



**Barclays**

*Back-to-School Consumer Conference*

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Anheuser-Busch InBev

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# Agenda

## Introduction

- Business model
- Markets
- Focus Brands
- Global Budweiser
- Consumer Insights

## USA

- The market
- Brands and innovation

## Brazil

- The market
- Brands and innovation
- Antarctica Sub-Zero case study
- Premium development

## China

- The market
- Portfolio approach
- Harbin case study

## Uses of Cash



# Clear and Consistent Business Model

## Goal

Long term, sustainable value creation through top line growth, strong cost discipline and margin enhancement

### Leadership

- **Focus on a few big things done well**
- Build a healthy and sustainable industry
- Pro-beer environment
- Long term ownership mindset
- Scale

### Markets

- **Focus on the most important volume and profit pools**
- Balanced footprint between developed and developing markets

### Brands

- **Focus Brands strategy**
- Brand health measures
- Consumer connections
- Renovation and innovation pipeline
- Premiumization and revenue management

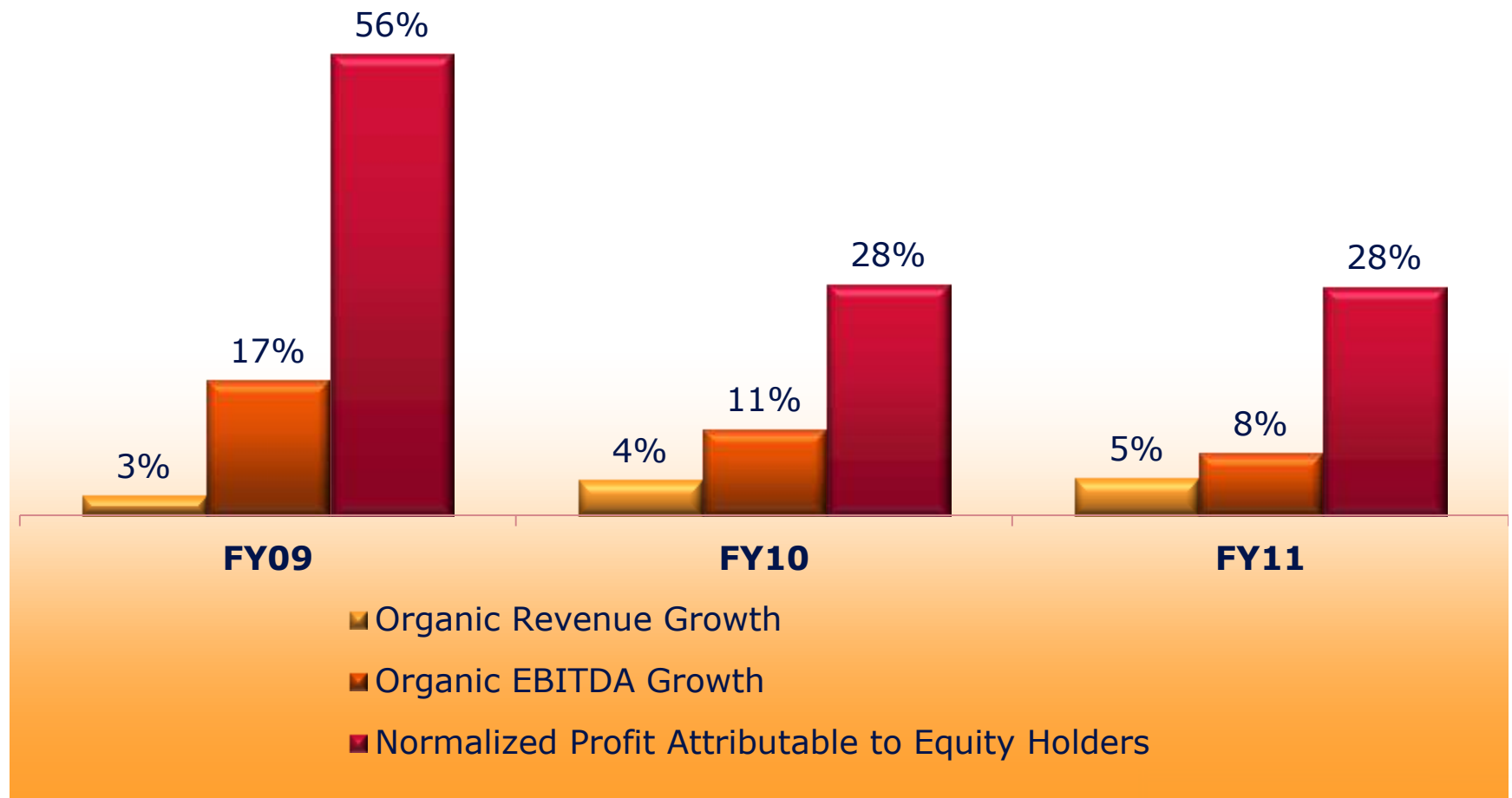
### Financial discipline

- **Focus on strong cash flow generation** (capex, working capital)
- Cost efficiency and management
- Risk management

**Driven by our powerful Dream-People-Culture platform**

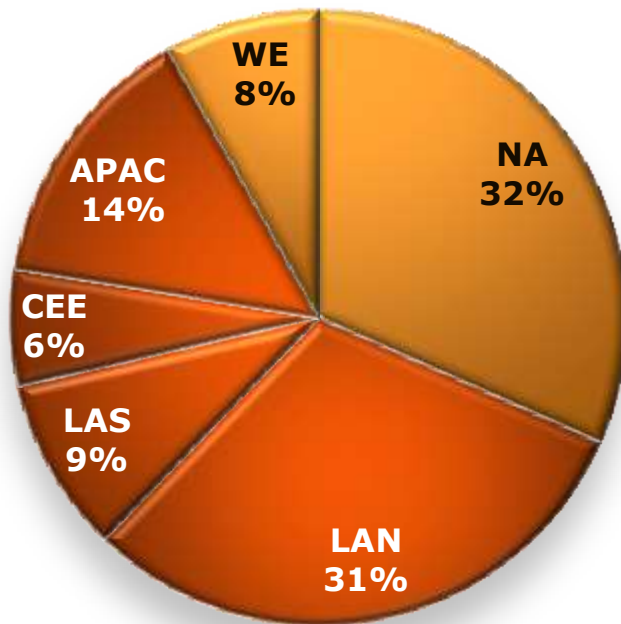


# Consistent P&L Growth Delivered Since our Combination with Anheuser-Busch in 2008

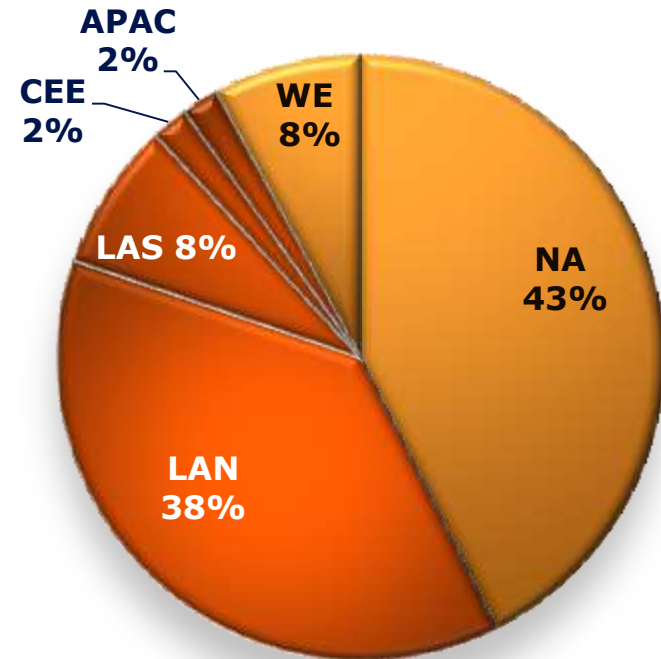


# A Balanced Exposure to Developed & Developing Markets

FY11 Volumes



FY11 EBITDA



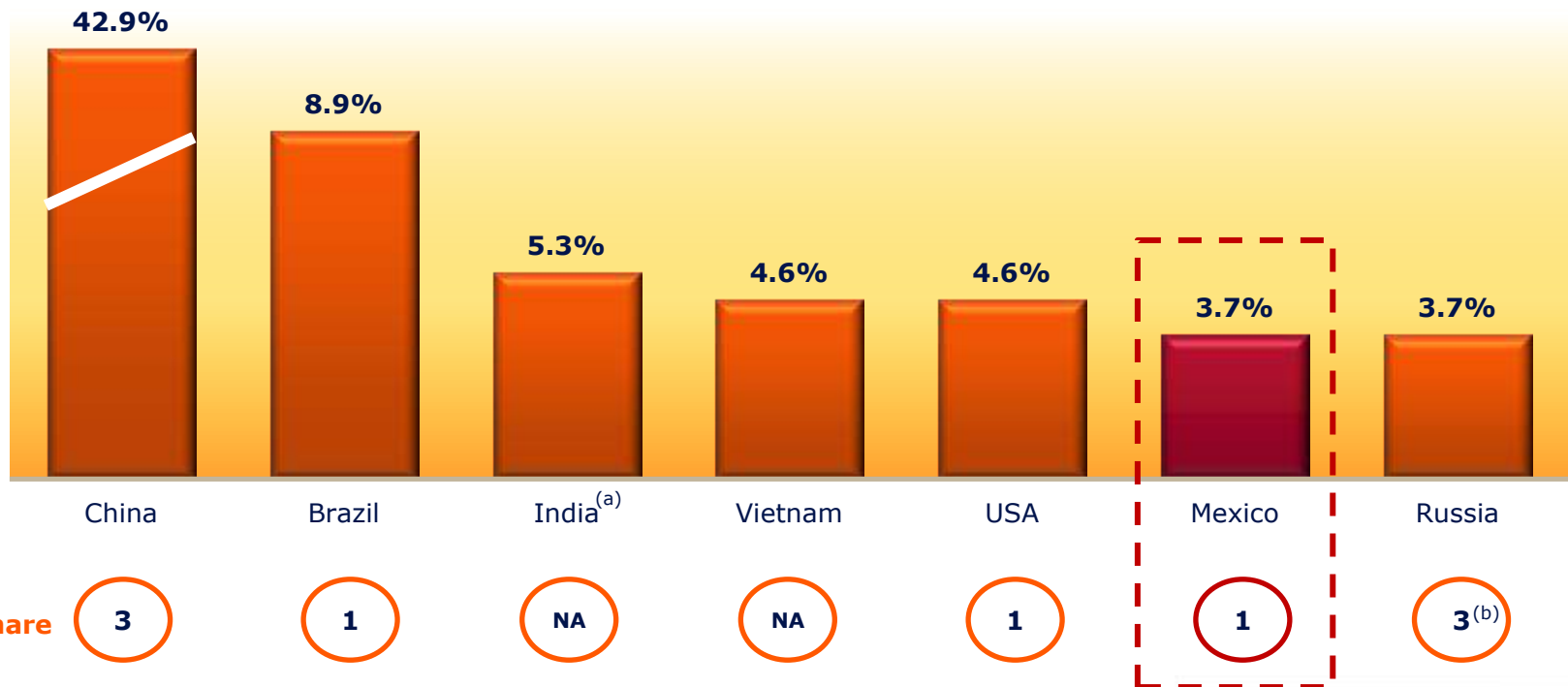
	Developed	Developing
Volume	40%	60%
EBITDA	50%	50%

Note: Does not depict Global Export & Holding Companies, which represent 2% of volumes and -1% of normalized EBITDA. Figures may not sum due to rounding

# Mexico – an additional source of growth

**Increases our exposure** to key volume growth markets

Estimated Contribution to Global Beer Volume Growth 2011-2020



AB InBev  
Market Share  
Position

3

1

NA

NA

1

1

3<sup>(b)</sup>

Source: Plato as of May 2012.

(a) AB InBev present through a joint venture.

(b) Post merger of Efes and SABMiller's assets.

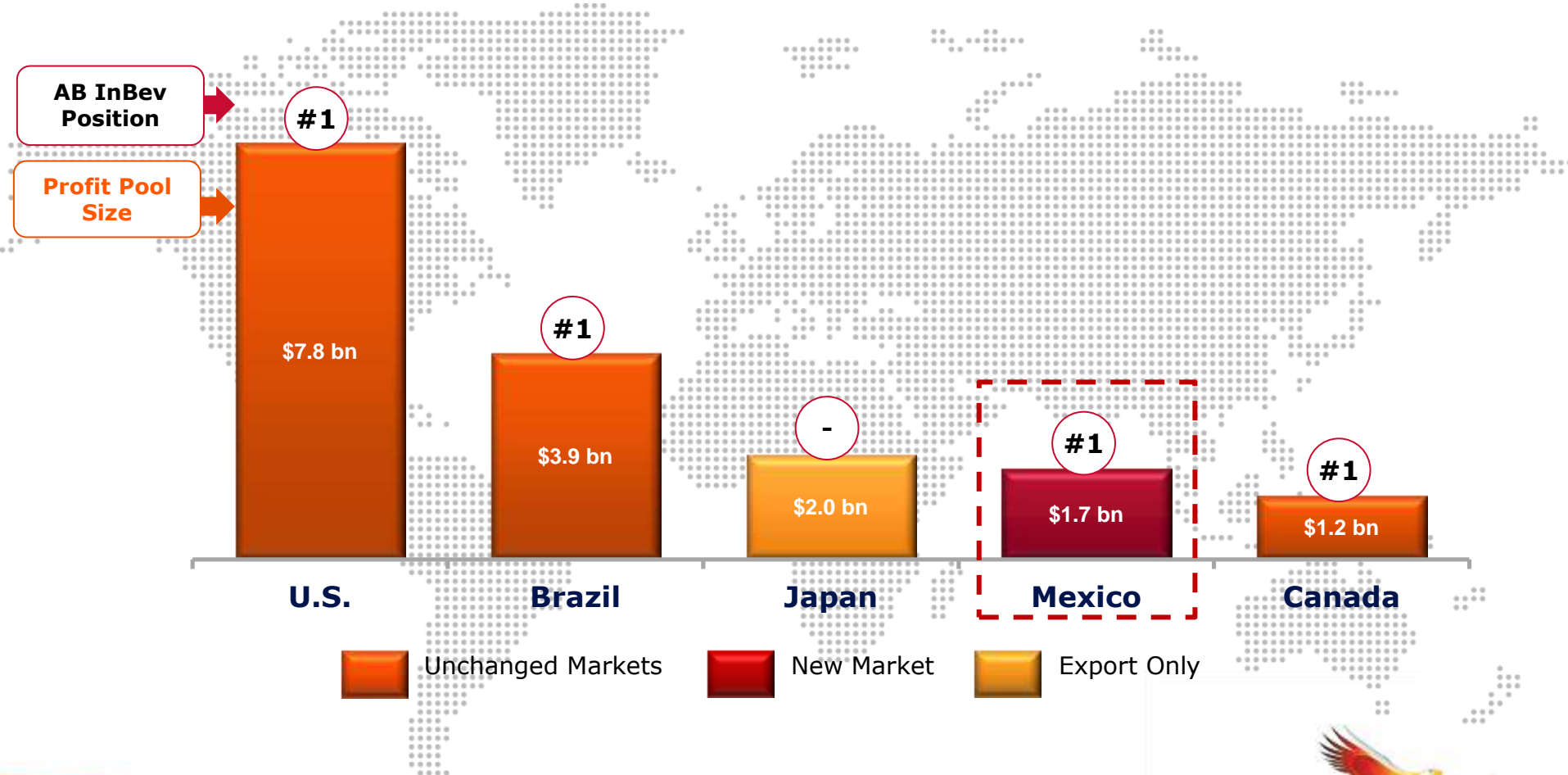
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# Mexico is the World's Fourth Largest Profit Pool

The combined company will hold the **#1 position** in 4 of the top 5 profit pools globally



Source: Nomura Research Report on European Beverages dated May 14<sup>th</sup>, 2012.

Note: Profit pool equals 2011 consolidated EBIT per market.

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# Our Focus Brands strategy ensures resources are concentrated on those brands with the greatest growth potential



**65%**  
of total volumes



**70%**  
of total volumes

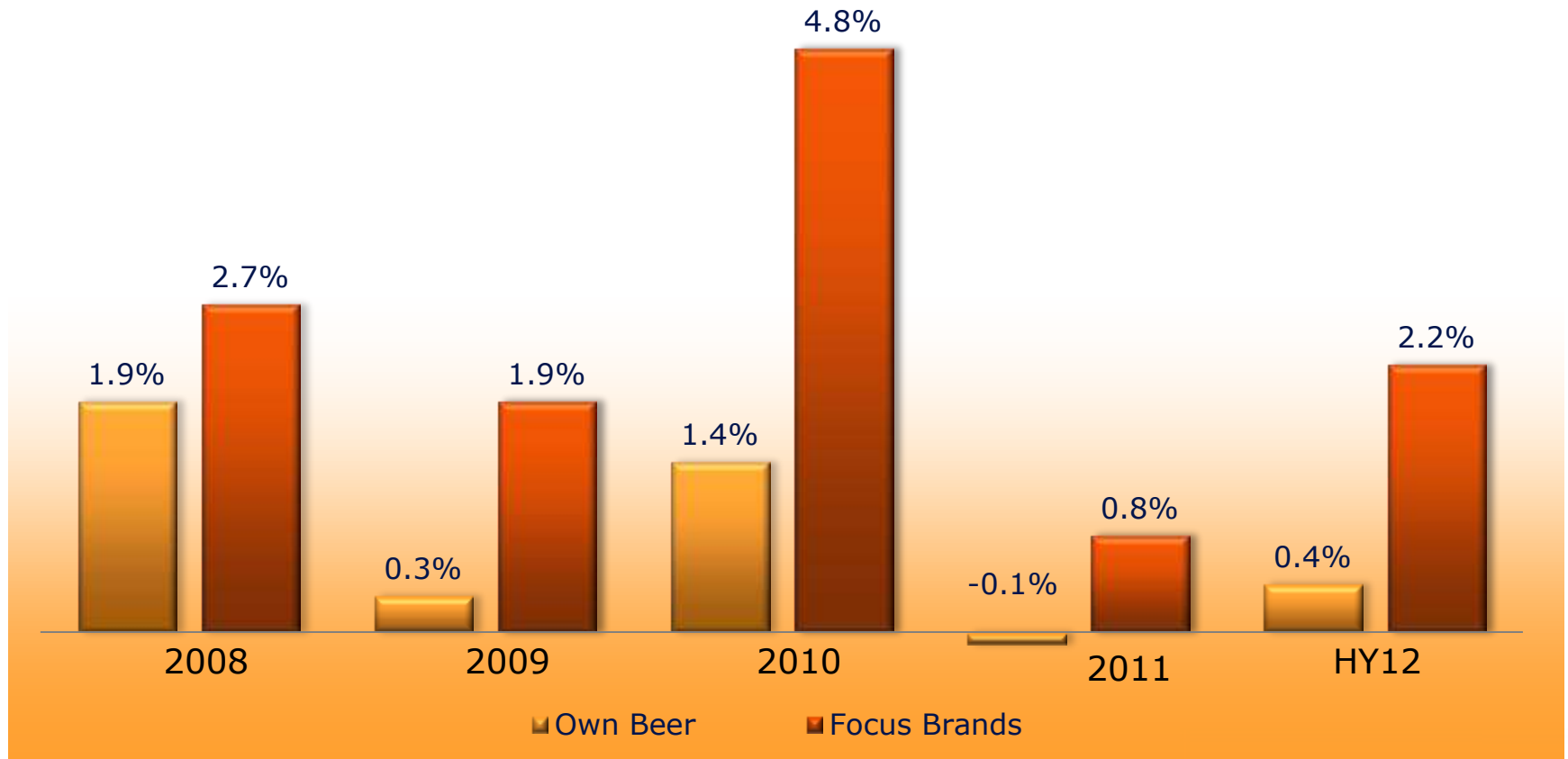


**96%**  
of total volumes



# Volume growth of our Focus Brands has outpaced the rest of our portfolio

*% volume growth*





## Our Dream

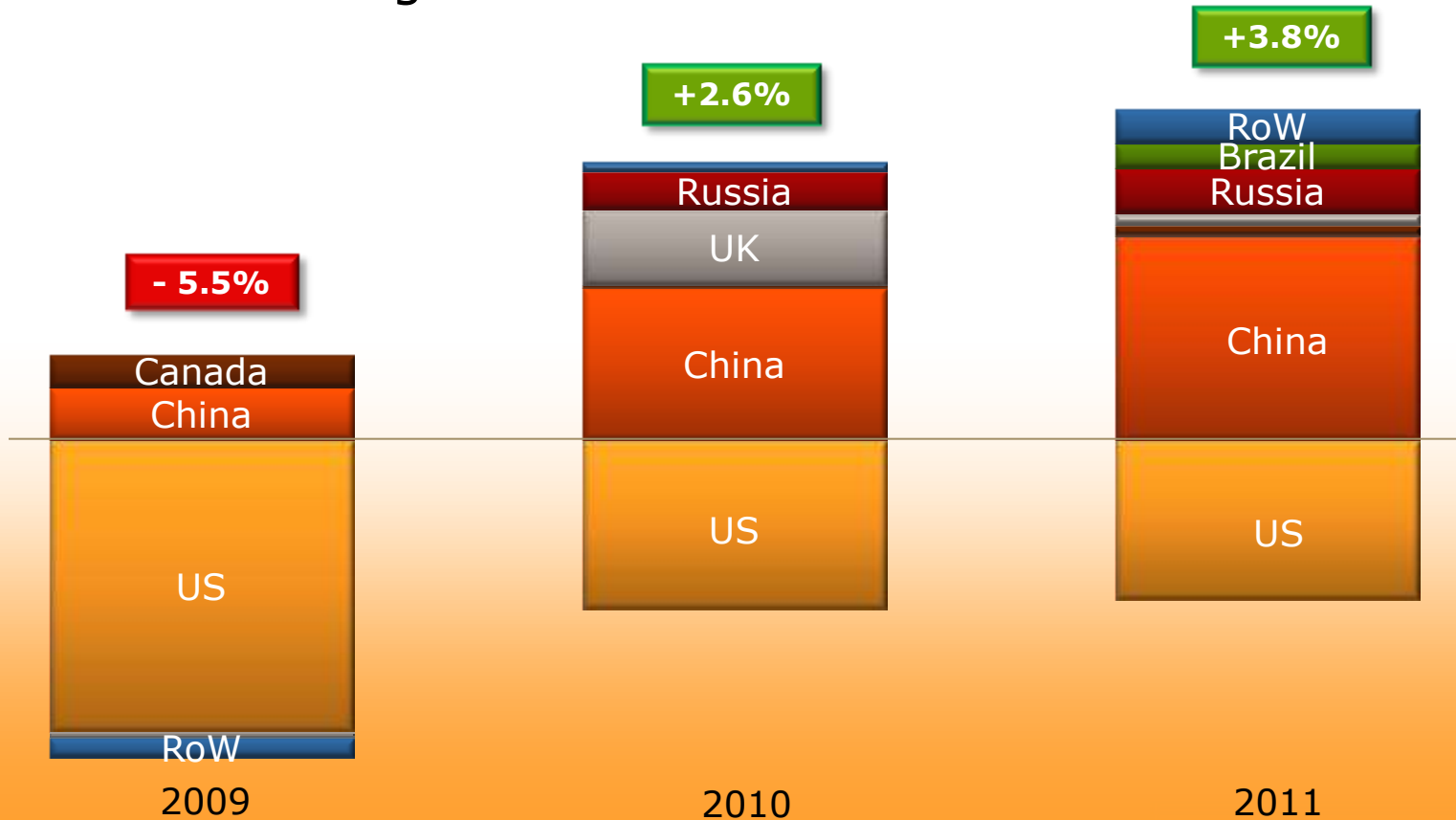
**“To become the 1<sup>st</sup> true global beer brand”**





# Global Budweiser is leading the way

Country contribution to global Budweiser volume growth:



# Consumer Demand Landscape – US hypothetical example



<i>Demand segment</i>		Experi- menters	Loyalists	Trend- setters	Aspirers	Light refreshers	Sweet sippers
<i>Need states</i>	<b>Party time</b>						
	<b>After sports reward</b>						
	<b>Sports companion</b>						
	<b>Relaxing together</b>						
	<b>TV companion</b>						
	<b>Let's eat</b>						

*Size of  
opportunity*





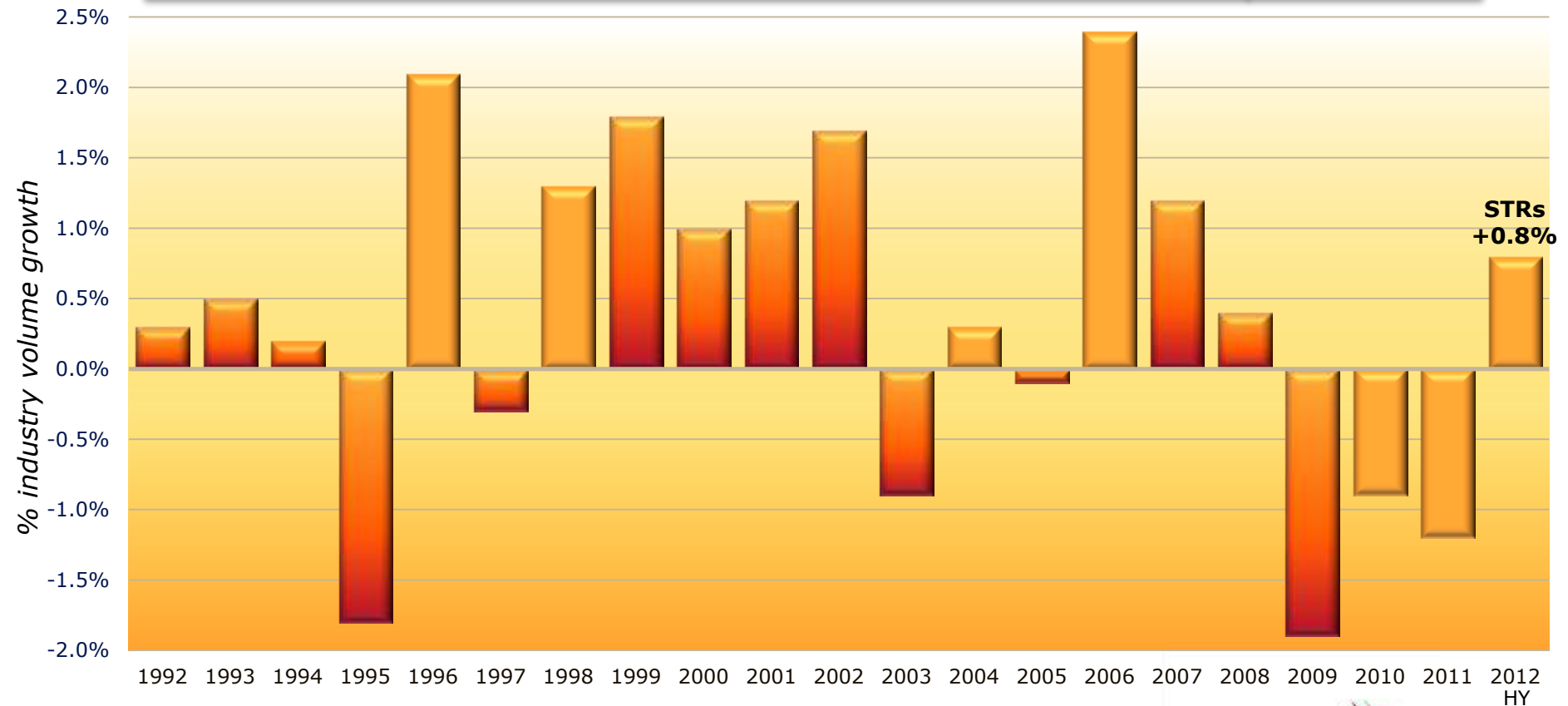
# United States



# 2012 - Encouraging Year with Positive Industry Volumes

CAGR  
(1991 - 2008)  
**+66 bps**

CAGR  
(2008-11)  
**-133 bps**



Source: Plato Logic, Beer Institute, Industry Sources, Company estimates

# Innovations and Renovations



January  
2012



February  
2012



March  
2012



April  
2012



May  
2012



Coming  
SOON



# Bud Light Platinum

- 1.1% share <sup>(1)</sup>
- More than 1 million barrels sold
- 2 new packs coming (22 oz. bottle and 18 pack of 12 oz. bottles)
- Less than 50% of volume sourcing from AB brands
  - Significant proportion coming from hard liquor and other beverages



(1) Source: IRI Syndicated data, FDMxC, Year to Date ended June 30, 2012



# Bud Light Lime – Lime-A-Rita



- #2 new beer brand behind Bud Light Platinum based on case & dollar sales <sup>(1)</sup>
- Over 2 million cases sold
- ~20% price premium <sup>(1)</sup>



# Budweiser – Stabilization



- Reappraisal of Budweiser by Millennials
- Grow brand health by sampling, trial and increased consideration
- Project 12
- Build awareness of Budweiser's role in music & culture





## Reigniting Budweiser's Music Roots

- Celebrating through music, the diversity of a generation who is making America great everyday
- JAY Z serves as the festival curator and headliner





# Bud Light NFL

- Continued fan focus, especially via FFL (Fantasy Football League)
- Building on last year's success in the 2<sup>nd</sup> year of the NFL contract





# Stella Artois – Awareness Drives Growth

Chalice initiatives



Best of Belgium promotions

# Goose Island – Expanded Distribution in 2012 and 2013







# Brazil

## We Remain Optimistic About the Future of Brazil

- Brazil continues to have a robust export sector, and a growing domestic economy
- In HY12, the beer Industry grew  $\sim 3\%$  and our Brazil beer volumes were  $+3.4\%$ , with share  $+30$  bps vs last year
- Revenue per hl growth was  $+7.2\%$  in 2Q12 and  $4.4\%$  in HY12
- We expect our beer volumes in Brazil to resume growth in FY12, with a better balance between volume and price than the previous year
- We expect FY12 beer revenue per hectoliter growth to be at least in line with inflation



# Brazil - Innovation Strategy

- Key platform for volume growth & market share gains since 2008
- Tapping different consumer needs & occasions
- Increasing product differentiation
- Creating new demand through pack price strategy

**BEFORE 2008**

**On-trade**



**Off-trade**



**2012**





# Antarctica Sub Zero: Overview

- Build healthier #3 brand in portfolio
- Rejuvenate the Antarctica franchise
- Strengthen regional strategy

## EXECUTION PLAN



**Comm.  
strategy**

**Emotional  
Benefit**

**Focus  
package**

**Returnable  
Glass Bottle  
(RGB)**

**Focus  
channel**

**On-Trade**

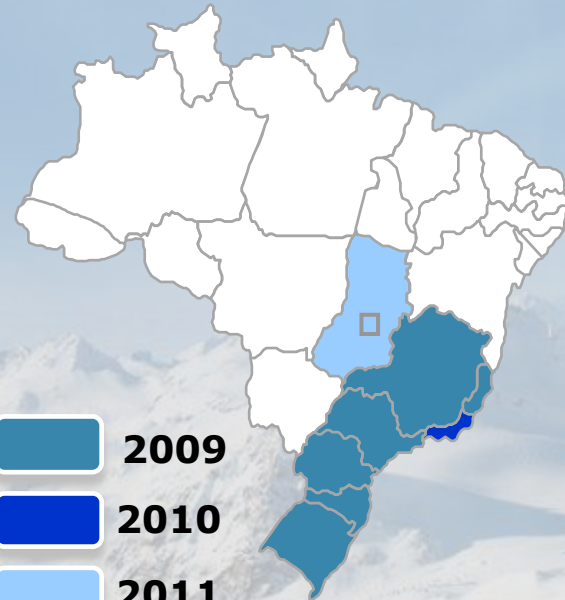


**Functional  
Benefit**

**One Way**

**Off-Trade**

## ROLL-OUT PLAN

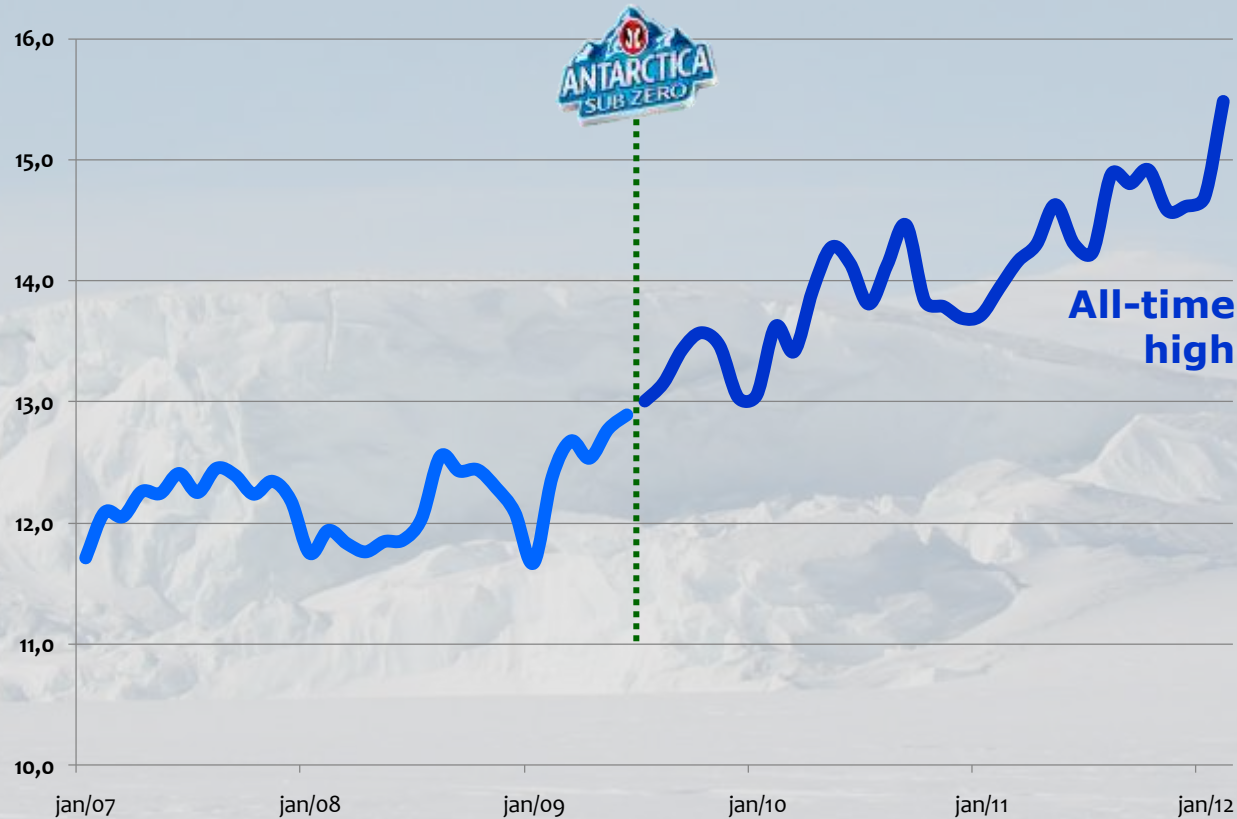


# Antarctica Sub Zero: Results

- Brazil's most important innovation in 2011 (1/3 of FY11 innovation volumes)
- Antarctica market share & brand preference are healthiest in 15 years



## ANTARCTICA MARKET SHARE EVOLUTION



Source: Nielsen.

# Brazil – Premium Performance

2 domestic & 2 global premium brands

Budweiser **expanding distribution**

**BOHEMIA**  
*Desde 1853*



Key image attributes	Daily premium	Successful international brand	Sophistication	Self-discovery
	Knowledge/ Creativity	Coolness	Status	Authenticity
Price Index Range	130 – 140	135 – 145	170 – 180	190 – 200

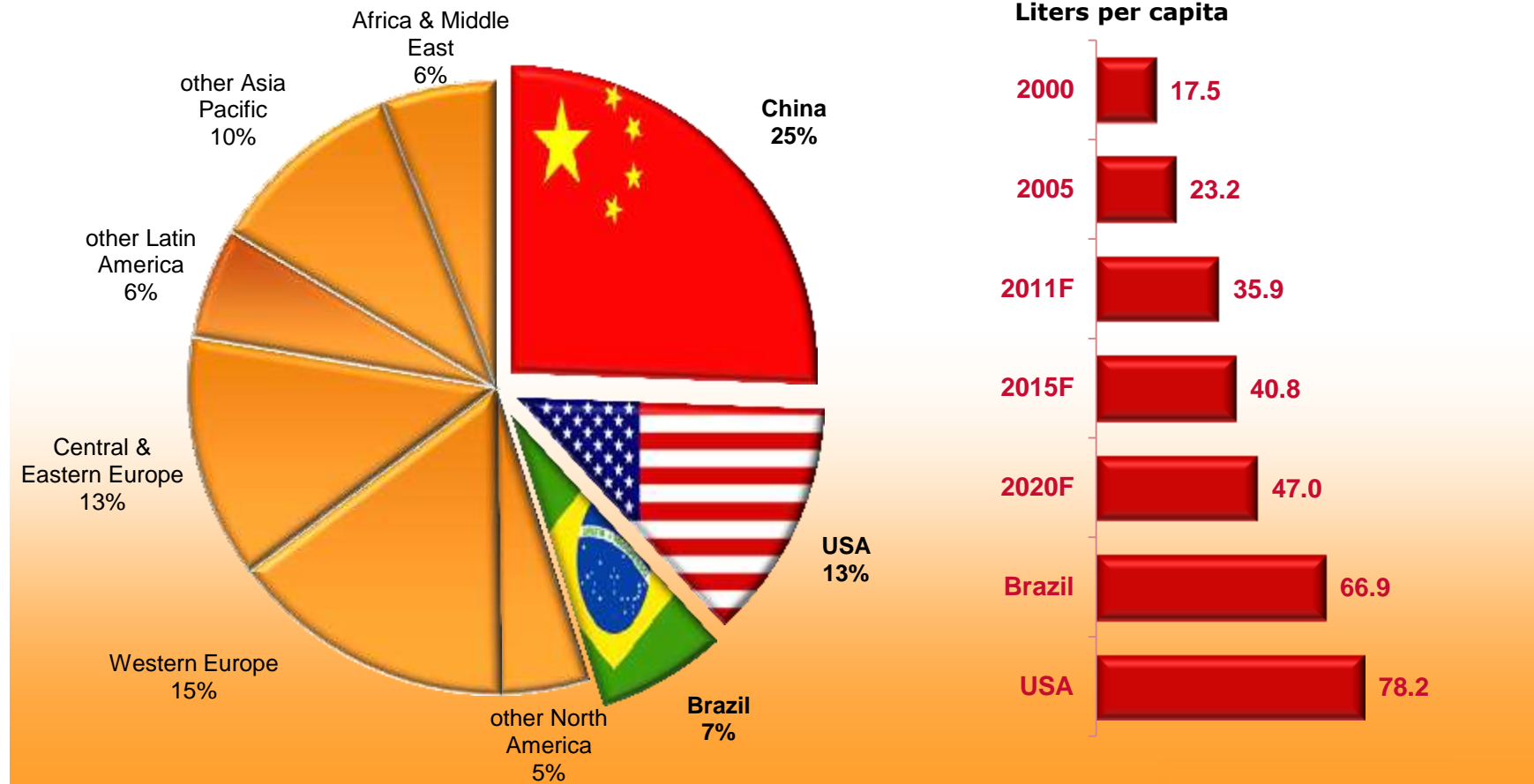






**China**

# China Represents 25% of the Global Beer Market by Volume, with Low but Rapidly Growing Per Capita Consumption

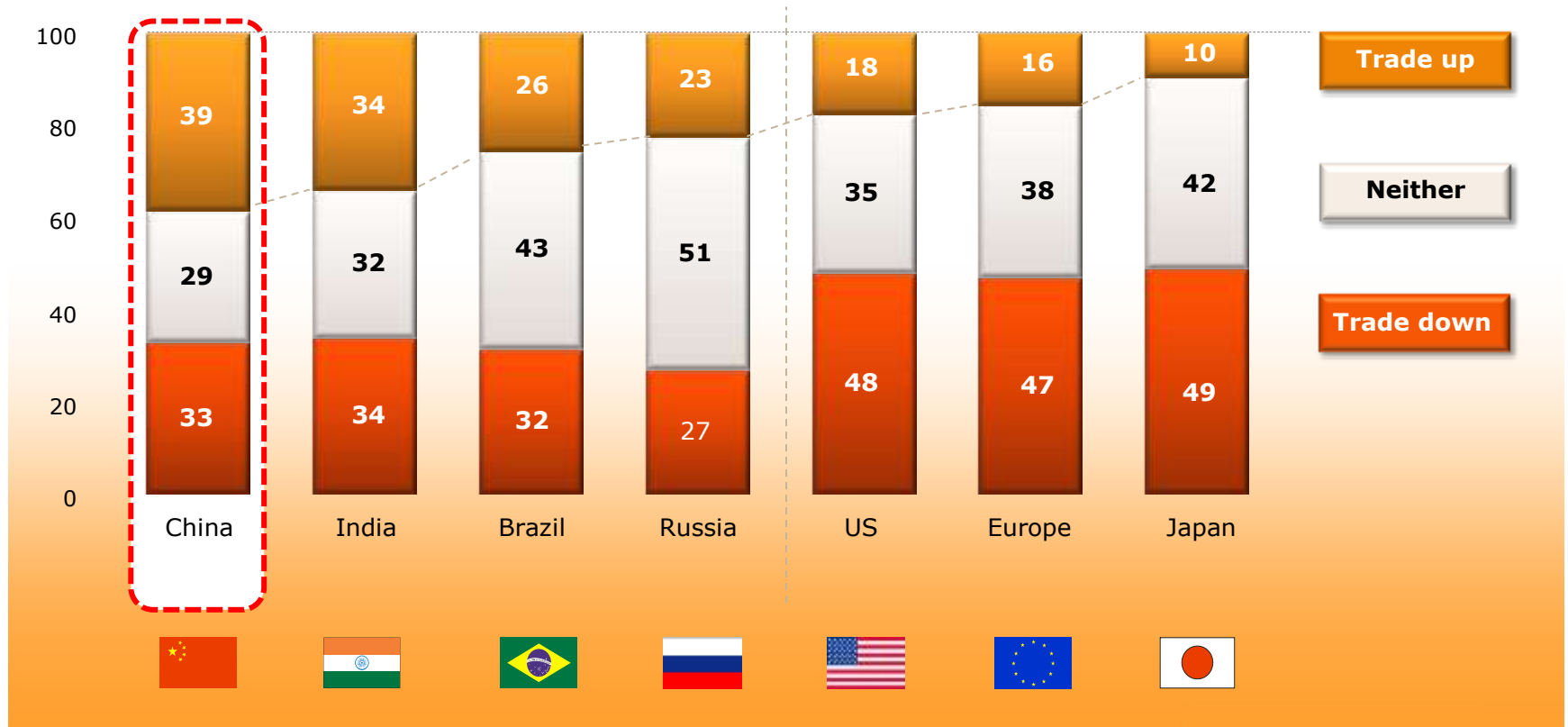


Source: Plato Logic, May 2012

# Chinese Consumers Have a High Preference for Trading-up

## Trading up/down tendency by country

% of respondents

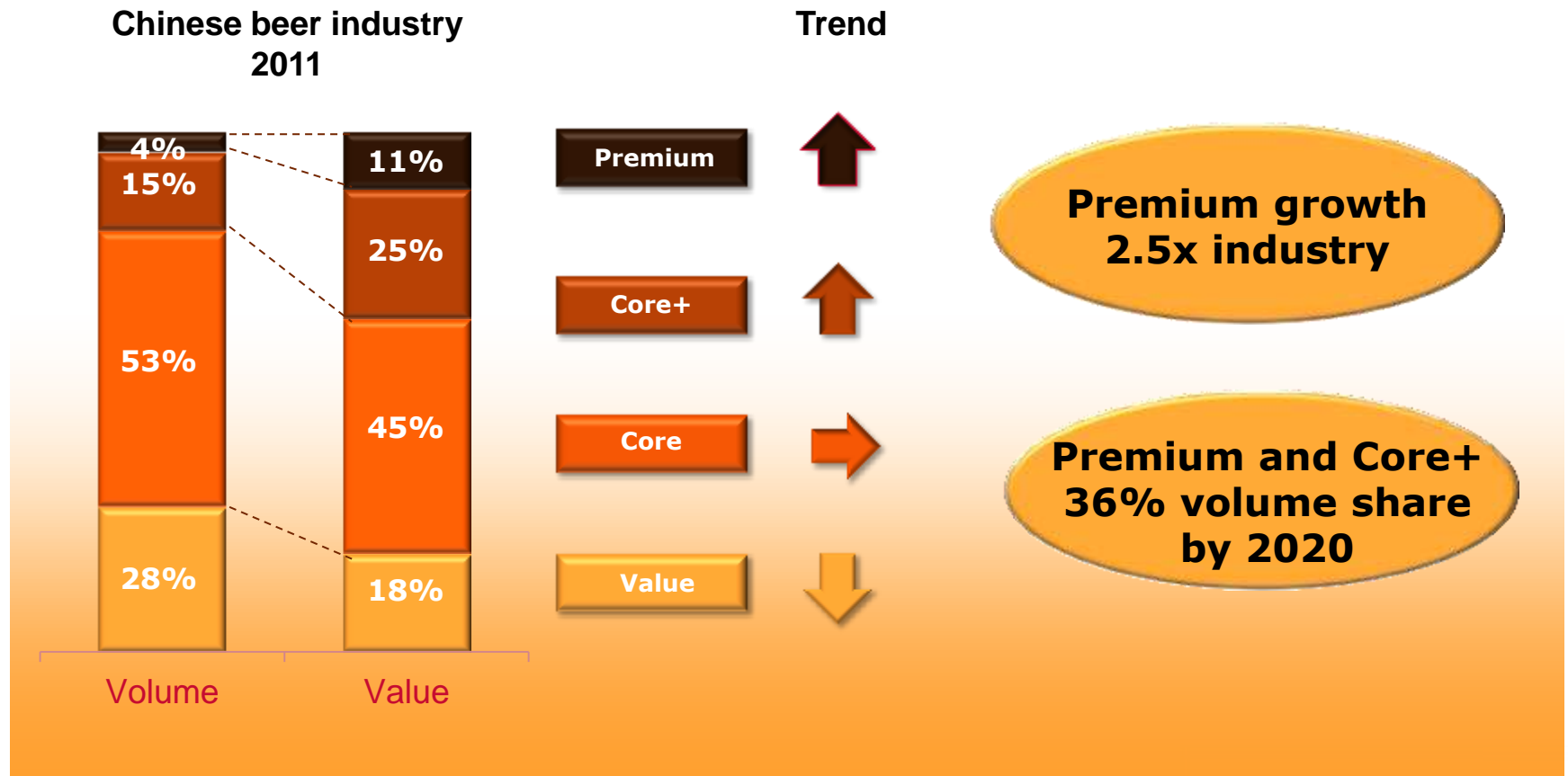


Source: BCG Global Consumer Sentiment Barometer





# This Tendency to Trade-up Creates a Significant Opportunity for Growth in Core+ and Premium Beers

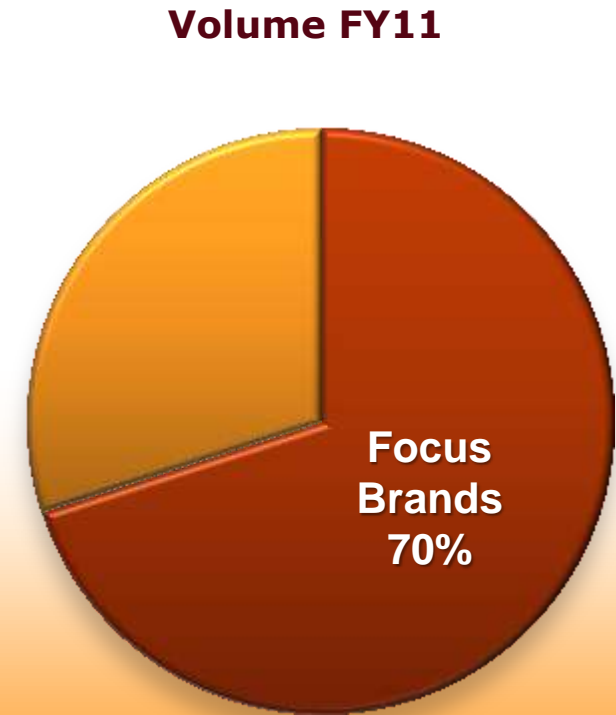


Source: AB InBev own estimates



# We are Well Positioned to Take Advantage of the Growth in Premium

		Price index
Premium		350
Core+	 Harbin Ice	200
Core	 	100
Value		<100



Source: AB InBev own estimates



Harbin is one of our growth engines  
in China



## Volume Performance:



## Brand Health:

Top 3 Favorite brand among  
18-29 year olds



# Harbin reinforces our position among young adult men

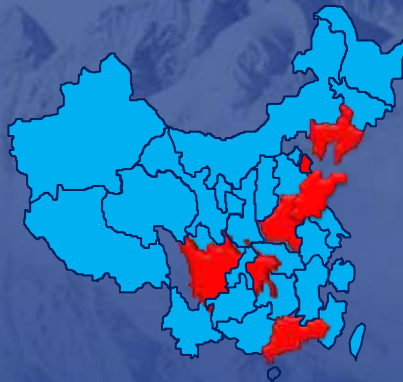


## "Coolest Beer Experience"

### Strong National Brand



### Expansion and Conversion



### Strengthen position in legacy market

Local connection



Local portfolio



### Innovation

Harbin Cooling



NBA Team Cans







# Uses of Cash

# Disciplined Approach to the Uses of Cash

- First priority ... investment in **organic growth** of the business
- **Optimal capital structure** of 2x net debt/EBITDA
- Post Grupo Modelo, we expect to be **below 2x** during 2014
- Understand the importance of growing dividends over time
- Goal to achieve a **dividend yield** comparable with other consumer goods companies (3% - 4%)





# Q&A