

Luiz Edmond

Zone President, North America

Agenda

1 Who We Are

2 5 Year Track Record

3 Building Our Future

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The US beer market is big, competitive and complex

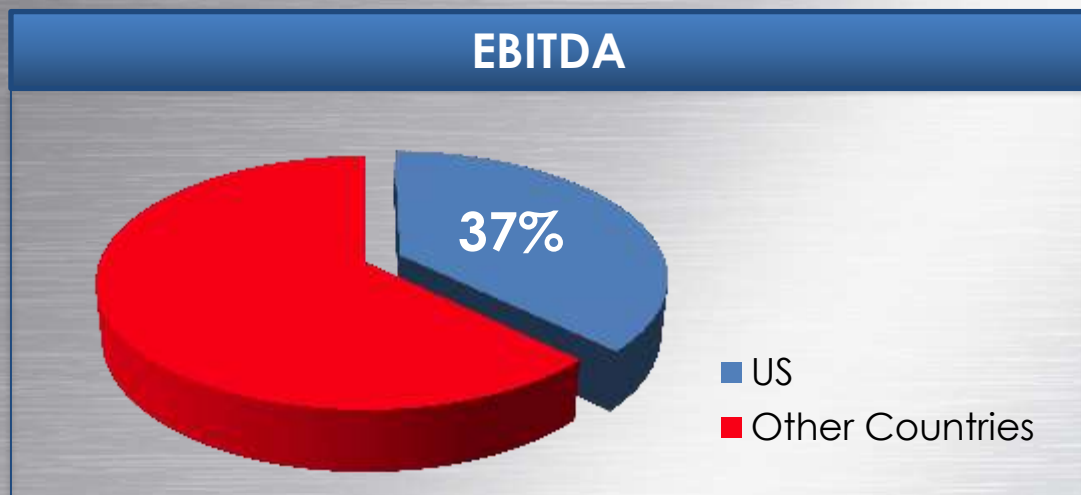
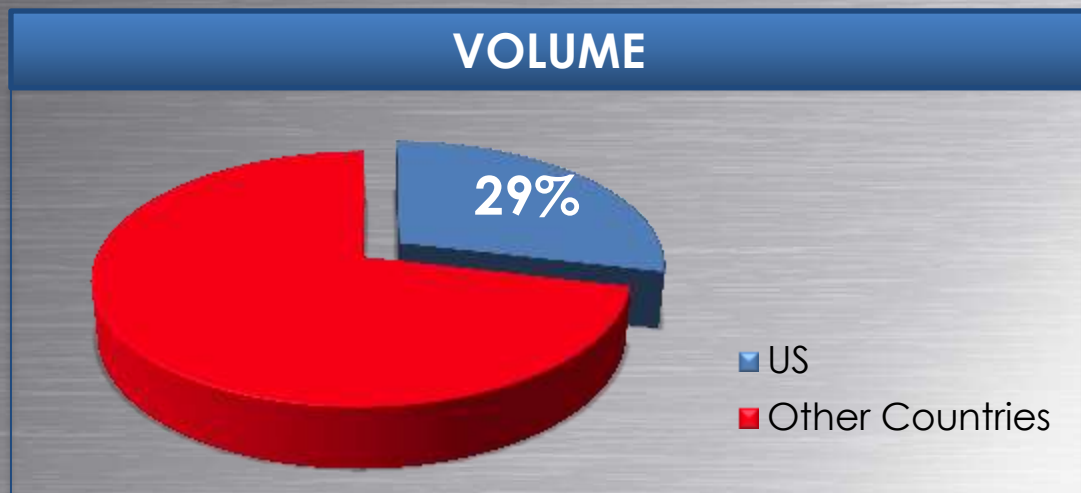


- Largest beer profit pool
- 235 Mhl volume (2nd largest)
- \$247B in consumption (1.6% of US GDP)
- \$39B in direct federal, state and local taxes
- Top 10 states are 54% of volume
- Direct+Indirect employs 2.0M Americans



- Over 2,500 brewers
- 4.7K brands; 8.8K SKUs
- 5 distinct channels; 500,000+ retailers
- 50 different franchise laws
- Unique 3-tier system; 1 500+ distributors

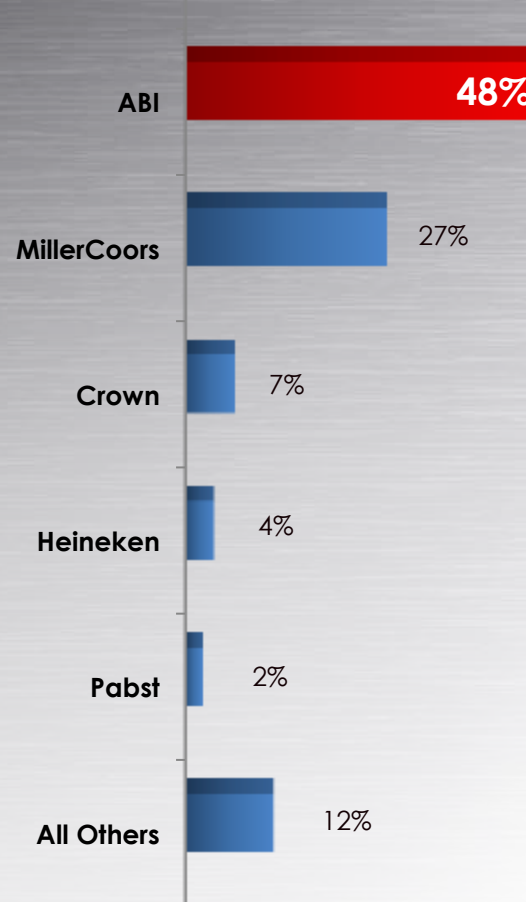
The US BU is the single biggest ABI operation



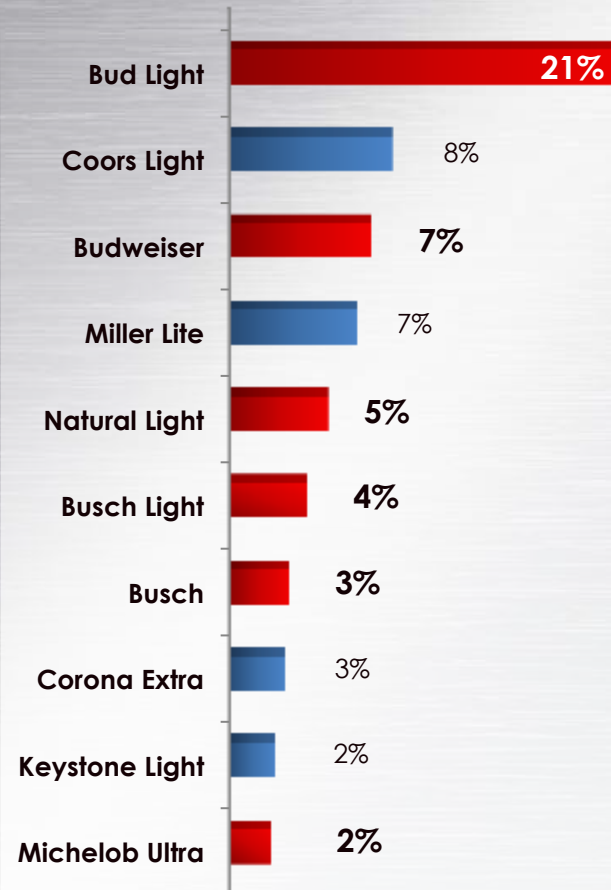
- Volume: 116 Mhl
- Market share: 47.6%
- Net revenue: \$14B
- EBITDA: \$5.9B
- 42% margin
- Cash flow: \$4.7B
- Cash conversion: 80%

ABI has a superior position due to its leading brands

Brewer Market Share



Top 10 US Brands



High End (Imports + Crafts)



Premium Plus and FMB



Premium / Premium Light



Value



A perfect combination of scale, flexibility and brewing expertise

12 + 1 State-of-the-art Breweries

- 13 breweries supply the whole US
- One avg US brewery produces more than the whole craft segment
- Brew masters average 16 yrs. experience
- Flexibility to produce over 1900 SKUs
- High quality; Low risk

Brewing Expertise



Our verticalized operations provide significant competitive advantage

Agricultural Operations



- Elk Mountain Hop Farm – largest hop farm in the world
- Colorado barley research – largest barley research facility in the world

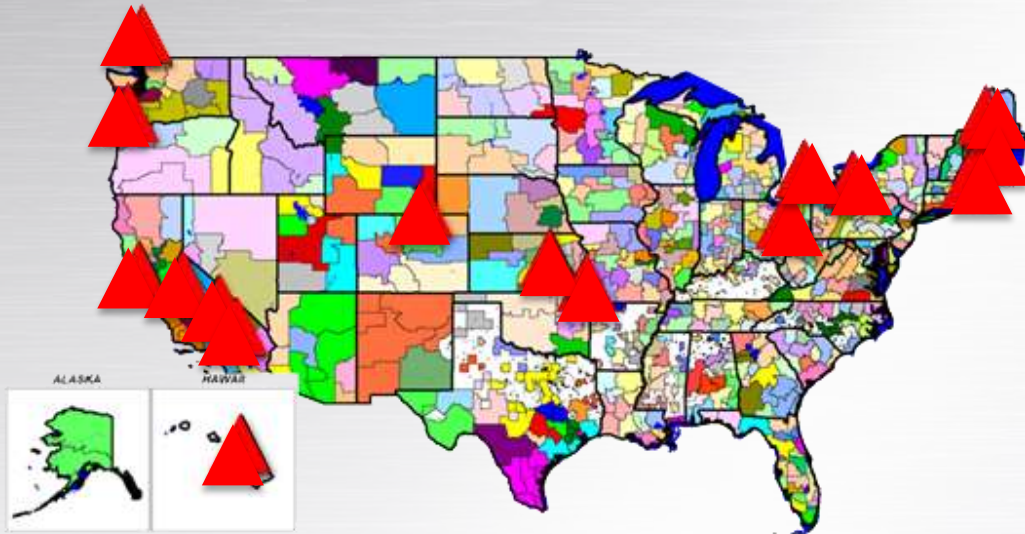
Packaging Operations



- Metal Container has 7 facilities and supplies 50% of our requirements
- Lowest-cost, highest-quality producer
- Innovation

Our wholesaler system uses our proprietary tools to win in the marketplace

- 500 equity agreement wholesalers
- 90% of beer sold at wholesalers is ABI volume
- Operational excellence driven through Ambassadors of Excellence program
- 17 Wholesaler Operation Divisions (WOD), 10% of our volume



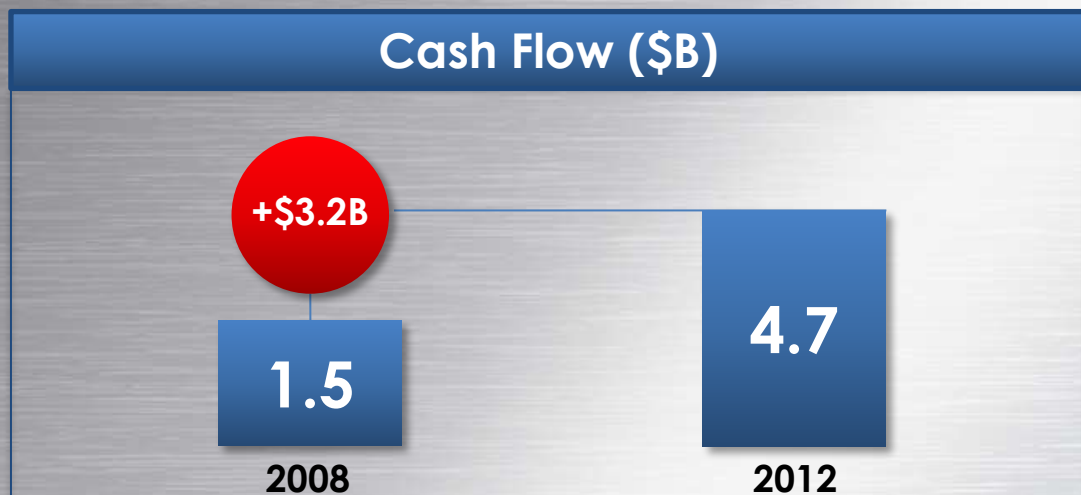
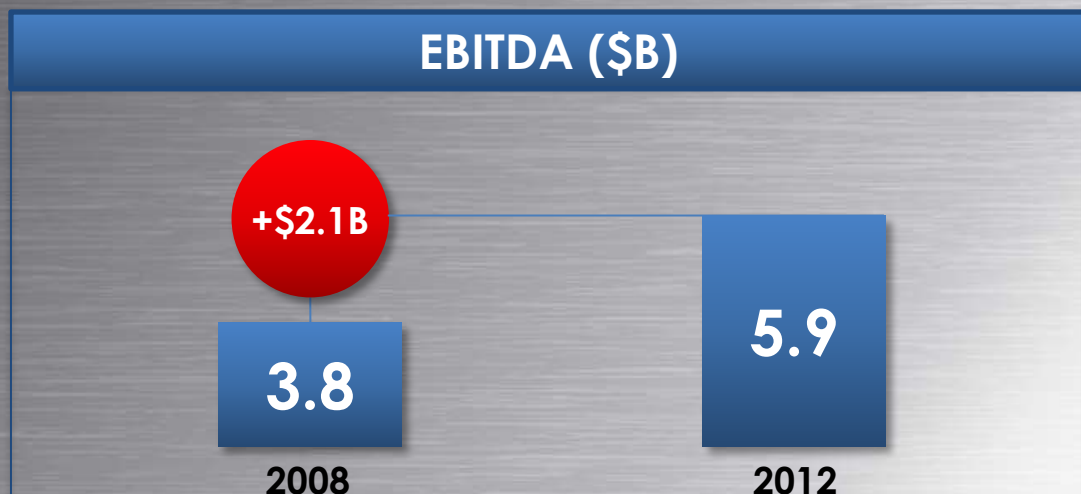
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The last 5 years were transformational. ABI fully integrated the business while delivering solid financial results



Other Achievements

- EBITDA margin from 29% to 42%
- Net revenues grew \$0.6B
- ZBB drove \$1.3B in savings
- Water use reduced 20% and extract loss reduced 35%
- Implemented ABI payment term strategy
- ROI discipline in CAPEX

Our “Cost Connect Win” framework allowed us to free up resources and reinvest to grow our business

New Products



Sponsorships



New Packaging



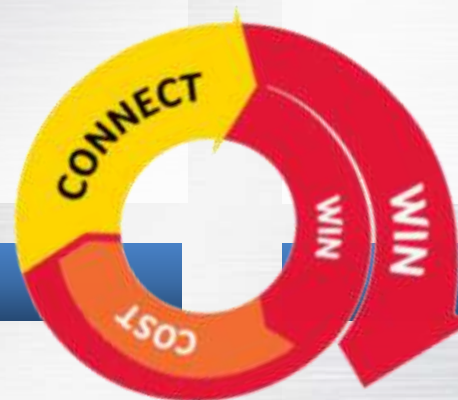
Music



Budweiser Made
in America



Bud Light
Music First

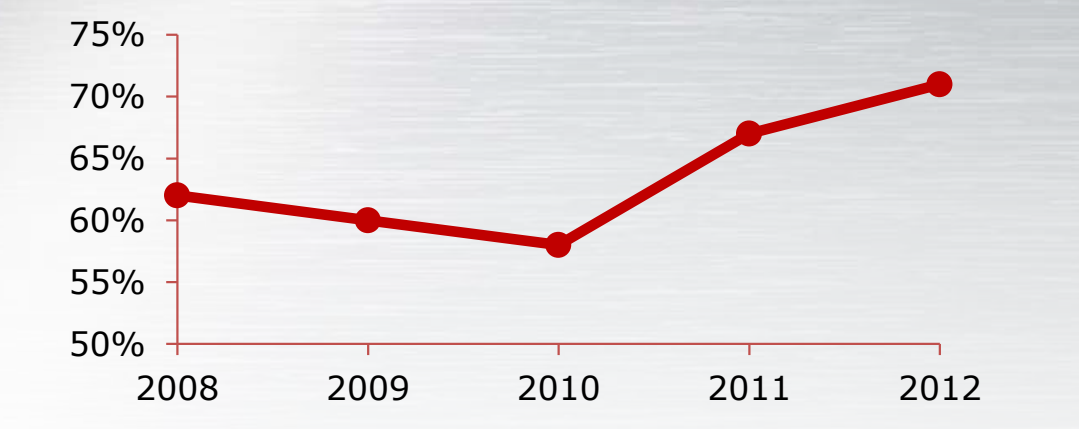


Huge focus on people, attracting, training and engaging our team

Experienced, Diverse Leadership Team (avg. 20 years)



Increasing Engagement



Focusing on Training



Hiring Top Talent – 114 MBA & GMT



The US BU embraced the global processes and is leading the way

- Overall best zone support group, US Finance, Information & Business Services in 2012
- Sales and Supply in 2nd place
- Oklahoma Lid Plant; St. Louis brewery 3rd place



**Despite the extremely challenging economic environment,
revenues grew by \$600M**



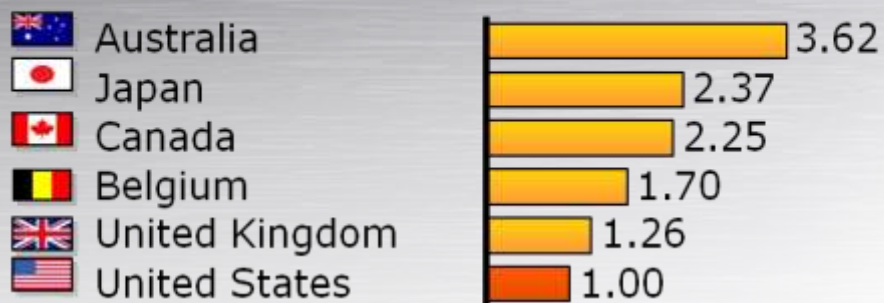
Net revenue growth – revenue / hl



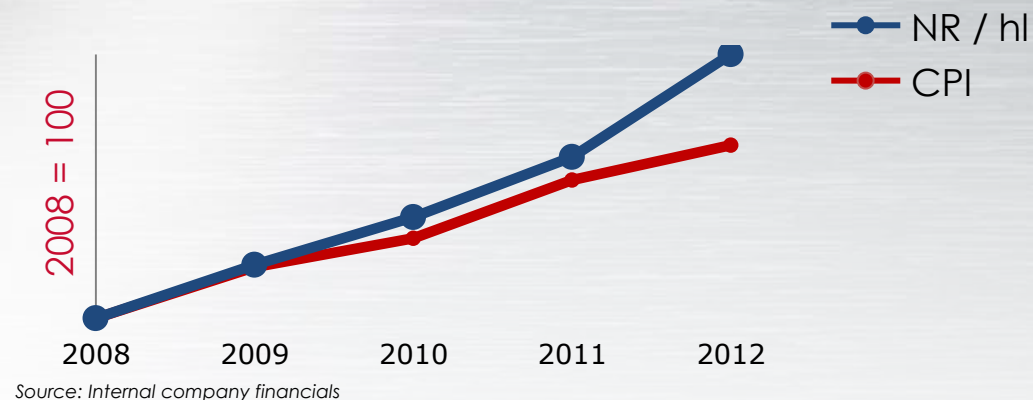
The solid NR/hl growth was delivered by revenue management and mix improvement

Beer Affordability

US Beer Price vs. Other Countries
Normalized price/12oz in USD



NR/hl Grew Above CPI



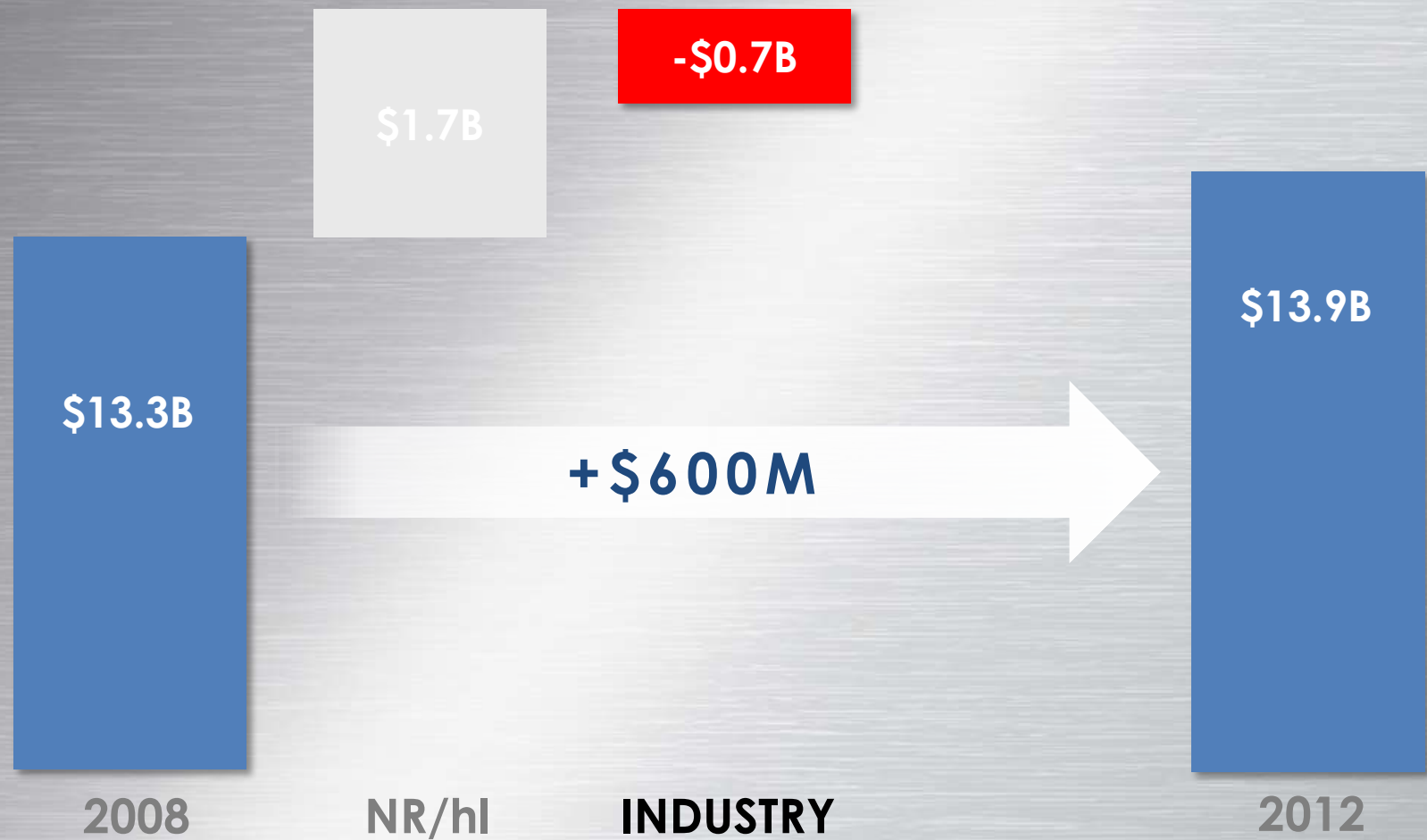
Pricing Discipline

- Detailed price governance process
- Centralized decisions
- Promotional efficiency
- Revenue management x pricing
- Best people & analytical capabilities

Drive Premiumization

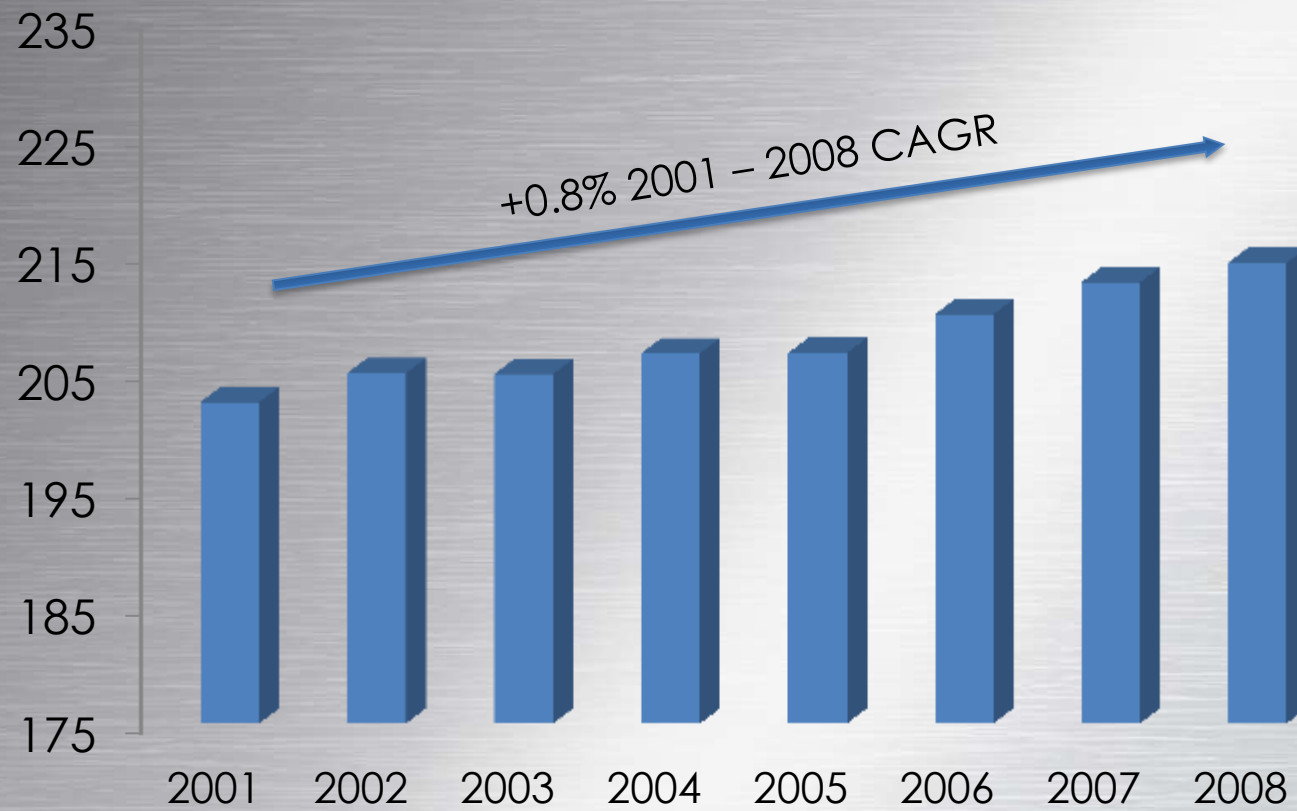


Net revenue growth – industry

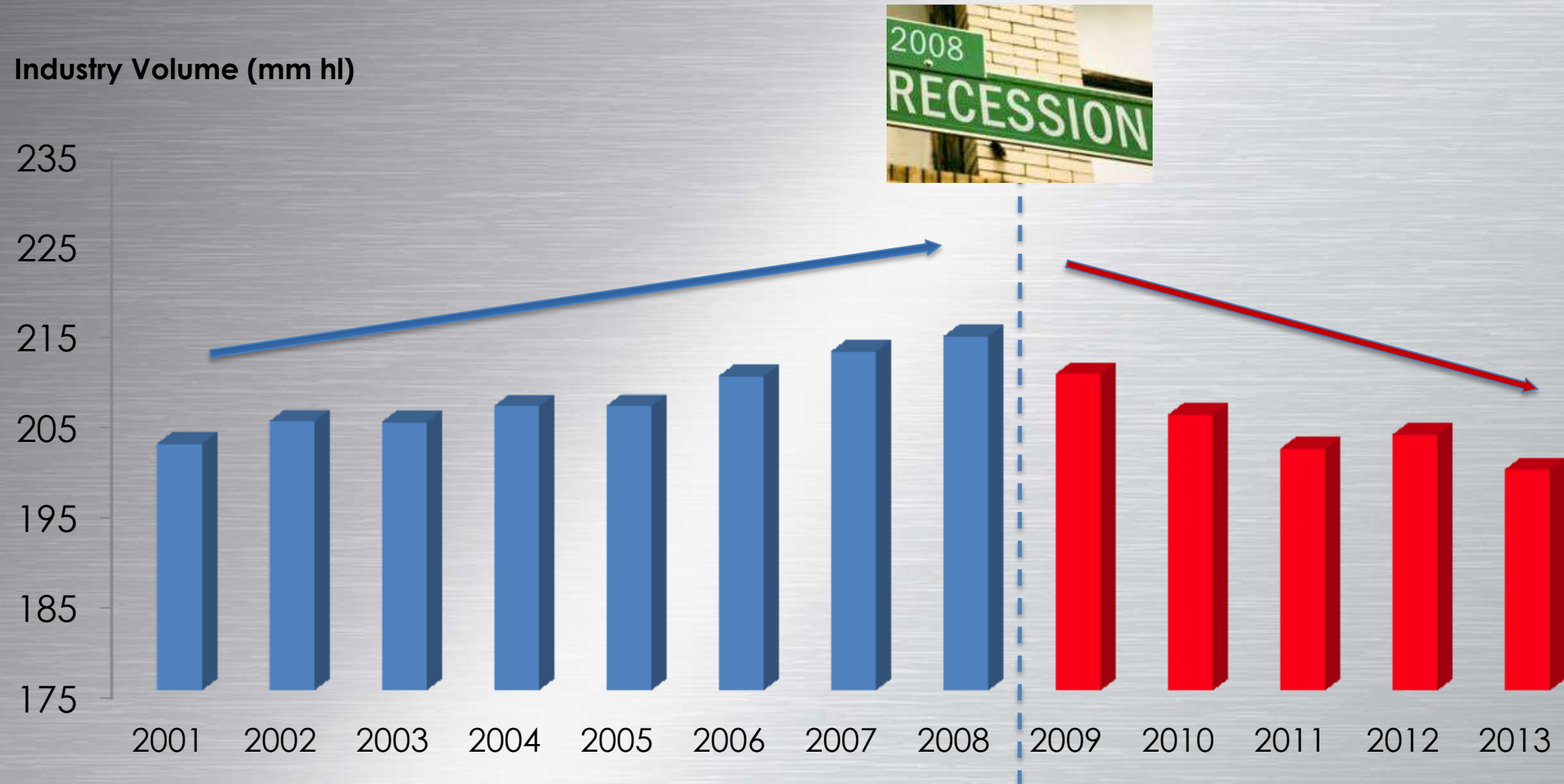


US industry was steadily growing up to 2008 ...

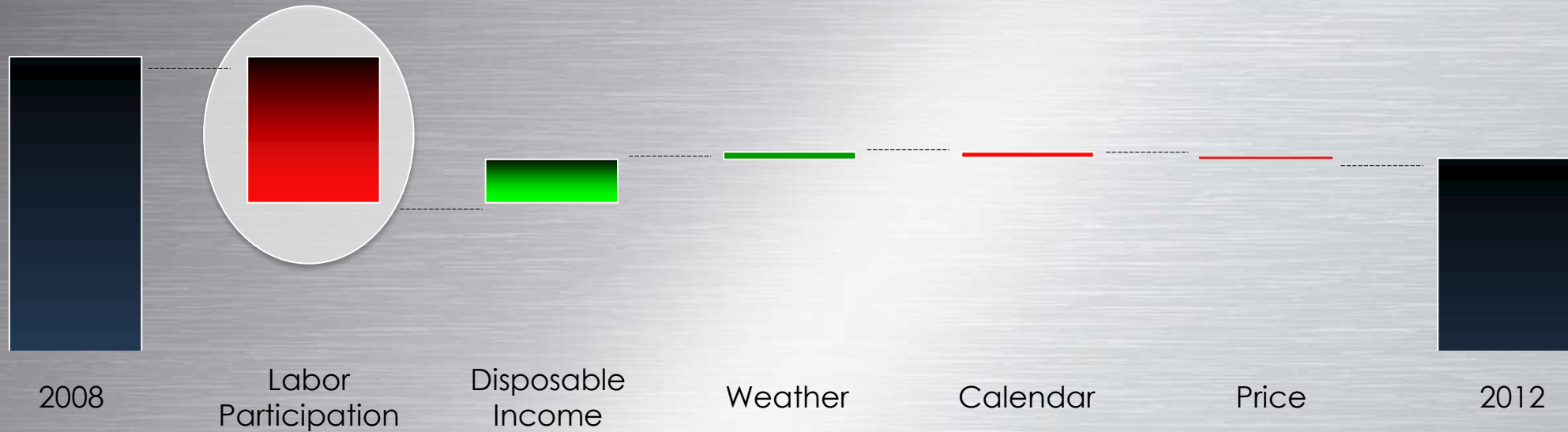
Industry Volume (mm hl)



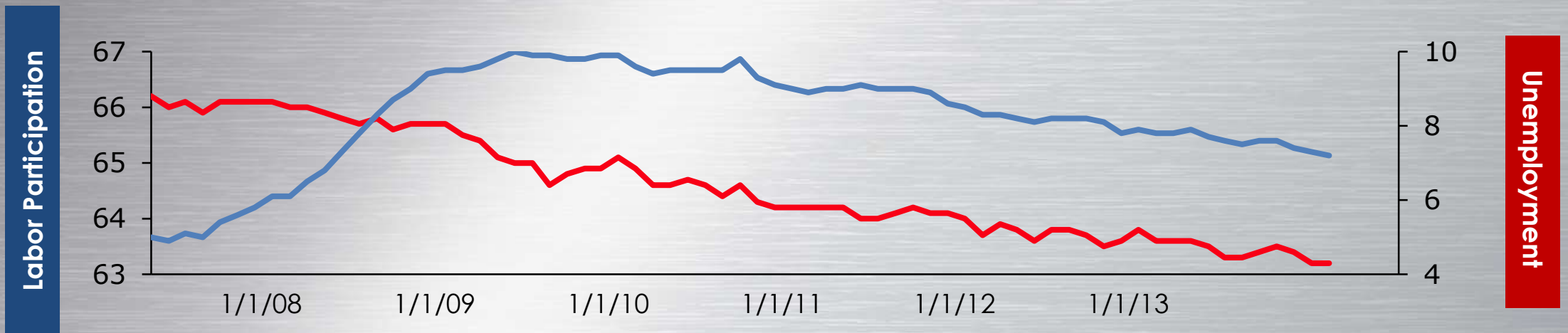
... the recession impacted industry trends ...



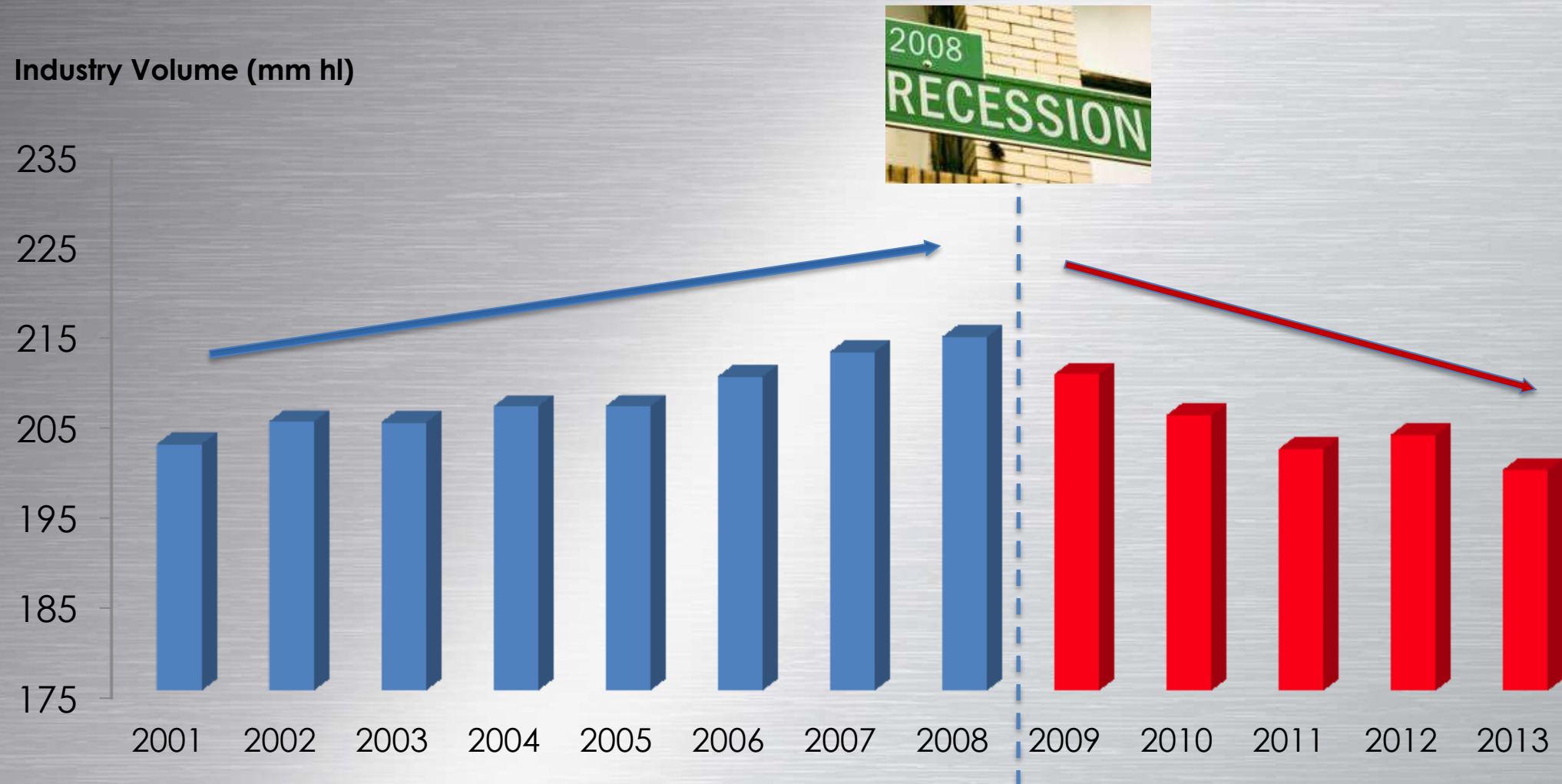
Labor participation is the biggest driver of the industry decline



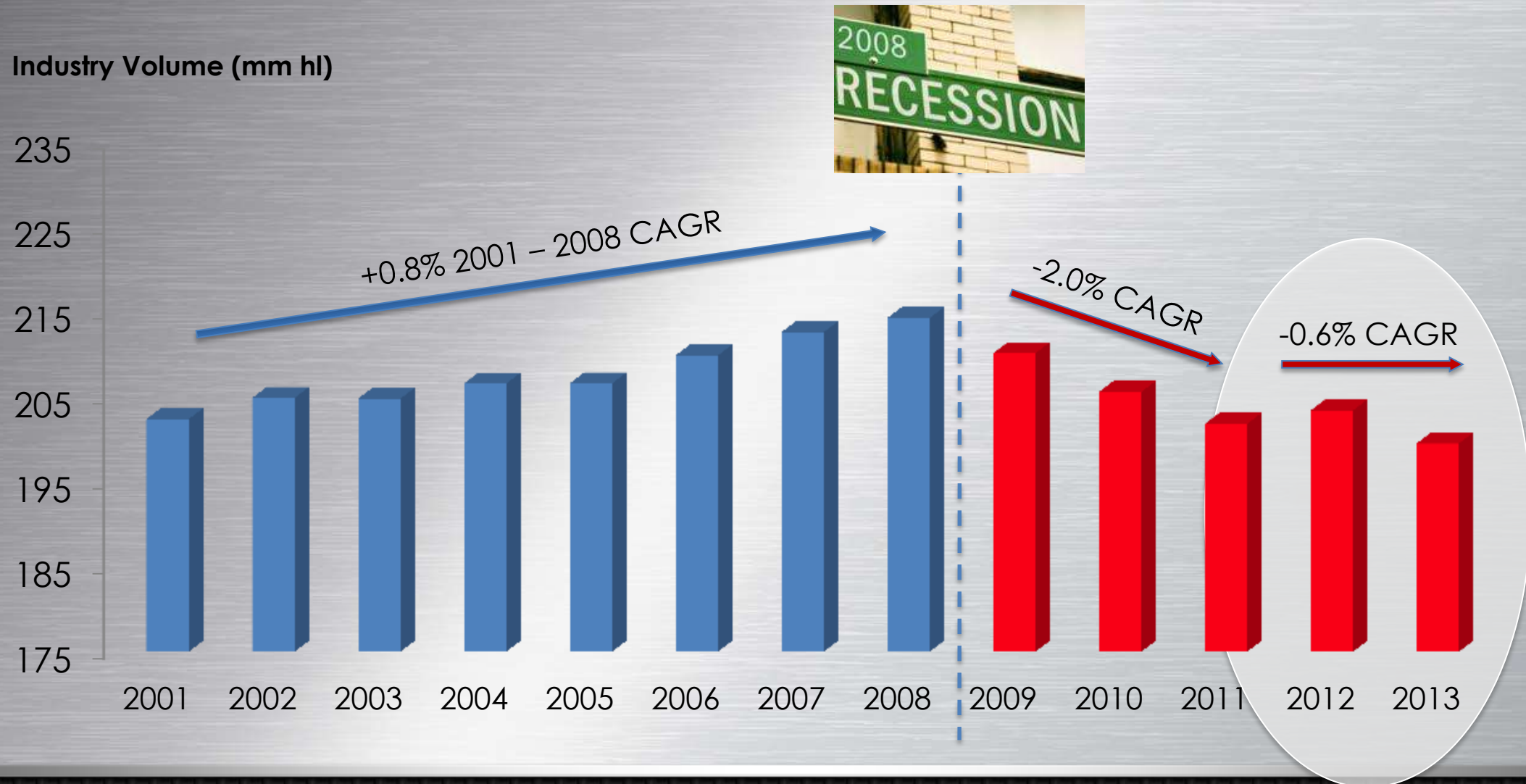
Source: Internal company models



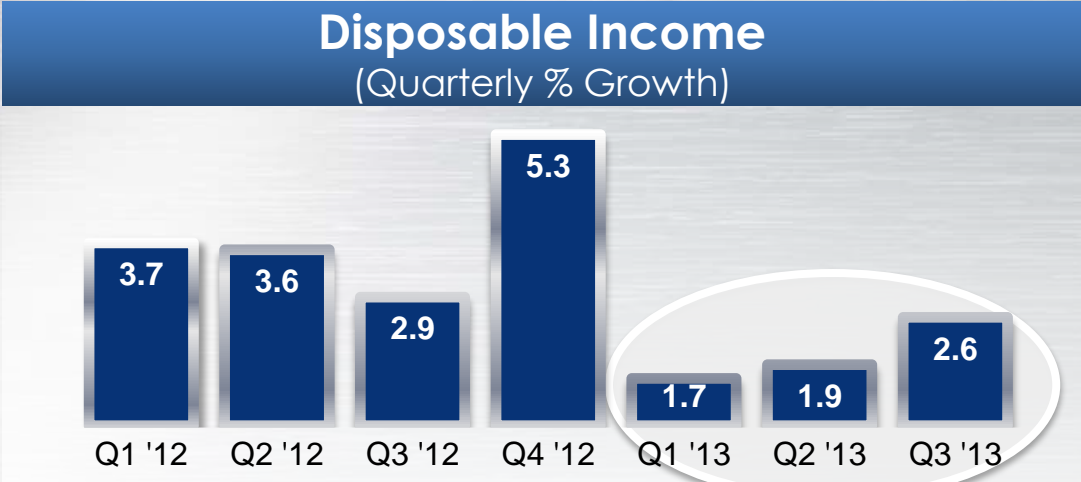
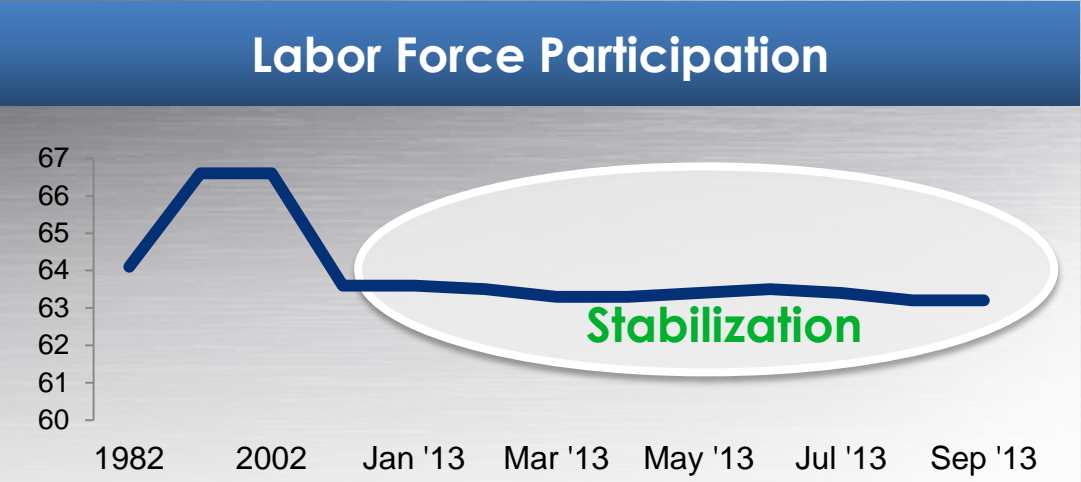
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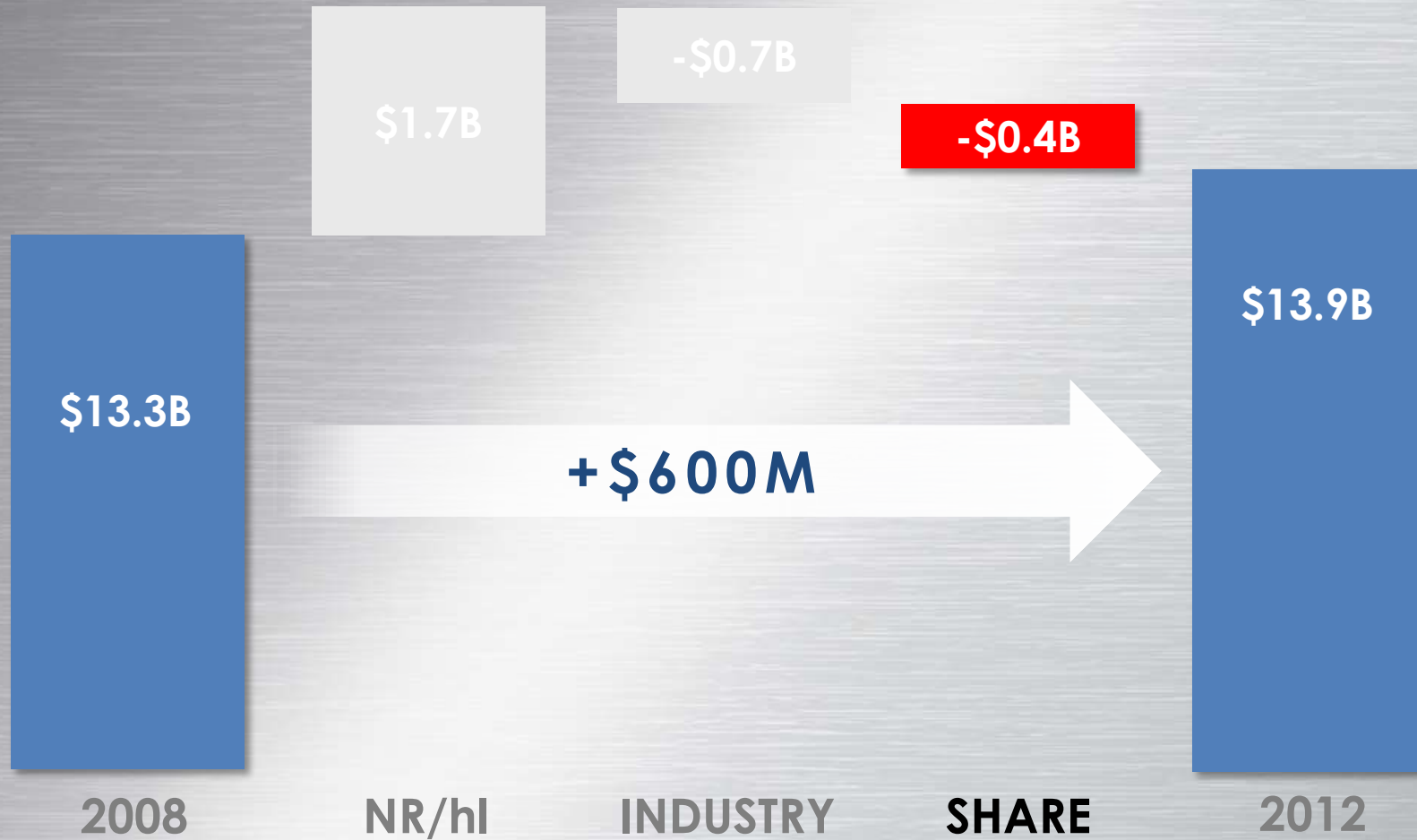
... in the past 2 years (2012 and 2013) industry is stabilizing



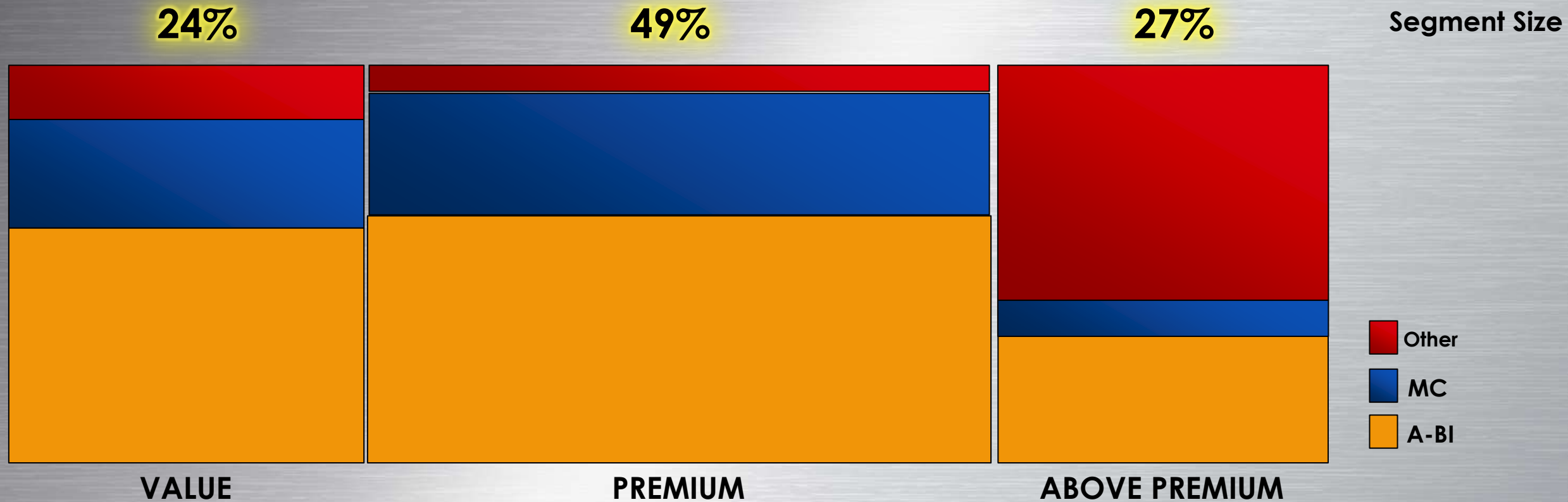
Despite a very challenging 1st half there are signs of improvement



Net revenue growth – market share

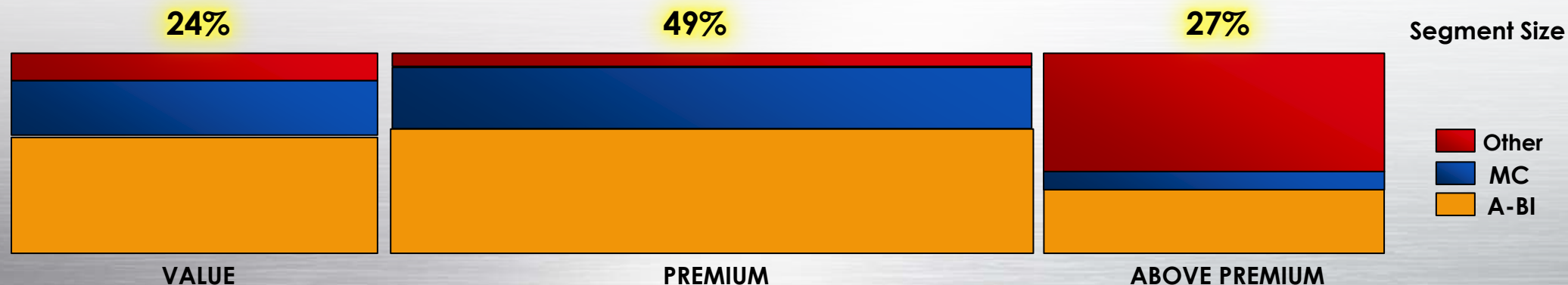


ABI has leadership position in 3/4 of the market



Segment mix changes account for 100% of market share decline

Strong Position in the Premium and Value Segments



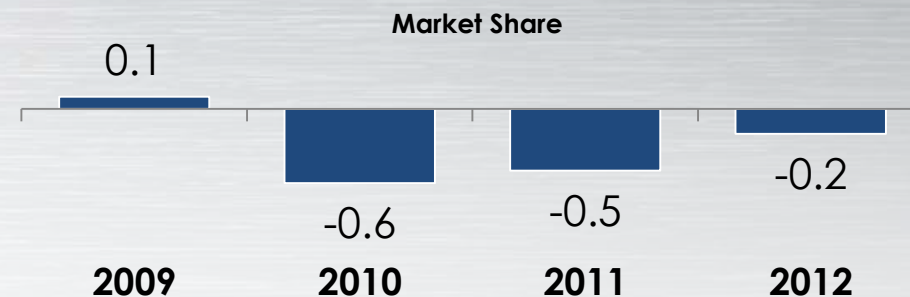
Internal Industry estimates

Premium and Value Declined



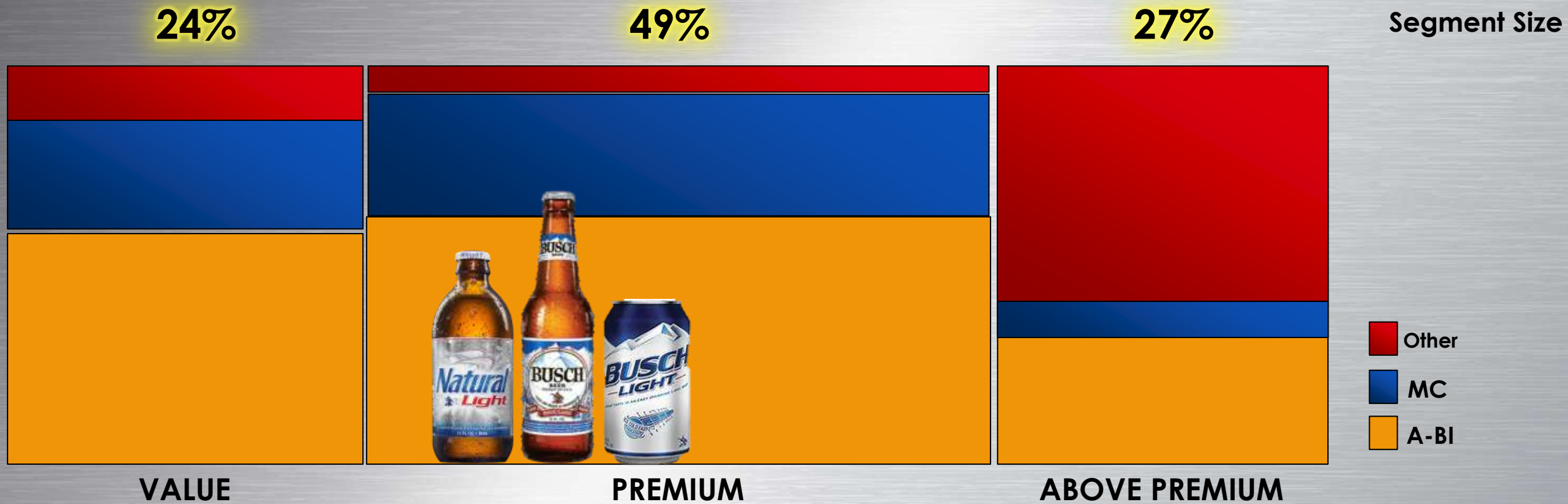
Source: Internal industry estimates

ABI Share Declined -1.2 p.p.



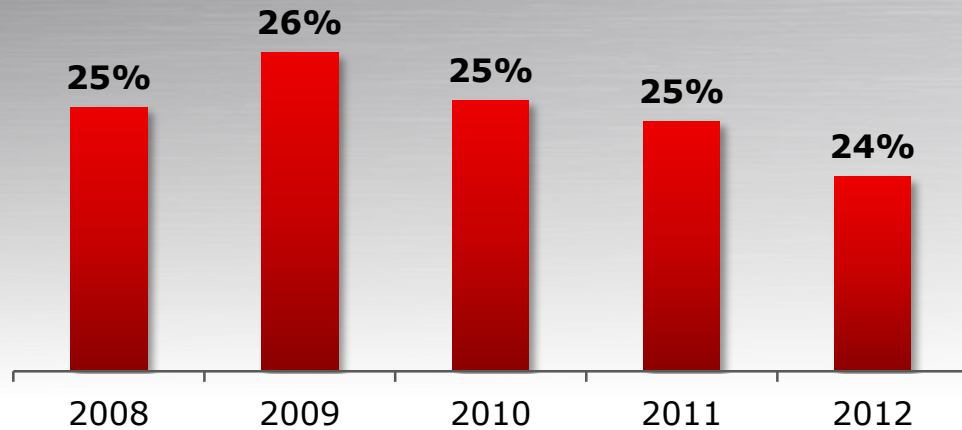
Source: Internal estimates

ABI leads the value segment with 58% share



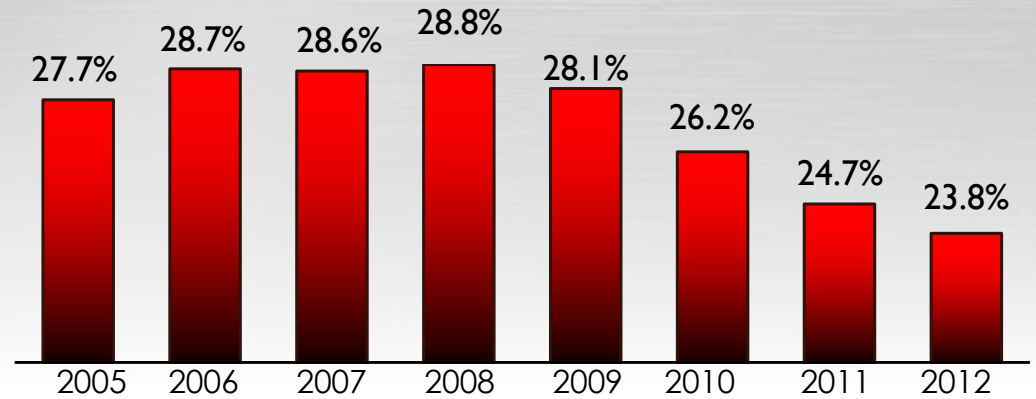
Value segment declined since 2009, driven primarily by weak economy

-2.0 p.p Decline Since 2009



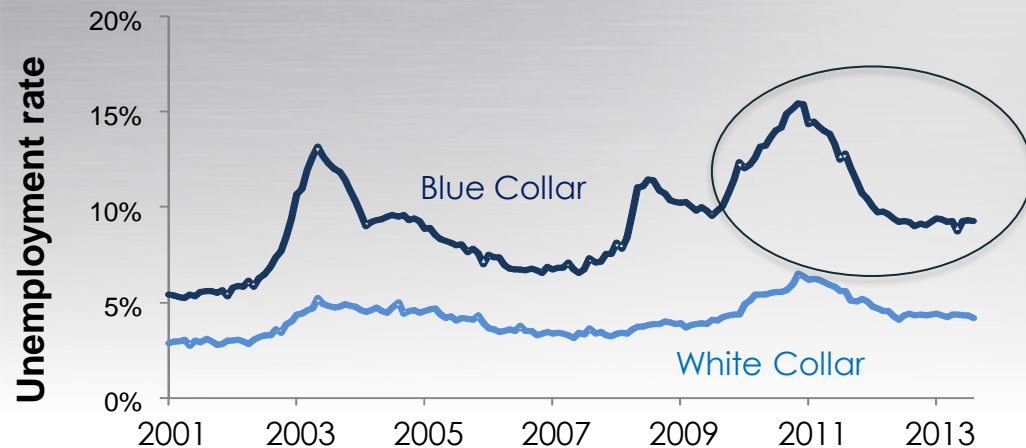
Source: Internal Industry estimates

Closing the Price Gap to Premium Drove Trade up



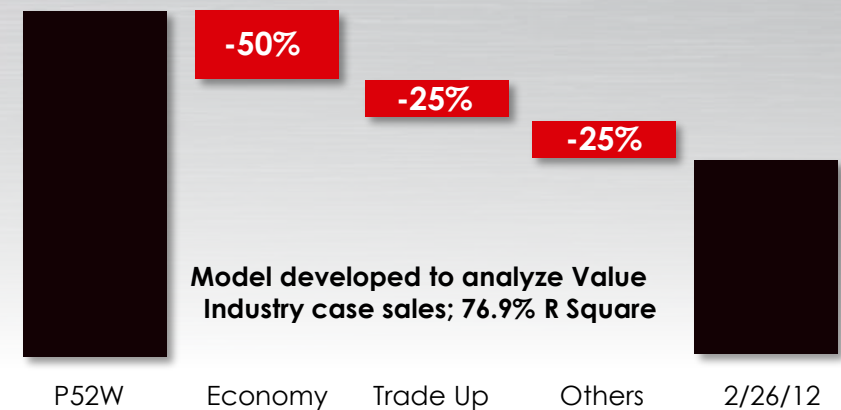
Source: Internal STRs (Mix of Premium/Value)

Core Value Consumer Unemployment Spiked



Source: bls.gov

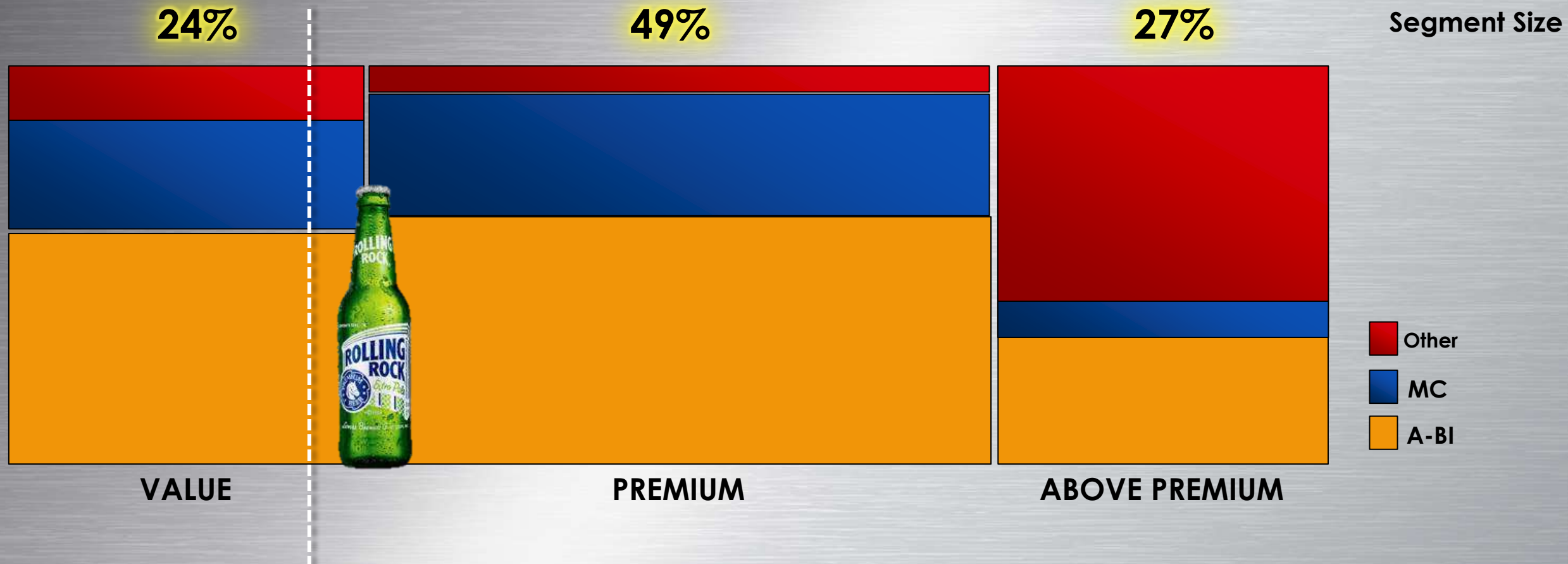
50% of the Decline is Driven by the Economy



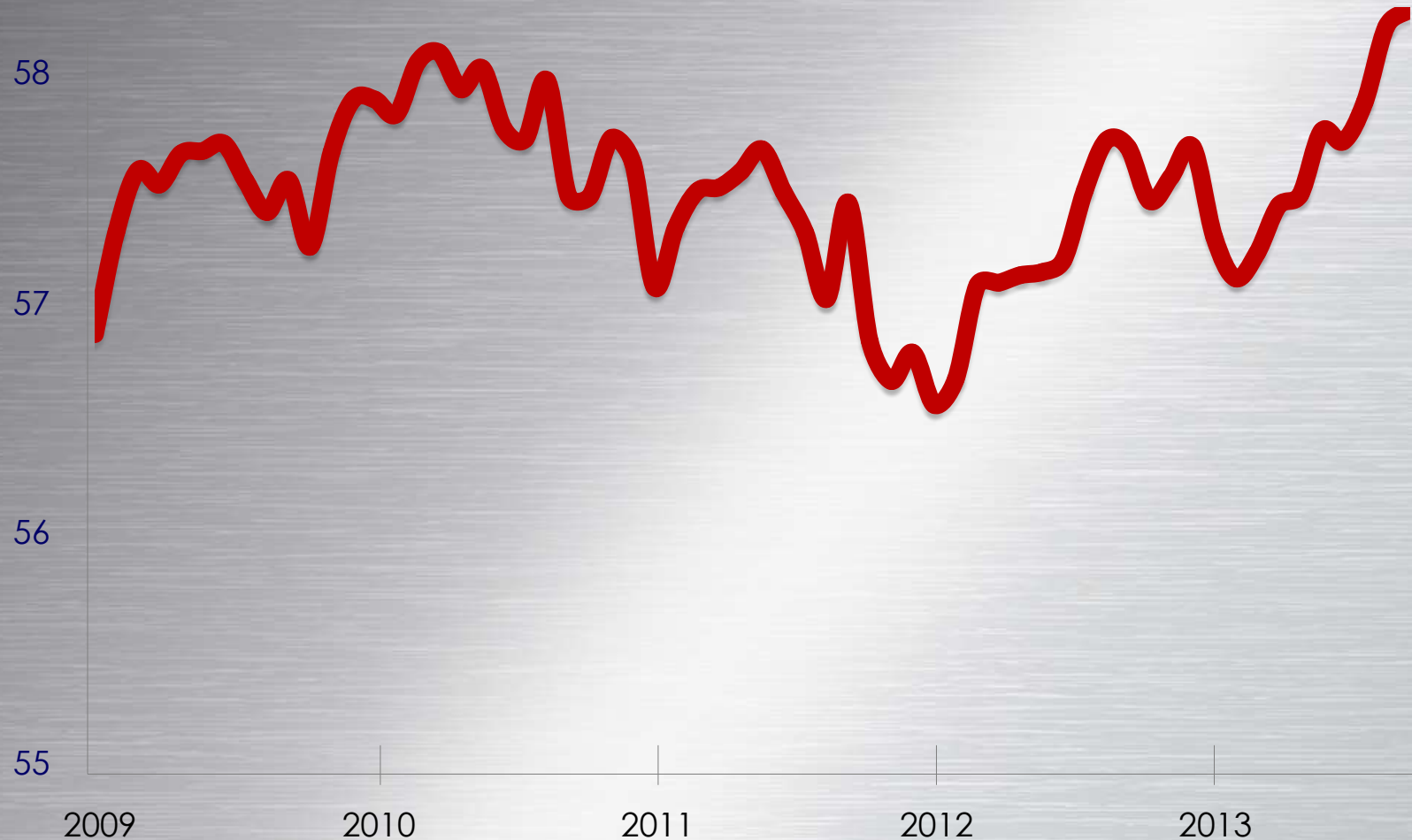
Model developed to analyze Value Industry case sales; 76.9% R Square

Source: Internal analysis based on IRI FDMxC - 52W ended 2/26/2012

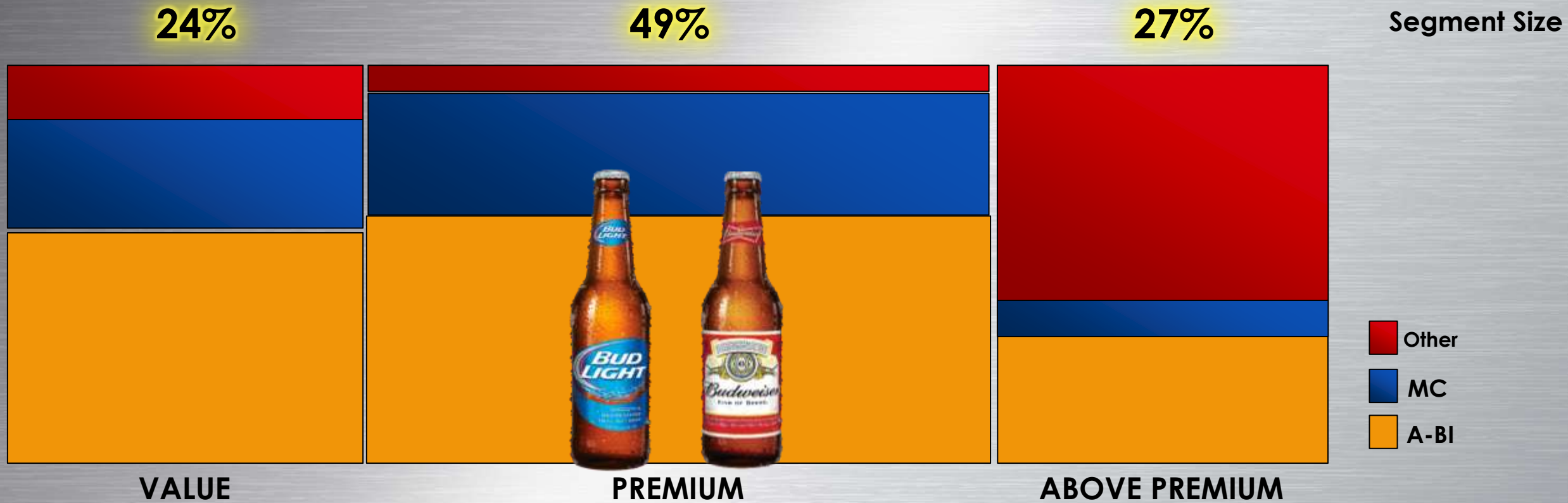
Brand portfolio and improved price points driving performance



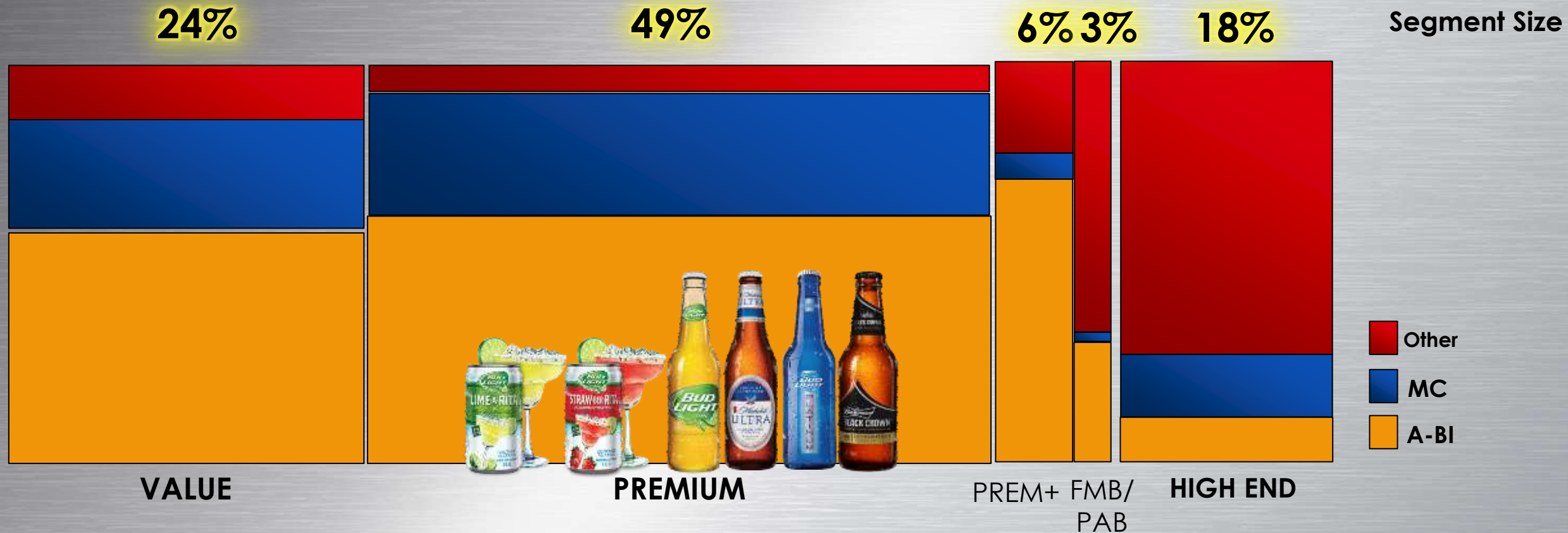
All-time high market share performance in recent weeks



ABI leads the premium segment with 60% share



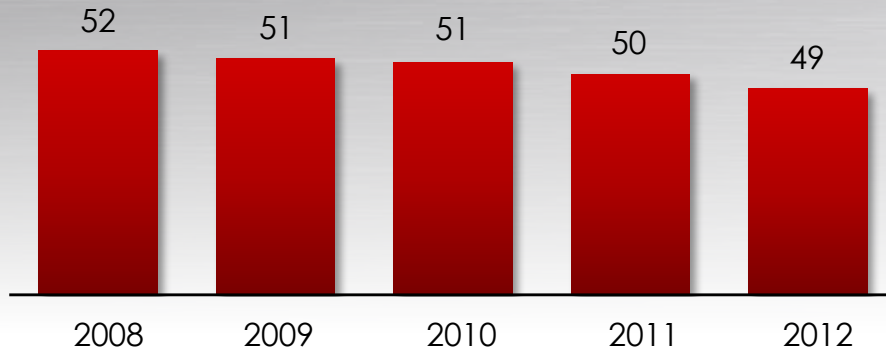
“Premiumization” of core brands delivering on consumer trends



There are challenges impacting the segment

Decline of Premium Share of Beer

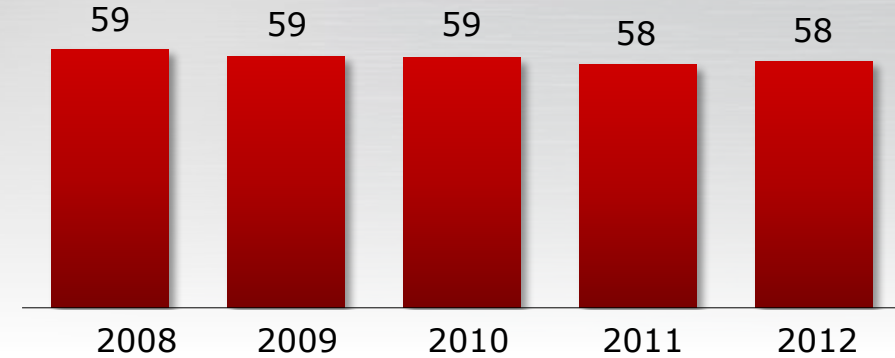
Premium Segment mix



Source: Internal industry estimates

Improved When Including Premium+

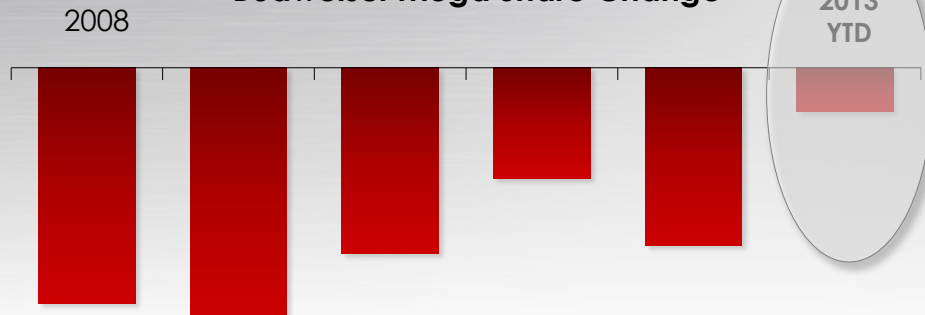
Premium & Premium+ & FMB/PAB



Source: Internal industry estimates

Bud MEGA Improved With Black Crown

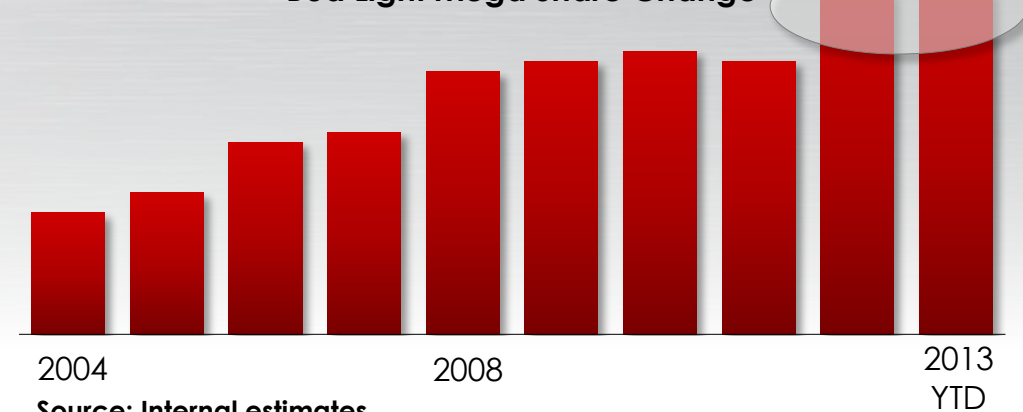
Budweiser Mega Share Change



Source: Internal estimates

Bud Light Mega at All-Time High

Bud Light Mega Share Change



Source: Internal estimates

In the premium plus segment, Michelob ULTRA is the #1 brand and we own 4 of the top 5



Michelob
ULTRA

31.3

Modelo
 Especial

20.5



12.2

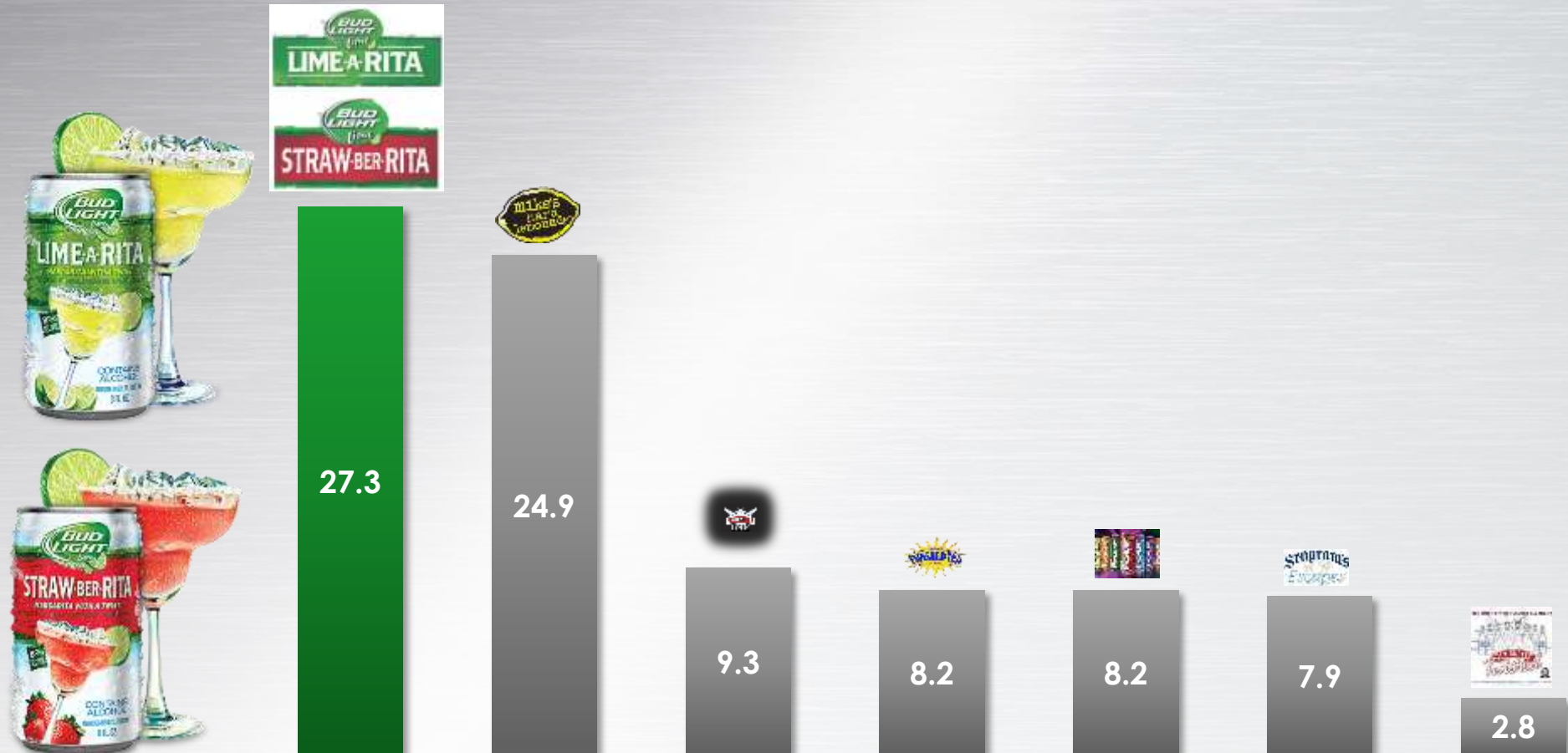


11.3

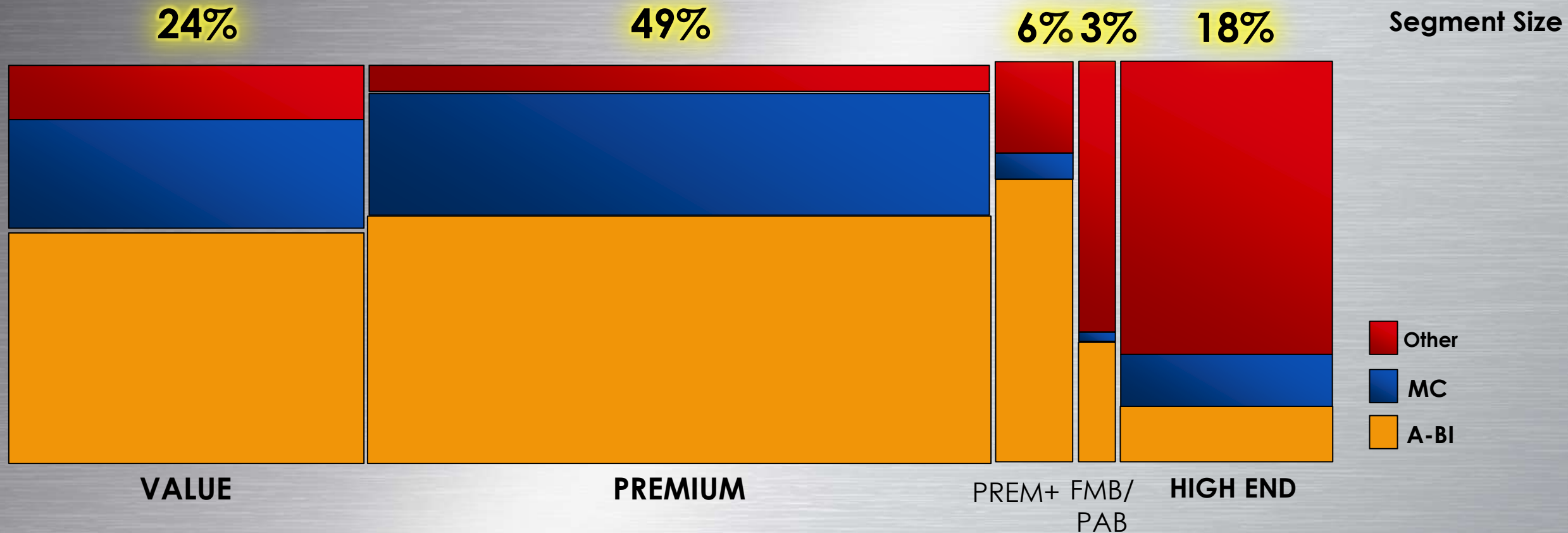
Budweiser
BLACK CROWN

4.4

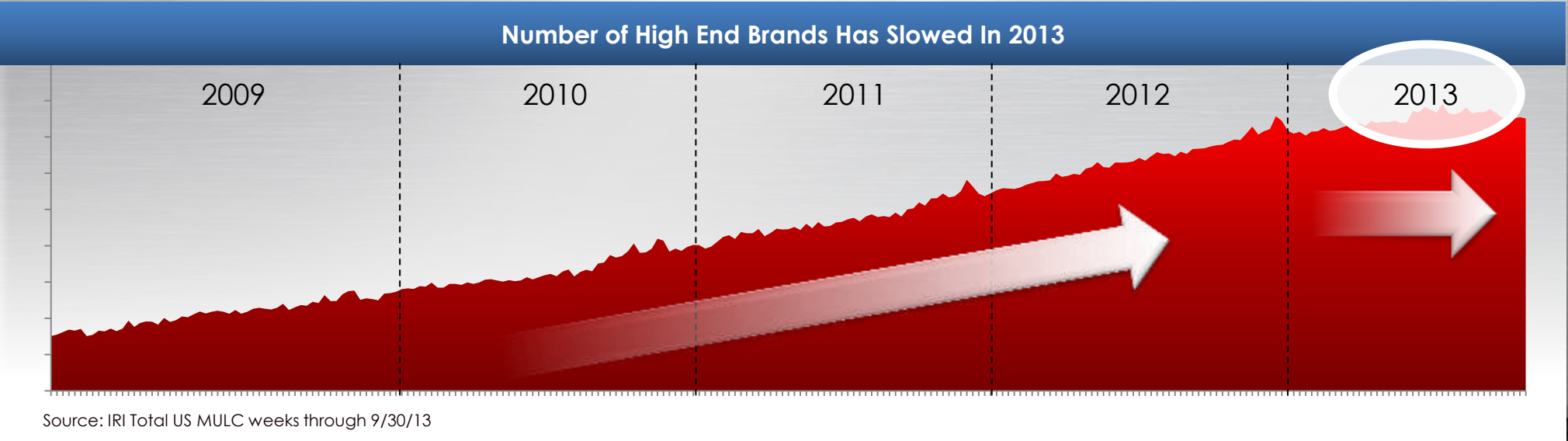
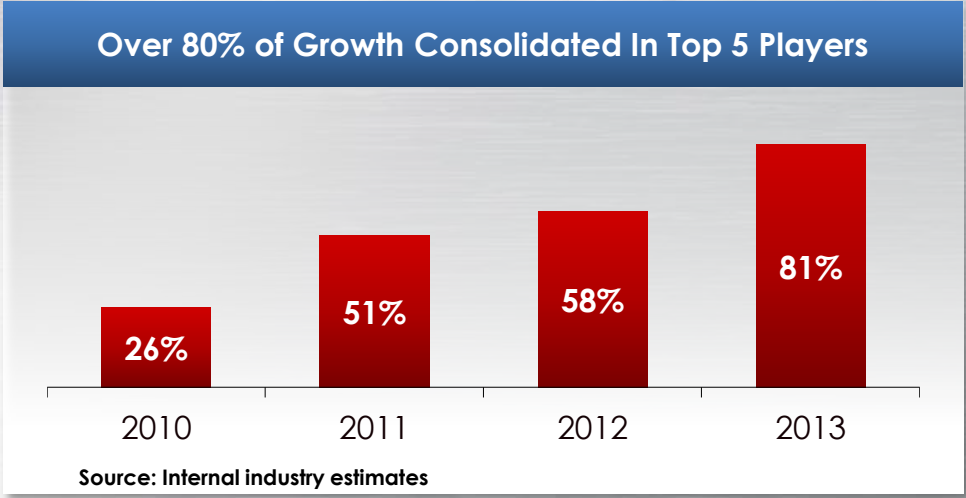
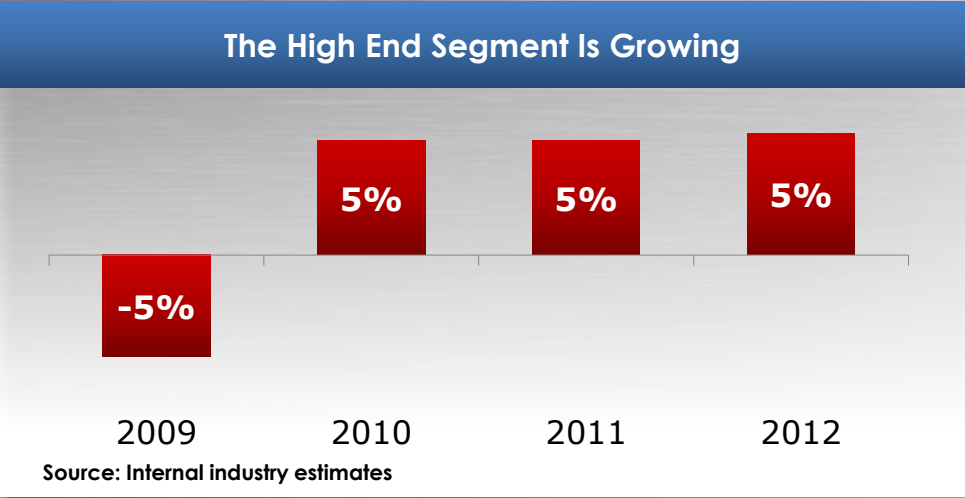
The Rita family leading the way after only one year in the market



Under our fair share in the high end segment



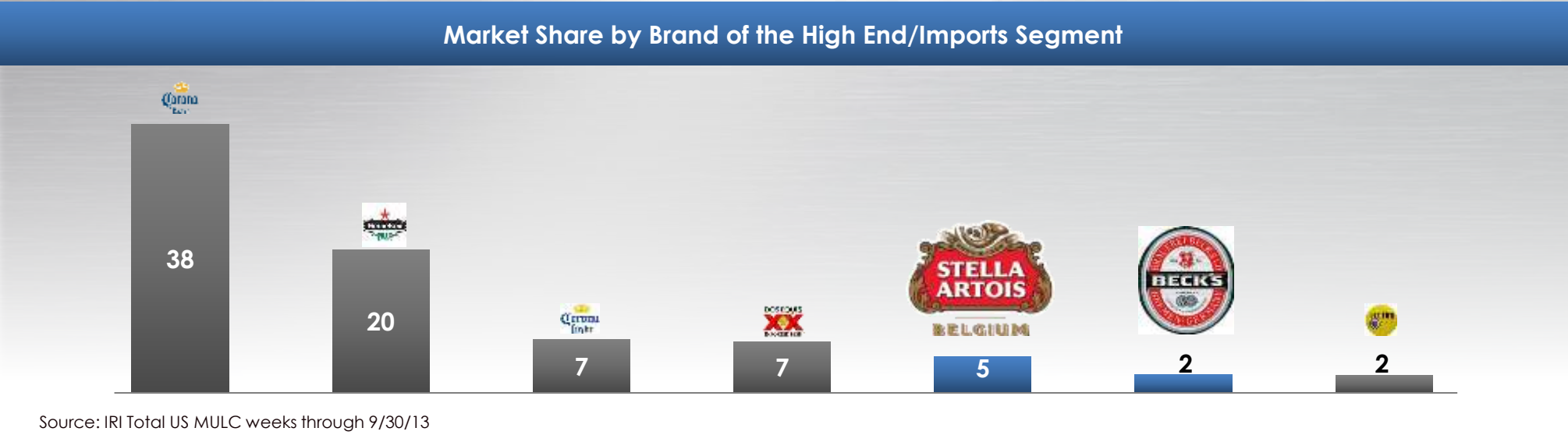
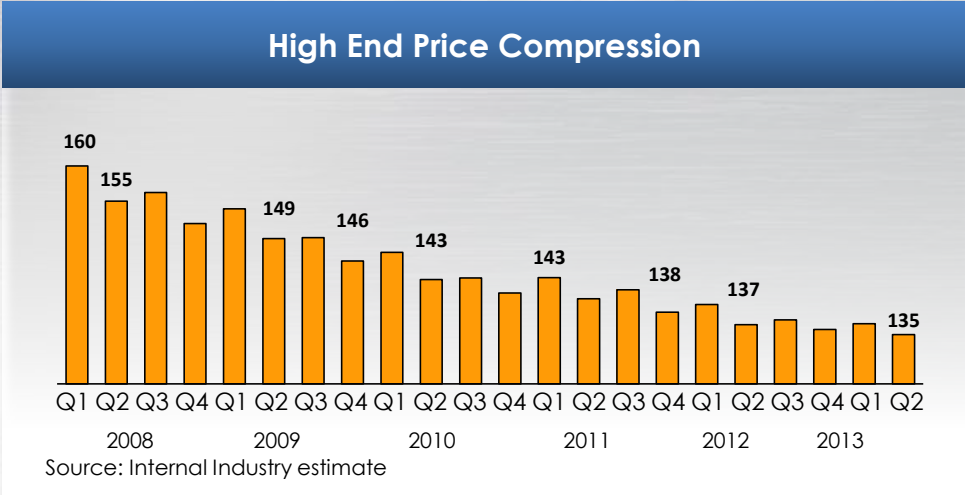
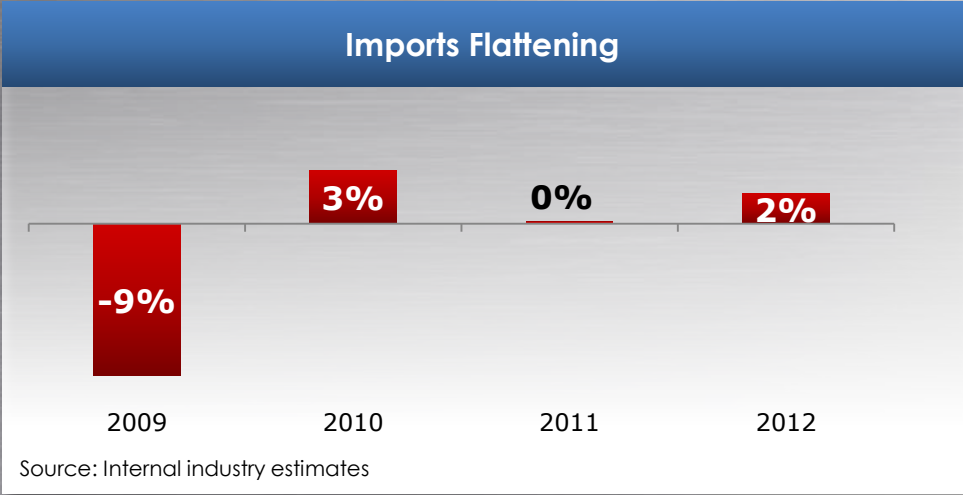
High End still growing but with increasing participation of top brewers



ABI has a strong brand portfolio to grow in the high end Imports segment



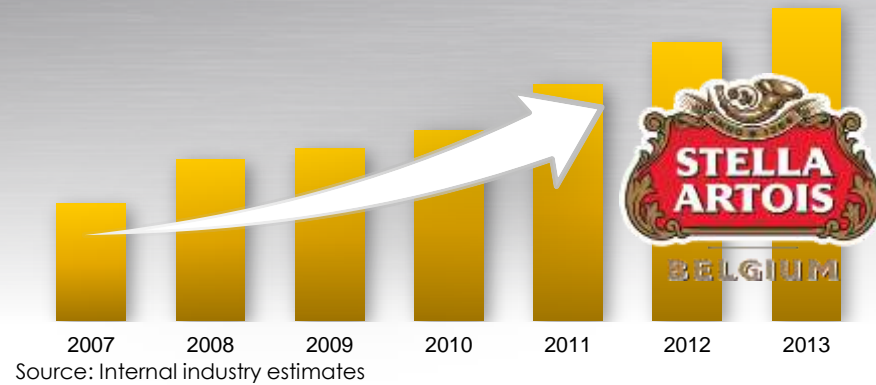
Low growth driven by price compression versus premium segment



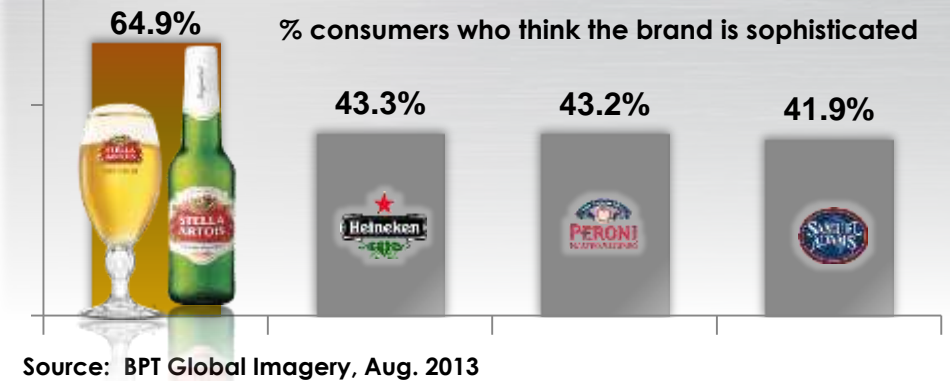
Beck's is brewed in the U.S. in accordance with the German reinheitsgebot brewing standard and competes against brands in the Import segment.

Stella Artois growing double digits since 2007

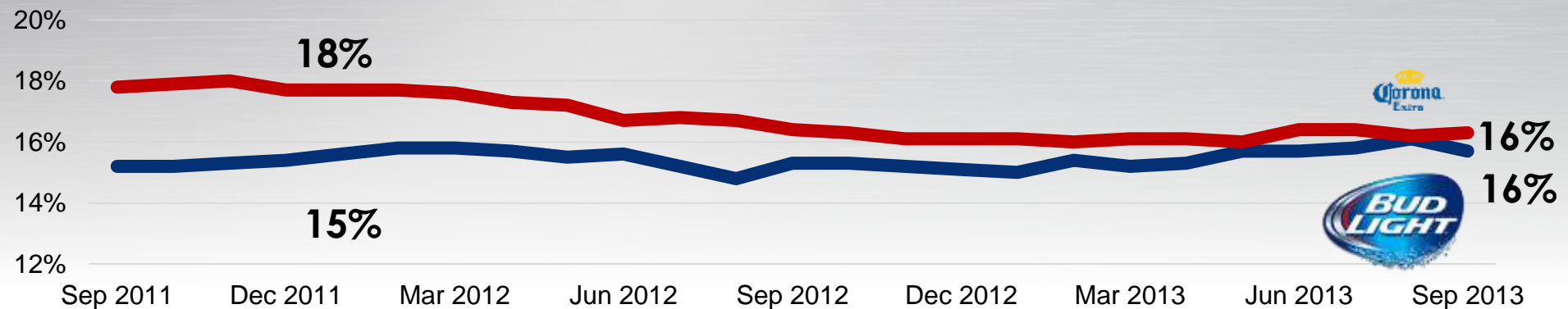
Stella Artois More Than Doubled Since 2007



Considered the Most Sophisticated Brand

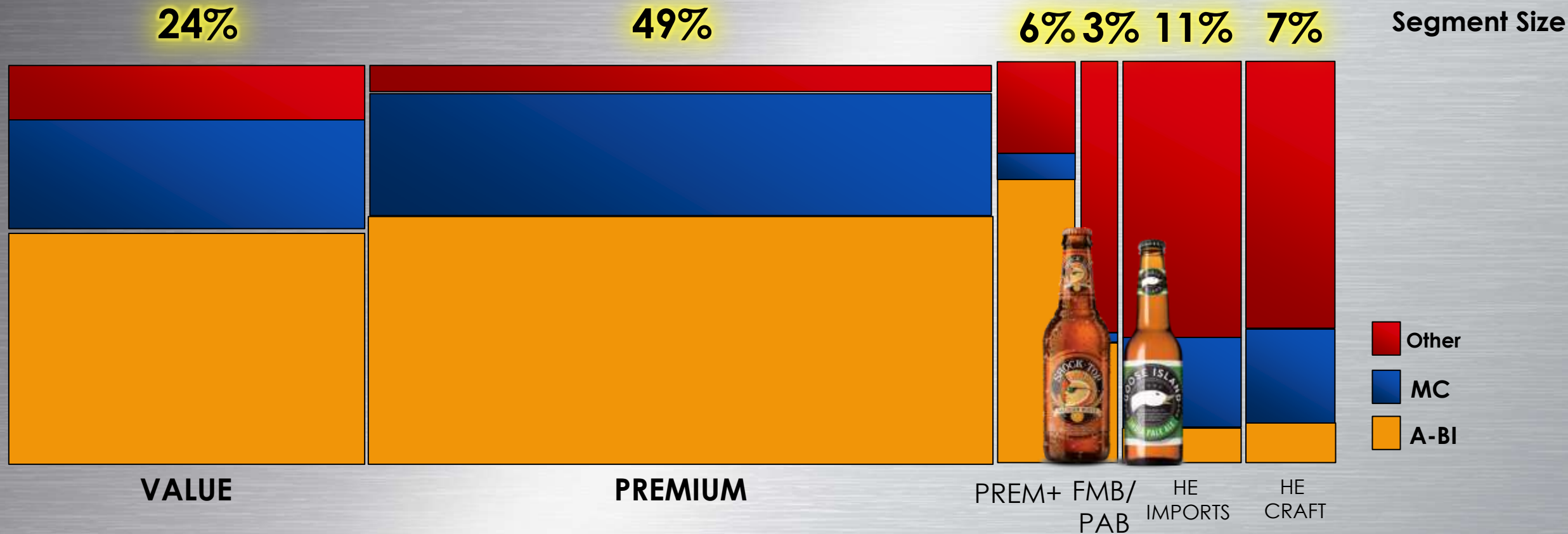


Bud Light Challenging Corona for the #1 Preferred Brand Among Latino Consumers



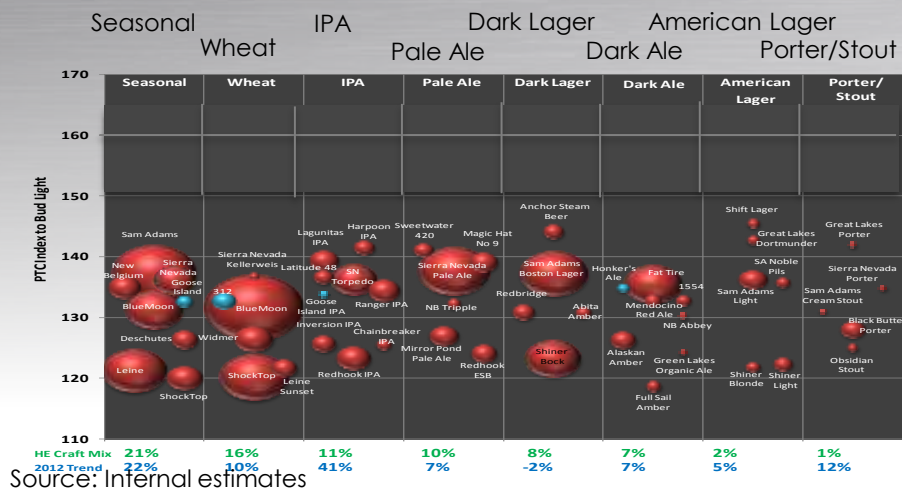
Source: ABI Brand Performance Tracking Survey

ABI has a strong brand portfolio to grow in the high end craft segment



Craft is a very fragmented segment, but brands are becoming more and more relevant

Craft Concentrated In 5 Basic Styles/Palates

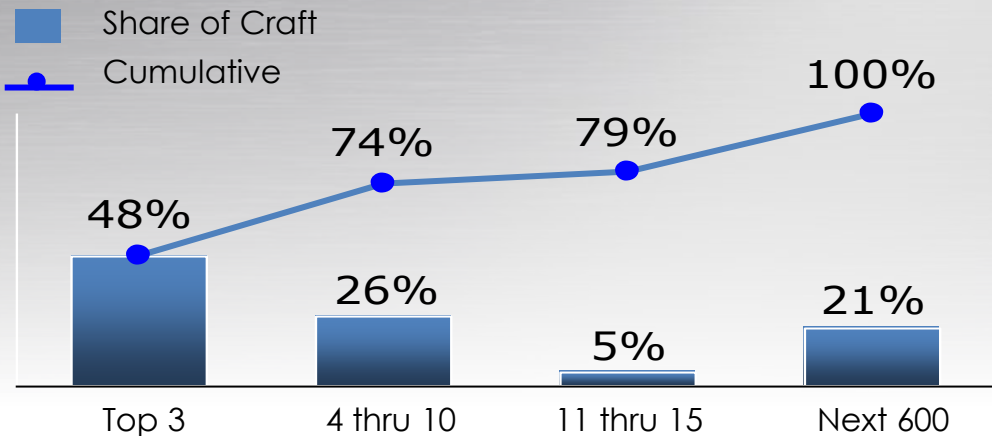


High End Craft Can Be Categorized In Two Ways

ACCESSIBLE
60% craft volume

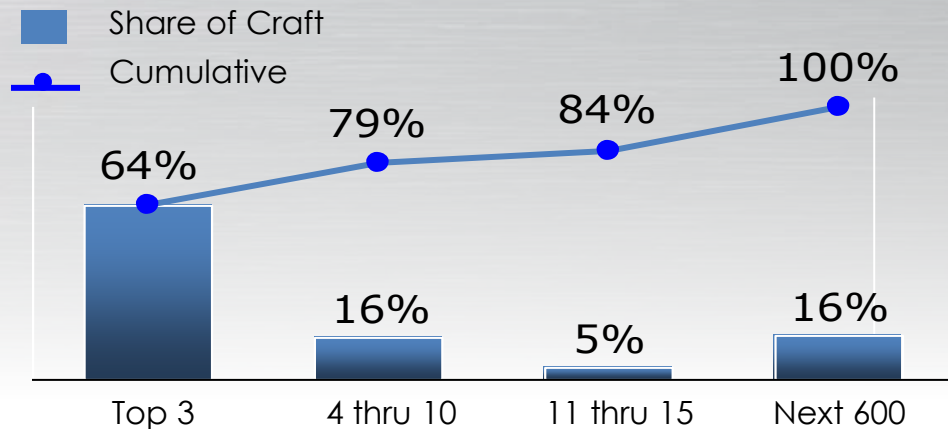
DISCOVERY
40% craft volume

50% of the Volume in Top 3



Source: IRI MULC 10-27-13 YTD

And 64% of the Growth is in the Top 3

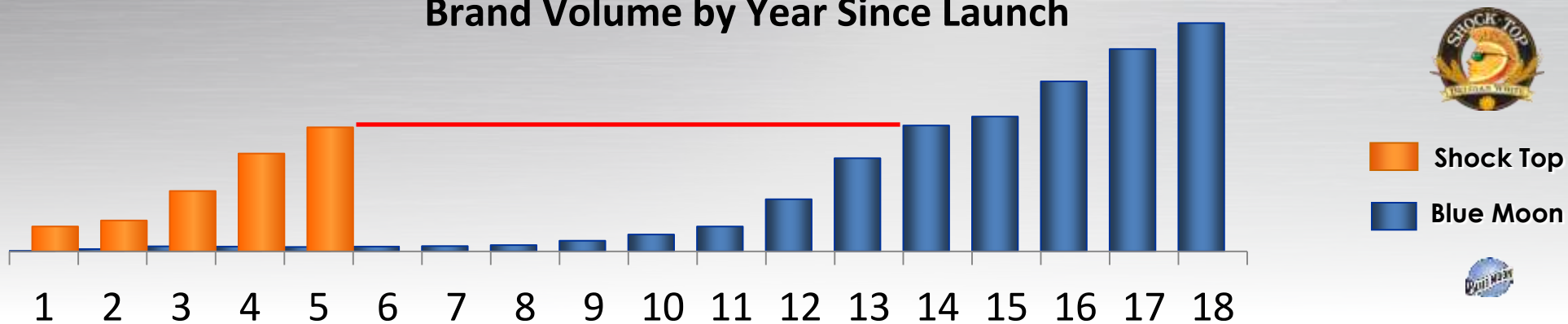


Source: IRI MULC 10-27-13 YTD

Shock Top growing ahead of our main competitors

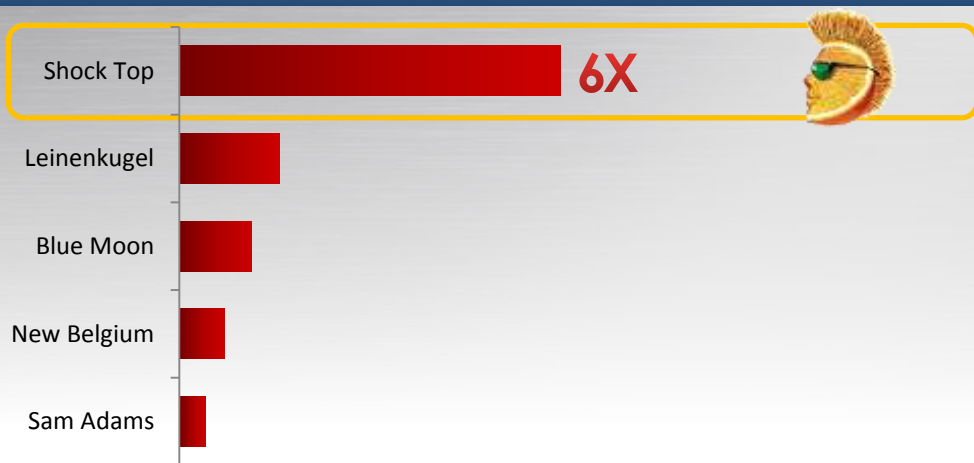
Shock Top Achieved in 5 years What Took Blue Moon 14

Brand Volume by Year Since Launch



Source: Internal Shipment Estimates (Shock Top Belgian White vs. Blue Moon Belgian White)

Shock Top is the Fastest Growing Brand in Segment



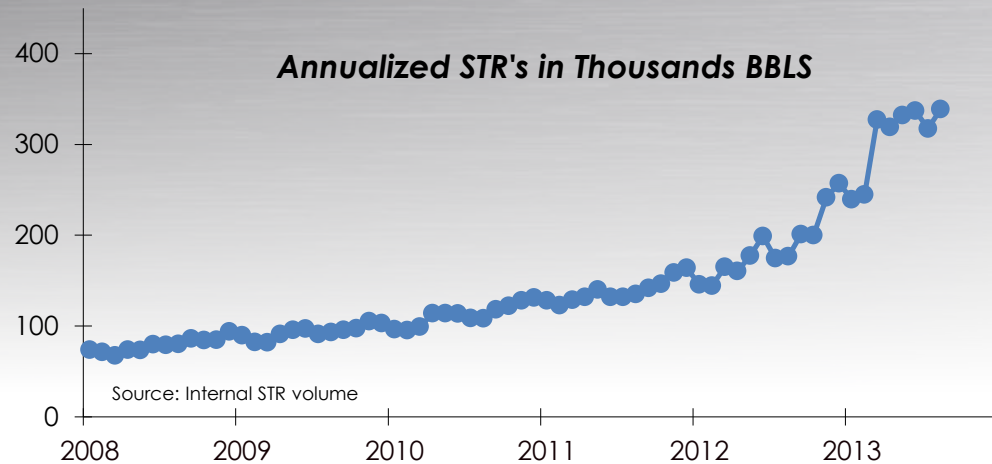
Source: 2013 AB estimate using IRI Total US MULC YTD 11-3-13 trend vs. 2009, 4Yr Total Change

Diverse Portfolio and Seasonals



Goose Island accelerating since acquisition

Goose Island Volume has Grown 3x Since 2010



Goose Island has Delivered

- EBITDA grew 10X
- Now over 50,000 points of distribution
- Access to all of ABI sources of competitive advantage

Strong and Diverse Portfolio







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You know we dream big



10 Principles

Dream

1. Our shared dream energizes everyone to work in the same direction: to be the best beer company in a better world.
2. We are a company of owners. Owners take results personally.
3. We believe common sense and simplicity are usually the best solutions.
4. We are a company of doers. We get things done.
5. The consumer is the Boss. We connect with our consumers through meaningful brand experiences, balancing heritage and innovation, and always in a responsible way.
6. We are a company of owners. Owners take results personally.
7. We believe common sense and simplicity are usually

You know we develop the best people



10 Principles

People

2. Great people, allowed to grow at the pace of their talent and compensated accordingly, are the most valuable assets of our company.

of their talent and compensated accordingly, are the most valuable assets of our company.

3. We must select people who, with the right development, challenges and encouragement, can be better than ourselves. We will be judged by the quality of our teams.

Culture

4. We are never completely satisfied with our results, which are the fuel of our company. Focus and zero-complacency guarantee lasting competitive advantage.
5. The consumer is the Boss. We connect with our consumers through meaningful brand experiences, balancing heritage and innovation, and always in a responsible way.
6. We are a company of owners. Owners take results personally.
7. We believe common sense and simplicity are usually



You know we have operational excellence



ZBB

Zero Base Budget



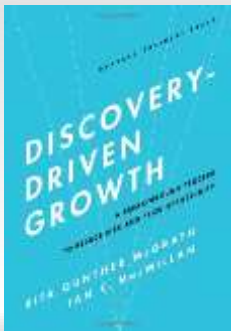
What you may not know is that long-term strategic thinking is part of our daily routine. We call it our “Explore” agenda

Explore Thinking

- Ambidexterous
- Lead, shape, create
- Prototype, test, learn
- Design thinking
- Diverge to converge
- Create platforms

Process & Structure

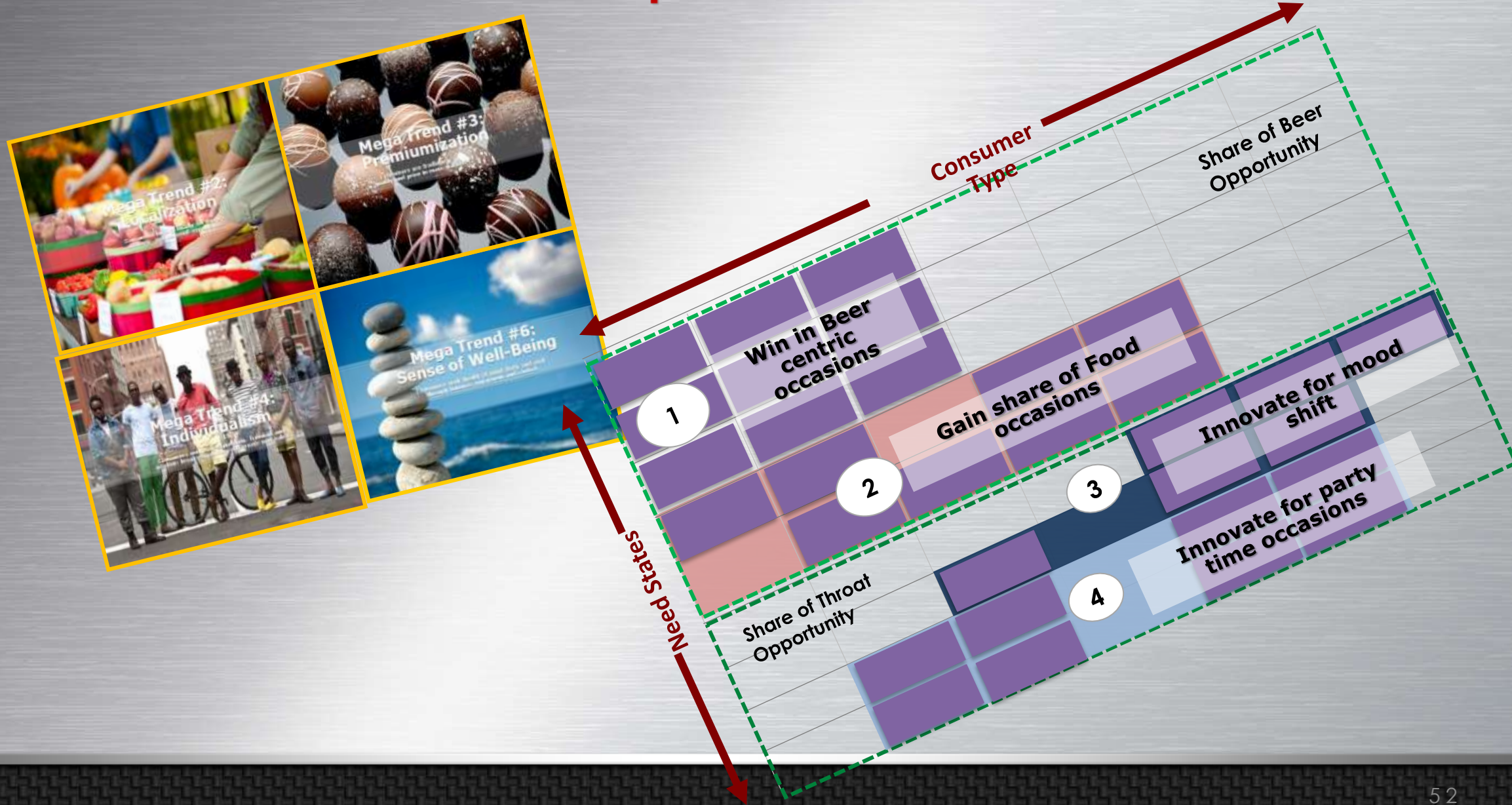
- 11 platforms
- 150+ projects
- 85+ meetings/yr
- 4-6 hours/week



Our Explore agenda has already delivered results through product innovations



Consumers are at the core of Explore



Sales is also part of Explore



Digital became a “must” to interact with consumers and we are exploring new ways to maximize it



Retail



Connected Devices



Mobile Wallet



On Premise



Ad Targeting



Tap Handles

Key Takeaways

1

The US beer industry has been challenged by headwinds, but it is still a leading category that is profitable, efficient and growing dollar sales.

2

ABI is well-positioned with leading brands in most segments and its scale advantages translate into superior profitability.

3

We are beginning to see the benefits from our renewed top-line focus through our explore agenda and are confident we will be prepared to face the challenges ahead.

4

We are building a world class team – top notch people who are completely aligned with the ABI culture. In the long term, this will make the difference.

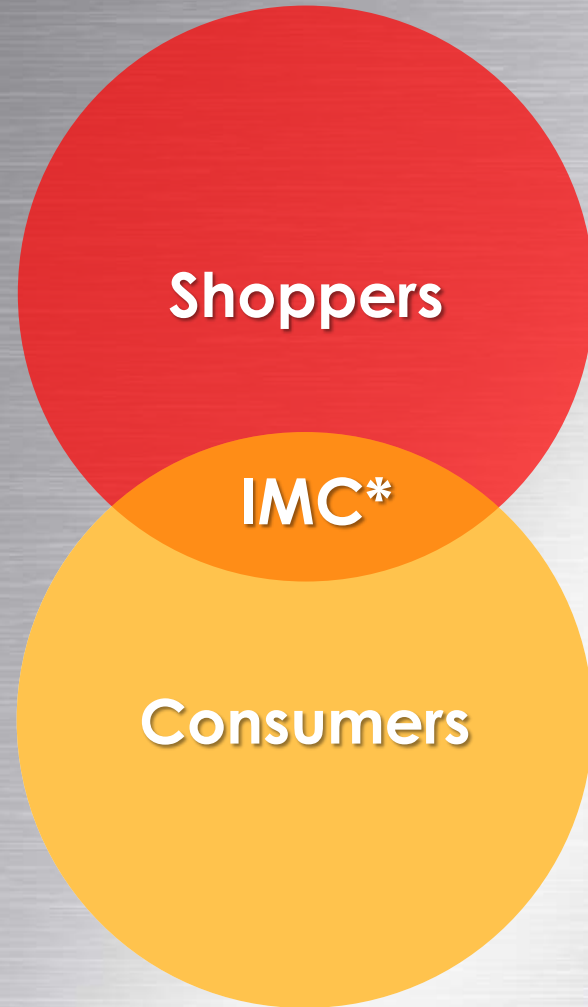
Our team will explore some key initiatives



David Almeida



Paul Chibe



Topics

- Category leadership
 - Revenue management
 - Sales execution
 - Trade marketing
-
- Changing consumer landscape
 - Digital execution
 - Win with Bud Light
 - Stabilize Budweiser
 - Grow share in the high end
 - Premium plus (ULTRA)
 - Innovation