

BU China Introduction

Jean Jereissati
China President



Personal Introduction

Name

Jean Jereissati

Education

Business Administration Fundacao Getulio Vargas - SP

Hire date

1998/08/08

Working Location

Shanghai HQ

Position

China President

Career Path

01/2015 ~ now

China President, Shanghai

01/2013 ~ 12/2014

Central American and the Caribbean President, DR

01/2011 ~ 12/2012

Trade MKT and FSM Head, Brasil

01/2009 ~ 12/2010

Rio de Janeiro Regional Director, Rio de Janeiro

01/2007 ~ 12/2008

South Region Brazil Regional Director, Porto Alegre



Connection with Strategy

Dream: #1 in Asia

Pillar

Brands

Bonding
with
Consumers
& Trade Up

Expansion

Maximize
Strongholds

Sales
Machine

Disruptive
Growth

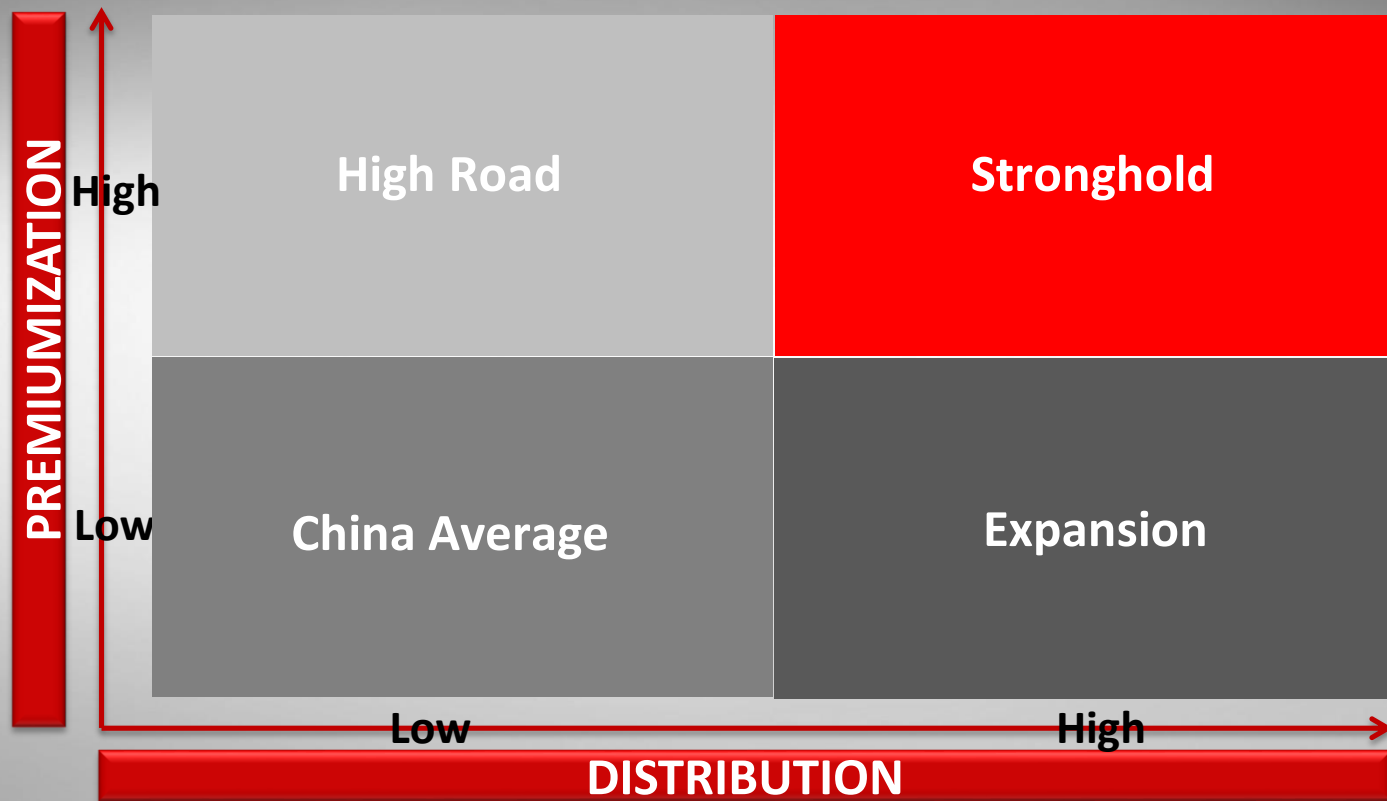
Operational
Efficiency

Better
World

People
Pipeline

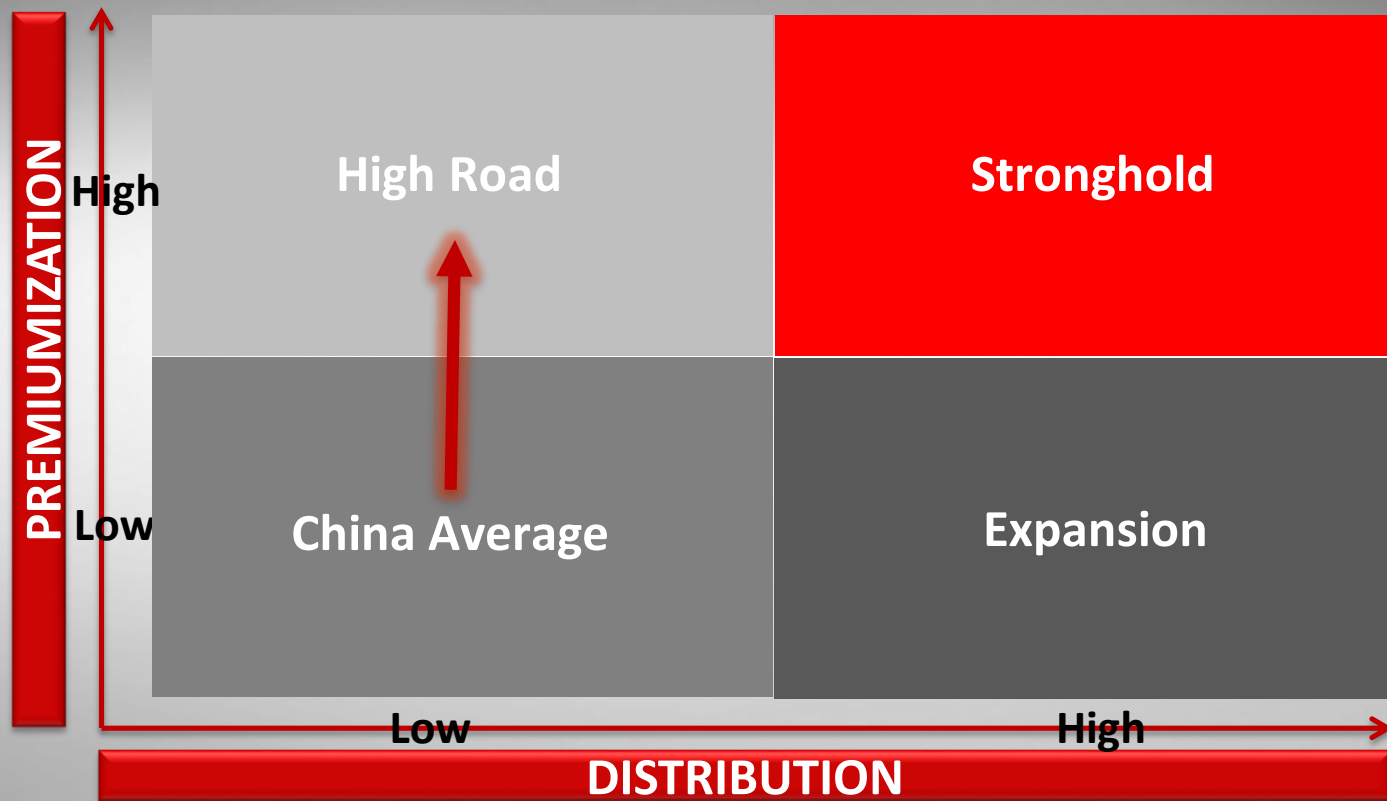
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province



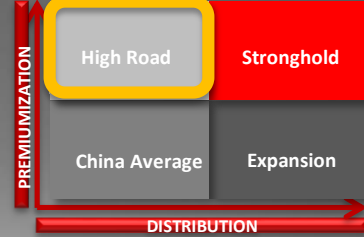
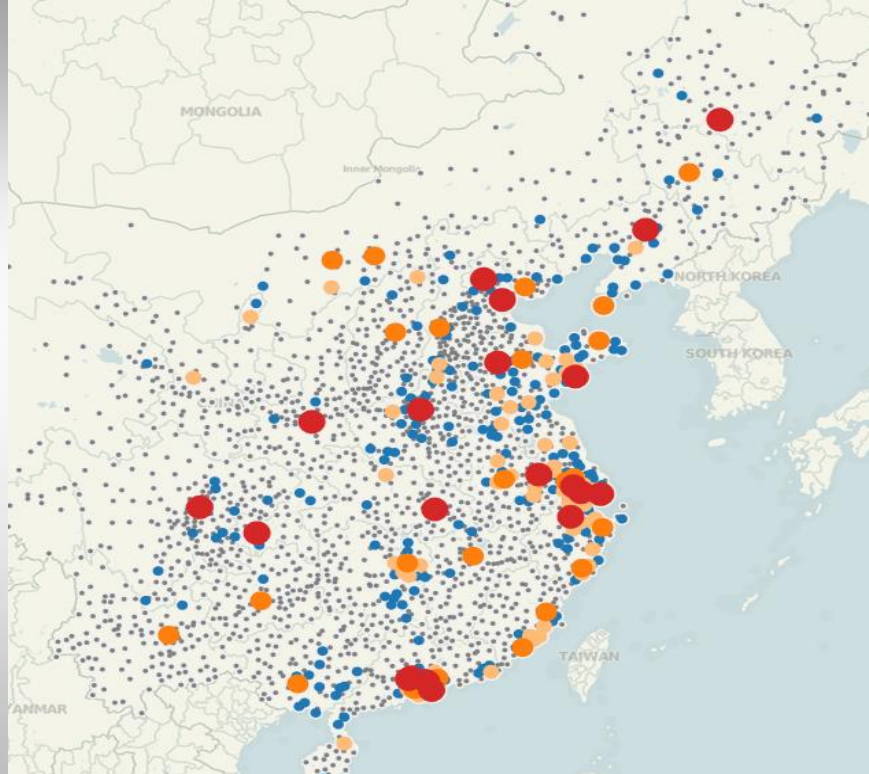
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province



High Road

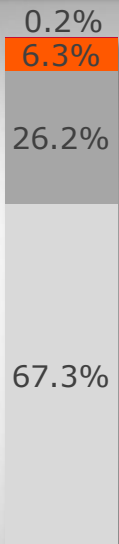
Careful selection of cities with the highest Middle/Affluent Class Population concentration...



High Road

Premiumization as the biggest driver of revenue per HL....

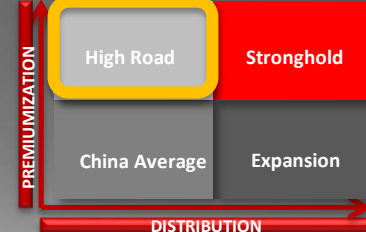
% of volume by segment



2014 Industry

% of volume growth

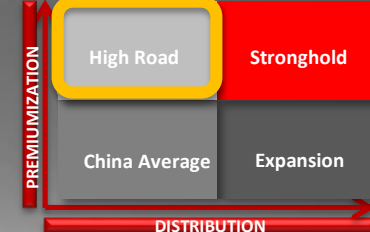
	Industry growth			
	2012	2013	2014	2015 1H
Super Premium	69.7%	23.1%	35.0%	30.5%
Premium	11.5%	11.5%	10.6%	10.0%
Core+	10.8%	12.1%	6.0%	4.8%
Core & Value	-4.3%	0.0%	-8.8%	-9.0%
Total	-0.6%	3.2%	-4.2%	-4.5%



Premium Segment is more than 6% of the industry, and growing consistently above 10%

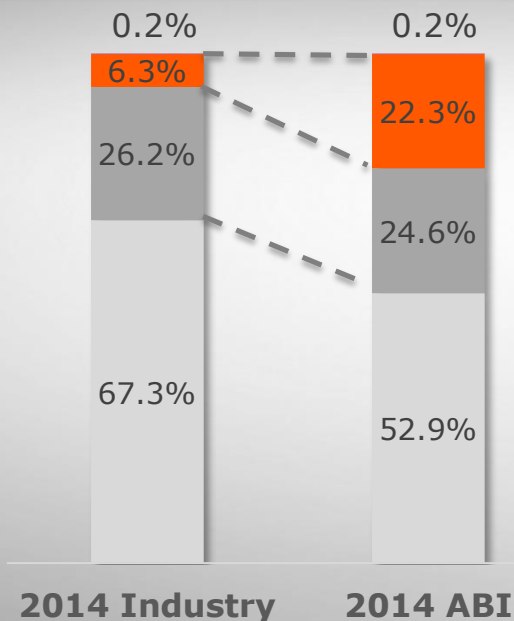
High Road

ABI over-indexes in Premium (22%),
and outperforms the industry segment growth by 2x



% of volume by segment

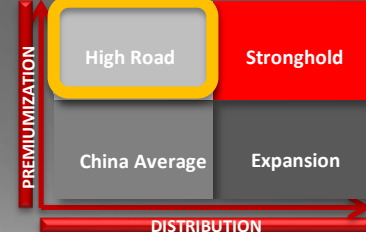
% of volume growth



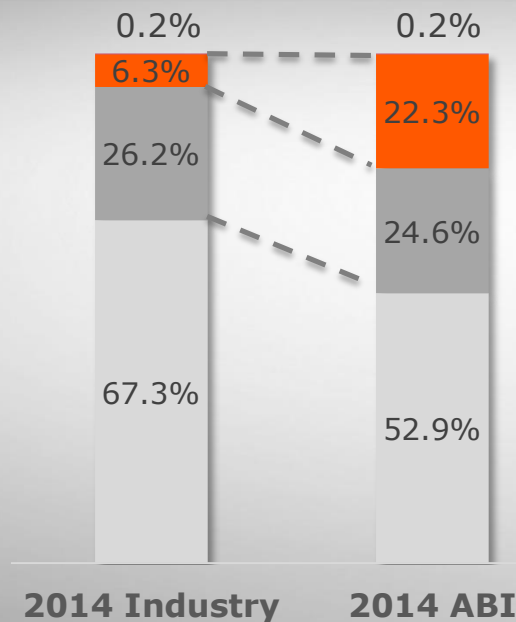
	Industry growth				ABI growth vs industry*
	2012	2013	2014	2015 1H	
Super Premium	69.7%	23.1%	35.0%	30.5%	>3.0x
Premium	11.5%	11.5%	10.6%	10.0%	>2.0x
Core+	10.8%	12.1%	6.0%	4.8%	>1.5x
Core & Value	-4.3%	0.0%	-8.8%	-9.0%	~1.0x
Total	-0.6%	3.2%	-4.2%	-4.5%	

High Road

1HL of Super Premium = 9 HL of Core/Value



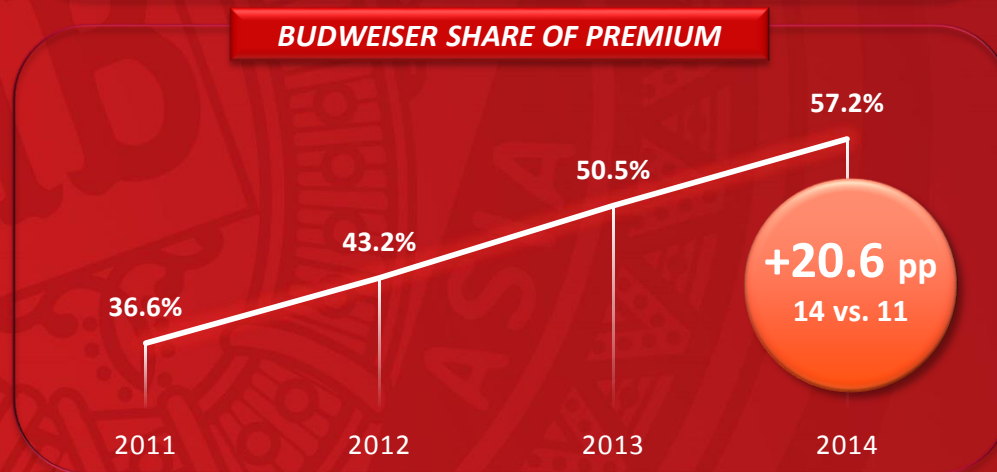
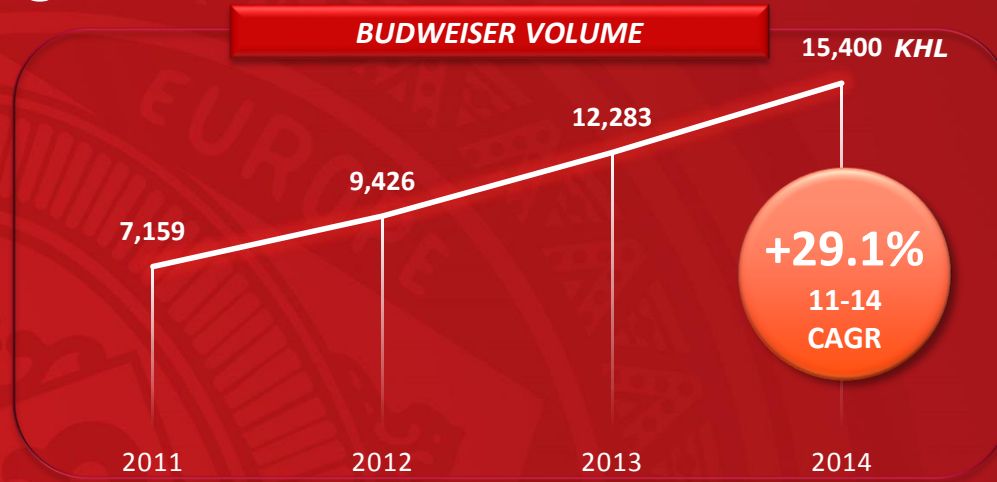
% of volume by segment



GROSS MARGIN INDEX

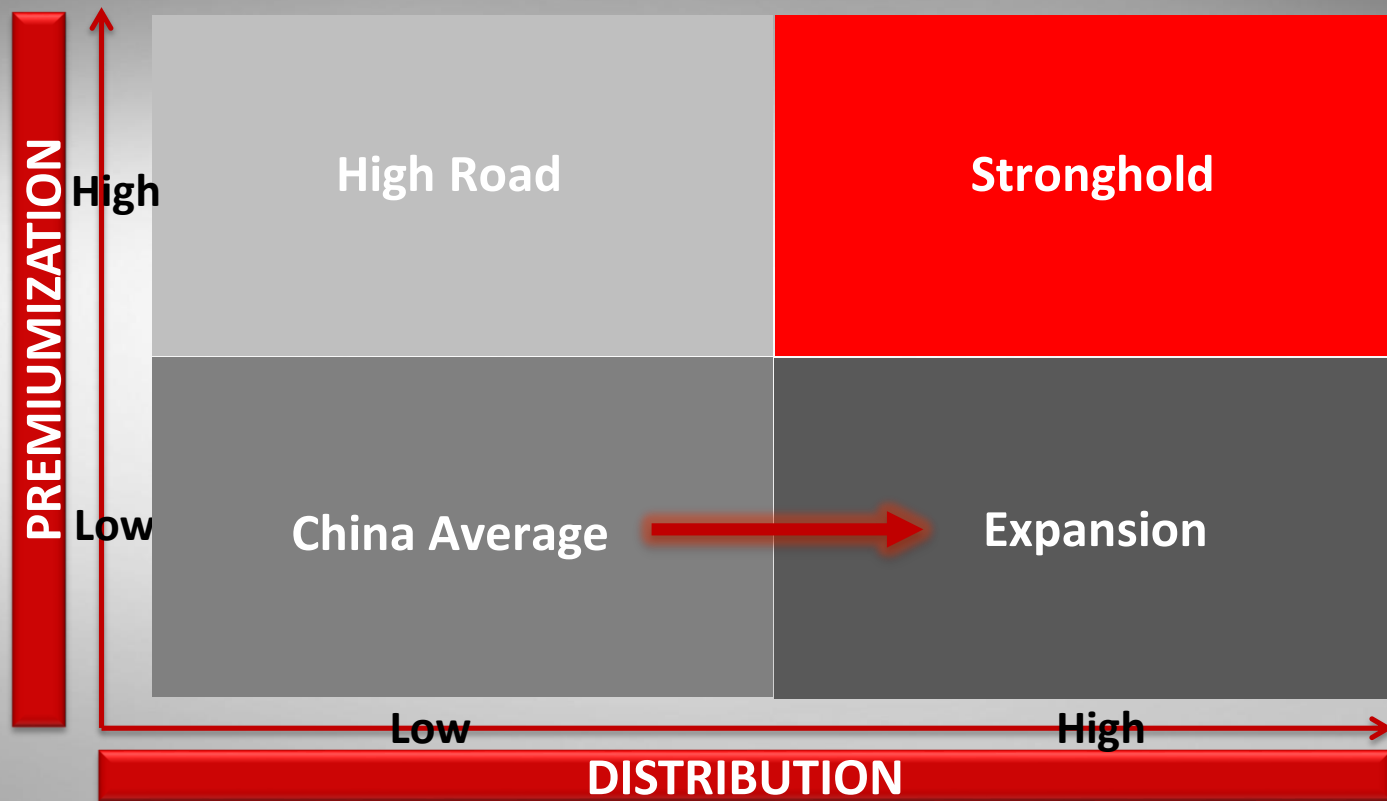
■ <i>Super Premium</i>	9.0 X
■ <i>Premium</i>	5.0 X
■ <i>Core+</i>	1.6 X
■ <i>Core & Value</i>	100%

Budweiser being a clear winner in Premium.....



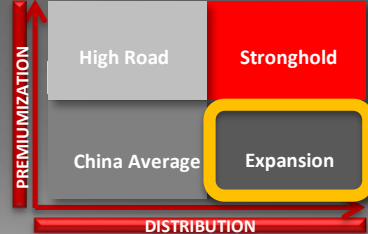
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province



Expansion

Leap-frog growth in areas around our new breweries...



2010

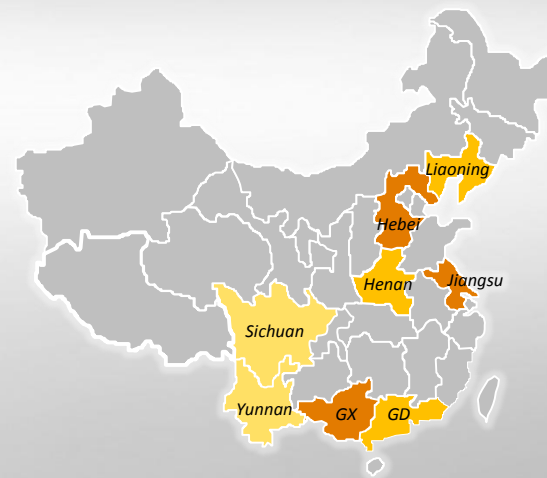
2011

2012

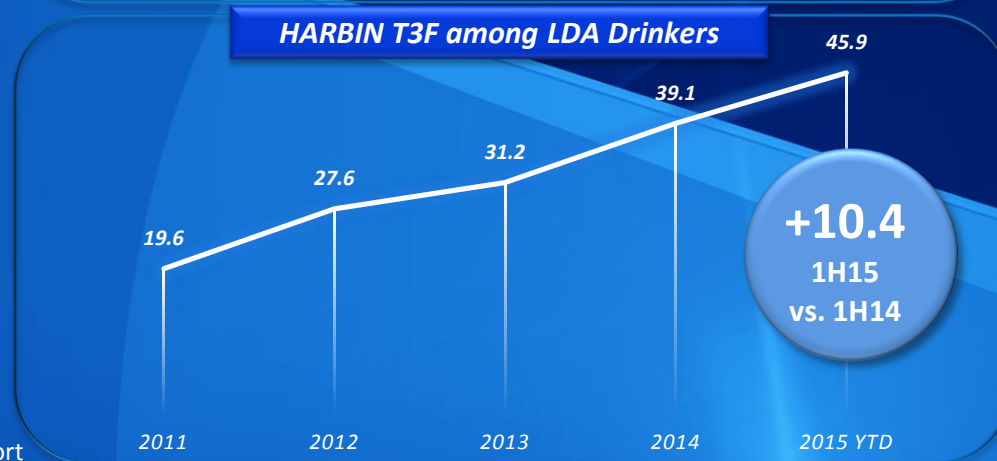
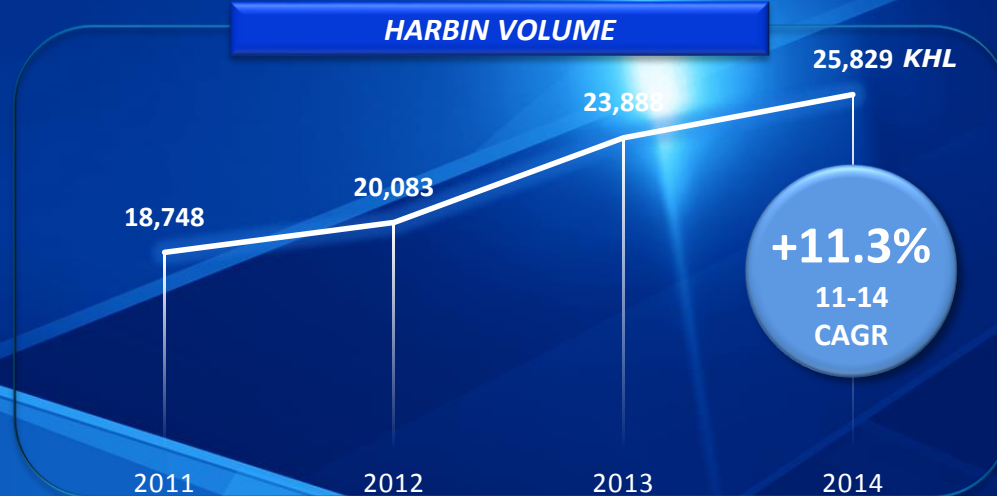
2013

2014

2015

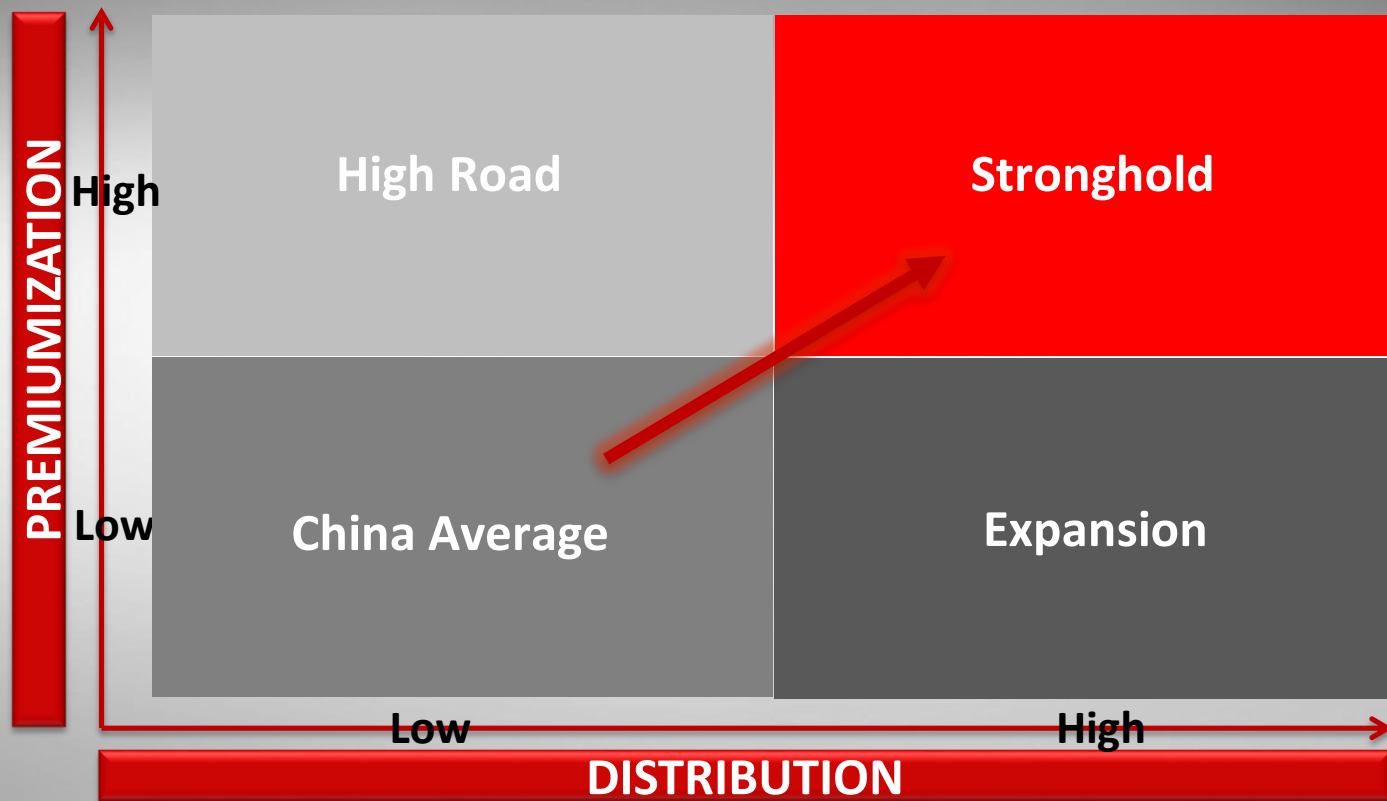


Harbin being a strong engine to fuel expansion...



Two-Engine Growth Strategy to Win in China

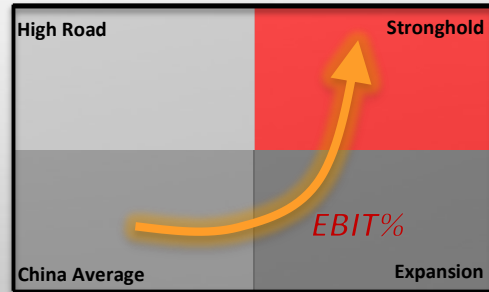
Win nationally in premium while expanding and increasing leadership province by province



What a Stronghold looks like...



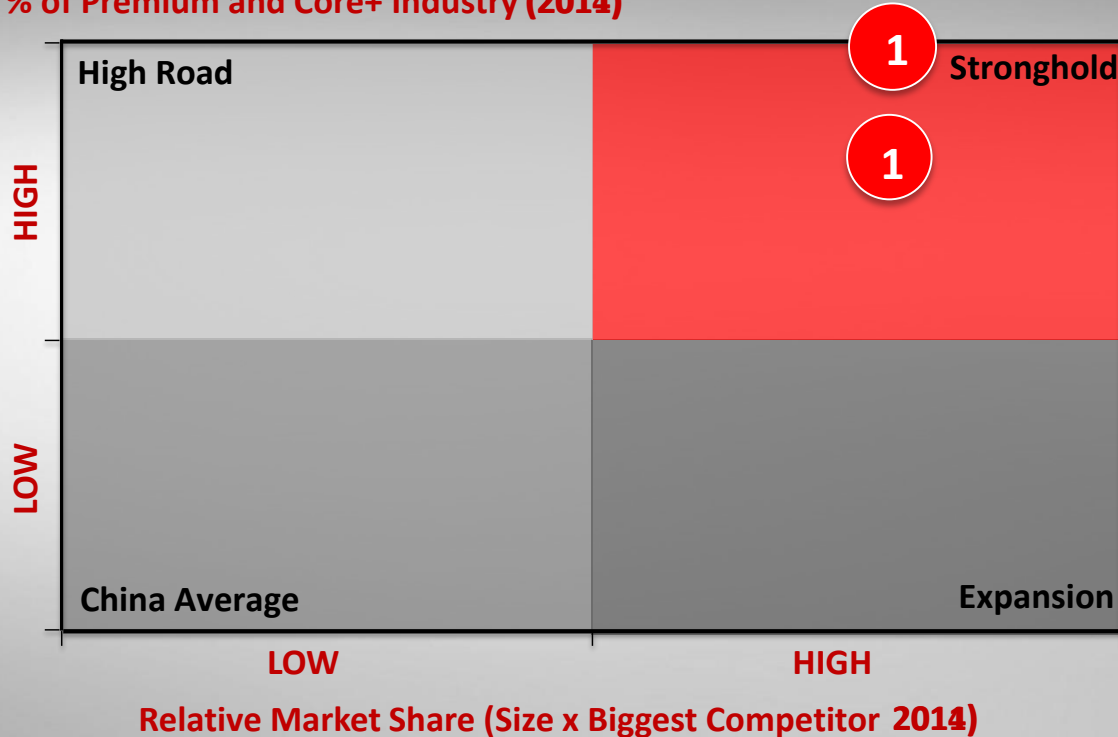
<i>Population (000')</i>	<i>37,740</i>
<i>Beer Industry (000 hl)</i>	<i>15,758</i>
<i>Consumption Per Capita (liter)</i>	<i>41.7</i>
<i>% of Premium & Core+ Industry</i>	<i>76.6%</i>
<i>ABI Market Share (Yr 2014)</i>	<i>60.3%</i>
<i>ABI Relative Market Share</i>	<i>2.98</i>



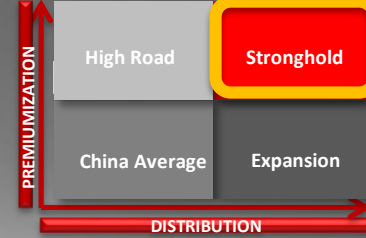
Strongholds outperforming China Average

Our Stronghold footprint is well positioned with two-engine growth strategy (2014 vs. 2011)....

% of Premium and Core+ Industry (2014)



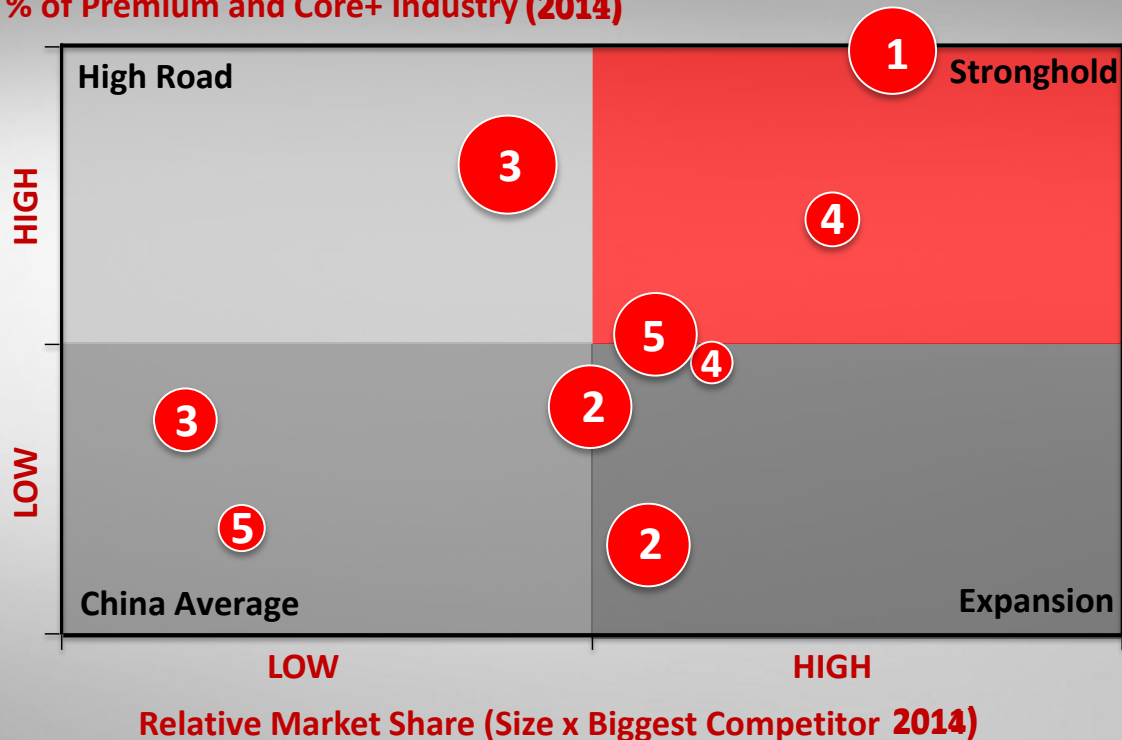
8 MHL Size of Bubble = ABI volume



Strongholds outperforming China Average

Our Stronghold footprint is well positioned with two-engine growth strategy (2014 vs. 2011)....

% of Premium and Core+ Industry (2014)



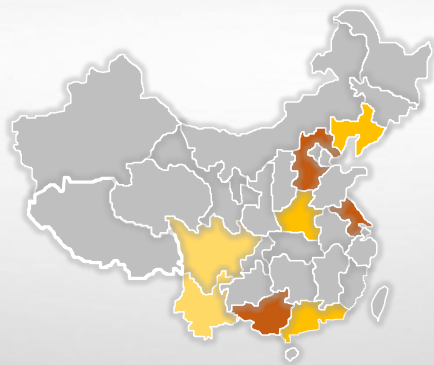
Winning Journey

Trade Up +
Premiumization

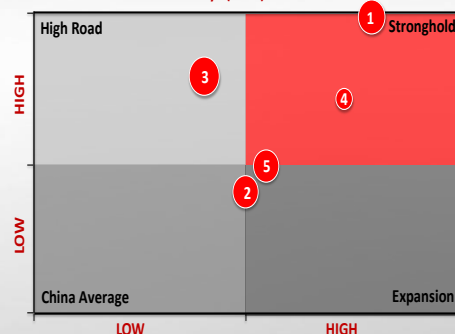
Distribution in
Expansion Area

Strongholds

Sales Machine



% of Premium and Core+ Industry (2014)



Relative Market Share (Size x Biggest Competitor 2014)



Sales Machine

Revenue Management



Trade Solutions



Route to Market



SALES MACHINE

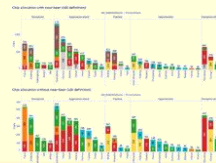
Key Accounts



Tech Sales



Competitive Intelligence



Digital Purchase



ABI has been consistently disciplined in driving Revenue...

Grow NR/HL ahead of Competition

CAGR
(2011-2014)



+8.6%

TOP 3
COMPETITORS

+2.1%

2011

2012

2013

2014

Strong wholesaler partnership is one of our most relevant competitive advantages

1



Business Plan

2



**Profitable
Business Model**

3



**Credit
Incentives**

4



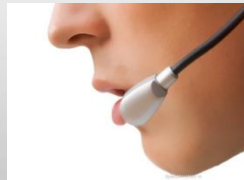
**Successor
Program**

5



**Pick-Up Time
Priority**

6



**VIP
Treatment**

7



**WS Productivity
Program**

8



**Events
Participation**

Building strong partnerships with top wholesalers

14 Years with ABI China on average

Size More than **10 X Average**

ELITE CLUB



10.4% Topline growth CAGR

98.92% Satisfaction Rate



360-ALL-IN Trade Activation focusing on Point-of-Connection EXPERIENCE, not only EXECUTION...



Nightlife



Chinese Restaurant AB



OffTrade



Convenience Store



Rooftop



Western Bars



Hotels/Western Bars



Western Restaurants



Chinese Rest. CD



Food Street/Hot Pots



...NIGHT LIFE



...AB Chinese Restaurant



感受极致尊味 百威金尊



...ROOFTOP/WESTERN CHANNELS



...CD Chinese Restaurant



Best Practice: “Supreme Circle” Trade Program



Leverage the **technology** to build **long term loyalty program** with key customers to help us **win Chinese restaurant channel.**



POWERED BY *Budweiser*

Relationship + economies of Scale + Top quality



Connection with Strategy

Dream: #1 in Asia

Pillar

Brands
Bonding
with
Consumers
& Trade Up

Expansion

Maximize
Strongholds

Sales
Machine

Disruptive
Growth

Operational
Efficiency

Better
World

People
Pipeline

Super Premium Company – a company inside our company

Building the capabilities for the next wave.....

Route to Market



- *Building the capabilities of an enhanced and specialized wholesaler network.*

Focus Brands



- *Focus brands to target new channel opportunities and occasions*

Digital / Social Media

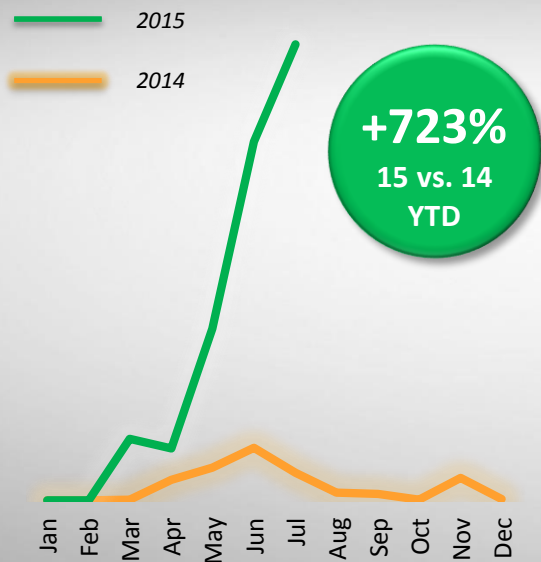


- *Digital, content and sales as the key platform for the super premium portfolio*

Next Channel Frontier with Hyper-Speed Growth



T-MALL



- Rank **#1** in share (45%).



JD



- Rank **#1** in share (24%)



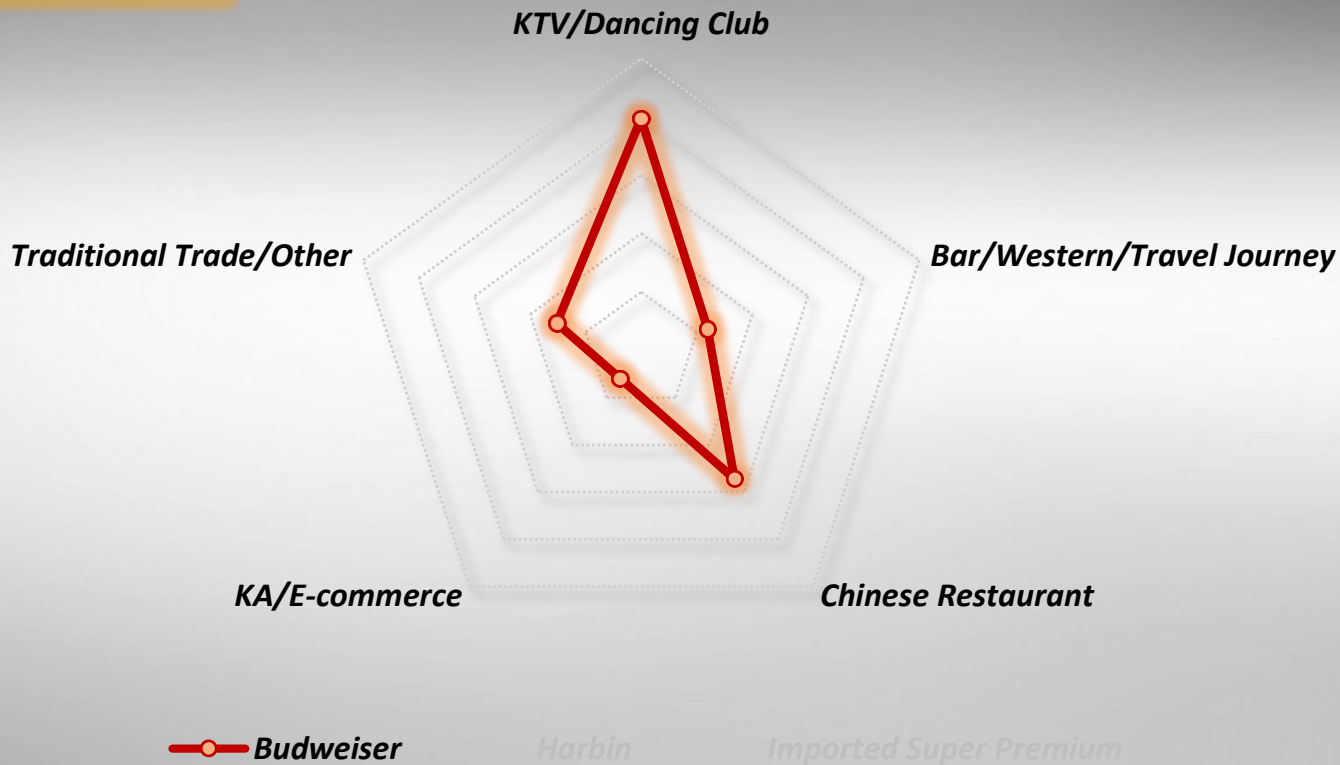
YHD



- Rank **#1** in share (22%)

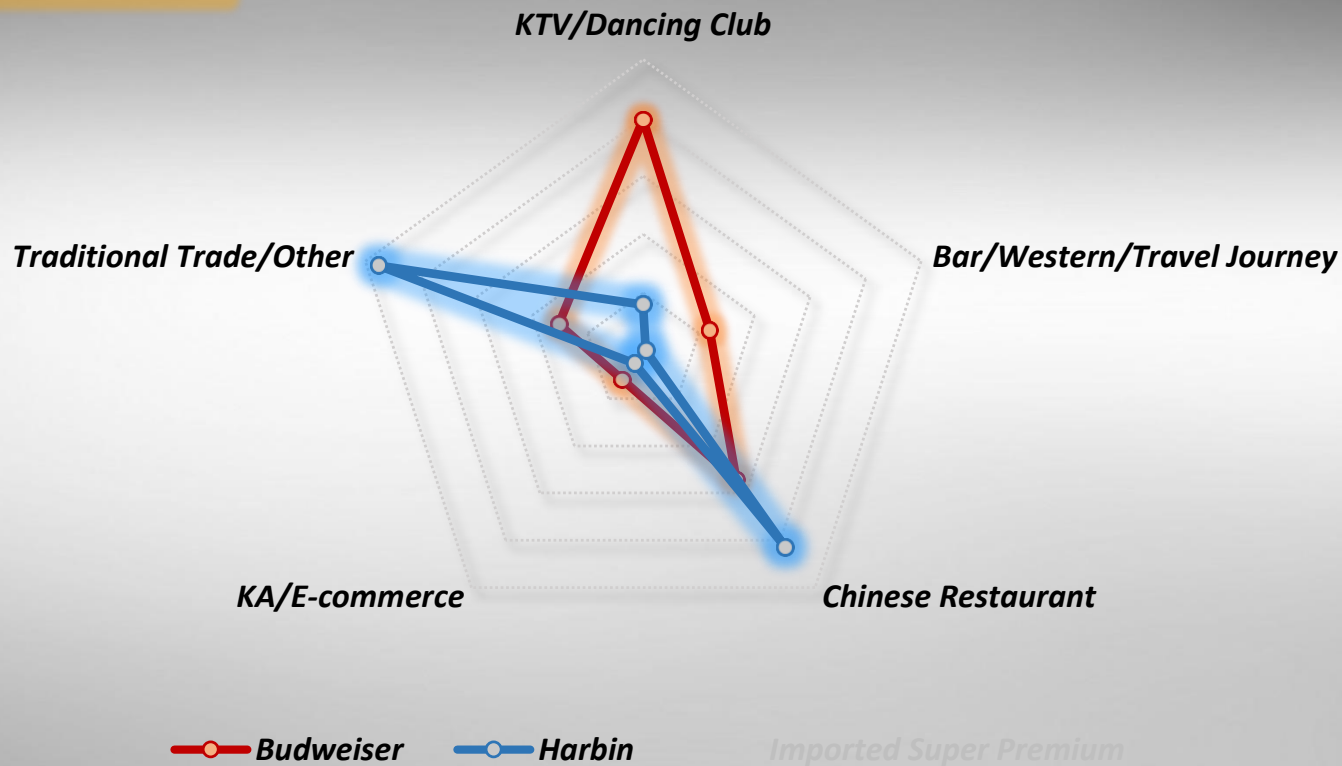
... Managing complexity....

Brand Volume Contribution by Channel



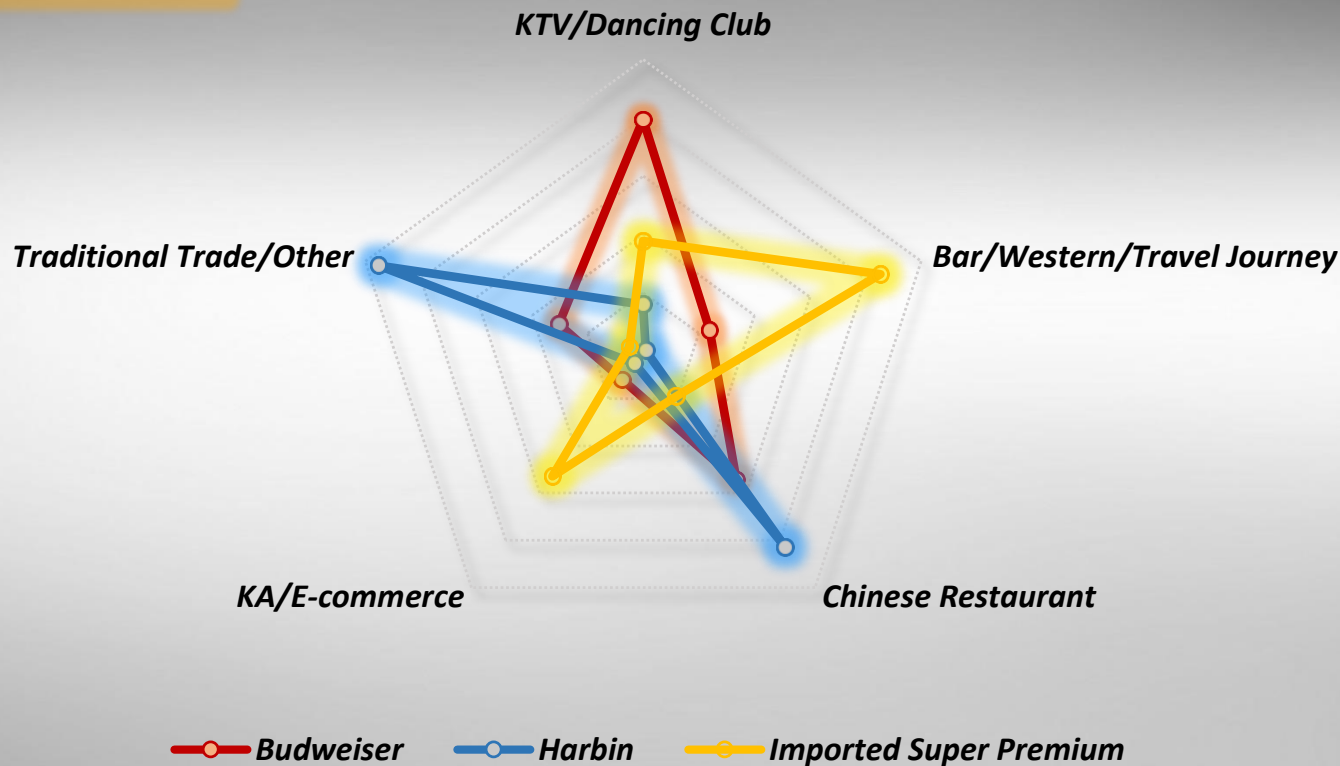
... Managing complexity....

Brand Volume Contribution by Channel



... Managing complexity....

Brand Volume Contribution by Channel



Strengths....Win with the winners

SEGMENTS

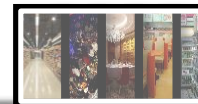
	INDUSTRY GROWTH 1H15 vs. 1H14	ABI Growth vs. INDUSTRY
<i>Super Premium</i>	+30.5%	>3.0 X
<i>Premium</i>	+10.0%	>2.0 X
<i>Core+</i>	+4.8%	>1.5 X
<i>Core/Value</i>	-9.0%	~1.0 X



Source: Internal Report

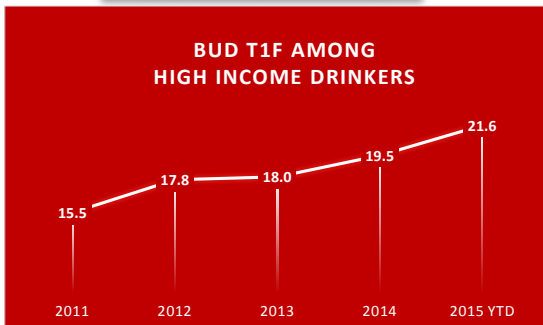
CHANNELS

	INDUSTRY GROWTH 1H15 vs. 1H14	ABI Growth vs. INDUSTRY
<i>E-commerce</i>	+92.0%	>3.5 X
<i>Convenient Store</i>	+9.3%	>2.0 X
<i>Night Life</i>	+8.6%	>2.5 X
<i>Chinese Restaurant</i>	-1.7%	~1.5 X
<i>Traditional Trade</i>	-9.0%	~1.0 X



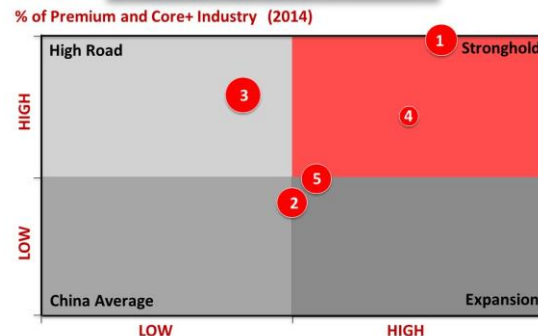
Source: Internal Report

CONSUMERS



Source: Equity Tracker, internal Report

GEOGRAPHIES

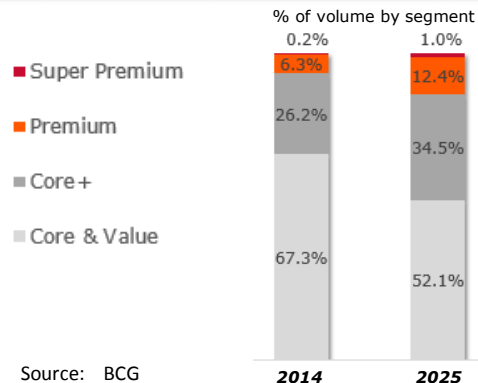


Relative Market Share (Size x Biggest Competitor 2014)

Source: Bain Analysis, Internal Report

Opportunities

SIZE OF PREMIUM/SP INDUSTRY



DISTRIBUTION

3,200,000
POCs

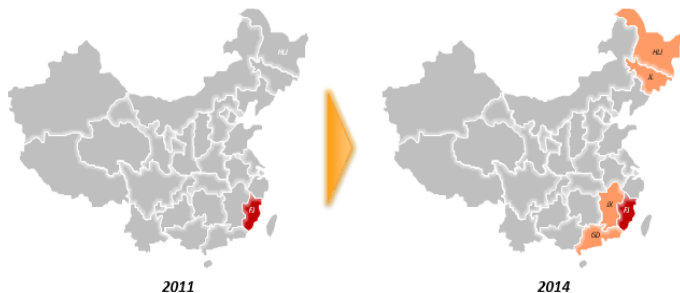


still to be reached

~4X Brazil

Source: Nielson Study, Internal Report

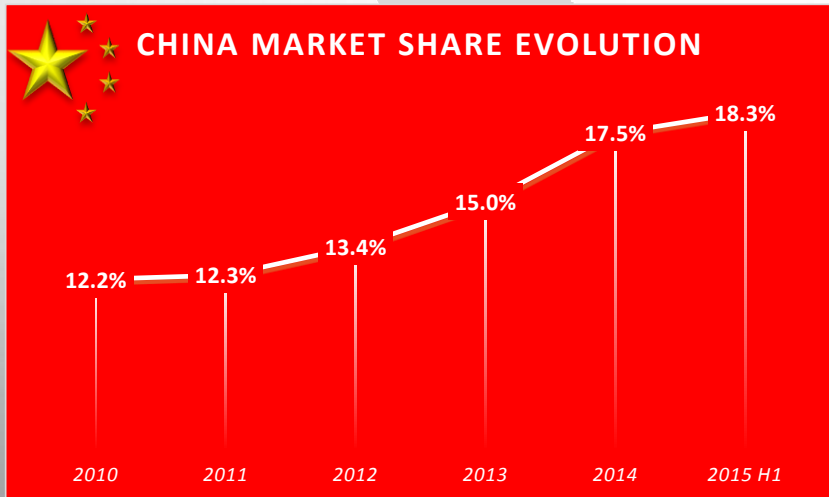
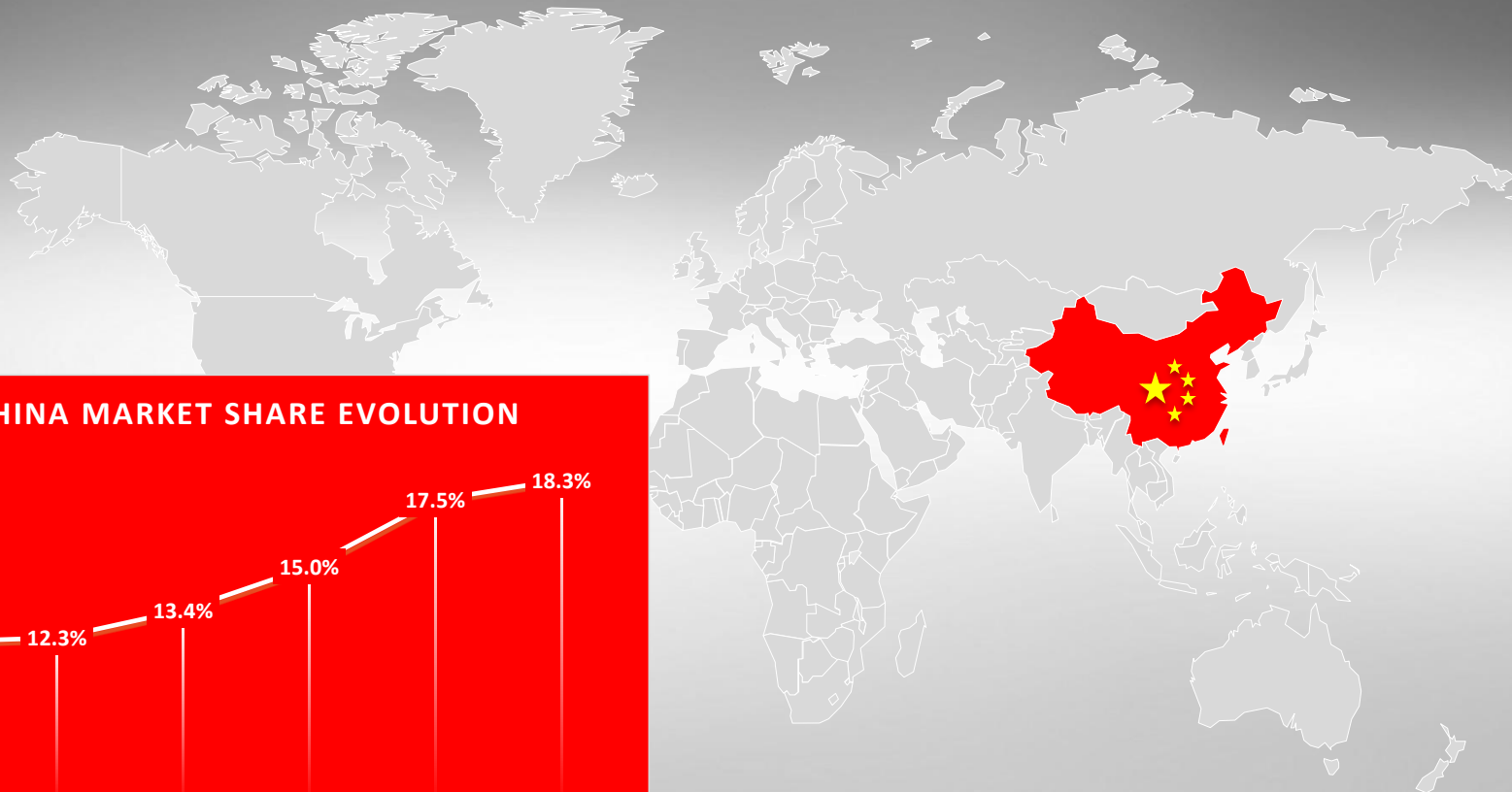
CORE PROFITABILITY



SHAPE INDUSTRY WITH INNOVATION



Journey towards leadership...



Source: Seema and internal reports. Considers full M&A volumes in the year of acquisition