense     | (816)  | (262)  | (2,546)   | (702)   |
| Accretion expense        | (137)  | (1)  | (346)   | (10)  |
| Other Financial results  | (13)   | (18)   | (66)  | (82)  |
| <b>Net finance costs</b> | <b>(966)</b>   | <b>(281)</b>   | <b>(2,958)</b>  | <b>(794)</b>  |

**Share of Result of Associates**

Reported consolidated share of result of associates was USD 157 million in the three-month period ended 30 September 2009 compared to USD 1 million in the three-month period ended 30 September 2008, and USD 385 million in the nine-month period ended 30 September 2009 compared with USD 4 million in the nine-month period ended 30 September 2008, largely reflecting the results of Grupo Modelo.

**Income Tax Expense**

Reported consolidated income tax expense was USD 601 million in the three-month period ended 30 September 2009, with an effective tax rate of 26.3%, and USD 1,421 million in the nine months ended 30 September 2009, with an effective tax rate of 27.2%. The income tax expense was mainly impacted by the consolidation of the Anheuser-Busch U.S. companies acquired, for which the results were taxed at an average rate of 40%, and higher realized profits at AmBev Brazil taxed at a marginal tax rate of 34%. For the full year 2009, we continue to expect an effective tax rate of 25% to 27%.

**Profit Attributable to Minority Interests**

Reported share of consolidated profit attributable to minorities decreased to USD 298 million in the three-month period ended 30 September 2009 and USD 854 million in the nine-month period ended 30 September 2009, from USD 307 million in the three-month period ended 30 September 2008 and USD 866 million achieved in the nine-month period ended 30 September 2008.

**Recent Transactions**

On 1 July 2009, we announced that we had established a Level 1 American Depositary Share ( ADS ) program in the United States. Each ADS represents one of our ordinary shares. In September 2009, we filed a registration statement on Form 20-F with the SEC and, from 16 September 2009, ADSs representing our ordinary shares are listed on the New York Stock Exchange under the symbol BUD . Our ordinary shares continue to trade on Euronext Brussels under the symbol ABI .

On 24 July 2009 we completed the previously announced sale of our Korean subsidiary Oriental Brewery to an affiliate of KKR for USD 1.8 billion, which resulted in USD 1.5 billion of cash proceeds at closing. Under the terms of the agreement, we will continue our relationship with Oriental Brewery through granting Oriental Brewery exclusive licenses to distribute certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden and by having an ongoing interest in Oriental Brewery through an agreed earnout. In addition, we have the right but not the obligation to reacquire Oriental Brewery after five years at predetermined financial terms.

**Table of Contents**

On 2 September 2009, InBev Participações Societárias SA, our wholly-owned Brazilian subsidiary, issued notes in an aggregate principal amount of 2.0 billion reais, which will mature on 12 August 2012 (the **September Brazilian Notes** ). The notes bear interest at a floating rate of 114% of CDI, the monthly Brazilian interbank lending rate, and are guaranteed by us and another of our wholly-owned subsidiaries, Interbrew International BV. The net proceeds from the offering were used to pay down the Facility A loan, which comprises part of the senior debt facilities agreement and which is described under **Business Description** **Material Contracts** **Financing the Anheuser-Busch Acquisition** .

On 29 September 2009, we completed the previously announced sale of our Tennent's Lager brand and associated trading assets in Scotland, Northern Ireland and the Republic of Ireland (part of InBev UK Limited) to C&C Group plc for a total enterprise value of GBP 180 million. Included in the sale are the Glasgow Wellpark Brewery in Scotland, where Tennent's Lager is brewed, rights to the Tennent's Lager brand itself, Tennent's Ales and assets located in Scotland, Northern Ireland and the Republic of Ireland which currently belong to us. As part of the agreement, we appointed C&C Group as distributor of certain of our brands in Scotland, Northern Ireland and the Republic of Ireland, and C&C Group granted us the right to use the Tennent's Super and Tennent's Pilsner brands in certain worldwide geographies.

On 1 October 2009, we completed the sale of four metal beverage can and lid manufacturing plants from our U.S. metal packaging subsidiary, Metal Container Corporation, to Ball Corporation for approximately USD 577 million. In connection with this transaction, Ball Corporation has entered into a long-term supply agreement to continue to supply us with metal beverage cans and lids from the divested plants, and has committed, as part of the acquisition agreement, to offer employment to each active employee of the plants.

On 16 October 2009, we issued the Old Notes with an aggregate value of USD 5.5 billion in an offering to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act and outside the United States in reliance on Regulation S under the Securities Act. As a result, during October 2009, we completed repayment of the remaining balance of the USD 12 billion Facility A, one year before its maturity, and repaid a portion of our senior Facility C. Consequently, we project our net finance costs in the three months ended 31 December 2009 will include incremental accretion expenses of USD 86 million and an interest rate hedging loss of USD 240 million, as hedging instruments for the repaid parts of Facility C are no longer effective. For further details of Facility A and Facility C, see **Business Description** **Material Contracts** **Financing the Anheuser-Busch Acquisition** **Senior Facilities Agreement** .

On 12 November 2009 immediately after the closure of Euronext Brussels, we purchased 8,300,000 of our shares over the counter from our fully owned subsidiary Brandbrew SA. The purchase price was equal to the closing price of the shares on Euronext Brussels on 12 November 2009, which was EUR 32.59 per share.

On 1 December 2009, we completed the sale of our indirect wholly owned subsidiary, Busch Entertainment Corporation, to an entity established by Blackstone Capital Partners V L.P., for up to USD 2.7 billion. The purchase price was comprised of a cash payment of USD 2.3 billion and a right to participate in Blackstone Capital Partners' return on its initial investment, which is capped at USD 400 million.

On 2 December 2009, we completed the sale of our Central European operations to CVC Capital Partners, for an enterprise value of approximately USD 2,231 million and additional rights to a future payment estimated to be as much as USD 800 million contingent on CVC Capital Partners' return on its initial investment. The USD 2,231 million estimated enterprise value is comprised of (1) USD 1,618 million in cash, (2) USD 448 million in an unsecured subordinated deferred payment obligation with a six year maturity, which can be automatically extended by up to two years in the event of restructuring of the senior debt financing, bearing interest at 8-15% and (3) USD 165 million in minority interests, assuming market value at close on 16 October 2009. Under the terms of the agreement, our operations in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Romania, Serbia and Slovakia were sold. CVC Capital Partners agreed to brew and/or distribute Stella Artois, Beck's, Löwenbräu, Hoegaarden, Spaten and Leffe in the above countries

## **Table of Contents**

under license from us. We retain rights to brew and distribute Staropramen in several countries including Ukraine, Russia, the US, Germany and the UK. In addition, we have a right of first offer to reacquire the business should CVC Capital Partners decide to sell in the future.

### **Recent Legal Developments**

With respect to the Ginsburg Litigation, we received a judgment in our favor on 4 August 2009. The plaintiffs filed an appeal of this judgment on 19 August 2009. We, however, continue to vigorously defend against these claims through the appellate process.

With respect to the Group Modelo arbitration, the final arbitration proceeding was conducted in New York City in August 2009. There has been no ruling from the arbitration panel to date.

### **OUTLOOK AND TREND INFORMATION**

The overall environment remains challenging; we project full-year total cost of sales per hectoliter to decline slightly in 2009. We expect to continue to deliver on our synergy and cash flow generation goals, while at the same time driving growth through sales and marketing programmes that combine discipline and efficiency with innovation.

Looking out on the rest of the year, we have a number of initiatives and targets to achieve. We will continue to work hard to deliver on our 2009 commitments:

Capturing USD 1 billion of synergies from Anheuser-Busch in 2009 (with a goal of ultimately achieving aggregate synergies of USD 2.25 billion by the end of 2011);

Releasing at least USD 500 million of working capital in the U.S. while continuing to strive for improvements at the former InBev;

Maintaining pricing discipline in relevant markets while continuing to support our focus brands;

Reducing capital expenditures by at least USD 1 billion from pro-forma 2008 while not compromising the quality of our products and the safety of our people;

Enhancing the maturity and currency profile of our outstanding debt; and

Optimising the effective tax rate of the combined company towards the 25% to 27% range.

---

**Table of Contents**

**BUSINESS DESCRIPTION**

**GENERAL OVERVIEW**

We are the world's largest brewing company by volume, and one of the world's five largest consumer products companies by 2008 EBITDA, as defined, based on the 2008 full-year pro-forma financial information. As a consumer-centric, sales-driven company, we produce, market, distribute and sell a strong, balanced portfolio of nearly 300 beer brands. These include global flagship brands Budweiser, Stella Artois and Beck's; multi-country brands such as Leffe and Hoegaarden; and many local champions such as Bud Light, Skol, Brahma, Quilmes, Michelob, Harbin, Sedrin, Klinskoye, Sibirskaia Korona, Chernigivske and Jupiler. We also produce and distribute soft drinks, particularly in Latin America.

Our brewing heritage and quality are rooted in brewing traditions that originate from the Den Horen brewery in Leuven, Belgium, dating back to 1366, and those of Anheuser & Co brewery, established in 1860 in St. Louis, U.S.A. As at 31 December 2008, we employed approximately 120,000 people, with operations in over 30 countries across the world. Given the breadth of our operations, we are organised along seven business zones or segments: North America, Latin America North, Latin America South, Western Europe, Central & Eastern Europe, Asia Pacific and Global Export & Holding Companies. The first six correspond to specific geographic regions in which our operations are based. As a result, we have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our six geographic regions.

On 18 November 2008, we completed our acquisition of Anheuser-Busch, the largest brewer of beer and other malt beverages in the United States. Following completion of the Anheuser-Busch acquisition, we have significant brewing operations within our North America business zone. On a pro-forma basis for the combined company, the North America business zone would have accounted for 33.8% of our consolidated volumes for the year ended 31 December 2008 as compared to 4.8% of our actual consolidated volumes for the year ended 31 December 2007. Through Anheuser-Busch, we own a number of subsidiaries that conduct various other business operations, including one of the largest theme park operators in the United States, a major manufacturer of aluminium cans and one of the largest recyclers of aluminium cans in the United States by weight.

We also have significant exposure to fast-growing emerging markets in Latin America North (which on a pro-forma basis for the combined company would have accounted for 24.5% of our consolidated volumes in the year ended 31 December 2008), Central & Eastern Europe (which would have accounted for 11.0% on the same basis), Asia Pacific (which would have accounted for 13.4% on the same basis) and Latin America South (which would have accounted for 8.2% on the same basis).

Based on the 2008 pro-forma information for our combined company, our 2008 volumes (beer and non-beer) would have amounted to 416 million hectoliters and our revenue would have amounted to approximately USD 39.0 billion.

***Registration and Main Corporate Details***

Anheuser-Busch InBev SA/NV was incorporated on 2 August 1977 for an unlimited duration under the laws of Belgium under the original name BEMES. It has the legal form of a public limited liability company (*naamloze vennootschap/société anonyme*). Its registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and it is registered with the Register of Legal Entities of Brussels under the number 0417.497.106. Our headquarters are located at Brouwerijplein 1 3000 Leuven, Belgium (tel.: +32 16 27 61 11). Our agent in the United States is John Blood, c/o AB InBev Services LLC, 250 Park Avenue, 2nd Floor, New York, NY 10017.

We are a publicly traded company, listed on Euronext Brussels under the symbol ABI. ADSs representing our ordinary shares trade on the New York Stock Exchange under the symbol BUD.

---

## **Table of Contents**

### ***History and Development of the Company***

Our roots can be traced back to Den Horen in Leuven, which began making beer in 1366. In 1717 Sébastien Artois, master brewer of Den Horen, took over the brewery and renamed it Sébastien Artois.

In 1987, the two largest breweries in Belgium merged: Brouwerijen Artois NV, located in Leuven, and Brasserie Piedboeuf SA, founded in 1853 and located in Jupille, resulting in the formation of Interbrew SA ( **Interbrew** ). Following this merger, Interbrew acquired a number of local breweries in Belgium. By 1991, a second phase of targeted external growth began outside Belgium's borders. The first transaction in this phase took place in Hungary with the acquisition of Borsodi Sörgyar in 1991, followed in 1995 by the acquisition of John Labatt Ltd. in Canada, and then in 1999 by a joint venture with SUN Brewing in Russia.

Interbrew operated as a family-owned business until December 2000, the time of its initial public offering on Euronext Brussels.

The last decade has been marked by increasing geographical diversification, seeing Interbrew move into new areas or strengthen its operations in countries or regions in which it had previously acquired a foothold. In 2000, Interbrew acquired Bass Brewers and Whitbread Beer Company in the United Kingdom, and in 2001 it established itself in Germany with the acquisition of Brauerei Diebels GmbH & Co KG. This was followed by the acquisition in 2001 of Brauerei Beck GmbH & Co KG. and in 2002 of the Gilde Group. In 2002, Interbrew strengthened its position in China by acquiring stakes in the K.K. Brewery and the Zhujiang Brewery. In 2004, Interbrew acquired Spaten-Franziskaner Bräu KGaA.

2004 marked a significant event in our recent history: the combination of Interbrew and AmBev, a Brazilian company listed (and currently still listed) on the New York Stock Exchange and on the São Paulo Stock Exchange, resulting in the creation of InBev. At the time of the combination, AmBev was the world's fifth largest brewer, with a significant presence in the Brazilian market, as well as strong positions throughout Latin America.

In 2004, InBev also acquired, through AmBev, its initial 50.64% interest in Quilmes Industrial S.A. ( **Quinsa** ) as part of the Interbrew-AmBev combination, thereby strengthening its foothold in Argentina, Bolivia, Chile, Paraguay and Uruguay. Following a series of transactions as a result of which AmBev's equity interest in Quinsa increased to approximately 91%, on 28 December 2007 AmBev launched a voluntary offer to purchase the outstanding shares of Quinsa that were not owned by AmBev or its subsidiaries. On 12 February 2008, when the voluntary offer to purchase expired, AmBev's voting interest in Quinsa increased to 99.56% and its economic interest increased to 99.26%. After subsequent Quinsa share buy-backs, and continued purchases of shares in 2008 from Quinsa's minority shareholders by AmBev's subsidiary, Dunvegan S.A., AmBev increased its voting interest in Quinsa to approximately 99.83% and its economic interest to approximately 99.81%.

The AmBev and Quinsa transactions allowed InBev to position itself in the Latin American beer market and also to gain a presence in the soft drinks market (as AmBev is PepsiCo's second largest bottler in the world and largest bottler outside of the United States).

In 2004, InBev further acquired the China brewery activities of the Lion Group.

2005 marked the acquisition of 100% of the Tinkoff brewery in St. Petersburg, Russia.

In 2006, InBev acquired Fujian Sedrin Brewery Co. Ltd., the largest brewer in Fujian province of China, making InBev a major brewer in China, the world's largest beer market by volume. The acquisition of the Sedrin brand also allowed InBev to strengthen its Chinese products portfolio.

In 2007, Labatt Brewing Company Limited ( **Labatt** ) acquired Lakeport Brewing Income Fund in Canada, securing a strong presence for us in the growing value segment in Ontario. 2007 also marked the acquisition of Cervejarias Cintra Indústria e Comércio Ltda ( **Cintra** ) by AmBev, thereby enabling AmBev to expand production capacity to meet the continuing increase in demand in the beer and soft drink markets in

**Table of Contents**

Brazil. The initial transaction did not include the brands and distribution assets of Cintra. In January 2008, AmBev reached an agreement for the purchase of the Cintra brands, and these brands were subsequently sold to the Brazilian brewer Schincariol in May 2008.

In May 2007, InBev announced a long-term joint venture agreement with the RKJ group, a leading beverage group operating in India. InBev expected this to be its vehicle to invest in the Indian beer market. As of 1 April 2009, the joint venture vehicle began selling, marketing and distributing Budweiser in India. We expect that the venture will build a meaningful presence in India over time.

In March 2008, InBev reached an agreement with its Chinese partner in the InBev Shiliang (Zhejiang) Brewery to increase InBev's stake in this business to 100%. The deal was approved by the relevant authorities in June 2008. This step enabled InBev to strengthen its position in the Zhejiang province in China.

On 13 July 2008, InBev and Anheuser-Busch announced their intention to combine the two companies by way of an offer by InBev of USD 70 per share in cash for all outstanding shares of Anheuser-Busch. The total amount of funds necessary to consummate the Anheuser-Busch acquisition was approximately USD 54.8 billion, including the payment of USD 52.5 billion to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and the amount of fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness. InBev shareholders approved the Anheuser-Busch acquisition at InBev's Extraordinary Shareholders Meeting on 29 September 2008 and, on 12 November 2008, a majority of Anheuser-Busch shares were voted to approve the transaction at a Special Shareholders Meeting of Anheuser-Busch. The Anheuser-Busch acquisition was completed, and the certificate of merger filed, on 18 November 2008. For further details of our acquisition of Anheuser-Busch, see Business Description Material Contracts .

In November 2008, InBev agreed to divest the assets of InBev USA LLC to win clearance from the U.S. Department of Justice for its acquisition of Anheuser-Busch. On 13 March 2009 we announced that we had completed the sale of the assets of InBev USA LLC (d/b/a Labatt USA) to an affiliate of KPS Capital Partners, LP. Under the terms of the agreement announced on 23 February 2009, KPS Capital Partners, LP acquired the assets of Labatt USA and an exclusive license, granted by Labatt, (i) to brew Labatt branded beer in the U.S. or Canada solely for sale for consumption in the U.S.; (ii) to distribute, market and sell Labatt branded beer for consumption in the U.S.; and (iii) to use the relevant trademarks and intellectual property to do so. On 11 August 2009, the U.S. District Court for the District of Columbia gave final approval to the settlement proposed by the U.S. Department of Justice in connection with our acquisition.

Beginning in 2003, Anheuser-Busch participated in a strategic alliance with Tsingtao, one of the largest brewers in China and producer of the Tsingtao brand. Through the Anheuser-Busch acquisition, we acquired Anheuser-Busch's 27% economic ownership interest and a 20% voting interest in Tsingtao. On 30 April 2009, we announced that we had completed the previously announced sale of a 19.9% minority stake in Tsingtao to Asahi Breweries, Ltd. As a result of the transaction, Asahi Breweries, Ltd became Tsingtao's second largest shareholder. Tsingtao Brewery Group remained the largest shareholder in Tsingtao. On 8 May 2009, we announced that we had entered into an agreement with a private investor, Mr. Chen Fashu, to sell our remaining 7% stake in Tsingtao. On 5 June 2009 we announced that the transaction had closed.

On 24 July 2009, we completed the previously announced sale of our South Korean subsidiary, Oriental Brewery, to an affiliate of Kohlberg Kravis Roberts & Co. L.P. ( **KKR** ) for USD 1.8 billion, which resulted in USD 1.5 billion of cash proceeds at closing. Under the terms of the agreement, we will continue our relationship with Oriental Brewery through granting Oriental Brewery exclusive licenses to distribute certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden, and by having an ongoing interest in Oriental Brewery through an agreed earn-out. In addition, we will have the right, but not the obligation, to re-acquire Oriental Brewery five years after the closing of the transaction based on predetermined financial terms. The divestiture of Oriental Brewery is part of our ongoing deleveraging programme and allows us to repay debt incurred as a result of the Anheuser-Busch acquisition.



**Table of Contents**

We have continued and may continue to dispose of additional assets or businesses, and expect to utilise the proceeds from any such disposals to repay indebtedness incurred to finance the Anheuser-Busch acquisition. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions. Aside from the transactions disclosed in this Form F-4, we have not yet reached any definitive agreements regarding disposals of assets or businesses, but we are currently exploring our options in relation to such disposals, taking into account a range of factors, including the possibility of disposals of assets that are not core to its businesses, disposals of self-contained operations on a stand-alone basis and disposals that can occur with minimum adverse tax effects.

For further details of our principal capital expenditures and divestitures, see Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Investments .

**STRENGTHS AND STRATEGY****Strengths**

We believe that the following key strengths will drive the realisation of our strategic goals and reinforce our competitive position in the marketplace:

**Global platform with strong market positions in key markets**

We are one of the world's largest brewing companies and believe we hold leading market positions in over 20 markets. We have strong market positions based on strong brands and benefit from scale. We believe this positions us well to deploy significant resources on sales and marketing to build and maintain our brands, achieve attractive sourcing terms, generate cost savings through centralisation and produce a lean cost structure. Our global reach provides us with a strong platform to grow our global and multi-country brands, while developing local brands tailored to regional tastes. We benefit from a global distribution network which, depending on the location, is either owned by us or is based on strong partnerships with wholesalers and local distributors.

We believe that in 2008 the approximate industry volumes and our approximate market shares by volume in the world's five largest beer markets by volume are as follows:

|                | <b>Total<br/>industry<br/>volume<br/>(million<br/>hectoliters)<sup>(1)</sup></b> | <b>AB InBev<br/>market<br/>share<br/>(%)</b> |
|----------------|--|--|
| China          | 407  | 12.05  |
| United States  | 251  | 50.80  |
| Brazil         | 102  | 67.50  |
| Germany        | 91   | 9.62   |
| Russia         | 77   | 18.38  |
| United Kingdom | 47   | 21.80  |

(1) Total industry volume figures are based on total beer industry sales or consumption volumes in the relevant market, except for the China volume figures, which are based on total industry production volumes and Russia volume figures, which are based on retail audits. Sources: China National Statistic Bureau (SSB); United States Beverage Market Corp.; Brazil AC Nielsen Audit Retail; Germany Deutscher Brauer-Bund; Russia Business Analytica; United Kingdom British Beer and Pub Association.

Since the completion of the Anheuser-Busch acquisition and the combination of InBev and Anheuser-Busch, we have been a global leader in the brewing industry by volume and, measured by EBITDA, as defined, for 2008 on the basis of the 2008 full-year pro-forma financial information, we are ranked among the top five

---

## **Table of Contents**

consumer products companies worldwide. The Anheuser-Busch acquisition significantly enhances our position in the United States, one of the most stable and profitable beer markets in the world, and in China, the world's largest beer market by volume. Management believes that it can realise significant upside potential by rolling out Anheuser-Busch's brands using our global distribution platform.

### **Geographical diversification**

Our geographically diversified platform balances the growth opportunities of emerging markets with the stability and strength of mature markets. With significant operations in both the Southern and Northern Hemisphere, we benefit from a natural hedge against market, economic and seasonal volatility.

The Anheuser-Busch acquisition further enhanced our geographic diversity and has provided an even more solid balance between high-growth emerging markets and stable mature markets. Based on the 2008 full-year pro-forma financial information for the combined company assuming completion of the Anheuser-Busch acquisition on 1 January 2008, our operating profit was split approximately evenly between emerging and mature markets.

### **Strong brand portfolio with global, multi-country and local brands**

Our strong brand portfolio addresses a broad range of market segments and offers a range of international and local brands in key beer markets through segmentation into three main brand categories:

*Global brands:* Capitalising on common values and experiences which appeal to consumers across borders, global flagship brands such as Budweiser, Beck's and Stella Artois have the strength to be marketed worldwide;

*Multi-country brands:* With a strong consumer base in their home market, multi-country brands, such as Leffe and Hoegaarden, bring international flavour to selected markets, connecting with consumers across continents; and

*Local brands:* Offering locally popular tastes, local brands, such as Bud Light, Skol, Brahma, Quilmes, Michelob, Harbin, Sedrin, Klinskoye, Sibirskaya Korona, Chernigivske, Antarctica, Franziskaner and Jupiler, connect particularly well with consumers in their home markets.

Our strategy is to focus our portfolio on premium brands. As a result, we undertake clear brand choices and seek to invest in those brands that build deep connections with consumers and meet their needs. We seek to replicate our successful brand initiatives and best practices across geographic markets.

We believe that Anheuser-Busch's brands are highly complementary to InBev's brand portfolio. Many of the Anheuser-Busch brands also have broader appeal and have the potential to be developed into multi-country brands using our global distribution platform.

### **Strong innovation and brand development capabilities**

As a consumer-centric, sales-driven company, we continue to strive to understand the values, lifestyles and preferences of both today's and tomorrow's consumers, building fresh appeal and competitive advantage through innovative products and services tailored to meet those needs. We believe that consumer demand can be best anticipated by a close relationship between our marketing and research teams in which current and expected market trends trigger and drive research processes. Successful examples of recently developed products include Stella Artois 4% and Beck's Vier in the U.K., Bohemia in Brazil, Sedrin in China, Chernigivske in the Ukraine, Quilmes Stout in Argentina, Alexander Keith's Red Amber Ale in Canada, Hoegaarden Rosée in Belgium and Klinskoye Freeze and Sibirskaya Korona Lime in Russia. Anheuser-Busch has also successfully brought to market a number of innovative product offerings, including Bud Light Lime, and is renowned for its brand development capabilities, creative marketing campaigns and in-depth knowledge of its marketplaces, which we believe will be of significant value.

**Table of Contents**

We believe that our excellence programmes, such as our World Class Commercial Program, are one of our competitive advantages. As part of our consumer-centric, sales driven approach, we have established an integrated marketing and sales execution programme, the World Class Commercial Program, which is designed to continuously improve the quality of our sales and marketing capabilities and processes by ensuring they are understood and consistently followed. We believe our World Class Commercial Programme in sales contributed to the success of our sales practices and we therefore extended this programme to our marketing practices. During 2008, this programme achieved effective global alignment in our key markets by facilitating shared processes in marketing and sales.

**Strict financial discipline**

World-class efficiency has been, and remains, a long-term objective for us across all lines of business and markets as well as under all economic circumstances. Avoiding unnecessary costs is a core component of our culture. We distinguish between non-working and working expenses, the latter having a direct impact on sales volumes or revenues. We currently have a greater focus on reducing non-working expenses, given that they are incurred independently from sales volumes or revenues and without immediate benefit to consumers. By maintaining strict financial discipline and turning non-working expenses into working expenses, our Cost Connect Win model aims to fund sustainable sales and marketing efforts throughout an economic cycle in order to connect with our customers and win by achieving long-term, profitable growth. We have a number of group-wide cost efficiency programmes in place, including:

*Zero-Based Budgeting or ZBB:* Under ZBB, budget decisions are unrelated to the previous year's levels of expenditure and require justification starting from a zero base each year. Employee compensation is closely tied to delivering on zero-based budgets. ZBB has already been successfully adopted in Latin America North, North America, Central & Eastern Europe, Western Europe as well as at global headquarters, and ZBB was introduced in Latin America South and China in 2007 and is currently being implemented in the United States;

*Voyager Plant Optimisation or VPO:* VPO aims to bring greater efficiency and standardisation to our brewing operations and to generate cost savings, while at the same time improving quality, safety and the environment. VPO also entails assessment of our procurement processes to maximise purchasing power and to help us achieve the best results when purchasing a range of goods and services. Behavioural change towards greater cost awareness is at the core of this programme, and comprehensive training modules have been established to assist our employees with the implementation of VPO in their daily routines.

In addition, we have set up business service centres across our business zones which focus on transactional and support activities within our group. The centres help standardise working practices and identify and disseminate best practice.

We expect the Anheuser-Busch acquisition to generate at least USD 2.25 billion of cost savings by the end of 2011, with USD 250 million of cost saving synergies having been delivered in 2008 and the aim to capture USD 1.0 billion in cost saving synergies in 2009 and the balance in the two following years. The cost savings figures fall into four categories:

Implementation of ZBB and Blue Ocean cost saving programs

Benefits of scale resulting in lower procurement costs

Manufacturing best practices resulting in more efficient use of existing capacity

Other, including the benefit of synergies in China and UK

## **Table of Contents**

The estimated cost savings are calculated by comparing the cost forecast for our U.S. operation for the years 2009-2011 (as reflected in our three-year business plan) to the Anheuser-Busch U.S. cost base before the Anheuser-Busch acquisition. We perform this comparison by benchmarking activities at a low level of granularity, including down to the level of individual cost centers for the current budget year. The synergies figures represent amounts estimated to be achieved by the combined businesses in the relevant period. For 2008, we estimated the synergies by comparing the cost base of Anheuser-Busch for the fourth quarter of 2008 to the fourth quarter of 2007. The 2008 savings mainly resulted from savings triggered by the Blue Ocean program implemented by Anheuser-Busch in anticipation of the acquisition and by some ZBB savings.

In addition to cost synergies, management believes that the Anheuser-Busch acquisition will add substantial value through the exchange of best practices in areas such as sales, distribution, marketing and corporate social responsibility. We believe that the disciplined programmes of sales and marketing execution of our group companies can be combined to achieve a best-in-class commercial programme. Anheuser-Busch's Blue Ocean programme is a cost reduction initiative commenced by Anheuser-Busch prior to the completion of the acquisition, which is aimed at cost savings and process improvements across all areas of that company, including through process benchmarking in Anheuser-Busch's breweries, energy and environmental initiatives to reduce its reliance on natural gas and fuel oil, supply chain savings, improved materials usage, business process redesign using technology to further centralise Anheuser-Busch's brewing control rooms and automation of its warehouse functions, the implementation of a new early retirement programme for salaried Anheuser-Busch employees, reorganisations aimed at enhancing efficiency and effectiveness, reducing overhead growth and achieving widespread reductions in non-salary spending.

### ***Experienced management team with a strong track record of delivering synergies through business combinations***

During the last two decades, our management (or the management of our predecessor companies) has executed a number of merger and acquisition transactions of varying sizes, with acquired businesses being successfully integrated into our operations, realising significant synergies. Notable examples include:

The creation of AmBev in 2000. Between 2000 and 2004, operating income after financial income and financial expense increased from 331.7 million reais to 2,163.3 million reais;

The acquisition of Beck's in 2002, which today is the number one German beer in the world, with distribution in over 100 countries;

The combination of AmBev and Quilmes in 2002, where Quilmes' operating profit increased substantially from 2002 to 2008;

Labatt, where profitability increased by approximately 10% within the first three years of AmBev gaining control in 2004; and

The creation of InBev in 2004, through the merger of AmBev and Interbrew, where operating profit margin has increased from 11.9% on a standalone basis in 2003 to 22.7% in 2008.

Our strong track record also extends to successfully integrating portfolios of brands such as Spaten-Löwenbräu in 2003 and leveraging cross-selling potential and distribution networks such as the distribution of Stella Artois through AmBev's channels in Latin America.

### ***Strategy***

#### **Our strategy is based on our vision to be the Best Beer Company in a Better World**

The guiding principle for our strategy is a vision to be the Best Beer Company in a Better World by uniting strong brand development, sales execution and best-in-class efficiency with the role of a responsible



## **Table of Contents**

global corporate citizen. The Best Beer Company element relates primarily to our aim of maintaining highly profitable operations in all markets where we operate. The term Better World articulates our belief that all stakeholders will benefit from good corporate citizenship, finding its expression in the concept of responsible enjoyment. We discourage consumers from excessive or underage drinking through marketing campaigns aimed at moderate consumption, as outlined in our Commercial Communications Code.

### **Four pillars are fundamental to our future strategic positioning**

First, we aim to win consumers and secure loyalty through our strong brand portfolio.

In a rapidly changing marketplace, we seek to continue to focus on understanding customer needs. We aim to achieve high levels of customer orientation in our brand portfolio by positioning it to deliver on consumer demands;

Our goal is to deliver volume growth in excess of market growth through brand strength, continued premiumisation of our brand portfolio, and sales and marketing investment. We aim to grow revenue ahead of volume growth; and

We intend to further strengthen brand innovation in order to stay ahead of market trends and maintain consumer appeal; Second, we intend to win points of connection with consumers through world-class consumer programmes.

In partnership with distributors, off-trade retailers and on-trade points of sale, we seek to further improve the combination of brand appeal and purchasing experience for the consumer, driven by sustainable marketing investments;

We intend to further enhance our focus on sales management and marketing by responsibly connecting with new classes of consumers of drinking age; and

We have established a number of consumer-dedicated activities, such as specific outdoor events, which are designed to provide consumers with a brand experience which exceeds the pure enjoyment of beer; Third, we strive to continuously improve efficiency and to continue our strong track record in margin enhancements by unlocking the potential for variable and fixed cost savings.

We aim to maintain long-term cost increases at below inflation, benefiting from the application of cost efficiency programmes such as of ZBB and VPO, as well as from hedging commodity prices; and

Our management believes cost savings are not yet fully realised across all geographies, and remains committed to its target of long-term margin improvement; Finally, we seek to continue to drive external growth opportunities through selected acquisitions, with the Anheuser-Busch integration being the key focus in the medium term.

Our management has repeatedly demonstrated its ability to successfully integrate acquisitions and drive revenue growth ahead of our competitors. External growth will remain a cornerstone of our strategic focus; and



**Table of Contents**

The combination of Anheuser-Busch and InBev has provided us with significant global scale.

We see significant opportunities to internationalise Anheuser-Busch’s key brands, gain greater access to the U.S. market and benefit from significant cost synergies; and

Our management anticipates that our combined company will be highly cash-generative which, along with diligent use of capital and active working capital management, is expected to contribute to our objective of rapid de-leveraging.

**General factors facilitate the implementation of our corporate strategy**

We have identified certain key tools which we believe will enable us to implement our corporate strategy, including:

An open innovation policy on all levels, aimed at revitalising the beer category and increasing its market share;

A strong company culture, investing in people and maintaining a strong target-related compensation structure; and

Best-in-class financial discipline spread throughout the whole organisation.

**PRINCIPAL ACTIVITIES AND PRODUCTS**

We produce, market, distribute and sell a strong, balanced portfolio of nearly 300 beer brands and have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our six geographic regions.

We are a consumer-centric, sales-driven company. Consequently, our production facilities and other assets are predominantly located in the same geographical areas as our customers. We set up local production when we believe that there is substantial potential for local sales that cannot be addressed in a cost efficient manner through exports or third-party distribution into the relevant country. Local production also helps us to reduce, although it does not eliminate, our exposure to currency movements.

The table below sets out the main brands we sell in the markets listed below.

| Market                | Global brands                    | Multi-country brands | Local brands   |
|-----------------------|----------------------------------|----------------------|--|
| <b>North America</b>  |                                  |                      |  |
| Canada                | Beck’s, Budweiser, Stella Artois | Hoegaarden, Leffe    | <b>Beer:</b> Alexander Keith’s, Brahma, Bud Light, Kokanee, Labatt Blue, Labatt Blue Light, Labatt Lite, Staropramen   |
| Cuba                  | Beck’s                           |                      | <b>Beer:</b> Bucanero, Cristal, Mayabe   |
| Mexico (Grupo Modelo) | Budweiser                        |                      | <b>Beer:</b> Corona, Bud Light   |
| United States         | Beck’s, Budweiser, Stella Artois | Hoegaarden, Leffe    | <b>Beer:</b> Bass, Boddingtons, Brahma, Bud Ice, Bud Light, Bud Light Lime, Budweiser Select, Busch, Busch Light, Michelob Ultra, Natural Light, Staropramen |
| <b>Latin America</b>  |                                  |                      |  |
| Argentina             | Budweiser, Stella Artois         |                      | <b>Beer:</b> Andes, Brahma, Norte, Patagonia, Quilmes<br><br><b>Soft drinks:</b> 7UP, Pepsi, H2Oh  |



**Table of Contents**

| <b>Market</b>                       | <b>Global brands</b>                   | <b>Multi-country brands</b> | <b>Local brands</b>   |
|-------------------------------------|--|-----------------------------|---|
| Bolivia                             | Stella Artois                          |                             | <b>Beer:</b> Ducal, Paceaña, Taquiña  |
| Brazil                              | Budweiser,<br>Stella Artois            | Hoegaarden, Leffe           | <b>Beer:</b> Antarctica, Bohemia, Brahma, Skol<br><b>Soft drinks:</b> Guaraná Antarctica, Pepsi |
| Chile                               | Budweiser,<br>Stella Artois            |                             | <b>Beer:</b> Baltica, Becker, Brahma  |
| Dominican Republic                  | Budweiser                              |                             | <b>Beer:</b> Brahma   |
| Ecuador                             | Budweiser                              |                             | <b>Soft drinks:</b> Pepsi, 7UP, Red Rock<br>Brahma  |
| Guatemala                           |  |                             | Brahma  |
| Paraguay                            | Beck's,<br>Budweiser,<br>Stella Artois |                             | <b>Beer:</b> Baviera, Brahma, Ouro Fino, Pilsen   |
| Peru                                |  |                             | <b>Beer:</b> Brahma   |
| Uruguay                             | Budweiser,<br>Stella Artois            |                             | <b>Soft drinks:</b> Concordia, Pepsi, Triple Kola<br><b>Beer:</b> Pilsen, Norteña, Patricia     |
| Venezuela                           |  |                             | <b>Beer:</b> Brahma, Brahma Light, Brahma Ice<br><b>Soft drinks:</b> Malta Caracas              |
| <b>Western Europe</b>               |  |                             |   |
| Belgium                             | Stella Artois,<br>Beck's,<br>Budweiser | Hoegaarden, Leffe           | <b>Beer:</b> Belle-Vue, Jupiler, Brahma   |
| France                              | Stella Artois,<br>Budweiser,<br>Beck's | Hoegaarden, Leffe           | <b>Beer:</b> Boomerang, La Bécasse, Loburg, Brahma  |
| Germany                             | Stella Artois,<br>Beck's               | Leffe                       | <b>Beer:</b> Diebels, Franziskaner, Haake-Beck, Hasseröder,<br>Löwenbräu, Staropramen           |
| Luxembourg                          | Stella Artois,<br>Beck's               | Leffe                       | <b>Beer:</b> Diekirch, Jupiler, Mousel, Belle-Vue, Brahma                                       |
| Netherlands                         | Stella Artois,<br>Beck's,<br>Budweiser | Hoegaarden, Leffe           | <b>Beer:</b> Dommelsch, Jupiler, Hertog Jan, Brahma   |
| United Kingdom                      | Stella Artois,<br>Beck's,<br>Budweiser | Hoegaarden, Leffe           | <b>Beer:</b> Bass, Boddingtons, Castlemaine XXXX, Brahma,<br>Staropramen                        |
| Italy                               | Stella Artois,<br>Beck's,<br>Budweiser | Leffe                       | <b>Beer:</b> Brahma, Löwenbräu, Staropramen   |
| <b>Central &amp; Eastern Europe</b> |  |                             |   |
| Bulgaria                            | Stella Artois,<br>Beck's               | Leffe, Hoegaarden           | <b>Beer:</b> Kamenitza, Staropramen   |
| Croatia                             | Stella Artois,<br>Beck's               | Leffe, Hoegaarden           | <b>Beer:</b> Ozujsko, Staropramen   |
| Czech Republic                      | Stella Artois,<br>Beck's               | Leffe, Hoegaarden           | <b>Beer:</b> Branik, Kelt, Mestan, Ostravar, Velvet, Vratislav,<br>Staropramen                  |
| Hungary                             | Stella Artois,<br>Beck's               | Leffe, Hoegaarden           | <b>Beer:</b> Borsodi, Staropramen   |
| Serbia                              | Stella Artois,<br>Beck's               |                             | <b>Beer:</b> Apatinsko Pivo, Jelen Pivo   |

**Table of Contents**

| Market              | Global brands                           | Multi-country brands | Local brands   |
|---------------------|---|----------------------|--|
| Montenegro          | Stella Artois,<br>Beck's                |                      | <b>Beer:</b> Niksicko  |
| Romania             | Stella Artois,<br>Beck's                | Leffe, Hoegaarden    | <b>Beer:</b> Bergenbier, Noroc, Löwenbräu  |
| Russia              | Stella Artois,<br>Beck's,<br>Budweiser  | Leffe, Hoegaarden    | <b>Beer:</b> Bagbier, Klinskoye, Sibirskaya Korona, T. Tinkoff, Tolstiak, Brahma, Löwenbräu, Staropramen |
| Ukraine             | Stella Artois,<br>Beck's                | Leffe, Hoegaarden    | <b>Beer:</b> Chernigivske, Rogan, Taller, Yantar, Brahma, Staropramen                                    |
| <b>Asia Pacific</b> |   |                      |  |
| China               | Beck's,<br>Budweiser                    |                      | <b>Beer:</b> Harbin, Sedrin, Double Deer, Jinling, KK, Zhujiang, Brahma                                  |
| South Korea         | Stella Artois,<br>Beck's,<br>Budweiser* | Hoegaarden,* Leffe   | <b>Beer:</b> Cass, Cafri, OB, Brahma   |

\* Oriental Brewery has an exclusive license to distribute these brands in South Korea. See Business Description Licensing .

The Cass, OB and Cafri brands are produced by Oriental Brewery, which we sold in a transaction that was completed on 24 July 2009. See General Overview History and Development of the Company .  
The table below sets out our sales broken down by business zone for the periods shown:

| Market                                  | Six months ended<br>30 June 2009           |                            | 2008 Pro-Forma <sup>(2)</sup>              |                            | 2008 Reported <sup>(3)</sup>               |                            | 2007 <sup>(4)</sup>                        |                            | 2006 <sup>(4)</sup>                        |                            |
|---|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|
|   | Revenue <sup>(1)</sup><br>(million<br>USD) | Revenue<br>(% of<br>total) | Revenue <sup>(1)</sup><br>(million<br>USD) | Revenue<br>(% of<br>total) | Revenue <sup>(1)</sup><br>(million<br>USD) | Revenue<br>(% of<br>total) | Revenue <sup>(1)</sup><br>(million<br>USD) | Revenue<br>(% of<br>total) | Revenue <sup>(1)</sup><br>(million<br>USD) | Revenue<br>(% of<br>total) |
| North America                           | 7,871                                      | 44.5%                      | 15,416                                     | 39.5%                      | 3,753                                      | 16.0%                      | 2,139                                      | 10.8%                      | 2,296                                      | 13.8%                      |
| Latin America                           |  |                            |  |                            |  |                            |  |                            |  |                            |
| North                                   | 3,111                                      | 17.6%                      | 7,664                                      | 19.6%                      | 7,664                                      | 32.6%                      | 6,707                                      | 34.0%                      | 5,353                                      | 32.1%                      |
| Latin America                           |  |                            |  |                            |  |                            |  |                            |  |                            |
| South                                   | 883  | 5.0%                       | 1,855                                      | 4.8%                       | 1,855                                      | 7.9%                       | 1,372                                      | 7.0%                       | 919  | 5.5%                       |
| Western Europe                          | 2,049                                      | 11.6%                      | 4,967                                      | 12.7%                      | 4,754                                      | 20.2%                      | 4,725                                      | 23.9%                      | 4,573                                      | 27.4%                      |
| Central &<br>Eastern Europe             | 1,222                                      | 6.9%                       | 3,267                                      | 8.4%                       | 3,267                                      | 13.9%                      | 3,006                                      | 15.2%                      | 2,283                                      | 13.7%                      |
| Asia Pacific                            | 1,074                                      | 6.1%                       | 2,285                                      | 5.9%                       | 1,494                                      | 6.3%                       | 1,359                                      | 6.9%                       | 1,144                                      | 6.8%                       |
| Global Export &<br>Holding<br>Companies | 1,487                                      | 8.3%                       | 3,548                                      | 9.1%                       | 720  | 3.1%                       | 427  | 2.2%                       | 124  | 0.7%                       |
| <b>Total</b>                            | <b>17,698</b>                              | <b>100%</b>                | <b>39,002</b>                              | <b>100%</b>                | <b>23,507</b>                              | <b>100%</b>                | <b>19,735</b>                              | <b>100%</b>                | <b>16,692</b>                              | <b>100%</b>                |

(1) Gross revenue (turnover) less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.

(2) The 2008 pro-forma information in the table above is based on pro-forma financial information for our combined company as reflected in our full-year pro-forma financial information included elsewhere in this Form F-4.

- (3) The 2008 reported information in the table above is based on our historical consolidated 2008 financial information as reflected in our audited consolidated financial information as of, and for the year ended, 31 December 2008, which reflects the contribution of Anheuser-Busch's operations to our 2008 results from the closing of the Anheuser-Busch acquisition on 18 November 2008.

**Table of Contents**

(4) The 2007 and 2006 information in the table above is based on our historical consolidated financial information (as InBev) during those years as reflected in our actual audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

On 2 December 2009, we completed the sale of our Central European operations to CVC Capital Partners. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions .

For a discussion of changes in revenue, see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 Revenue , Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Year Ended 31 December 2008 Compared to Year Ended 31 December 2007 Revenue and Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Year Ended 31 December 2007 Compared to Year Ended 31 December 2006 Revenue under our year-over-year Management's Discussion and Analysis of Financial Condition and Results of Operations.

***Beer***

We manage a portfolio of nearly 300 brands of beer. In terms of distribution, our beer portfolio is divided into global, multi-country and local brands. Our brands are our foundation and the cornerstone of our relationships with consumers. We invest in our brands to create a long-term, sustainable and competitive advantage, by meeting the various needs and expectations of consumers around the world and by developing leading brand positions around the globe.

On the basis of quality and price, beer markets can be differentiated into the following segments:

Premium brands at the top of the market, with the very top of the market being represented by the super-premium segment;

Mainstream or core brands in the middle of the market; and

Value or discount brands at the lower end of the market.

Our brands are situated across all these segments. For instance, a global brand like Stella Artois generally targets the premium segment across the globe, while a local brand like Lakeport targets the value segment in Canada. We have a particular focus on the premium and core (mainstream) segments, but will be present in the value segment if the market so requires or following an acquisition (for example the acquisition of the value brand Lakeport in Ontario, Canada).

We make clear segment choices and, within those segments, clear brand choices. Examples of these choices include the focus on the premium and carbonated soft drink segments in Argentina, on the premium category in Brazil, on the value, light and premium segments in Canada, on premium and core brands in Russia and on the international premium, domestic premium and core segments in China. The majority of our resources are directed to our focus brands , those that we believe have the greatest growth potential in their relevant consumer segments. As of 30 June 2009, our focus brands accounted for approximately two-thirds of our volume.

In lower disposable income markets (for example, Brazil, Russia, Ukraine and China), the value segment can be substantial and growing. As set out above, in such cases we generally intend to ensure that we are present in the market to address the demand for value brands.

In recent years, including through 2007, we observed a trend where the premium segment drove growth in the beer industry. Based on this trend, we established a strategy to select focus brands in certain markets (such

## Table of Contents

as our North America, Western Europe and Central & Eastern Europe business zones) within the premium rather than the value segment. Due to the slow-down in the global economy in 2008, however, certain countries in these zones experienced a shift from premium to core brands and from core to value brands. We believe we are well placed to deal with short-term trend changes from a portfolio perspective, particularly in key countries like the U.S. while continuing our long-standing strategy of accelerating growth in the core and premium beer segments. We believe that the premium segment will resume its previous momentum and aim to continue our strategy of focusing on selected brands, which seeks to address consumers' desire to trade up from value to core and from core to premium.

Another trend is the growing need for consumer choice. Again, with our strong brand portfolio and best practice sharing, we believe we are well-placed to take advantage of this opportunity.

Our portfolio includes three global beers with worldwide distribution:

Stella Artois, the number one Belgian beer in the world according to Plato Logic Limited. Stella currently is distributed in over 80 countries worldwide and has strong global potential. The brand's heritage dates back to our foundations in 1366. Stella Artois is a premium lager. In 2008, Stella Artois accounted for 2.3% of our pro-forma consolidated volumes for the combined company.

Beck's, the number one German beer in the world according to Plato Logic Limited, with distribution in over 100 countries. Beck's has been brewed using only four key natural ingredients for over 125 years and according to the traditional German *Reinheitsgebot* (purity law). In 2008, Beck's accounted for 1.9% of our pro-forma consolidated volumes for the combined company.

Budweiser, which we consider to be the United States' first truly national beer brand, continued its strong performance in North America in 2008, with a 11.6% share of the U.S. market (based on Budweiser shipments compared to Beer Institute industry tax paid shipments) and remained the number one brand in Canada according to Plato Logic Limited.

In addition, we have a multi-country portfolio of brands, which increasingly transcend the distinction between global and local. The key multi-country brands include:

Leffe, a beer that hails from Belgium, available in four varieties in over 60 countries worldwide, with sales volumes that have more than doubled over the last decade; and

Hoegaarden, a high-end Belgian wheat (or white) beer, which is expanding its growth in the United States and even more in Russia.

More locally, we manage numerous well-known local champions, which form the foundation of our business. The portfolio of local brands includes:

Bud Light, originating from the U.S. In the U.S., its share of the premium-light segment is 50% (more than the combined share of the next two premium-light brands) and its volume has grown more than any other top 10 beer brand over recent years. It is the fastest growing brand amongst the top 20 brands in the Canadian beer market.

Bud Light Lime, a high-end brand extension of Bud Light that was introduced in 2008. Based on Bud Light Lime shipments compared to Beer Institute industry tax paid shipments, it became one of the top 25 U.S. beer brands by volume in its first year.

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Michelob ULTRA, which was rolled out nationally in 2002, is estimated by to be the #12 brand in the U.S. based on Michelob ULTRA shipments compared to Beer Institute industry tax paid shipments.

## **Table of Contents**

Michelob and Michelob Light are two Anheuser-Busch trademark brands which combined sell over 1.17 million hectoliters annually in the U.S.

Natural Light is the largest sub-premium brand in the U.S. with a nearly 20% share of the sub-premium category based on Natural Light shipments compared to Beer Institute industry tax paid shipments. On the same basis (that is, the respective brand shipments compared to Beer Institute industry tax paid shipments), Busch Light and Busch are the #2 and #3 sub-premium brands, respectively, and all our sub-premium brands combined have an over 50% market share in this category in the U.S.

Brahma, originating from Brazil and available in over 30 countries, including 20 outside Latin America. For example, Brahma is present in the super-premium segment of the Russian market;

Jupiler, the market leader in terms of sales volumes in Belgium and the official sponsor of the highest Belgian football division, the Jupiler League. It is also sponsor of the Belgian national football team;

Skol, the leading beer brand in the Brazilian market according to Plato Logic Limited. We invested in pioneering and innovation of the Skol brand, showing new market trends and involvement in entertainment initiatives, such as music festivals;

Bohemia, which we believe is the leader in the super-premium segment in Brazil;

Quilmes, the leading beer in Argentina according to Plato Logic Limited, representing 50% of the beer market, and a national symbol with its striped light blue and white label linked to the colours of the Argentine national flag and football team;

Sibirskaya Korona, developed from a local brand in Western Siberia into a full-fledged national brand sold throughout Russia;

Klinskoye, having its home market in Moscow;

Chernigivske, Ukraine's best selling brand; and

Harbin and Sedrin, the key drivers of the growth of our business in China.

The branding and marketing of our global brands, Stella Artois, Beck's and Budweiser is managed centrally within our group. Multi-country brands are managed with more flexibility at the local level for branding and marketing, while the marketing and branding of our local brands is generally managed at a local level. See [J. Branding and Marketing](#) for more information on brand positioning, branding and marketing.

In certain markets, we also distribute products of other brewers.

### ***Soft Drinks***

While our core business is beer, we also have a presence in the soft drink market in Latin America through our subsidiary AmBev and in the U.S. through Anheuser-Busch. Soft drinks include both carbonated soft drinks and non-alcoholic and non-carbonated soft drinks.

Our non-beer activities encompass the production and sale of our own brands as well as, more significantly, the bottling and distribution of third-party brands. Based on our actual historical financial information for these periods, our non-beer activities accounted for 15.1% of consolidated volumes in 2008,





**Table of Contents**

15.1% of consolidated volumes in 2007 and 14.2% in 2006. In terms of revenue, our non-beer activities generated 8.3% of consolidated revenue in 2008, compared to 8.3% in 2007 and 7.5% in 2006 based on our actual historical financial information for these periods.

Our soft drinks business includes both our own production and agreements with PepsiCo related to bottling and distribution. AmBev is one of PepsiCo's largest bottlers in the world. Major brands that are distributed under these agreements are Pepsi, 7UP and Gatorade. AmBev has long-term agreements with PepsiCo whereby AmBev was granted the exclusive right to bottle, sell and distribute certain brands of PepsiCo's portfolio of carbonated soft drinks in Brazil. The agreements will expire on 31 December 2017 and are automatically extended for additional ten-year terms, unless terminated prior to the expiration date by written notice by either party at least two years prior to the expiration of their term or on account of other events, such as a change of control or insolvency of, or failure to comply with material terms or meet material commitments by, our relevant subsidiary. AmBev also has agreements with PepsiCo to bottle, sell, distribute and market some of its brands in the Dominican Republic and in some regions of Peru, including the north and the Lima regions. Through Quinsa, AmBev is also PepsiCo's bottler for Argentina, Bolivia and Uruguay.

Apart from the bottling and distribution agreements with PepsiCo, AmBev also produces, sells and distributes its own soft drinks. Its main carbonated soft drinks brand is Guaraná Antarctica.

In the U.S., Anheuser-Busch also produces non-alcoholic malt beverage products, including O'Douls and O'Douls Amber, energy drinks and related products. On a limited basis, we have also entered into arrangements under which other non-alcoholic products and spirits, including Hansen energy drinks (such as Monster Energy), are distributed and sold in select markets through the Anheuser-Busch distribution network.

The table below sets out the breakdown between our beer and non-beer volumes and revenue.

|   | Beer                     |                     |                     |                     | Non-Beer                 |                     |                     |                     | Consolidated             |                     |                     |                     |
|---|--------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|   | Six months ended 30 June |                     |                     |                     | Six months ended 30 June |                     |                     |                     | Six months ended 30 June |                     |                     |                     |
|   | 2009                     | 2008 <sup>(3)</sup> | 2007 <sup>(4)</sup> | 2006 <sup>(4)</sup> | 2009                     | 2008 <sup>(3)</sup> | 2007 <sup>(4)</sup> | 2006 <sup>(4)</sup> | 2009                     | 2008 <sup>(3)</sup> | 2007 <sup>(4)</sup> | 2006 <sup>(4)</sup> |
| Volume <sup>(1)</sup> (million hectoliters) | 180                      | 242                 | 230                 | 212                 | 20                       | 43                  | 41                  | 35                  | 200                      | 285                 | 271                 | 247                 |
| Revenue <sup>(2)</sup> (million USD)        | 15,554                   | 21,533              | 18,103              | 15,444              | 2,144                    | 1,974               | 1,632               | 1,248               | 17,698                   | 23,507              | 19,735              | 16,692              |

(1) Volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe. Our pro-rata share of volumes in Grupo Modelo and Tsingtao are not included in this table.

(2) Gross revenue (turnover) less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.

(3) The 2008 information in the table above is based on our actual 2008 financial information as reflected in our audited financial information as of, and for the year ended, 31 December 2008, which reflects the contribution of Anheuser-Busch's operations to our 2008 results from the closing of the Anheuser-Busch acquisition on 18 November 2008.

(4) The 2007 and 2006 information in the table above is based on our actual financial information (as InBev) during those years as reflected in our actual audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008. Please refer to the AF pages for further details of Anheuser-Busch volumes and revenue prior to the Anheuser-Busch acquisition.

**Table of Contents****Family Entertainment**

On 1 December 2009, we completed the sale of Busch Entertainment Corporation to an entity established by Blackstone Capital Partners V L.P. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions .

**U.S. Packaging**

In the U.S., our indirect subsidiary, Metal Container Corporation, manufactures beverage cans at eight plants and beverage can lids at three plants for sale to our Anheuser-Busch beer operations and U.S. soft drink customers. Anheuser-Busch also owns a recycling business, which buys and sells used beverage containers and recycles aluminium and plastic containers; a manufacturer of crown liner materials for sale to our North American beer operations; and a glass manufacturing plant which manufactures glass bottles for use by our North American beer operations.

The packaging industry is highly competitive. Metal Container Corporation's competitors include Ball Corporation, Rexam Corporation, and Crown Holdings. In addition, the can industry faces competition from other beverage containers, such as glass and plastic bottles.

On 1 October 2009, we completed the sale of four metal beverage can and lid manufacturing plants of Metal Container Corporation to Ball Corporation. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions .

**MAIN MARKETS**

We are a global brewer, with sales in over 130 countries across the globe.

The last two decades have been characterised by rapid external growth in fast-growing emerging markets, notably in regions in Latin America North, Central & Eastern Europe, Asia Pacific and Latin America South, where we have significant sales. The table below sets out our volumes broken down by business zone for the periods shown:

| Market                     | Six months ended<br>30 June 2009    |                            | 2008 Pro-Forma <sup>(1)</sup>       |                            | 2008 Reported <sup>(2)</sup>        |                            | 2007 <sup>(3)</sup>                 |                            | 2006 <sup>(3)</sup>                 |                            |
|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|
|                            | Volumes<br>(million<br>hectoliters) | Volumes<br>(% of<br>total) | Volumes<br>(million<br>hectoliters) | Volumes<br>(% of<br>total) | Volumes<br>(million<br>hectoliters) | Volumes<br>(% of<br>total) | Volumes<br>(million<br>hectoliters) | Volumes<br>(% of<br>total) | Volumes<br>(million<br>hectoliters) | Volumes<br>(% of<br>total) |
| North America              | 69                                  | 34.4%                      | 140                                 | 33.8%                      | 27                                  | 9.5%                       | 13                                  | 4.8%                       | 14                                  | 5.7%                       |
| Latin America              |                                     |                            |                                     |                            |                                     |                            |                                     |                            |                                     |                            |
| North                      | 50                                  | 24.9%                      | 102                                 | 24.5%                      | 102                                 | 35.8%                      | 101                                 | 37.3%                      | 95                                  | 38.5%                      |
| Latin America              |                                     |                            |                                     |                            |                                     |                            |                                     |                            |                                     |                            |
| South                      | 16                                  | 7.9%                       | 34                                  | 8.2%                       | 34                                  | 11.9%                      | 31                                  | 11.4%                      | 23                                  | 9.3%                       |
| Western                    |                                     |                            |                                     |                            |                                     |                            |                                     |                            |                                     |                            |
| Europe                     | 16                                  | 8.2%                       | 35                                  | 8.4%                       | 34                                  | 11.9%                      | 36                                  | 13.3%                      | 39                                  | 15.8%                      |
| Central & Eastern          |                                     |                            |                                     |                            |                                     |                            |                                     |                            |                                     |                            |
| Europe                     | 21                                  | 10.4%                      | 46                                  | 11.0%                      | 46                                  | 16.1%                      | 49                                  | 18.1%                      | 43                                  | 17.4%                      |
| Asia Pacific               | 26                                  | 13.0%                      | 56                                  | 13.4%                      | 37                                  | 13.0%                      | 36                                  | 13.3%                      | 31                                  | 12.6%                      |
| Global                     |                                     |                            |                                     |                            |                                     |                            |                                     |                            |                                     |                            |
| Export & Holding Companies | 2                                   | 1.2%                       | 3                                   | 0.7%                       | 5                                   | 1.8%                       | 5                                   | 1.8%                       | 2                                   | 0.7%                       |
| <b>Total</b>               | <b>200</b>                          | <b>100%</b>                | <b>416</b>                          | <b>100%</b>                | <b>285</b>                          | <b>100%</b>                | <b>271</b>                          | <b>100%</b>                | <b>247</b>                          | <b>100%</b>                |

- (1) The 2008 pro-forma information in the table above is based on the pro-forma information for our combined company for the year ended 31 December 2008.

---

## **Table of Contents**

(2) The 2008 reported information in the table above is based on our actual 2008 financial information as of, and for the year ended, 31 December 2008, and reflects the contribution of Anheuser-Busch's operations to our 2008 results from the closing of the Anheuser-Busch acquisition on 18 November 2008.

(3) The 2007 and 2006 information in the table above is based on our actual audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

Please refer to the AF pages for further details of Anheuser-Busch volumes prior to the Anheuser-Busch acquisition.

Our North American zone generated 9.6 million hectoliters in the first nine months of 2008 (equivalent to 4.8% of our consolidated volumes). As a result of the Anheuser-Busch acquisition, the relative share of our North America zone in our consolidated volumes and revenue has increased and the North America zone is now our largest business zone. Our pro-forma consolidated volumes for North America as a combined company for 2008 represented 140 million hectoliters (equivalent to 33.8% of our consolidated volumes).

On an individual country basis, our 10 largest markets by volume during the six months ended 30 June 2009 were the United States, Brazil, China, Argentina, Russia, Ukraine, the United Kingdom, Canada, Germany and South Korea. Each market has its own dynamics and customer preferences and values. Given the breadth of our portfolio, we believe we are well placed and can launch, relaunch, market and ultimately sell the beer that best addresses consumer choice in the various segments (premium, mainstream and value) in a given market.

We are committed to innovation generated from consumer insights. Through this approach, we seek to understand the values, lifestyles and preferences of today's and tomorrow's consumers, with a view to building fresh appeal and competitive advantage through innovative products and services tailored to meet those needs. See Intellectual Property; Research & Development for further information.

## **COMPETITION**

Historically, brewing was a local industry with only a few players having a substantial international presence. Larger brewing companies often obtained an international footprint through direct exports, licensing agreements and joint venture arrangements. However, the last couple of decades have seen a transformation of the industry, with a prolonged period of consolidation. This trend started within the more established beer markets of Western Europe and North America, and took the form of larger businesses being formed through merger and acquisition activity within national markets. More recently, consolidation has also taken place within emerging markets. Over the last decade, the global consolidation process has accelerated, with acquisitive brewing groups making significant acquisitions outside of their domestic markets and increasingly looking to purchase other regional brewing organisations. Recent examples of this trend include SABMiller's acquisition of Bavaria in 2005 and the acquisition of Scottish & Newcastle by Carlsberg and Heineken in April 2008. As a result of this consolidation process, the absolute and relative size of the world's largest brewers has increased substantially. Therefore, today's leading international brewers have significantly more diversified operations and have established leading positions in a number of international markets.

We have participated in this consolidation trend, and have grown our international footprint through a series of mergers and acquisitions described in General Overview History and Development of the Company, which include:

The acquisition of Labatt in 1995;

The acquisition of Beck's in 2001;

The combination of AmBev and Quilmes Industrial S.A. in 2002;

The creation of InBev in 2004, through the merger of Interbrew and AmBev; and

**Table of Contents**

The Anheuser-Busch acquisition.

The ten largest brewers in the world in 2008 in terms of volume (2008 provisional pro-forma) are as set out in the table<sup>(1)</sup> below.

| Rank | Name                         | Volume<br>(million<br>hectoliters) <sup>(2)</sup> |
|------|------------------------------|---|
| 1    | AB InBev                     | 372.8   |
| 2    | SABMiller                    | 236.7   |
| 3    | Heineken                     | 168.8   |
| 4    | Carlsberg                    | 124.1   |
| 5    | Molson Coors Brewing Company | 57.2  |
| 6    | Grupo Modelo                 | 53.8  |
| 7    | Tsingtao (Group)             | 51.5  |
| 8    | Beijing Yanjing              | 42.2  |
| 9    | FEMSA                        | 41.1  |
| 10   | Kirin                        | 34.0  |

(1) Source: Plato Logic Limited (including the 2008 volume information for us in the table above). Our own determination is that the pro-forma volumes for InBev and Anheuser-Busch as a combined company for 2008 would have been 416 million hectoliters, as described in Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Year Ended 31 December 2008 Compared to Year Ended 31 December 2007 .

(2) Calendar year basis.

In each of our regional markets, we compete against a mixture of national, regional, local, and imported beer brands. In Latin America, we compete mainly with local players and local beer brands. In North America, Western Europe, Eastern Europe and Asia/Pacific, we compete primarily with large leading international or regional brewers and international or regional brands.

In the U.S., our beers are distributed and sold in competition with other beers distributed nationally, locally and regionally in the U.S., and with other imported beers. Although the methods of competition in the industry vary widely, in part due to differences in applicable state laws, the principal methods of competition are product quality, taste and freshness, packaging, price, advertising (including television, radio, sponsorships, billboards, stadium signs, and print media), point-of-sale materials, and service to retail customers. Major competitors in the United States brewing industry include MillerCoors, a joint venture of SAB Miller and Molson Coors Brewing Company, Grupo Modelo, and Heineken. In addition to competing with the other brewers' brands, Anheuser-Busch's beer brands must also compete in the marketplace with other types of alcoholic beverage choices available to consumers.

**WEATHER AND SEASONALITY**

For information on how weather affects consumption of our products and the seasonality of our business, see Management's Discussion and Analysis of Financial Condition and Results of Operations A. Key Factors Affecting Results of Operations Weather and Seasonality .

**BREWING PROCESS; RAW MATERIALS AND PACKAGING; PRODUCTION FACILITIES; LOGISTICS*****Brewing Process***

The basic brewing process for most beers is straightforward, but significant know-how is involved in quality and cost control. The most important stages are brewing and fermentation, followed by maturation,

---

## **Table of Contents**

filtering and packaging. Although malted barley (malt) is the primary ingredient, other grains such as unmalted barley, corn, rice or wheat are sometimes added to produce different beer flavours. The proportion and choice of other raw materials varies according to regional taste preferences and the type of beer.

The first step in the brewing process is making wort by mixing malt with warm water and then gradually heating it to around 75°C in large mash tuns to dissolve the starch and transform it into a mixture, called *mash*, of maltose and other sugars. The spent grains are filtered out and the liquid, now called *wort*, is boiled. Hops are added at this point to give a special bitter taste and aroma to the beer, and help preserve it. The wort is boiled for one to two hours to sterilise and concentrate it, and extract the flavour from the hops. Cooling follows, using a heat exchanger. The hopped wort is saturated with air or oxygen, essential for the growth of the yeast in the next stage.

Yeast is a micro-organism that turns the sugar in the wort into alcohol and carbon dioxide. This process of fermentation takes five to 11 days, after which the wort has finally become beer. Different types of beer are made using different strains of yeast and wort compositions. In some yeast varieties, the cells rise to the top at the end of fermentation. Ales and wheat beers are brewed in this way. Lagers are made using yeast cells that settle to the bottom. Some special Belgian beers, called lambic or gueuze, use yet another method where fermentation relies on spontaneous action by airborne yeasts.

During the maturation process the liquid clarifies as yeast and other particles settle. Further filtering gives the beer more clarity. Maturation varies by type of beer and can take as long as three weeks. Then the beer is ready for packaging in kegs, cans or bottles.

### ***Raw Materials and Packaging***

The main raw materials used in our beer production are malted barley, corn grits, corn syrup, rice, yeast, hops and water. For non-beer production (mainly carbonated soft drinks) the main ingredients are flavoured concentrate, fruit concentrate, sugar or sweetener and water. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials such as glass or PET plastic bottles, aluminium or steel cans and kegs, labels, bottle caps, plastic crates, metal closures, plastic closures, preforms and cardboard products.

We use only our own proprietary yeast, which we grow in our facilities. In some regions, we import hops to obtain adequate quality and appropriate variety. We purchase these ingredients through the open market and through contracts with suppliers. We also purchase barley and process it to meet our malt requirements at our malting plants.

Prices and sources of raw materials are determined by, among other factors:

the level of crop production;

weather conditions;

export demand; and

governmental regulations.

We are reducing the number of our suppliers in each region to develop closer relationships that allow for lower prices and better service, while at the same time ensuring that we are not entirely dependent on a single supplier. We hedge some of our commodities contracts on the financial markets and some of our malt requirements are purchased on the spot market. See *Management's Discussion and Analysis of Financial Condition and Results of Operations* Quantitative and Qualitative Disclosures About Market Risk *Market Risk, Hedging and Financial Instruments* and note 30 to our audited financial information as of 31 December 2008 and 2007, and for the three years ended 31 December 2008, for further details on commodities hedging.

## Table of Contents

We have supply contracts with respect to most packaging material as well as our own production capacity as outlined below in **Production Facilities** . The choice of packaging materials varies by cost and availability in different regions, as well as consumer preferences and the image of each brand. We also use aluminium cansheet for the production of beverage cans and lids. For details of the U.S. packaging business, see **Principal Activities and Products U.S. Packaging** .

Hops, PET resin, soda ash for our own glass plant and to some extent cans are mainly sourced globally. Malt, adjuncts (such as unmalted grains or fruit), sugar, steel, cans, labels, metal closures, plastic closures, preforms and folding carton are sourced regionally. Electricity is sourced nationally, while water is sourced locally, for example, from municipal water systems and private wells.

We use natural gas and fuel oil as our primary fuel materials, and we believe adequate supplies of fuel and electricity are available for the conduct of our business. The energy commodity markets have experienced and can be expected to continue to experience significant price volatility. We manage our energy costs using various methods including supply contracts, hedging techniques, and fuel switching.

### *Production Facilities*

Our production facilities are spread across our six geographic regions, giving us a balanced geographical footprint in terms of production and allowing us to efficiently meet customer demand across the globe. We manage our production capacity across our geographic regions, countries and plants. We typically own our production facilities free of any major encumbrances. We also lease a number of warehouses and other commercial buildings from third parties.

### *Beverage Production Facilities*

Our beverage production facilities comprised 147 breweries and/or soft drink plants as of 31 December 2008 spread across our six geographic regions. Of these 147 plants, 119 produced only beer, 15 produced only soft drinks and 13 produced both beer and soft drinks. Except in limited cases (for example, our Hoegaarden brewery in Belgium), our breweries are not dedicated to one single brand of beer. This allows us to allocate production capacity efficiently within our group.

The table below sets out, for each of our business zones in 2008, the number of our beverage production plants (breweries and/or soft drink plants) as well as the plants' overall capacity and production volumes.

| Business zone                     | Number of plants | 2008 volumes   |                   | Annual operational capacity as of 31 December 2008 |                   |
|-----------------------------------|------------------|----------------|-------------------|--|-------------------|
|                                   |                  | Beer (khl)     | Soft drinks (khl) | Beer (khl)   | Soft drinks (khl) |
| North America                     | 19               | 138,300        |                   | 139,600 <sup>(1)</sup>                             |                   |
| Latin America North               | 35               | 73,400         | 28,000            | 88,772   | 49,530            |
| Latin America South               | 21               | 20,500         | 13,300            | 21,091   | 15,912            |
| Western Europe <sup>(2)</sup>     | 16               | 35,000         |                   | 49,056   |                   |
| Central & Eastern Europe          | 24               | 46,100         |                   | 63,465   |                   |
| Asia Pacific <sup>(3)(4)(5)</sup> | 32               | 56,900         |                   | 64,493   |                   |
| <b>Total</b>                      | <b>147</b>       | <b>370,200</b> | <b>41,300</b>     | <b>426,477</b>                                     | <b>65,442</b>     |

(1) Internal company estimate.

(2) Includes the Stag Brewery near London, England, the closure of which was announced in 2008 and is expected to occur in the coming years.

- (3) Includes a brewery in Wuhan owned and operated by a joint venture in which we have a 97% equity interest and three breweries in which we hold a majority interest through our wholly-owned subsidiary, Harbin Brewery Group Limited. Also includes the Jilin brewery in China, which was closed during the first quarter of 2009.



**Table of Contents**

(4) Excludes our 50% equity interest in a joint venture that owns and operates a brewery in Hyderabad, India.

(5) On 24 July 2009, we completed the previously announced sale of Oriental Brewery to an affiliate of KKR. For additional detail, see [General Overview History and Development of the Company](#) . Volumes in the table above are inclusive of these operations.

**Non-Beverage Production Facilities**

Our beverage production plants are supplemented and supported by a number of plants and other facilities that produce raw materials and packaging materials for our beverages. The table below provides additional detail on these facilities at 31 December 2008.

| Type of plant / facility               | Number of plants /facilities | Countries in which plants / facilities are located                            |
|--|------------------------------|---|
| Malt plants                            | 17                           | Brazil, Argentina, Uruguay, Romania, Russia, Hungary, Bulgaria, United States |
| Rice mills                             | 2                            | United States   |
| Hop farms                              | 2                            | Germany, United States  |
| Hop pellet plant                       | 1                            | Argentina   |
| Guaraná farm                           | 1                            | Brazil  |
| Glass manufacturing plant              | 1                            | United States   |
| Glass bottle plants                    | 3                            | United States, Brazil, Paraguay   |
| Bottle cap plant                       | 2                            | Argentina, Brazil   |
| Label plant                            | 1                            | Brazil  |
| Can plants                             | 9                            | Bolivia, United States <sup>(1)</sup>   |
| Can lid manufacturing plants           | 3                            | United States   |
| Crown and closure liner material plant | 1                            | United States   |
| Aluminium and plastic recycling plant  | 1                            | United States   |
| Syrup plant                            | 1                            | Brazil  |

(1) For details of our sale in October 2009 of four metal beverage can and lid manufacturing plants from our US metal packaging subsidiary, Metal Container Corporation, see [Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions](#) .

In addition to production facilities, we also maintain a geographical footprint in key markets through sales offices and distribution centres. Such offices and centres are opened as needs in the various markets arise.

**Capacity Expansion**

We continually assess whether our production footprint is adequate in view of existing or potential customer demand. Footprint optimisation by adding new plants to our portfolio not only allows us to boost production capacity, but the strategic location often also reduces distribution time so that our products reach consumers rapidly and efficiently. Conversely, footprint optimisation can lead to the divesting of plants through sales to third parties or to plant closures, as was the case with the Stag brewery in the United Kingdom and the Jilin brewery in China.

Additional production facilities can be acquired from third parties or through greenfield investments in new projects. For example, in April 2009 our Angarsk brewery, constructed at a cost of USD 244 million, was opened in Angarsk, Russia. The plant has an annual capacity of 1.8 million hectoliters and produces brands including Sibirskaya Korona, Klinskoye, Tolstyak and Zolotaya Angara. Similarly, in March 2007 we set up a new greenfield brewery in Foshan in the Guangdong province of China. The brewery started trial brewing in November 2008, and formal production started in March 2009. The brewery, constructed at a cost of USD 78 million and with an annual capacity of 2.0 million hectoliters, will support our Budweiser sales in the Southeast part of China. In Sete Lagoas (Nova Minas) Brazil a new plant constructed at a cost of USD 88 million entered into operation in June 2009. The plant, with an annual capacity of 2.1 million hectoliters, is currently

## **Table of Contents**

brewing beer and will later produce soft drinks as well. The plant currently brews the Brahma, Skol, Antarctica and Bohemia brands of beer, which are sold in glass bottles. An additional USD 12.7 million is expected to be invested to add a canning line to package the Brahma, Skol and Antarctica beer brands in cans. In addition to building or acquiring additional facilities, we also upgrade our existing facilities and expand capacity.

We also outsource, to a limited extent, the production of items which we are unable to produce in our own production network (for example, due to a lack of capacity during seasonal peaks) or for which we do not yet want to invest in new production facilities (for example, to launch a new product without incurring the associated full start-up costs). Such outsourcing mainly relates to secondary repackaging materials that we cannot practicably produce on our own, in which case our products are sent to external companies for repackaging (for example, gift packs with different types of beers).

### ***Logistics***

Our logistics organisation is composed of (i) a first tier, which comprises all inbound flows into the plants of raw materials and packaging materials and all the outbound flows from the plants into the second drop point in the chain (for example, distribution centres, warehouses or wholesalers) and (ii) a second tier, which comprises all distribution flows from the second drop point into the customer delivery tier (for example, pubs or retailers).

Transportation is mainly outsourced to third-party contractors, although we do own a small fleet of vehicles.

Each of our breweries has a warehouse which is attached to its production facilities. In places where our warehouse capacity is limited, external warehouses are rented. We strive to centralise fixed costs, which has resulted in some plants sharing warehouse and other facilities with each other.

Where it has been implemented, the VPO programme has had a direct impact on our logistics organisation for example, in respect of scheduling, warehouse productivity and loss prevention actions.

## **DISTRIBUTION OF PRODUCTS**

We depend on effective distribution networks to deliver products to our customers. We review our priority markets for distribution and licensing agreements on an annual basis. The focus markets will typically be markets with an interesting premium segment and with sound and strong partners (brewers and/or importers). Based on these criteria, focus markets are then chosen.

In addition, the distribution of beer varies from country to country and from region to region. The nature of distribution reflects consumption patterns and market structure, geographical density of customers, local regulation, the structure of the local retail sector, scale considerations, market share, expected added-value and capital returns, and the existence of third-party wholesalers or distributors. In some markets brewers distribute directly to customers (for example Belgium and France), while in other markets wholesalers may, for legal reasons (for example, certain U.S. states and Canada where there may be legal constraints on the ability of a beer manufacturer to own a wholesaler – a so-called three-tier system), or because of historical market practice (for example, Russia and Argentina), play an important role in distributing a significant proportion of beer to customers. In some instances, as is currently the case in Brazil, we have acquired third-party distributors to move away from distribution by way of wholesalers to direct distribution. The products we brew in the United States are sold to approximately 550 wholesalers for resale to retailers. We own 11 of these wholesalers and have minority interests in another six of them. The remaining wholesalers are independent businesses. In Mexico, Budweiser, Bud Light and O'Douls are imported and distributed by a wholly-owned subsidiary of Grupo Modelo. Under the distribution agreement with Grupo Modelo, it has exclusive distribution rights to those brands in all of Mexico. In return it agrees not to sell Budweiser, Bud Light and O'Douls outside of Mexico, and not to sell in Mexico any other beer that is brewed outside of Mexico. In certain countries, we enter into exclusive importer arrangements and depend on our counterparties to these arrangements to market and distribute our products to points of sale. In certain markets we also distribute the products of other brewers.

## **Table of Contents**

We generally distribute our products through (i) direct distribution networks, in which we deliver to points of sale directly, and (ii) indirect distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. Indirect distribution networks may be exclusive or non-exclusive and may, in certain business zones, involve use of third-party distribution while we retain the sales function through an agency framework. We seek to fully manage the sales teams in each of our markets. In case of non-exclusive distributorships, we try to encourage best practices through wholesaler excellence programmes.

See Management's Discussion and Analysis of Financial Condition and Results of Operations Key Factors Affecting Results of Operations Distribution Arrangements for a discussion of the effect of the choice of distribution arrangements on our results of operations.

As a customer-driven organisation, we have, regardless of the chosen distribution method, programmes for professional relationship building with our customers in all markets. This happens directly, for example, by way of key customer account management, and indirectly by way of wholesaler excellence programmes.

We seek to provide media advertising, point-of-sale advertising, and sales promotion programmes to promote our brands. Where relevant, we complement national brand strategies with geographic marketing teams focused on delivering relevant programming addressing local interests and opportunities.

## **LICENSING**

In markets where we have no local affiliate, we may choose to enter into licence agreements or alternatively international distribution agreements, depending on the best strategic fit for each particular market. Licence agreements issued by us grant the right to third-party licensees to manufacture, package, sell and market one or several of our brands in a particular assigned territory under strict rules and technical requirements. In the case of international distribution agreements, we produce and package the products ourselves while the third party distributes, markets and sells the brands in the local market.

Stella Artois is licensed to third parties in Algeria, Australia, New Zealand, Tanzania, South Africa and Greece, while Beck's is licensed to third parties in Algeria, Turkey, Australia, New Zealand, Tunisia, Nigeria and Mauritius.

On 1 January 1998, Labatt Brewing Company Limited, one of our indirect subsidiaries, entered into long-term licensing agreements with Anheuser-Busch, Inc., one of our subsidiaries, for the latter's Budweiser and Bud Light brands. The licensing agreements between Labatt and Anheuser-Busch, Inc. grant Labatt the right to manufacture, package, sell and distribute these brands in Canada, using Anheuser-Busch, Inc.'s trademarks, trade secrets and know-how relative to the manufacturing of the brands and provide marketing spending commitments designed to grow the brands in Canada. In addition, in 2002 Labatt and Anheuser-Busch, Inc. entered into medium-term licensing agreements for Busch and Busch Light brands. The parties also entered into supplemental shared marketing spend agreements on Budweiser and Bud Light and share Canadian National Football League sponsorship rights fees through 2011. In 2008 Anheuser-Busch brands sold by Labatt in Canada represented approximately 41% of Labatt's total sales volumes.

In Japan, Budweiser is brewed and sold through a license agreement with Kirin Brewery Company, Limited. A licensing agreement allows Guinness Ireland Limited to brew and sell Budweiser and Bud Light in the Republic of Ireland. Budweiser is also brewed under license and sold by brewers in Spain (Sociedad Anonima Damm) and Panama (Heineken). Through Anheuser-Busch we own a 4.6% stake in a subsidiary in Argentina of Compañía Cervecerías Unidas S.A., a leading Chilean brewer, which brews and distributes Budweiser under license in Argentina and distributes Budweiser in Chile and Uruguay. In Italy, Budweiser is brewed by Heineken, though we have retained exclusive sales, marketing and distribution rights. We also sell various brands, including Budweiser and Bud Light, by exporting from our license partners' breweries located in Argentina and Spain.

## **Table of Contents**

On 24 July 2009, we completed the previously announced sale of our South Korean subsidiary, Oriental Brewery, to an affiliate of KKR for USD 1.8 billion, which resulted in USD 1.5 billion of cash proceeds at closing. Under the terms of the agreement, we granted Oriental Brewery exclusive licenses to distribute certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden.

See **Risk Factors** **Risks Relating to our Business** We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.

We also manufacture and distribute other third-party brands. AmBev, our listed Brazilian subsidiary, and some of our other subsidiaries have entered into agreements with PepsiCo. Pursuant to the agreements between AmBev and PepsiCo, AmBev is PepsiCo's second largest bottler in the world and the largest bottler outside of the United States. Major brands that are distributed under this agreement are Pepsi, 7UP and Gatorade. See **Principal Activities and Products** **Soft Drinks** for further information in this respect.

## **BRANDING AND MARKETING**

Our brands are our foundation, the cornerstone of our relationships with consumers and the key to our long-term success. Our brand portfolio, its enduring bonds with consumers and its partnerships with customers are our most important assets. We invest in our brands to create long-term, sustainable, competitive advantage by seeking to meet the beverage needs of consumers around the world and to develop leading brand positions in every market in which we operate.

Our brand portfolio consists of global flagship brands (Budweiser, Stella Artois and Beck's), multi-country brands (Leffe and Hoegaarden) and many local champions (Jupiler, Skol, Quilmes, Bud Light, Sibirskaya Korona and Sedrin to name but a few). We believe this global brand portfolio provides us with strong growth and revenue opportunities and, coupled with a powerful range of premium brands, positions us well to meet the needs of consumers in each of the markets in which we compete. For further information about our focus brands, see **Principal Activities and Products** **Beer**.

We have established a focus brands strategy. Focus brands are those in which we invest the majority of our resources (money, people, and attention). They are a small group of brands which we believe have growth potential within each relevant consumer group. These focus brands include our three global brands, key multi-country brands and selected local champions. As of 30 June 2009, our focus brands accounted for approximately two-thirds of our volume.

We seek to constantly strengthen and develop our brand portfolio through enhancement of brand quality, marketing and product innovation. Our marketing team therefore works together closely with our research & development team (see **Intellectual Property; Research & Development** for further information).

We continually assess consumer needs and values in each geographic market in which we operate with a view to identifying the key characteristics of consumers in each beer segment (that is, premium, core and value). This allows us to position our existing brands (or to introduce new brands) in order to address the characteristics of each segment.

Our marketing approach is based on a value based brands approach. A value based brands proposition is a single, clear, compelling values based reason for consumer preference. We have defined 37 different consumer values (such as ambition, authenticity or friendship) to establish a connection between consumers and our products. The value based brands approach first involves the determination of consumer portraits, secondly brand attributes (that is, tangible characteristics of the brand that support the brand's positioning) and brand personality (that is, the way the brand would behave as a person) are defined, and finally a positioning statement to help ensure the link between the consumer and the brand is made. Once this link has been established, a particular brand can either be developed (brand innovation) or re-launched (brand renovation or line extension).

## **Table of Contents**

from the existing brand portfolio) to meet the customers' needs. We apply Zero-Based Budgeting principles for yearly budget decisions and for ongoing investment reviews and reallocations. We invest in each brand in line with its local or global strategic priority and taking into account its local circumstances, seeking to maximise profitable and sustainable growth.

Anheuser-Busch owns rights to its principal brand names and trademarks in the U.S. in perpetuity.

## **INTELLECTUAL PROPERTY; RESEARCH & DEVELOPMENT**

Innovation is one of the key factors enabling us to achieve our strategy. We seek to combine technological know-how with market understanding to develop a healthy innovation pipeline in terms of production process, product and packaging features as well as branding strategy. In addition, as beer markets mature, innovations play an increasingly important role in driving value growth.

### ***Intellectual Property***

Our intellectual property portfolio mainly consists of trademarks, patents, registered designs, copyright, know-how and domain names. This intellectual property portfolio is managed by our internal legal department, in collaboration with a selected network of external intellectual property advisors. We place importance on achieving close cooperation between our intellectual property team and our marketing and research & development teams. An internal stage gate process promotes the protection of our intellectual property rights, the swift progress of our innovation projects and the development of products that can be launched and marketed without infringing any third parties' intellectual property rights. A project can only move on to the next step of its development after the necessary verifications (for example, availability of trademark, existence of prior technology/earlier patents, freedom to market) have been carried out. This internal process is designed to ensure that financial and other resources are not lost due to oversights in relation to intellectual property protection during the development process.

Our patent portfolio is carefully built to gain a competitive advantage and support our innovation and other intellectual assets. We currently have more than 100 patent families, meaning that more than 100 different technologies are protected by patents. The extent of the protection differs between technologies, as some patents are protected in many jurisdictions, while others are only protected in one or a few jurisdictions. Our patents may relate, for example, to brewing processes, improvements in production of fermented malt-based beverages, treatments for improved beer flavour stability, non-alcoholic beer development, filtration processes, beverage dispensing systems and devices or beer packaging.

One of the key technologies supporting our innovation strategy is PerfectDraft, a home beer dispensing appliance developed by us with Koninklijke Philips Electronics N.V. and Philips Consumer Electronics BV. The intellectual property rights to the PerfectDraft technology, name and design are co-owned by us and Koninklijke Philips Electronics N.V.

We license in limited technology from third parties. We also license out certain of our intellectual property to third parties, for which we receive royalties.

### ***Research & Development***

Given our focus on innovation, we place a high value on R&D. In 2008 we expensed USD 75 million (USD 27 million in 2007 and USD 21 million in 2006) in the area of market research and on innovation in the areas of process optimisation and product development, mainly in our Belgian R&D centre.

R&D in process optimisation is primarily aimed at capacity increase (plant debottlenecking and addressing volume issues, while minimising capital expenditure), quality improvement and cost management. Newly developed processes, materials and/or equipment are documented in best practices and shared across business zones. Current projects range from malting to bottling of finished products.

**Table of Contents**

R&D in product innovation covers liquid, packaging and draft innovation. Product innovation consists of breakthrough innovation, incremental innovation and renovation (that is, implementation of existing technology). The main goal for the innovation process is to provide consumers with better products and experiences. This implies launching new liquid, new packaging and new draught products that deliver better performance both for the consumer and in terms of financial results, by increasing our competitiveness in the relevant markets. With consumers comparing products and experiences offered across very different drink categories and the offering of beverages increasing, our R&D efforts also require an understanding of the strengths and weaknesses of other drink categories, spotting opportunities for beer and developing consumer solutions (products) that better address consumer needs and deliver better experiences. This requires first understanding consumer emotions and expectations in order to guide our innovation efforts. Sensory experience, premiumisation, convenience, sustainability and design are all central to our R&D efforts.

Knowledge management and learning is also an integral part of R&D. We seek to continuously increase our knowledge through collaborations with universities and other industries.

Our R&D team is briefed annually on our business zones priorities and approves concepts which are subsequently prioritised for development. Launch time, depending on complexity and prioritisation, usually falls within the next calendar year.

In November 2006 we opened the doors of our Global Innovation and Technology Centre in Leuven. This state of the art building accommodates the Packaging, Product, Process Development teams and facilities such as Labs, Experimental Brewery and the European Central Lab, which also includes Sensory Analysis.

In addition to our Global Innovation and Technology Centre, we also have Product, Packaging and Process development teams located in each of our six geographic regions focusing on the short-term needs of such regions.

**REGULATIONS AFFECTING OUR BUSINESS**

Our worldwide operations are subject to extensive regulatory requirements regarding, among other things, production, distribution, importation, marketing, promotion, labeling, advertising, labour, pensions and public health, consumer protection and environmental issues. In the United States, federal and state law regulate most aspects of the brewing, sale, marketing, labeling and wholesaling of our products. At the federal level, the Alcohol & Tobacco Tax & Trade Bureau of the U.S. Treasury Department oversees the industry, and each state in which we sell or produce products and some local authorities in jurisdictions in which we sell products also have regulations that affect the business conducted by us and other brewers and wholesalers. It is our policy to abide by the laws and regulations around the world that apply to us or to our business. We rely on legal and operational compliance programmes, as well as local in-house and external counsel, to guide businesses in complying with applicable laws and regulations of the countries in which we operate.

See Risk Factors Risks Relating to Our Business Certain of our operations depend on independent distributors or wholesalers to sell our products. , Risk Factors Risks Relating to Our Business Negative publicity may harm our business. , Risk Factors Risks Relating to Our Business We could incur significant costs as a result of compliance with, and/or violations of or liabilities under various regulations that govern our operations. , Risk Factors Risks Relating to Our Business Our operations are subject to environmental regulations, which could expose us to significant compliance costs and litigation relating to environmental issues. , Risk Factors Risks Relating to Our Business We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba has been identified by the U.S. Department of State as a state sponsor of terrorism and is targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities. , and Management s Discussion and Analysis of Financial Condition and Results of Operations Key Factors Affecting Results of Operations Governmental Regulations .

## **Table of Contents**

Advertising, marketing and sales of alcoholic beverages are subject to various restrictions in markets around the world. These range from a complete prohibition of alcohol in certain countries and cultures, through the prohibition of the import of alcohol, to restrictions on the advertising style, media and messages used. In a number of countries, television is a prohibited medium for advertising alcoholic products, and in other countries, television advertising, while permitted, is carefully regulated. Media restrictions may constrain our brand building potential. Labelling of our products is also regulated in certain markets, varying from health warning labels to importer identification, alcohol strength and other consumer information. Specific warning statements related to the risks of drinking alcoholic products, including beer, have also become increasingly prevalent in recent years. Smoking bans recently introduced in pubs and restaurants in Western Europe have negative effects on on-trade consumption (that is, beer purchased for consumption in a pub or restaurant or similar retail establishment), as opposed to off-trade consumption (that is, beer purchased at a retail outlet for consumption at home or another location).

The distribution of our beer products may also be regulated. In certain markets, alcohol may only be sold through licensed outlets, varying from government or state operated monopoly outlets (for example in the off-trade channel of certain Canadian provinces) to the common system of licensed on-trade outlets (for example licensed bars and restaurants) which prevails in many countries (for example in much of the European Union). In most U.S. states, applicable regulations impose a three-tier system from brewer to wholesaler to retailer, meaning that we cannot use our own direct distribution system but must work with third-party distributors to distribute our products to the points of connection.

In the United States, both federal and state laws generally prohibit us from providing anything of value to retailers, including paying slotting fees or holding ownership interests in retailers. Some states prohibit us from acting as a wholesaler for our own products. State laws also regulate the interactions among us, our wholesalers and consumers by, for example, limiting merchandise that can be provided to consumers or limiting promotional activities that can be held at retailer premises. If we were found to have violated applicable federal or state alcoholic beverage laws, we could be subject to a variety of sanctions, including fines, equitable relief and suspension or permanent revocation of our license to brew or wholesale our products.

Governments in most of the countries in which we operate also establish minimum legal drinking ages, which generally vary from 16 to 21 years, impose minimum prices on beer products or impose other restrictions on sales, which affect demand for our products. Moreover, governments may respond to public pressure to curtail alcohol consumption by raising the legal drinking age, further limiting the number, type or operating hours of retail outlets or expanding retail licensing requirements. We work both independently and together with other breweries to limit the negative consequences of inappropriate use of alcoholic products, and actively promote responsible sales and consumption.

Similarly, governmental bodies may respond to public pressure to address obesity by curtailing soft drink consumption at schools and other government-owned facilities.

We are subject to antitrust and competition laws in the jurisdictions in which we operate and may be subject to regulatory scrutiny in certain of these jurisdictions, including due to our size and market share in such jurisdictions. See [Risk Factors](#) [Risks Relating to Our Business](#) We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws.

In many jurisdictions, excise and other indirect duties make up a large proportion of the cost of beer charged to customers. In the United States, for example, the brewing industry is subject to significant taxation. The United States federal government currently levies an excise tax of \$18 per barrel (equivalent to 1.1734776 hectoliters) of beer sold for consumption in the United States. All states also levy excise taxes on alcoholic beverages. Proposals have been made to increase the federal excise tax as well as the excise taxes in some states. Rising excise duties can drive our pricing to the consumer up, which in turn could have a negative impact on our results of operations. See [Risk Factors](#) [Risks Relating to Our Business](#) The beer and beverage industry may be subject to changes in taxation.

## **Table of Contents**

Our products are generally sold in glass or PET bottles or aluminium or steel cans. Legal requirements apply in various jurisdictions in which we operate, requiring that deposits or certain ecotaxes or fees are charged for the sale, marketing and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary. Other types of beverage container-related deposit, recycling, ecotax and/or product stewardship statutes and regulations also apply in various jurisdictions in which we operate.

We are subject to different environmental legislation and controls in each of the countries in which we operate. Environmental laws in the countries in which we operate are mostly related to (i) the conformity of our operating procedures with environmental standards regarding, among other things, the emission of gas and liquid effluents and (ii) the disposal of one-way (that is, non-returnable) packaging. We believe that the regulatory climate in most countries in which we operate is becoming increasingly strict with respect to environmental issues and expect this trend to continue in the future. Achieving compliance with applicable environmental standards and legislation may require plant modifications and capital expenditure. Laws and regulations may also limit noise levels and the discharge of waste products, as well as impose waste treatment and disposal requirements. Some of the jurisdictions in which we operate have laws and regulations that require polluters or site owners or occupants to clean up contamination.

The Anheuser-Busch facilities in the U.S. are subject to federal, state and local environmental protection laws and regulations. We comply with these laws and regulations or are currently taking action to comply with them. Our compliance with environmental laws and regulations is not expected to materially affect our capital expenditures, earnings or competitive position.

Certain U.S. states and various countries have adopted laws and regulations that require deposits on beverages or establish refillable bottle systems. Such laws generally increase beer prices above the costs of deposit and may result in sales declines. The United States Congress and other states continue to consider similar legislation, the adoption of which would impose higher operating costs on us while depressing sales volume.

The amount of dividends payable to us by our operating subsidiaries is, in certain countries, subject to exchange control restrictions of the respective jurisdictions where those subsidiaries are organised and operate. See also Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Transfers from Subsidiaries .

## **INSURANCE**

We maintain comprehensive insurance policies with respect to casualty, property and certain specialised coverage. Our insurance programme is mainly divided into two general categories:

*Assets:* these insurance policies cover our physical properties and include global property and business interruption. Additionally we have a constructor all risk policy for projects.

*Liabilities:* these insurance policies cover losses due to damages caused to third parties and include general and product liability, executive risks (risks related to our management) and driver's insurance (which is taken out in accordance with local requirements).

We believe we have adequate insurance cover taking into account our market capitalisation and our worldwide presence. We further believe that the level of insurance we maintain is appropriate for the risks of our business and is comparable to that maintained by other companies in its industry.



**Table of Contents**

**GROUP ORGANISATIONAL STRUCTURE**

The diagram below shows a simplified legal structure of our group and provides an overview of our main subsidiaries.

**Table of Contents**

Our significant subsidiaries (as at 30 June 2009) are:

| Subsidiary name   | Jurisdiction of incorporation or residence | Proportion of ownership interest | Proportion of voting rights held <sup>(1)</sup> |
|---|--|----------------------------------|---|
| <b>Anheuser-Busch Companies, Inc.</b>   |  |                                  |   |
| One Busch Place<br>St. Louis, MO 63118  | Delaware,<br>U.S.A.                        | 100                              | 100   |
| <b>Companhia de Bebidas das Américas AmBev</b>  |  |                                  |   |
| Rua Dr. Renato Paes de Barros 1017<br>4° Andar (parte), cj. 44 e 42 Itaim Bibi<br>São Paulo | Brazil                                     | 61.75                            | 74.00   |

(1) The difference between economic interest and voting interest for AmBev results from the fact that AmBev has issued common shares (with voting rights) and preferred shares (without voting rights).

For a more comprehensive list of our most important financing and operating subsidiaries by country (as at 31 December 2008), see note 36 of our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

**Post-Acquisition International Restructuring**

Having completed the Anheuser-Busch acquisition, we plan to undertake an internal restructuring of a number of our subsidiaries. The restructuring is intended to permit us to take advantage of various efficiencies and will involve, among other things, the transfer of several of our subsidiaries or their assets to other existing or newly formed subsidiaries, or the movement of such subsidiaries to new jurisdictions.

For information on principal capital expenditures and divestitures currently in progress or to which we have committed, see Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures.

**LEGAL AND ARBITRATION PROCEEDINGS**

Except as set forth below, there have been no governmental, judicial or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) during a period covering 12 months prior to the Form F-4 which may have, or have had in the recent past, significant effects on our financial position and profitability.

**Anheuser-Busch InBev SA/NV**

We have received notice of claims relating to the use by Cerveceria Bucanero S.A., a joint venture in which we participate in Cuba, of a trademark which is alleged to have been confiscated by the Cuban government and trafficked by us through our ownership and management of Cerveceria Bucanero S.A. Although we have attempted to review and evaluate the validity of the claims, due to the uncertain underlying circumstances, we are currently unable to express a view as to the validity of such claims, or as to the standing of the claimants to pursue them.

**AmBev and its Subsidiaries**

AmBev only makes provisions for litigation in which there is a probable chance of loss. Litigation in which there is only a possible chance of loss is not provisioned, rather the total amount of the risk is disclosed in a note to AmBev's financial statements.

---

**Table of Contents****Tax matters**

As of 31 December 2008, AmBev had approximately 3,525 tax claims pending in Brazil, including judicial and administrative proceedings. Most of these claims relate to ICMS (*Imposto sobre Circulação de Mercadorias e Serviços*, which is a state value-added tax levied on goods and services), the IPI excise tax, and income tax and social contributions. As of 31 December 2008, AmBev had made provisions of 500.9 million reais in connection with those tax proceedings for which it believes there is a probable chance of loss.

Among the pending tax claims, there are claims filed by AmBev against Brazilian tax authorities alleging that certain taxes are unconstitutional. Such tax proceedings include claims for income taxes, ICMS, IPI and revenue taxes. As these claims are contingent on obtaining favourable judicial decisions, the corresponding assets which might arise in the future are only recorded once it becomes certain that AmBev will receive the amounts previously paid or deposited.

As of 31 December 2008, there were also tax proceedings with a total estimated risk of 5.9 billion reais for which AmBev believes there is a possible chance of loss.

In order to carry out certain activities, including obtaining BNDES financings (that is, by *Banco Nacional de Desenvolvimento Econômico e Social*, a Brazilian state-owned development bank), certain tax incentives or registering the sale of real estate, AmBev, like other Brazilian corporations, is required to obtain federal and state tax and social security good standing certificates, which are normally valid for six months. In circumstances in which such certificates are not issued by the competent authority on the basis of the existence of tax claims that AmBev believes are without merit or need further information, it has sought court injunctions requesting such certificates to be issued. As of 31 December 2008, AmBev had court bonds (*cartas de fiança*) issued in connection with such injunctions in the amount of approximately 504 million reais. Court bonds are a means provided for by Brazilian law to guarantee amounts under dispute in a given litigation, including the request for injunctive relief. In the event that AmBev loses the litigation, the court bond will be used to pay the amounts owed by AmBev and AmBev will have to reimburse the financial institution that issued such court bond.

**Value Added Tax, Excise Tax and Taxes on Net Sales**

During 1999, legislation came into effect requiring Brazilian companies to pay income taxes, ICMS, IPI and revenue taxes not only on sales and services net sales, but also on financial income. AmBev has not been paying income taxes, ICMS, IPI and revenue taxes as required by such law, as it has obtained injunctions permitting the non-payment of these additional taxes on the basis that such legislation is unconstitutional. In November 2005, a leading case unrelated to AmBev was adjudicated by the Brazilian Supreme Court in favour of taxpayers. As of 31 December 2008, AmBev had provisions in connection with cases still pending in the amount of 61.8 million reais.

AmBev currently is party to legal proceedings with the State of Rio de Janeiro where it is challenging such State's attempt to assess ICMS with respect to irrevocable discounts granted by AmBev in January 1996 and February 1998. These proceedings are currently before the Superior Court of Justice and the Brazilian Supreme Court, and involve the amount of approximately 306 million reais as of December 2008, which AmBev has treated as a possible loss. Such estimate is based on reasonable assumptions and assessments of management, but should AmBev lose such proceedings the expected net impact on its statement of operations would be an expense for this amount.

AmBev received in 2007 and 2008 five tax assessments from the State of São Paulo in the amount of approximately 64.7 million reais (updated as of 31 December 2008), challenging the legality of tax credits arising from an existing tax incentive of AmBev in the State of Santa Catarina. AmBev has treated this proceeding as a possible loss. Such estimate is based on reasonable assumptions and assessments of external counsel but should AmBev lose such proceedings the expected net impact on its statement of operations would be an expense for

---

**Table of Contents**

this amount. Moreover, AmBev cannot rule out the possibility of other Brazilian states issuing similar tax assessments related to AmBev's tax incentive granted by the State of Santa Catarina.

The State of São Paulo also has challenged in the Brazilian Supreme Court laws enacted by other Brazilian states upon which certain of the above benefits have been granted, on the basis that they constitute tax benefits created without certain approvals required under Brazilian tax laws and regulations, which would render such state laws unconstitutional. Although the Brazilian Supreme Court, in a case unrelated to AmBev, has already declared part of Pará state's benefit law unconstitutional, almost every state has specific legislation on this topic and even the State of Pará may still grant benefits which were not covered in the decision. In this sense, insofar as the tax benefits are granted based on valid state legislation and the operational requirements are met, most companies apply for and use these benefits when granted.

Between 2000 and 2004, certain third-party distributors of Cintra (as it was then called) obtained preliminary injunctions permitting the non-payment of the IPI. These preliminary injunctions were revoked between 2002 and 2005, and as a result, tax authorities considered Cintra responsible for the payment of IPI during the period in which IPI was not collected by the third-party distributors. In 2007, Cintra received tax assessments from Brazilian federal tax authorities relating to IPI in the total amount, at that time, of approximately 228 million reais. AmBev has provisioned 157 million reais, for the settlement of these cases, with 193 million reais being considered as a possible loss.

***Income Tax and Social Contribution***

Beginning in 1997, an amendment to the tax laws confirmed the deductibility of interest on shareholders' equity for social contribution and income tax purposes. Companhia Cervejaria Brahma, which has since been succeeded in a series of corporate restructuring transactions by AmBev, filed a lawsuit with the Federal Courts of the State of Rio de Janeiro requesting the recovery of social contribution taxes previously paid for the fiscal year of 1996. The Federal Court granted Companhia Cervejaria Brahma an injunction recognising the deductibility of payment of interest on shareholders' equity and, as a result, allowed Companhia Cervejaria Brahma to suspend the payment of social contribution amounts owed in 1999 up to the amount not deducted in 1996 (approximately 50.9 million reais as of 31 December 2008). Notwithstanding the aforesaid suspension of social contribution's payment, the tax authority filed an administrative proceeding against Companhia Cervejaria Brahma claiming the payment of such amount. Companhia Cervejaria Brahma presented its defence and is waiting for a final decision by the administrative court. Meanwhile, in April 2001, the Federal Appellate Court reversed the Federal Court's injunction. Though AmBev appealed to the Brazilian Supreme Court in April 2002, its appeal was denied, and, therefore, should AmBev lose on the administrative proceeding, it will be required to pay approximately 50.9 million reais which have been provisioned by AmBev.

During the first quarter of 2005, certain subsidiaries of AmBev received a number of assessments from Brazilian federal tax authorities relating to earnings of its foreign subsidiaries, in the total amount, at that time, of approximately 2.9 billion reais. In December 2008, the Administrative Court decided one of the tax assessments relating to earnings of AmBev's foreign subsidiaries. This decision was partially favourable to AmBev, but AmBev can still appeal. Based on the advice of external counsel, AmBev has not recorded any provision in connection therewith. After this decision, it has estimated the total exposures of possible losses in relation to these assessments to be approximately 2.682 billion reais as of 31 December 2008.

***Labatt***

Labatt was assessed by the Canada Revenue Agency for the interest rate used in certain related-party debts and related-party transactions, and other transactions existing prior to the merger of Labatt into AmBev. As of 31 December 2008, the estimated amount of the exposure corresponded to CAD 218.0 million. In the event Labatt is required to pay these amounts, CAD 110.0 million would be reimbursed by us. During 2008, as required by Canadian tax law, and in order to be able to challenge these assessments, Labatt paid CAD 115.3 million, CAD 79.2 million of which were reimbursed by us. Labatt continues to challenge these assessments.

---

## **Table of Contents**

In June 2007, Labatt and AmBev were named in an Ontario class action lawsuit seeking damages and injunctive relief in connection with changes to retiree health care benefits. AmBev consented to joint representation with Labatt. Prior to motions for class certification, the parties explored dispute resolution alternatives. The parties reached an agreement in principle to settle the matter, which settlement agreement was subsequently approved by the Court on 13 January 2009. The settlement includes cost-sharing of health benefits through payment of deductibles by retirees.

### **Labour matters**

As of 31 December 2008 AmBev was involved in approximately 13,240 legal proceedings in Brazil with former and current employees, mainly relating to overtime, dismissals, severance, health and safety premiums, supplementary retirement benefits and other matters, all of which are awaiting judicial resolution. AmBev has made provisions totalling 221.3 million reais as of 31 December 2008. In Brazil, it is not unusual for a company to be a defendant in a large number of labour claims.

AmBev has approximately 16 claims made by the Brazilian National Institute for Social Security with an aggregate exposure of 67.3 million reais. These claims are classified as having a possible chance of loss and argue, among other things, that AmBev should have paid social security contributions in relation to bonus payments and payments to third-party service providers.

### **Civil claims**

As of 31 December 2008 AmBev had 4,396 civil claims pending in Brazil, including distributors and product-related claims. AmBev is the plaintiff in 1,683 and the defendant in 2,713 of these claims. AmBev has established provisions totalling 41 million reais as of 31 December 2008 in connection with civil claims.

AmBev is a party to a tortious interference claim brought by its competitor Schincariol whereby Schincariol seeks damages in the range of 100 million reais from AmBev, arguing that AmBev signed up singer Zeca Pagodinho while he was still contractually bound with Schincariol. On 20 July 2007, the lower courts of the State of São Paulo denied Schincariol's claim, and Schincariol filed an appeal on 24 August 2007. Based on the advice of external counsel, AmBev has not recorded a provision in connection with such proceeding.

### **Warrants**

In 2002, AmBev decided to request a ruling from the CVM (*Comissão de Valores Mobiliários*, the Securities and Exchange Commission of Brazil) in connection with a dispute between AmBev and some of its warrant holders regarding the criteria used in the calculation of the strike price of certain AmBev warrants. In March and April 2003, the CVM ruled that the criteria used by AmBev to calculate the strike price were correct. In response to the CVM's final decision and seeking to reverse it, some of the warrant holders filed separate lawsuits before the courts of São Paulo and Rio de Janeiro.

Although the warrants expired without being exercised, the warrant holders claim that the strike price should be reduced to take into account the strike price of certain stock options granted by AmBev under its Stock Ownership Programme, as well as for the strike price of other warrants issued in 1993 by Companhia Cervejaria Brahma.

AmBev has been notified of 7 claims from 12 holders arguing that they would be entitled to those rights. One of them was ruled favourably to AmBev by the appellate court of the State of São Paulo. Another one is still awaiting final rulings by the same court. A third one was settled. Of the four other claims, one is awaiting a decision and three were ruled against AmBev in the appellate court of the State of Rio de Janeiro. AmBev has appealed to the Superior Court of Justice with respect to the final decisions issued by the appellate court of the State of Rio de Janeiro, and so have the warrant holders whose claim was denied by the appellate court of the State of São Paulo.

---

## **Table of Contents**

In the event the plaintiffs prevail in the above six pending proceedings, AmBev believes that the corresponding economic dilution for the existing shareholders would be the difference between the market value of the shares at the time they are issued and the value ultimately established in liquidation proceedings as being the subscription price pursuant to the exercise of the warrants. AmBev believes that the warrants which are the object of those six proceedings represent 5,545,129 preferred and 1,376,574 common shares that would be issued at a value substantially below fair market value, should claimants ultimately prevail.

AmBev has filed counterclaims to six of these lawsuits. One of those counterclaims is still awaiting final ruling by the appellate court of the State of São Paulo. Of the five other counterclaims, one was settled, three were ruled against AmBev in the appellate court of the State of Rio de Janeiro, and one was ruled against AmBev in the appellate court of the State of São Paulo. AmBev has already appealed to the Superior Court of Justice with respect to the final decisions issued by the appellate courts of the states of Rio de Janeiro and São Paulo, except for one of the rulings rendered by the appellate courts of the State of Rio de Janeiro, which, therefore, is a final decision.

Based on advice from external counsel, AmBev believes that its chances to prevail on these claims and on the counterclaims are possible. However, no assurance can be given that the unfavourable decisions to AmBev rendered so far may be reversed by the appellate courts or the Superior Court of Justice. As these disputes are based on whether AmBev should receive as a subscription price a lower price than the price that it considers correct, a provision of amounts with respect to these proceedings would only be applicable with respect to legal fees and past dividends.

### **Distributors and product-related claims**

Numerous claims have been filed in Brazil against AmBev by former distributors whose contracts were terminated. Most claims are still under review by first instance and state Appellate Courts, and a few are currently being reviewed by the Superior Court of Justice.

AmBev has established provisions in the amount of 23 million reais in connection with these claims as of 31 December 2008, based on the advice of external legal counsel.

### **Antitrust matters**

#### ***Investigations***

AmBev currently has a number of antitrust investigations pending against it before Brazilian antitrust authorities.

#### ***Tô Contigo***

On 22 July 2009, CADE issued its ruling in connection with a proceeding initiated in 2004 as a result of a complaint filed by Schincariol that had, as its main purpose, the investigation of AmBev's conduct in the market, in particular AmBev's customer loyalty program known as *Tô Contigo* and which is similar to airline frequent flyer and other mileage programs.

During its investigation, the Secretariat of Economic Law of the Ministry of Justice (SDE) concluded that the program should be considered anticompetitive unless certain adjustments were made. These adjustments have already been substantially incorporated into the current version of the program. The SDE opinion did not threaten any fines and recommended that the other accusations be dismissed. After the SDE opinion, the proceeding was sent to CADE, which issued a ruling that, among other things, imposed a fine in the amount of R\$352 million.

AmBev believes that CADE's decision was without merit and thus has challenged it before the federal courts, which have ordered the suspension of the fine and other parts of the decision upon our posting of a guarantee. AmBev has already rendered a court bond (*carta de fiança*) for this purpose. According to AmBev's advisors' analysis, a loss is possible, and therefore we have not established a provision in our interim financial statements.

## **Table of Contents**

### ***Kaiser***

On 2 April 2007, Cervejaria Kaiser, which is currently AmBev's third largest beer competitor in Brazil and part of the FEMSA Group, filed a complaint with Brazilian antitrust authorities alleging that AmBev's cooler programmes and exclusivity agreements are anti-competitive practices, and also that AmBev launched two combat brands (Puerto del Sol and Puerto del Mar) in connection with the entry of Kaiser's product Sol Pilsen in 2006. On 9 December 2008, the SDE requested the opening of two administrative proceedings to investigate the alleged practices. AmBev's preliminary responses were filed before SDE on 18 February 2009. AmBev believes such claims are without merit and intends to vigorously defend this complaint.

### ***630ml Bottle***

On 3 April 2008, the Brazilian Association of Carbonated Soft Drinks Manufacturers, the Brazilian Association of Beverages, which comprises Schincariol and Petrópolis currently AmBev's two largest competitors in Brazil and Cervejaria Imperial (a small Brazilian beverage company), filed complaints with Brazilian antitrust authorities challenging AmBev's new 630ml returnable bottle launched under the Skol brand in the State of Rio de Janeiro and under the Bohemia brand in the State of Rio Grande do Sul. On 17 April 2008, Cervejarias Kaiser also filed a complaint with the Brazilian antitrust authorities challenging the Skol bottle. These competitors claim that AmBev should be prevented from launching the new exclusive 630ml bottle and should be compelled to continue to use the standard 600ml returnable bottle used by all players in the market. On 27 May 2008, SDE issued an injunction prohibiting the use of the new 630ml bottle by AmBev. Due to an appeal filed by AmBev against the SDE injunction, on 23 July 2008 CADE decided to allow the use of the 630ml bottle by AmBev in the states of Rio de Janeiro and Rio Grande do Sul, as long as AmBev maintains a system to change the 630ml bottles acquired by its competitors for 600ml bottles. AmBev will vigorously defend its right to innovate and create differentiation for its products and believes that its competitors' claims are without merit.

### ***1L Bottle***

On 20 August 2009, the Brazilian Association of Beverages filed a complaint with the Brazilian antitrust authorities challenging AmBev's new proprietary 1L returnable bottle launched under its main brands. The Association claims that AmBev's new 1L bottle would cause the standard 600ml bottle exchange system to cease to exist, therefore artificially increasing the costs of competitors and restricting their access to the points of sale. In response, on 14 September 2009, AmBev submitted preliminary clarifications to the SDE arguing for the economic rationality and the benefits to the consumer deriving from the 1L format. On 28 October 2009, SDE decided to initiate an Administrative Proceeding against AmBev to further investigate the issue. In its note initiating the proceedings, the SDE stated that although it believes that market players are in principle free to decide whether or not to participate in a standard bottle exchange system, it wanted to further investigate whether the manner pursuant to which AmBev was allegedly introducing the 1L bottle could potentially create lock-in effects. AmBev will vigorously defend its right to innovate and create differentiation for its products and believes that its competitors' claims are without merit.

### ***Others***

In February 2002, ABRADISA (the Brazilian Association of Antarctica Distributors) filed a complaint challenging the legality of exclusivity provisions in AmBev's distribution agreements. This dispute was settled in March 2003, with ABRADISA filing a petition in November 2003 before the Brazilian antitrust authorities stating that the settlement agreement was fully complied with by all its parties and that ABRADISA had no interest in continuing with this proceeding. On 11 December 2008, SDE, the Secretariat of Economic Development, issued its opinion recommending the dismissal of the case. On 28 October 2009 CADE dismissed the case.

**Table of Contents**

In April 2007, the Brazilian Association of Carbonated Soft Drinks Manufacturers filed a complaint with the Brazilian antitrust authorities alleging that AmBev engaged in the following anticompetitive practices: (i) predatory prices, (ii) restriction of competitors' access to shelf space in supermarkets; (iii) exclusivity agreements with strategic points of sales; and (iv) adoption of a proprietary reusable glass bottle. In August 2009, SDE initiated a preliminary inquiry to investigate these alleged practices. The case is still under the analysis of SDE which will decide whether or not to initiate an administrative proceeding to further investigate the company. AmBev believes such claims are without merit and intends to vigorously defend this complaint.

In July 2007, CADE forwarded to SDE for further investigation a complaint issued by Globalbev Bebidas Alimentos Ltda. alleging that AmBev was restricting competitors' access to the shelf space in supermarkets. In August 2009, SDE initiated a preliminary inquiry to investigate this supposed anticompetitive practice. The case is still under the analysis of SDE which will decide whether or not to initiate an administrative proceeding to further investigate the company. AmBev believes such claim is without merit and intends to vigorously defend this complaint.

After the approval of the acquisition of Cintra in 2008 (see AmBev and its Subsidiaries Merger Control ), SDE initiated an administrative proceeding to investigate the closing in 2009 of a plant of Cintra in the city of Mogi-Mirim, in the State of São Paulo. The SDE wants to investigate whether, after the acquisition, the industrial capacity of Cintra was reduced, contrary to information provided by AmBev to SDE during the report of the Cintra acquisition. AmBev already informed SDE about the rationale for the closure of the Mogi-Mirim plant and that the overall capacity of Cintra has increased substantially after its acquisition by AmBev. As a result, AmBev believes such claim is without merit and intends to vigorously defend this complaint.

***Merger Control***

On 28 March 2007, AmBev announced the signing of a purchase and sale agreement with respect to the acquisition of 100% of Goldensand Comércio e Serviços Ltda, the controlling shareholder of what was then called Cintra. The transaction was submitted for CADE review on 19 April 2007. On 21 May 2008, AmBev sold the Cintra brands to Schincariol. In July 2008, CADE issued a favourable decision approving the transaction.

Labatt completed its acquisition of Lakeport Brewing Income Fund on 29 March 2007. The Competition Bureau of Canada had filed an application with the Competition Tribunal for a temporary injunction to delay closing to allow the Bureau to complete its review of the transaction. The Tribunal dismissed the Bureau's application and allowed the transaction to close as scheduled. The Bureau appealed the Tribunal's decision to the Federal Court of Appeal. The Court of Appeal rejected the Bureau's argument on 22 January 2008. The Bureau continued its review of the transaction and concluded in January 2009 that there was insufficient evidence to establish that the transaction was likely to substantially lessen or prevent competition.

**CVM**

*Caixa de Previdência dos Funcionários do Banco do Brasil* PREVI, a Brazilian pension fund which is one of AmBev's largest minority shareholders, filed an administrative complaint against AmBev with the CVM in April 2004 alleging abuse of position by AmBev's controlling shareholders and breach of fiduciary duty by AmBev's directors in connection with the approval of the InBev-AmBev Transactions, appropriation of commercial opportunity and inadequate disclosure. The complaint requested, among other things, that the CVM render an opinion contesting the legality of the transactions and intervene to prevent the closing of the *Incorporação*. The CVM ruled in December 2004 that (i) there was no basis to conclude that there had been an abuse of position by the controlling shareholders or conflict of interests in relation to them, and (ii) that there was no indication of an appropriation of a commercial opportunity by the directors of AmBev, without prejudice to any further investigation that the staff of the CVM might conduct, as appropriate. Moreover, the CVM expressed its opinion that one director involved in the InBev-AmBev Transactions could not have intervened in the AmBev board resolutions related thereto, recommending further investigations by the staff. The CVM recommended also that the staff investigate the performance of the duty of care of other directors during the decision process and the adequacy of the disclosure proceeding of the transactions by AmBev's officers. The CVM requested certain



---

## **Table of Contents**

information related to the InBev-AmBev Transactions. On 6 May 2009 AmBev was informed that the CVM initiated formal complaints against certain AmBev directors and officers regarding the aforementioned investigations. AmBev's directors and officers presented their defences on 17 August 2009.

The CVM also initiated an administrative proceeding in October 2008 in which it alleges that certain shareholders, members of the board of directors and officers of AmBev violated Brazilian Corporations Law and CVM rules, relating to (i) insider trading at the time of the InBev-AmBev Transactions; (ii) violation of AmBev's Stock Ownership Programme, which was supposedly used to raise the share participation of certain shareholders; (iii) negotiation of shares from AmBev's Stock Ownership Programme without previously offering these shares to AmBev; and (iv) non-disclosure of acquisition of significant shareholding and disclosure of incorrect information to the market. Each of the involved parties has denied violating CVM rules. If the CVM rules that violations occurred, sanctions could include reprimands, fines or decrees temporarily barring the individuals found guilty from acting as officers or directors of AmBev. Any decision of the CVM is subject to administrative appeal and/or to judicial review. See [Directors, Senior Management and Employees](#) [Directors and Senior Management](#) [Board of Directors](#) [General Information on the Directors](#) and [Directors, Senior Management and Employees](#) [Directors and Senior Management](#) [Chief Executive Officer and Senior Management](#) [General Information on the Members of the Executive Board of Management](#) for further details.

### **Environmental matters**

In August 2003, Oliveira Comércio de Sucatas filed a complaint with the Public Attorney of the city of Pedreira, in the State of São Paulo, alleging that Companhia Brasileira de Bebidas (a predecessor of AmBev) was using the waste disposal site of the city as a disposal for toxic garbage. In September 2003, AmBev presented its response with all the evidence it had. This case is still in the discovery phase.

The Public Attorney of the State of Rio de Janeiro has requested the initiation of a civil investigation to investigate anonymous reports of pollution allegedly caused by Nova Rio, AmBev's beer plant located in the state of Rio de Janeiro. Currently this investigation is in the discovery phase. AmBev expects this investigation to be dismissed as AmBev has presented several expert opinions, including one from the State environmental agency, showing lack of environmental damages. Simultaneously, the police of Rio de Janeiro have requested the initiation of a criminal investigation to investigate the author of the alleged crime, which is also in the discovery phase. AmBev expects this investigation will be dismissed concurrently with the civil investigation mentioned above.

On 17 April 2007, the *Promotoria*, or Public Attorney, of Viamão, State of Rio Grande do Sul requested the initiation of a civil investigation and a criminal investigation to investigate reports made by local population of pollution around the plant. AmBev reached a settlement with the *Promotoria* of Viamão on 12 June 2007. In February 2009 the investigations were suspended for a period of three years in order to be certified that the settlement was entirely accomplished by AmBev.

### **Brazilian alcohol industry litigation**

On 28 October 2008, the Brazilian *Ministério Público Federal* filed a suit for damages against AmBev and two other beverage companies claiming total damages of approximately 2.8 billion reais (of which approximately 2.1 billion reais are claimed against AmBev). The public prosecutor alleges that: (i) alcohol causes serious damage to individual and public health, and that beer is the most consumed alcoholic beverage in Brazil; (ii) defendants have approximately 90% of the national beer market share and are responsible for heavy investments in advertising; and (iii) the advertising campaigns increase not only the market share of the defendants but also the total consumption of alcohol and, hence, the damages to society, and encourage underage consumption. AmBev believes such claims are without merit and intends to vigorously defend this litigation.

Shortly after the above lawsuit was filed, a consumer-protection association applied to be admitted as a joint-plaintiff. The association has made further requests in addition to the ones made by Public Prosecutor,

---

## **Table of Contents**

including the claim for collective moral damages in an amount to be ascertained by the court; however, it suggests that it should be equal to the initial request of 2.8 billion reals (therefore, it doubles the initial amount involved). The court has admitted the association as joint-plaintiff and has agreed to hear the new claims. AmBev intends to vigorously defend this litigation. See note 33 to our audited financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

### ***Anheuser-Busch***

#### **Grupo Modelo arbitration**

On 16 October 2008, Grupo Modelo, Diblo S.A. de C.V. and the Grupo Modelo series A shareholders filed a notice of arbitration, under the arbitration rules of the United Nations Commission on International Trade Law, against Anheuser-Busch, Anheuser-Busch International Inc. and Anheuser-Busch International Holdings Inc. The notice of arbitration claimed the transaction between Anheuser-Busch and InBev violated provisions of the 1993 investment agreement, governed by the law of the United Mexican States, between the Anheuser-Busch entities, Grupo Modelo, Diblo and the series A shareholders. It seeks post-closing relief, including (i) a declaration that Anheuser-Busch breached the 1993 investment agreement, (ii) rescission of certain continuing rights and obligations under the 1993 investment agreement, (iii) a permanent injunction against Anheuser-Busch or its successors from exercising governance rights under the 1993 investment agreement, (iv) suspension of Anheuser-Busch's right to exercise a right of first refusal to purchase the stock of Grupo Modelo held by the series A shareholders, (v) rectification of the 1993 investment agreement to add additional restrictions on the Anheuser-Busch entities and (vi) money damages of up to \$2.5 billion. The respondents believe that the claims are without merit because, among other things, there is no change of control clause in the investment agreement and no sale or transfer of the shares of Grupo Modelo and Diblo held by Anheuser-Busch International Holdings Inc. occurred. However, the relief sought by Grupo Modelo, Diblo and its series A shareholders in the arbitral proceeding or any other equitable or other relief they may seek may have an adverse effect on us, including by limiting our ability to exercise governance rights under the investment agreement with Grupo Modelo after the closing of the Anheuser-Busch acquisition. On 2 February 2009, the arbitration panel denied Grupo Modelo's request for interim measures that would have prevented Anheuser-Busch from exercising its corporate governance rights pending the final arbitration proceeding. The panel also ruled that Anheuser-Busch was to provide 90 days notice if it intends to sell its shares. In August 2009, the final arbitration proceeding was conducted in New York City. The arbitration panel has not yet issued a ruling.

#### ***Ginsburg Litigation***

On 10 September 2008 an action brought under Section 7 of the Clayton Antitrust Act entitled *Ginsburg et al. v. InBev NV/SA et al., C.A. No. 08-1375* (the **Ginsburg Litigation**), was filed against InBev, Anheuser-Busch and Anheuser-Busch, Inc. in the United States District Court for the Eastern District of Missouri. The complaint alleges that the Anheuser-Busch acquisition will have certain anticompetitive effects and consequences on the beer industry and will create a monopoly in the production and sale of beer in the United States. Plaintiffs generally seek declaratory relief that the Anheuser-Busch acquisition violates Section 7 of the Clayton Antitrust Act, injunctive relief to prevent consummation of the acquisition, and fees and expenses. On 18 November 2008 plaintiffs' request for injunctive relief was denied. On 3 August 2009 the Court granted defendants' Motion to Dismiss plaintiffs' claims with prejudice. On 4 August 2009 the Court entered judgment in favour of the defendants. On 19 August 2009, plaintiffs filed an appeal of such judgment. We continue to vigorously defend against these claims through the appellate process.

#### **Acquisition antitrust matters**

The Anheuser-Busch merger was subject, and required approvals or notifications pursuant to, various antitrust laws, including under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

---

**Table of Contents**

*United States*

Under the Hart-Scott-Rodino Act and the rules promulgated thereunder by the U.S. Federal Trade Commission, the Anheuser-Busch merger could not have been completed until Anheuser-Busch and we had each filed a notification and report form under the Hart-Scott-Rodino Act and the applicable waiting period had expired or been terminated. On 15 July 2008, we had filed, and on 18 July 2008, Anheuser-Busch filed notification and report forms under the Hart-Scott-Rodino Act with the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice. The initial 30-day waiting period under the Hart-Scott-Rodino Act (which ended on 18 August 2008) was extended by the Department of Justice's issuance, on 18 August 2008, of a Request for Additional Information and Documentary Material. The extension resulting from such request was for a period of time necessary for us and Anheuser-Busch to substantially comply with the request and provide relevant information and documentary materials, plus an additional 30 days for the relevant U.S. authorities to review the information and documentary materials so provided after both parties have substantially complied with the request.

On 14 November 2008, we and Anheuser-Busch reached a proposed consent final judgement with the Department of Justice that permitted the completion of our acquisition of Anheuser-Busch. Under the terms of the proposed final judgment filed on 14 November 2008 in U.S. District Court for the District of Columbia, the following three actions were required to occur:

Labatt, a partially owned, indirect subsidiary of ours headquartered in Toronto, Canada, was required to grant to an independent third party a perpetual exclusive license:

to market, distribute and sell Labatt branded beer (primarily Labatt Blue and Labatt Blue Light) for consumption in the United States;

to brew such Labatt branded beer in the United States or Canada solely for sale for consumption in the United States; and

to use the relevant trademarks and intellectual property to do so;

We were required to sell to the licensee the assets of InBev USA LLC d/b/a/ Labatt USA, our subsidiary, headquartered in Buffalo, New York that related to its sale of Labatt branded beer in the United States; and

Labatt was required to brew and supply the Labatt branded beer for the licensee for an interim period of no more than three years.

The proposed consent final judgement required implementation of the actions above within the later of 90 days of filing of the complaint (which was on 14 November 2008) or five calendar days after notice of the entry of the final judgment with the U.S. District Court. The proposed consent final judgment received final approval by the U.S. District Court for the District of Columbia on 11 August 2009. We agreed to indemnify AmBev and its subsidiary Labatt against certain losses, claims and damages arising out of this final judgment and the divestiture of the assets disposed of thereunder.

To satisfy the requirements imposed by the U.S. Department of Justice in connection with its clearance of the Anheuser-Busch acquisition, on 13 March 2009, we announced the completion of the sale of the assets of InBev USA LLC (d/b/a Labatt USA) to North American Breweries, Inc., an affiliate of KPS Capital Partners, LP. Under the terms of the agreement announced on 23 February 2009, KPS Capital Partners, LP acquired the assets of Labatt USA and an exclusive license, granted by Labatt to (i) brew Labatt branded beer in the United States or Canada solely for sale for consumption in the United States; (ii) distribute, market and sell Labatt branded beer for consumption in the United States; and (iii) use the relevant trademarks and intellectual property required to do so. The transaction does not affect Labatt branded beer in Canada or elsewhere outside the United States. Approximately 1.7 million hectoliters of Labatt branded beer were sold in the United States in 2008. The impact on earnings of the foregoing actions is not material to us.



---

## **Table of Contents**

U.S. antitrust laws also allow the U.S. Department of Justice and others such as U.S. state governments and private individuals to bring antitrust actions contending that an already completed merger substantially lessens competition or has created a monopoly or otherwise violates the antitrust laws in different or additional respects not contemplated by the action filed on 14 November 2008 and resolved by the final judgment described above.

### ***Argentina***

Authorisation, approval and/or clearance of the Anheuser-Busch acquisition in Argentina under the applicable antitrust laws is still pending based on ongoing regulatory review.

## **MATERIAL CONTRACTS**

The following contracts have been entered into by us within the two years immediately preceding the date of this Form F-4 or contain provisions under which we or another member of our group has an obligation or entitlement which is material to our group:

### ***The Merger Agreement***

On 13 July 2008, InBev and its indirect wholly-owned subsidiary formed exclusively for the purpose of effecting the Anheuser-Busch merger (as defined below), Pestalozzi Acquisition Corp., entered into an Agreement and Plan of Merger with Anheuser-Busch Companies, Inc. (the **Merger Agreement**). The Merger Agreement is filed as Exhibit 10.1 to this Form F-4. Anheuser-Busch Companies, Inc is a Delaware corporation that was organised in 1979 as the holding company of Anheuser-Busch, Incorporated, a Missouri corporation whose origins date back to 1875.

InBev shareholders approved the Anheuser-Busch merger at InBev's Extraordinary Shareholders Meeting on 29 September 2008 and, on 12 November 2008, a majority of Anheuser-Busch shares were voted to approve the Anheuser-Busch acquisition at a Special Shareholders Meeting of Anheuser-Busch. The closing of the Anheuser-Busch merger was completed, and the certificate of merger filed, on 18 November 2008. InBev financed the closing of the Anheuser-Busch acquisition with funds drawn under senior and bridge facilities put in place to finance the Anheuser-Busch acquisition.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions set forth in the Merger Agreement, on 18 November 2008 (i) Pestalozzi Acquisition Corp. merged with and into Anheuser-Busch, (ii) each outstanding share of Anheuser-Busch common stock (other than shares held by InBev, Pestalozzi Acquisition Corp., Anheuser-Busch or their respective subsidiaries, in each case not held on behalf of third parties, and shares held by stockholders who had perfected and not withdrawn a demand for statutory appraisal rights, if any), was converted into the right to receive USD 70.00 in cash, without interest and less any applicable withholding tax and (iii) each outstanding share of Pestalozzi Acquisition Corp. common stock was converted into shares of the surviving corporation. Anheuser-Busch became the surviving corporation in the merger and continues to do business as Anheuser-Busch Companies, Inc. following the merger, while Pestalozzi ceased to exist. As a result, upon completion of the merger, Anheuser-Busch became an indirect wholly-owned subsidiary of Anheuser-Busch InBev SA/NV.

### **Post-Closing Agreements under Merger Agreement**

Under the Merger Agreement, we agreed that, effective upon the closing of the transactions contemplated by the Merger Agreement:

Anheuser-Busch's current headquarters in St. Louis, Missouri would be the surviving corporation's headquarters, our headquarters for North America (excluding Cuba) and the global home of the flagship Budweiser brand;

---

## **Table of Contents**

The current name of Anheuser-Busch would be the name of the surviving corporation, and the name of InBev SA/NV would be Anheuser-Busch InBev SA/NV ; and

We would, after consultation with the Anheuser-Busch Board of Directors, nominate and cause to be elected following the closing two current or former directors of Anheuser-Busch to our Board, each such director to be confirmed for a three-year term at our first annual general meeting following the closing of the transactions contemplated by the Merger Agreement.

We agreed, following the closing of the transactions contemplated by the Merger Agreement, to:

Cause the surviving corporation to preserve Anheuser-Busch's heritage and continue to support philanthropic and charitable causes in St. Louis and other communities in which Anheuser-Busch operates, including Grant's Farm and the Clydesdales operations;

Confirm the surviving corporation's good faith commitment that it will not close any of Anheuser-Busch's current 12 breweries located in the United States, provided there are no new or increased federal or state excise taxes or other unforeseen extraordinary events which negatively impact Anheuser-Busch's business;

Reaffirm our commitment to the three-tier distribution system in the United States and agree to work with Anheuser-Busch's existing wholesaler panel to strengthen the relationship between the surviving corporation and its wholesalers; and

Honour Anheuser-Busch's obligations under the Naming Rights and Sponsorship Agreement, dated 3 August 2004, as amended, between Busch Media Group, Inc., as authorised agent for Anheuser-Busch, Incorporated and Cardinals Ballpark, LLC relating to Busch Stadium.

Although we have not attempted to quantify these post-closing obligations under the Merger Agreement in monetary terms due to their nature, we do not expect such obligations to be material in relation to our business going forward.

## **Indemnification**

Under the Merger Agreement, following the effective time of the Anheuser-Busch merger, we and the surviving corporation of the merger are required to indemnify, defend and hold harmless each present and former director and officer of Anheuser-Busch or any of its subsidiaries and any fiduciary under any Anheuser-Busch benefit plan and promptly advance expenses as incurred against (i) any costs or expenses (including attorneys' fees and disbursements), (ii) judgments, (iii) fines, (iv) losses, (v) claims, (vi) damages or (vii) liabilities, incurred in connection with any claim, action, suit, proceeding or investigation (whether civil, criminal, administrative or investigative) arising out of or pertaining to the fact that the indemnified party is or was:

An officer, director, employee or fiduciary of Anheuser-Busch or any of its subsidiaries; or

A fiduciary under any Anheuser-Busch benefit plan, whether any such claim, action, suit, proceeding or investigation is or was asserted or claimed prior to, at or after the effective time of the merger (including with respect to any acts or omissions in connection with the Merger Agreement and the transactions and actions contemplated thereby), to the fullest extent permitted under the law of the State of Delaware and Anheuser-Busch's certificate of incorporation or bylaws and any indemnification agreement in effect on the date of the Merger Agreement.

Prior to the merger, each of Anheuser-Busch's directors and executive officers was party to an indemnification agreement with Anheuser-Busch which provided indemnitees with, among other things, certain indemnification and advancement rights in third-party proceedings, proceedings by or in the right of Anheuser-



## **Table of Contents**

Busch, proceedings in which the indemnitee is wholly or partly successful, and for an indemnitee's expenses incurred as a witness in a proceeding by reason of his or her corporate status. In the event of a potential change of control of Anheuser-Busch, each of the directors and executive officers had the right to request that Anheuser-Busch fund a trust in an amount sufficient to satisfy any and all expenses reasonably anticipated at the time of request to be incurred in connection with investigating, preparing for and defending any claim relating to an indemnifiable event, and any and all judgments, fines, penalties and settlement amounts of any and all claims relating to an indemnifiable event from time to time actually paid or claimed, reasonably anticipated or proposed to be paid.

### **Employee Benefits**

From and after the effective time of the Anheuser-Busch merger, we agreed under the Merger Agreement to, and to cause the surviving corporation to honour, in accordance with their terms, all Anheuser-Busch benefit plans. In addition, we agreed to pay, or cause to be paid, the annual bonuses for the 2008 calendar year to employees of Anheuser-Busch and its subsidiaries who remained employed through 31 December 2008 or who were involuntarily terminated without cause, between the effective time of the Anheuser-Busch merger and 31 December 2008 (other than employees who were given a notice of termination prior to the effective time of the Anheuser-Busch merger), based on their performance for the 2008 year in accordance with Anheuser-Busch's practices and policies in effect on the date of the Merger Agreement.

Until the first anniversary of the effective time of the Anheuser-Busch merger or 31 December 2009, whichever is later, we agreed to, or to cause the surviving corporation and each of its subsidiaries to, provide employees of Anheuser-Busch and its subsidiaries at the effective time of the Anheuser-Busch merger with compensation and benefits that are not less favourable in the aggregate than the compensation and benefits provided to current employees immediately prior to the effective time of the Anheuser-Busch merger.

We agreed to cause the surviving corporation to cause service rendered by employees of Anheuser-Busch and its subsidiaries prior to the consummation of the Anheuser-Busch merger to be taken into account for vesting and eligibility purposes (but not accrual purposes) under employee benefit plans of the surviving corporation and its subsidiaries, to the same extent as such service was taken into account under the corresponding benefit plans of Anheuser-Busch and its subsidiaries for those purposes. Current employees will not be subject to any pre-existing condition limitation under any health plan of the surviving corporation or its subsidiaries for any condition for which they would have been entitled to coverage under the corresponding benefit plan of Anheuser-Busch and its subsidiaries in which they participated prior to the effective time of the Anheuser-Busch merger. We will cause the surviving corporation and its subsidiaries to give such current employees credit under such plans for co-payments made and deductibles satisfied prior to the date of the Merger Agreement.

Until the first anniversary of the effective time of the Anheuser-Busch merger or 31 December 2009, whichever is later, we or the surviving corporation, or we or the surviving corporation's subsidiaries, as applicable, will pay severance benefits to non-union employees of Anheuser-Busch and its subsidiaries who are involuntarily terminated without cause during such period (other than those employees who were given a notice of termination prior to the effective time of the Anheuser-Busch merger) that are not less favourable than the severance benefits payable under Anheuser-Busch's severance pay programme as in effect immediately prior to the effective time of the merger.

### ***Financing the Anheuser-Busch Acquisition***

The total amount of funds that was required to consummate the Anheuser-Busch acquisition, including for the payment of USD 52.5 billion to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and the amount of fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness, was determined to be



**Table of Contents**

approximately USD 54.8 billion. We put in place certain short- and long-term senior and bridge financing commitments in the amount of USD 54.8 billion for this purpose. We drew USD 53.8 billion upon these short- and long-term senior and bridge financing commitments to enable it to consummate the Anheuser-Busch acquisition.

In connection with the Anheuser-Busch acquisition, we entered into the following definitive short- and long-term financing arrangements:

USD 45 billion senior facilities agreement, dated as of 12 July 2008 as amended as of 23 July 2008, 21 August 2008 and 3 September 2008, for InBev and Anheuser-Busch InBev Worldwide Inc. (previously known as InBev Worldwide S.à.r.l), arranged by Banco Santander, S.A., Barclays Capital, BNP Paribas, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank N.V., J.P. Morgan PLC, Mizuho Corporate Bank, LTD., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and The Royal Bank of Scotland PLC, as Mandated Lead Arrangers and Bookrunners, and Fortis Bank SA/NV, acting as Agent and Issuing Bank; and

USD 5.6 billion bridge facility agreement, dated as of 12 July 2008 as amended and increased to USD 9.8 billion pursuant to a supplemental agreement dated 23 July 2008 and as further amended as of 3 September 2008 for InBev, arranged by Banco Santander, S.A., BNP Paribas, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank N.V., J.P. Morgan PLC and The Royal Bank of Scotland PLC, as Mandated Lead Arrangers and Fortis Bank SA/NV, acting as Agent.

As described under Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Net debt and Equity Rights Offering, January Notes Offerings, Euro MTN Notes Offerings and May Notes Offerings, we have repaid the debt incurred under the bridge facility agreement and a portion of the debt incurred under the senior facilities agreement through the cash proceeds of a combination of equity and debt offerings and certain pre-hedging transactions, cash from operations and the net proceeds of asset dispositions. In addition, we may, in the future, dispose of additional of our assets or businesses and expect to utilise proceeds from any such disposals to repay indebtedness incurred to finance the Anheuser-Busch acquisition.

The following table sets forth the sources and uses of funds in connection with the Anheuser-Busch acquisition:

| Sources of funds  | <i>USD billion (except number of shares)</i> |   | Uses of funds |
|---|--|---|---------------|
| Facility A bridge to debt capital markets issuance <sup>(1)</sup>   | 12.0   | Offer price for Anheuser-Busch shares               | 70            |
| Facility B bridge to disposal <sup>(2)</sup>                        | 7.0  | Number of shares (fully diluted) (millions)         | 750           |
| Facility C three-year bullet bank loan                              | 13.0   | Equity value  | 52.5          |
| Facility D and Revolving Credit Facility five-year bullet bank loan | 12.0   | Anheuser-Busch debt to be refinanced <sup>(5)</sup> | 0.0           |
| Bridge Facility bridge to equity <sup>(4)</sup>                     | 9.8  | Fees and Transaction Costs <sup>(6)</sup>           | 1.3           |
| 5-year Revolving Credit Facility (undrawn)                          | 1.0  | Additional Liquidity                                | 1.0           |
| <b>Total Sources of Funds</b>                                       | <b>54.8</b>                                  | <b>Fees and transaction costs</b>                   | <b>54.8</b>   |

(1) Facility A was fully repaid as of 27 October 2009. We prepaid USD 1.468 billion of Facility A using the net proceeds of the January Notes offering, USD 4.160 billion of Facility A using the net proceeds of the Euro MTN Notes offerings, USD 2.977 billion of Facility A using the net proceeds of the May Notes, USD 1.029 billion of Facility A using the net proceeds of the September Brazilian Notes offering, USD 1.348 billion of Facility A using the net proceeds of the Old Notes offering and USD 1.016 billion of Facility A using the net proceeds of certain assets and businesses dispositions.

(2) Facility B was fully repaid as of 3 August 2009. We prepaid USD 3.5 billion of Facility B using the net proceeds from the January Notes offering, USD 2.225 million of Facility B using the net proceeds of certain asset and business dispositions and USD 1.275 billion of Facility B using cash flow from operations.

(3) USD 8.893 billion remaining outstanding under Facility C as of 5 November 2009. We prepaid USD 4.107 billion of Facility C using the net proceeds of the sale of the Old Notes.



**Table of Contents**

- (4) The Bridge Facility has been fully repaid from funds raised in connection with the rights offering and cash proceeds received by us from hedging the foreign exchange rate between the euro and the U.S. dollar in connection with the rights offering.
- (5) The financing obtained by us was based on the assumption that USD 1.0 billion of Anheuser-Busch debt may be refinanced. Because such refinancing was not required, we retain USD 1.0 billion in available liquidity under the Revolving Credit Facility.
- (6) The fees and transaction costs include certain arrangement fees and underwriting commissions, as well as other costs and expenses related to the Anheuser-Busch acquisition and the debt and equity financing arrangements put in place for financing the Anheuser-Busch acquisition.

**Senior Facilities Agreement***Overview*

The senior facilities agreement makes the following five senior facilities available to us and our subsidiary, Anheuser-Busch InBev Worldwide Inc., for the purpose of funding the Anheuser-Busch acquisition and certain related purposes or, in the case of the Revolving Credit Facility described in (v) below, for other additional purposes: (i) **Facility A**, a 364 day term loan facility for up to USD 12 billion principal amount, which may, at our option, be extended by one year, (ii) **Facility B**, a 364 day term loan facility for up to USD 7 billion principal amount, (iii) **Facility C**, a three year term loan facility for up to USD 13 billion principal amount, (iv) **Facility D**, a five year term loan facility for up to USD 12 billion principal amount, and (v) **Revolving Credit Facility**, a five year multicurrency revolving credit facility for up to USD 1 billion principal amount. The senior facilities agreement is filed as Exhibit 10.2 to this Form F-4.

As of 5 November 2009, and after giving effect to the repayments described above, there existed USD 20.893 billion of outstanding indebtedness under our senior facilities agreement, which was comprised of USD 8.893 billion outstanding indebtedness under Facility C and USD 12 billion outstanding indebtedness under Facility D. Facility A was fully repaid as of 27 October 2009, and Facility B was fully repaid as of 3 August 2009. The Revolving Credit Facility remains undrawn.

The senior facilities agreement contains customary representations and warranties, covenants and events of default. Among other things, an event of default is triggered if either a default or an event of default occurs under any of our or our subsidiaries' financial indebtedness, or if there is actual or threatened litigation or other action regarding the Anheuser-Busch acquisition transaction documents that may reasonably cause a material adverse affect on us. These provisions were included in the agreement in consideration of the market conditions at the time, the size of the loans and their intended use in financing the Anheuser-Busch acquisition. With the resolution of the Ginsburg litigation, we are not aware of any actual or threatened material litigation regarding the Anheuser-Busch acquisition transaction documents. See *Legal and Arbitration Proceedings*. The obligations of the borrowers under the senior facilities agreement are jointly and severally guaranteed by certain guarantors. We were required to procure that, following the closing of the Anheuser-Busch merger, Anheuser-Busch and certain key of our subsidiaries accede as guarantors to the senior facilities agreement within certain periods of time after the first utilisation of the senior facilities.

*Use of Proceeds*

Borrowings under Facility A, Facility B, Facility C and Facility D are required to be made *pro rata* across all such facilities and may only be applied towards: (i) the direct costs of acquiring Anheuser-Busch, including the costs of financing the cash compensation payable to existing shareholders of Anheuser-Busch, (ii) refinancing existing indebtedness of Anheuser-Busch and its subsidiaries, or (iii) fees, costs and expenses and any stamp, registration and other taxes incurred in connection with acquiring Anheuser-Busch.

Borrowings under the Revolving Credit Facility, which may be drawn-down or utilised by way of letters of credit, may be applied towards: (i) refinancing existing indebtedness of Anheuser-Busch and its subsidiaries, (ii) fees, costs and expenses and any stamp, registration and other taxes incurred in connection with acquiring Anheuser-Busch or (iii) general corporate and working capital purposes of us and our subsidiaries.

## **Table of Contents**

USD 44 billion was borrowed on the closing date of the Anheuser-Busch merger to finance a portion of the costs in connection with the closing of the merger.

### ***Conditions Precedent and Certain Funds Period***

The availability of funds under the senior facilities, including the Revolving Credit Facility, are subject to the satisfaction of a set of initial conditions precedent, including the delivery to the lenders agent of certain resolutions, confirmations and documentation related to completion of the Anheuser-Busch acquisition that have been satisfied, and evidence that, as at the funding date, we have a written confirmation from each of Standard & Poor's and Moody's Investor Service that its credit rating (as assessed pro-forma to reflect the Anheuser-Busch acquisition and taking into account the incurrence of related financial indebtedness) was at least BBB or better from Standard & Poor's and Baa3 or better from Moody's Investors Service.

In addition to these conditions precedent, all utilizations, both initial and subsequent, also generally require satisfaction of further conditions precedent, including that no event of default or (in the case of any utilisation that does not constitute a rollover loan, that is, a Revolving Credit Facility loan for purposes of refinancing a maturing Revolving Credit Facility loan or satisfying a claim in respect of a letter of credit and meeting specified conditions) potential event of default is continuing or would result from the proposed utilisation and that certain repeating representation and warranties made by each borrower or guarantor remain true in all material respects.

### ***Margin***

We may borrow under each senior facility at an interest rate equal to LIBOR or EURIBOR, plus mandatory costs (if any), plus a margin that ranges from 1.0% to 1.75% per annum based upon the current ratings assigned by rating agencies to our long-term debt. With the exception of Facility B, whose margin increases with time, the margins of the senior facilities increase to the extent that the ratings assigned to our long-term debt are lowered, to a maximum level of 2.375% per annum for Facility A and 3% per annum for Facilities C and D and the Revolving Credit Facility. The margin applicable to certain senior facilities may also be reduced in certain circumstances where our ratings improve.

Certain senior facility margins may also adjust following the first anniversary of the funding date, for instance, if the option to extend the term of Facility A by one year is taken, the margin on Facility A increases by a specified percentage per annum, while the Facility D and Revolving Credit Facility margins may decrease following the first anniversary of the funding date in response to repayments, reductions or prepayments of the Term Facilities (except to the extent funded by a utilisation under the Revolving Credit Facility or another existing credit facility).

### ***Prepayments***

Mandatory prepayments are required to be made under the senior facilities in certain circumstances, including (i) in the event that a person or a group of persons acting in concert (other than any existing shareholder(s) of the Stichting) acquires control of us, in which case individual lenders are accorded rights to require prepayment in full of their respective portions of the outstanding utilizations and (ii) out of the net proceeds received by us or our subsidiaries from funds raised in any public or private loan or debt capital markets, funds raised in the equity capital markets or funds raised from asset disposals, subject in each case to specific exceptions.

## **Table of Contents**

Under the terms of the senior facilities agreement, prepayments of Facility A, Facility B, Facility C and Facility D will be applied as follows:

Voluntary prepayments and the net cash proceeds from funds raised in the equity capital markets that are required to be used for prepayments of the senior facilities were applied first in prepayment of Facility B until it was repaid in full, then of such others of Facility A, Facility C and Facility D as we may select until all are repaid in full, and then of the Revolving Credit Facility;

Net cash proceeds from funds raised in any public or private loan or debt capital markets that are required to be used for prepayments will be applied first in prepayment of Facility A, second in prepayment (at our discretion) of Facility C and/or Facility D, third in prepayment of Facility B, and lastly towards the Revolving Credit Facility (subject to certain exceptions); provided, that a portion of the amount that would otherwise have been required to be applied in prepayment of Facility A may have been applied (at our discretion) towards prepayment of Facility B Loans before prepaying Facility A in an amount not to exceed USD 3,500,000,000; and

Net cash proceeds from asset disposals were applied first in prepayment of Facility B and then of Facility A, such that the aggregate amount of disposal proceeds applied in prepayment of Facility B and Facility A is not less than USD 7 billion, and then may be applied at our discretion towards any other financial indebtedness of us or our subsidiaries (other than the bridge facility).

Note, however, that the net cash proceeds from equity raising transactions are required to be used to prepay amounts outstanding under the bridge facility agreement before any application against the senior facilities.

Facility A was fully repaid as of 27 October 2009, and Facility B was fully repaid as of 3 August 2009. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions.

### ***Financial Condition Undertaking***

The senior facilities agreement requires us to abide by a specified interest cover ratio and leverage ratio which is tested semi-annually for the 12-month test period ending on the test date, beginning on 30 June 2009. The initial interest cover ratio (which is the ratio of EBITDA, calculated in accordance with the senior facilities agreement, to net interest expense on a consolidated basis) is 2.5:1 and it is stepped up incrementally during the term of the facilities to 3.0:1 and the initial leverage ratio (which is the ratio of its total net debt to EBITDA, calculated in accordance with the senior facilities agreement, on a consolidated basis) is 5.2:1 and is stepped down during the term of the facilities to 3.5:1.

---

**Table of Contents**

**DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

**DIRECTORS AND SENIOR MANAGEMENT**

**Administrative, Management, Supervisory Bodies and Senior Management Structure**

Our management structure is a one-tier governance structure composed of our Board, a Chief Executive Officer responsible for our day-to-day management and an executive board of management chaired by our Chief Executive Officer.

**Board of Directors**

***Role and Responsibilities, Composition, Structure and Organisation***

The role and responsibilities of our Board, its composition, structure and organisation are described in detail in our corporate governance charter ( **Corporate Governance Charter** ) which is available on our website: [http://www.ab-inbev.com/go/corporate\\_governance/corporate\\_governance\\_charter](http://www.ab-inbev.com/go/corporate_governance/corporate_governance_charter).

Our Board may be composed of a maximum of 14 members. There are currently 13 directors, all of whom are non-executives.

Pursuant to a shareholders agreement in which certain of our key shareholders agree to hold certain of their interests in us through Stichting Anheuser-Busch InBev, a foundation organised under the laws of the Netherlands (the **Stichting** ), the holder of the class B Stichting certificates and the holder of the class A Stichting certificates each have the right to nominate four of our directors (see Major Shareholders and Related Party Transactions Major Shareholders ). The Stichting board of directors (which consists of eight directors, four of whom are appointed by the holder of the class B certificates and four of whom are appointed by the holder of the class A certificates) nominates four to six directors to our Board who are independent of shareholders, based on recommendations of our Compensation and Nominating Committee.

As a consequence, our Board is currently composed of four members nominated by Eugénie Patri Sébastien S.A. (which represents Interbrew's founding Belgian families and holds the class A Stichting certificates), four members nominated by BRC S.à.R.L. (which represents the Brazilian families that were previously the controlling shareholders of AmBev and holds the class B Stichting certificates), four independent directors and August A. Busch IV. The independent directors are recommended by our Compensation and Nominating Committee, nominated by the Stichting board and are subsequently elected by our shareholders meeting (at which the Stichting, together with its related parties, has the majority of the votes). Our Board was enlarged to 13 members through the addition of the former Anheuser-Busch President and Chief Executive Officer, August A. Busch IV, following completion of the Anheuser-Busch acquisition, and we may further enlarge it to 14 members through the addition of one other former member of Anheuser-Busch's board of directors.

Directors are appointed for a maximum term of three years. The upper age limit for the directors is 70, although exceptions can be made in special circumstances.

Independent directors on our Board are required to meet the following requirements of independence pursuant to our current Corporate Governance Statement. Such requirements are derived from but not fully identical to the requirements of Belgian company law (when legally required, we shall apply the criteria of independence provided by Belgian company law). Based on the provisions of the new Belgian Corporate Governance Code of March 2009 and the Belgian Company Code, the requirements of independence contained in our Corporate Governance Charter are the following:

the director is not an executive or managing director of us or an associated company, and has not been in such a position for the previous five years;

**Table of Contents**

the director has not served for more than three successive terms as a non-executive director on our board, nor for total terms of more than twelve years;

the director is not an employee of us or an associated company and has not been in such a position for the previous three years;

the director does not receive significant additional remuneration or benefits from us or an associated company apart from a fee received as non-executive director;

the director is not the representative of a controlling shareholder or a shareholder with a shareholding of more than 10%, or a director or executive officer of such a shareholder;

the director does not have or has not had within the financial reported year, a significant business relationship with us or an associated company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship;

the director is not or has not been within the last three years, a partner or an employee of our external auditor or the external auditor of an associated company; and

the director is not a close family member of an executive or managing director or of persons in the situations described above. When an independent director has served on the Board for three terms, any proposal to renew his mandate as independent director must expressly indicate why the Board considers that his independence as a director is preserved.

Independent directors on our Board are also required to meet the criteria for independence set forth in Rule 10A-3 under the Exchange Act of 1934.

The appointment and renewal of all of our directors is based on a recommendation of the Compensation and Nominating Committee, and is subject to approval by our shareholders' meeting.

Our Board is our ultimate decision-making body, except for the powers reserved to our shareholders' meeting by law, or as specified in the articles of association.

Our Board meets as frequently as our interests require. In addition, special meetings of our Board may be called and held at any time upon the call of either the chairman of our Board or at least two directors. Board meetings are based on a detailed agenda specifying the topics for decision and those for information. Board decisions are made by a simple majority of the votes cast.

The composition of our Board is currently as follows:

| <b>Name</b>            | <b>Principal function</b> | <b>Nature of directorship</b>   | <b>Initially appointed</b> | <b>Term expires</b> |
|------------------------|---------------------------|---|----------------------------|---------------------|
| August A. Busch IV     | Director                  | Non-executive   | 2008                       | 2011                |
| Jean-Luc Dehaene       | Independent director      | Non-executive   | 2001                       | 2010                |
| Stéfan Descheemaeker   | Director                  | Non-executive, nominated by the holders of class A Stichting certificates | 2008                       | 2011                |
| Peter Harf             | Independent director      | Non-executive, Chairman of our Board                                      | 2002                       | 2011                |
| Marcel Herrmann Telles | Director                  | Non-executive, nominated by the holders of class B Stichting certificates | 2004                       | 2010                |

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Jorge Paulo Lemann

Director

Non-executive, nominated by the holders of  
class B Stichting certificates

2004 2010

171



**Table of Contents**

| <b>Name</b>                       | <b>Principal function</b> | <b>Nature of directorship</b>   | <b>Initially appointed</b> | <b>Term expires</b> |
|-----------------------------------|---------------------------|---|----------------------------|---------------------|
| Arnoud de Pret Roose de Calesberg |                           | Non-executive, nominated by the holders of class A Stichting certificates | 1990                       | 2011                |
|                                   | Director                  |   |                            |                     |
| Grégoire de Spoelberch            | Director                  | Non-executive, nominated by the holders of class A Stichting certificates | 2007                       | 2010                |
| Kees J. Storm                     | Independent director      | Non-executive   | 2002                       | 2011                |
| Roberto Moses Thompson Motta      |                           | Non-executive, nominated by the holders of class B Stichting certificates | 2004                       | 2010                |
|                                   | Director                  |   |                            |                     |
| Alexandre Van Damme               | Director                  | Non-executive, nominated by the holders of class A Stichting certificates | 1992                       | 2010                |
| Carlos Alberto da Veiga Sicupira  |                           | Non-executive, nominated by the holders of class B Stichting certificates | 2004                       | 2010                |
|                                   | Director                  |   |                            |                     |
| Mark Winkelman                    | Independent director      | Non-executive   | 2004                       | 2010                |

The business address for all of our directors is: Brouwerijplein 1, 3000 Leuven, Belgium.

**Mr. Busch IV** has held a variety of positions in Anheuser-Busch management, brewing, operations and marketing. He was born in 1964 and is a U.S. citizen. He holds an MBA from St. Louis University, a brewmaster's degree from the International Brewing Institute in Berlin and graduated magna cum laude with a bachelor's degree in finance from St. Louis University. He holds an honorary doctorate of business administration from Webster University.

**Mr. Dehaene** is an independent Board member. Born in 1940, he has served on the Board since 2001. He is an eminent Belgian politician and member of the European Parliament. He is also Chairman of the board of Dexia (Belgium) and a board member of Umicore, Thrombogenics and Lotus Bakeries (Belgium).

**Mr. Descheemaeker** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1960, Mr. Descheemaeker joined Interbrew in 1996. He began his professional career with the Belgian Ministry of Finance, from where he moved on to Banque Paribas. A Belgian citizen, Mr. Descheemaeker holds a degree in Commercial Engineering from Solvay Business School, Brussels. At Interbrew he led Business Development and External Growth Strategy from 1996 to 2004. He was appointed Zone President U.S. & Latin America in September 2003. In January 2005 Mr. Descheemaeker became Zone President Central & Eastern Europe. In December 2005 his responsibilities shifted to the Western European Zone and he was also appointed a member of the Convergence Committee. In January 2009, Mr. Descheemaeker was appointed Chief Financial Officer of Delhaize Group.

**Mr. Harf** is an independent Board member (Chairman). Born in 1946, he is a German citizen and Chairman of Coty, a global cosmetics group. He is also the Chairman and Chief Executive Officer of Joh. A. Benckiser SE and Deputy Chairman of the Reckitt Benckiser Group plc, the world's number one producer of household cleaning products.

**Mr. Herrmann Telles** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1950, he has been a member of the board of directors of AmBev since 2000. Mr. Telles has a degree in economics from Universidade Federal do Rio de Janeiro, and attended the Owners/Presidents Management Programme at Harvard Business School.

**Table of Contents**

**Mr. Lemann** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in Brazil in 1939, he graduated from Harvard University, A.B. 1961. He founded and was senior partner of Banco de Investimentos Garantia S.A. in Brazil from 1971 to June 1998, when it was sold to Credit Suisse First Boston. Until early 2005 he was a director of The Gillette Company in Boston, Swiss Re in Zurich, Chairman of the Latin American Advisory Committee of the New York Stock Exchange and director of Lojas Americanas, a Brazilian retailer. He resigned from these boards to concentrate on his beer investments with us. In 2004 Mr. Lemann aligned his AmBev beer interests with those of Interbrew of Belgium to help create InBev. He is also a board member of Fundação Estudar, provider of scholarships for Brazilians and a member of Harvard Business School's board of Dean's Advisors.

**Mr. de Pret Roose de Calesberg** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1944, he graduated as a commercial engineer from the University of Leuven (Belgium) and has been one of our directors since 1990. He first joined the board of Brasseries Artois S.A. as *Commissaire* in the late seventies. From 1972 until 1978 Mr. de Pret served as Corporate Account Manager at Morgan Guaranty Trust Company of New York and from 1978 until 1981 he was Treasurer at the Cockerill-Sambre steel company (Belgium). Between 1981 and 1990 he held various finance positions with UCB (Belgium), first as Treasurer and then as Chief Financial Manager and member of the executive Committee. In 1990 Mr. de Pret joined Société Générale de Belgique as the Corporate Finance Officer. From 1991 to 2000 he was a member of the executive Committee of Union Minière (the company now known as Umicore) (Belgium), as well as Corporate Vice-President Finance, and in 1992 he became Chief Financial Officer. Today, Mr. de Pret holds several board and committee mandates: Delhaize Group (board and audit committee), Umicore (board and audit committee), Sibelco (board and audit committee), L Integrale (board and finance committee), Euronext (supervisory board), Lesaffre & Cie (board and finance committee) and Sébastien Holding (chairman of the board).

**Mr. de Spoelberch** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1966, he is a Belgian citizen and an active private equity shareholder. Recent activities include shared Chief Executive Officer responsibilities for Lunch Garden, the leading Belgian self-service restaurant chain. He is a member of the boards of several family-owned companies, such as Eugénie Patri Sébastien S.A., Verlinvest, Orpar (Remy Cointreau) and Cobehold (Cobepa). He holds an MBA from INSEAD, Fontainebleau France.

**Mr. Storm** is an independent Board member. Born in 1942, he is a Dutch citizen and is the retired chairman of the executive board of directors of AEGON, a life insurance group. He is also chairman of the supervisory board of KLM, the airline carrier of the Netherlands, vice-chairman of the supervisory board of PON Holdings, a member of the supervisory board of AEGON and a member of the board of directors of Baxter Intl (member of the audit committee) and Unilever (chairman of the audit committee).

**Mr. Thompson Motta** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1957. Mr. Thompson Motta is a founder and board member of GP Investments Ltd. (Bermuda) and is also a board member of Lojas Americanas S.A. and São Carlos S.A. He holds a degree in mechanical engineering from Pontificia Universidade Católica do Rio de Janeiro, and an MBA from the Wharton School of the University of Pennsylvania.

**Mr. Van Damme** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1962, he held various operational positions within the AB InBev Group until 1991, including Head of Corporate Planning and Strategy. He has managed several private venture holding companies and currently is a director of Patri S.A. (Luxembourg). Mr. Van Damme holds a degree in Business Administration from the University of Brussels (Belgium).

**Mr. da Veiga Sicupira** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1948, he has been Chairman of Lojas Americanas since 1981, where he served as chief executive officer until 1992. He has been a board member of Quilmes since 2002 and a member of the Board of Dean's Advisors of Harvard Business School since 1998.

**Table of Contents**

**Mr. Winkelman** is an independent Board member. Born in 1946, he is a citizen of the Netherlands. He served as a Management Committee member of Goldman Sachs & Co. from 1988 to 1994, where he is now a Senior Director. He holds a degree in Economics from the Erasmus University in Rotterdam, and an MBA from the Wharton School at the University of Pennsylvania, where he is a trustee. Before joining Goldman Sachs & Co. in 1978, he served at the World Bank for four years as a senior investment officer.

**General Information on the Directors**

In relation to each of the members of our Board, other than as set out below, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

In October 2008, Messrs. Lemann, Telles and Sicupira were notified by the CVM, the Brazilian Securities Commission, that it had decided to initiate a formal regulatory inquiry against them regarding (i) the potential use of privileged information in relation to the trading of AmBev shares between May 2003 and March 2004 and (ii) the way certain information regarding AmBev was disclosed to the Brazilian market in March 2004. Messrs. Lemann, Telles and Sicupira believe that this inquiry is without merit and presented their defence on 7 November 2008. In addition, on 6 May 2009, Messrs. Lemann, Telles and Sicupira learned that the CVM has decided to initiate a formal regulatory inquiry against them regarding the approval process of the InBev-AmBev transaction, as well as its disclosure to the market. Messrs. Lemann, Telles and Sicupira presented their defences on 17 August 2009. See Legal and Arbitration Proceedings AmBev and its Subsidiaries CVM .

No member of our Board has a family relationship with any other member of our Board or any member of our executive board of management.

Over the five years preceding the date of this Form F-4, the members of our Board hold or have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

| <b>Name</b>            | <b>Current</b>   | <b>Past</b>   |
|------------------------|--|---|
| August A. Busch IV     | Grupo Modelo   | Fedex Corp.   |
| Jean-Luc Dehaene       | Umicore, Lotus Bakeries, Thrombogenics, Koning Boudewijn Stichting/Fondation Roi Baudouin and College of Europe, Dexia Bank SA/NV  | Telindus and Domo   |
| Stéfan Descheemaeker   | Eugénie Patri Sébastien S.A., the Stichting and Delhaize Group   |   |
| Peter Harf             | Reckitt Benckiser, Coty, Labelux, DKMS Deutsche Knochenmarkspenderdatei and DKMS Americas  | Brunswick   |
| Marcel Herrmann Telles | Harvard Business School's Board of Dean's Advisors, 3G Capital, Inc., Instituto de Desenvolvimento Gerencial INDG, Fundação Estudar, Instituto Social Maria Telles and the Stichting | Lojas Americanas S.A., São Carlos Empreendimentos e Participações S.A., Editora Abril S.A. GP Investimentos and Instituto Veris IBMEC São Paulo |

**Table of Contents**

| <b>Name</b>                       | <b>Current</b>  | <b>Past</b>  |
|-----------------------------------|---|--|
| Jorge Paulo Lemann                | Harvard Business School's Board of Dean's Advisors<br>3G Capital, Inc., Fundação Estudar, Fundação<br>Lemann, the Stichting and Instituto Veris<br>Paulo  | Lojas Americanas S.A., São Carlos<br>Empreendimentos e Participações S.A., GP<br>Investimentos, The Gillette Company, Swiss Re,<br>DaimlerChrysler (International Advisory Board),<br>New York Stock Exchange (Latin American<br>Advisory Board) |
| Arnoud de Pret Roose de Calesberg | Delhaize Group, Umicore, UCB, Sibelco, L Intégrale<br>Caisse Commune d'Assurances, Lesaffre & Cie, the<br>Stichting, Eugénie Patri Sébastien S.A., Rayvax<br>Société d'Investissement NV/SA, Sébastien<br>Holding S.A., Multifin S.A., IMCC S.A.,<br>Immobilière d'Haltinne S.A., Solières Conseil S.A.,<br>Amélie-Fin S.A., Adrien Invest S.C.R.L.,<br>Coqueray S.A., Euronext B.V., Comprendre et Parler<br>ASBL and Fondation InBev Baillet-Latour ASBL  |  |
| Grégoire de Spoelberch            | Agemar S.A., Wernelin S.A., Fiprolux S.A., Eugénie<br>Patri Sébastien S.A., the Stichting, G.D.S. Consult,<br>Cobehold, Compagnie Benelux Participations,<br>Vervodev, Wesparc, Groupe Josi <sup>(1)</sup> , Financière<br>Stockel <sup>(1)</sup> , Immobilière du Canal <sup>(1)</sup> , Lunch Garden<br>Services <sup>(1)</sup> , Lunch Garden <sup>(1)</sup> , Lunch Garden<br>Management <sup>(1)</sup> , Lunch Garden Finance <sup>(1)</sup> , Lunch<br>Garden Concepts <sup>(1)</sup> , HEC Partners <sup>(1)</sup> , Q.C.C. <sup>(1)</sup> ,<br>A.V.G. Catering Equipment <sup>(1)</sup> , Immo<br>Drijvers-Stevens <sup>(1)</sup> , Elpo-Cuisinex Wholesale <sup>(1)</sup> ,<br>Verlinvest <sup>(1)</sup> and Midi Developpement <sup>(1)</sup> | Atanor <sup>(1)</sup> , Amantelia <sup>(1)</sup> and Demeter Finance <sup>(1)</sup>  |
| Kees J. Storm                     | Unilever N.V., Unilever Plc, Baxter<br>International Inc., Pon Holdings B.V., AEGON N.V.<br>and Koninklijke Luchtvaart Maatschappij N.V.  | Royal Wessanen N.V. and Laurus N.V.  |
| Roberto Moses Thompson Motta      | São Carlos Empreendimentos e Participações S.A.,<br>Lojas Americanas S.A., B2W  | Mcom Wireless Ltda. and LPDS<br>Participações S.A.   |
| Alexandre Van Damme               | Companhia Global do Varejo,<br>3G Capital, Inc., the Stichting and GP Investment<br>Limited<br>Royal Sporting Club Anderlecht, the Stichting and<br>Eugénie Patri Sébastien S.A.  |  |

**Table of Contents**

| <b>Name</b>                      | <b>Current</b>   | <b>Past</b>  |
|----------------------------------|--|--|
| Carlos Alberto da Veiga Sicupira | B2W Companhia Global do Varejo, São Carlos Empreendimentos e Participações S.A., Lojas Americanas S.A., 3G Capital, Inc., Instituto de Desenvolvimento Gerencial INDG, Movimento Brasil Competitivo MBC, Fundação Estudar, Fundação Brava, the Stichting and Instituto Veris IBMEC São Paulo | ALL América Latina Logística S.A., GP Investimentos and Harvard Business School's Board of Dean's Advisors |
| Mark Winkelman                   | Goldman, Sachs & Co. and University of Pennsylvania  | Select Reinsurance, Ltd. and J.C. Flowers & Co.  |

(1) As permanent representative.

**Chief Executive Officer and Senior Management**

***Role and Responsibilities, Composition, Structure and Organisation***

Our Chief Executive Officer is responsible for our day-to-day management. He has direct responsibility for our operations and oversees the organisation and efficient day-to-day management of our subsidiaries, affiliates and joint ventures. Our Chief Executive Officer is responsible for the execution and management of the outcome of all of our Board decisions.

He is appointed and removed by our Board and reports directly to it.

Our Chief Executive Officer leads an executive board of management which comprises the Chief Executive Officer, seven global functional heads and six geographic business zone presidents.

The other members of executive board of management report to our Chief Executive Officer to enable our Chief Executive Officer to properly perform his duties of daily management.

Although exceptions can be made in special circumstances, the upper age limit for the members of our executive board of management is 65, unless their employment contract provides otherwise.

**Table of Contents**

Our executive board of management currently consists of the following members:

| <b>Name</b>          | <b>Function</b>                           |
|----------------------|---|
| Carlos Brito         | Chief Executive Officer                   |
| Felipe Dutra         | Chief Finance Officer                     |
| Claudio Braz Ferro   | Chief Supply Officer                      |
| Chris Burggraeve     | Chief Marketing Officer                   |
| Sabine Chalmers      | Chief Legal and Corporate Affairs Officer |
| Claudio Garcia       | Chief People and Technology Officer       |
| Jo Van Biesbroeck    | Chief Strategy and Sales Officer          |
| Tony Milikin         | Chief Procurement Officer                 |
| Alain Beyens         | Zone President Western Europe             |
| Miguel Patricio      | Zone President Asia Pacific               |
| Francisco Sá         | Zone President Central & Eastern Europe   |
| Bernardo Pinto Paiva | Zone President Latin America South        |
| João Castro Neves    | Zone President Latin America North        |
| Luiz Fernando Edmond | Zone President North America              |

The business address for all of these executives is: Brouwerijplein 1, 3000 Leuven, Belgium.

**Carlos Brito** is our Chief Executive Officer. Born in 1960, Mr. Brito joined AmBev in 1989. His prior companies were Shell Oil and Daimler Benz. A Brazilian citizen, Mr. Brito holds a degree in Mechanical Engineering from the Federal University of Rio de Janeiro and an MBA from Stanford University. At AmBev, he held various positions in Finance, Operations and Sales, before being appointed Chief Executive Officer of AmBev in January 2004. Prior to his appointment as our Chief Executive Officer in December 2005, Mr. Brito was nominated Zone President North America when InBev was formed in August 2004.

**Felipe Dutra** is our Chief Financial Officer. Born in 1965, Mr. Dutra joined AmBev in 1990 from Aracruz Cellulose. A Brazilian citizen, Mr. Dutra holds a Major in Economics from Candido Mendes and an MBA in Controlling from the University of São Paulo. At AmBev, he held various positions in Treasury and Finance before being appointed General Manager of AmBev's subsidiary, Fratelli Vita. In 1999 Mr. Dutra was appointed AmBev's Chief Financial Officer; in January 2005 he became our Chief Financial Officer.

**Claudio Braz Ferro** is our Chief Supply Officer. Born in 1955, Mr. Braz Ferro joined AmBev in 1977. A Brazilian citizen, he holds a degree in industrial chemistry from the Federal University of Santa Maria, Brazil and he also studied brewing science at the Catholic University of Leuven/Louvain-La-Neuve, Belgium. At AmBev Mr. Braz Ferro held several key positions, including plant manager of the Skol brewery and industrial director of Brahma operations in Brazil. Mr. Braz Ferro also played a key role in structuring the supply organisation when Brahma and Antarctica combined to form AmBev in 2000. He was appointed our Chief Supply Officer on 1 January 2007.

**Chris Burggraeve** is our Chief Marketing Officer. A Belgian citizen, Mr. Burggraeve holds a degree in Applied Economics (International Business) from the Catholic University of Leuven, as well as a Masters in European Economics from the Centre Européen Universitaire in Nancy, France, and a TRIUM Global MBA (offered jointly by London School of Economics, NYU Stern and HEC Paris). Born in 1964, Mr. Burggraeve joined us as of November 2007 after over 12 years with The Coca-Cola Company, where he held a number of senior Marketing and General Management roles in various geographies across Europe and Eurasia, including most recently as Group Marketing Director for their European Union Group. Previously he worked for Procter & Gamble Benelux in Brand Management and Innovation. He began his career in consulting and technology start-up companies.

**Sabine Chalmers** is our Chief Legal and Corporate Affairs Officer. Born in 1965, Mrs. Chalmers joined us in December 2004 from Diageo plc, where she held a number of senior legal positions in various geographies since 1993, including as General Counsel for Diageo North America. Prior to Diageo, Mrs. Chalmers was an

**Table of Contents**

associate at the law firm of Lovells in London, specialising in mergers and acquisitions and in commercial property transactions. A German citizen, Mrs. Chalmers holds an LL.B. from the London School of Economics. She is qualified as a solicitor in England and is a member of the New York State Bar. She is responsible for all leadership and expertise with regard to all legal aspects of the operations and structure of the AB InBev Group and acts as secretary to our Board.

**Claudio Garcia** is our Chief People and Technology Officer. Born in 1968, Mr. Garcia joined AmBev as a trainee in 1991 after receiving a degree in Economics from the Federal University of Rio de Janeiro. A Brazilian citizen, Mr. Garcia held various positions in Finance and Operations before being appointed IT and Shared Services Director in 2002. Mr. Garcia took the position of our Chief Information & Services Officer in January 2005. In September 2006 Mr. Garcia was appointed Chief People and Technology Officer.

**Jo Van Biesbroeck** is our Chief Strategy and Sales Officer. Born in 1956, Mr. Van Biesbroeck joined Interbrew in 1978 after receiving a degree in Economics from the University of Leuven. A Belgian citizen, Mr. Van Biesbroeck's career at Interbrew has included various positions in Controlling and Finance. He became Senior Vice President Corporate Strategy in 2003; in December 2004, Mr. Van Biesbroeck was appointed Chief Strategy & Business Development Officer. He took up the position of Chief Strategy and Sales Officer in May 2006.

**Tony Milikin** is our Chief Procurement Officer. Born in 1961, Mr. Milikin joined us in May 2009 from MeadWestvaco, where he was Vice President, Supply Chain and Chief Purchasing Officer, based in Richmond, Virginia, since 2004. Mr. Milikin is a U.S. citizen. Prior to joining MeadWestvaco, Mr. Milikin held various purchasing and supply chain positions including Vice-President Purchasing and Supply Management for Sealy, Inc.; Senior Director, Purchasing, Transportation & Distribution for Monsanto; and Manager, Direct Material Sourcing for Alcon Laboratories. Mr. Milikin holds an undergraduate finance degree from the University of Florida and an MBA in Marketing from Texas Christian University in Fort Worth, Texas. Mr. Milikin was appointed Chief Procurement Officer in May 2009.

**Alain Beyens** is the Zone President Western Europe. Born in 1961, Mr. Beyens joined us in 1987. A Belgian citizen, Mr. Beyens holds a degree in Commercial Engineering from the Solvay Business School (Brussels University VUB) and an MBA from the University of Antwerp. He held various positions in Distribution and Sales before being appointed General Manager of InBev Belgium in 1999. In 2002 Mr. Beyens became Regional President BeNeFraLux and in 2005 Business Unit President InBev for Germany and associated markets, followed by the position of Zone President Central & Eastern Europe in January 2006. Mr. Beyens was appointed Zone President Western Europe in January 2008.

**Miguel Patricio** is the Zone President Asia Pacific. Born in 1966, Mr. Patricio joined AmBev in 1998. His prior companies included Philip Morris, The Coca-Cola Company in the U.S. and Johnson & Johnson in Brazil, Central America and the U.S. A Portuguese citizen, Mr. Patricio holds a degree in Business Administration from the São Paulo Business School. At AmBev Mr. Patricio was Vice President Marketing, before being appointed Vice President Marketing North America in 2005. Subsequently he took the position of Business Unit President for Belgium and Luxembourg and Zone President North America in January 2006. He was appointed Zone President Asia Pacific in January 2008.

**Francisco Sá** is the Zone President Central & Eastern Europe. Born in 1965, Mr. Sá joined AmBev in 1998. A Brazilian citizen, Mr. Sá holds a degree in Civil Engineering from UFBA and an MBA from UC Berkeley (USA). At AmBev he held senior roles including Direct Distribution Manager, Regional Sales Director and, since 2005, VP Soft Drinks for Latin America North (LAN). Mr. Sá was appointed Zone President Central & Eastern Europe in January 2008.

**Bernardo Pinto Paiva** is the Zone President Latin America South. Born in 1968, Mr. Pinto Paiva joined AmBev in 1991 as a management trainee. A Brazilian citizen, Mr. Pinto Paiva holds a degree in Engineering from UFRJ and an MBA from PUC, Rio de Janeiro. At AmBev he held leadership positions in Sales, as Head of

---

**Table of Contents**

Sales, but also in Supply, Distribution and Finance. Mr. Pinto Paiva was appointed Zone President North America in January 2008 and Zone President Latin America South on 8 October 2008 (effective upon closing of the Anheuser-Busch acquisition).

**João Castro Neves** is the Zone President Latin America North and AmBev's Chief Executive Officer. Born in 1967, Mr. Castro Neves joined AmBev in 1996. A Brazilian citizen, he holds a degree in engineering from Pontifícia Universidade Católica do Rio de Janeiro and an MBA from the University of Illinois. Mr. Castro Neves held positions in various departments such as Mergers and Acquisitions, Treasury, Investor Relations, Business Development, Technology and Shared Services. Mr. Castro Neves was AmBev's Chief Financial Officer and Investor Relations Officer before being appointed Zone President Latin America South on 1 January 2007 and Zone President Latin America North and AmBev's Chief Executive Officer on 8 October 2008 (effective upon closing of the Anheuser-Busch acquisition).

**Luiz Fernando Edmond** is the Zone President North America. Born in 1966, Mr. Edmond joined AmBev in 1990 after starting his professional career with Banco Nacional in Brazil. A Brazilian citizen, Mr. Edmond holds a degree in Production Engineering from the Federal University of Rio de Janeiro. At AmBev he held various positions in the Commercial area, in Operations and in Distribution. He was appointed our Zone President Latin America in January 2005 and Zone President North America on 8 October 2008 (effective upon closing of the Anheuser-Busch acquisition). In his role of Zone President North America, Mr. Edmond oversees all of our operations in the United States and Canada.

In connection with the Anheuser-Busch acquisition, we have made, and expect to continue to make, various appointments and modifications to the management in certain of our business zones and subsidiaries, including Anheuser-Busch. For instance, on 8 October 2008, we announced the appointment of David A. Peacock (who is not one of our directors nor a member of our executive board of management) as the president of Anheuser-Busch, effective upon closing of the Anheuser-Busch acquisition. Mr. Peacock manages all of our U.S. operations. Mr. Peacock previously served as Vice President of Marketing of Anheuser-Busch, Inc. and Chief Executive Officer of Wholesaler Equity Development Corp., a wholly-owned subsidiary of Anheuser-Busch. Mr. Peacock began working with Anheuser-Busch in 1992 and has held positions in corporate planning, brand management, corporate media and retail sales promotion.

***General Information on the Members of the Executive Board of Management***

In relation to each of the members of the executive board of management, other than as set out below, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

In May 2008, Mr. Dutra received a warning from the Administrative Appeal Council for the National Financial System of Brazil. A warning, which is the lightest sanction available under applicable Brazilian law, represents the conclusion by the Administrative Appeal Council that, in its view, a breach has occurred. No fine, or any other consequence, attaches to a warning, other than being deemed a repetitive offender in the event of another breach in the future (and, as such, being then potentially exposed to heavier sanctions than would normally be associated with such other breach). The warning relates to the reporting in the 2000 financial year financial statements of Polar (Industrias de Bebidas Antarctica Polar S.A., a Brazilian company that became a subsidiary of AmBev in 1999) of (i) the net balance (immaterial to AmBev and to Polar) of certain inter-company loans of Polar, and (ii) restatements and other adjustments required by the new statutory auditors of Polar after it became a subsidiary of AmBev to conform with AmBev's accounting practices that increased the amount of certain reserves of Polar. Mr. Dutra, who had been appointed as an officer of Polar a few months before the relevant financial statement reporting has expressed his intention to challenge the warning in a court of law.



**Table of Contents**

In October 2008, Mr. Dutra was notified by the CVM, the Brazilian Securities Commission, that it had decided to initiate a formal regulatory inquiry against him (i) in connection with the potential use of privileged information by Messrs. Lemann, Telles and Sicupira in relation to the trading of AmBev shares between May 2003 and March 2004 and (ii) the way certain information relating to AmBev was disclosed to the Brazilian market in March 2004. On 29 April 2009, the CVM published its decision accepting a settlement proposal with Mr. Felipe Dutra pursuant to which the regulatory inquiry was closed without a decision on the merits, subject to the payment of 250,000 reais. The settlement proposal did not entail the recognition of any wrongdoing on the part of Mr. Dutra, whether express or implied, nor did it amount to an admission as to any of the alleged facts described in the regulatory inquiry. In addition, on 6 May 2009, Mr. Dutra learned that the CVM had decided to initiate a formal regulatory inquiry against him regarding the approval process for the InBev-AmBev transaction, as well as its disclosure to the market. Mr. Dutra presented his defence on 17 August 2009. See Legal and Arbitration Proceedings AmBev and its Subsidiaries CVM .

No member of our executive board of management has any conflicts of interests between any duties he/she owes to us and any private interests and/or other duties.

No member of our executive board of management has a family relationship with any director or member of executive management.

Over the five years preceding the date of this Form F-4, the members of the executive board of management have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

| <b>Name</b>          | <b>Current</b>  | <b>Past</b>   |
|----------------------|---|---|
| Carlos Brito         |   |   |
| Felipe Dutra         |   |   |
| Claudio Braz Ferro   |   |   |
| Chris Burggraeve     | Executive Committee Member of World Federation of Advertisers | Operating partner in The Dellacorte Group LLC                                       |
| Sabine Chalmers      |   |   |
| Claudio Garcia       |   |   |
| Jo Van Biesbroeck    | Director of Inno.com NV                                       |   |
| Alain Beyens         |   |   |
| Tony Milikin         |   | Director of the Institute of Supply Management and Director of Supply Chain Council |
| Miguel Patricio      |   |   |
| Francisco Sá         |   |   |
| Bernardo Pinto Paiva |   |   |
| João Castro Neves    |   |   |
| Luiz Fernando Edmond |   |   |

**COMPENSATION**

**Introduction**

Our compensation system has been designed and approved to help motivate high-performance. The goal is to deliver market-leading compensation, driven by both company and individual performance, and alignment with shareholders' interests by encouraging ownership of our shares. Our focus is on annual and long-term variable pay, rather than on base salary or fees.

## **Table of Contents**

### **Share-Based Payment Plans**

We currently have two primary share-based compensation plans, namely our long-term incentive plan ( **LTI** ), established in 1999 and our share-based compensation plan ( **Share-Based Compensation Plan** ), established in 2006. Persons eligible to receive awards under the LTI receive a portion of their compensation in the form of warrants. Persons eligible to receive awards under the Share-Based Compensation Plan receive a portion of their compensation in the form of shares and, if they so choose, options.

In addition to the LTI and Share-Based Compensation Plan, from time to time we make exceptional grants to our employees and employees of our subsidiaries or grants of shares or options under plans established by us or by certain of our subsidiaries.

### ***Long-Term Incentive Plan or LTI***

Since 1999, we have regularly issued warrants (*droits de souscription/warrants*, or rights to subscribe for newly issued shares) under our LTI for the benefit of our directors and, until 2006, for the benefit of members of our executive board of management and other senior employees. Since 2007, members of our executive board of management and other employees are no longer eligible to receive warrants under the LTI, but instead receive a portion of their compensation in the form of shares and options granted under our Share-Based Compensation Plan. See [Share-Based Compensation Plan](#) below. Only our directors continue to be eligible to receive a portion of their compensation in the form of LTI warrants. Such grants are made annually at our shareholders' meeting on a discretionary basis upon recommendation of our Compensation and Nominating Committee. See [Board Practices](#) [Information about Our Committees](#) [The Compensation and Nominating Committee](#) .

Each LTI warrant gives its holder the right to subscribe for one newly issued share. Shares subscribed for upon the exercise of LTI warrants are ordinary registered Anheuser-Busch InBev SA/NV shares. Holders of such shares have the same rights as any other registered shareholder. The exercise price of LTI warrants is equal to the average price of our shares on the regulated market of Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 (except for 2003) have a duration of 10 years. From 2007 onwards (and in 2003) LTI warrants have a duration of 5 years. LTI warrants are subject to a vesting period ranging from one to three years. Except as a result of the death of the holder, LTI warrants may not be transferred. Forfeiture of a warrant occurs in certain circumstances when the holder leaves our employment.

**Table of Contents**

The table below provides an overview of all of the warrants outstanding under our LTI as at 30 June 2009:

| LTI Plan     | Issue date of warrants | Expiry date of warrants | Number of warrants granted <sup>(1)</sup> | Unadjusted <sup>(2)</sup>      |                | Number of warrants outstanding As adjusted as a result of rights offering <sup>(3)</sup> |                |
|--------------|------------------------|-------------------------|---|--------------------------------|----------------|--|----------------|
|              |                        |                         |   | Number of warrants outstanding | Exercise price | (in millions)  | Exercise price |
|              |                        |                         | (in millions)                             | (in millions)                  | (in EUR)       | (in millions)  | (in EUR)       |
| 1            | 29 June 1999           | 28 June 2009            | 1.301                                     | 0                              | 14.23          | 0  | 8.90           |
| 2            | 26 October 1999        | 26 October 2009         | 0.046                                     | 0                              | 13.76          |  |                |
| 3            | 25 April 2000          | 24 April 2010           | 2.425                                     | 0.040                          | 11.64          | 0.096  | 7.28           |
| 4            | 31 October 2000        | 30 October 2010         | 0.397                                     | 0                              | 25.02          | 0.030  | 15.64          |
| 5            | 13 March 2001          | 12 March 2011           | 1.186                                     | 0                              | 30.23          | 0.193  | 18.90          |
| 6            | 23 April 2001          | 22 April 2011           | 0.343                                     | 0.032                          | 29.74          | 0.053  | 18.59          |
| 7            | 4 September 2001       | 3 September 2011        | 0.053                                     | 0                              | 28.69          | 0.010  | 17.94          |
| 8            | 11 December 2001       | 10 December 2011        | 1.919                                     | 0.048                          | 28.87          | 0.375  | 18.05          |
| 9            | 13 June 2002           | 12 June 2012            | 0.245                                     | 0.040                          | 32.70          | 0.031  | 20.44          |
| 10           | 10 December 2002       | 9 December 2012         | 3.464                                     | 0.074                          | 21.83          | 0.384  | 13.65          |
| 11           | 29 April 2003          | 28 April 2008           | 0.066                                     | 0                              | 19.51          |  |                |
| 12           | 27 April 2004          | 26 April 2014           | 3.881                                     | 0.132                          | 23.02          | 0.754  | 14.39          |
| 13           | 26 April 2005          | 25 April 2015           | 2.544                                     | 0.140                          | 27.08          | 1.093  | 16.93          |
| 14           | 25 April 2006          | 24 April 2016           | 0.688                                     | 0.124                          | 38.70          | 0.331  | 24.20          |
| 15           | 24 April 2007          | 23 April 2012           | 0.120                                     | 0.120                          | 55.41          |  |                |
| 16           | 29 April 2008          | 28 April 2013           | 0.120                                     | 0.120                          | 58.31          |  |                |
| 17           | 28 April 2009          | 27 April 2014           | 1.199 <sup>(4)</sup>                      | 1.200                          | 21.72          |  |                |
| <b>Total</b> |                        |                         | <b>19.995</b>                             | <b>2.070</b>                   |                | <b>3.350</b>   |                |

(1) The number of warrants granted reflects the number of warrants originally granted under the LTI plan, plus the number of additional warrants granted to holders of those warrants as a result of adjustment resulting from our rights offering in December 2008, as described in more detail below. The number of warrants remaining outstanding from such grants, and their respective exercise prices, are shown separately in the table based on whether or not the relevant warrants were adjusted in connection with our rights offering in December 2008.

(2) Entries in the Unadjusted columns reflect the number of warrants outstanding, and the exercise price of such warrants, in each case that were not adjusted as a result of our rights offering in December 2008, as described in more detail below.

(3) Entries in the adjusted columns reflect the adjusted number of warrants outstanding, and the adjusted exercise price of such warrants as a result of our rights offering in December 2008, as described in more detail below.

(4) 984,203 of the 1,199,203 warrants granted on 28 April 2009 were granted to persons whose outstanding warrants were not adjusted as a result of our rights offering in December 2008 to compensate such persons for the effects of this non-adjustment as described in more detail below.

As of 30 June 2009, the total number of warrants granted under the LTI plans, including the additional warrants granted to compensate for the effects of the December 2008 rights offering, is 19.995 million. As of 30 June 2009, of the 5.420 million outstanding warrants, 3.874 million were vested.

The LTI terms and conditions provide that, in the event that a corporate change decided by us and having an impact on our capital has an unfavourable effect on the exercise price of the LTI warrants, their exercise price and/or the number of our shares to which they give rights will

be adjusted to protect the interests of their holders. Our rights offering in December 2008 constituted such a corporate change and triggered an adjustment. Pursuant to the LTI terms and conditions, we determined that the most appropriate manner to account for the impact of the rights offering on the unexercised warrants was to apply the ratio method as set out in the NYSE Euronext Liffe's Harmonised Corporate Action Policy, pursuant to which both the number of

---

**Table of Contents**

warrants and their exercise price were adjusted on the basis of a  $\{(P-E)/P\}$  ratio where  $E$  represented the theoretical value of the December 2008 rights and  $P$  represented the closing price of our shares on Euronext Brussels on the day immediately preceding the beginning of the relevant rights subscription period. The unexercised warrants were adjusted on 17 December 2008, the day after the closing of the rights offering. Based on the above ratio method, we used an adjustment ratio of 0.6252. The adjusted exercise price of the warrants equals the original exercise price multiplied by the adjustment ratio. The adjusted number of warrants equals the original number of warrants divided by the adjustment ratio. In total, 1,615,453 new warrants were granted pursuant to the adjustment.

The adjustment was not applied to warrants owned by persons that were directors at the time the warrants were granted. In order to compensate such persons, an additional 984,203 warrants were granted under the LTI grant on 28 April 2009, as authorised by our 2009 shareholders meeting. The table above reflects the adjusted exercise price and adjusted number of warrants.

For additional information on the LTI warrants held by members of our Board of Directors and members of our executive board of management, see Compensation of Directors and Executives.

***Share-Based Compensation Plan***

In 2006, we launched a new Share-Based Compensation Plan under which members of our executive board of management and certain other senior employees are granted bonuses.

Pursuant to the Share-Based Compensation Plan, half of each eligible employee's bonus is settled in our shares. These shares must be held for three years (that is, the shares are fully owned by the employee from the date of grant but are subject to a lock-up of three years and failure to comply with the lock-up results in forfeiture of any matching options granted under the plan as described below). These shares are valued at their market price at the time of grant.

Pursuant to the Share-Based Compensation Plan, eligible employees may elect to receive the other half of their bonus in cash or they may invest all or half of it in our shares. These shares must be held for five years. If an eligible employee voluntarily agrees to defer receiving part of their bonus by electing to invest in such shares, they will receive matching options (that is, rights to acquire existing shares) that will become vested after five years, provided that certain predefined financial targets are met or exceeded. These targets will be met if our return on invested capital less our weighted average cost of capital over a period of three to five years exceeds certain pre-agreed thresholds. The number of matching options received is determined based on the proportion of the remaining 50% of the eligible employee's bonus that he invests in such shares. For instance, if an eligible employee invests all of the remaining 50% of his bonus in our shares, he will receive a number of options equal to 4.6 times the number of shares he purchased, based on the gross amount of the bonus invested. If the eligible employee instead chooses to receive 25% of his bonus in cash and invests the remaining 25% in our shares, he will receive a number of options equal to 2.3 times the number of shares he purchased, based on the gross amount of the bonus invested.

The shares granted and purchased under the Share-Based Compensation Plan are ordinary registered Anheuser-Busch InBev SA/NV shares. Holders of such shares have the same rights as any other registered shareholder, subject, however, to a three-year or five-year lock-up period, as described above.

In addition, the shares granted and purchased under the Share-Based Compensation Plan are:

entitled to dividends paid as from the date of granting; and

granted and purchased at market price at the time of granting. Nevertheless, our Board of Directors may, at its sole discretion, grant a discount on the market price.

**Table of Contents**

The matching options granted under the Share-Based Compensation Plan have the following features:

The exercise price is set equal to the market price of our shares at the time of granting;

Options cannot be repriced;

Options have a maximum life of 10 years and an exercise period that starts after five years, subject to financial performance conditions to be met at the end of the third, fourth or fifth year following the granting;

Upon exercise, each option entitles the option holder to one share;

Upon exercise, holders of options may be entitled to receive from us a cash payment equal to the dividends we have declared since the options were granted;

Specific restrictions or forfeiture provisions apply in case of termination of service; and

Except as a result of the death of the holder, options granted under the Share-Based Compensation Plan may not be transferred. The table below gives an overview of the matching options that have been granted under the Share-Based Compensation Plan that were outstanding as at 30 June 2009:

| <b>Issue Date</b> | <b>Number of<br/>bonus shares<br/>granted<br/>(in millions)</b> | <b>Number of<br/>matching<br/>options<br/>granted<br/>(in millions)</b> | <b>Number of<br/>matching<br/>options<br/>outstanding<br/>(in millions)</b> | <b>Exercise<br/>price<br/>(in EUR)</b> | <b>Expiry date of options</b> |
|-------------------|---|---|---|--|-------------------------------|
| 27 April 2006     | 0.28  | 0.98  | 0.739   | 24.78                                  | 26 April 2016                 |
| 2 April 2007      | 0.44  | 1.42  | 1.155   | 33.59 <sup>(1)</sup>                   | 1 April 2017                  |
| 3 March 2008      | 0.42  | 1.66  | 1.550   | 34.34                                  | 2 March 2018                  |
| 6 March 2009      | 0.16  | 0.40  | 0.381   | 20.49                                  | 5 March 2019                  |
| <b>Total</b>      | <b>1.30</b>   | <b>4.46</b>   | <b>3.825</b>  |  |                               |

(1) Certain matching options granted in April 2007 have an exercise price of EUR 33.79. As of 30 June 2009, of the 3.825 million outstanding matching options, none were vested.

The Share-Based Compensation Plan terms and conditions provide that, in the event that a corporate change decided by us and having an impact on our capital has an unfavourable effect on the exercise price of the matching options, the exercise price and/or number of our shares to which the options relate will be adjusted to protect the interests of the option holders. Our December 2008 rights offering constituted such a corporate change and triggered an adjustment. Pursuant to the Share-Based Compensation Plan terms and conditions, the unexercised matching options were adjusted in the same manner as the unexercised LTI warrants (see Long-Term Incentive Plan or LTI above), and 1.37 million new matching options were granted in 2008 in connection with this adjustment. The table above reflects the adjusted exercise price and number of options.

*Exchange of Share-Ownership Programme*

The combination with AmBev provided us with a unique opportunity to share best practices within our group and from time to time involves the transfer of certain members of AmBev's senior management to us. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with our interests, the Board approved a programme that aims at facilitating the exchange by these managers of their

## **Table of Contents**

AmBev shares for our shares. Under the programme, AmBev shares can be exchanged for our shares based on the average share price of both the AmBev and our shares on the date the exchange is requested. A discount of 16.66% is granted in exchange for a five-year lock-up period for the shares and provided that the manager remains in service during this period.

Under the programme, members of our executive board of management exchanged AmBev shares for 531,649 of our shares in 2008.

In total, members of our senior management exchanged AmBev shares for a total of 0.9 million of our shares in 2008 (1.8 million in 2007 and 1.5 million in 2006). The fair value of these transactions amounted to approximately USD 11 million in 2008 (USD 25 million for 2007 and USD 13 million for 2006).

### ***Anheuser-Busch Exceptional Options and Share Grants***

In April 2009, we granted 5,926,090 options to employees of Anheuser-Busch, with an estimated fair value of approximately USD 53 million. Each option will give the grantee the right to purchase one of our existing shares. The exercise price of each option is EUR 23.00 which corresponds to the fair market value of our shares at the time the options were granted. The options will expire on 31 October 2013. One-third of the options became exercisable on 1 November 2009, the second third of the options will become exercisable on 1 November 2010 and the last third of the options will become exercisable on 1 November 2011. Special forfeiture rules apply should the grantee leave us.

In April 2009, we sold approximately 600,000 of our existing outstanding shares to approximately 110 executives of Anheuser-Busch. The shares were sold at their fair market value, less a discount of 16.66% in exchange for a five-year lock-up period applying to such shares. The discount is only granted if the executive remains in service until the end of the lock-up period.

### ***2008 Exceptional Grant***

In order to reinforce our high-performance culture, we granted, shortly after the completion of the Anheuser-Busch acquisition, 28,412,642 stock options to approximately 40 executives of Anheuser-Busch InBev SA/NV, Anheuser-Busch and AmBev, including our Chief Executive Officer and the other current members of our executive board of management. We believe that the selected executives will help to successfully integrate Anheuser-Busch and InBev, which will underpin our ability to quickly deleverage. This grant was confirmed by our 2009 annual shareholders meeting in accordance with the principles and provisions of the Belgian Corporate Governance Code. The fair value of the options is approximately USD 233 million.

One half of the stock options have a duration of 10 years as from granting and vest on 1 January 2014. The other half of the stock options have a duration of 15 years as from granting and vest on 1 January 2019. The exercise of the stock options is subject, among other things, to the condition that we meet a performance test. This performance test will be met if our net debt/EBITDA, as defined (adjusted for exceptional items) ratio falls below 2.5 before 31 December 2013. For our definition of EBITDA, as defined, see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined. Except as a result of death of the holder, the stock options may not be transferred.

Our Chief Executive Officer was granted 3,253,358 options and the other members of our executive board of management were granted an aggregate of 9,326,286 options under the exceptional grant. The exercise price of the options is EUR 10.32, which corresponds to the fair market value of the shares at the time of the option grants, as adjusted for the rights offering that took place in December 2008.



**Table of Contents****2009 Exceptional Grant**

Under authorisation of our 2009 annual shareholders' meeting we offered, on 30 April 2009, a maximum number of 5,000,000 options to approximately 50 executives of the AB InBev Group, none of whom are members of our executive board of management. Each option will give the grantee the right to purchase one of our existing shares. The exercise price of each option will correspond to the fair value of our shares at the time of granting of the options. The options will have a duration of 10 years as from granting and will become exercisable on 1 January 2014. The exercise of the options will be subject, among other things, to the condition that we meet a performance test. This performance test will be met if our net debt/EBITDA, as defined (adjusted for exceptional items) ratio falls below 2.5 before 31 December 2013. For our definition of EBITDA, as defined, see Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008 EBITDA, as defined. Specific forfeiture rules will apply in the case of employment termination. The fair value of the offered options was USD 47 million.

**Fair Value of Our Warrants and Options**

The fair value of the warrants and options under all of the plans and other grants detailed above is estimated at the relevant grant date, using a binomial Hull model, modified to reflect the International Financial Reporting Standards 2 Share-based Payment requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

We expense the fair value of the warrants and options over the vesting period. When granted, the LTI warrants granted in 2009 in respect of 2008 had a fair value of approximately USD 16.3 million and the Share-Based Compensation Plan matching options granted in 2009 in respect of 2008 had a fair value of approximately USD 5.9 million. When granted, the LTI warrants granted in 2008 in respect of 2007 had a fair value of approximately USD 3 million and the Share-Based Compensation Plan matching options granted in 2008 in respect of 2007 had a fair value of approximately USD 36 million.

The weighted average fair value of all of the warrants and options under all of the plans and other grants detailed above and the assumptions used in applying the option pricing model for the grants made in 2007, 2008 and 2009 were as follows:

| <b>(Amounts in U.S. dollars unless otherwise indicated)</b> | <b>Six months ended<br/>30 June 2009</b> | <b>Year ended 31 December</b> |             |
|---|--|-------------------------------|-------------|
|   |  | <b>2008</b>                   | <b>2007</b> |
| Weighted average fair value of warrants and options granted | 13.33                                    | 38.17                         | 31.15       |
| Share price <sup>(1)</sup>                                  | 25.36                                    | 90.58                         | 77.59       |
| Average exercise price                                      | 18.25                                    | 86.62                         | 72.53       |
| Expected volatility   | 34%                                      | 24%                           | 20%         |
| Expected dividends  | 0.76%                                    | 0.16%                         | 0.16%       |
| Risk-free interest rate                                     | 3.49%                                    | 4.47%                         | 4.47%       |

(1) 2009 share price based on the weighted average price of our shares on Euronext Brussels in the acceptance period for the various warrant and options grants. The periods ran from 6 March 2009 and 23 June 2009; 2008 share price based on the average price of our shares on Euronext Brussels in the period between 3 March 2008 and 30 April 2008; 2007 share price based on the average price of our shares on Euronext Brussels in the period between 2 April 2007 and 30 May 2007.

Since the acceptance period of the warrants and options is two months, the fair value was determined as the average of the fair values calculated on a weekly basis during the two month offer period.

Expected volatility is based on historical volatility calculated using 1,410 days of historical data. A binomial Hull model assumes that all employees would immediately exercise their warrants and options if our share price is 2.5 times above the exercise price.

**Table of Contents**

The aggregate total number of our options and warrants outstanding under all the plans and other grants described above has developed as follows:

| Million Options and Warrants  | Six months ended    | Year ended 31 December |            |            |
|---|---------------------|------------------------|------------|------------|
|   | 30 June 2009        | 2008                   | 2007       | 2006       |
| Options and warrants outstanding at start of period   | 8.8                 | 6.3                    | 7.6        | 10.9       |
| Options and warrants issued during the period   | 35.9 <sup>(1)</sup> | 1.1                    | 1.0        | 1.2        |
| Options and warrants exercised during the period  | (0.8)               | (1.2)                  | (1.6)      | (3.4)      |
| Options and warrants forfeited during the period  | (0.3)               | (0.4)                  | (0.7)      | (1.1)      |
| Additional options and warrants granted during the period as a result of the December 2008 rights issue |                     | 3.0                    |            |            |
| <b>Options and warrants outstanding at end of period</b>  | <b>43.6</b>         | <b>8.8</b>             | <b>6.3</b> | <b>7.6</b> |

(1) Comprises 1,199,203 warrants granted to directors under the LTI plan (see Long-Term Incentive Plan or LTI ), 400,797 matching options granted to members of the executive board of management and senior employees under the share-based compensation plan (see Share-Based Compensation Plan ), 5,926,090 exceptional options granted to former Anheuser-Busch employees (see Anheuser-Busch Exceptional Options and Share Grants ) and 28,412,642 options granted under the exceptional grant (see 2008 Exceptional Grant ). The weighted average exercise price of our outstanding options and warrants is as follows:

|  | Six months ended                 | Year ended 31 December |       |
|--|----------------------------------|------------------------|-------|
|  | 30 June 2009                     | 2008                   | 2007  |
|  | <i>(Amounts in U.S. dollars)</i> |                        |       |
| Warrants and options outstanding at start of period        | 34.42                            | 46.50                  | 35.48 |
| Granted during the period (pre December 2008 rights issue) | 18.16                            | 76.92                  | 79.38 |
| Granted during the period (adjustment factor)              |                                  | 32.87                  |       |
| Forfeited during the period                                | 37.30                            | 56.63                  | 45.00 |
| Exercised during the period                                | 20.72                            | 32.76                  | 35.52 |
| Outstanding at the end of the period                       | 21.46                            | 34.42                  | 46.50 |
| Exercisable at the end of the period                       | 23.90                            | 23.66                  | 36.39 |

**AmBev Option Programme**

Under an equivalent 5-year cliff vesting plan (that is, options become fully exercisable after 5 years and do not vest progressively over time), AmBev issued 0.5 million options during the second quarter of 2009 for which the fair value amounted to approximately USD 27 million and 0.8 million options during the second quarter of 2008 for which the fair value amounted to approximately USD 35 million. During the second half of 2007, AmBev performed a reverse stock split in the ratio of 100:1. Consequently the 2007 figures in the table below have been restated to reflect the impact of this adjustment. The fair value of the options and assumptions used in applying a binomial option pricing model for the grants made by AmBev in 2009, 2008 and 2007 are as follows:

| <i>(Amounts in U.S. dollars unless otherwise stated)</i> | Six months ended | Year ended 31 December |        |
|--|------------------|------------------------|--------|
|  | 30 June 2009     | 2008                   | 2007   |
| Fair value of options granted                            | 33.94            | 44.51                  | 25.03  |
| Share price  | 50.18            | 71.48                  | 61.83  |
| Exercise price   | 49.95            | 71.48                  | 61.83  |
| Expected volatility                                      | 48%              | 33%                    | 26%    |
| Risk-free interest rate                                  | 11.8%            | 12.50%                 | 10.60% |



**Table of Contents****Compensation of Directors and Executives**

Unless otherwise specified, all compensation amounts in this section are gross of tax.

**Board of Directors**

Our directors receive fixed compensation in the form of annual fees and supplemental fees for physical attendance at Board committee meetings or supplemental Board meetings, and variable compensation in the form of LTI warrants. The compensation of our directors for each year is set annually at our shareholders meeting.

**Board compensation in 2008**

In 2008, the base annual fee for our directors was EUR 67,000 (USD 99,090) based on attendance at 10 Board meetings. The base supplement for each additional physical Board meeting or for each Committee meeting attended was EUR 1,500 (USD 2,218). Since 1999, we have also regularly issued warrants under the LTI plan for the benefit of our Board members. See [Share-Based Payment Plans](#) [Long-Term Incentive Plan](#) or [LTI](#) for a description of the LTI plan. In 2008, the base grant amounted to 9,000 LTI warrants.

The fees and warrants received by the Chairman of our Board in 2008 were double the respective base amounts. The Chairman of the Audit Committee was granted fees and warrants in 2008 which were 30% higher than the respective base amounts. All other directors received the base amount of fees and warrants. We do not provide pensions, medical benefits or other benefit programmes to directors.

The table below provides an overview of the fixed and variable compensation that our directors received in 2008.

| Name                                | Number of Board meetings attended | Annual fee for Board meetings (EUR) | Fees for Committee meetings (EUR) | Total fee (EUR)  | Number of warrants granted in 2008 <sup>(1)</sup> |
|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|------------------|---|
| August A. Busch IV <sup>(2)</sup>   | 3                                 | 5,583                               | 0                                 | 5,583            | 0   |
| Allan Chapin <sup>(3)</sup>         | 3                                 | 22,333                              | 3,000                             | 25,333           | 9,000   |
| Jean-Luc Dehaene                    | 20                                | 67,000                              | 12,000                            | 79,000           | 9,000   |
| Stéfan Descheemaeker <sup>(4)</sup> | 18                                | 44,667                              | 4,500                             | 49,167           | 0   |
| Peter Harf                          | 21                                | 134,000                             | 22,500                            | 156,500          | 18,000  |
| Marcel Herrmann Telles              | 21                                | 67,000                              | 30,000                            | 97,000           | 9,000   |
| Jorge Paulo Lemann                  | 21                                | 67,000                              | 7,500                             | 74,500           | 9,000   |
| Arnoud de Pret Roose de Calesberg   | 21                                | 67,000                              | 27,000                            | 94,000           | 9,000   |
| Grégoire de Spoelberch              | 22                                | 67,000                              | 9,000                             | 76,000           | 9,000   |
| Kees J. Storm                       | 18                                | 87,100                              | 24,000                            | 111,100          | 11,700  |
| Roberto Moses Thompson Motta        | 20                                | 67,000                              | 7,500                             | 74,500           | 9,000   |
| Alexandre Van Damme                 | 22                                | 67,000                              | 9,000                             | 76,000           | 9,000   |
| Carlos Alberto da Veiga Sicupira    | 18                                | 67,000                              | 9,000                             | 76,000           | 9,000   |
| Mark Winkelman                      | 20                                | 67,000                              | 7,500                             | 74,500           | 9,000   |
| <b>All directors as group</b>       |                                   | <b>896,683</b>                      | <b>172,500</b>                    | <b>1,069,183</b> | <b>119,700</b>                                    |

(1) Warrants were granted under the LTI in April 2008. See [Share-Based Payment Plans](#) [Long-Term Incentive Plan](#) or [LTI](#). The warrants have an exercise price of 58.31 euro per share, have a term of 5 years and vest over a 3-year period.

(2) Member of our Board from 18 November 2008.

- (3) Mr. Chapin's mandate was not renewed at our 2008 annual shareholders' meeting, and he retired from the Board on 29 April 2008.
  
- (4) Member of our Board from 29 April 2008.

**Table of Contents****Board compensation in 2009**

For 2009, the base annual fee for our directors remains unchanged at EUR 67,000 (USD 99,090) based on attendance at 10 Board meetings. The base supplement for each additional physical Board meeting or for each Committee meeting attended was set at EUR 1,500 (USD 2,218). The base LTI grant for 2009 was set at 15,000 warrants. The Chairman of our Board will receive fees and warrants in 2009 that are double the respective base amounts. The Chairman of the Audit Committee will receive fees and warrants in 2009 that are 30% higher than the respective base amounts. All other directors will receive the base amount of fees and warrants in 2009.

**Warrants and options held by directors**

The following table sets forth information regarding the number of LTI warrants granted to the Board as a group during the past three years (based on membership on the date of issuance of the warrants).

| Issuance date | Number of warrants granted | Offer date | Exercise price in euro |
|---------------|----------------------------|------------|------------------------|
| 25 April 2006 | 124,035                    | 2006       | 38.70                  |
| 24 April 2007 | 119,700                    | 2007       | 55.41                  |
| 29 April 2008 | 119,700                    | 2008       | 58.31                  |
| 28 April 2009 | 215,000                    | 2009       | 21.72                  |

The table below sets forth, for each of our current directors, the number of LTI warrants they owned as of 24 November 2009:

| Grant date                        | LTI 17 <sup>(1)</sup> | LTI 16       | LTI 15       | LTI 14       | LTI 13       | LTI 12       | LTI 10       | LTI 9        | LTI 8        | Total options |
|-----------------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                                   | 28 April 2009         | April 2008   | April 2007   | April 2006   | April 2005   | April 2004   | 10 Dec. 2002 | 13 June 2002 | 11 Dec. 2001 |               |
| Expiry date                       | 28 April 2014         | April 2013   | April 2012   | April 2016   | April 2015   | April 2014   | 10 Dec. 2012 | 13 June 2012 | 11 Dec. 2011 |               |
| August A. Busch IV <sup>(2)</sup> | 15,000                | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 15,000        |
| Dehaene                           | 85,928                | 9,000        | 9,000        | 8,269        | 9,364        | 11,016       | 11,016       | 0            | 8,100        | 151,693       |
| de Pret Roose de Calesberg        | 70,365                | 9,000        | 9,000        | 8,269        | 9,364        | 11,016       | 0            | 8,100        | 0            | 125,114       |
| Harf                              | 62,274                | 18,000       | 18,000       | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 115,907       |
| Lemann                            | 43,343                | 9,000        | 9,000        | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 78,976        |
| Thompson Motta                    | 43,343                | 9,000        | 9,000        | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 78,976        |
| Sicupira                          | 43,343                | 9,000        | 9,000        | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 78,976        |
| de Spoelberch                     | 20,395                | 9,000        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 29,395        |
| Storm                             | 80,660                | 11,700       | 11,700       | 8,269        | 9,364        | 11,016       | 11,016       | 0            | 0            | 143,725       |
| Telles                            | 43,343                | 9,000        | 9,000        | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 78,976        |
| Van Damme                         | 70,365                | 9,000        | 9,000        | 8,269        | 9,364        | 11,016       | 0            | 8,100        | 0            | 125,114       |
| Winkelman                         | 43,343                | 9,000        | 9,000        | 8,269        | 9,364        | 0            | 0            | 0            | 0            | 78,976        |
| <b>Strike price (EUR)</b>         | <b>21.72</b>          | <b>58.31</b> | <b>55.41</b> | <b>38.70</b> | <b>27.08</b> | <b>23.02</b> | <b>21.83</b> | <b>32.70</b> | <b>28.87</b> |               |

(1) The number of warrants granted under the 2009 LTI plan to current directors includes 421,702 of the 984,203 warrants that were granted on 28 April 2009 to compensate for warrants that were not adjusted to take account of the effects of our December 2008 rights offering. See Share-based Payment Plans Long-Term Incentive Plan or LTI for more details.

(2) Member of our Board from 18 November 2008.

Stéfan Descheemaeker left our executive board of management and was appointed a non-executive director on 29 April 2008. In his former role as a member of our executive board of management, Mr. Descheemaeker received both LTI warrants and matching options under the Share-Based Compensation Plan. As he was not a director when he received the warrants and options in the table below, the amount and



**Table of Contents**

strike price of his LTI warrants and options received under the Share-Based Compensation Plan were adjusted as described in Share-Based Payment Plans . The table below sets forth, for Mr. Descheemaeker, the number of LTI warrants he owned as of 24 November 2009:

| Plan                                 | Issue date       | Expiry date      | Number outstanding | Exercise price (in EUR) |
|--------------------------------------|------------------|------------------|--------------------|-------------------------|
| LTI 6 <sup>(1)</sup>                 | 23 April 2001    | 22 April 2011    | 31,030             | 18.59                   |
| LTI 8 <sup>(1)</sup>                 | 11 December 2001 | 10 December 2011 | 55,982             | 18.05                   |
| LTI 9 <sup>(1)</sup>                 | 13 June 2002     | 12 June 2012     | 27,991             | 20.44                   |
| LTI 10 <sup>(1)</sup>                | 10 December 2002 | 9 December 2012  | 95,969             | 13.65                   |
| LTI 13 <sup>(1)</sup>                | 26 April 2005    | 25 April 2016    | 80,577             | 16.93                   |
| Matching Options 2006 <sup>(2)</sup> | 27 April 2006    | 26 April 2013    | 54,909             | 24.78                   |
| LTI 17 <sup>(1)</sup>                | 28 April 2009    | 27 April 2014    | 15,000             | 21.72                   |
| <b>Total</b>                         |                  |                  | <b>361,458</b>     |                         |

(1) Warrants granted under the LTI. See Share-Based Payment Plans Long-Term Incentive Plan or LTI .

(2) Matching options granted under the Share-Based Compensation Plan. See Share-Based Payment Plans Share-Based Compensation Plan .  
**Board share ownership**

The table below sets forth the number of our shares directly owned by our directors as at 24 November 2009:

| Name                                | Number of our shares held <sup>(1)</sup> | % of our outstanding shares |
|-------------------------------------|--|-----------------------------|
| August A. Busch IV <sup>(2)</sup>   | 31,000                                   | <1%                         |
| Jean-Luc Dehaene                    | 216                                      | <1%                         |
| Stéfan Descheemaeker <sup>(3)</sup> | 491,850                                  | <1%                         |
| Peter Harf                          | 527,880                                  | <1%                         |
| Marcel Herrmann Telles              | 0  | 0%                          |
| Jorge Paulo Lemann                  | 0  | 0%                          |
| Arnoud de Pret Roose de Calesberg   | 42,608                                   | <1%                         |
| Grégoire de Spoelberch              | 707,800                                  | <1%                         |
| Kees J. Storm                       | 0  | 0%                          |
| Roberto Moses Thompson Motta        | 0  | 0%                          |
| Alexandre Van Damme                 | 66                                       | <1%                         |
| Carlos Alberto da Veiga Sicupira    | 0  | 0%                          |
| Mark Winkelman                      | 0  | 0%                          |

(1) Under the rules of the SEC, certain of our directors may also be deemed to own beneficially shares held by certain of our major shareholders: the Stichting, Eugénie Patri Sébastien S.A., and BRC S.à.R.L. See Major Shareholders and Related Party Transactions Major Shareholders .

(2) Member of our Board from 18 November 2008.

(3) Stéfan Descheemaeker left our executive board of management and was appointed a non-executive director on 29 April 2008.





---

## **Table of Contents**

### ***Executive Board of Management*** <sup>(1)</sup>

The main elements of our executive remuneration are (i) base salary, (ii) bonus, (iii) sign-in bonus, (iv) post-employment benefits and (v) other compensation.

The focus of our executive remuneration policy is on annual and long-term variable pay, rather than on base salary. Base salaries are aligned to mid-market levels. Short- and long-term performance targets are linked to both short- and long-term incentives.

Through our Share-Based Compensation Plan, executives who demonstrate personal financial commitment to us by investing (all or part of) their annual bonus in our shares will be rewarded with the potential for significantly higher long-term compensation.

Our executive compensation and reward programs are overseen by our Compensation and Nominating Committee. It submits recommendations on the compensation of our Chief Executive Officer to the Board for approval. Upon the recommendation of our Chief Executive Officer, the Compensation and Nominating Committee also submits recommendations on the compensation of the other members of our executive management board to our Board for approval. Such submissions to our Board include recommendations on the annual targets and corresponding bonus scheme.

Our full executive remuneration policy is disclosed in our Corporate Governance Charter.

### **Base salary**

In order to ensure alignment with market practice, once a year the base salaries of members of our executive board of management are reviewed versus benchmarks in relevant industries and geographies that have been collected by independent providers. Executives' base salaries are intended to be aligned to mid-market levels for the appropriate market.

In 2008, our Chief Executive Officer earned a fixed salary of EUR 1.02 million (USD 1.51 million). The other members of our executive board of management earned an aggregate base salary of EUR 5.7 million (USD 8.4 million).

### **Bonuses**

Bonuses for members of our executive board of management are designed to encourage executives to drive our short- to medium-term performance. We believe that our company and business zone targets are stretched, but achievable, and relate to more than one year to ensure high levels of sustained performance. Below a specified threshold, no bonus is earned, but for really outstanding performance, the bonus could be at upper quartile level (and even beyond) of the appropriate reference market. Even when company or entity targets are achieved, the actual payout of the bonus will also depend on the respective executive's performance relative to individual targets.

<sup>(1)</sup> Figures in this section may differ from the figures in the notes to our consolidated financial statements for the following reasons: (i) figures in this section are figures gross of tax, while figures in the notes to our consolidated financial statements are reported as cost for the Company; (ii) the split short-term employee benefits vs. share-based compensation in the notes to our consolidated financial statements does not correspond to the split fixed salary vs. variable pay in this section. Short-term employee benefits in the notes to our consolidated financial statements include the base salary and 50% of the bonus. Share-based compensation includes 50% of the bonus (portion paid in shares) and certain non-cash elements, such as the fair value of the options granted, which is based on financial pricing models; and (iii) the scope for the reporting is different as the figures in the notes to our consolidated financial statements also contain the remuneration of executives who left during the year, while figures in this section only contain the remuneration of executives who were in service at the end of the reporting year.

**Table of Contents**

As described under [Share-Based Payment Plans](#) [Share-Based Compensation Plan](#) , 50% of the bonus for each member of our executive board of management is delivered in the form of our shares to be held for three years. At the option of the respective executive, the remaining part of the bonus may be further deferred and will be matched with options on our shares.

Bonuses are generally paid annually in arrears after publication of our full year results. From 2009, however, bonuses may be paid out semi-annually at the discretion of the Board based on the achievement of semi-annual targets. In such cases, the first half of the respective bonus is paid immediately after publication of our half year results and the second half of the bonus is paid after publication of our full year results.

For 2008, since certain targets for our performance were not achieved, our Chief Executive Officer did not earn a bonus. Only certain members of our executive board of management earned a bonus, which amounted to EUR 1.85 million (USD 2.74 million) in aggregate. The 2008 bonus decision was based on our performance in 2008 compared to targets set for the year 2008 for our EBITDA, as defined (adjusted for exceptional items) growth, volume growth, market share growth and cost savings and on the performance of our executives compared to their individual targets. For our definition of EBITDA, as defined see [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) [Results of Operations](#) [Six Months Ended 30 June 2009 Compared to Six Months Ended 30 June 2008](#) EBITDA, as defined . As a result, under our [Share-Based Compensation Plan](#) in 2009 (corresponding to the bonus awarded for 2008 performance), the only member of our executive board of management to acquire our bonus shares and receive matching options was Miguel Patricio, who received 26,872 bonus shares and 80,765 matching options. The offer date for such matching options was 6 March 2009 and the exercise price is EUR 20.49. For additional information on the [Share-Based Compensation Plan](#), see [Share-Based Payment Plans](#) [Share-Based Compensation Plan](#) . The other members of our executive board of management to receive a bonus in 2008 were Joao Castro Neves and Bernardo Pinto Paiva, who received their bonus under the AmBev option programme: see [Share-Based Payment Plans](#) [AmBev Option Programme](#) .

The following table sets forth information regarding the number of our shares and matching options granted to our Chief Executive Officer and the other members of our executive board of management under our [Share-Based Compensation Plan](#) in 2008 (corresponding to the bonus awarded for 2007 performance). The offer date for all such matching options was 3 March 2008 and the exercise price is EUR 34.34.

| Name                                 | InBev<br>shares<br>acquired<br>in 2008 | Matching<br>options<br>granted<br>in 2008 |
|--------------------------------------|--|---|
| Carlos Brito Chief Executive Officer | 47,683                                 | 229,219                                   |
| Alain Beyens                         | 15,831                                 | 0   |
| Chris Burggraeve                     | 6,549                                  | 24,091                                    |
| Sabine Chalmers                      | 11,763                                 | 68,791                                    |
| Stéfan Descheemaeker <sup>(1)</sup>  | 743                                    | 0   |
| Felipe Dutra                         | 18,312                                 | 88,031                                    |
| Claudio Braz Ferro                   | 15,186                                 | 73,002                                    |
| Claudio Garcia                       | 16,972                                 | 81,590                                    |
| Miguel Patricio                      | 12,892                                 | 61,974                                    |
| Jo Van Biesbroeck                    | 8,954                                  | 0   |
| Francisco Sá                         | 1,525                                  | 7,335                                     |
| João Castro Neves                    |  |   |
| Luiz Fernando Edmond                 |  |   |
| Bernardo Pinto Paiva                 |  |   |

(1) Stéfan Descheemaeker left the executive board of management and was appointed a non-executive director on 29 April 2008.

## **Table of Contents**

As a consequence of the rights offering that took place in December 2008, the exercise price and the number of options held by members of the executive board of management were adjusted according to the ratio method proposed by Euronext Liffe in order to compensate for the dilutive effect of such rights offering. The adjustment ratio was 0.6252. The adjusted exercise price of the options equals the original exercise price multiplied by the adjustment ratio. The adjusted number of options equals the original number of subscription rights divided by the adjustment ratio. The exercise price and number of options granted indicated above have been adjusted for the effects of the December 2008 rights offering.

### **Sign in bonus**

Newly-hired members of the executive board of management may be granted a right to purchase our shares at the time the bonus is next granted to senior employees, upon recommendation to the Board of the Compensation and Nominating Committee. The purchase price of such shares will be the market price of our shares at the time the next bonus is granted under our Share-Based Compensation Plan. We will then grant these newly-hired executives a number of options equal to 2.3 times the number of shares so purchased. These options have the same features as matching options granted under the Share-Based Compensation Plan. See [Share-Based Payment Plans](#) [Share-Based Compensation Plan](#) .

### **Post-employment benefits**

We sponsor various post-employment benefit plans world-wide. These include pension plans, both defined contribution plans and defined benefit plans, and other post-employment benefits. See note 26 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008 for further details on our employee benefits.

*Defined contribution plans.* For defined contribution plans, we pay contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, we have no further payment obligation. The regular contribution expenses constitute an expense for the year in which they are due. For 2008, our defined contribution expenses amounted to USD 17 million compared to USD 7 million for 2007.

*Defined benefit plans.* We contribute to 72 defined benefit plans, of which 57 are retirement plans and 15 are medical cost plans. Most plans provide benefits related to pay and years of service. In 2008, the deficit under our defined benefit plans increased to USD 2,921 million with the Anheuser-Busch benefit plans contributing a deficit of USD 2,181 million. We expect to contribute approximately USD 273 million to our defined benefit plans in 2009.

Our executives participate in our pension schemes in either Belgium or their home country. These schemes are in line with predominant market practices in the respective geographic environments.

Our Chief Executive Officer participates in a defined contribution plan. Our annual contribution to his plan amounts to approximately EUR 36,000 (USD 53,241). The total amount we had set aside to provide pension, retirement or similar benefits for members of our executive board of management in the aggregate as of 30 June 2009 was USD 1 million, as compared to USD 3 million as of 31 December 2008. See note 20 to our unaudited consolidated interim financial statements for the six months ended 30 June 2009 and note 34 to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

### **Other compensation**

We also provide executives with life and medical insurance and perquisites and other benefits that are competitive with market practice in the markets where such executives are employed. In addition, the members of our executive board of management enjoy certain expatriate perquisites such as a housing allowance in accordance with local market practice.

**Table of Contents****Employment agreements and termination arrangements**

Our executives' employment and termination arrangements are in line with legal requirements and/or jurisprudential practice.

We appointed Carlos Brito to serve as our Chief Executive Officer starting as of 1 March 2006. In the event of termination of his employment other than on the grounds of serious cause, Mr. Brito is entitled to a termination indemnity of 12 months of remuneration and, provided he is eligible for it, a pro-rated performance bonus for the year of his termination.

**Warrants and options owned by executives**

The table below sets forth the number of LTI warrants and matching options owned by the members of our executive board of management as of 24 November 2009 under the LTI and the Share-Based Compensation Plan.

|                           | Matching<br>options<br>2009 <sup>(1)</sup> | Matching<br>options<br>2009 <sup>(1)</sup> | Matching<br>options<br>2008 <sup>(1)</sup> | Matching<br>options<br>2007 <sup>(1)</sup> | Matching<br>options<br>2006 <sup>(1)</sup> | LTI<br>13 <sup>(2)</sup> | LTI<br>12 <sup>(2)</sup> | LTI 8 <sup>(2)</sup> | LTI<br>5 <sup>(2)</sup> | Total<br>options |
|---------------------------|--|--|--|--|--|--------------------------|--------------------------|----------------------|-------------------------|------------------|
| Grant date                | 14<br>August<br>2009                       | 6 March<br>2009                            | 3 March<br>2008                            | 2 April<br>2007                            | 27 April<br>2006                           | 26<br>April<br>2005      | 27<br>April<br>2004      | 11 Dec.<br>2001      | 13<br>March<br>2001     |                  |
| Expiry date               | 14<br>August<br>2019                       | 6 March<br>2019                            | 3 March<br>2018                            | 2 April<br>2017                            | 27 April<br>2016                           | 26<br>April<br>2015      | 27<br>April<br>2014      | 11 Dec.<br>2011      | 13<br>March<br>2011     |                  |
| Carlos Brito              | 368,827                                    | 0  | 229,219                                    | 222,057                                    | 46,742                                     | 0                        | 0                        | 0                    | 0                       | 866,845          |
| Sabine Chalmers           | 68,734                                     | 0  | 68,791                                     | 75,197                                     | 19,503                                     | 95,170                   | 0                        | 0                    | 0                       | 327,395          |
| Alain Beyens              | 0  | 0  | 0  | 0  | 9,211                                      | 0                        | 0                        | 0                    | 0                       | 9,211            |
| Jo Van Biesbroeck         | 122,600                                    | 0  | 0  | 0  | 47,438                                     | 95,170                   | 143,955                  | 55,982               | 32,470                  | 497,615          |
| Felipe Dutra              | 126,139                                    | 0  | 88,031                                     | 109,733                                    | 118,452                                    | 0                        | 0                        | 0                    | 0                       | 442,355          |
| Claudio Garcia            | 156,502                                    | 0  | 81,590                                     | 82,959                                     | 73,792                                     | 0                        | 0                        | 0                    | 0                       | 394,843          |
| Claudio Ferro             | 181,235                                    | 0  | 73,002                                     | 23,652                                     | 0  | 0                        | 0                        | 0                    | 0                       | 277,889          |
| Chris Burggraeve          | 151,861                                    | 0  | 24,091                                     | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 175,952          |
| Tony Milikin              | 0  | 0  | 0  | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 0                |
| Miguel Patricio           | 140,106                                    | 80,765                                     | 61,974                                     | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 282,845          |
| Francisco Sá              | 140,106                                    | 0  | 7,335                                      | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 147,441          |
| João Castro Neves         | 0  | 0  | 0  | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 0                |
| Luiz Fernando Edmond      | 274,325                                    | 0  | 0  | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 274,325          |
| Bernardo Pinto Paiva      | 0  | 0  | 0  | 0  | 0  | 0                        | 0                        | 0                    | 0                       | 0                |
| <b>Strike price (EUR)</b> | <b>27.06</b>                               | <b>20.49</b>                               | <b>34.34</b>                               | <b>33.59</b>                               | <b>24.78</b>                               | <b>16.93</b>             | <b>14.39</b>             | <b>18.05</b>         | <b>18.90</b>            |                  |

(1) Matching options granted under the Share-Based Compensation Plan. See [Share-Based Payment Plans](#) [Share-Based Compensation Plan](#) .

(2) Warrants granted under the LTI. See [Share-Based Payment Plans](#) [Long-Term Incentive Plan](#) or [LTI](#) .

In 2008, the members of our executive board of management also received options under the exceptional grant made in respect of the Anheuser-Busch acquisition. See [Share-Based Payment Plans](#) [2008 Exceptional Grant](#) .

**Table of Contents****Executive share ownership**

The table below sets forth the number of our shares owned by the members of the executive board of management as at 24 November 2009:

| Name                 | Number of our shares held <sup>(1)</sup> | % of our outstanding shares |
|----------------------|--|-----------------------------|
| Carlos Brito         | 4,026,005                                | <1%                         |
| Sabine Chalmers      | 101,309                                  | <1%                         |
| Alain Beyens         | 45,007                                   | <1%                         |
| Jo Van Biesbroeck    | 189,336                                  | <1%                         |
| Felipe Dutra         | 1,393,484                                | <1%                         |
| Claudio Garcia       | 679,729                                  | <1%                         |
| Claudio Ferro        | 2,003,191                                | <1%                         |
| Chris Burggraeve     | 218,883                                  | <1%                         |
| Tony Milikin         | 0  | 0%                          |
| Miguel Patricio      | 1,025,817                                | <1%                         |
| Francisco Sá         | 332,348                                  | <1%                         |
| João Castro Neves    | 312,400                                  | <1%                         |
| Luiz Fernando Edmond | 61,747                                   | <1%                         |
| Bernardo Pinto Paiva | 0  | 0%                          |

(1) In November 2009, a number of options held by certain members of our executive board of management were exchanged for restricted shares. Such shares are subject to restrictions on transfer until 31 December 2018.

**Anheuser-Busch****Retention programme**

In connection with the Anheuser-Busch acquisition, we and Anheuser-Busch agreed to establish an employee retention programme providing integration bonuses and severance benefits for certain key employees of Anheuser-Busch. This programme became effective as of the closing of the acquisition.

**Integration bonus**

Approximately 60 key employees of Anheuser-Busch (including Anheuser-Busch's executive officers at the time of the Anheuser-Busch merger other than Mr. Busch IV, who terminated his employment with Anheuser-Busch upon the occurrence of the merger) were eligible to receive an additional bonus for 2008 equal to 40% of the target bonus otherwise payable to that employee under the pre-existing Anheuser-Busch bonus programmes. The amount of the additional bonus depended upon the extent of achievement of projected 2008 savings under Anheuser-Busch's Blue Ocean programme. In addition, approximately 360 key employees of Anheuser-Busch (including Anheuser-Busch's executive officers, other than Mr. Busch IV) will be eligible to receive a bonus ranging from 80% to 110% of the employee's 2009 target bonus award. The extent to which the bonus exceeds 80% of the employee's 2009 target bonus will depend on the extent of achievement of the Blue Ocean operating goals through 2009. In order to qualify for this integration bonus, the employee generally must be employed until the date on which annual bonuses for 2009 are paid in the ordinary course, though an employee who is involuntarily or constructively terminated after the closing and prior to the bonus payment will be eligible to receive a pro-rata payment.

**Enhanced severance**

The retention plan also provided that the same group of approximately 360 employees (including Anheuser-Busch's executive officers at the time of the Anheuser-Busch merger, other than Mr. Busch IV) are eligible for enhanced severance benefits payable upon an involuntary or constructive termination of employment.



---

## **Table of Contents**

within two years following the closing of the merger. These severance benefits range from 15 months of base salary to 2 times the sum of base salary and target bonus and include continuation of medical, insurance and welfare benefits ranging from 15 to 24 months (in each case, depending on the particular employee category). The retention plan provided that approximately 60 of these employees (including Anheuser-Busch's executive officers at the time of the merger, other than Mr. Busch IV) are, if necessary, eligible for a modified gross-up payment on amounts that are subject to the excise tax imposed by under Section 4999 of the United States Internal Revenue Code but only if the total value of all parachute payments to the individual exceeds 110% of the individual's safe harbour amount. The enhanced severance programme also contained customary restrictive obligations, including an agreement not to compete with Anheuser-Busch for a period ranging from 12 to 24 months. Constructive termination includes a material reduction of compensation, a material reduction in duties and responsibilities from those in effect immediately prior to closing of the merger and relocation of more than 50 miles.

## **BOARD PRACTICES**

### ***General***

Our directors are appointed by our shareholders meeting, which sets their remuneration and term of mandate. Their appointment is published in the Belgian Official Gazette (*Moniteur belge*). No service contract is concluded between us and our directors with respect to their Board mandate. Our Board also may request a director to carry out a special mandate or assignment. In such case a special contract may be entered into between us and the respective director. For details of the current directors' terms of office, see [Directors and Senior Management Board of Directors](#). We do not provide pensions, medical benefits or other benefit programmes to directors.

### **August A. Busch IV consulting agreement**

In connection with the Anheuser-Busch acquisition, we entered into a consulting agreement with Mr. Busch IV which became effective as of the closing of the Anheuser-Busch merger and will continue until 31 December 2014. In his role as consultant, Mr. Busch IV will, at the request of our Chief Executive Officer, provide advice to us on Anheuser-Busch new products and new business opportunities; review Anheuser-Busch marketing programmes; meet with retailers, wholesalers and key advertisers of Anheuser-Busch; attend North American media events; provide advice with respect to Anheuser-Busch's relationship with charitable organisations and the communities in which it operates; and provide advice on the taste, profile, and characteristics of the Anheuser-Busch malt-beverage products. See [Major Shareholders and Related Party Transactions](#) [Related Party Transactions](#) [Consulting Agreement](#).

### ***Information About Our Committees***

#### **General**

Our Board is assisted by three main committees: the Audit Committee, the Finance Committee and the Compensation and Nominating Committee.

The existence of the Committees does not affect the responsibility of our Board. Board committees meet to prepare matters for consideration by our Board. By exception to this principle, (i) the Compensation and Nominating Committee may make decisions on individual compensation packages, other than with respect to our Chief Executive Officer and our executive board of management (which are submitted to our Board for approval), and on performance against targets and (ii) the Finance Committee may make decisions on matters specifically delegated to it under our Corporate Governance Charter, in each case without having to refer to an additional Board decision. Each of our Committees operates under typical rules for such committees under Belgian law, including the requirement that a majority of the members must be present for quorum and decisions are taken by a majority of members present.



---

## **Table of Contents**

### **The Audit Committee**

The Audit Committee's Chairman and a majority of the Committee members are appointed by the Board from among the independent directors. The Chairman of the Audit Committee is not the Chairman of the Board. The Chief Executive Officer, Chief Legal Officer and Chief Financial Officer are invited to the meetings of the Audit Committee.

The current members of the Audit Committee are Jean-Luc Dehaene, Arnoud de Pret Roose de Calesberg, Peter Harf and Kees Storm (Chairman). Each member of our Audit Committee is currently an independent director under Belgian law (see Directors and Senior Management Board of Directors Role and Responsibilities, Composition, Structure and Organisation ) and under Rule 10A-3 under the Exchange Act, except Arnoud de Pret Roose de Calesberg. We plan to have each member of our audit committee be an independent director as required under Rule 10A-3 under the Exchange Act within a year of the effective date of this Form F-4. There is no minimum size for the Audit Committee.

The Audit Committee assists our Board in its responsibility for oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the statutory auditors' qualification and independence and (iv) the performance of the statutory auditors and our internal audit function. The Audit Committee is entitled to review information on any point it wishes to verify, and is authorised to acquire such information from any of our employees. It is also authorised to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the statutory auditor, including reports with recommendations on how to improve our control processes.

The Audit Committee holds as many meetings as necessary with a minimum of four a year.

### **The Finance Committee**

The Finance Committee consists of at least three but no more than six members appointed by the Board. The Board appoints a Chairman and if deemed appropriate, a Vice-Chairman from among the Finance Committee members. The Chief Executive Officer and the Chief Financial Officer are invited *ex officio* to the Finance Committee meetings unless specifically decided otherwise. Other employees are invited on an *ad hoc* basis as deemed useful.

The current members of the Finance Committee are Stéfan Descheemaeker, Arnoud de Pret Roose de Calesberg (Chairman), Jorge Paulo Lemann, Roberto Moses Thompson Motta and Mark Winkelman.

The Finance Committee meets at least four times a year and as often as deemed necessary by its Chairman or at least two of its members.

The Finance Committee assists the Board in fulfilling its oversight responsibilities in the areas of corporate finance, risk management, corporate controls, mergers and acquisitions, tax and legal, pension plans, financial communication and stock market policies and all other related areas as deemed appropriate.

### **The Compensation and Nominating Committee**

The Compensation and Nominating Committee Chairman and committee members are appointed by the Board from among the directors, including at least one member from among the independent directors. The Chief Executive Officer and the Chief People and Technology Officer are invited to attend the meetings of the Compensation and Nominating Committee.

The current members of the Compensation and Nominating Committee are Carlos Alberto da Veiga Sicupira, Grégoire de Spoelberch, Peter Harf, Marcel Herrmann Telles (Chairman) and Alexandre Van Damme. There is no minimum size for the Compensation and Nominating Committee.

**Table of Contents**

The Compensation and Nomination Committee makes recommendations to the Board and assists with all its decisions on the compensation and management of people. The main objectives of the Compensation and Nomination Committee are to ensure that: 1) we have exceptional people who occupy appropriate positions and who are incentivised to achieve, and are compensated for, exceptional performance; 2) the maintenance and continuous improvement of our compensation policy which will be based on meritocracy with a view to aligning the interests of our employees with the interests of all of our shareholders; 3) we develop successors for all key positions; 4) we nurture a culture of ownership, simplicity, efficiency, high ethical standards and the permanent quest to improve results; and 5) individual goals are established to align the interests of all of our employees with our goals and objectives as set by the Board.

The Compensation and Nominating Committee meets every two months and endeavours to hold one meeting per year in each of the principal geographic zones in which the Company operates: Asia, Central & Eastern Europe, Western Europe, Latin America and North America.

**EMPLOYEES**

As at December 31 2008, we employed approximately 120,000 people.

*Overview of Employees per Zone*

The table below sets out the number of full-time employees at the end of each relevant period in our business zones.

|                                   | As of 31 December |               |               |                       |
|-----------------------------------|-------------------|---------------|---------------|-----------------------|
|                                   | 2008              | 2007          | 2006          | 2005                  |
| North America                     | 22,892            | 5,662         | 6,337         | 6,537                 |
| Latin America North               | 28,517            | 25,998        | 24,872        | 27,305 <sup>(1)</sup> |
| Latin America South               | 7,554             | 7,290         | 5,306         |                       |
| Western Europe                    | 10,298            | 11,481        | 12,122        | 13,093                |
| Central & Eastern Europe          | 16,054            | 13,509        | 13,356        | 13,730                |
| Asia Pacific                      | 22,509            | 24,056        | 22,925        | 16,032                |
| Global Export & Holding Companies | 12,050            | 694           | 699           | 669                   |
| <b>Total</b>                      | <b>119,874</b>    | <b>88,690</b> | <b>85,617</b> | <b>77,366</b>         |

(1) The number of 27,305 covers both Latin America North and Latin America South, which operated as one single business zone in 2005. Due to the seasonal nature of our former entertainment business, our former subsidiary, Busch Entertainment Corporation, hired a significant number of temporary employees in each of the years covered in the table above, peaking during the summer months (for an average of 10,294 temporary employees per month in 2008). For further information regarding the sale of our entertainment business, see Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions .

*Employee Compensation and Benefits*

To support our culture which recognises and values results, we offer employees competitive salaries benchmarked to fixed mid-market local salaries, combined with variable incentive schemes based on individual performance and performance of the business entity in which they work. Senior employees above a certain level are eligible for the Share-Based Compensation Plan. See Compensation Share-Based Payment Plans Share-Based Compensation Plan and Compensation Compensation of Directors and Executives Executive Board of Management. Depending on local practices, we offer employees and their family members pension plans, life insurance, medical, dental and optical insurance, death in service insurance, illness and disability insurance. Some of our countries have tuition reimbursement plans and employee assistance programmes.

**Table of Contents**

***Labour Unions***

Many of our hourly employees across our business zones are represented by unions. Generally, relationships between us and the unions that represent our employees are good. See Risk Factors Risks Relating to Our Business We may not be able to recruit or retain key personnel.

In Western Europe, collective bargaining occurs at national level in Belgium and Netherlands, and at the local level in all other countries. The degree of membership in unions varies from country to country, with a low proportion of membership in the United Kingdom and the Netherlands, and a high proportion of membership in Belgium and Germany.

In the U.S., a majority of our hourly employees at breweries are represented by the International Brotherhood of Teamsters. On 3 October 2008, Anheuser-Busch and the International Brotherhood of Teamsters jointly announced that their representatives had successfully concluded contract negotiations and reached tentative agreement on all local, national and economic issues. The agreement was ratified on 6 November 2008, nearly four months ahead of expiration of the current contract, and runs through 28 February 2014. The contract includes wage increases in each year of the agreement, totalling 15% over the next five years, and the renewal of Anheuser-Busch's contractual commitment to keep all 12 U.S. breweries open for the life of the contract.

In Canada, since the beginning of 2008, we have not had any labour disruptions. Two collective agreements were negotiated during that period, each with 7 year terms. Nine collective agreements will expire in 2009, which cover plant, distribution, sales and office employees in Quebec.

**Table of Contents****MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****MAJOR SHAREHOLDERS****Shareholding Structure**

The following table shows our shareholding structure based on the notifications made to the Belgian Banking, Finance and Insurance Commission (the **CBFA** ) and to us on the date specified below by the shareholders specified below in accordance with Article 14 of the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in listed companies.

The first seven entities mentioned in the table act in concert (see **Shareholders Arrangements** ) and hold 856,624,539 of our shares, representing 53.43% of the voting rights attached to our shares outstanding as of 18 September 2009, the date of the most recent notification.

All of our shares have the same voting rights.

| <b>Major shareholders</b>  | <b>Number of our shares held</b> | <b>% of the voting rights attached to our outstanding shares held</b> | <b>Date of notification of interest</b> |
|--|----------------------------------|---|---|
| Stichting Anheuser-Busch InBev, a <i>stichting</i> incorporated under Dutch law <sup>(1)</sup>   | 722,339,815 <sup>(2)</sup>       | 45.05%  | 18 September 2009                       |
| Eugénie Patri Sébastien S.A., a company incorporated under Luxembourg law affiliated to the Stichting that it jointly controls with BRC S.à.R.L. <sup>(3)</sup>  | 114,160,320                      | 7.12%   | 18 September 2009                       |
| Rayvax Société d Investissement NV/SA, a company incorporated under Belgian law  | 10                               | <0.01%  | 18 September 2009                       |
| Fonds Voorzitter Verhelst SPRL, a company with a social purpose incorporated under Belgian law   | 7,147,665                        | 0.45%   | 18 September 2009                       |
| Fonds InBev-Baillet Latour SPRL, a company with a social purpose incorporated under Belgian law  | 5,485,415                        | 0.34%   | 18 September 2009                       |
| BRC S.à.R.L., a company incorporated under Luxembourg law, affiliated to the Stichting that it jointly controls with Eugénie Patri Sébastien S.A. <sup>(4)</sup> | 7,006,520                        | 0.44%   | 18 September 2009                       |
| Sébastien Holding NV/SA, a company incorporated under Belgian law, affiliated to Rayvax Société d Investissement NV/SA, its parent company                       | 484,794                          | 0.03%   | 18 September 2009                       |
| Anheuser-Busch InBev SA/NV   | 11,114,722                       | 0.69%   | 18 September 2009                       |
| Brandbrew S.A., a company incorporated under Luxembourg law and a subsidiary of Anheuser-Busch InBev   | 8,747,814                        | 0.55%   | 18 September 2009                       |
| Capital Research and Management Cy   | 37,286,264                       | 2.33%   | 18 December 2008                        |
| Janus Capital Management LLC   | 65,130,090                       | 4.06%   | 1 July 2009                             |
| Fidelity Management & Research LLC   | 48,561,873                       | 3.03%   | 16 September 2009                       |

(1) See section **Controlling Shareholder** . By virtue of their responsibilities as directors of the Stichting, Stéfan Descheemaeker, Arnoud de Pret Roose de Calesberg, Grégoire de Spoelberch, Alexandre Van Damme, Marcel Herrmann Telles, Jorge Paulo Lemann, Roberto Moses Thompson Motta and Carlos Alberto da Veiga Sicupira may be deemed, under the rules of the SEC, to be beneficial owners of our ordinary shares held by the Stichting. However, each of these individuals disclaims such beneficial ownership in such capacity.

(2) See section **Shareholders Arrangements** .

**Table of Contents**

- (3) By virtue of their responsibilities as directors of Eugénie Patri Sébastien S.A., Stéfan Descheemaeker, Arnoud de Pret Roose de Calesberg, Grégoire de Spoelberch and Alexandre Van Damme may be deemed, under the rules of the SEC, to be beneficial owners of our ordinary shares held by Eugénie Patri Sébastien S.A. However, each of these individuals disclaims such beneficial ownership in such capacity.
- (4) Marcel Herrmann Telles, Jorge Paulo Lemann and Carlos Alberto da Veiga Sicupira have disclosed to us that they control BRC S.à.R.L and as a result, under the rules of the SEC, they are deemed to be beneficial owners of our ordinary shares held by BRC S.à.R.L. By virtue of his responsibility as a director of BRC S.à.R.L, Roberto Moses Thompson Motta may also be deemed, under the rules of the SEC, to be the beneficial owner of our ordinary shares held by BRC S.à.R.L. However, Roberto Moses Thompson Motta disclaims such beneficial ownership in such capacity.

In the past three years, the only significant change of which we have been notified in the percentage ownership of our shares by our major shareholders described above was as a result of our December 2008 rights offering. In their last disclosure to the CBFA prior to the December 2008 rights offering, on 1 September 2008, the first seven entities in the table above, who act in concert, held 391,112,307 of our shares, representing 63.49% of the voting rights attached to our shares outstanding as of such date. The Stichting similarly notified us that it held 321,712,000 of our shares, representing 52.22% of the voting rights attached to our shares outstanding as of such date.

**U.S. Resident shareholders**

As a number of our shares are held in dematerialized form, we are not aware of the identity of all our shareholders. As of 30 July 2009, we had 2,678,340 registered shares held by 135 U.S. resident shareholders, representing 0.17% of the voting rights attached to our shares outstanding as of such date. In addition, Fidelity Management and Research LLC, a U.S. resident holder, notified us on 21 May 2009 that it held 54,706,115 ordinary shares, representing 3.41% of the voting rights attached to our shares outstanding as of such date and Janus Capital Management LLC, also a U.S. resident holder, notified us on 1 July 2009 that it held 65,130,090 ordinary shares, representing 4.06% of the voting rights attached to our shares outstanding as of such date. As of 31 July 2009, we also had 3,455,700 ADSs outstanding, each representing one ordinary share, which are held by one U.S. resident holder.

**Controlling Shareholder**

Our controlling shareholder is the Stichting, a foundation (*stichting*) organised under the laws of the Netherlands which represents an important part of the interests of the founding Belgian families of Interbrew (mainly represented by Eugénie Patri Sébastien S.A.) and the interests of the Brazilian families which were previously the controlling shareholders of AmBev (represented by BRC S.à.R.L).

As of 18 September 2009, the Stichting owned 722,339,815 of our shares, which represented a 45.05% voting interest in us based on the number of our shares outstanding as of 18 September 2009. The Stichting and certain other entities acting in concert with it (see Shareholders arrangements below) held, in the aggregate, 53.43% of our shares based on the number of our shares outstanding on 18 September 2009. The Stichting is governed by its bylaws and its conditions of administration.

**Shareholders Arrangements**

In connection with the combination of Interbrew with AmBev in 2004, BRC S.à.R.L, Eugénie Patri Sébastien S.A., Rayvax Société d Investissement NV/SA and the Stichting entered into a shareholders agreement on 2 March 2004 which provides for BRC S.à.R.L and Eugénie Patri Sébastien S.A. to hold their interests in us through the Stichting (except for approximately 114 million of our shares that are held directly by Eugénie Patri Sébastien S.A. and 7,006,520 of our shares that are held directly by BRC S.à.R.L as of 18 September 2009 (see Shareholding Structure )) and addresses, among other things, certain matters relating to the governance and management of the Stichting and Anheuser-Busch InBev SA/NV as well as the transfer of the Stichting certificates. As of 18 September 2009, BRC S.à.R.L held 357,988,615 class B Stichting certificates

## Table of Contents

(indirectly representing 357,988,615 of our shares) and Eugénie Patri Sébastien S.A. held 364,351,200 class A Stichting certificates (indirectly representing 364,351,200 of our shares). The shareholders' agreement was amended and restated on 9 September 2009 and has been filed as Exhibit 9.1 to this Form F-4.

Pursuant to the terms of the shareholders' agreement, BRC S.à.R.L and Eugénie Patri Sébastien S.A. jointly and equally exercise control over the Stichting and those of our shares held by the Stichting. Among other things, BRC S.à.R.L and Eugénie Patri Sébastien S.A. have agreed that the Stichting will be managed by an eight-member board of directors and that each of BRC S.à.R.L and Eugénie Patri Sébastien S.A. will have the right to appoint four directors to the Stichting board of directors. At least seven of the eight Stichting directors must be present in order to constitute a quorum of the Stichting board, and any action to be taken by the Stichting board of directors will, subject to certain qualified majority conditions, require the approval of a majority of the directors present, including at least two directors appointed by BRC S.à.R.L and two appointed by Eugénie Patri Sébastien S.A. Subject to certain exceptions, all decisions of the Stichting with respect to our shares held by it, including how such shares will be voted at our shareholders' meetings, will be made by the Stichting board of directors.

The shareholders' agreement requires the Stichting board of directors to meet prior to each of our shareholders' meetings to determine how those of our shares held by the Stichting will be voted.

The shareholders' agreement as amended provides for restrictions on the ability of BRC S.à.R.L and Eugénie Patri Sébastien S.A. to transfer their Stichting certificates (and consequently their shares in us held through the Stichting).

In addition, the shareholders' agreement requires Eugénie Patri Sébastien S.A., BRC S.à.R.L and their permitted transferees under the shareholders' agreement whose shares in us are not held through the Stichting to vote their shares in us in the same manner as our shares held by the Stichting and to effect any transfers of their shares in us in an orderly manner of disposal that does not disrupt the market for our shares and in accordance with any conditions established by us to ensure such orderly disposal. In addition, under the shareholders' agreement, Eugénie Patri Sébastien S.A. and BRC S.à.R.L agree not to acquire any shares of AmBev's capital stock, subject to limited exceptions.

Pursuant to the shareholders' agreement, the Stichting board of directors proposes the nomination of eight directors to our shareholders' meeting, among which each of BRC S.à.R.L and Eugénie Patri Sébastien S.A. have the right to nominate four directors. In addition, the Stichting board of directors proposes the nomination of four to six directors to our Board who are independent of shareholders.

The shareholders' agreement will remain in effect for an initial term of 20 years starting from 27 August 2004. Thereafter, it will be automatically renewed for successive terms of 10 years each unless, not later than two years prior to the expiration of the initial or any successive 10-year term, either BRC S.à.R.L or Eugénie Patri Sébastien S.A. notifies the other of its intention to terminate the shareholders' agreement.

In addition, the Stichting has entered into a voting agreement with Fonds InBev-Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL, a copy of which has been filed as Exhibit 9.2 to this Form F-4. This agreement provides for consultations between the three bodies before any of our shareholders' meetings to decide how they will exercise the voting rights attached to our shares. Under this voting agreement, consensus is required for all items that are submitted to the approval of any of our shareholders' meetings. If the parties fail to reach a consensus, the Fonds InBev-Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL will vote their shares in the same manner as the Stichting. This agreement will expire on 16 October 2016, but is renewable.

**Table of Contents****RELATED PARTY TRANSACTIONS****Material Transactions*****AB InBev and Consolidated Entities***

We engage in various transactions with affiliated entities which form part of the consolidated AB InBev Group. These transactions include: (i) the purchase and sale of raw material with affiliated entities, (ii) entering into distribution, cross-licensing, and other agreements with affiliated entities, (iii) intercompany loans and guarantees, with affiliated entities, (iv) import agreements with affiliated entities, such as the import agreement under which Anheuser-Busch imports our European brands into the United States and (v) royalty agreements with affiliated entities, such as our royalty agreement with one of our United Kingdom subsidiaries related to the production and sale of our Stella Artois brand in the United Kingdom. Such transactions between Anheuser-Busch InBev SA/NV and our subsidiaries are not disclosed in our consolidated financial statements as related party transactions because they are eliminated on consolidation. A list of our principal subsidiaries is shown in note 36 *AB InBev Companies* to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of our interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Transactions with associates and jointly controlled entities are discussed further below.

Where these are eliminated on consolidation, transactions between Anheuser-Busch InBev SA/NV and our subsidiaries are not disclosed in our consolidated financial statements as related party transactions. A list of our principal subsidiaries is shown in note 36 *AB InBev Companies* to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

***Transactions with Directors and Executive Board of Management Members (Key Management Personnel)***

Total compensation of our directors and executive board of management included in our income statement for the periods set out below can be detailed as follows:

|                              | Six months ended<br>30 June 2009 |                               | 2008      |                               | Year ended 31 December<br>2007 |                               | 2006      |                               |
|------------------------------|----------------------------------|-------------------------------|-----------|-------------------------------|--------------------------------|-------------------------------|-----------|-------------------------------|
|                              | Directors                        | Executive Board<br>Management | Directors | Executive Board<br>Management | Directors                      | Executive Board<br>Management | Directors | Executive Board<br>Management |
|                              | <i>(USD million)</i>             |                               |           |                               |                                |                               |           |                               |
| Short-term employee benefits | 2                                | 42                            | 12        | 22                            | 1                              | 44                            | 3         | 40                            |
| Post-employment benefits     |                                  | 1                             |           | 3                             |                                | 1                             |           | 1                             |
| Termination benefits         |                                  |                               |           |                               |                                | 8                             |           | 10                            |
| Share-based payments         | 1                                | 30                            | 2         | 15                            | 1                              | 23                            | 1         | 15                            |
| <b>Total</b>                 | <b>3</b>                         | <b>73</b>                     | <b>14</b> | <b>40</b>                     | <b>2</b>                       | <b>76</b>                     | <b>4</b>  | <b>66</b>                     |

In addition to short-term employee benefits (primarily salaries), our executive board of management members are entitled to post-employment benefits. More particularly, members of the executive board of management participate in the pension plan of their respective country. See also note 20 to our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and note 26

Employee benefits and note 34 *Related parties* to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008. In addition, key management

---

## **Table of Contents**

personnel are eligible for our Share-Based Payment Plan and/or our exchange of share ownership programme. See also Directors, Senior Management and Employees Compensation, note 17 to our consolidated interim financial statements as of 30 June 2009, and for the six-month periods ended 30 June 2009 and note 27 Share-based payments to our audited consolidated financial statements as of 31 December 2008 and 2007, and for the three years ended 31 December 2008.

Directors' compensations consist mainly of directors' fees (*tantièmes*). Key management personnel were not engaged in any transactions with the Company and did not have any significant outstanding balances with the Company.

### **Loans to directors**

Under the terms of our Corporate Governance Charter, we are prohibited from making loans to our directors or member of our executive board of management. In 1996, before he was a member of our Board, a 10 million Belgian franc (USD 344,993) loan was granted by us to Stéfán Descheemaeker, bearing no interest. The loan was part of the compensation package awarded to Mr. Descheemaeker when he joined us as Vice-President Industrial Strategy and Partnerships. The repayment schedule for the loan is 10 annual payments of EUR 24,789 (USD 34,499) from 2001. The maximum amount outstanding in the last three financial years was EUR 148,736 (USD 206,996) in 2006. As of the date of this Form F-4, approximately EUR 74,368 (USD 103,498) is still outstanding.

### **Consulting agreement**

In connection with the Anheuser-Busch merger, we and Mr. Busch IV entered into a consulting agreement which became effective as of the closing of the Anheuser-Busch merger and will continue until 31 December 2014, substantially on the terms described below. In his role as consultant, Mr. Busch IV will, at the request of our Chief Executive Officer, provide advice to us on Anheuser-Busch new products and new business opportunities; review Anheuser-Busch marketing programmes; meet with retailers, wholesalers and key advertisers of Anheuser-Busch; attend North American media events; provide advice with respect to Anheuser-Busch's relationship with charitable organisations and the communities in which it operates; and provide advice on the taste, profile and characteristics of the Anheuser-Busch malt-beverage products.

Under the terms of the consulting agreement, as contemplated, at the time of the Anheuser-Busch acquisition, Mr. Busch IV received a lump sum cash payment equal to USD 10,350,000, less any applicable withholding. During the term of the consulting agreement, Mr. Busch IV will be paid a fee of approximately USD 120,000 per month. In addition, Mr. Busch IV will be provided with an appropriate office in St. Louis, Missouri, administrative support and certain employee benefits that are materially similar to those provided to full-time salaried employees of Anheuser-Busch. He is also to be provided with personal security services through 31 December 2011 (in St. Louis, Missouri) in accordance with Anheuser-Busch's past practices including an income tax gross-up and with complimentary tickets to Anheuser-Busch sponsored events. Mr. Busch IV is also eligible for a gross-up payment under Section 280G of the U.S. Internal Revenue Code of 1986, as amended, (estimated to be approximately USD 11.1 million) on various change in control payments and benefits to which he is entitled to in connection with the Anheuser-Busch merger. Such Code Section 280G gross-up payments are payments which, after the imposition of certain taxes, will equal the excise tax imposed on such change of control payments and benefits to which Mr. Busch IV is entitled.

Mr. Busch IV is subject to restrictive covenants relating to non-competition and non-solicitation of employees and customers which are in effect for the duration of the consulting agreement and a confidentiality covenant. The parties are subject to a mutual non-disparagement covenant.

If terminated by reason of a notice given by Mr. Busch IV, he would no longer be entitled to any rights, payments or benefits under the consulting agreement (with the exception of accrued but unpaid consulting fees, business expense reimbursements, any Code Section 280G gross-up payment, indemnification by us, and



**Table of Contents**

continued office and administrative support for 90 days following termination of the agreement) and the non-compete and non-solicitation restrictive covenants would survive for two years following termination of the consulting agreement (but not beyond 31 December 2013). If terminated by reason of a notice given by us for any reason other than for cause, Mr. Busch IV would continue to have all rights (including the right to payments and benefits) provided for in the consulting agreement and will continue to be bound by the non-compete and non-solicitation restrictive covenants through 31 December 2013.

Mr. Busch IV will generally be indemnified by us from and against all claims arising from the performance of his duties as a consultant for the term of the consulting agreement. In addition, we and Mr. Busch IV have executed a mutual release of claims regarding all pre-closing matters.

**Jointly Controlled Entities**

We report our interests in jointly controlled entities using the line-by-line reporting format for proportionate consolidation. Significant interests we hold in joint ventures include two distribution entities in Canada and three entities in Brazil. None of these joint ventures are material to us. Aggregate amounts of our interests in such entities are as follows:

|                                       | 30 June | 31 December          |      |      |
|---------------------------------------|---------|----------------------|------|------|
|                                       | 2009    | 2008                 | 2007 | 2006 |
|                                       |         | <i>(USD million)</i> |      |      |
| Non-current assets                    | 72      | 68                   | 88   | 71   |
| Current assets                        | 32      | 31                   | 29   | 29   |
| Non-current liabilities               | 91      | 85                   | 103  | 82   |
| Current liabilities                   | 26      | 28                   | 29   | 32   |
| Result from operations                | 5       | 12                   | 5    | 5    |
| Profit attributable to equity holders | 1       | 3                    | -    | (1)  |

**Transactions with Associates**

Our transactions with associates were as follows:

|                     | 30 June | Year ended 31 December |      |      |
|---------------------|---------|------------------------|------|------|
|                     | 2009    | 2008                   | 2007 | 2006 |
|                     |         | <i>(USD million)</i>   |      |      |
| Revenue             | 28      | 12                     | 12   | 13   |
| Non-current assets  | 16      | 31                     | -    | -    |
| Current assets      | 13      | 14                     | 52   | 7    |
| Current liabilities | 17      | 14                     | 12   | 8    |

Revenue from associates primarily consists of sales to distributors in which we have a non-controlling interest.

**Indemnification Agreement**

In the context of the U.S. Department of Justice's antitrust review of the Anheuser-Busch acquisition, we entered into an indemnification agreement with AmBev on 13 November 2008, pursuant to which we agreed to indemnify AmBev under certain circumstances arising from the perpetual license of Labatt branded beer to KPS Capital Partners, LP for consumption in the U.S. and the interim supply of Labatt branded beer to KPS Capital Partners, LP for consumption in the U.S.

---

**Table of Contents**

**DESCRIPTION OF THE ISSUER, THE PARENT GUARANTOR  
AND THE SUBSIDIARY GUARANTORS**

**THE ISSUER**

The Issuer, under the name of InBev Worldwide S.à.r.l., was incorporated on 9 July 2008 as a private limited liability company (*société à responsabilité limitée*) under the Luxembourg Companies Act. On 19 November 2008, the Issuer was domesticated as a corporation in the State of Delaware in accordance with Section 388 of the Delaware General Corporation Law and, in connection with such domestication, changed its name to Anheuser-Busch InBev Worldwide Inc. The Issuer's registered office is located at 1209 Orange Street, Wilmington, Delaware 19801.

**Business Overview**

***Principal Activities***

The Issuer acts as a financing vehicle of the AB InBev Group and the holding company of Anheuser-Busch.

***Principal Markets***

The Issuer does not intend to apply to list the New Notes on any securities exchange.

The Issuer is part of the AB InBev Group. For a description of the organisational structure of the AB InBev Group, please refer to Business Description Organisational Structure .

**Board of Directors**

The business and affairs of the Issuer are managed by or under the direction of its Board of Directors. The number of directors that comprise the Issuer's Board of Directors will be determined only by the Issuer's Board of Directors. The Issuer's Board of Directors currently consists of the following three directors, who also hold the offices parenthetically indicated after his or her name: David A. Peacock (President and Chief Executive Officer), Luiz F. Edmond and Gary L. Rutledge (Vice President, General Counsel and Secretary). Any action required or permitted to be taken at any meeting of the Issuer's Board of Directors, or of any committee thereof, may be taken without a meeting if the number of directors that would be necessary to authorize or take such action at a meeting of the Issuer's Board of Directors or of such committee, as the case may be, consent thereto in writing.

**Sole Shareholder**

InBev Services B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) (incorporated under the laws of The Netherlands, having its registered office at Ceresstraat 1, 4811 CA Breda, The Netherlands, and its corporate seat (*statutaire zetel*) in Breda, The Netherlands, and registered with the Chamber of Commerce for Zuidwest-Nederland under the number 20142556) holds 3,000 shares in the Issuer, which represent 100% of the share capital of the Issuer.

**Share Capital**

The Issuer's issued share capital at the date of this Form F-4 is USD 3,000 represented by 3,000 shares of common stock, par value USD 1.00 per share. The Issuer has no other classes of shares. The share capital is fully paid up in cash. The Issuer has no notes cum warrants, nor convertible notes outstanding.

## **Table of Contents**

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. In all other matters, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders.

### **Certificate of Incorporation and By-Laws**

Pursuant to its certificate of incorporation, Anheuser-Busch InBev Worldwide Inc. was formed for the purpose of engaging in any lawful act or activities for which corporations may be organized under the State of Delaware. A summary of the Issuer's certificate of incorporation and by-laws is as follows:

#### ***Meetings of Stockholders; Action by Written Consent***

An annual meeting of stockholders shall be held for the election of directors at such date, time and place as may be designated by the Issuer's Board of Directors. Any other proper business may be transacted at the annual meeting. Special meetings of stockholders may be called at any time by the Chairman of the Board, if any, the Vice Chairman of the Board, if any, the President or the Board itself. Any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing is obtained by the holders of stock having not less than the minimum number of votes that would be necessary to authorize such action at a meeting.

#### ***Amendments***

The by-laws may be amended or repealed, and new by-laws adopted, by the Issuer's Board of Directors, but the stockholders entitled to vote may adopt additional by-laws and may amend or repeal any by-law whether or not adopted by them.

### **Other Information**

The first accounting year of the Issuer started on 9 July 2008 (the date of the Issuer's incorporation) and ended on 31 December 2008.

The Issuer acquired Anheuser-Busch Companies, Inc. on 18 November 2008.

### **PARENT GUARANTOR**

We are a public limited liability incorporated in the form of a *société anonyme/naamloze vennootschap* under Belgian law (register of legal entities number 0417.497.106). Our registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and our headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium. We were incorporated on 2 August 1977 and our financial year runs from 1 January to 31 December.

### **Corporate Purpose**

According to Article 4 of our articles of association, our corporate purpose is:

To produce and deal in all kinds of beers, drinks, foodstuffs and ancillary products, fabricate, process and deal in all by-products and accessories, of whatsoever origin or form, of its industry and trade, and to design, construct or produce part or all of the facilities for the manufacture of the aforementioned products;

---

**Table of Contents**

To purchase, construct, convert, sell, let, sublet, lease, license and exploit in any form whatsoever all real property and real property rights and all businesses, goodwill, movable property and movable property rights connected with our business;

To acquire and manage investments shares and interests in companies or undertakings having objects similar or related to, or likely to promote the attainment of, any of the foregoing objects, and in financing companies; to finance such companies or undertakings by means of loans, guarantees or in any other manner whatsoever; to take part in the management of the aforesaid companies through membership of our Board or the like governing body;

To carry out all administrative, technical, commercial and financial work and studies for the account of undertakings in which it holds an interest or on behalf of third parties.

We may, within the limits of our corporate purpose, engage in all civil, commercial, financial and industrial operations and transactions connected with our corporate purpose either within or outside Belgium. We may take interests by way of asset contribution, merger, subscription, equity investment, financial support or otherwise in all companies, undertakings or associations having a corporate purpose similar or related to or likely to promote the furtherance of our corporate purpose.

**Board of Directors**

Belgian law does not regulate specifically the ability of directors to borrow money from Anheuser-Busch InBev SA/NV.

Our Corporate Governance Charter prohibits us from making loans to directors, whether for the purpose of exercising options or for any other purpose (except for routine advances for business-related expenses in accordance with our rules for reimbursement of expenses). See Major Shareholders and Related Party Transactions Related Party Transactions Material Transactions Transactions with Directors and Executive Board of Management Members (Key Management Personnel) Loans to directors .

Article 523 of the Belgian Companies Code provides that if one of our directors directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the powers of our Board, the director concerned must inform our other directors before our Board makes any decision on such transaction. The statutory auditor must also be notified. The director may not participate in the deliberation nor vote on the conflicting decision or transaction. An excerpt from the minutes of the meeting of our Board that sets forth the financial impact of the matter on us and justifies the decision of our Board must be published in our annual report. The statutory auditors' report to the annual accounts must contain a description of the financial impact on us of each of the decisions of our Board where director conflicts arise.

We are relying on a provision in the New York Stock Exchange Listed Company Manual that allows us to follow Belgian corporate law and the Belgian Corporate Governance Code with regard to certain aspects of corporate governance. This allows us to continue following certain corporate governance practices that differ in significant respects, from the corporate governance requirements applicable to U.S. companies listed on the New York Stock Exchange. In particular, the New York Stock Exchange rules require a majority of the directors of a listed U.S. company to be independent, while in Belgium, only three directors need be independent. Our board currently comprises four independent directors and nine non-independent directors. See Directors, Senior Management and Employees Directors and Senior Management Board of Directors . The New York Stock Exchange rules further require that each of the nominating, compensation and audit committees of a listed U.S. company be comprised entirely of independent directors. However, the Belgian Corporate Governance Code recommends only that a majority of the directors on each of these committees meet the technical requirements for independence under Belgian corporate law. Our board has stated its intention that each member of our Audit Committee shall be an independent director as required under the New York Stock Exchange rules and Rule

## Table of Contents

10A-3 of the Securities Exchange Act of 1934 within a year of the effective date of this Form F-4. Our board has no plans to change the composition of our Compensation and Nominating Committee; although we note that this committee is composed exclusively of non-executive directors who are independent of management and whom we consider to be free of any business or other relationship which could materially interfere with the exercise of their independent judgment. See [Directors, Senior Management and Employees Board Practices Information about Our Committees](#) .

For further information regarding the provisions of our articles of association as applied to our Board, see [Directors, Senior Management and Employees Directors and Senior Management Board of Directors](#) and [Directors, Senior Management and Employees Board Practices](#) .

## Share Capital

Our shares are represented by registered shares, bearer shares and dematerialised shares without nominal value. As of 30 June 2009, our issued and paid-up share capital amounted to EUR 1,234,761,478.79, which was represented by 1,603,243,227 of our shares without nominal value, each share representing 1/1,603,243,227th of the share capital. As of 22 October 2009, our issued and paid-up share capital amounted to EUR 1,234,843,020.25, which was represented by 1,603,352,125 of our shares without nominal value, each share representing 1/1,603,352,125 of the share capital.

In addition to the shares already outstanding, we have granted warrants which can upon exercise lead to an increase in the number of our outstanding shares. The total number of outstanding warrants (where each warrant entitles the holder to subscribe to one new share) was 5.42 million as at 30 June 2009 and 5.33 million as of 22 October 2009. For further details of outstanding warrants, see [Directors, Senior Management and Employees Compensation Share-Based Payment Plans Long-Term Incentive Plan or LTI](#) .

The total number of outstanding options on our existing shares (where each option entitles the holder to purchase from us one existing share) was 43.58 million as at 30 June 2009 and 42.4 million as at 22 October 2009. As these options relate to existing shares, they do not have an impact on the total number of our shares outstanding. See [Directors, Senior Management and Employees Compensation Share-Based Payment Plans Share-Based Compensation Plan](#) .

The changes in our share capital since 1 January 2006 are described below.

| Date              | Increase<br>(euro) | Capital<br>(euro) | Shares      | Reason               |
|-------------------|--------------------|-------------------|-------------|----------------------|
| 1 January 2006    |                    | 469,895,116.53    | 609,913,289 |                      |
| 3 February 2006   | 8,056.51           | 469,903,173.04    | 609,923,752 | Exercise of warrants |
| 21 March 2006     | 45,861.20          | 469,949,034.24    | 609,983,312 | Exercise of warrants |
| 25 April 2006     | 86,733.57          | 470,035,767.81    | 610,095,953 | Exercise of warrants |
| 19 May 2006       | 63,140.00          | 470,098,907.81    | 610,177,953 | Exercise of warrants |
| 21 June 2006      | 835,655.59         | 470,934,563.40    | 611,263,220 | Exercise of warrants |
| 3 August 2006     | 65,788.80          | 471,000,352.20    | 611,348,660 | Exercise of warrants |
| 29 September 2006 | 301,065.38         | 471,301,417.58    | 611,739,654 | Exercise of warrants |
| 24 October 2006   | 36,467.20          | 471,337,884.78    | 611,787,014 | Exercise of warrants |
| 20 December 2006  | 1,273,785.59       | 472,611,670.37    | 613,441,281 | Exercise of warrants |
| 5 February 2007   | 53,249.35          | 472,664,919.72    | 613,510,436 | Exercise of warrants |
| 20 March 2007     | 39,624.97          | 472,704,544.69    | 613,561,897 | Exercise of warrants |
| 24 April 2007     | 436.59             | 472,704,981.28    | 613,562,464 | Exercise of warrants |
| 19 June 2007      | 704,869.55         | 473,409,850.83    | 614,477,879 | Exercise of warrants |
| 27 July 2007      | 232,074.15         | 473,641,924.98    | 614,779,274 | Exercise of warrants |
| 21 September 2007 | 8,136.59           | 473,650,061.57    | 614,789,841 | Exercise of warrants |

**Table of Contents**

| <b>Date</b>      | <b>Increase<br/>(euro)</b> | <b>Capital<br/>(euro)</b> | <b>Shares</b> | <b>Reason</b>        |
|------------------|----------------------------|---------------------------|---------------|----------------------|
| 14 December 2007 | 195,324.36                 | 473,845,385.93            | 615,043,509   | Exercise of warrants |
| 11 February 2008 | 173,720.47                 | 474,019,106.40            | 615,269,120   | Exercise of warrants |
| 1 April 2008     | 251,260.24                 | 474,270,366.64            | 615,595,432   | Exercise of warrants |
| 13 June 2008     | 320,514.04                 | 474,590,880.68            | 616,011,684   | Exercise of warrants |
| 8 September 2008 | 27,468.98                  | 474,618,349.66            | 616,047,358   | Exercise of warrants |
| 3 October 2008   | 208,623.03                 | 474,826,972.69            | 616,318,297   | Exercise of warrants |
| 16 December 2008 | 759,304,139.44             | 1,234,131,112.13          | 1,602,427,569 | Rights offering      |
| 23 January 2009  | 240,524.90                 | 1,234,371,637.03          | 1,602,739,939 | Exercise of warrants |
| 20 March 2009    | 79,817.43                  | 1,234,451,454.46          | 1,602,843,598 | Exercise of warrants |
| 28 April 2009    | 14,179.55                  | 1,234,465,634.01          | 1,602,862,013 | Exercise of warrants |
| 16 June 2009     | 295,844.78                 | 1,234,761,478.79          | 1,603,243,227 | Exercise of warrants |
| 7 September 2009 | 22,627.99                  | 1,234,784,106.78          | 1,603,275,614 | Exercise of warrants |
| 22 October 2009  | 58,913.47                  | 1,234,843,020.25          | 1,603,352,125 | Exercise of warrants |

The table below shows the statement of share capital for 2008. All of these shares issuances above were for cash consideration. See also note 23 Changes in equity to our historical financial statements.

| <b>Issued capital</b>  | <b>Million USD</b> | <b>Million shares</b> |
|------------------------|--------------------|-----------------------|
| As of 31 December 2007 | 559                | 615                   |
| Changes during 2008    | 1,171              | 987                   |
| As of 31 December 2008 | 1,730              | 1,602                 |

For details of our authorised share capital, see Changes to Our Share Capital .

As of 30 June 2009, we held 11,114,722 of our own shares, and Brandbrew S.A., our fully owned subsidiary, held 8,747,485 of our shares, with a face value on 30 June 2009 of EUR 511.25 million (USD 361.72 million). As of 24 November 2009, we held 15,801,090 of our own shares and Brandbrew S.A., our fully owned subsidiary, held 450,907 of our shares, with a face value on 24 November 2009 of USD 834.05 million. See Major Shareholders and Related Party Transactions Major Shareholders Shareholding Structure .

For details of the options and warrants held by our employees, see Directors, Senior Management and Employees Compensation Share-Based Payment Plans .

**Form and Transferability of Our Shares**

Our shares can take the form of registered shares, bearer shares or dematerialised shares.

On 1 January 2008, bearer shares booked into a securities account were automatically converted into dematerialised shares. As from 1 January 2008 bearer shares not yet booked into a securities account have been automatically converted into dematerialised shares as from the time they are booked into a securities account.

Furthermore, holders of bearer shares that would not have been subject to this automatic conversion (that is, bearer shares not held in book-entry form) must request, in accordance with the modalities provided by the Belgian Law of 14 December 2005 concerning the suppression of bearer securities, at the latest by 31 December 2013, that such shares be converted into registered or dematerialised shares.

In the event that the conversion of the shares is not requested by the above date, the shares will be automatically converted into dematerialised shares and recorded in our name, with all rights attached to such shares being suspended until their proved owner comes forward and requests that such shares be recorded in his

---

## **Table of Contents**

own name. In addition, the Belgian Law of 14 December 2005 provides that, as of 1 January 2015, securities listed on a stock exchange and whose owner remains unknown must be sold by us on a stock exchange in accordance with the modalities provided by such law. We must then deposit (i) the proceeds or (ii) if the securities are not sold before 30 November 2015 at latest, these non-sold securities, with the Belgian Caisse des dépôts et consignations/Deposito-en Consignatiekas, where such proceeds or securities respectively may be claimed by their beneficiaries, subject to certain administrative fines being payable by claimants.

All of our shares are fully paid-up and freely transferable.

### **Changes to Our Share Capital**

In principle, changes to our share capital are decided by our shareholders. Our shareholders' meeting may at any time decide to increase or decrease our share capital. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described below in *Description of the Rights and Benefits Attached to Our Shares* *Right to Attend and Vote at Our Shareholders Meeting* *Votes, quorum and majority requirements* .

#### ***Share Capital Increases by Our Board of Directors***

Subject to the same quorum and majority requirements, our shareholders' meeting may authorise our Board, within certain limits, to increase our share capital without any further approval of our shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (that is, it can only be granted for a renewable period of maximum five years) and in scope (that is, the authorised capital may not exceed the amount of the registered share capital at the time of the authorisation).

At our extraordinary shareholders' meeting held on 28 April 2009, our shareholders authorised our Board, for a period of five years from the date of publication of the changes to the articles of association decided by our shareholders' meeting on 28 April 2009, to increase our share capital, in one or more transactions, by a number of shares representing no more than 3% of the total number of shares issued and outstanding on 28 April 2009 (that is, 1,602,862,013). In accordance with Article 603, indent 1, of the Belgian Companies Code, such increase may not result in the share capital being increased by an amount exceeding the amount of share capital on such date. As at the date of this Form F-4, the authorised capital had not been used.

In addition, our Board is expressly authorised, in the event of a public takeover bid being made in relation to our securities, to increase our share capital, within the limits mentioned above, under the conditions set out in Article 607 of the Belgian Companies Code. This authorisation is granted for a period of 3 years from 24 April 2007. If our Board decides to increase our share capital pursuant to this authorisation, the amount of this increase will be deducted from the remaining authorised capital.

#### ***Preference Rights***

In the event of a share capital increase for cash by way of the issue of new shares, or in the event of an issue of convertible bonds or warrants, our existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. Our Board may decide that preference rights which were not exercised, or were only partly exercised, by any shareholders shall accrue proportionally to the other shareholders who have already exercised their preference rights, and shall fix the practical terms for such subscription.

Our shareholders' meeting, acting in accordance with Article 596 of the Belgian Companies Code and in our interests, may restrict or cancel the preference rights. In the case of a share capital increase pursuant to the authorised capital, our Board may likewise restrict or cancel the preference rights, including in favour of one or more specific persons other than our employees or one of our subsidiaries.

## **Table of Contents**

### **Purchases and Sales of Our Own Shares**

We may only acquire our own shares pursuant to a decision by our shareholders' meeting taken under the conditions of quorum and majority provided for in the Belgian Companies Code. Such a decision requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 80% of the share capital present or represented. If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 80% of the share capital present or represented.

Our shareholders' meeting of 28 April 2009 delegated authority to our Board, for a period of 5 years from such a date, to acquire our shares up to the maximum number allowed under Article 620, §1, 2° of the Belgian Companies Code and for a consideration that may not be less than 10% below the lowest closing price in the last 20 stock exchange days preceding the transaction and not more than 10% above the highest closing price in the last 20 stock exchange days preceding the transaction. If the acquisition is made by us outside the stock exchange, even from a subsidiary, we shall, as the case may be, make an offer on the same terms and conditions to all of our shareholders.

On 21 January 2008, we announced that our Board had resolved to initiate a new share buy-back programme for an amount of up to USD 444 million. The share buy-back was executed pursuant to the powers granted at our extraordinary shareholders' meeting of 24 April 2007, and, in accordance with that mandate, was to be conducted within eight months of the date of the resolution. Our share buy-back programmes are an integral component of our strategy to pro-actively manage our capital structure and return cash to shareholders, as well as to our hedge share-based compensation system. This programme was concluded with a total amount of USD 306 million worth of our shares purchased.

On 28 February 2008, we initiated a further buy-back programme of shares for an amount of up to USD 739 million, for a period of 12 months. This programme was completed at the end of May 2008. A total of 12,708,793 shares were purchased in 2008. Of this number, 12,703,440 shares were purchased on the Euronext stock exchange and the remaining 5,353 shares were purchased over the counter by Brandbrew S.A.

On 12 November 2009 immediately after the closure of Euronext Brussels, we purchased 8,300,000 of our shares over the counter from our fully owned subsidiary Brandbrew SA. The purchase price was equal to the closing price of the shares on Euronext Brussels on 12 November 2009, which was EUR 32.59 per share.

Neither we, nor any purchaser affiliated to us have purchased any of our shares since 12 November 2009.

### **Memorandum and Articles of Association and Other Share Information**

A copy of our articles of association dated 22 October 2009 has been filed as Exhibit 3.1 to this Form F-4.

### **Description of the Rights and Benefits Attached To Our Shares**

#### ***Right to Attend and Vote at Our Shareholders' Meeting***

#### **Annual Shareholders' Meeting**

Our annual shareholders' meeting shall be held on the last Tuesday of April of each year, at 11:00 a.m., or at any other time, in one of the municipalities (communes/gemeenten) of the Region of Brussels, in Leuven or in Liège, at the place mentioned in the notice. If this date is a legal holiday, the meeting is held on the next business day (excluding Saturday) at the same time.



## **Table of Contents**

### **Special and Extraordinary Shareholders Meetings**

Our Board or the statutory auditor (or the liquidators, if appropriate) may, whenever our interests so require, convene a special or extraordinary shareholders meeting. Such shareholders meeting must also be convened every time one or more of our shareholders holding at least one-fifth of our share capital so demand.

### **Notices convening our shareholders meeting**

Notices of our shareholders meetings contain the agenda of the meeting and our Board's recommendations on the matters to be voted upon.

Notices for our shareholders meeting are given in the form of announcements placed at least 24 days prior to the meeting in at least one Belgian newspaper and in the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad).

Notices are sent 15 days prior to the date of our shareholders meeting to the holders of our registered shares, holders of our registered warrants and to our directors and our statutory auditor.

Notices of all our shareholders meetings and all related documents, such as specific Board and auditor's reports, are also published on our website, [www.ab-inbev.com/corporategovernance](http://www.ab-inbev.com/corporategovernance).

### **Admission to meetings**

All holders of our shares are entitled to attend our shareholders meeting, take part in the deliberations and, within the limits prescribed by the Belgian Companies Code, to vote.

Holders of our physical bearer shares wishing to attend our shareholders meeting must first convert such shares into registered or dematerialised shares. They must then comply with the formalities described below (depending on whether they have elected to convert their physical bearer shares into dematerialised or registered shares).

Holders of our dematerialised shares must deposit, with a branch of Fortis Bank in Belgium at least three business days prior to the meeting, a certificate of non-transferability until and including the day of our shareholders meeting issued by an authorised account holder or by the clearing organisation approved in accordance with Article 468 of the Belgian Companies Code, with an indication of the number of shares so blocked.

Holders of our registered shares must express, no later than three business days prior to the meeting, their intention to attend the meeting and the number of shares in respect of which they intend to exercise voting rights.

Any shareholder may attend our shareholders meetings in person or be represented by a proxy, who need not be a shareholder. All proxies must be in writing in accordance with the form prescribed by us and must be received by us no later than the date determined by our Board.

### **Votes, quorum and majority requirements**

Each of our shares is entitled to one vote except for shares owned by us, or by any of our direct subsidiaries, the voting rights of which are suspended. The shares held by our principal shareholders do not entitle such shareholders to different voting rights.

Shareholders are allowed to vote in person, by proxy or by mail. Votes by mail must be cast using the form prepared by us and must be received by us no later than the date upon which our shareholders must deposit their shares.

## Table of Contents

Generally, there is no quorum requirement for our shareholders' meetings and decisions are taken by a simple majority vote of shares present or represented.

Resolutions relating to amendments of the articles of association or the merger or division of Anheuser-Busch InBev SA/NV are subject to special quorum and majority requirements. Specifically, any resolution on these matters requires the presence in person or by proxy of shareholders holding an aggregate of at least 50% of the issued share capital, and the approval of at least 75% of the share capital present or represented at the meeting. If a quorum is not present, a second meeting must be convened. At the second meeting, the quorum requirement does not apply. However, the special majority requirement continues to apply.

Any modification of our corporate purpose or legal form requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 80% of the share capital present or represented. If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 80% of the share capital present or represented.

Our extraordinary shareholders' meeting of 25 April 2006 approved an amendment to our articles of association. As a consequence, the following matters are now within the exclusive jurisdiction of our shareholders' meetings and shall be adopted by the approval of at least 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented:

Any decision to apply for the delisting of our securities from any stock market;

Any acquisition or disposal of assets by us for an amount exceeding one third of our consolidated total assets as reported in our most recent audited financial statements.

As a result of the amendment approved by our extraordinary shareholders' meeting of 25 April 2006, the following matters are also within the jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted to our shareholders' meeting:

Any matter relating to our dividend payout policy (except that the actual amount of any dividend remains subject to approval by our shareholders' meeting in accordance with the Belgian Companies Code).

The following matters shall be within the jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 50% plus one of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted to our shareholders' meeting:

The approval of the individual to whom our Board proposes to delegate authority for our day-to-day management and appoint as Chief Executive Officer, and the ratification of any decision by our Board to dismiss such individual;

Any modification of executive remuneration and incentive compensation policy;

The ratification of any transaction of ours or one of our direct or indirect subsidiaries with a controlling shareholder of us or with a legal or natural person affiliated to or associated with such controlling shareholder within the meaning of Articles 11 and 12 of the Belgian Companies Code, it being understood that, for the purposes of this provision of the articles of association, our direct or indirect subsidiaries are not considered as affiliated to or associated with our controlling shareholders;

Any modification of our target capital structure and the maximum level of net debt.



**Table of Contents****Dividends**

The Belgian Companies Code provides that dividends can only be paid up to an amount equal to the excess of our shareholders' equity over the sum of (i) paid up or called up share capital and (ii) reserves not available for distribution pursuant to law or the articles of association.

The annual dividends are approved by our shareholders' meetings and are paid on the dates and at the places determined by our Board. Our Board may pay an interim dividend in accordance with the provisions of the Belgian Companies Code.

Our current dividend policy is to declare a dividend representing in aggregate at least 25% of our consolidated profit attributable to our equity holders, excluding exceptional items, such as restructuring charges, gains or losses on business disposals and impairment charges, subject to applicable legal provisions relating to distributable profit. In accordance with our intention to deleverage after the closing of the Anheuser-Busch acquisition, it is expected that the dividends we will pay in the first two to three years after the closing of the Anheuser-Busch acquisition will be materially lower than the EUR 2.44 (USD 3.67) dividend for 2007 set out below, and may be lower than the 25% threshold referred to above.

Any matter relating to our dividend payout policy (except that the actual amount of any dividend remains subject to approval at our shareholders' meeting in accordance with the Belgian Companies Code) is within the jurisdiction of our shareholders' meetings and shall be adopted with a positive vote of at least 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted at our shareholders' meeting.

The annual dividends are approved by our annual shareholders' meeting and are paid on the dates and at the places appointed by our Board. Our Board may pay an interim dividend in accordance with the provisions of the Belgian Companies Code.

The table below summarises the dividends paid by us in the most recent financial years.

| Financial year | Number of our shares<br>outstanding at end of<br>relevant financial year | Gross amount<br>of dividend per | Gross amount of<br>dividend per | Payment date  |
|----------------|--|---------------------------------|---------------------------------|---------------|
|                |  | Share<br>(in EUR)               | Share<br>(in USD)               |               |
| 2008           | 1,602,427,569  | 0.28                            | 0.35                            | 5 May 2009    |
| 2007           | 615,043,509  | 2.44                            | 3.67                            | 30 April 2008 |
| 2006           | 613,441,281  | 0.72                            | 0.95                            | 25 April 2007 |
| 2005           | 609,913,289  | 0.48                            | 0.57                            | 26 April 2006 |

**Appointment of Directors**

Pursuant to a shareholders' agreement (see Major Shareholders and Related Party Transactions Major Shareholders ) BRC S.à.R.L and Eugénie Patri Sébastien S.A. each have the right to nominate four directors. The Stichting board of directors nominates four to six directors who are independent of shareholders.

**Liquidation Rights**

We can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented.

In the event of the dissolution and liquidation of Anheuser-Busch InBev SA/NV, the assets remaining after payment of all debts and liquidation expenses shall be distributed to the holders of our shares, each receiving a sum proportional to the number of our shares held by them.

---

## **Table of Contents**

### ***Disclosure of Significant Shareholdings***

In addition to any shareholder notification thresholds under applicable legislation (which notification is required at 5%, 10%, 15% and so on in five-percentage point increments), our articles of association require holders of our shares to disclose the number of our shares held if their shareholding exceeds or falls below 3% of our outstanding shares with voting rights.

### **Mandatory Bid**

Belgium implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Belgian Law of 1 April 2007 on public takeover bids (the Takeover Law ) and the Belgian Royal Decree of 27 April 2007 on public takeover bids (the Takeover Royal Decree ). Pursuant to the Takeover Law, a mandatory bid will need to be launched on all our shares (and our other securities giving access to voting rights) if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of our shares (directly and/or through American depository shares).

Public takeover bids on shares and other securities giving access to voting rights (such as, warrants or any convertible bonds) are subject to supervision by the CBFA. Public takeover bids must be made for all of our shares, as well as for all our other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus, approved by the CBFA prior to publication.

In accordance with Article 74 of the Takeover Law, our controlling shareholder (the Stichting) and the six entities acting in concert with it (as set out in Major Shareholders and Related Party Transactions Major Shareholders Shareholding Structure ) have filed with us and the CBFA the disclosures set forth by the Takeover Law and are therefore, and following their acquisition of additional shares pursuant to our December 2008 rights offering have remained, exempt from the obligation to launch a takeover bid on our shares and other securities giving access to voting rights.

### **SUBSIDIARY GUARANTORS**

#### ***AmBrew S.A.***

AmBrew S.A. ( **AmBrew** ) is a holding company that holds an important portion of the Parent Guarantor's stake in AmBev. AmBrew was incorporated on 2 March 2004 as a *société anonyme* under the Luxembourg Companies Act. AmBrew was incorporated under the denomination of Tinsel Investments S.A. The statutes were published in the Memorial C n° 449 on 28 April 2004. On 22 December 2004, AmBrew changed its denomination to AmBrew S.A. Its registered office is located at 5, Parc d'Activité Syrdall, L-5365 Münsbach in Luxembourg.

The statutes were last amended on 26 August 2004, 22 December 2004, 15 December 2006, 25 December 2006, 17 December 2007 and 18 November 2008. AmBrew is established for an unlimited period. AmBrew is registered with the Registre de Commerce et des Sociétés under the number B 99525.

The business objectives of AmBrew are to undertake, in Luxembourg and abroad, financing operations by granting loans to corporations, part of the same international group to which it belongs. These loans will be refinanced by financial means and instruments such as, inter alia but not limited to, loans from shareholders or group companies or bank loans.

AmBrew will be able to employ its funds for the start up, the management, the development and the liquidation of a portfolio being composed of all titles and trademarks of any origin, to take part in the start up, the development and the control of any company, to acquire by way of contribution, subscription or in any other

## Table of Contents

manner, all types of property titles and trademarks and to subsequently realize these by way of sale, transfer, exchange or any other manner as well as to grant to the companies in which AmBrew is interested, loans, advances or guarantees.

Furthermore, AmBrew may carry out all transactions pertaining directly or indirectly to acquiring participating interests in any enterprises in whatever form, as well as performing the administration, the management, the control and the development of such participating interests.

The business address for all directors is 5, Parc d'Activité Syrdall, L-5365 Münsbach, Luxembourg.

No conflicts of interests exist between any duties to AmBrew of its directors and their private interests.

Under Luxembourg company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that AmBrew must comply with.

AmBrew's issued share capital at the date of this Form F-4 is 148,640,320 represented by 4,645,010 ordinary shares of common stock par value 32 per share. AmBrew has no other classes of shares. The share capital is fully paid up in cash. AmBrew has no notes cum warrants, nor convertible notes outstanding.

AmBrew is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with article 316 of the Luxembourg Companies Act, AmBrew is exempted from the requirement to prepare consolidated accounts and a consolidated management report.

The results of AmBrew S.A. are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***Cobrew NV/SA***

Cobrew NV/SA ( **Cobrew** ) is a finance vehicle for the Parent Guarantor. Cobrew was incorporated on 21 May 1986 as a public limited liability company ( *société anonyme / naamloze vennootschap* ) under Belgian law. The articles of association were published in the Annex of the Belgian State Gazette under number 86061755/56 on 17 June 1986. Its registered office is located at Brouwerijplein 1, 3000 Leuven in Belgium.

The articles of association were amended on 9 April 1987, on 29 September 1988, on 20 September 1990, on 31 December 1990, on 28 February 1991, on 25 September 1991, on 27 March 1995, on 29 June 1995, on 5 November 1997, on 10 August 1998, on 26 October 1998, on 28 February 2000, on 13 September 2000, on 5 December 2000, on 12 January 2001, on 31 May 2001, on 5 February 2002, on 15 December 2004, on 19 May 2006 and on 13 June 2006.

Cobrew is established for an unlimited period. Cobrew is registered with the Register for Legal Entities under number 0428.975.372.

The business activities of Cobrew are publicity, providing and collecting of information, insurance and reinsurance, scientific research, relations with national and international authorities, centralisation of bookkeeping, administration, information technology and general services, centralisation of financial transactions and covering of risks resulting from fluctuations in exchange rates, financial management, invoicing, re-invoicing and factoring, finance lease of movable and immovable property, market studies, management and legal studies, fiscal advice, audits as well as all activities of a preparatory or auxiliary nature for the companies of

## **Table of Contents**

the group. Within the framework of its objects, Cobrew can acquire, manufacture, hire and let out all movable and immovable goods and, in general, perform all civil, commercial, industrial and financial transactions, including the operation of all intellectual rights and all industrial and commercial properties relating to them.

The business address for all directors is Brouwerijplein 1, 3000 Leuven, Belgium.

No conflicts of interests exist between any duties to Cobrew of its directors and their private interests.

Under Belgian company law, there is currently no legal corporate governance regime that Cobrew must comply with.

Cobrew's issued share capital at the date of this Form F-4 is 3,399,912,340.70 represented by 1,371,489 ordinary shares of common stock without par value per share. Cobrew has no other classes of shares. The share capital is fully paid up in cash. Cobrew has no notes cum warrants, nor convertible notes outstanding.

Cobrew is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with Article 113 of the Belgian Companies Code, Cobrew is exempt from the requirement to prepare consolidated accounts and a consolidated management report.

The results of Cobrew are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***InBev Belgium NV/SA***

InBev Belgium NV/SA ( **InBev Belgium** ) is a holding company for the Parent Guarantor's operations in Belgium. InBev Belgium was incorporated on 21 March 1988 as a public limited liability company (*société anonyme/naamlooze vennootschap*) under Belgian law. InBev Belgium was incorporated under the denomination of BelBrew. The statutes were published in the Annex of the Belgian State Gazette under number 880413-192 on 13 April 1988. On 17 March 1989, InBev Belgium changed its denomination to Interbrew Belgium and on 31 August 2005, to InBev Belgium. Its registered office is located at 21, Boulevard Industriel, 1070 Brussels (Anderlecht) in Belgium.

The statutes were amended on 29 April 1988, on 17 March 1989, on 20 March 1991, on 30 June 1993, on 23 September 1994, on 21 September 1995, on 28 June 1999, on 2 September 1999, on 29 December 2000, on 29 June 2001, on 5 February 2004 and on 31 August 2005.

InBev Belgium is established for an unlimited period. InBev Belgium is registered with the Register for Legal Entities under number 0433.666.709.

The business activities of InBev Belgium are manufacturing and marketing of beers and other alcoholic/non-alcoholic goods in Belgium.

No conflicts of interests exist between any duties to InBev Belgium of its directors and their private interests.

Under Belgian company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that InBev Belgium must comply with.

InBev Belgium's issued share capital as of the date of this Form F-4 is 293,000,000 represented by 4,717,363 ordinary shares of common stock. InBev Belgium has no other classes of shares. The share capital is fully paid up in cash. InBev Belgium has no notes cum warrants, nor convertible notes outstanding.

## **Table of Contents**

InBev Belgium's voting rights are wholly owned by Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with Article 113 of the Belgian Companies Code, InBev Belgium is exempted from the requirement to prepare consolidated accounts and a consolidated management report.

The results of InBev Belgium are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***AB InBev France S.A.S.***

AB InBev France S.A.S. ( **AB InBev France** ) is a holding company for the Parent Guarantor's operations in France. AB InBev France was incorporated on 27 March 1981 as a *société anonyme* under French law and transformed into a *société par actions simplifiée* on 28 June 2002. Its registered office is located at Immeuble le Crystal Zac Euralille Romarin, 38 Place Vauban, avenue de la République, 59110 La Madeleine, France.

The statutes were last amended on 29 June 2009.

AB InBev France is established until 27 March 2080. AB InBev France is registered under the corporate identity number 321 336 208.

The business activities of AB InBev France are, among others, the exploitation of malt factories, the production and marketing of any type of beer, drinks, food products and financial transactions.

The business address for all directors is Immeuble le Crystal Zac Euralille Romarin, 38 allée Vauban, avenue de la République, 59110 La Madeleine, France.

No conflicts of interests exist between any duties to AB InBev France of its directors and their private interests.

AB InBev France complies with all legal and regulatory provisions relating to corporate governance currently in force in France.

Pursuant to the decision of the shareholders of AB InBev France on 19 December 2008, AB InBev France's issued share capital as of the date of this Form F-4 is 15,200,000 represented by 1,520,000 ordinary shares of common stock par value 10 per share. AB InBev France has no other classes of shares. The share capital is fully paid up in cash. AB InBev France has no notes cum warrants, nor convertible notes outstanding.

AB InBev France is an indirect subsidiary of Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with tax legislation, AB InBev France is exempted from the requirement to prepare consolidated accounts and a consolidated management report.

The results of AB InBev France are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***InBev Nederland N.V.***

InBev Nederland N.V. ( **InBev Nederland** ) is a holding company for the Parent Guarantor's operations in the Netherlands. InBev Nederland was incorporated on 29 April 1930 as a public limited liability



**Table of Contents**

company (*naamloze vennootschap*) under Dutch law. Its registered office is located at Ceresstraat 1, 4811 CA Breda in The Netherlands and its corporate seat is at Breda, The Netherlands.

InBev Nederland's articles of association were last amended on 2 January 2006.

InBev Nederland is registered with the Dutch Commercial Register (*Kamer van Koophandel voor Zuidwest Nederland*) under number 20080399.

The business activities of InBev Nederland are, among others, beer brewing, drink production and sale of drinks, more specifically beer, water and soft drinks.

The accounting year begins on 1 January and ends on 31 December of each year.

The business address for all managing directors is Ceresstraat 1, 4811 CA Breda, The Netherlands.

No conflicts of interests exist between any duties to InBev Nederland of its managing directors and their private interests.

Under Dutch company law, InBev Nederland is subject to, and complies with, the large company regime (*structuur vennootschap*). Consequently, InBev Nederland has established a supervisory board.

The business address for all InBev Nederland supervisory board members is Ceresstraat 1, 4811 CA Breda, The Netherlands.

No conflicts of interests exist between any duties to InBev Nederland of the members of its supervisory board and their private interests.

InBev Nederland's issued share capital as of the date of this Form F-4 is 9,323,684.04 represented by 205,458 ordinary shares of common stock par value 45.38 (rounded following conversion into euro) per share. InBev Nederland has no other classes of shares. The share capital is fully paid up in cash. InBev Nederland has no notes cum warrants, nor convertible notes outstanding.

InBev Nederland is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The results of InBev Nederland are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

***Interbrew Central European Holding B.V.***

Interbrew Central European Holding B.V. ( **Interbrew Central European Holding** ) is a holding company that formerly held the Parent Guarantor's operations in Central Europe prior to the sale of such operations on 2 December 2009. See Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Recent Transactions . Interbrew Central European Holding was incorporated on 13 March 1985 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law. Its registered office is located at Ceresstraat 1, 4811 CA Breda in The Netherlands and its corporate seat is at Breda, The Netherlands.

The articles of association were last amended on 29 May 1997.

Interbrew Central European Holding is registered with the Dutch Commercial Register (*Kamer van Koophandel voor Zuidwest Nederland*) under number 20054921.

The business objectives of Interbrew Central European Holding are generally those of a holding and financing company.

## Table of Contents

The accounting year begins on 1 January and ends on 31 December of each year.

No conflicts of interests exist between any duties to Interbrew Central European Holding of Interbrew International B.V. and its managing directors and their private interests.

Under Dutch company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that Interbrew Central European Holding must comply with.

Interbrew Central European Holding's issued share capital as of the date of this Form F-4 is 181,512 represented by 400 ordinary shares of common stock par value 453.78 (rounded following conversion to euro) per share. Interbrew Central European Holding has no other classes of shares. The share capital is fully paid up in cash. Interbrew Central European Holding has no notes cum warrants, nor convertible notes outstanding.

Interbrew Central European Holding is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The business address for all managing directors is Ceresstraat 1, 4811 CA, Breda, The Netherlands.

The results of Interbrew Central European Holding are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***Interbrew International B.V.***

Interbrew International B.V. ( **Interbrew International** ) is an international holding company holding several of the Parent Guarantor's local holding companies at the country level. Interbrew International was incorporated on 25 April 1978 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law. Its registered office is located at Ceresstraat 1, 4811 CA Breda in The Netherlands and its corporate seat is at Breda, The Netherlands.

The articles of association were last amended on 28 December 2000.

Interbrew International is registered with the Dutch Commercial Register (*Kamer van Koophandel voor Zuidwest Nederland*) under number 20054440.

The business activities of Interbrew International are generally those of a holding and financing company. Interbrew International operates primarily in the Western Europe and Asia-Pacific zones, for example China, UK, Germany, Belgium and France.

The business address for all managing directors is Ceresstraat 1, 4811 CA Breda, The Netherlands.

No conflicts of interests exist between any duties to Interbrew International of its managing directors and their private interests.

Under Dutch company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that Interbrew International must comply with.

Interbrew International's issued share capital as of the date of this Form F-4 is 104,777,851.90 represented by 185,350 A shares of par value 453.78 per share and 216,723 B shares of par value 453.78. Interbrew International has no other classes of shares. The share capital is fully paid up in cash. Interbrew International has no notes cum warrants, nor convertible notes outstanding.

## **Table of Contents**

Interbrew International is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with a resolution of Anheuser-Busch InBev SA/NV, Interbrew International is exempted from the requirement to prepare consolidated accounts and a consolidated management report.

The results of InBev International are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***Nimbuspath Limited***

Nimbuspath Limited ( **Nimbuspath** ) is a holding company for the Parent Guarantor's operations in the United Kingdom. Nimbuspath was incorporated on 19 September 2001 as a private limited company under United Kingdom law. Its registered office is located at Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS in the United Kingdom.

Nimbuspath is established for an unlimited period. Nimbuspath is registered under the corporate identity number 04290399.

The business activities of Nimbuspath are those of a holding company in the UK and the Republic of Ireland.

The business address for all directors is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom.

No conflicts of interests exist between any duties to Nimbuspath of its directors and their private interests.

Under English company law, there is a legal corporate governance regime and Nimbuspath complies with it.

Nimbuspath's issued share capital as of the date of this Form F-4 is £970,000,001 represented by 970,000,001 ordinary shares of common stock par value £1 per share. Nimbuspath has no other classes of shares. The share capital is fully paid up in cash. Nimbuspath has no notes cum warrants, nor convertible notes outstanding.

Nimbuspath is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with Section 400 of the Companies Act 2006, Nimbuspath is exempted from the requirement to prepare group accounts. Under Financial Reporting Standard 1, Nimbuspath is exempt from the requirement to prepare a cash flow statement.

The results of Nimbuspath are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***BrandBrew S.A.***

BrandBrew S.A. ( **Brandbrew** ) is a finance vehicle for the Parent Guarantor and also owns several of our brands. Brandbrew was incorporated on 15 May 2000 as a public limited liability company (*société anonyme*) under the Luxembourg Companies Act. Its registered office is located at 5 Parc d'Activité Syrdall, L-5365 Munsbach, Luxembourg.

## **Table of Contents**

The articles of association of Brandbrew were last amended on 26 September 2000, 15 February 2002 and 25 July 2007. Brandbrew is established for an unlimited period. Brandbrew is registered with the Luxembourg Register of Commerce and Companies under number B-75696.

The business objectives of Brandbrew are to undertake, in Luxembourg and abroad, financing operations by granting loans to companies which are part of the AB InBev Group. These loans will be refinanced by financial means and instruments such as, inter alia but not limited to, loans from shareholders or group companies or bank loans.

For the purpose of this description, the address of the Board of Directors is 5 Parc d'Activité Syrdall, L-5365 Munsbach, Luxembourg.

No conflicts of interests exist between any duties to Brandbrew of its directors and their private interests.

However, functional conflicts of interests may exist for the directors of Brandbrew due to the roles held by these persons in other members of the AB InBev Group.

Under Luxembourg company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that Brandbrew must comply with.

BrandBrew is a 100% owned indirect subsidiary of Anheuser-Busch InBev SA/NV.

Brandbrew's issued and authorised share capital at 31 December 2008 is 717,576,000 represented by 7,175,760 ordinary shares without a nominal value. Brandbrew has no other classes of shares. The share capital is fully paid up in cash. Brandbrew has no notes cum warrants, nor convertible notes outstanding.

The accounting year begins on 1 January and ends on 31 December of each year.

In accordance with a resolution of Anheuser-Busch InBev SA/NV, Brandbrew is exempted from the requirement to prepare consolidated accounts and a consolidated management report.

The results of Brandbrew are consolidated within our financial statements, which are available to the public and may be obtained from Anheuser-Busch InBev SA/NV, Grand Place 1, Brussels, Belgium.

### ***Anheuser-Busch Companies, Inc.***

The Issuer acquired Anheuser-Busch Companies, Inc. on November 18, 2008. For more information on Anheuser-Busch, see Anheuser-Busch Companies, Inc. Historical Financial Information at AF-1 of this Form F-4.

**Table of Contents****THE EXCHANGE OFFERS**

*The following summary of the Registration Rights Agreement and letter of transmittal is not complete and is subject to, and is qualified in its entirety by, all of the provisions of the Registration Rights Agreement and the letter of transmittal, each of which is filed as an exhibit to the registration statement of which this prospectus is part. We urge you to read the entire Registration Rights Agreement carefully.*

**Purpose and Effect of Exchange Offers**

On 16 October 2009, Anheuser-Busch InBev Worldwide Inc. issued U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012, U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015, U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 and U.S.\$500,000,000 principal amount of 6.375% Notes due 2040 in a private offering, each of which are, subject to certain limitations, irrevocably guaranteed by Anheuser-Busch InBev SA/NV and the Subsidiary Guarantors and which we refer to as the **Old Notes**. We are offering to exchange the outstanding Old Notes of each series for our U.S.\$1,500,000,000 principal amount of 3.000% Notes due 2012, U.S.\$1,250,000,000 principal amount of 4.125% Notes due 2015, U.S.\$2,250,000,000 principal amount of 5.375% Notes due 2020 and U.S.\$500,000,000 principal amount of 6.375% Notes due 2040, each of which are, subject to certain limitations, irrevocably guaranteed by Anheuser-Busch InBev SA/NV and the Subsidiary Guarantors, which have been registered under the Securities Act and which we refer to as the **New Notes**. Each offer to exchange Old Notes of a series for New Notes of the corresponding series is referred to as an **Exchange Offer** and, collectively, such offers are referred to as the **Exchange Offers**.

The Old Notes were purchased by J.P. Morgan Securities Inc., Banc of America Securities LLC or Deutsche Bank Securities Inc., whom we refer to as the **Initial Purchasers**, on 16 October 2009, for resale to qualified institutional buyers in compliance with Rule 144A under the Securities Act and outside of the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. In connection with the sale of the Old Notes, the Issuer, the Guarantors and the Initial Purchasers entered into a Registration Rights Agreement, dated 16 October 2009 (the **Registration Rights Agreement**).

**Registration Rights**

The following description is a summary of the material provisions of the Registration Rights Agreement. This description does not restate that agreement in its entirety. We urge you to read the Registration Rights Agreement in its entirety because it, and not this description, defines your registration rights as holders of the Old Notes. See Available Information.

Pursuant to the Registration Rights Agreement, the Issuer and the Guarantors have agreed to file with the SEC the registration statement of which this prospectus is a part. We have agreed in the Registration Rights Agreement to use commercially reasonable efforts to amend and supplement this prospectus in order to allow broker-dealers receiving New Notes in exchange for Old Notes in connection with the Exchange Offers and other persons, if any, with similar prospectus delivery requirements to use this prospectus in connection with the resale of New Notes for a period commencing on the day the Exchange Offers are consummated and continuing for 90 days (or such shorter period during which such broker-dealers are required by law to deliver such prospectus).

The Issuer and the Guarantors have agreed pursuant to the Registration Rights Agreement that they will, subject to certain exceptions:

1. by 14 May 2010, 210 days after the issue date for the Notes, use their commercially reasonable efforts to file with the SEC this Form F-4, or some other registration statement (the **Exchange Offer Registration Statement**) with respect to a registered offer to exchange Old Notes for New Notes;

---

**Table of Contents**

2. use their commercially reasonable efforts to cause the Exchange Offer Registration Statement to be declared effective under the Securities Act by 13 July 2010, 270 days after the issue date for the Old Notes;
3. use their commercially reasonable efforts to keep the Exchange Offer Registration Statement effective until the closing of the Exchange Offers;
4. use their commercially reasonable efforts to cause the Exchange Offers, if they have been commenced, to be consummated not later than 12 August 2010, 300 days after the issue date for the Old Notes;
5. as soon as practicable upon the effectiveness of the Exchange Offer Registration Statement, commence the Exchange Offers; and
6. keep the Exchange Offers open for a period of not less than 20 business days (or longer if required by applicable law) after the date notice of the Exchange Offers is mailed to the holders of the Old Notes.

In the event that:

1. any change in law, SEC rules or regulations or applicable interpretations thereof of the staff of the SEC, the Issuer determines that it is not permitted to effect the Exchange Offers; or
2. for any other reason the Issuer does not consummate the Exchange Offers by 12 August 2010, 300 days of the issue date for the Old Notes; or
3. upon the written request of any Initial Purchaser holding Old Notes that are not eligible to be exchanged for New Notes in the Exchange Offers and held by it following the consummation of the Exchange Offers; or
4. upon notice by any holder of Old Notes other than an Initial Purchaser given to the Issuer in writing during the period during which the Exchange Offers are open that (A) due to a change in law or SEC policy it is not entitled to participate in the Exchange Offers, (B) due to a change in law or SEC policy it may not resell the New Notes acquired by it in the Exchange Offers to the public without delivering a prospectus and this prospectus is not appropriate or available for such resales by such holder or (C) it is a broker-dealer and owns Old Notes acquired directly from the Issuer or an affiliate of the Issuer;

then, the Issuer and the Guarantors will, subject to certain exceptions,

1. as promptly as practicable, use their commercially reasonable efforts to file a shelf registration statement (the **Shelf Registration Statement**) covering resales of the Old Notes on or prior to the 30th day after such filing obligation arises (but in no case earlier than 14 May 2010, 210 days following the issue date for the Old Notes);
2. use their commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective as promptly as practicable after filing and, in any event, on or prior to the 90th calendar day after such filing obligation arises (but in no case earlier than 13 July 2010, 270 days following the issue date of the Old Notes); and
3. use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the earliest of:

- (a) one year from the date the filing obligation arises; and

**Table of Contents**

- (b) the time when all Old Notes registered thereunder are disposed of in accordance therewith, or cease to be outstanding.

The Issuer will, in the event that a Shelf Registration Statement is filed, among other things, provide to each holder for whom such Shelf Registration Statement was filed copies of the prospectus which is a part of the Shelf Registration Statement, notify each holder when the Shelf Registration Statement has become effective and take certain other actions as are required to permit unrestricted resales of the Old Notes, as the case may be. In certain circumstances, the Issuer may suspend its obligations for up to two periods of up to 45 consecutive days (except for the consecutive 45-day period immediately prior to the maturity of the Old Notes), but not more than an aggregate of 60 days during any 365-day period, in relation to the Shelf Registration Statement if the Issuer's Board of Directors determines in good faith that there is a valid purpose for the suspension, subject to the provisions described below relating to Registration Defaults. A holder selling such Old Notes pursuant to the Shelf Registration Statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the Registration Rights Agreement that are applicable to such holder (including certain indemnification obligations).

**Interest Penalty**

If any of the following events occur (each such event a **Registration Default**), the Issuer will pay additional cash interest on the applicable Old Notes, subject to certain exceptions, from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured if:

1. the Issuer fails to file the registration statement of which this prospectus is a part on or prior to 14 May 2010, the 210th calendar day following the issue date for the Old Notes;
2. the registration statement of which this prospectus is a part is not declared effective by the SEC on or prior to 13 July 2010, the 270th calendar day following the issue date for the Old Notes;
3. the Exchange Offers are not consummated on or prior to 12 August 2010, the 300th calendar day following the issue date for the Notes; or
4. the Shelf Registration Statement is not declared effective within the time frame specified above.

If a Registration Default exists, the interest rate on the Old Notes will increase by 0.25% per annum, with respect to the first 90-day period (or portion thereof) while a Registration Default is continuing immediately following the occurrence of such Registration Default. Such interest rate will increase by an additional 0.25% per annum at the beginning of each subsequent 90-day period (or portion thereof) while a Registration Default is continuing until all Registration Defaults have been cured, up to a maximum rate of additional interest of 1.00% per annum.

If a Shelf Registration Statement is declared effective but becomes unusable for any reason, and the aggregate number of days in any consecutive 12-month period for which the Shelf Registration Statement is not usable exceeds 30 days in the aggregate, then the interest rate borne by the Old Notes subject to the Shelf Registration Statement will be increased by 0.25% per annum of the principal amount of the Old Notes for the first 30-day period (or portion thereof) beginning on the 31st such day that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum at the beginning of each subsequent 30-day period; provided that the maximum aggregate increase in the interest rate as a result of a Shelf Registration Statement being unusable (inclusive of any interest that accrues on such Old Notes in connection with a Registration Default) will in no event exceed 1.00% per annum. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Old Notes registered thereon will be reduced to the original interest rate.



---

## **Table of Contents**

All accrued additional cash interest will be paid by the Issuer on the next scheduled interest payment date to Depository Trust Corporation ( DTC ) or its nominee by wire transfer of immediately available funds.

All references in the Indenture, in any context, to any interest or other amount payable on or with respect to the Old Notes shall be deemed to include any additional interest payable pursuant to the Registration Rights Agreement, as described above.

### **Terms of the Exchange Offers**

Upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, for each \$1,000 principal amount of Old Notes properly surrendered and not withdrawn before the expiration date of the applicable Exchange Offer, we will issue \$1,000 principal amount of New Notes of the corresponding series. Holders may tender some or all of their Old Notes pursuant to the Exchange Offers in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In addition, untendered portions of Old Notes must be in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The Exchange Offers are not conditioned upon any minimum aggregate principal amount of Old Notes being tendered.

The form and terms of the New Notes will be the same as the form and terms of the Old Notes except that:

the New Notes will have a different CUSIP number from the Old Notes;

the New Notes will be registered under the Securities Act and, therefore, the global securities representing the New Notes will not bear legends restricting the transfer of interests in the New Notes;

the New Notes will not be subject to the registration rights relating to the Old Notes; and

the New Notes will not benefit from payment of additional interest in the cases described above.

The New Notes will evidence the same indebtedness as the Old Notes they replace, and will be issued under, and be entitled to the benefits of, the Indenture (as defined below). As a result, each series of Old Notes and the equivalent series of New Notes will be treated as a single series of notes under the Indenture for the purposes of voting and consenting to any matters affecting such series.

No interest will be paid on either the New Notes or the Old Notes at the time of the exchange. The New Notes will accrue interest from and including the last interest payment date on which interest has been paid on the Old Notes or, if no interest has been paid on the Old Notes, from the date of original issue of the Old Notes. Accordingly, the holders of Old Notes that are accepted for exchange will not receive accrued but unpaid interest on Old Notes at the time of tender. Rather, that interest will be payable on the New Notes delivered in exchange for the Old Notes on the first interest payment date after the expiration date of the Exchange Offers.

Under existing SEC interpretations, the New Notes would generally be freely transferable after the Exchange Offers without further registration under the Securities Act, except that broker-dealers receiving the New Notes in the Exchange Offers will be subject to a prospectus delivery requirement with respect to their resale. This view is based on interpretations by the staff of the SEC in interpretative letters issued to other issuers in exchange offers like this one. We have not, however, asked the SEC to consider these particular Exchange Offers in the context of an interpretative letter. Therefore, the SEC might not treat it in the same way it has treated other exchange offers in the past. You will be relying on the interpretative letters that the SEC has issued to third parties in circumstances that we believe are similar to ours. Based on these interpretative letters, the following conditions must be met in order to receive freely transferable New Notes:

you must not be a broker-dealer that acquired the Old Notes from us or in market-making transactions or other trading activities;

you must acquire the New Notes in the ordinary course of your business;



---

**Table of Contents**

you must not be participating, and do not intend to participate, and have no arrangements or understandings with any person to participate in, the distribution of the New Notes within the meaning of the Securities Act; and

you must not be an affiliate of ours, as defined under Rule 405 of the Securities Act.

By tendering your Old Notes as described in Procedures for Tendering , you will be representing to us that you satisfy all of the above listed conditions. If you do not satisfy all of the above listed conditions:

you cannot rely on the position of the SEC set forth in the interpretative letters referred to above; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the New Notes.

For a full list of the representations that each tendering holder of Old Notes must make in order to participate in one or more of the Exchange Offers, see Representations on Tendering Old Notes .

The SEC considers broker-dealers that acquired Old Notes directly from us, but not as a result of market-making activities or other trading activities, to be making a distribution of the New Notes if they participate in the Exchange Offers. Consequently, these broker-dealers must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the New Notes.

A broker-dealer that has bought Old Notes for market-making or other trading activities must comply with the prospectus delivery requirements of the Securities Act in order to resell any New Notes it receives for its own account in the Exchange Offers. The SEC has taken the position that broker-dealers may use this prospectus to fulfill their prospectus delivery requirements with respect to the New Notes. We have agreed in the Registration Rights Agreement to make available a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any such resale of the New Notes for a period of up to 90 days following the consummation of the relevant Exchange Offer (or for such shorter period of time during which such broker-dealer is required by law to deliver a prospectus).

In addition, the Exchange Offers are made to all holders of Old Notes other than to any such holder in the European Economic Area to whom the Exchange Offers cannot be made without requiring the production of a prospectus for purposes of the Directive 2003/71/EC (which condition may be certified or validated by way of representations from such holders).

Unless you are required to do so because you are a broker-dealer, you may not use this prospectus for an offer to resell, resale or other retransfer of New Notes. We are not making these Exchange Offers to, nor will we accept tenders for exchange from, holders of Old Notes in any jurisdiction in which the Exchange Offers or the acceptance of it would not be in compliance with the securities or blue sky laws of that jurisdiction.

Holders of Old Notes do not have appraisal or dissenters' rights under state law or under the Indenture in connection with the Exchange Offers. We intend to conduct the Exchange Offers in accordance with the applicable requirements of Regulation 14E under the Exchange Act.

**Expiration Date; Extensions; Amendments**

The expiration date for each Exchange Offer is 5:00 p.m., New York City time, on , 2009, unless we extend the expiration date with respect to any Exchange Offer. We may extend the expiration date of one or more of the Exchange Offers in our sole discretion. If we so extend the expiration date, the term expiration date shall mean the latest date and time to which we extend each Exchange Offer.

---

**Table of Contents**

With respect to each Exchange Offer, we reserve the right, in our sole discretion:

to, prior to the applicable expiration date, delay accepting any Old Notes;

to extend the Exchange Offer; or

to amend the terms of the Exchange Offer in any way we determine.

We will give oral notice promptly followed by written notice of any delay, extension or termination to the exchange agent. In addition, we will give, as promptly as practicable, oral or written notice regarding any delay in acceptance, extension or termination of the Exchange Offer to the registered holders of Old Notes. If we amend the Exchange Offer in a manner that we determine to constitute a material change, or if we waive a material condition, we will (i) promptly disclose the amendment or waiver in a manner reasonably calculated to inform the holders of the applicable series of Old Notes of the amendment or waiver and (ii) extend the Exchange Offer if necessary so that at least five business days remain in the Exchange Offer following notice of the material change, or as otherwise required by law.

We intend to make public announcements of any delay in acceptance, extension, termination, amendment or waiver regarding an Exchange Offer prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date for such Exchange Offer.

**Procedures for Tendering**

Except in limited circumstances, only a DTC participant listed on a DTC securities position listing with respect to the Old Notes may tender Old Notes in the Exchange Offers. To tender Old Notes in the Exchange Offers:

you must instruct DTC and a DTC participant by completing the form *Instructions to Registered Holder From Beneficial Owner* accompanying this prospectus of your intention whether or not you wish to tender your Old Notes for New Notes; and

DTC participants in turn need to follow the procedures for book-entry transfer as set forth below under *Book-Entry Transfer* and in the letter of transmittal.

By tendering, you will make the representations described below under *Representations on Tendering Old Notes*. In addition, each broker-dealer that receives New Notes for its account in the Exchange Offers, where the Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from either Issuer or its affiliates), must acknowledge in the letter of transmittal that it will comply with the prospectus delivery requirements of the Securities Act in connection with any resale of the New Notes. The letters of transmittal states that, by complying with its obligations, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. See *Plan of Distribution*. The tender by a holder of Old Notes will constitute an agreement between that holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

The method of delivery of an agent's message and all other required documents, as described under *Book-Entry Transfer*, to the exchange agent is at the election and risk of the tendering holder of Old Notes. Instead of delivery by mail, we recommend that holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery to the exchange agent prior to the expiration date. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the exchange agent.

---

**Table of Contents**

We will determine in our sole discretion all questions as to the validity, form, eligibility, including time of receipt, and acceptance and withdrawal of tendered Old Notes, and our determination shall be final and binding on all parties. We reserve the absolute right to reject any and all Old Notes not properly tendered or any Old Notes whose acceptance by us would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular Old Notes either before or after the expiration date. Our interpretation of the terms and conditions of the Exchange Offers, including the instructions in the letter of transmittal, will be final and binding on all parties. The exchange agent shall have no duty, responsibility or liability with respect to any of such matters. Unless waived, holders must cure any defects or irregularities in connection with tenders of Old Notes within a period we determine. Although we intend to request the exchange agent to notify holders of defects or irregularities relating to tenders of Old Notes, neither we, the exchange agent nor any other person will have any duty or incur any liability for failure to give this notification. We will not consider tenders of Old Notes to have been made until these defects or irregularities have been cured or waived. The exchange agent will return any Old Notes that are not properly tendered and as to which the defects or irregularities have not been cured or waived to the tendering holders, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

**Book-Entry Transfer**

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the Old Notes at DTC for the purpose of facilitating the Exchange Offers. Any financial institution that is a participant in DTC's system may make book-entry delivery of Old Notes by causing DTC to transfer such Old Notes into the exchange agent's DTC account in accordance with DTC's electronic Automated Tender Offer Program procedures for such transfer. The exchange of New Notes for tendered Old Notes will only be made after timely:

confirmation of book-entry transfer of the Old Notes into the exchange agent's account; and

receipt by the exchange agent of an agent's message and all other required documents specified in the letter of transmittal. The confirmation, agent's message and any other required documents must be received at the exchange agent's address listed below under Exchange Agent on or before 5:00 p.m., New York City time, on the expiration date of the applicable Exchange Offer.

As indicated above, delivery of documents to DTC in accordance with its procedures does not constitute delivery to the exchange agent.

The term agent's message means a message, transmitted by DTC and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from a participant in DTC tendering Old Notes stating:

the aggregate principal amount of Old Notes which have been tendered by the participant;

that such participant has received an appropriate letter of transmittal and agrees to be bound by the terms of the letter of transmittal and the terms of the Exchange Offers; and

that we may enforce such agreement against the participant.

Delivery of an agent's message will also constitute an acknowledgment from the tendering DTC participant that the representations contained in the letter of transmittal and described below under Representations on Tendering Old Notes are true and correct.

---

**Table of Contents**

**Representations on Tendering Old Notes**

By surrendering Old Notes in the Exchange Offers, you will be representing, among other things, that:

you are acquiring the New Notes issued in the Exchange Offers in the ordinary course of your business;

if you are not a broker-dealer registered under the Exchange Act, you are not participating in or intend to participate in the distribution of the New Notes, and you do not intend to engage in and have no arrangement or understanding with any person to participate in the distribution of the New Notes to be issued in the Exchange Offers;

if you are a broker-dealer registered under the Exchange Act, you did not purchase the Old Notes to be exchanged in the Exchange Offers from the Issuer or any of its affiliates, you will acquire the New Notes for your own account in exchange for Old Notes that you acquired as a result of market-making activities or other trading activities, and you will comply with the prospectus delivery requirements of the Securities Act in connection with a secondary resale of the New Notes, and you cannot rely on the position of the SEC's staff in their interpretative letters and, in the European Economic Area, you will not make any offer or sale which will require the Issuer to publish a prospectus pursuant to Article 3 of Directive 2003/71/EC (the **Prospectus Directive**);

you are not prohibited by any law or policy from participating in the Exchange Offers;

you are not an affiliate of ours, as defined in Rule 405 under the Securities Act, or if you are such an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

if you are located in a member state of the European Economic Area which has implemented the Prospectus Directive:

- a) you are a legal entity authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or
- b) you are a legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than 43,000,000; and (iii) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts,

and you will not make any offer which will require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive;

you are not located or resident in the United Kingdom or, if you are located or resident in the United Kingdom, you are a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43(2) of the Order, or to whom this Form F-4 may lawfully be communicated in accordance with the Order; and

you are not acting on behalf of someone who cannot truthfully and completely make such representations.

**Withdrawal of Tenders**

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Your tender of Old Notes pursuant to the Exchange Offers is irrevocable except as otherwise provided in this section. You may withdraw tenders of Old Notes at any time prior to 5:00 p.m., New York City time, on the expiration date.

---

## **Table of Contents**

For a withdrawal to be effective for DTC participants, holders must comply with their respective standard operating procedures for electronic tenders and the exchange agent must receive an electronic notice of withdrawal from DTC prior to 5:00 p.m., New York City time, on the expiration date.

Any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Old Notes and otherwise comply with the procedures of DTC. We will determine in our sole discretion all questions as to the validity, form and eligibility, including time of receipt, for such withdrawal notices, and our determination shall be final and binding on all parties. Any Old Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offers and no New Notes will be issued with respect to them unless the Old Notes so withdrawn are validly re-tendered. Any Old Notes which have been tendered but which are withdrawn or not accepted for exchange will be returned to the holder without cost to such holder promptly after withdrawal, rejection of tender or termination of the Exchange Offers. Properly withdrawn Old Notes may be re-tendered by following the procedures described above under Procedures For Tendering at any time prior to the applicable expiration date.

### **Exchange Agent**

We have appointed The Bank of New York Mellon Trust Company, N.A. as exchange agent in connection with the Exchange Offers. In such capacity, the exchange agent has no fiduciary duties to the holders of the Old Notes or the holders of the New Notes and will be acting solely on the basis of our directions. Holders of Old Notes should direct questions or requests for assistance with respect to the procedure for tendering or withdrawing tenders and requests for additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows:

By Mail, Hand Delivery or Overnight Courier:  
Bank of New York Mellon Corporation

Corporate Trust Operations

Reorganization Unit

101 Barclay Street 7 East  
*Attention:* Carolle Montreuil  
Telephone: (212) 815-5920

By Facsimile Transmission:  
(212) 298-1915

*Attention:* Carolle Montreuil

Confirm by telephone:  
(212) 815-5920

### **Fees and Expenses**

The expense of soliciting tenders pursuant to the Exchange Offers will be borne by us.

We have not retained any dealer-manager in connection with the Exchange Offers and we will not make any payments to brokers, dealers or other persons soliciting acceptances of the Exchange Offers. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its related reasonable out-of-pocket expenses. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the Old Notes and in handling or forwarding tenders for exchange.

Holders who tender their Old Notes for exchange will not be obligated to pay any transfer taxes. If, however, a transfer tax is imposed for any reason other than the exchange of Old Notes in connection with the Exchange Offers, then the tendering holder must pay the amount of any transfer taxes due, whether imposed on the registered holder or any other persons. If the tendering holder does not submit satisfactory evidence of payment of these taxes or exemption from them with the letter of transmittal, the amount of these transfer taxes will be billed directly to the tendering holder.



**Table of Contents**

**Consequences of Failure to Properly Tender Old Notes in the Exchange**

We will issue the New Notes in exchange for Old Notes under the Exchange Offers only after timely confirmation of book-entry transfer of the Old Notes into the exchange agent's account and timely receipt by the exchange agent of an agent's message and all other required documents specified in the letter of transmittal. Therefore, holders of the Old Notes desiring to tender Old Notes in exchange for New Notes should allow sufficient time to ensure timely delivery. We are under no duty to give notification of defects or irregularities of tenders of Old Notes for exchange or waive any such defects or irregularities.

Old Notes that are not tendered or that are tendered but not accepted by us will, following completion of the Exchange Offers, continue to be subject to the existing restrictions upon transfer under the Securities Act. In addition, any such Old Notes not exchanged for New Notes will remain outstanding and continue to accrue interest, but will not retain any rights under the Registration Rights Agreement (except as set forth therein with respect to the Initial Purchasers and certain broker-dealers).

Participation in the Exchange Offers is voluntary. In the event the Exchange Offers are completed, we will not be required to register the remaining Old Notes. Remaining Old Notes will continue to be subject to the following restrictions on transfer:

holders may resell Old Notes only if an exemption from registration is available or, outside the United States, to non-U.S. persons in accordance with the requirements of Regulation S under the Securities Act; and

the remaining Old Notes will bear a legend restricting transfer in the absence of registration or an exemption.

To the extent that Old Notes are tendered and accepted in connection with the Exchange Offers, any trading market for remaining Old Notes could be adversely affected.

Neither we nor our board of directors or similar body make any recommendation to holders of Old Notes as to whether to tender or refrain from tendering all or any portion of their Old Notes pursuant to the Exchange Offers. Moreover, no one has been authorized to make any such recommendation. Holders of Old Notes must make their own decision whether to tender pursuant to the Exchange Offers and, if so, the aggregate amount of Old Notes to tender, after reading this prospectus and the letter of transmittal and consulting with their advisors, if any, based on their own financial position and requirements.

**Table of Contents****DESCRIPTION OF THE NEW NOTES**

The 3.000% notes due 2012 (the **2012 Notes**), the 4.125% notes due 2015 (the **2015 Notes**), the 5.375% notes due 2020 (the **2020 Notes**) and the 6.375% notes due 2040 (the **2040 Notes** and, together with the 2012 Notes, the 2015 Notes and the 2020 Notes, the **New Notes** and each separately a **New Note**) will be issued, as were the Old Notes, under an Indenture dated 16 October 2009 (as amended and supplemented, the **Indenture**), among Anheuser-Busch InBev Worldwide Inc. (the **Issuer**), Anheuser-Busch InBev SA/NV (the **Parent Guarantor**), each of the Subsidiary Guarantors listed under **Guarantees** below (the **Subsidiary Guarantors** and, together with the Parent Guarantor, the **Guarantors**) and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the **Trustee**). The following summaries of certain provisions of the New Notes and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the New Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended. The Indenture and the Supplemental Indentures thereto are filed as Exhibits 4.1 through 4.6 of this Form F-4.

**New Notes and Old Notes Will Represent Same Debt**

The New Notes of each series will be issued solely in exchange for an equal principal amount of Old Notes of the same series pursuant to the Exchange Offers. The New Notes will evidence the same debt as the Old Notes and both classes of notes will be entitled to the benefits of the Indenture and treated as a single series of debt securities. The terms of the New Notes will be the same in all material respects as the Old Notes except that (i) the New Notes will be registered under the Securities Act, and therefore, will not bear legends restricting the transfer thereof and (ii) the New Notes will not be subject to the registration rights, under the Registration Rights Agreement, relating to the Old Notes.

**General**

The 2012 Notes will be initially limited to \$1,500,000,000 aggregate principal amount and will mature on 15 October 2012, the 2015 Notes will be initially limited to \$1,250,000,000 aggregate principal amount and will mature on 15 January 2015, the 2020 Notes will be initially limited to \$2,250,000,000 aggregate principal amount and will mature on 15 January 2020 and the 2040 Notes will be initially limited to \$500,000,000 aggregate principal amount and will mature on 15 January 2040. The New Notes will be the direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The New Notes will be senior unsecured obligations of the Issuer and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The New Notes will bear interest at the respective rates per annum shown on the front cover of this Prospectus from 16 October 2009, payable semi-annually in arrears on 15 April and 15 October of each year, commencing on 15 April 2010, in respect of the 2012 Notes, and on 15 January and 15 July, commencing on 15 July 2010, in respect of the 2015 Notes, the 2020 Notes and the 2040 Notes, and until full repayment of the outstanding principal of the New Notes. Interest will be payable to the Holders of record at the close of business on 1 April and 1 October, in respect of the 2012 Notes and 1 January and 1 July, in respect of the 2015 Notes, the 2020 Notes and the 2040 Notes, as the case may be, immediately preceding such interest payment date, whether or not such day is a Business Day (as defined below). Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The interest rate on the New Notes will be subject to adjustment upon certain rating events as described under **Interest Rate Adjustment Based on Rating Events**. The New Notes will be repaid at maturity at a price equal to 100% of the principal amount thereof. Each series of New Notes may be redeemed at any time prior to maturity in the circumstances described under **Optional Redemption** and **Optional Tax Redemption**. The New Notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The New Notes do not provide for any sinking fund.

The term **Business Day** means any day other than a day on which commercial banks or foreign exchange markets are permitted or required to be closed in New York City, London or Brussels. If the date of maturity of interest on or principal of the New Notes or the date fixed for redemption of any New Note is not a

## **Table of Contents**

Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue as a result of the delayed payment.

### **Guarantees**

Each New Note will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. Each of the following companies, which are subsidiaries of the Parent Guarantor, will, along with the Parent Guarantor, jointly and severally guarantee the New Notes on a full, unconditional and irrevocable basis:

InBev Belgium SA/NV;

BrandBrew S.A.;

Cobrew NV/SA;

AB InBev France S.A.S.;

InBev Nederland N.V.;

Interbrew International B.V.;

Interbrew Central European Holding B.V.;

Nimbuspath Limited;

AmBrew S.A.; and

Anheuser-Busch Companies, Inc.

Each guarantee to be provided is referred to as a **Guarantee** and collectively, the **Guarantees**; the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the **Subsidiary Guarantors** and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the **Guarantors**.

All such Guarantees are set forth in the Indenture, or a supplement thereto. The Guarantees provided by several of the Guarantors will be subject to certain limitations set forth below under **Guarantee Limitations**.

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, if any) due under the New Notes in accordance with the Indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Each of the Guarantors other than the Parent Guarantor shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that at the time its Guarantee of the New Notes is terminated, (i) the relevant Guarantor is released from its guarantee of or is no longer a guarantor under the Issuer's \$45,000,000,000 senior facilities agreement and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor's indebtedness for borrowed money shall not include (A) the New Notes (or the Old Notes,

**Table of Contents**

January Notes or the May Notes), (B) any other debt the terms of which permit the termination of the Guarantor's guarantee of such debt under similar circumstances, as long as such Guarantor's obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the New Notes, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the New Notes is being released, *provided that* any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor's indebtedness for borrowed money.

In addition, any Subsidiary Guarantor whose Guarantee is subject to the limitations described below shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, with respect to any or all series of the notes issued under the Indenture, in the event that such Subsidiary Guarantor determines that under the rules, regulations or interpretations of the SEC such Subsidiary Guarantor would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under the Indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, each such Subsidiary Guarantor will be entitled to amend or modify by execution of an indenture supplemental to the Indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by such Subsidiary Guarantor to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.

**Supplemental Information on Subsidiary Guarantors**

AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., InBev Nederland N.V., AmBrew S.A and BrandBrew S.A., the six Subsidiary Guarantors whose Guarantees are subject to the limitations described below under Guarantee Limitations, accounted for approximately two percent (2%) of the total consolidated EBITDA of AB InBev Group for the first six months of 2009 and approximately two percent (2%) of the total consolidated debt of AB InBev Group as of 30 June 2009.

**Guarantee Limitations**

***AB InBev France S.A.S.***

Notwithstanding anything to the contrary in the Guarantee provided by AB InBev France S.A.S., such Guarantee will be subject to the following limitations:

- (A) the obligations and liabilities of AB InBev France S.A.S. under its Guarantee will not include any obligation or liability which if incurred would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L.241-3 or L.242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts; and
- (B) the obligations and liabilities of AB InBev France S.A.S. under its Guarantee for the obligations of the Issuer shall be limited, at any time, to an amount equal to the aggregate nominal amount of all notes issued by the Issuer to the extent directly or indirectly on-lent or otherwise provided to AB InBev France S.A.S. and/or any AB InBev France Subsidiary(ies) under intercompany loan or similar arrangements and outstanding at the date a payment is to be made by AB InBev France S.A.S. under its Guarantee.

For the avoidance of doubt, any obligations or liabilities that may arise from AB InBev France acting jointly and severally with the other Guarantors (including as applicable as *co-débiteur solidaire*) are subject always to the limitations set out in the preceding paragraphs.

---

**Table of Contents**

***Interbrew International B.V., Interbrew Central European Holding B.V. and InBev Nederland N.V.***

With respect to the Guarantees provided by Interbrew International B.V., Interbrew Central European Holding B.V. and InBev Nederland N.V., such Guarantees will not apply to any liability to the extent that it would result in such Guarantee constituting unlawful financial assistance.

***AmBrew S.A.***

Notwithstanding anything to the contrary in the Guarantee provided by AmBrew S.A., the maximum aggregate liability of AmBrew S.A. under such Guarantee shall not exceed an amount equal to the aggregate of (without double counting):

- (A) the aggregate amount of all moneys received by AmBrew S.A. and the AmBrew Subsidiaries as a borrower or issuer under the AmBrew Guaranteed Facilities;
  
- (B) the aggregate amount of all outstanding intercompany loans made to AmBrew S.A. and the AmBrew Subsidiaries by other members of the Anheuser-Busch InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the AmBrew Guaranteed Facilities; and
  
- (C) an amount equal to 100% of the greater of:
  - I. the sum of AmBrew S.A.'s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Luxembourg law of 19 December 2002 on the commercial register and annual accounts, as amended (the **Law of 2002**)) as reflected in AmBrew S.A.'s most recent annual accounts approved by the competent organ of AmBrew S.A. (as audited by its *réviseur d'entreprises* (external auditor), if required by law); and
  
  - II. the sum of AmBrew S.A.'s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on AmBrew S.A.'s Guarantee shall not apply to the Guarantee by AmBrew S.A. of any obligations owed by the AmBrew Subsidiaries under the AmBrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of AmBrew's Guarantee, the obligations and liabilities of AmBrew S.A. under AmBrew's Guarantee and under any of the AmBrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to AmBrew S.A.

***BrandBrew S.A.***

Notwithstanding anything to the contrary in the Guarantee provided by BrandBrew S.A., the maximum aggregate liability of BrandBrew S.A. under its Guarantee and as a guarantor of the Brandbrew Guaranteed Facilities (excluding its Guarantee) shall not exceed an amount equal to the aggregate of (without double counting):

- (A) the aggregate amount of all moneys received by BrandBrew S.A. and the Brandbrew Subsidiaries as a borrower or issuer under the Brandbrew Guaranteed Facilities;



**Table of Contents**

- (B) the aggregate amount of all outstanding intercompany loans made to BrandBrew S.A. and the Brandbrew Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Brandbrew Guaranteed Facilities; and
- (C) an amount equal to 100% of the greater of:
- I. the sum of BrandBrew S.A.'s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Law of 2002) as reflected in BrandBrew S.A.'s most recent annual accounts approved by the competent organ of BrandBrew S.A. (as audited by its *réviseur d'entreprises* (external auditor), if required by law); and
  - II. the sum of BrandBrew S.A.'s own capital (i) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on the Guarantee provided by BrandBrew S.A. shall not apply to any Guarantee by BrandBrew S.A. of any obligations owed by the Brandbrew Subsidiaries under the Brandbrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of the Guarantee provided by BrandBrew S.A., the obligations and liabilities of Brandbrew S.A. under the Guarantee provided by BrandBrew S.A. and under any of the Brandbrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to Brandbrew S.A.

**AmBrew Guaranteed Facilities** means: (i) the 2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among AB InBev, Fortis Bank and others; (ii) the 200,000,000 facility agreement dated 15 April 2008 between Brandbrew and Fortis Bank as lender; (iii) the 150,000,000 facility agreement dated 20 March 2008 between Brandbrew and Santander Benelux S.A./NV as lender; (iv) the 250,000,000 facility agreement dated 3 April 2008 between BrandBrew S.A. and Société Générale as lender; (v) the 50,000,000 facility agreement dated as of 29 August 2007 among BrandBrew S.A., AB InBev and S G Immobil SA as lender; (vi) the 150,000,000 facility agreement dated 13 May 2008 between AB InBev, Cobrew NV/SA and BNP Paribas as lender; (vii) the 150,000,000 facility agreement dated 20 June 2008 between, amongst others, AB InBev, Cobrew NV/SA and The Royal Bank of Scotland plc as lender; (viii) the Existing Target Debt; (ix) any notes issued by BrandBrew S.A. or AB InBev under the Programme; (x) the Senior Facility Agreement; and (xi) the New Notes, or any refinancing (in whole or part) of any of the above items for the same or a lower amount;

**AmBrew Subsidiaries** means each entity of which AmBrew has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

**Brandbrew Guaranteed Facilities** means: (i) the 2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among AB InBev, Fortis Bank and others; (ii) the 150,000,000 facility agreement dated 13 May 2008 between AB InBev, Cobrew and BNP Paribas as lender; (iii) the 150,000,000 facility agreement dated 20 June 2008 between, amongst others, AB InBev, Cobrew and The Royal Bank of Scotland plc as lender; (iv) the Existing Target Debt; (v) the US\$850,000,000 note purchase and guarantee agreement dated 22 October 2003 and entered into between, amongst others, AB InBev as issuer, Cobrew and Brandbrew; (vi) any notes issued by BrandBrew S.A. or AB InBev under the Programme; (vii) the Senior Facility Agreement; and (viii) the New Notes, or any refinancing (in whole or part) of any of the above items for the same or a lower amount;



## Table of Contents

**Brandbrew Subsidiaries** means each entity of which BrandBrew S.A. has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

**Existing Target Debt** means the following notes, debentures and bonds of Anheuser-Busch Companies, Inc.: (i) 6.450% Debentures due 1 September 2037; (ii) 5.50% Notes due 15 January 2018; (iii) 9.0% Debentures due 1 December 2009; (iv) 6.75% Debentures due 15 December 2027; (v) 6.50% Debentures due 1 January 2028; (vi) 5.75% Notes due 1 April 2010; (vii) 7.50% Notes due 15 March 2012; (viii) 7.55% Debentures due 1 October 2030; (ix) 6.80% Debentures due 15 January 2031; (x) 6.00% Notes due 15 April 2011; (xi) 6.80% Debentures due 20 August 2032; (xii) 5.625% Notes due 1 October 2010; (xiii) 6.00% Debentures due 1 November 2041; (xiv) 6.50% Debentures due 1 May 2042; (xv) 6.50% Debentures due 1 February 2043; (xvi) 4.375% Notes due 15 January 2013; (xvii) 5.95% Debentures due 15 January 2033; (xviii) 4.625% Notes due 1 February 2015; (xix) 4.50% Notes due 1 April 2018; (xx) 5.35% Notes due 15 May 2023; (xxi) 4.95% Notes due 15 January 2014; (xxii) 5.05% Notes due 15 October 2016; (xxiii) 5.00% Notes due 1 March 2019; (xxiv) 4.70% Notes due 15 April 2012; (xxv) 5.00% Notes due 15 January 2015; (xxvi) 5.491% Notes due 15 November 2017; (xxvii) 5.75% Debentures due 1 April 2036; (xxviii) 5.60% Notes due 1 March 2017; (xxix) Notes issued on 1 December 1989 by the Development Authority of Cartersville\*; (xxx) Notes issued on 1 November 1990 by the Development Authority of Cartersville\*; (xxxi) Notes issued on 1 May 1991 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xxxii) Notes issued on 1 April 1997 by the Industrial Development Authority of the County of James City, Virginia\*; (xxxiii) Notes issued on 1 April 1997 by the Development Authority of Cartersville\*; (xxxiv) Notes issued on 1 August 1999 by the Ohio Water Development Agency\*; (xxxv) Notes issued on 1 December 1999 by The Onondaga County Industrial Development Agency\*; (xxxvi) Notes issued on 1 July 2000 by the Ohio Water Development Agency\*; (xxxvii) Notes issued on 1 November 2001 by the Ohio Water Development Agency\*; (xxxviii) Notes issued on 1 March 2002 by the Development Authority of Cartersville\*; (xxxix) Notes issued on 1 April 2002 by the Gulf Coast Waste Disposal Authority\*; (xl) Notes issued on 1 October 2002 by the City of Jonesboro, Arkansas\*; (xli) Notes issued on 1 July 2006 by The Onondaga County Industrial Development Agency\*; (xlii) Notes issued on 1 February 2007 by The Business Finance Authority of the State of New Hampshire\*; (xliiii) Notes issued on 1 February 2007 by the Jacksonville Economic Development Commission\*; (xliv) Notes issued on 1 February 2007 by the City of Fort Collins, Colorado\*; (xlv) Notes issued on 1 February 2007 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xlvi) Notes issued on 1 February 2007 by the California Statewide Communities Development Authority\*; (xlvii) Notes issued on 31 May 2007 by the New Jersey Economic Development Authority\*; (xlviii) Notes issued on 1 August 2007 by the Development Authority of Cartersville\*; and (xlix) Notes issued on 1 September 2007 by the California Enterprise Development Authority\*;

\* Anheuser-Busch Companies, Inc. has subsequently become the principal debtor in respect of the notes listed in sub-paragraphs (xxix) to (xlix).

**AB InBev France Subsidiary** means an entity of which AB InBev France has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise; and

**Programme** means the Euro Medium Term Note Programme established by Brandbrew S.A. and Anheuser-Busch InBev SA/NV, as issuers, in January 2009.

### **Optional Redemption**

The Issuer may, at its option, redeem any series of New Notes as a whole or in part at any time upon not less than 30 nor more than 60 days prior notice, at a redemption price equal to the greater of:

100% of the aggregate principal amount of the New Notes to be redeemed; and

---

**Table of Contents**

as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the New Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points in the case of the 2012 Notes, 30 basis points in the case of the 2015 Notes and 35 basis points in the case of each of the 2020 Notes and the 2040 Notes; plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

**Treasury Rate** means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption Treasury constant maturities Nominal , for the maturity corresponding to the applicable Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the related New Notes, yields for the two published maturities most closely corresponding to the applicable Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, calculated using a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the related Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

**Comparable Treasury Issue** means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the New Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such New Notes.

**Comparable Treasury Price** means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

**Independent Investment Banker** means J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp. or Deutsche Bank Securities Inc., as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

**Reference Treasury Dealer** means (i) J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp. and Deutsche Bank Securities Inc. and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in The City of New York (a **Primary Treasury Dealer** ), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

## **Table of Contents**

**Reference Treasury Dealer Quotations** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the New Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the New Notes to be redeemed on such date. If fewer than all of the New Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular New Notes of such series or portions thereof for redemption from the New Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.

### **Optional Tax Redemption**

Each series of New Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the New Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the redemption date, if (i) any change in, or amendment to, the laws, treaties, regulations or rulings of a Relevant Taxing Jurisdiction (as defined below) or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after the issue date (any such change or amendment, a **Change in Tax Law**), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to such series of New Notes and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described below under **Additional Amounts**; *provided, however*, that any series of New Notes may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under such New Notes to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognised standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the New Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

### **Holders' Option to Require Repayment Upon a Change in Control**

The following provisions (the **Change in Control Clause**) will not be effective unless and until they are approved by a resolution of the general meeting of shareholders of the Parent Guarantor. The Parent Guarantor will procure that a resolution to approve the Change in Control Clause is put to shareholders of the Parent Guarantor at the first annual general meeting after 16 October 2009, and at each successive annual general

**Table of Contents**

meeting of the Parent Guarantor thereafter until such a resolution is passed and, immediately following approval of such a resolution, will file a copy thereof with the Clerk of the Commercial Court of Brussels ( *greffe du tribunal de commerce/griffie van de rechtbank van koophandel* ). The Parent Guarantor will notify the Trustee promptly after the shareholder meeting of the results of the vote on the proposed resolution.

If the general meeting of shareholders of the Parent Guarantor has not approved a Change in Control Clause substantially in the form described below by the date that is 18 months following the initial issue date of the Old Notes, the interest rate applicable to the New Notes will increase by 0.25% with effect from the next following day until the date that the Parent Guarantor notifies the Trustee that a Change in Control Clause benefiting Holders substantially in the form described below has been approved (or unless and until such approval is no longer required in order for the Change in Control Clause to be effective), following which the interest rate applicable to the New Notes will decrease by the same amount.

In the event that (a) a Change of Control occurs, and (b) within the Change of Control Period, a Ratings Downgrade in respect of that Change of Control occurs with respect to a series of New Notes (an **Early Redemption Event** ):

- (i) the Issuer will (A) within 30 days after becoming aware of the Early Redemption Event, provide written notice thereof to the Holders of the New Notes of such series, and (B) determine and provide written notice of the effective date for the purposes of early repayment (the **Effective Date** ). The Effective Date must be a Business Day not less than 60 and not more than 90 days after the giving of the notice regarding the Early Redemption Event pursuant to subparagraph (i)(A); and
- (ii) any Holder of the New Notes of such series may, by submitting a redemption notice (the **Early Redemption Notice** ), demand from the Issuer repayment as of the Effective Date of any (in integral multiples of \$1,000 provided that the unrepurchased portion must be in principal amount of at least \$2,000) or all of its New Notes which have not otherwise been declared due for early redemption, at a repurchase price in cash of 101% of their principal amount plus interest accrued until (but excluding) the Effective Date (and all Additional Amounts, if any).

Any Early Redemption Notice shall be made in writing in English and shall be delivered by hand, registered mail, or by facsimile transmission to the Trustee not less than 30 days prior to the Effective Date at its specified office. The Early Redemption Notice must be accompanied by evidence showing that the relevant Holder is the Holder of the relevant New Note(s) at the time the Early Redemption Notice is delivered. Such evidence may be provided in the form of a certificate issued by any custodian or in any other suitable manner. Early Redemption Notices shall be irrevocable.

The Issuer will not be required to redeem the New Notes under this clause following an Early Redemption Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer and such third-party purchases all the New Notes properly tendered and not withdrawn under its offer. The Issuer will also not be required to redeem the New Notes of a particular series under this clause if it has exercised its right to redeem the New Notes of such series in full as described above or has defeased the New Notes as described below.

A **Change of Control** means any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the Parent Guarantor; *provided* that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the Parent Guarantor with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the Parent Guarantor.

---

## **Table of Contents**

**Acting in concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Parent Guarantor by any of them, either directly or indirectly, to obtain Control of the Parent Guarantor. **Stichting Anheuser-Busch InBev** means the company incorporated under the laws of The Netherlands under registered number 34144185 with registered address at Hofplein 20, 3032AC, Rotterdam, The Netherlands, and its successors.

**Change of Control Announcement** for these purposes means the public announcement by the Parent Guarantor or any actual purchaser relating to a Change of Control.

The **Change of Control Period** shall commence on the date of the Change of Control Announcement, but not later than on the date of the Change of Control, and shall end 60 days after the Change of Control (which period shall be extended with respect to a rating agency so long as the rating of the relevant New Notes is under publicly announced consideration for possible downgrade by that rating agency, such extension not to exceed 60 days after the public announcement of such consideration).

**Control** in relation to any entity means either the direct or indirect ownership of more than 50% of the share capital or similar rights of ownership of the entity or the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.

A **Ratings Downgrade** shall occur if any two solicited credit ratings for the Parent Guarantor's long-term unsecured debt fall below investment grade or if all three Rating Agencies (as defined below) cease to assign (other than temporarily) a credit rating to the Parent Guarantor. A credit rating below investment grade shall mean, in relation to Standard & Poor's Rating Services, a rating of BB+ or below, in relation to Moody's Investor Services Inc., a rating of Ba1 or below, in relation to Fitch, Inc. a rating of BB+ or below and, where another nationally recognised statistical rating agency has been designated by the Parent Guarantor, a comparable rating. A Ratings Downgrade shall not occur with respect to a particular Rating Agency in respect of a Change of Control unless the Rating Agency downgrading the Parent Guarantor announces or publicly confirms or informs the Parent Guarantor in writing at its request that the downgrade was the result, in whole or in part, of the applicable Change of Control. If one or more Rating Agencies issues an improved credit rating for the Parent Guarantor prior to the Effective Date so that the circumstances giving rise to the Ratings Downgrade terminate, then the Ratings Downgrade shall be deemed not to have occurred and the Holders shall have no right to demand redemption of their New Notes under this clause.

**Rating Agencies** shall mean each of Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., Fitch, Inc., or Moody's Investors Services, Inc., their respective successors, or any other nationally recognised statistical rating agency designated by the Parent Guarantor.

If, as a result of this clause, Holders submit Early Redemption Notices in respect of at least 85% of the aggregate principal amount of a series of New Notes and Old Notes outstanding, the Issuer will have the ability by notice to the Trustee to redeem the entire outstanding principal amount of such series of New Notes and Old Notes on the Effective Date at the same price as for the New Notes and Old Notes being redeemed under this clause. Such notice shall be irrevocable and shall be given to the Trustee no later than 15 days prior to the Effective Date. Notice of such redemption shall be given by the Issuer to the Holders of the New Notes and the Old Notes of the relevant series in accordance with the Indenture, or at the Issuer's request, by the Trustee, in each case as soon as practicable after receipt by the Trustee of the foregoing notice from the Issuer.

### **Interest Rate Adjustment Based on Rating Events**

The interest rate payable on a series of New Notes will be subject to adjustment from time to time if any of the three Rating Agencies downgrades (or subsequently upgrades) its rating assigned to that series of New Notes and Old Notes, as set forth below.

**Table of Contents**

If the debt rating on a series of New Notes and Old Notes from any one or more of the three Ratings Agencies is decreased to a rating set forth in the table below, the interest rate on that series will increase from the interest rate otherwise payable on the original issue date by the sum of the rates set forth in the table below opposite that rating level (calculated per agency), *provided* that, at no time shall the interest rate on any of the New Notes or the Old Notes increase by more than 2.00%, irrespective of ratings, from the original interest rate effective as of the date of issuance of such notes; *provided, further* that only the two lowest ratings assigned to a series of New Notes and the Old Notes will be taken into account for purposes of any interest rate adjustment.

| S&P/Fitch | Moody's | Adjustment from Original Interest Rate (per Rating Agency) |
|-----------|---------|--|
| BB+       | Ba1     | .25%   |
| BB        | Ba2     | .50%   |
| BB-       | Ba3     | .75%   |
| B+        | B1      | 1.00%  |
| B         | B2      | 1.25%  |
| B-        | B3      | 1.50%  |
| CCC+      | Caa     | 1.75%  |
| CCC       | Ca      | 2.00%  |

If at any time the interest rate on a series of New Notes and the Old Notes has been increased as a result of a ratings downgrade by a Rating Agency and such Rating Agency subsequently increases its rating of that series to any of the ratings set forth in the table above, the interest rate on that series will be decreased to the interest rate otherwise payable on that series on the date of the issuance of such notes plus the sum of the applicable interest rates set forth opposite the ratings in the table above. If any of the Rating Agencies subsequently increases its rating of a series of New Notes and Old Notes to better than BB+/Ba1 or its equivalent, the adjustment from the original interest rate attributable to that Rating Agency shall no longer apply, and unless one or more other Rating Agencies rates that series BB+/Ba1 or lower, the interest rate shall revert to the interest rate payable on that series at the date of their issuance.

If at any time during the term of the New Notes, its series is rated A-/A3 or above by any two of the Rating Agencies, the provisions described under this Interest Rate Adjustment Based on Ratings Event section will cease to apply to such series and the effective interest rate on such series at original issuance will remain in effect until the maturity or redemption of that series.

Any interest rate increase or decrease described above will take effect from the first Business Day of the interest period during which a rating change requiring an adjustment in the interest rate occurs. If any Rating Agency changes its rating of a series more than once during any particular interest period, the last such change to occur will control in the event of a conflict. The term interest period shall mean the period from and including an interest payment date to and excluding the next succeeding interest payment date, or in connection with the first interest period, the period from and including the issue date of the relevant notes to and excluding the first interest payment date.

**Modifications and Amendment**

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the New Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such

**Table of Contents**

agreement shall (a) change the maturity of the principal of, or any installment of interest on, any New Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any New Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the New Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each New Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of the Holders of the affected series of notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the New Notes;

to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the New Notes;

to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;

to add to the covenants of the Issuer or the Guarantors, for the benefit of the holders of all or any series of the notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;

to add any additional events of default for the benefit of the Holders of all or any series of New Notes (and if such additional events of default are to be for the benefit of less than all series of Holders, stating that such additional events of default are expressly being included solely for the benefit of such series);

to add to, change or eliminate any of the provisions of the Indenture in respect of one or more series of New Notes, *provided that* any such addition, change or elimination (A) shall neither (i) apply to any New Note of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such New Note with respect to such provision or (B) shall become effective only when there is no such New Note outstanding;

to modify the restrictions on and procedures for, resale and other transfers of the New Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;

to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of





## Table of Contents

default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;

(a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, any series of New Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms hereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;

to reopen the New Notes of any series and create and issue additional New Notes having identical terms and conditions as the New Notes of such series (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding New Notes and any outstanding Old Notes;

to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary's Guarantee;

to provide for the release and termination of any Subsidiary Guarantor's Guarantee in the circumstances described under Guarantees above;

to provide for any amendment, modification or alteration of any Subsidiary Guarantor's Guarantee and the limitations applicable thereto in the circumstances described under Guarantees above;

to make any other change that does not materially adversely affect the interests of the holders of the series of notes affected thereby.

## **Certain Covenants**

### ***Limitation on Liens***

So long as any of the New Notes remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an **Encumbrance**) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the New Notes (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the New Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided, however*, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon,
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition),



**Table of Contents**

- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary,
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements,
- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities,
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary,
- (g) Encumbrances existing at the date of the Indenture,
- (h) Encumbrances required in connection with state or local governmental programmes which provide financial or tax benefits, *provided* the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture,
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith,
- (j) judgment Encumbrances not giving rise to an event of default,
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics , materialmen s, carriers , workmen s, vendors or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges,
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor s or any such Restricted Subsidiary s obligations in respect of bankers acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods,
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business,
- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favour of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes,
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies,

- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or

---

**Table of Contents**

replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant,

(q) as permitted under the provisions described in the following two paragraphs herein and

(r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without rateably securing the New Notes, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, *provided* that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by Indenture as described below under Sale-Leaseback Financings (computed without duplication of amount) does not at the time exceed 15% of Net-Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the New Notes (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the New Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and rateably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the New Notes (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the indentures and other agreements relating thereto.

***Sale-Leaseback Transactions Relating to Principal Plants***

- (a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any programme, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:
- (i) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and

**Table of Contents**

- (ii) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
  - (A) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of New Notes equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
  - (B) repay other *pari passu* indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
  - (C) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or
  - (D) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
  
- (b) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
  - (i) an Officers Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
    - (A) the amount of New Notes theretofore redeemed and the amount of New Notes theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of New Notes purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
    - (B) the amount thereof previously credited under paragraph (d) below,
    - (C) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and
    - (D) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
  - (ii) a deposit with the Trustee for cancellation of the New Notes then being surrendered as set forth in such certificate.
  
- (c) Notwithstanding the restriction of paragraph (a), the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under Limitation on Liens which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.

- (d) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire New Notes under this covenant, for the principal amount of any New Notes deposited with the Trustee for the purpose and also for the principal amount of (i) any New Notes theretofore

**Table of Contents**

redeemed at the option of the Parent Guarantor and (ii) any New Notes previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the New Notes.

- (e) For purposes of this covenant, the amount or the principal amount of New Notes which are issued with original issue discount shall be the principal amount of such New Notes that on the date of the purchase or redemption of such New Notes referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

**Events of Default**

The occurrence and continuance of one or more of the following events will constitute an Event of Default under the Indenture and under each series of New Notes and Old Notes:

- (a) *payment default* (i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the New Notes or the Old Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or event beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment; or
- (b) *breach of other material obligations* the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the New Notes or the Old Notes of a series or the Indenture and such default remains unremedied for 90 days after there has been given a written notice to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the New Notes and Old Notes of the series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a **Notice of Default** under the New Notes and the Old Notes of such series; or
- (c) *cross-acceleration* any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least 100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days; or
- (d) *bankruptcy or insolvency* a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days; or
- (e) *impossibility due to government action* any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the New Notes and the Guarantees, respectively, and this situation is not cured within 90 days, or



**Table of Contents**

- (f) *invalidity of the Guarantees* the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the New Notes and the Old Notes of any series, then in each and every case, unless the principal of all of the New Notes and Old Notes of such series shall already have become due and payable (in which case no action is required for the acceleration of the New Notes and Old Notes of such series), the Holders of not less than 25% in aggregate principal amount of the New Notes and Old Notes of such series then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the New Notes and Old Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to any series of New Notes and Old Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of a series of New Notes and Old Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

**Substitution of the Issuer or Guarantor; Consolidation, Merger and Sale of Assets**

In all cases subject to the provisions described above under **Holders Option to Require Repayment upon a Change in Control**, (i) the Issuer or a Guarantor, without the consent of the Holders of any of the New Notes, may consolidate with, or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and (ii) the Issuer may at any time substitute for the Issuer either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the New Notes (a **Substitute Issuer**); *provided that*:

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer's or such Guarantor's respective obligations under the New Notes or the Guarantees, as the case may be, and the Indenture;
- (b) any other successor company is organized under the laws of a member country of Organisation for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the New Notes and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease or conveyance no Event of Default shall have occurred and be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the New Notes and the Indenture are fully, irrevocably and unconditionally guaranteed by the Parent Guarantor and each Subsidiary Guarantor (if any) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognised by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder);

---

**Table of Contents**

- (iii) each stock exchange on which the New Notes are listed shall have confirmed that, following the proposed substitution of the Substitute Issuer, such New Notes will continue to be listed on such stock exchange;
  
- (iv) each rating agency that rates the New Notes shall have confirmed that, following the proposed substitution of the Substitute Issuer, such New Notes will continue to have the same or better rating as immediately prior to such substitution;  
and

(e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, **Affiliate** shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

**Discharge and Defeasance**

***Discharge of Indenture***

The Indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer of or New Notes, replace stolen, lost or mutilated New Notes, make payments of principal and interest and maintain paying agencies) if:

the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all New Notes outstanding thereunder;

the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all New Notes outstanding theretofore authenticated; or

all New Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable; (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under **Optional Redemption** or **Optional Tax Redemption** within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or the Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such New Notes, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such New Notes not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the New Notes and all other amounts payable under the Indenture by the Issuer.

**U.S. Government Obligations** means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

---

## **Table of Contents**

### ***Covenant Defeasance***

The Indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of the Indenture (including those described under **Certain Covenants Limitation on Liens** ), and the Guarantors shall be released from their obligations under the Guarantees, if:

the Issuer (or the Guarantors) irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such New Notes, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the New Notes then outstanding on the dates such payments are due in accordance with the terms of the New Notes;

certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;

the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognised standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the New Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;

the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognised standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their New Notes in carrying on a business in such jurisdiction of incorporation, to recognise income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of New Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such New Notes in carrying on a business in such jurisdiction of incorporation; and

the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognised standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as **Covenant Defeasance** .

### **Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the New Notes, such Guarantor will make all payments in respect of the New Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organised, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the **Relevant Taxing Jurisdiction** ) unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the **Additional Amounts** ) as shall be necessary in

---

**Table of Contents**

order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it, or
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the New Notes or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction, or
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence, or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of such taxes, or
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such New Note, or
- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding, or
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later, or
- (h) are payable because any New Note was presented to a particular paying agent for payment if the New Note could have been presented to another paying agent without any such withholding or deduction, or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the New Notes shall be deemed to include any Additional Amounts, which may be payable as set forth in the Indenture.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States.



---

## **Table of Contents**

### **Indemnification of Judgment Currency**

To the fullest extent permitted by applicable law, the Issuer and each of the Guarantors will indemnify each Holder against any loss incurred by such Holder as a result of any judgment or order being given or made for any amount due under any New Note or Guarantee and such judgment or order being expressed and paid in a currency (the **Judgment Currency**), which is other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar is converted into the Judgment Currency for the purposes of such judgment or order and (ii) the spot rate of exchange in The City of New York at which the Holder on the date of payment of such judgment is able to purchase U.S. dollars with the amount of the Judgment Currency actually received by such Holder. This indemnification will constitute a separate and independent obligation of the Issuer or each of the Guarantors, as the case may be, and will continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term **spot rate of exchange** includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. dollars.

### **Governing Law; Submission to Jurisdiction**

The Indenture, the New Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.

The Issuer and the Guarantors have irrevocably submitted to the non-exclusive jurisdiction of the courts of any U.S. state or federal court in the Borough of Manhattan in The City of New York, New York with respect to any legal suit, action or proceeding arising out of or based upon the Indenture, the New Notes or the Guarantees.

### **Regarding the Trustee, Paying Agent, Transfer Agent and Registrar**

For a description of the duties and the immunities and rights of any Trustee, paying agent, transfer agent or registrar under the Indenture, reference is made to the Indenture, and the obligations of any Trustee, paying agent, transfer agent and registrar to the Holder are subject to such immunities and rights.

### **Definitions**

**Net Tangible Assets** means the total assets of the Parent Guarantor and its Restricted Subsidiaries (including, with respect to the Parent Guarantor, its net investment in subsidiaries that are not Restricted Subsidiaries) after deducting therefrom (a) all current liabilities (excluding any thereof constituting debt by reason of being renewable or extendable) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense, organisation and developmental expenses and other like segregated intangibles, all as computed by the Parent Guarantor in accordance with generally accepted accounting principles applied by the Parent Guarantor as of a date within 90 days of the date as of which the determination is being made; provided, that any items constituting deferred income taxes, deferred investment tax credit or other similar items shall not be taken into account as a liability or as a deduction from or adjustment to total assets.

**Principal Plant** means (a) any brewery, or any manufacturing, processing or packaging plant, now owned or hereafter acquired by the Parent Guarantor or any Subsidiary, but shall not include (i) any brewery or manufacturing, processing or packaging plant which the Parent Guarantor shall by board resolution have determined is not of material importance to the total business conducted by the Parent Guarantor and its Subsidiaries, (ii) any plant which the Parent Guarantor shall by board resolution have determined is used primarily for transportation, marketing or warehousing (any such determination to be effective as of the date specified in the applicable board resolution) or (iii) at the option of the Parent Guarantor, any plant that (A) does not constitute part of the brewing operations of the Parent Guarantor and its Subsidiaries and (B) has a net book value, as reflected on the balance sheet contained in the Parent Guarantor's financial statements of not more than \$100,000,000, and (b) any other facility owned by the Parent Guarantor or any of its Subsidiaries that the Parent

## **Table of Contents**

Guarantor shall, by board resolution, designate as a Principal Plant. Following any determination, designation or election referred to herein that a brewery or plant shall not be included as a Principal Plant, the Parent Guarantor may, at its option, by board resolution, elect that such facility subsequently be included as a Principal Plant.

**Restricted Subsidiary** means (a) any Subsidiary which owns or operates a Principal Plant, (b) any other subsidiary which the Parent Guarantor, by board resolution, shall elect to be treated as a Restricted Subsidiary, until such time as the Parent Guarantor may, by further board resolution, elect that such Subsidiary shall no longer be a Restricted Subsidiary, successive such elections being permitted without restriction, and (c) the Issuer and the Subsidiary Guarantors; *provided* that each of Companhia de Bebidas das Américas AmBev and Grupo Modelo S.A.B. de C.V. shall not be Restricted Subsidiaries until and unless the Parent Guarantor owns, directly or indirectly, 100% of the equity interests in such company. Any such election will be effective as of the date specified in the applicable board resolution.

**Significant Subsidiary** means any Subsidiary (i) the consolidated revenue of which represents 10% of more of the consolidated revenue of the Parent Guarantor, (ii) the consolidated earnings before interest, taxes, depreciation and amortisation ( **EBITDA** ) of which represents 10% or more of the consolidated EBITDA of the Parent Guarantor or (iii) the consolidated gross assets of which represent 10% or more of the consolidated gross assets of the Parent Guarantor, in each case as reflected in the most recent annual audited financial statements of the Parent Guarantor, *provided* that (A) in the case of a Subsidiary acquired by the Parent Guarantor during or after the financial year shown in the most recent annual audited financial statements of the Parent Guarantor, such calculation shall be made on the basis of the contribution of the Subsidiary considered on a pro-forma basis as if it had been acquired at the beginning of the relevant period, with the pro-forma calculation (including any adjustments) being made by the Parent Guarantor acting in good faith and (B) EBITDA shall be calculated by the Parent Guarantor in substantially the same manner as it is calculated for the amounts shown in the Summary Financial Information included in Form F-4.

**Subsidiary** means any corporation of which more than 50% of the issued and outstanding stock entitled to vote for the election of directors (otherwise than by reason of default in dividends) is at the time owned directly or indirectly by the Parent Guarantor or a Subsidiary or Subsidiaries or by the Parent Guarantor and a Subsidiary or Subsidiaries.

**Table of Contents**

**SUMMARY OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

*The following discussion summarises the material U.S. federal income tax consequences of the Exchange Offers. It applies to you only if you tender your Old Notes for New Notes in one or more of the Exchange Offers. This section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, and published rulings and court decisions, all as currently in effect and subject to change, possibly with retroactive effect.*

**YOU SHOULD CONSULT WITH YOUR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFERS**

**Treatment of the Exchange**

For United States federal income tax purposes, you should not be treated as having disposed of Old Notes in a taxable exchange solely because you exchanged Old Notes for New Notes, and you therefore should not recognize gain or loss as a result of this exchange. Accordingly, for United States federal income tax purposes, your tax basis in the New Notes should equal your basis in your Old Notes, your holding periods of the New Notes should include the holding period in your exchanged Old Notes, and payments of interest, premium and principal on the New Notes should be treated in the same manner as such payments were treated with respect to the Old Notes.



---

**Table of Contents**

**PLAN OF DISTRIBUTION**

**These Exchange Offers do not constitute an invitation to participate in the Exchange Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Form F-4 in certain jurisdictions may be restricted by law. Persons into whose possession this Form F-4 comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.**

If you want to participate in the Exchange Offers, you must represent and agree, among other things, that:

you are acquiring the New Notes issued in the Exchange Offers in the ordinary course of your business;

if you are not a broker-dealer registered under the Exchange Act, you are not participating in or intend to participate in the distribution of the New Notes, and you do not intend to engage in and have no arrangement or understanding with any person to participate in the distribution of the New Notes to be issued in the Exchange Offers;

if you are a broker-dealer registered under the Exchange Act, you did not purchase the Old Notes to be exchanged in the Exchange Offers from the Issuer or any of its affiliates, you will acquire the New Notes for your own account in exchange for Old Notes that you acquired as a result of market-making activities or other trading activities, and you will comply with the prospectus delivery requirements of the Securities Act in connection with a secondary resale of the New Notes, and you cannot rely on the position of the SEC's staff in their interpretative letters and, in the European Economic Area, you will not make any offer or sale which will require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive;

you are not prohibited by any law or policy from participating in the Exchange Offers;

you are not an affiliate of ours, as defined in Rule 405 under the Securities Act, or if you are such an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

if you are located in a member state of the European Economic Area which has implemented the Prospectus Directive:

- a) you are a legal entity authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or
- b) you are a legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in your last annual or consolidated accounts,

and you will not make any offer which will require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive;

you are not located or resident in the United Kingdom or, if you are located or resident in the United Kingdom, you are a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43(2) of the Order, or to whom this Form F-4 may

lawfully be communicated in accordance with the Order; and

## **Table of Contents**

you are not acting on behalf of someone who cannot truthfully and completely make such representations.

If you fail to satisfy any of these conditions, you cannot rely on the position of the SEC set forth in the interpretative letters referred to above under The Exchange Offers Terms of the Exchange Offers and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the New Notes.

Each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such New Notes were acquired as a result of market making activities or other trading activities. We have agreed in the Registration Rights Agreement that we will allow broker-dealers to use this prospectus in connection with the resale of such New Notes, for a period commencing on the day the relevant Exchange Offer is consummated and continuing for 90 days (or such shorter period during which participating broker-dealers are required by law to deliver such prospectus).

We will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the Exchange Offers may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to the Exchange Offers and any broker or dealer that participates in a distribution of such New Notes may be deemed to be an underwriter within the meaning of the Securities Act, and any profit on any such resale of New Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

For a period of 90 days after the expiration date, we will send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. Any such requests should be directed to the Exchange Agent.

We have agreed in the Registration Rights Agreement to pay all expenses incident to the Exchange Offers other than commissions or concessions of any brokers or dealers and will indemnify the holders of the securities, (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

By accepting an Exchange Offer, each broker-dealer that receives New Notes in the Exchange Offers agrees that it will stop using this prospectus if it receives notice from us of any event which makes any statement in this prospectus false in any material respect or which requires any changes in this prospectus in order to make the statements true.

We are delivering copies of this prospectus in electronic form through the facilities of DTC. You may obtain paper copies of the prospectus by contacting the exchange agent at its address specified on the inside back cover of this prospectus. By participating in an Exchange Offer, you will (unless you have requested paper delivery of documents) be consenting to electronic delivery of these documents.

---

**Table of Contents**

**VALIDITY OF THE NEW NOTES AND THE GUARANTEES**

The validity of the New Notes and of the Guarantees, except for the authorization of the Guarantees issued by Anheuser-Busch InBev SA/NV, InBev Belgium SA/NV, BrandBrew S.A., Cobrew NV/SA, InBev Nederland N.V., AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., Nimbuspath Limited and AmBrew S.A. will be passed upon for us by Sullivan & Cromwell LLP, New York, New York. The authorization of the Guarantees issued by Anheuser-Busch InBev SA/NV, InBev Belgium SA/NV, BrandBrew S.A., Cobrew NV/SA, InBev Nederland N.V., AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., Nimbuspath Limited and AmBrew S.A. will be passed upon for us by Linklaters, LLP.

**EXPERTS**

Our financial statements as of 31 December 2008 and 2007 and for each of the three years in the period ended 31 December 2008 included in this Form F-4 have been so included in reliance on the audit reports of Klynveld Peat Marwick Goerdeler ( **KPMG** ) Réviseurs d Entreprises SCCRL/Bedrijfsrevisoren BCVBA, independent registered public accounting firm, and PricewaterhouseCoopers LLP, independent registered public accounting firm, given on the authority of said firms as experts in auditing and accounting. KPMG (Avenue du Bourget/Bourgetlaan 40, 1130 Brussels, Belgium) is a member of the Institut des Réviseurs d Entreprises/Instituut der Bedrijfsrevisoren.

The audited financial statement of Anheuser-Busch Inc. as of 31 December 2008, not separately presented in this Form F-4, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report thereon appears herein. Such financial statement, to the extent it has been included in our financial statements, has been so included in reliance on the report of such independent registered public accounting firm given on the authority of said firm as experts in auditing and accounting.

The audited financial statements of Anheuser-Busch Inc. as of 31 December 2007 and 2006 and for each of the three years in the period ended 31 December 2007 included in this Form F-4 have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. PricewaterhouseCoopers LLP (800 Market Street, St. Louis, Missouri 63101) is a member of the American Institute of Certified Public Accountants.

Consents to the inclusion in this Form F-4 of such reports by KPMG and PricewaterhouseCoopers LLP have been filed as Exhibits 23.1 and 23.2 to this Form F-4, respectively.

**FINANCIAL STATEMENTS**

The consolidated financial statements are attached hereto starting on page F-1 of this Form F-4. The audit report of KPMG, independent registered public accounting firm, is included herein immediately preceding the audited consolidated financial statements.

Also included is an unaudited pro-forma condensed consolidated income statement and accompanying notes starting on page PF-1 of this Form F-4. Further, we have attached audited financial statements and schedules of Anheuser-Busch Companies, Inc. for the year ended 31 December 2007 and the unaudited nine-month period ended 30 September 2008 starting on page AF-1 of this Form F-4. The audit report of PricewaterhouseCoopers LLP, independent registered public accounting firm, is included herein immediately preceding the audited Anheuser-Busch Companies, Inc. financial statements.

---

**Table of Contents**

**AB INBEV GROUP ACTUAL HISTORICAL FINANCIAL INFORMATION**

*Audited consolidated financial statements*

|   |     |
|---|-----|
| <u>Report of Independent Registered Public Accounting Firm</u>  | F-2 |
| <u>Consolidated income statement for the years ended 31 December 2008, 2007 and 2006</u>                            | F-3 |
| <u>Consolidated statement of recognized income and expenses for the years ended 31 December 2008, 2007 and 2006</u> | F-3 |
| <u>Consolidated balance sheet as of 31 December 2008 and 2007</u>   | F-4 |
| <u>Consolidated cash flow statement for the years ended 31 December 2008, 2007 and 2006</u>                         | F-5 |
| <u>Notes to the consolidated financial statements</u>   | F-6 |
| <i>Unaudited condensed consolidated interim financial statements</i>  |     |

|   |      |
|---|------|
| <u>Unaudited condensed consolidated interim income statement for the six-month periods ended 30 June 2009 and 2008</u>                  | F-84 |
| <u>Unaudited condensed consolidated interim statement of comprehensive income for the six-month periods ended 30 June 2009 and 2008</u> | F-84 |
| <u>Unaudited condensed consolidated interim statement of financial position as of 30 June 2009 and 31 December 2008</u>                 | F-85 |
| <u>Unaudited condensed consolidated interim statement of changes in equity for the six-month periods ended 30 June 2009 and 2008</u>    | F-86 |
| <u>Unaudited condensed consolidated interim statement of cash flows for the six-month periods ended 30 June 2009 and 2008</u>           | F-87 |
| <u>Notes to the unaudited condensed consolidated interim financial statements</u>   | F-88 |

**Table of Contents**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders of Anheuser-Busch InBev SA/NV:

We have audited the accompanying consolidated balance sheets of Anheuser-Busch InBev SA/NV and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, recognized income and expenses and cash flows for each of the years in the three-year period ended December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the balance sheet of Anheuser-Busch Companies, Inc. and subsidiaries as of December 31, 2008, which balance sheet reflects total assets constituting 15,3 percent at December 31, 2008, of the related consolidated totals. The balance sheet of Anheuser-Busch Companies, Inc and subsidiaries was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for certain consolidated companies at December 31, 2008, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Anheuser-Busch InBev SA/NV and subsidiaries as of December 31, 2008 and 2007 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008 in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and IFRS as adopted by the European Union.

KPMG Bedrijfsrevisoren Réviseurs d Entreprises

Statutory auditor

represented by

/s/ Jos Briers

*Réviseur d Entreprises/Bedrijfsrevisor*

Brussels, BELGIUM

June 26, 2009, except for Note 36, as to which the date is November 30, 2009

**Table of Contents****Consolidated financial statements****Consolidated income statement**

For the year ended 31 December

| Million US dollar                           | Notes | 2008           | 2007          | 2006          |
|---|-------|----------------|---------------|---------------|
| <b>Revenue</b>                              |       | <b>23 507</b>  | <b>19 735</b> | <b>16 692</b> |
| Cost of sales                               |       | (10 336)       | (8 118)       | (6 870)       |
| <b>Gross profit</b>                         |       | <b>13 171</b>  | <b>11 617</b> | <b>9 822</b>  |
| Distribution expenses                       |       | (2 725)        | (2 343)       | (1 945)       |
| Sales and marketing expenses                |       | (3 510)        | (2 919)       | (2 653)       |
| Administrative expenses                     |       | (1 478)        | (1 354)       | (1 348)       |
| Other operating income/(expenses)           | 7     | 440            | 360           | 167           |
| Restructuring (including impairment losses) | 8     | (457)          | (59)          | (174)         |
| Fair value adjustments                      | 8     | (43)           | -             | -             |
| Business and asset disposal                 | 8     | (38)           | 537           | (24)          |
| Disputes                                    | 8     | (20)           | 33            | 80            |
| <b>Profit from operations</b>               |       | <b>5 340</b>   | <b>5 872</b>  | <b>3 925</b>  |
| Finance cost                                | 11    | (1 888)        | (975)         | (801)         |
| Finance income                              | 11    | 288            | 157           | 208           |
| <b>Net finance cost</b>                     |       | <b>(1 600)</b> | <b>(818)</b>  | <b>(593)</b>  |
| Share of result of associates               |       | 60             | 1             | 1             |
| <b>Profit before tax</b>                    |       | <b>3 800</b>   | <b>5 055</b>  | <b>3 333</b>  |
| Income tax expense                          | 12    | (674)          | (888)         | (666)         |
| <b>Profit</b>                               |       | <b>3 126</b>   | <b>4 167</b>  | <b>2 667</b>  |
| Attributable to:                            |       |                |               |               |
| Equity holders of AB InBev                  |       | 1 927          | 3 005         | 1 770         |
| Minority interests                          |       | 1 199          | 1 162         | 897           |
| Basic earnings per share <sup>1</sup>       | 24    | 1.93           | 3.08          | 1.82          |
| Diluted earnings per share <sup>1</sup>     | 24    | 1.93           | 3.06          | 1.81          |

**Consolidated statement of recognized income and expenses**

For the year ended 31 December

| Million US dollar  | Notes | 2008           | 2007         | 2006         |
|--|-------|----------------|--------------|--------------|
| Exchange differences on translation of foreign operations gains/(losses) | 11    | (4 212)        | 2 055        | 1 189        |
| Full recognition of actuarial gains and (losses)                         |       | (372)          | 45           | 26           |
| Cash flow hedges   | 11    | (2 308)        | 23           | 92           |
| <b>Net result recognized directly in equity</b>                          |       | <b>(6 892)</b> | <b>2 123</b> | <b>1 307</b> |
| Profit   |       | 3 126          | 4 167        | 2 667        |
| <b>Total recognized income and expenses</b>                              |       | <b>(3 766)</b> | <b>6 290</b> | <b>3 974</b> |
| Attributable to:   |       |                |              |              |
| Equity holders of AB InBev   |       | (4 690)        | 5 065        | 3 030        |
| Minority interests   |       | 924            | 1 225        | 944          |

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1</sup> 2006 and 2007 Basic and diluted earnings per share restated in accordance with IAS 33 (refer note 24 *Earnings per share*)

F-3



**Table of Contents****Consolidated balance sheet**

As at 31 December

| Million US dollar  | Notes | 2008           | 2007          |
|--|-------|----------------|---------------|
| <b>ASSETS</b>  |       |                |               |
| <b>Non-current assets</b>                                |       |                |               |
| Property, plant and equipment                            | 13    | 19 674         | 9 759         |
| Goodwill   | 14    | 49 556         | 20 365        |
| Intangible assets  | 15    | 23 673         | 1 840         |
| Investments in associates                                | 16    | 6 868          | 46            |
| Investment securities                                    | 17    | 239            | 240           |
| Deferred tax assets                                      | 18    | 932            | 976           |
| Employee benefits  | 26    | 8              | 10            |
| Trade and other receivables                              | 20    | 850            | 858           |
|  |       | <b>101 800</b> | <b>34 094</b> |
| <b>Current assets</b>                                    |       |                |               |
| Investment securities                                    | 17    | 270            | 264           |
| Inventories  | 19    | 2 903          | 1 647         |
| Income tax receivable                                    |       | 580            | 450           |
| Trade and other receivables                              | 20    | 4 620          | 3 783         |
| Cash and cash equivalents                                | 21    | 2 936          | 1 949         |
| Assets held for sale                                     | 22    | 51             | 60            |
|  |       | <b>11 360</b>  | <b>8 153</b>  |
| <b>Total assets</b>                                      |       | <b>113 160</b> | <b>42 247</b> |
| <b>EQUITY AND LIABILITIES</b>                            |       |                |               |
| <b>Equity</b>  |       |                |               |
| Issued capital   | 23    | 1 730          | 559           |
| Share premium  | 23    | 17 477         | 8 802         |
| Reserves   | 23    | (3 247)        | 4 079         |
| Retained earnings  | 23    | 6 482          | 6 617         |
| <b>Equity attributable to equity holders of AB InBev</b> |       | <b>22 442</b>  | <b>20 057</b> |
| <b>Minority interests</b>                                | 23    | 1 989          | 1 892         |
|  |       | <b>24 431</b>  | <b>21 949</b> |
| <b>Non-current liabilities</b>                           |       |                |               |
| Interest-bearing loans and borrowings                    | 25    | 48 025         | 7 633         |
| Employee benefits  | 26    | 3 009          | 919           |
| Deferred tax liabilities                                 | 18    | 12 076         | 689           |
| Trade and other payables                                 | 29    | 399            | 462           |
| Provisions   | 28    | 796            | 754           |
|  |       | <b>64 305</b>  | <b>10 457</b> |
| <b>Current liabilities</b>                               |       |                |               |
| Bank overdrafts  | 21    | 765            | 118           |
| Interest-bearing loans and borrowings                    | 25    | 11 301         | 2 117         |
| Income tax payable                                       |       | 405            | 839           |
| Trade and other payables                                 | 29    | 11 495         | 6 492         |
| Provisions   | 28    | 458            | 275           |
|  |       | <b>24 424</b>  | <b>9 841</b>  |
| <b>Total equity and liabilities</b>                      |       | <b>113 160</b> | <b>42 247</b> |

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

## Consolidated cash flow statement

For the year ended 31 December

| Million US dollar  | 2008            | 2007           | 2006           |
|--|-----------------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>  |                 |                |                |
| Profit   | 3 126           | 4 167          | 2 667          |
| Depreciation, amortization and impairment  | 1 912           | 1 408          | 1 371          |
| Impairment losses on receivables, inventories and assets held for sale                             | 149             | 67             | 30             |
| Additions/(reversals) in provisions and employee benefits  | 572             | 186            | 217            |
| Net finance cost   | 1 600           | 818            | 593            |
| Loss/(gain) on sale of property, plant and equipment and intangible assets                         | (56)            | (59)           | (118)          |
| Loss/(gain) on sale of subsidiaries and associates   | (4)             | (484)          | 10             |
| Loss/(gain) on sale of assets held for sale  | (29)            | (16)           | -              |
| Equity-settled share-based payment expense   | 63              | 72             | 61             |
| Income tax expense   | 674             | 888            | 666            |
| Other non-cash items included in the profit  | (12)            | 41             | 29             |
| Share of result of associates  | (60)            | (1)            | (1)            |
| <b>Cash flow from operating activities before changes in working capital and use of provisions</b> | <b>7 935</b>    | <b>7 087</b>   | <b>5 525</b>   |
| Decrease/(increase) in trade and other receivables   | 201             | (23)           | (385)          |
| Decrease/(increase) in inventories   | (388)           | (94)           | 1              |
| Increase/(decrease) in trade and other payables  | 989             | 487            | 548            |
| Pension contributions and use of provisions  | (490)           | (496)          | (552)          |
| <b>Cash generated from operations</b>  | <b>8 247</b>    | <b>6 961</b>   | <b>5 137</b>   |
| Interest paid  | (975)           | (852)          | (567)          |
| Interest received  | 126             | 60             | 69             |
| Dividends received   | 1               | 1              | 1              |
| Income tax paid  | (1 241)         | (613)          | (518)          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   | <b>6 158</b>    | <b>5 557</b>   | <b>4 122</b>   |
| <b>INVESTING ACTIVITIES</b>  |                 |                |                |
| Proceeds from sale of property, plant and equipment and of intangible assets                       | 228             | 193            | 203            |
| Proceeds from sale of associates   | 13              | -              | -              |
| Sale of subsidiaries, net of cash disposed of  | 47              | 577            | 3              |
| Acquisition of subsidiaries, net of cash acquired  | (52 251)        | (260)          | (1 919)        |
| Purchase of minority interests   | (853)           | (1 576)        | (928)          |
| Acquisition of property, plant and equipment and of intangible assets                              | (2 652)         | (2 162)        | (1 731)        |
| Net proceeds/(acquisition) of other assets   | (38)            | 4              | 18             |
| Net repayments/(payments) of loans granted   | 3               | (1)            | (11)           |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   | <b>(55 503)</b> | <b>(3 225)</b> | <b>(4 365)</b> |
| <b>FINANCING ACTIVITIES</b>  |                 |                |                |
| Net proceeds from the issue of share capital   | 9 764           | 115            | 103            |
| Net purchase of treasury shares  | (797)           | (821)          | (74)           |
| Proceeds from borrowings   | 56 425          | 8 950          | 8 064          |
| Payments on borrowings   | (11 953)        | (8 449)        | (6 960)        |
| Cash net finance costs other than interests  | (632)           | (60)           | (94)           |
| Payment of finance lease liabilities   | (6)             | (10)           | (4)            |
| Dividends paid   | (2 922)         | (1 052)        | (774)          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   | <b>49 879</b>   | <b>(1 327)</b> | <b>261</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>534</b>      | <b>1 005</b>   | <b>18</b>      |
| Cash and cash equivalents less bank overdrafts at beginning of year                                | 1 831           | 705            | 651            |
| Effect of exchange rate fluctuations   | (194)           | 121            | 36             |
| <b>Cash and cash equivalents less bank overdrafts at end of year</b>                               | <b>2 171</b>    | <b>1 831</b>   | <b>705</b>     |

The accompanying notes are an integral part of these consolidated financial statements.

---

**Table of Contents****Notes to the consolidated financial statements**

|    |  |      |
|----|--|------|
| 1  | <u>Corporate information</u>   | F-7  |
| 2  | <u>Statement of compliance</u>   | F-7  |
| 3  | <u>Summary of significant accounting policies</u>  | F-7  |
| 4  | <u>Use of estimates and judgments</u>  | F-21 |
| 5  | <u>Segment reporting</u>   | F-23 |
| 6  | <u>Acquisitions and disposals of subsidiaries</u>  | F-25 |
| 7  | <u>Other operating income/(expenses)</u>   | F-29 |
| 8  | <u>Exceptional items</u>   | F-29 |
| 9  | <u>Payroll and related benefits</u>  | F-30 |
| 10 | <u>Additional information on operating expenses by nature</u>  | F-31 |
| 11 | <u>Finance cost and income</u>   | F-31 |
| 12 | <u>Income taxes</u>  | F-34 |
| 13 | <u>Property, plant and equipment</u>   | F-35 |
| 14 | <u>Goodwill</u>  | F-36 |
| 15 | <u>Intangible assets</u>   | F-38 |
| 16 | <u>Investment in associates</u>  | F-39 |
| 17 | <u>Investment securities</u>   | F-40 |
| 18 | <u>Deferred tax assets and liabilities</u>   | F-40 |
| 19 | <u>Inventories</u>   | F-41 |
| 20 | <u>Trade and other receivables</u>   | F-41 |
| 21 | <u>Cash and cash equivalents</u>   | F-42 |
| 22 | <u>Assets and liabilities held for sale</u>  | F-42 |
| 23 | <u>Changes in equity</u>   | F-43 |
| 24 | <u>Earnings per share</u>  | F-46 |
| 25 | <u>Interest-bearing loans and borrowings</u>   | F-47 |
| 26 | <u>Employee benefits</u>   | F-48 |
| 27 | <u>Share-based payments</u>  | F-52 |
| 28 | <u>Provisions</u>  | F-54 |
| 29 | <u>Trade and other payables</u>  | F-55 |
| 30 | <u>Risks arising from financial instruments</u>  | F-56 |
| 31 | <u>Operating leases</u>  | F-68 |
| 32 | <u>Collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other</u> | F-69 |
| 33 | <u>Contingencies</u>   | F-69 |
| 34 | <u>Related parties</u>   | F-71 |
| 35 | <u>Events after the balance sheet date</u>   | F-72 |
| 36 | <u>Supplemental Guarantor Financial Information</u>  | F-73 |



---

**Table of Contents****1. CORPORATE INFORMATION**

AB InBev is a publicly traded company based in Leuven, Belgium. It is the leading global brewer and one of the world's top five consumer products companies. A true consumer-centric, sales driven company, AB InBev manages a portfolio of nearly 300 brands that includes global flagship brands Budweiser®, Stella Artois® and Beck's®, fast growing multi-country brands like Leffe® and Hoegaarden®, and strong local jewels such as Bud Light®, Skol®, Brahma®, Quilmes®, Michelob®, Harbin®, Sedrin®, Cass®, Klinskoye®, Sibirskaia Korona®, Chernigivske®, and Jupiler®, among others. In addition, the company owns a 50 percent share in Grupo Modelo, Mexico's leading brewer and owner of the global Corona® brand. AB InBev's dedication to heritage and quality is rooted in brewing traditions that originate from the Den Hoorn brewery in Leuven, Belgium, dating back to 1366 and the pioneering spirit of the Anheuser & Co brewery, established in 1860 in St. Louis, USA. Geographically diversified with a balanced exposure to developed and developing markets, AB InBev leverages the collective strengths of its 120 000 employees based in operations in over 30 countries across the world. The Company strives to be the Best Beer Company in a Better World. On a pro-forma basis for 2008, the combined company would have generated revenue of 39b US Dollar.

The consolidated financial statements of the company for the year ended 31 December 2008 comprise the company and its subsidiaries (together referred to as AB InBev or the company) and the company's interest in associates and jointly controlled entities.

These financial statements were authorized for issue by the board of directors on 25 June 2009.

**2. STATEMENT OF COMPLIANCE**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and in conformity with IFRS as adopted by the European Union (collectively IFRS). AB InBev has not applied early any new IFRS requirements that are not yet effective in 2008. Certain 2007 and 2006 amounts have been reclassified to conform to the 2008 presentation.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(A) BASIS OF PREPARATION AND MEASUREMENT**

Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic re-measurement), the cost approach is applied.

**(B) FUNCTIONAL AND PRESENTATION CURRENCY**

Effective 1 January 2009, the company changed the presentation currency of the consolidated financial statements from the euro to the US dollar, reflecting the post-Anheuser-Busch acquisition profile of the company's revenue and cash flows, which are now primarily generated in US dollars and US dollar-linked currencies. AB InBev believes that this change provides greater alignment of the presentation currency with AB InBev's most significant operating currency and underlying financial performance. For comparability purposes, the company has restated the historical financial statements as of and for the years ended 31 December 2008 and 2007 and the three years ended 31 December 2008, from the euro to the US dollar. Unless otherwise specified, all financial information included in these financial statements have been stated in US dollars and has been rounded to the nearest million.

**(C) USE OF ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



---

## **Table of Contents**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **(D) PRINCIPLES OF CONSOLIDATION**

Subsidiaries are those companies in which AB InBev, directly or indirectly, has an interest of more than half of the voting rights or, otherwise, has control, directly or indirectly, over the operations so as to govern the financial and operating policies in order to obtain benefits from the companies' activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Control is presumed to exist where AB InBev owns, directly or indirectly, more than one half of the voting rights (which does not always equate to economic ownership), unless it can be demonstrated that such ownership does not constitute control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Jointly controlled entities are those entities over whose activities AB InBev has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Jointly controlled entities are consolidated using the proportionate method of consolidation.

Associates are undertakings in which AB InBev has significant influence over the financial and operating policies, but which it does not control. This is generally evidenced by ownership of between 20% and 50% of the voting rights. In certain instances, the company may hold directly and indirectly an ownership interest of 50% or more in an entity, yet not have effective control. In these instances, such investments are accounted for as associates. Associates are accounted for by the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. When AB InBev's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that AB InBev has incurred obligations in respect of the associate.

The financial statements of the company's subsidiaries, jointly controlled entities and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated.

Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of AB InBev's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A listing of the company's most important subsidiaries and associates is set out in note 37 *AB InBev companies*.

### **(E) SUMMARY OF CHANGES IN ACCOUNTING POLICIES**

All accounting policies were applied consistently with those of the previous financial year, unless disclosed otherwise.

### **(F) FOREIGN CURRENCIES FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollar at foreign exchange rates ruling at the dates the fair value was determined.

### **TRANSLATION OF THE RESULTS AND FINANCIAL POSITION OF FOREIGN OPERATIONS**

Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflationary economies, are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at

historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at year-end exchange rates are taken to equity (translation reserves).



**Table of Contents**

In hyperinflationary economies, re-measurement of the local currency denominated non-monetary assets, liabilities, income statement accounts as well as equity accounts is made by applying a general price index. These re-measured accounts are used for conversion into US dollar at the closing exchange rate. For subsidiaries and associated companies in countries with hyperinflation where a general price index method is not yet stabilized and does not provide reliable results, the balance sheet and income statement are re-measured into US dollar as if it was the operation's functional currency. In 2008 and 2007, AB InBev had no operations in hyperinflationary economies.

**EXCHANGE RATES**

The most important exchange rates that have been used in preparing the financial statements are:

| 1 US dollar equals: | Closing rate |            |            |
|---------------------|--------------|------------|------------|
|                     | 2008         | 2007       | 2006       |
| Argentinean peso    | 3.449805     | 3.151000   | 3.069495   |
| Brazilian real      | 2.337001     | 1.771299   | 2.138003   |
| Canadian dollar     | 1.221383     | 0.981524   | 1.160289   |
| Chinese yuan        | 6.823021     | 7.304166   | 7.805074   |
| Pound sterling      | 0.684415     | 0.498166   | 0.509871   |
| Russian ruble       | 29.776885    | 24.409860  | 26.345408  |
| South Korean won    | 1320.856618  | 935.677686 | 930.515931 |
| Ukrainian hryvnia   | 7.800109     | 5.040043   | 5.049988   |
| Euro                | 0.718546     | 0.679302   | 0.759301   |

| 1 US dollar equals: | Average rate |            |            |
|---------------------|--------------|------------|------------|
|                     | 2008         | 2007       | 2006       |
| Argentinean peso    | 3.116907     | 3.122898   | 3.063697   |
| Brazilian real      | 1.778974     | 1.949520   | 2.181565   |
| Canadian dollar     | 1.047465     | 1.071595   | 1.128891   |
| Chinese yuan        | 7.007161     | 7.600559   | 8.018929   |
| Pound sterling      | 0.533130     | 0.500259   | 0.543991   |
| Russian ruble       | 24.626252    | 25.583940  | 27.182612  |
| South Korean won    | 1071.573693  | 925.555696 | 955.954436 |
| Ukrainian hryvnia   | 5.158557     | 5.035529   | 5.045860   |
| Euro                | 0.676163     | 0.731189   | 0.797266   |

**(G) INTANGIBLE ASSETS  
RESEARCH AND DEVELOPMENT**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (refer accounting policy P).

Amortization related to research and development intangible assets is included within the cost of sales if production related and in sales and marketing if related to commercial activities.

**SUPPLY AND DISTRIBUTION RIGHTS**

A supply right is the right for AB InBev to supply a customer and the commitment by the customer to purchase from AB InBev. A distribution right is the right to sell specified products in a certain territory.

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Acquired customer relationships in a business combination are initially recognized at fair value as supply rights to the extent that they arise from contractual rights. If the IFRS recognition criteria are not met, these relationships are subsumed under goodwill.

Acquired distribution rights are measured initially at cost or fair value when obtained through a business combination.

Amortization related to supply and distribution rights is included within sales and marketing expenses.

F-9

## **Table of Contents**

### **BRANDS**

If part of the consideration paid in a business combination relates to trademarks, trade names, formulas, recipes or technological expertise these intangible assets are considered as a group of complementary assets that is referred to as a brand for which one fair value is determined. Expenditure on internally generated brands is expensed as incurred.

### **SOFTWARE**

Purchased software is measured at cost less accumulated amortization. Expenditure on internally developed software is capitalized when the expenditure qualifies as development activities; otherwise, it is recognized in the income statement when incurred.

Amortization related to software is included in cost of sales, distribution expenses, sales and marketing expenses or administrative expenses based on the activity the software supports.

### **OTHER INTANGIBLE ASSETS**

Other intangible assets, acquired by the company, are stated at cost less accumulated amortization (see below) and impairment losses (refer accounting policy P).

### **SUBSEQUENT EXPENDITURE**

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

### **AMORTIZATION**

Intangible assets with a finite life are amortized using the straight-line method over their estimated useful lives. Licenses, brewing, supply and distribution rights are amortized over the period in which the rights exist. Brands are considered to have an indefinite life unless plans exist to discontinue the brand. Discontinuance of a brand can be either through sale or termination of marketing support. When AB InBev buys back distribution rights for its own products the life of these rights is considered indefinite, unless the company has a plan to discontinue the related brand or distribution. Software and capitalized development costs related to technology are amortized over 3 to 5 years.

Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment on an annual basis (refer accounting policy P).

### **GAINS AND LOSSES ON SALE**

Net gains on sale of intangible assets are presented in the income statement as other operating income. Net losses on sale are included as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the intangible assets.

### **(H) BUSINESS COMBINATIONS**

The company applies the purchase method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, equity instruments issued and costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over the company's interest in the fair value of the identifiable net assets acquired is recorded as goodwill.

The allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions requiring management judgment.

**(I) GOODWILL**

Goodwill is determined as the excess of the cost of an acquisition over AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognized at the date of acquisition. All business combinations are accounted for by applying the purchase method. Business

**Table of Contents**

combinations entered into before 31 March 2004, were accounted for in accordance with IAS 22 *Business Combinations*. This means that acquired intangibles such as brands were subsumed under goodwill for those transactions. When AB InBev acquires minority interests any difference between the cost of acquisition and the minority interest's share of net assets acquired is taken to goodwill.

In conformity with IFRS 3 *Business Combinations*, goodwill is stated at cost and not amortized but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which the goodwill has been allocated, may be impaired (refer accounting policy P).

Goodwill is expressed in the currency of the subsidiary or jointly controlled entity to which it relates (except for subsidiaries operating in highly inflationary economies) and is translated to US dollar using the year-end exchange rate.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

If AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination such excess is recognized immediately in the income statement as required by IFRS 3.

Expenditure on internally generated goodwill is expensed as incurred.

**(J) PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy P). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. non refundable tax, transport and the costs of dismantling and removing the items and restoring the site on which they are located, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset. The depreciation methods, residual value, as well as the useful lives are reassessed, and adjusted if appropriate annually.

**SUBSEQUENT EXPENDITURE**

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

**DEPRECIATION**

The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are as follows:

|                                       |          |
|---------------------------------------|----------|
| Industrial buildings                  | 20 years |
| Other real estate properties          | 33 years |
| Production plant and equipment:       |          |
| Production equipment                  | 15 years |
| Storage and packaging equipment       | 7 years  |
| Duo tanks                             | 7 years  |
| Handling and other equipment          | 5 years  |
| Returnable packaging:                 |          |
| Kegs                                  | 10 years |
| Crates                                | 10 years |
| Bottles                               | 5 years  |
| Point of sale furniture and equipment | 5 years  |

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Vehicles 5 years

Information processing equipment 3 or 5 years

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated as it is deemed to have an indefinite life.

F-11

## **Table of Contents**

### **GAINS AND LOSSES ON SALE**

Net gains on sale of items of property, plant and equipment are presented in the income statement as other operating income. Net losses on sale are presented as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

### **(K) ACCOUNTING FOR LEASES**

Leases of property, plant and equipment where the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized as assets and liabilities (interest-bearing loans and borrowings) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Amortization and impairment testing for depreciable leased assets, is the same as for depreciable assets that are owned (refer accounting policy J and P).

Lease payments are apportioned between the outstanding liability and finance charges to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

### **(L) INVESTMENTS**

All investments are accounted for at trade date.

#### **INVESTMENTS IN EQUITY SECURITIES**

Investments in equity securities are undertakings in which AB InBev does not have significant influence or control. This is generally evidenced by ownership of less than 20% of the voting rights. Such investments are designated as available-for-sale financial assets which are at initial recognition measured at fair value unless the fair value cannot be reliably determined in which case they are measured at cost. Subsequent changes in fair value, except those related to impairment losses which are recognized in the income statement, are recognized directly in equity.

On disposal of an investment, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

#### **INVESTMENTS IN DEBT SECURITIES**

Investments in debt securities classified as trading or as being available-for-sale are carried at fair value, with any resulting gain or loss respectively recognized in the income statement or directly in equity. Fair value of these investments is determined as the quoted bid price at the balance sheet date. Impairment charges and foreign exchange gains and losses are recognized in the income statement.

Investments in debt securities classified as held to maturity are measured at amortized cost.

#### **OTHER INVESTMENTS**

Other investments held by the company, are classified as available-for-sale and are carried at fair value, with any resulting gain or loss recognized directly in equity. Impairment charges are recognized in the income statement.

### **(M) INVENTORIES**

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labor, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

F-12



---

**Table of Contents**

**(N) TRADE AND OTHER RECEIVABLES**

Trade and other receivables are carried at amortized cost less impairment losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date.

An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful. Such receivable becomes doubtful when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

**(O) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

**(P) IMPAIRMENT**

The carrying amounts of financial assets, property, plant and equipment, goodwill and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill, intangible assets that are not yet available for use and intangibles with an indefinite life are tested for impairment annually. An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

**CALCULATION OF RECOVERABLE AMOUNT**

The recoverable amount of the company's investments in unquoted debt securities is calculated as the present value of expected future cash flows, discounted at the debt securities' original effective interest rate. For equity and quoted debt securities the recoverable amount is their fair value.

The recoverable amount of other assets is determined as the higher of their fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Impairment testing of intangible assets with an indefinite useful life is primarily based on a fair value approach applying multiples that reflect current market transactions to indicators that drive the profitability of the asset or the royalty stream that could be obtained from licensing the intangible asset to another party in an arm's length transaction.

For goodwill, the recoverable amount of the cash generating units to which the goodwill belongs is based on a fair value approach. More specifically, a discounted free cash flow approach, based on current acquisition valuation models, is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. As regards the level of goodwill impairment testing, AB InBev's overall approach is to test goodwill for impairment at the business unit level (i.e. one level below the segments).

**REVERSAL OF IMPAIRMENT LOSSES**

An impairment loss in respect of goodwill or investments in equity securities is not reversed. Impairment losses on other assets are reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



## **Table of Contents**

### **(Q) SHARE CAPITAL REPURCHASE OF SHARE CAPITAL**

When AB InBev buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity under treasury shares.

### **DIVIDENDS**

Dividends are recognized as a liability in the period in which they are declared.

### **SHARE ISSUANCE COSTS**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **(R) PROVISIONS**

Provisions are recognized when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **RESTRUCTURING**

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

### **ONEROUS CONTRACTS**

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### **DISPUTES AND LITIGATION**

A provision for disputes and litigation is recognized when it is more likely than not that the company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions both initiated by third parties and initiated by AB InBev relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities, and alcohol industry litigation matters.

### **(S) EMPLOYEE BENEFITS POST-EMPLOYMENT BENEFITS**

Post-employment benefits include pensions, post-employment life insurance and medical care benefits. The company operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and the company, taking account of the recommendations of independent actuaries. AB InBev maintains funded and unfunded pension plans.

#### **a) Defined contribution plans**

Contributions to defined contribution plans are recognized as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which AB InBev pays fixed contributions into a fund. AB InBev has no legal or constructive obligations to pay further

contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

b) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using

---

**Table of Contents**

the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately. Under this method, the cost of providing pensions is charged to the income statement to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least annually. The amounts charged to the income statement consist of current service cost, interest cost, the expected return on any plan assets, past service costs and the effect of any curtailments or settlements. The pension obligations recognized in the balance sheet are measured at the present value of the estimated future cash outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability, less any past service costs not yet recognized and the fair value of any plan assets. Past service costs result from the introduction of, or changes to, post-employment benefits. They are recognized as an expense over the average period that the benefits vest. Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of recognized income and expenses.

Where the calculated amount of a defined benefit liability is negative (an asset), AB InBev recognizes such pension asset to the extent of any cumulative unrecognized past service costs plus any economic benefits available to AB InBev either from refunds or reductions in future contributions.

**OTHER POST-EMPLOYMENT OBLIGATIONS**

Some AB InBev companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

**TERMINATION BENEFITS**

Termination benefits are recognized as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**BONUSES**

Bonuses received by company employees and management are based on financial key indicators. The estimated amount of the bonus is recognized as an expense in the period the bonus is earned. To the extent that bonuses are settled in shares of the company, they are accounted for as share-based payments.

**(T) SHARE-BASED PAYMENTS**

Different share and share option programs allow company senior management and members of the board to acquire shares of the company and some of its affiliates. AB InBev adopted IFRS 2 *Share-based Payment* on 1 January 2005 to all awards granted after 7 November 2002 that had not yet vested at 1 January 2005. The fair value of the share options is estimated at grant date, using an option pricing model that is most appropriate for the respective option. Based on the expected number of options that will vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the amount of the proceeds received.

**(U) INTEREST-BEARING LOANS AND BORROWINGS**

Interest-bearing loans and borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis.

**(V) TRADE AND OTHER PAYABLES**

Trade and other payables are stated at amortized cost.

**(W) INCOME TAX**

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

F-15

---

## **Table of Contents**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS 12 *Income Taxes*, deferred taxes are provided using the so-called balance sheet liability method. This means that, taking into account the IAS 12 requirements, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet a deferred tax liability or asset is recognized. Under this method, a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognized i) on initial recognition of goodwill, ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The company recognizes deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax claims are recorded within provisions on the balance sheet (refer accounting policy R).

### **(X) INCOME RECOGNITION**

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the income can be measured reliably.

### **GOODS SOLD**

In relation to the sale of beverages and packaging, revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and discounts for cash payments.

### **ENTERTAINMENT REVENUE**

Revenues at our theme parks are recognized upon admission to a park or when products are delivered to customers. For season pass and other multi-use admissions, AB InBev recognizes a pro-rata portion of the revenue over the year based on the terms of the admission product.

### **RENTAL AND ROYALTY INCOME**

Rental income is recognized under other operating income on a straight-line basis over the term of the lease. Royalties arising from the use by others of the company's resources are recognized in other operating income on an accrual basis in accordance with the substance of the relevant agreement.

### **GOVERNMENT GRANTS**

A government grant is recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are recognized as other operating income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

**FINANCE INCOME**

Finance income comprises interest received or receivable on funds invested, dividend income, foreign exchange gains, losses on currency hedging instruments offsetting currency gains, gains on hedging instruments that are not part of a hedge accounting relationship, gains on financial assets classified as trading as well as any gains from hedge ineffectiveness (refer accounting policy W).



## **Table of Contents**

Interest income is recognized as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt. Dividend income is recognized in the income statement on the date that the dividend is declared.

### **(Y) EXPENSES FINANCE COSTS**

Finance costs comprise interest payable on borrowings, calculated using the effective interest rate method, foreign exchange losses, gains on currency hedging instruments offsetting currency losses, results on interest rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as trading, impairment losses on available-for-sale financial assets as well as any losses from hedge ineffectiveness (refer accounting policy Z).

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs. Any difference between the initial amount and the maturity amount of interest bearing loans and borrowings, such as transaction costs and fair value adjustments, are being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis (refer accounting policy U). The interest expense component of finance lease payments is also recognized in the income statement using the effective interest rate method.

### **RESEARCH AND DEVELOPMENT, ADVERTISING AND PROMOTIONAL COSTS AND SYSTEMS DEVELOPMENT COSTS**

Research, advertising and promotional costs are expensed in the year in which these costs are incurred. Development costs and systems development costs are expensed in the year in which these costs are incurred if they do not meet the criteria for capitalization (refer accounting policy G).

### **PURCHASING, RECEIVING AND WAREHOUSING COSTS**

Purchasing and receiving costs are included in the cost of sales, as well as the costs of storing and moving raw materials and packaging materials. The costs of storing finished products at the brewery as well as costs incurred for subsequent storage in distribution centers are included within distribution expenses.

### **(Z) DERIVATIVE FINANCIAL INSTRUMENTS**

AB InBev uses derivative financial instruments to mitigate the transactional impact of foreign currencies, interest rates and commodity prices on the company's performance. AB InBev's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the company does therefore not hold or issue any such instruments for such purposes. Derivative financial instruments that are economic hedges but that do not meet the strict IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules, however, are accounted for as financial assets or liabilities at fair value through profit or loss.

Derivative financial instruments are recognized initially at fair value. Fair value is the amount for which the asset could be exchanged or the liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of derivative financial instruments either is the quoted market price or is calculated using pricing models taking into account current market rates. These pricing models also take into account the current creditworthiness of the counterparties.

Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at balance sheet date. Depending on whether cash flow or net investment hedge accounting is applied or not, any gain or loss is recognized either directly in equity or in the income statement.

Cash flow, fair value or net investment hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective.

### **CASH FLOW HEDGE ACCOUNTING**

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

When a derivative financial instrument hedges the variability in cash flows of a recognized asset or liability, the foreign currency risk of a firm commitment or a highly probable forecasted transaction, the effective part of any resulting gain or loss on the derivative financial instrument is recognized directly in equity (hedging reserves). When the firm commitment in foreign currency or the forecasted transaction results in the recognition of a non financial asset or a non financial liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. When the hedge relates to financial assets or liabilities, the cumulative gain or loss on the hedging instrument is reclassified from equity

F-17

---

## **Table of Contents**

into the income statement in the same period during which the hedged risk affects the income statement (e.g. when the variable interest expense is recognized). The ineffective part of any gain or loss is recognized immediately in the income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss (at that point) remains in equity and is reclassified in accordance with the above policy when the hedged transaction occurs. If the hedged transaction is no longer probable, the cumulative gain or loss recognized in equity is reclassified into the income statement immediately.

### **FAIR VALUE HEDGE ACCOUNTING**

When a derivative financial instrument hedges the variability in fair value of a recognized asset or liability, any resulting gain or loss on the hedging instrument is recognized in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in the income statement.

### **NET INVESTMENT HEDGE ACCOUNTING**

When a foreign currency liability hedges a net investment in a foreign operation, exchange differences arising on the translation of the liability to the functional currency are recognized directly in equity (translation reserves).

When a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity (translation reserves), while the ineffective portion is reported in the income statement.

Investments in equity instruments or derivatives linked to and to be settled by delivery of an equity instrument are stated at cost when such equity instrument does not have a quoted market price in an active market and for which other methods of reasonably estimating fair value are clearly inappropriate or unworkable.

## **(AA) SEGMENT REPORTING**

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by management.

AB InBev's primary segment reporting format is geographical because the company's risks and rates of return are affected predominantly by the fact that AB InBev operates in different geographical areas. The company's management structure and internal reporting system to the board of directors is set up accordingly. A geographical segment is a distinguishable component of the company that is engaged in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. In accordance with IAS 14 *Segment Reporting* AB InBev's reportable geographical segments were determined as North America, Latin America North, Latin America South, Western Europe, Central and Eastern Europe, Asia Pacific and Global Export and Holding Companies. The company's assets are predominantly located in the same geographical areas as its customers.

Throughout the world, AB InBev is chiefly active in the malt-based beverages business. The non-beer segment consists of AB InBev owned non-beer, soft drinks produced, all other beverages sold by AB InBev under licensing or distribution agreements and the entertainment and packaging business.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets comprise interest bearing loans granted, investment securities, deferred tax assets, income taxes receivable, cash and cash equivalent and derivative assets. Unallocated liabilities comprise equity and minority interest, interest bearing loans, deferred tax liabilities, bank overdrafts, income taxes payable and derivative liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

## **(BB) EXCEPTIONAL ITEMS**

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Exceptional items are those that in management's judgment need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the financial statements. Transactions which may give rise to exceptional items are principally restructuring activities, impairments, and gains or losses on disposal of investments.

F-18

**Table of Contents****(CC) DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE**

A discontinued operation is a component of the company that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single co-coordinated plan to dispose of or is a subsidiary acquired exclusively with a view to resale.

AB InBev classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 *Non-current assets held for sale and discontinued operations* are met. A disposal group is defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

**(DD) RECENTLY ISSUED IFRS**

To the extent that new IFRS requirements are expected to be applicable in the future, they have been summarized hereafter. For the year ended 31 December 2008, they have not been applied in preparing these consolidated financial statements.

**IFRS 8 *Operating segments***

IFRS 8 *Operating Segments* introduces the management approach to segment reporting. IFRS 8, which becomes mandatory for AB InBev's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by AB InBev's Chief Operating Decision Makers in order to assess each segment's performance and to allocate resources to them. Currently AB InBev presents segment information in respect of its geographical and business segments. The company does not expect that IFRS 8 will trigger a material change to the current segment reporting.

**Revised IAS 23 *Borrowing Costs***

Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for AB InBev's 2009 financial statements and will constitute a change in accounting policy for AB InBev. In accordance with the transitional provisions, AB InBev will apply the revised IAS 23 to qualifying assets for which capitalization of borrowing costs commences on or after the effective date of the standard. The company does not expect a material impact on the consolidated financial statements.

**IFRIC 13 *Customer Loyalty Programs***

IFRIC 13 *Customer Loyalty Programs* addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programs for their customers. It relates to customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for AB InBev's 2009 financial statements, is not expected to have a material impact on the consolidated financial statements.

**Revised IAS 1 *Presentation of Financial Statements (2007)***

Revised IAS 1 *Presentation of Financial Statements (2007)* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for AB InBev's 2009 consolidated financial statements, is not expected to have an impact on the presentation of the consolidated financial statements. AB InBev plans to continue to provide total comprehensive income in an income statement and a separate single statement of other comprehensive income for its 2009 consolidated financial statements.

**Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements* – *Puttable Financial Instruments and Obligations Arising on Liquidation***

Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements* *Puttable Financial Instruments and Obligations Arising on Liquidation* requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be

F-19

---

## **Table of Contents**

classified as equity if certain conditions are met. The amendments, which become mandatory for AB InBev's 2009 consolidated financial statements, with retrospective application required, are not expected to have a material impact on the consolidated financial statements.

### **Revised IFRS 3 *Business Combinations* (2008)**

Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to AB InBev's operations:

The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.

Contingent consideration will be measured at fair value, with subsequent changes therein recognized in profit or loss.

Transaction costs, other than share and debt issue costs, will be expensed as incurred.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognized in profit or loss.

Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for AB InBev's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in AB InBev's 2010 consolidated financial statements.

### **Amended IAS 27 *Consolidated and Separate Financial Statements* (2008)**

Amended IAS 27 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by AB InBev in a subsidiary, while maintaining control, to be recognized as an equity transaction. When AB InBev loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27, which become mandatory for AB InBev's 2010 consolidated financial statements, are not expected to have a material impact on the consolidated financial statements.

### **Amendment to IFRS 2 *Share-based Payment - Vesting Conditions and Cancellations***

Amendment to IFRS 2 *Share-based Payment - Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2, that will become mandatory for AB InBev's 2009 consolidated financial statements, with retrospective application, are not expected to have a material impact on the consolidated financial statements.

### **IFRIC 15 *Agreements for the Construction of Real Estate***

IFRIC 15 *Agreements for the Construction of Real Estate* concludes that revenues for real estate construction projects will have to be recognized using the completed contract method in many cases, except for specific situations where the percentage of completion method of revenue recognition can be applied. This is the case when a contract relates to the sale of assets, but during the construction of these assets revenue recognition criteria are met on a continuous basis (in relation to the completed part of the project). IFRIC 15, which becomes mandatory for AB InBev's 2009 consolidated financial statements, with retrospective application, is not expected to have a material impact on the consolidated financial statements.

### **IFRIC 16 *Hedges of a Net Investment in a Foreign Operation***

IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* discusses a number of issues in relation to hedging currency risks on foreign operations (net investment hedges). IFRIC 16 specifically confirms only the risk from differences between the functional currencies of the parent

and the subsidiary can be hedged. Additionally, currency risks can only be hedged by every (direct or indirect) parent company, as long as the risk is only hedged once in the consolidated financial statements. IFRIC 16 also determines the hedge instrument of a net investment hedge can be held by every group company, except for foreign operation itself. IFRIC 16, which becomes mandatory for AB InBev's 2009 consolidated financial statements, with prospective application, is not expected to have a material impact on the consolidated financial statements.

**IFRIC 17 *Distributions of Non-cash Assets to Owners***

IFRIC 17 *Distributions of Non-cash Assets to Owners* addresses the treatment of distributions in kind to shareholders. Outside the scope of IFRIC 17 are distributions in which the assets being distributed are ultimately controlled by the same party or



---

## **Table of Contents**

parties before and after the distribution (common control transactions). A liability has to be recognized when the dividend has been appropriately authorized and is no longer at the discretion of the entity, to be measured at the fair value of the non-cash assets to be distributed. IFRIC 17, which becomes mandatory for AB InBev's 2010 consolidated financial statements, with prospective application, is not expected to have a material impact on the consolidated financial statements.

### ***IFRIC 18 Transfers of Assets from Customers***

IFRIC 18 *Transfers of Assets from Customers* addresses the accounting by access providers for property, plant and equipment contributed to them by customers. Recognition of the assets depends on who controls it. When the asset is recognized by the access provider, it is measured at fair value upon initial recognition. The timing of the recognition of the corresponding revenue depends on the facts and circumstances. IFRIC 18, which becomes mandatory for AB InBev's 2010 consolidated financial statements, with prospective application, is not expected to have a material impact on the consolidated financial statements.

### ***Amendments to IFRS 1 First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate***

Amendments to IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate* revises, amongst others, the accounting for pre-acquisition dividends received from participating interests. Those dividends should be recognized as revenue, but such dividends may imply an indicator for the impairment of the participating interest. The amendment, which becomes mandatory for AB InBev's 2009 consolidated financial statements, with prospective application, is not expected to have a material impact on the consolidated financial statements.

### ***Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items***

Amendment to IAS 39 *Financial Instruments: Recognition and Measurement - Eligible Hedged Items* provides additional guidance concerning specific positions that qualify for hedging (eligible hedged items). The amendment to IAS 39, which becomes mandatory for AB InBev's 2010 consolidated financial statements, with retrospective application, is not expected to have a material impact the consolidated financial statements.

### ***Improvements to IFRSs (2008)***

Improvements to IFRSs (2008) is a collection of minor improvements to existing standards. This collection, which becomes mandatory for AB InBev's 2009 consolidated financial statements, is not expected to have a material impact on the consolidated financial statements.

### ***Improvements to IFRSs (2009)***

Improvements to IFRSs (2009) is a collection of minor improvements to existing standards. This collection, which has various adoption dates, is not expected to have a material impact on the consolidated financial statements.

## **4. USE OF ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Although each of its significant accounting policies reflects judgments, assessments or estimates, AB InBev believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results: business combinations intangible assets, goodwill, impairment, provisions, share-based payments, employee benefits and accounting for current and deferred tax.

## Edgar Filing: ANHEUSER-BUSCH COMPANIES, INC. - Form F-4

The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows.

F-21

**Table of Contents**

The company uses its judgment to select a variety of methods including the discounted cash flow method and option valuation models and make assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other postretirement benefit expense and liability. These factors include assumptions with respect to interest rates, expected investment returns on plan assets, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are further discussed in the relevant notes hereafter.

**Table of Contents****5. SEGMENT REPORTING  
PRIMARY SEGMENTS**

Million US dollar, except volume (million hl) and full time equivalents (FTE in units).

Segment information is presented by geographical segments, consistent with AB InBev's management and internal reporting structure. AB InBev operates its business through seven regions. Regional and operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, AB InBev management use performance indicators such as normalized profit and normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled to segment profit in the tables presented.

|   | North America |              |              | Latin America |              |              | Latin America |              |            | Western Europe |              |              |
|---|---------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|------------|----------------|--------------|--------------|
|   | North America |              |              | North         |              |              | South         |              |            | Europe         |              |              |
|   | 2008          | 2007         | 2006         | 2008          | 2007         | 2006         | 2008          | 2007         | 2006       | 2008           | 2007         | 2006         |
| <b>Volume</b>                                     | <b>27</b>     | <b>13</b>    | <b>14</b>    | <b>102</b>    | <b>101</b>   | <b>95</b>    | <b>34</b>     | <b>31</b>    | <b>23</b>  | <b>34</b>      | <b>36</b>    | <b>39</b>    |
| <b>Revenue</b>                                    | <b>3 753</b>  | <b>2 139</b> | <b>2 296</b> | <b>7 664</b>  | <b>6 707</b> | <b>5 353</b> | <b>1 855</b>  | <b>1 372</b> | <b>919</b> | <b>4 754</b>   | <b>4 725</b> | <b>4 573</b> |
| Cost of goods sold                                | (1 586)       | (672)        | (853)        | (2 634)       | (2 274)      | (1 869)      | (782)         | (581)        | (393)      | (2 232)        | (2 210)      | (2 031)      |
| Distribution expenses                             | (499)         | (376)        | (339)        | (916)         | (756)        | (626)        | (145)         | (112)        | (70)       | (592)          | (551)        | (522)        |
| Sales and marketing expenses                      | (430)         | (282)        | (390)        | (837)         | (672)        | (554)        | (191)         | (161)        | (112)      | (943)          | (914)        | (903)        |
| Administrative expenses                           | (155)         | (114)        | (130)        | (418)         | (352)        | (340)        | (72)          | (60)         | (64)       | (345)          | (321)        | (330)        |
| Other operating income/(expenses)                 | (4)           | 4            | (8)          | 208           | 166          | 76           | 11            | (15)         | (11)       | (144)          | (96)         | (135)        |
| <b>Normalized profit from operations (EBIT)</b>   | <b>1 079</b>  | <b>699</b>   | <b>576</b>   | <b>3 067</b>  | <b>2 819</b> | <b>2 040</b> | <b>676</b>    | <b>443</b>   | <b>269</b> | <b>498</b>     | <b>633</b>   | <b>652</b>   |
| Exceptional items (refer note 8)                  | (220)         | 19           | (5)          | (27)          | 21           | 77           | (4)           | (3)          | 5          | (275)          | 475          | (174)        |
| <b>Profit from operations (EBIT)</b>              | <b>859</b>    | <b>718</b>   | <b>571</b>   | <b>3 040</b>  | <b>2 840</b> | <b>2 117</b> | <b>672</b>    | <b>440</b>   | <b>274</b> | <b>223</b>     | <b>1 108</b> | <b>478</b>   |
| Net finance cost                                  | (97)          | (66)         | (70)         | (590)         | (505)        | (347)        | (43)          | (26)         | (28)       | (504)          | (393)        | (262)        |
| Share of result of associates                     | 57            | -            | 1            | -             | -            | (1)          | 1             | 2            | 1          | -              | (1)          | -            |
| <b>Profit before tax</b>                          | <b>819</b>    | <b>652</b>   | <b>502</b>   | <b>2 450</b>  | <b>2 335</b> | <b>1 769</b> | <b>630</b>    | <b>416</b>   | <b>247</b> | <b>(281)</b>   | <b>714</b>   | <b>216</b>   |
| Income tax expense                                | (151)         | (172)        | (182)        | (303)         | (267)        | (177)        | (189)         | (124)        | (75)       | 130            | (118)        | (93)         |
| <b>Profit</b>                                     | <b>668</b>    | <b>480</b>   | <b>320</b>   | <b>2 147</b>  | <b>2 068</b> | <b>1 592</b> | <b>441</b>    | <b>292</b>   | <b>172</b> | <b>(151)</b>   | <b>596</b>   | <b>123</b>   |
| Normalized profit                                 | 803           | 469          | 324          | 2 163         | 2 057        | 1 539        | 445           | 290          | 167        | 81             | 148          | 273          |
| Exceptional items                                 | (220)         | 19           | (5)          | (27)          | 21           | 77           | (4)           | (3)          | 5          | (275)          | 475          | (174)        |
| Exceptional finance costs                         | -             | -            | -            | -             | -            | -            | -             | -            | -          | -              | -            | -            |
| Taxes on exceptional items                        | 85            | (8)          | 1            | 11            | (10)         | (24)         | -             | 5            | -          | 43             | (27)         | 24           |
| <b>Profit</b>                                     | <b>668</b>    | <b>480</b>   | <b>320</b>   | <b>2 147</b>  | <b>2 068</b> | <b>1 592</b> | <b>441</b>    | <b>292</b>   | <b>172</b> | <b>(151)</b>   | <b>596</b>   | <b>123</b>   |
| Normalized EBITDA                                 | 1 308         | 816          | 694          | 3 540         | 3 171        | 2 344        | 808           | 554          | 349        | 948            | 1 054        | 1 048        |
| Exceptional items                                 | (220)         | 3            | 22           | (27)          | 19           | 76           | (4)           | (3)          | 9          | (275)          | 436          | (99)         |
| Depreciation, amortization and impairment expense | (229)         | (101)        | (145)        | (473)         | (350)        | (303)        | (132)         | (111)        | (84)       | (450)          | (382)        | (471)        |
| Net finance costs                                 | (97)          | (66)         | (70)         | (590)         | (505)        | (347)        | (43)          | (26)         | (28)       | (504)          | (393)        | (262)        |
| Share of results of associates                    | 57            | -            | 1            | -             | -            | (1)          | 1             | 2            | 1          | -              | (1)          | -            |
| Income tax expense                                | (151)         | (172)        | (182)        | (303)         | (267)        | (177)        | (189)         | (124)        | (75)       | 130            | (118)        | (93)         |
| <b>Profit</b>                                     | <b>668</b>    | <b>480</b>   | <b>320</b>   | <b>2 147</b>  | <b>2 068</b> | <b>1 592</b> | <b>441</b>    | <b>292</b>   | <b>172</b> | <b>(151)</b>   | <b>596</b>   | <b>123</b>   |
| Normalized EBITDA margin in %                     | 34.9%         | 38.1%        | 30.2%        | 46.2%         | 47.3%        | 43.8%        | 43.6%         | 40.4%        | 38.0%      | 19.9%          | 22.3%        | 22.9%        |
| Segment assets                                    | 69 633        | 3 343        | 3 073        | 12 052        | 14 808       | 10 959       | 3 841         | 3 515        | 3 167      | 6 169          | 6 775        | 6 464        |
| Intersegment elimination                          |               |              |              |               |              |              |               |              |            |                |              |              |
| Non-segmented assets                              |               |              |              |               |              |              |               |              |            |                |              |              |
| <b>Total assets</b>                               | <b>6 075</b>  | <b>1 088</b> | <b>969</b>   | <b>2 470</b>  | <b>3 147</b> | <b>1 924</b> | <b>763</b>    | <b>558</b>   | <b>370</b> | <b>2 577</b>   | <b>2 773</b> | <b>2 741</b> |
| Segment liabilities                               |               |              |              |               |              |              |               |              |            |                |              |              |
| Intersegment elimination                          |               |              |              |               |              |              |               |              |            |                |              |              |
| Non-segmented liabilities                         |               |              |              |               |              |              |               |              |            |                |              |              |
| <b>Total liabilities</b>                          |               |              |              |               |              |              |               |              |            |                |              |              |
| Gross capex                                       | 318           | 101          | 95           | 615           | 502          | 416          | 285           | 181          | 147        | 537            | 502          | 416          |
| Impairment losses/(reversals)                     | 1             | (16)         | 28           | 55            | 4            | (1)          | -             | -            | -          | 8              | (37)         | 77           |
| Depreciation & amortization                       | 230           | 118          | 117          | 418           | 345          | 304          | 132           | 112          | 84         | 441            | 420          | 394          |
| Additions to/(reversals of) provisions            | 157           | 1            | 60           | 88            | 41           | (38)         | 6             | 16           | 1          | 142            | 31           | 112          |
| FTE   | 22 892        | 5 662        | 6 337        | 28 517        | 25 998       | 24 872       | 7 554         | 7 290        | 5 306      | 10 298         | 11 481       | 12 122       |



**Table of Contents**

|   | Global Export  |              |              |              |              |              |             |            |            |                |               |               |
|---|----------------|--------------|--------------|--------------|--------------|--------------|-------------|------------|------------|----------------|---------------|---------------|
|   | Central and    |              |              |              | Asia         |              | and Holding |            |            | Consolidated   |               |               |
|   | Eastern Europe |              |              |              | Pacific      |              | Companies   |            |            |                |               |               |
| Volume  | 2008           | 2007         | 2006         | 2008         | 2007         | 2006         | 2008        | 2007       | 2006       | 2008           | 2007          | 2006          |
| <b>Revenue</b>                                    | <b>3 267</b>   | <b>3 006</b> | <b>2 283</b> | <b>1 494</b> | <b>1 359</b> | <b>1 144</b> | <b>720</b>  | <b>427</b> | <b>124</b> | <b>23 507</b>  | <b>19 735</b> | <b>16 692</b> |
| Cost of goods sold                                | (1 693)        | (1 385)      | (1 054)      | (812)        | (677)        | (586)        | (597)       | (319)      | (84)       | (10 336)       | (8 118)       | (6 870)       |
| Distribution expenses                             | (410)          | (399)        | (304)        | (99)         | (93)         | (83)         | (64)        | (56)       | (1)        | (2 725)        | (2 343)       | (1 945)       |
| Sales and marketing expenses                      | (660)          | (536)        | (391)        | (333)        | (283)        | (218)        | (116)       | (71)       | (85)       | (3 510)        | (2 919)       | (2 653)       |
| Administrative expenses                           | (176)          | (179)        | (176)        | (101)        | (83)         | (68)         | (211)       | (245)      | (240)      | (1 478)        | (1 354)       | (1 348)       |
| Other operating income/(expenses)                 | (132)          | (94)         | (100)        | 26           | -            | (1)          | 475         | 395        | 346        | 440            | 360           | 167           |
| <b>Normalized profit from operations (EBIT)</b>   | <b>196</b>     | <b>413</b>   | <b>258</b>   | <b>175</b>   | <b>223</b>   | <b>188</b>   | <b>207</b>  | <b>131</b> | <b>60</b>  | <b>5 898</b>   | <b>5 361</b>  | <b>4 043</b>  |
| Exceptional items (refer note 8)                  | (10)           | (21)         | (3)          | (22)         | 4            | (9)          | -           | 16         | (9)        | (558)          | 511           | (118)         |
| <b>Profit from operations (EBIT)</b>              | <b>186</b>     | <b>392</b>   | <b>255</b>   | <b>153</b>   | <b>227</b>   | <b>179</b>   | <b>207</b>  | <b>147</b> | <b>51</b>  | <b>5 340</b>   | <b>5 872</b>  | <b>3 925</b>  |
| Net finance cost                                  | (97)           | (60)         | (46)         | (9)          | (5)          | (16)         | (260)       | 237        | 176        | (1 600)        | (818)         | (593)         |
| Share of result of associates                     | 1              | -            | -            | -            | -            | -            | 1           | -          | -          | 60             | 1             | 1             |
| <b>Profit before tax</b>                          | <b>90</b>      | <b>332</b>   | <b>209</b>   | <b>144</b>   | <b>222</b>   | <b>163</b>   | <b>(52)</b> | <b>384</b> | <b>227</b> | <b>3 800</b>   | <b>5 055</b>  | <b>3 333</b>  |
| Income tax expense                                | (42)           | (85)         | (50)         | (72)         | (52)         | (41)         | (47)        | (70)       | (48)       | (674)          | (888)         | (666)         |
| <b>Profit</b>                                     | <b>48</b>      | <b>247</b>   | <b>159</b>   | <b>72</b>    | <b>170</b>   | <b>122</b>   | <b>(99)</b> | <b>314</b> | <b>179</b> | <b>3 126</b>   | <b>4 167</b>  | <b>2 667</b>  |
| Normalized profit                                 | 56             | 267          | 162          | 93           | 171          | 132          | 85          | 300        | 188        | 3 726          | 3702          | 2 785         |
| Exceptional items                                 | (10)           | (21)         | (3)          | (22)         | 4            | (9)          | -           | 16         | (9)        | (558)          | 511           | (118)         |
| Exceptional finance costs                         | -              | -            | -            | -            | -            | -            | (187)       | -          | -          | (187)          | -             | -             |
| Taxes on exceptional items                        | 2              | 1            | -            | 1            | (5)          | (1)          | 3           | (2)        | -          | 145            | (46)          | -             |
| <b>Profit</b>                                     | <b>48</b>      | <b>247</b>   | <b>159</b>   | <b>72</b>    | <b>170</b>   | <b>122</b>   | <b>(99)</b> | <b>314</b> | <b>179</b> | <b>3 126</b>   | <b>4 167</b>  | <b>2 667</b>  |
| Normalized EBITDA                                 | 571            | 711          | 498          | 341          | 360          | 301          | 295         | 160        | 79         | 7 811          | 6 826         | 5 313         |
| Exceptional items                                 | (11)           | (22)         | (7)          | (22)         | 4            | (9)          | -           | 17         | (9)        | (559)          | 454           | (17)          |
| Depreciation, amortization and impairment expense | (374)          | (297)        | (236)        | (166)        | (137)        | (113)        | (88)        | (30)       | (19)       | (1 912)        | (1 408)       | (1 371)       |
| Net finance costs                                 | (97)           | (60)         | (46)         | (9)          | (5)          | (16)         | (260)       | 237        | 176        | (1 600)        | (818)         | (593)         |
| Share of results of associates                    | 1              | -            | -            | -            | -            | -            | 1           | -          | -          | 60             | 1             | 1             |
| Income tax expense                                | (42)           | (85)         | (50)         | (72)         | (52)         | (41)         | (47)        | (70)       | (48)       | (674)          | (888)         | (666)         |
| <b>Profit</b>                                     | <b>48</b>      | <b>247</b>   | <b>159</b>   | <b>72</b>    | <b>170</b>   | <b>122</b>   | <b>(99)</b> | <b>314</b> | <b>179</b> | <b>3 126</b>   | <b>4 167</b>  | <b>2 667</b>  |
| Normalized EBITDA margin in %                     | 17.5%          | 23.7%        | 21.8%        | 22.8%        | 26.5%        | 26.3%        | 41.0%       | 37.5%      | 63.7%      | 33.2%          | 34.6%         | 31.8%         |
| Segment assets                                    | 3 804          | 4 502        | 3 832        | 5 344        | 3 922        | 3 721        | 8 210       | 2 204      | 1 267      | 109 053        | 39 069        | 32 483        |
| Intersegment elimination                          |                |              |              |              |              |              |             |            |            | (1 308)        | (983)         | (678)         |
| Non-segmented assets                              |                |              |              |              |              |              |             |            |            | 5 415          | 4 161         | 2 761         |
| <b>Total assets</b>                               |                |              |              |              |              |              |             |            |            | <b>113 160</b> | <b>42 247</b> | <b>34 566</b> |
| Segment liabilities                               | 722            | 779          | 661          | 1 108        | 764          | 512          | 1 389       | 841        | 770        | 15 104         | 9 950         | 7 947         |
| Intersegment elimination                          |                |              |              |              |              |              |             |            |            | (1 308)        | (983)         | (678)         |
| Non-segmented liabilities                         |                |              |              |              |              |              |             |            |            | 99 364         | 33 280        | 27 297        |
| <b>Total liabilities</b>                          |                |              |              |              |              |              |             |            |            | <b>113 160</b> | <b>42 247</b> | <b>34 566</b> |
| Gross capex                                       | 503            | 568          | 473          | 282          | 216          | 105          | 79          | 79         | 79         | 2 619          | 2 149         | 1 731         |
| Impairment losses/(reversals)                     | 18             | 5            | (4)          | 1            | 1            | 1            | -           | -          | -          | 83             | (43)          | 101           |
| Depreciation & amortization                       | 362            | 289          | 240          | 165          | 137          | 112          | 88          | 30         | 19         | 1 836          | 1 451         | 1 270         |
| Additions to/(reversals of) provisions            | 19             | 19           | 6            | 22           | 14           | (1)          | 33          | 19         | 33         | 467            | 141           | 173           |
| FTE   | 16 054         | 13 509       | 13 356       | 22 509       | 24 056       | 22 925       | 12 050      | 694        | 699        | 119 874        | 88 690        | 85 617        |

**Table of Contents**

**SECONDARY SEGMENTS**

Million USD,

except volume  
(million hl)

|  | Beer |      | Non-beer |      | Consolidated |
|--|------|------|----------|------|--------------|
|  | 2007 | 2006 | 2007     | 2006 |              |
|  | 2008 |      | 2008     |      |              |