Annual Report 2005

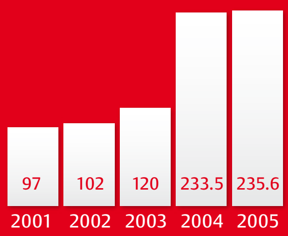
On track

FROM BIGGEST TO BEST

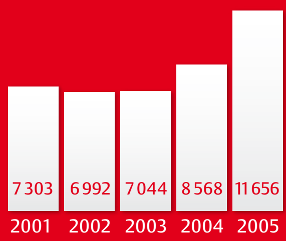
InBev

Key Figures[1]

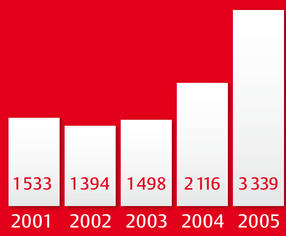
Volume[3]
MILLION HECTOLITERS



Revenue
MILLION EURO



EBITDA
MILLION EURO



Million euro, unless stated otherwise	2005	2004[2]	2003	2002	2001
Revenue	11 656	8 568	7 044	6 992	7 303
Normalized EBITDA	3 339	2 116	1 498	1 394	1 533
EBITDA	3 132	2 329	1 498	1 394	1 533
Normalized profit from operations	2 439	1 255	839	836	884
Profit from operations	2 198	1 314	839	728	884
Normalized profit attributable to equity holders of InBev	1 024	621	505	467	537
Profit attributable to equity holders of InBev	904	719	505	467	698
Normalized earnings per share before goodwill	1.71	1.69	1.45	1.51	1.44
Earnings per share before goodwill	1.51	1.95	1.45	1.51	1.44
Dividend per share (euro)	0.48	0.39	0.36	0.33	0.29
Pay out ratio (%)	32.3	31.2	30.8	26.2	25.8
Weighted average number of ordinary shares (million shares)	600	480	432	431	429
Diluted weighted average number of ordinary shares (million shares)	603	483	434	435	434
Share price high (euro)	37.5	29.1	23.2	34.5	37.5
Share price low (euro)	24.6	20.3	15.0	19.1	25.5
Year-end share price (euro)	36.8	28.5	21.2	22.5	30.8
Market capitalization	22 355	16 442	9 141	9 712	13 257
Normalized return on invested capital (%)	11.3	13.3	10.6	11.2	10.6
Return on invested capital (%)	10.3	15.0	10.6	10.2	10.6
Net capex	1 077	725	595	510	488
Cash flow from operating activities	2 286	1 384	1 151	1 045	1 053
Cash interest coverage	4.9	7.5	7.6	6.8	5.4
Net financial debt	4 867	3 271	2 434	2 583	2 662
Debt equity ratio	0.42	0.39	0.52	0.55	0.55

1 Refer to Glossary.
2 2004 as published, restated for the impact of the adoption of IFRS 2 *Share-based payment* (reduction of profit attributable to equity holders of InBev by 9m euro) and for the impact of the early adoption of the IAS 19 *Employee benefits* option to recognize actuarial gains and losses in full in the period in which they occur in the statement of recognized gains and losses (increase of profit attributable to equity holders of InBev by 9m euro).
3 As reported in the Guide to Our Business.

On track FROM BIGGEST TO BEST

2005—the year in which two very different companies and cultures came together—was an exciting and productive one for InBev. Our financial results show that we are on track to achieve our vision—going from Biggest to Best. There are many ways, of course, for a company to measure 'best'. In terms of profitability, reaching our goal of a 30% EBITDA margin by the end of 2007 is a simple and straightforward way of tracking it.

Much more important in the long run is what is really behind InBev's vision: the best brands, the best practices, the best people and the best execution when it comes to connecting with consumers.

This cursor arrow—which you will find on selected pages of the 2005 Annual Report—is a sign that you can find more in-depth information on the subject on our website. To see that extra information, please go to:

www.InBev.com/AnnualReport2005

With more than 24 million hectoliters sold in 2005,
Brahma is now the sixth largest beer in the world, one of the best selling beers in Brazil, and a key brand in our global portfolio.

Headlines & Highlights 2005

March 22, 2005

InBev spices up the beer industry with the global launch of Brahma, the beer with the true spirit of Brazil—'Ginga'

The launch spanned 15 countries in markets around the world. Brahma is packaged in an iconic, contoured bottle with an original curve, and captures the authenticity of Brazil, bringing the country's attitude and lifestyle to consumers around the globe.

May 27, 2005

Distribution rights for Beck's in the U.K. come back from Scottish & Newcastle

This agreement brought forward the date on which Beck's was fully integrated into the InBev portfolio in the U.K., reaching approximately 500 000 hectoliters in 2005.

June 28, 2005

Stella Artois taps into the Brazilian beer market

InBev announced the launch of Stella Artois in Brazil, following the success the brand experienced after its November 2004 launch in Argentina. Stella Artois will now also be produced at AmBev's brewery in the state of São Paulo.

June 30, 2005

InBev signs outsourcing agreement with IBM and BT for its information technology infrastructure

This initiative fits seamlessly into our current drive for superior efficiency and will provide InBev with state-of-the-art infrastructure.

July 18, 2005

InBev acquires Tinkoff Brewery in St. Petersburg

Russia's fourth-largest independent brewer in terms of capacity, Tinkoff immediately adds one of the fastest growing domestic super premium brands, as well as 2.3 million hectoliters of capacity (expandable to 4.8 million), to InBev's current Russian platform. The acquisition will act as a lever to InBev's organic growth in Russia, and is part of our strategic approach to targeted, value-creating external growth.

July 20, 2005

InBev sells stake in Bremer Erfrischungsgetränke to Coca-Cola

InBev's divestiture from Bremer Erfrischungsgetränke is a result of our commitment to releasing invested capital from a non-core asset, thereby enabling a sharper focus on our German beer business.

August 1, 2005

InBev and Lion Nathan New Zealand sign distribution agreement for Leffe and Hoegaarden in New Zealand

This distribution agreement follows LNNZ's success with InBev's premium portfolio of Belgian brands for several years. It reaffirms the commitment the two companies made in 2002, when they signed a ten-year license contract giving LNNZ the right to brew, distribute and market Stella Artois.

August 5, 2005

InBev sells stake in Spanish brewer Damm

The sale of InBev's minority stake in Damm is another example of our increased discipline in capital allocation, and is in line with InBev's objective of freeing up capital to focus resources on critical strategic initiatives.

September 2, 2005

InBev acquires 100 % ownership of KK's brewing activities in China

InBev acquired the remaining 30 % interest in KK's brewing activities, located in the Zhejiang Province. The transaction improves our position in the province, where InBev boasts a 50 % market share. It is also a further step in our move to consolidate and strengthen InBev's position in China.

Guide to Our Business

	Volumes all products YR 2005 (million hl) (1)	Market position YR 2005	Market share YR 2005 (1)	Number of beverage plants as per Dec 31, 2005	Trading names
Global	235.6	No. 1			
North America	**14.7**				
Canada	9.1	No. 2	41.0 %	6	Labatt Brewing Company Ltd
Cuba	0.9	No. 2	35.6 %	1	Cerveceria Bucanero S.A.
USA	4.7	No. 3 (5)	9.1 % (2)	1	InBev USA LLC
Latin America	**114.4**				
Brazil – Beer	62.4	No. 1	68.3 %	23 (12)	Companhia de Bebidas das Américas AmBev S.A.
Brazil – Soft Drinks	20.3	No. 2	17.3 %	4	Companhia de Bebidas das Américas AmBev S.A.
Dominican Republic – Beer	0.1	No. 2	4.5 %	1	Embotelladora Dominicana CXA (Embodom)
Dominican Republic – Soft Drinks	1.3	No. 1	61.8 % (15)	1	Embotelladora Dominicana CXA (Embodom)
Guatemala	0.4	No. 2	19.2 % (15)	1	Industrias Del Atlantica S.A.
Ecuador	0.3	No. 2	12.3 % (15)	1	Cervesur S.A.
Peru – Beer	0.3	No. 2	4.8 % (15)	1	Compañia Cervecera AmBev Peru S.A.C.
Peru – Soft Drinks	2.1	No. 2	17.0 % (15)	1	Compañia Cervecera AmBev Peru S.A.C.
Venezuela – Beer	2.1	No. 3	14.2% (15)	1	CA Cervecera National (CACN)
Bolivia (11)	2.3	No. 1	97.3 %	4	Cervecería Boliviana Nacional S.A.
Paraguay (11)	2.0	No. 1	96.0 %	1	Cervecería Paraguaya S.A.
Uruguay – Beer (11)	0.7	No. 1	97.3 %	2	Uruguay FNC S.A.
Uruguay – Soft Drinks (11)	0.4	–	13.3 %	0	Uruguay FNC S.A.
Argentina – Beer (11)	10.9	No. 1	77.8%	6	Maltería Quilmes S.A.I.C.A. y G.
Argentina – Soft Drinks (11)	8.2	No. 2	19.9%	5	Maltería Quilmes S.A.I.C.A. y G.
Chile (11)	0.6	No. 2	11.6 %	1	Cervecería Chile S.A.
Western Europe	**39.7**				
Belgium	6.3	No. 1	57.2 % (15)	4	InBev Belgium S.A.
France	2.4	No. 3	9.0 %	0	InBev France S.A.S.
Luxembourg	0.2	No. 1	45.1 %	1	Brasserie de Luxembourg Mousel-Diekirch S.A.
Netherlands	2.4	No. 2	13.8 %	2	Interbrew Nederland NV
U.K. (3)	12.3	No. 2	18.8 %	3	InBev U.K. Ltd
Germany – Beer	10.3	No. 2	10.1 %	8	InBev Deutschland Vertriebs GmbH & Co. KG
Germany – Soft Drinks	0.5 (4)	–	–	0	InBev Deutschland Vertriebs GmbH & Co. KG
Italy	1.4	No. 4	8.0 %	0	InBev Italia srl
Export/Licenses as handled by Western Europe Zone	3.9	–	–	–	
Central & Eastern Europe	**38.0**				
Bulgaria	1.4	No. 1	31.4 %	2	Kamenitza AD
Croatia	1.5	No. 1	42.1 %	1	Zagrebacka Pivovara D.D.
Czech Republic	2.3	No. 2	14.4 %	3	Pivovary Staropramen a.s.
Hungary	2.2	No. 1	29.2 %	1	Borsodi Sorgyar Rt
Serbia-Montenegro	3.0	No. 1	46.0 %	2	Trebjesa AD
Romania	2.6	No. 3	16.6 %	3	Interbrew Romania S.A., Interbrew Efes Brewery S.A.
Russia	15.4	No. 2	17.6 %	9	Open Joint Stock Company SUN Interbrew
Ukraine – Beer	7.7	No. 1	35.8 %	3	Open Joint Stock Company Sun Interbrew Ukraine LLC
Ukraine – Soft Drinks	0.7	–	–	0	Open Joint Stock Company Sun Interbrew Ukraine LLC
Export/Licenses as handled by Central & Eastern European affiliates	1.2	–	–	–	
Asia Pacific	**27.0**				
China (10)	19.2	No. 3 (7)	9.2 % (7) (16)	27 (13) (7)	InBev Management (Shanghai) Co. Ltd., Zhuijang Beer Group Company
South Korea	7.2	No. 2	41.7 %	3	Oriental Brewery Co, Ltd
Export/Licenses as handled by Asia Pacific region	0.6	–	–	–	
Global Exports/Licenses (8)	1.8	–	–	–	–

1 Pro forma full 12-month volumes and shares according to scope on Dec 31, 2005.
2 Within segment 'Imports and Domestic Specialities'. Excludes Mexican FEMSA-brands.
3 Excludes Beck's U.K. volumes as handled by S&N.
4 Excludes Coca-Cola bottling activities.
5 Within segment 'Imports'.
6 Registered brands owned by our partners.
7 Zhujiang counted for 100 %.
8 Sales under responsibility of the central International department.

Global brands				Main local brands
Beck's	Brahma	Stella Artois	Leffe	Alexander Keith's, Boomerang, Budweiser [9], Kokanee, Labatt Blue, Blue Light, Labatt Sterling, Labatt Ice, Wildcat
Beck's				Bucanero [6], Bucanero Malta [6], Cristal [6], Mayabe [6]
Beck's	Brahma	Stella Artois	Leffe	Bass, Belle-Vue, Bohemia, Boddington's, Labatt Blue, Blue Light, Haake-Beck, Hoegaarden, Löwenbräu, Rolling Rock, Rock Green Light, St. Pauli Girl
	Brahma	Stella Artois		Antarctica, Bohemia, Caracu, Kronenbier, Polar, Serramalte, Skol
				Guarana Antarctica, Pepsi [9]
	Brahma			
				Pepsi [9], 7Up [9], Red Rock
	Brahma [14]			
	Brahma			
	Brahma			
				Concordia [9], Pepsi [9], Triple Kola [9]
	Brahma			
				Ducal [6], Pacena [6], Taquina [6]
	Brahma			Baviera [6], Ouro Fino, Pilsen [6]
				Nortena [6], Patricia [6], Pilsen [6]
	Brahma	Stella Artois		Andes [6], Iguana [6], Norte [6], Quilmes [6], Quilmes Cristal [6]
				7Up [9], Pepsi [9]
	Brahma			Baltica [6], Becker [6]
Beck's	Brahma	Stella Artois	Leffe	Belle-Vue, Hoegaarden, Jupiler
Beck's	Brahma	Stella Artois	Leffe	Boomerang, Hoegaarden, La Bécasse, Loburg
Beck's	Brahma	Stella Artois	Leffe	Belle-Vue, Diekirch, Jupiler, Mousel
Beck's	Brahma	Stella Artois	Leffe	Dommelsch, Jupiler, Hertog Jan, Hoegaarden, Oranjeboom
Beck's	Brahma	Stella Artois	Leffe	Bass, Boddington's, Castlemaine XXXX [9], Hoegaarden, Labatt, Murphy's [9], Oranjeboom, Rolling Rock, Staropramen, Tennent's
Beck's		Stella Artois	Leffe	Diebels Alt, Diebels Light, Dimix, Franziskaner, Gilde, Haake-Beck, Hasseröder, Lindener, Löwenbräu, Schwarzer Herzog, Spaten, Staropramen, Wolters
Beck's		Stella Artois	Leffe	Tennent's Super
Beck's		Stella Artois	Leffe	
Beck's		Stella Artois	Leffe	Astika, Burgasko, Kamenitza, Pleven, Slavena
Beck's		Stella Artois	Leffe	Izzy, Ozujsko
Beck's		Stella Artois	Leffe	Branik, Kelt, Mestan, Ostravar, Staropramen, Vratislav, Velvet
Beck's		Stella Artois	Leffe	Borostyan, Borsodi Barna, Borodi Bivaly, Borsodi Polo, Borsodi Sör, Holsten [9]
Beck's		Stella Artois		Jelen, Nik Cool, Nik Gold, Niksicko Pivo, Niksicko Tamno
Beck's		Stella Artois	Leffe	Bergenbier, Caraiman [9], Efes [9], Noroc
Beck's	Brahma	Stella Artois	Leffe	Bagbier, Klinkskoe, Pikur, Premier, Rifey, Sibirskaya Korona, Staropramen, T, Tinkoff, Tolstiak, Volzhanin
Beck's	Brahma	Stella Artois	Leffe	Chernigivske, Rogan, Staropramen, Taller, Yantar
Beck's				Baisha, Double Deer, Jinling Yali, Jinlongquan, KK, Lulansha, Santai, Shiliang, Zhujiang [6], Supra [6], Zhujiang Fresh [6]
Beck's	Brahma	Stella Artois	Leffe	Budweiser [9], Cass, Cafri, OB
Beck's	Brahma	Stella Artois	Leffe	
Beck's	Brahma	Stella Artois	Leffe	

9 'Brewed under license' or 'bottled under exclusive bottling agreement'.
10 Excludes the acquisition of Fujian Sedrin as closed in 2006. Fujian Sedrin adds over 8 million hl to InBev China.
11 QUINSA-affiliates; pro rata consolidated into the financial part of this Annual Report.
12 Brazil: 12 pure breweries and 11 mixed plants.
13 Includes breweries and bottling plants.
14 Brahva.
15 Not directly comparable to reported 2004 shares due to changed tracking methologies.
16 Based on final market numbers for China; the comparable 2004 share is 9.0 %.

Thought Stella Artois required skill to brew? You should see the expertise it takes to pour. When you brew a beer as perfect as Stella Artois, you're going to be just a bit picky about how it is served. Which is why we like barmen to follow a carefully organized ritual when they pour it. This includes everything from rinsing the glass, to cutting the excess foam from the top of the beer. And even making sure the logo on the beermat and glass are turned to face the customer. Which might sound fussy to you. But then we're fussy about everything when it comes to our beer.

Management

The Executive Board of Management (EBM) is InBev's global leadership team. It has played a major role in keeping InBev on track to achieve our vision. The EBM's complementary skill sets give our company excellent leadership capabilities across all aspects of the business.

The team has demonstrated the ability to consistently integrate new businesses while delivering sustainable growth. Members come from both AmBev and the former Interbrew. The EBM has integrated best practices from both companies to create a new InBev way of working.

Letter to Shareholders

2005 was the first full year that InBev operated as a single, integrated global organization, speaking with one voice, and starting to apply best practices across disciplines and borders. Our normalized EBITDA margin for 2005, at 28.6 %, was up organically 193 basis points from 2004. This growth demonstrates the soundness of our business strategy and places us firmly on track to reach our target of 30 % EBITDA margin by 2007.

InBev has an ambitious dream which is not easy to reach, but we are determined to stretch and achieve it. This dream—this vision—is to go from Biggest to Best. It is a great vision, because it's is all about winning, for shareholders and employees alike.

In 2005, there was a tremendous amount of rapid change for the company, and although this will not win us any races, it is a foundation on which we can build the best brands, the best practices and processes, the best people and the best connections with our consumers.

We launched comprehensive training and leadership programs, and rolled out an entirely reformulated corporate culture based on new values and incentives. We initiated a target-setting program which rewards employees based on individual performance. This program represents a sea change in how the company operates, bringing greater focus on the achievement of targets. Every person at InBev is now truly taking full ownership in his or her personal role, and has a real, tangible stake in the success of the company. InBev is working to build its business with the right people—people who live the company culture.

In terms of financial performance, this year was a particularly good one for InBev. Our normalized EBITDA grew 15 % organically and our normalized EBITDA margin grew from 26.1 % to 28.6 %.

Our volume grew 5.4 % organically. Beer volume reached 192 million hectoliters and our soft drink volume reached 32 million hectoliters. All our Zones grew EBITDA organically year-over-year, and three out of the five Zones grew volume organically.

Our global brands also had a very good year: Stella Artois grew by 1.1 %; Beck's by 13.5 %; Brahma by 15.9 %; and Leffe by 10.3 %. These four global brands are well-positioned in many different markets, creating enduring bonds with consumers by providing experiences that bring people together.

In terms of targeted external growth—with the key word being 'targeted'—we are also on track. Our acquisition of Tinkoff in St. Petersburg was critical to InBev's continued success in that expanding market. Acquiring Tinkoff immediately increased our capacity by more than 2 million hectoliters, which, over time, is expandable to nearly 5 million hectoliters. In China, InBev's buyout of the KK minority stake strengthened our position in that exciting, important market. We now have a leading presence in the most affluent, southeastern part of the country.

We successfully integrated corporate responsibility into our business strategy, publishing InBev's first online Global Citizenship Report, as well as our Corporate Governance Statement, Code of Business Conduct and Code of Dealing. We replaced our Code of Marketing Conduct—which applies to all our brand-related and commercial communications—with a revised Commercial Communications Code, incorporating values from both Interbrew and AmBev.

In just one year, InBev has become a truly global brewer, integrating two corporate cultures. There has been a host of changes, and there will be more as the organization sharpens its focus on consumers. There is no question that our company today has matured from the company it was just a few years ago. But at the end of the day, our results show this to be a positive change.

Pierre Jean Everaert
CHAIRMAN OF THE BOARD

Carlos Brito
CHIEF EXECUTIVE OFFICER

On track

InBev's normalized EBITDA grew 15% organically and our normalized EBITDA margin increased from 26.1% to 28.6%, demonstrating the soundness of our business strategy.

Executive Board of Management

Carlos Brito
Zone President, North America, 2005
Chief Executive Officer, 2006

Born in 1960, Carlos joined AmBev in 1989. His previous employers were Shell Oil and Daimler Benz. A Brazilian citizen, 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. He was made Zone President, North America when InBev was formed in August 2004, before being appointed Chief Executive Officer in January 2006.

Claudio Garcia
Chief Information & Services Officer

Born in 1968, Claudio joined AmBev as a trainee in 1991, after receiving a degree in Economics from the Federal University of Rio de Janeiro. A Brazilian citizen, Claudio held various positions in Finance and Operations before being appointed IT & Shared Services Director in 2002. Claudio took the position of Chief Information & Services Officer for InBev in January 2005.

Luiz Fernando Edmond
Zone President, Latin America

Born in 1966, Luiz Fernando joined AmBev in 1990 after starting his professional career with Banco Nacional in Brazil. A Brazilian citizen, Luiz Fernando holds a degree in Production Engineering from the Federal University of Rio de Janeiro. At AmBev, he held various positions in the commercial area, Operations and Distribution. He was appointed InBev's Zone President, Latin America in January 2005.

Brent Willis
Zone President, Asia Pacific

Born in 1960, Brent joined Interbrew in 2002 as Chief Marketing & Sales Officer. Brent began his career as a Captain in the U.S. Army. He then worked at Kraft and later Coca-Cola, where he held various senior general management and commercial leadership roles. An American citizen, Brent holds a BSc in Engineering from the United States Military Academy at West Point and an MBA from the University of Chicago. He was appointed Chief Commercial Officer in September 2003, and became Zone President, Asia Pacific in July 2005.

Steve Cahillane
Chief Commercial Officer

Born in 1965, Steve joined Labatt USA in 1998 as Vice President, Sales, and two years later became President of that organization. An American citizen, Steve earned a BA from Northwestern University and an MBA from Harvard. Steve began his career as a Sales Representative for E&J Gallo Wineries. He then became General Sales Manager for Gallo, and later set up his own craft brewery in Chicago. He served as President of Interbrew U.K. & Ireland from 2003, and was appointed Chief Commercial Officer at InBev in August 2005.

Peter Vrijsen
Chief People Officer

Born in 1954, Peter joined Interbrew in 2003. A Dutch citizen, he holds a Masters in Organizational Development from the University of Tilburg. Prior to Interbrew, Peter held several international Human Resources positions at General Electric, Royal Packaging van Leer and Metro Cash & Carry.

Sabine Chalmers
Chief Legal & Communications Officer

Born in 1965, Sabine joined InBev in 2004 from Diageo, where she held a number of senior legal positions since 1993, including General Counsel, North America. Prior to Diageo, Sabine was an associate at Lovells in London, specializing in M&A and commercial property transactions. A German citizen, Sabine 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 provides expertise on all legal aspects of InBev's operations and acts as Secretary to the Board.

John Brock
Chief Executive Officer, 2005

Born in 1948, John joined Interbrew as its Chief Executive Officer in February 2003, bringing with him almost 25 years of experience in the global beverage industry. An American citizen, John holds an MSc in Chemical Engineering from the Georgia Institute of Technology. John started his professional career at Procter & Gamble before joining Cadbury Schweppes in 1983. He held senior positions in a number of geographies, was appointed to the Cadbury Schweppes Board in 1996, and became Chief Operating Officer of that company in 2000.

Stéfan Descheemaeker
Zone President, Central & Eastern Europe, 2005
Zone President, Western Europe, 2006

Born in 1960, Stéfan joined Interbrew in 1996. He began his professional career with the Belgian Ministry of Finance, and then moved on to Banque Paribas. A Belgian citizen, Stéfan holds a degree in Commercial Engineering from the Solvay Business School in Brussels. At Interbrew, he led Business Development & External Growth Strategy from 1996 to 2004. He was appointed Zone President, U.S. & Latin America in 2003. In 2005, Stéfan became Zone President, Central & Eastern Europe. In December 2005, he took over the Western European Zone and was appointed to the Convergence Committee.

André Weckx
Chief Technical Officer

Born in 1953, André joined Interbrew in 1982 as Plant Manager for Diamond Breweries in Nigeria. He started his professional career with the Beltex Corporation in Texas. A Belgian citizen, André holds a degree in Chemical Engineering & Agricultural Industries from the University of Leuven. At Interbrew, he worked as a Plant Manager in various international locations, and then held senior Operations positions before being appointed Chief Technical Officer in September 2003.

Stewart Gilliland
Zone President, Western Europe, 2005

Born in 1957, Stewart joined Whitbread in 1984 from Pedigree Petfoods (Mars Group). A British citizen, Stewart holds a BA (Hons) in Business Studies. He held various positions in Marketing and Sales at Whitbread and Interbrew U.K., where he was made Chief Executive in 2001. In September 2003, he was appointed Zone President, Canada, and later became InBev's Zone President for Western Europe.

Felipe Dutra
Chief Financial Officer

Born in 1965, Felipe joined AmBev in 1990 from Aracruz Cellulose. A Brazilian citizen, Felipe holds a degree 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 January 1999, Felipe was named AmBev's Chief Financial Officer; in January 2005, he became InBev's Chief Financial Officer.

Jo Van Biesbroeck
Chief Strategy & Business Development Officer

Born in 1956, Jo joined Interbrew in 1978. He holds a degree in Economics from the University of Leuven. A Belgian citizen, Jo's career at Interbrew has included various positions in Controlling and Finance. He became Senior Vice President, Corporate Strategy in 2003. In December 2004, Jo was appointed Chief Strategy & Business Development Officer.

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새로워진
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더욱 잡기 편하게
CASS
Fresh
PAB
SOUND OF VITALITY
CASS
Fresh

Markets

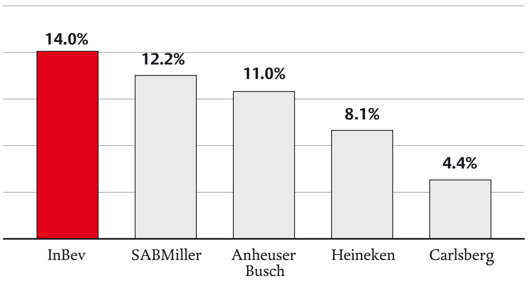
InBev's operations are divided into five geographic Zones: North America, Latin America, Western Europe, Central & Eastern Europe and Asia Pacific. Each area is headed by a Zone President, who also serves on the Executive Board of Management.

Our Global Vision

As we pursue our journey from Biggest to Best, the message is clear—InBev is on track. Our geographical footprint emphatically demonstrates the logic of the AmBev-Interbrew combination, and generates a good balance between developing and developed markets. We are outpacing the industry in terms of growth, in implementing best-practice efficiency programs and in tackling costs through aggressive use of Zero-Based Budgeting.

InBev is focusing on critical objectives in the areas of efficiency, price/mix movement, organic volume growth and organic revenue growth. Our goal is to achieve an organic volume growth of two times the industry growth, and an organic revenue growth of 1% above the organic volume growth. A goal we managed to reach and even to surpass. In 2005, we grew our total unit volume by 5.4%, led by major increases in developing markets, such as Brazil, Argentina, Russia, Ukraine and China, and offsetting challenges we faced in our developed markets, Western Europe and North America. We also achieved a total revenue growth of 7.2%.

Our fastest-growing Zones in 2005 were Latin America and Central & Eastern Europe, but we had significant achievements in every Zone. Geographical diversification is one of the keys to InBev's continuing success—not every market always performs at peak levels, and the best way to hedge against a downturn in any given market is to maintain a strong presence in many markets. This balance is exactly what we have managed to achieve.



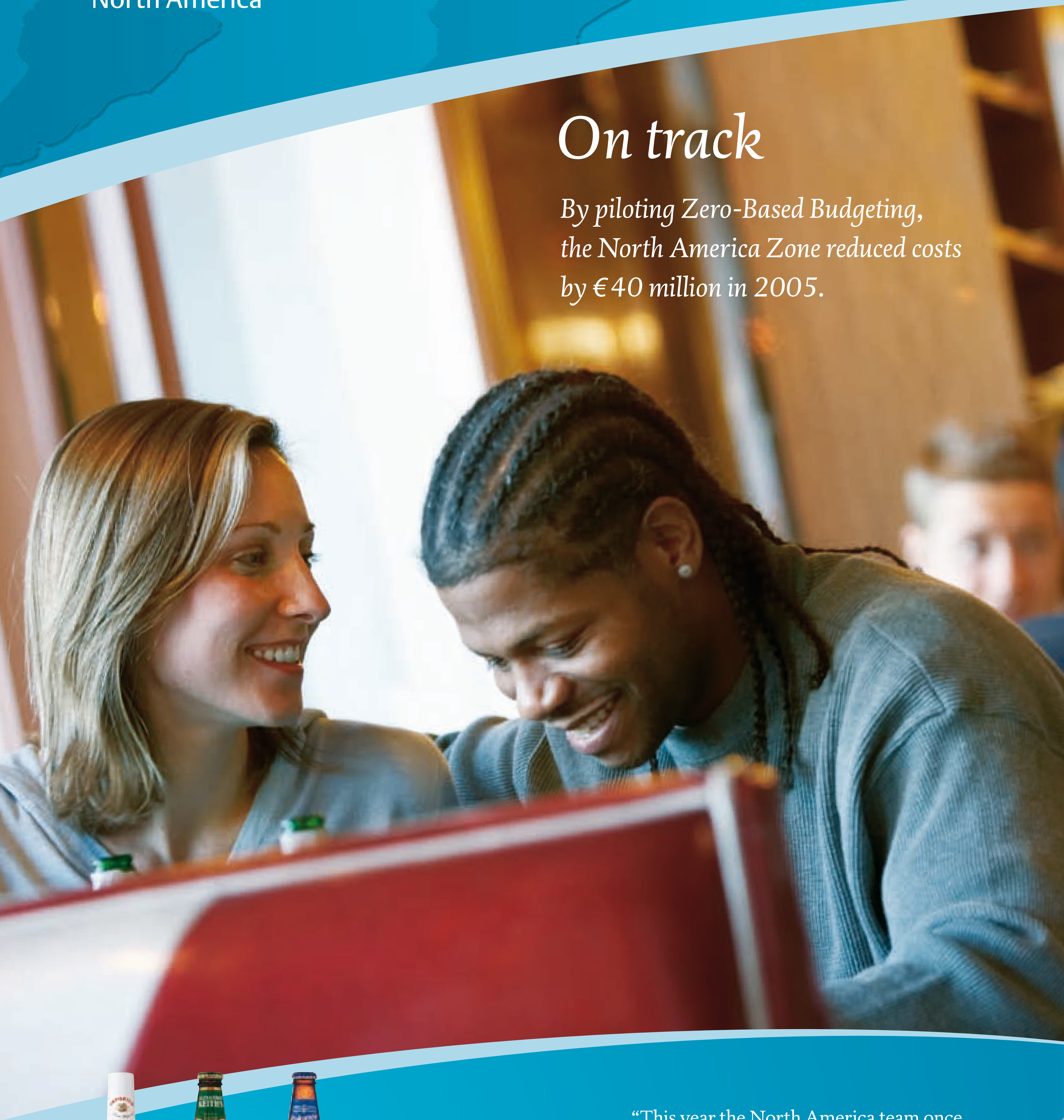
IMPACT Databank 2004 numbers, adjusted for 2005 M&A events and latest estimate of "organic growth 2005" as sourced from Investment Bankers' Reports.

Top 5 Global Brewers
— Market Share, 2005

InBev's global brand portfolio is one of the fastest growing of any major beer company.

On track

InBev's global footprint is yielding tangible results—in 2005, total unit volume increased by 5.4 %.



On track

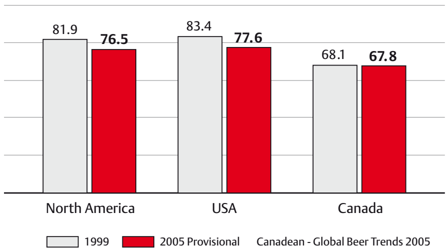
By piloting Zero-Based Budgeting, the North America Zone reduced costs by €40 million in 2005.

"This year the North America team once again showed its value and commitment to the business. Even in the presence of tough market conditions, our people delivered some impressive results."

Carlos Brito
ZONE PRESIDENT, NORTH AMERICA, 2005
CHIEF EXECUTIVE OFFICER, 2006

North America

In the U.S., Stella Artois was expanded across the nation and the brand registered more than 60 % growth, with one-third of the volume growth coming from new or enlarged markets. Margins were very good, particularly in New York City, and Stella Artois is now America's fastest-growing imported premium beer by volume.



North America and the 2 biggest markets
— Beer Consumption in liters per capita

In Canada, we grew five of the six brands on which InBev focused investments, with Stella Artois, Alexander Keith's, Kokanee, Budweiser and Bud Light all driving market share growth in Quebec and Western Canada. Together, the five represent more than 50 % of our Canadian business. In Ontario, we continued to focus on addressing the issue of discount brands.

There were many challenges for InBev's people in North America. This was a transition year for us, and a number of changes occurred in a very short period of time.

One important headline concerning our operations this year was the piloting and acceptance by our colleagues of the cost-conscious mindset and Zero-Based Budgeting. In addition to two brewery closures in Canada as part of our footprint-optimization program, InBev cut spending in the Zone by more than 40 million euro—an achievement which had a significant impact on the bottom line.

In 2005, our people piloted several other programs, including target-setting—and the cascading of variable compensation based on achieving those targets—as well as the Voyager Plant Optimization (VPO) program. What was learned in North America greatly helped InBev in our global VPO roll-out.

Going forward, InBev's North America Zone will focus on execution in the marketplace, clear brand choices and continuing to manage costs aggressively.

More to read Online

"We owe a great deal of thanks to our people in this Zone for their positive attitude while piloting so many different projects, including target-setting."

Peter Vrijsen
CHIEF PEOPLE OFFICER

On track

In 2005, our beer market-share in Brazil reached 68.3 %, compared to 66.2 % in the previous year.

"It's exciting to see occasion-based marketing being implemented so successfully in Latin America."

Steve Cahillane
CHIEF COMMERCIAL OFFICER

Latin America

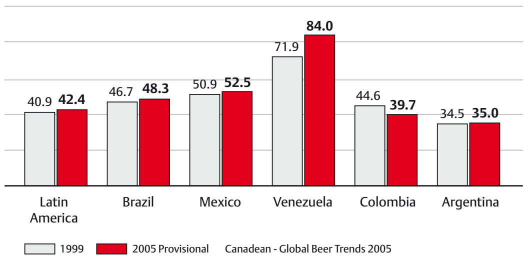
The Brazilian market, which represents the predominant portion of InBev's business in Latin America, is growing for the third year in a row—in both the beer and soft drinks categories—after a long period of a nearly flat beer market. Overall, expansion into new markets is going well. An excellent example of this is the launch of Brahma in the Dominican Republic and Ecuador.

Market execution and distribution are being delivered at a high level, and our premium brands—Choppe da Brahma and Bohemia—are growing at twice the rate of the core brands. Stella Artois was successfully launched, and InBev is currently developing occasion-based marketing, which is new since the merging of AmBev and Interbrew. We also successfully launched Bohemia Confraria and the insulated can (based on the Labatt Cold One). Skol Beats is now considered the most innovative brand in Brazil, and as part of the national Events Platform, the Skol marketing team is 'bringing the beach' to the interior of the country. We expect many more innovation successes in 2006.

Across the Zone, revenue-management initiatives were implemented, and real growth in net revenue was equal to, or above, inflation; while beer-price increases to consumers were in line with inflation.

We continued to strengthen our relationship with key third-party distributors, striving to enable each of them to represent all of our brands. At the same time, we continued to focus on InBev's proprietary, direct-distribution system, which accounted for 50% of our total volume.

In terms of soft drinks, EBITDA margin expanded even further, helped by right-size package positioning—for example, the new 2.5-liter PET bottle.

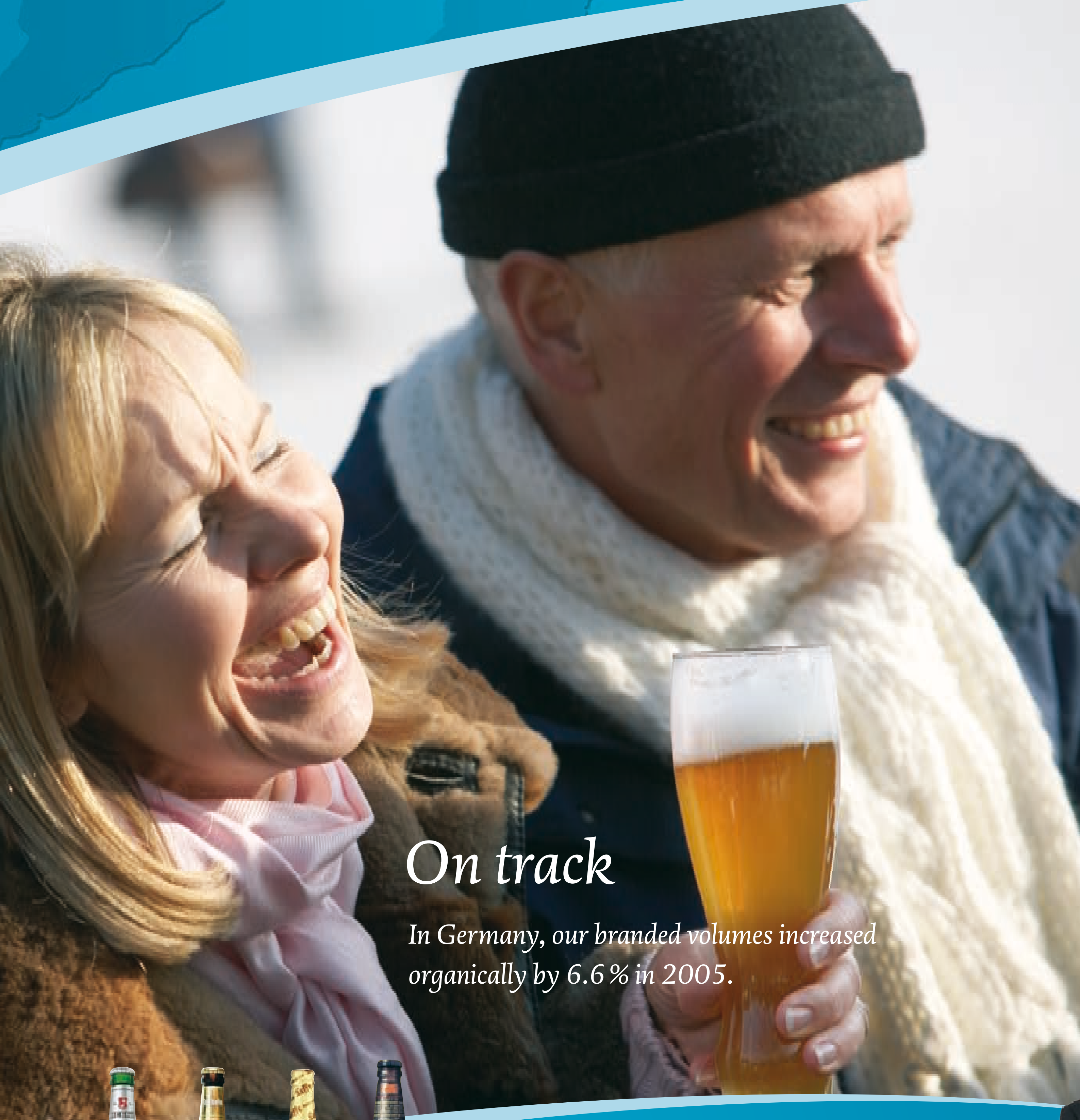


Latin America and the 5 biggest markets
— Beer Consumption in liters per capita

More to read Online

"We continued to strengthen our market position and improve our EBITDA margins in 2005."

Luiz Fernando Edmond
ZONE PRESIDENT, LATIN AMERICA



On track

In Germany, our branded volumes increased organically by 6.6 % in 2005.

"VPO is InBev's first initiative to align all our acquired breweries, and the first which brings together best practices from AmBev and the former Interbrew."

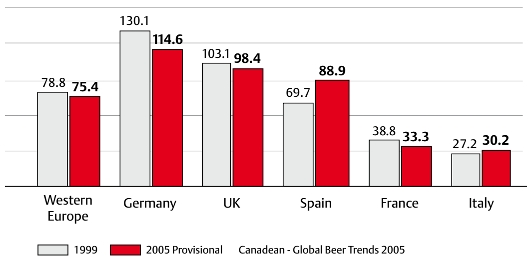
André Weckx
CHIEF TECHNICAL OFFICER

Western Europe

InBev faced some challenges in 2005 in Western European markets. Despite difficult market conditions we broadened our consumer base in Germany—where the beer market was declining—through the introduction of successful innovations such as Beck's Green Lemon. This brand joined the previously introduced Beck's Gold, which continues to grow. Beck's Green Lemon has a strong appeal to non-traditional beer consumers.

Overall, the Beck's brand continued to perform extremely well, registering 18.9 % volume growth. Also in Germany, Diebels—whose heritage and name carry significant weight—launched Diebels Pils, which has performed positively. In addition, five German brands—Beck's, Beck's Gold, Hasseröder, Diebels and Dinkelacker—are now available in PerfectDraft, our home-draught system.

In Italy, InBev now has a strong import portfolio, leveraged by Beck's, whose full rights we regained. In France one of our four global brands, Leffe, grew by 13.1 %.



Western Europe and the 5 biggest markets
— Beer Consumption in liters per capita

In Ireland, both Stella Artois and Beck's were up 25 %, supported by invested savings coming from Northern Ireland. Challenging markets in both England and Wales are the result of stiff pricing competition, in addition to the fact that many retailers are consolidating. In Scotland, Tennent's, now the highest-volume brand in the region, has installed new counter mounts in the on-trade, providing more visibility and better temperature control. The music festival T in the Park, which is sponsored by Tennent's, is a real institution and provides an excellent vehicle for connecting with young adult consumers.

One of the more important global initiatives taken this year was the Voyager Plant Optimization (VPO) program, which encourages the sharing of best practices across borders. VPO's impact in the Western Europe Zone, which includes more than 30 breweries, was significant. The program enables us to realize the full potential of each brewery by finding the most effective way to organize and manage every production process, and by developing a standard toolkit for incorporating best practices. The results are improvement in performance and dramatic reduction in costs.

More to read Online

"The Voyager Plant Optimization program in this Zone will be instrumental in ensuring that InBev sustains a culture of continuous improvement."

Stewart Gilliland
ZONE PRESIDENT, WESTERN EUROPE, 2005

Central & Eastern Europe

On track

InBev's results in Russia are at an all-time high: market share increased from 15.6 % to nearly 18 % in 2005, and we are expanding capacity rapidly.

"The right combination of top-line growth and cost discipline has contributed to our overall success in this Zone. Underpinning this success is the motivation of our people, who have responded well to the challenges of a very competitive business environment."

Stéfan Descheemaeker
ZONE PRESIDENT, CENTRAL & EASTERN EUROPE, 2005

Central & Eastern Europe

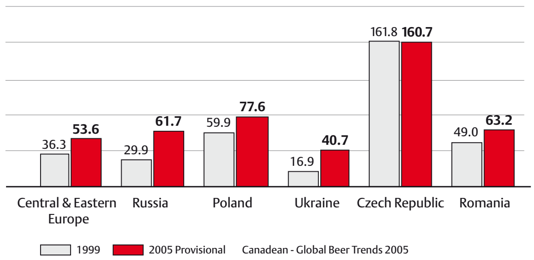
In 2005, InBev realized 10.7 % organic volume growth in Central & Eastern Europe. This Zone made the difference by rapidly building brands, such as Brahma.

In Russia and Ukraine, increasing capacity has been the priority, as business is exploding. Results in Russia are at an all-time high: InBev market share increased from 15.6 % to nearly 18 % in 2005. The Brahma launch was a success, while Klinskoe and Sibirskaya Korona maintained solid growth. Tolstiak and Bagbier also improved notably.

InBev's Russian growth is mainly in the east of the country, while the majority of our breweries are in the west. We have therefore expanded the capacity at our Omsk brewery from less than 1 million to 6 million hectoliters in just six years. Capacity in several breweries was increased during the year.

The acquisition of the Tinkoff Brewery in St. Petersburg also augments capacity in the west, adding 2.3 million hectoliters (expandable to 4.8 million) to InBev's Russian platform. A local brewing presence provides InBev's Russian operations with a growth platform and will leverage our national sales and distribution network.

InBev leads the Ukrainian beer market, where we have an excellent portfolio. Our share of this booming market increased to 35.8 %. Our distribution system is working smoothly and Beck's and Brahma saw success.



Central & Eastern Europe and the 5 biggest markets
— Beer Consumption in liters per capita

In the Balkans, we are back in the top position in the Bulgarian market. In Romania, Bergenbier is growing volume, Beck's was successful and our core brands have done well. Our performance in Montenegro allowed InBev to take an 85 % market share—in contrast to Serbia, which had a difficult year due to tax and price issues. InBev now has a new sales force and management team there, who will stay ahead of the competition. Restructuring has already shown results.

In the Czech Republic, where we hold the number two market position, Staropramen continues to gain status. The Croatian market is more competitive, and the distribution system is consolidating. However, InBev has been able to cut expenses and focus on Points of Connection. EBITDA is also up. In Hungary, business was impacted by an ongoing local price war.

More to read Online

"The key driver for acquiring the Tinkoff Brewery was the immediate alleviation of short-term capacity constraints which we have faced in this region."

Felipe Dutra
CHIEF FINANCIAL OFFICER

On track

2005 saw huge volume, capacity and market-share increases in China, as well as double-digit profit in the challenging Korean market.

"InBev has made significant strides in China in terms of upgrading its core brands, and was recognized by the Chinese government as having more 'famous' brands—including Jinlongquan, Double Deer and Zhujiang—than anyone else."

Brent Willis
ZONE PRESIDENT, ASIA PACIFIC

Asia Pacific

In China, 2005 was our first full year as an integrated company—InBev China. We entered the premium segment for the first time with Double Deer Premium Light and Red Rock, two brands which sold very well. Organic volume growth overall was 9.9 %, outpacing the market. We grew market share in each of our seven major provinces, and on a consolidated basis, we grew total market share in those provinces from 28.2 % to 30 %.

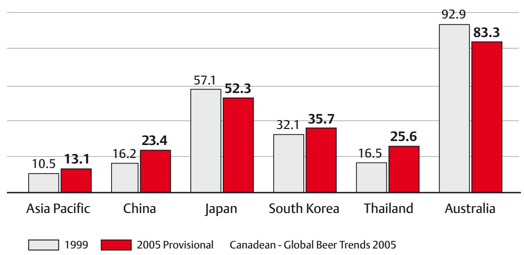
In the province of Zhejiang, Double Deer Premium Light had major success, going from zero to over 90 % market-share of the premium segment during the last 18 months. This is due in part to the effective implementation of new, innovative country-wide sales processes and training programs. We also received the Best Foreign Brewer Award from the China Beer Association.

Other activities in China included the acquisition of the remaining 30 % interest in KK, with its capacity of 3 million hectoliters the leading brewer in Zhejiang. KK currently holds 80 % market-share in the city of Ningbo, the second largest harbor in China after Shanghai. This transaction represents a further step in our move to consolidate and strengthen our position in China.

InBev has focused on getting the basics right and integrating all of our businesses in China. We are reducing expenses to become the low-cost producer in China, and are enhancing our sales and distribution capabilities.

In South Korea, EBITDA was up 13 %—a significant improvement when compared with the last five years—and InBev grew market share for the first time in ten years, going from 41 % to 41.7 %. Cass, offsetting the decline of OB, accelerated its growth, achieving a 9.1 % volume increase in a highly competitive, downward-moving market. InBev has many new faces in its organization, including—for the first time—a Korean Country President. We have also promoted many local managers and have reduced costs by more than 15 million euro.

Brahma was launched in Australia and New Zealand, where Stella Artois and Beck's achieved 26 % volume growth. We signed a license agreement for Leffe in New Zealand, and draught Kriek Belle-Vue was launched in Australia.



Asia Pacific and the 5 biggest markets
— Beer Consumption in liters per capita

More to read Online

"In the Yangtze River Delta provinces—which in population are the size of countries—we have done a good job of establishing our principal and secondary brands and supporting them, relying on our longstanding relationships with local partners."

Sabine Chalmers
CHIEF LEGAL & COMMUNICATIONS OFFICER


– Struck up a conversation with a stranger.
– Realised he wasn't that strange.
Savour Life. Savour Leffe®

Business

As InBev goes from Biggest to Best, the success of our business relies on certain key elements—most notably our outstanding portfolio of global and local brands, and how we bond with consumers at the Point of Connection.

Global Brands

For InBev's global brands—Stella Artois, Brahma, Beck's and Leffe—2005 was a very good year. The worldwide introduction of Brahma, along with many launches in new markets of the other three brands, have increased the depth and breadth of our global portfolio.

Stella Artois

Now the world's fifth-largest international brand (the category does not include domestic sales), Stella Artois' volume has doubled in the last eight years, from 4.8 million to almost 10 million hectoliters. Its upscale positioning was achieved in part through non-traditional beer-marketing activities, such as an independent film-festival sponsorship and fine-dining consumer promotions.

Although Stella Artois is still the market leader in the premium lager segment in the U.K., the gap between the brand and its competitors narrowed in 2005. A line extension, Artois Bock, was launched, and there are other initiatives planned in 2006 to reinforce its leadership position in this important market.

By fully implementing the key elements of the global Stella Artois mix, both brand equity and volume are growing solidly.

Brahma

The underlying theme and key message of the Brahma launch was that Brahma brings what Brazilians call 'ginga' to the consumer. 'Ginga' is all about living with effortless flair and having a positive attitude in a way that is uniquely Brazilian.

Brahma's taste is light and refreshing, and has a clean, crisp finish. The highly original curved bottle with embossed lettering fits ergonomically into consumers' hands, while simultaneously respecting Brahma's roots, which trace back to 1888.

Brahma experienced tremendous success in Russia, where it won the 2005 Silver EFFIE Award in the Best Brand category and attained eighth position in the crowded super-premium segment; and in Ukraine, more than 300 000 people took to the streets on the day of the launch. In Canada, the 2005 launch was successful—however, national roll-out will occur in 2006. In the U.S., we launched Brahma in two test markets: Florida and Southern California.

"Stella Artois posted excellent growth in the U.S. market—up 60 %—and strong growth in Canada—up 25 %. The brand benefited in this market from shared know-how and experience from the U.K."

Steve Cahillane
CHIEF COMMERCIAL OFFICER

Beck's

Beck's volume growth in Germany of 18.9 % in a declining market attests to the brand's strength, and its success has spawned innovative line extensions that have also done well.

A ready-to-drink beer mix with just 2.5 % alcohol and which offers the unique flavor of freshly picked limes, Beck's Green Lemon, was launched in mid-2005. The product's distinctive color is highlighted by its transparent white-glass bottle and a lime-green label. In October, Beck's Green Lemon picked up the Bremer Marketing Club's coveted marketing innovation award, Highlight 2005. Only months after launch, the Beck's product is contending for market leadership in the German beer mix segment.

Poland saw the introduction of Beck's in June, via an exclusive, long-term sales and distribution partnership with PepsiAmericas. The 30 million hectoliter Polish beer market has an annual growth rate of more than 4 %, and PepsiAmericas operates one of the strongest Polish sales and distribution networks, servicing more than 40 000 retail accounts. An extensive television advertising campaign and Point of Connection initiatives—targeting seven key cities—were launched to support the brand's debut.

Beck's followed up on its successes in Romania, Bulgaria, Croatia, Hungary, Russia, Ukraine and Italy, and was also launched in Serbia-Montenegro.

In May, InBev announced an agreement with Scottish & Newcastle to regain the distribution rights for Beck's in the U.K. The brand is now fully integrated into our U.K. portfolio.

Similarly, distribution rights for Beck's off-trade in Italy moved from Turatello Italia to InBev Italia, effective January 1, 2006. The premium brand will be a great asset to the off-trade portfolio. After Spaten, Franziskaner and Löwenbräu, the integration of Beck's was a logical next step to enhance InBev's position in Italy.

In the U.S., although it was not an easy year for Beck's, the brand is on the come-back trail. Beck's Premier Light was launched and has made inroads in the light beer segment.

Leffe

Leffe is a unique beer—full-bodied and top-fermented, with deep, complex flavors and a distinctive scent of cloves and vanilla— and is now one of our four global brands. Leffe was first brewed in 1240 and is still produced today according to the same basic recipe. In France, Leffe was up 13 % in 2005 over the previous year, and in the U.K. it is gaining a foothold, up 60 % against 2004. InBev has also reached an agreement with Lion Nathan to sell Leffe in New Zealand.

The price-based, super-premium category in which Leffe competes has been growing globally for more than five years, and within that segment the brand has been growing at 7 % per year, outpacing the segment. Its target audience is the plus-thirty-five-years-olds, the fastest-growing consumer group in the beer market.

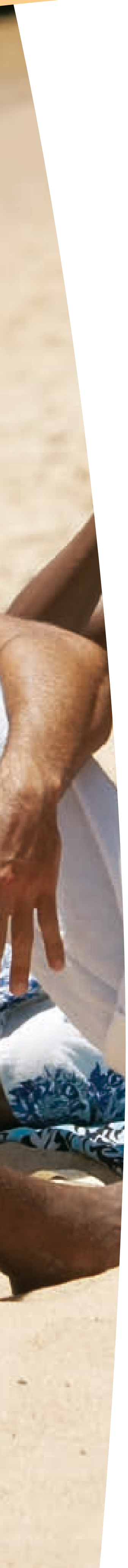
More to read Online

"Our brands are the heart of our business, and our information technology infrastructure represents InBev's central nervous system—an essential component in running the business. Outsourcing InBev's IT infrastructure in 2005 offered an optimal combination of cost efficiencies, technical performance, opportunities for employees and flexibility for future growth."

Claudio Garcia
CHIEF INFORMATION & SERVICES OFFICER

On track

InBev's 200-plus local brands, like Chernigivske in Ukraine, which was up 22.2% in 2005, represent the bulk of business and provide a close link to consumers.



Local Brands

Our local brands are responsible for 80 % of InBev's total business, and each one of them is unique. But they all provide consumers with moments of pleasure and refreshment, often while sharing convivial experiences with their friends. A few highlights from our local brand portfolio follow.

Skol

'The Beer that Goes Down Round' is the third-largest selling beer in the world, with revenues exclusively from the Brazilian market. Skol sold more than 32 million hectoliters in 2005, and its line-extension, Skol Beats, is considered the most innovative brand in the country.

Chernigivske

This Ukrainian brand showed excellent performance—up 22.2 % over 2004—and a brand extension, Chernigivske Bile, was launched as the first unfiltered beer in the country. Premium price positioning reflects the authentic nature of the new product.

Cass

This South Korean beer performed extremely well in 2005—up 9.1 %—supported by effective marketing tools. One of these tools was a two-minute multimedia commercial for mobile phone users—a very cost-effective way of reaching the brand's core consumers, who are mainly in their twenties and thirties. The situation in South Korea is a good example of how InBev targets resources to promote brands that have built strong market share, and which have further significant potential.

Alexander Keith's

This beer grew 7.7 % against 2004 in Canada, and continues to be one of our star performers. Alexander Keith's is the number one brand in the Canadian domestic specialty segment.

Franziskaner

The segment-leading wheat beer in Germany sold more than 1.1 million hectoliters in 2005, with 200 000 hectoliters coming from international (non-domestic) volumes. It was rolled out nationally, and InBev supported the initiative via various media.

Hasseröder

Hasseröder is based in the eastern portion of Germany, where it is the top-ranked beer and continues to make strong progress, growing by 6.2 %.

Double Deer, K/KK and Shiliang

These three brands have given InBev the number one position in China's Zhejiang province, which has a population of over 47 million people—more than most European countries. Per capita beer consumption at 46 liters per year in this prosperous region is more than double the national average. Each of these three brands is the market leader in the city where it is brewed, and taken together, they represent half of the total beer market for the province.

Bergenbier

Bergenbier became Romania's top brand at the end of the year, a dramatic comeback after losing its number one position to competition in 2004. The brand grew 20.5 % in 2005, by reconnecting with consumers. Bergenbier is now packaged in an innovative, mountain-shaped multi-pack, drawing on its ten-year-old mountain icon.

Points of Connection

In the areas of sales and marketing, we were able to share best practices across our global organization, integrating the skills and expertise from the two former companies.

AmBev contributed expertise in daily sales processes and targeting, direct distribution and metrics for retail execution. Interbrew brought values-based brand knowledge, which was responsible for the strengthening of Antarctica and Guaraná in Brazil ; and core-brand positioning, which influenced the evolution of Brahma's position in its domestic market.

New brand-tracking tools and methodologies, occasion-based insights across the entire spectrum of the beverage industry, and the roll-out of the World Class Commercial Program (WCCP) all combined to drive per capita consumption. The WCCP uses a sales diagnostic tool that uncovers existing capabilities, focusing on specific top markets. To create this homegrown program, we reached out for best practices from all of our markets, and also developed new ones.

In addition to these activities, our Innovation team was responsible for 1 % of total sales in 2005, specifically in the areas of products and packaging. Direct, face-to-face contact with our customers is also critical to our success, and that was what our Market Development team set out to do at the InBev International Customer Conference in March 2005, held in Prague. The team welcomed more than 160 customers from around the globe. Its goals were to encourage effective and innovative sales promotions in order to build brand volume and brand image, and also to reward sales excellence. The extensive conference program included updates on InBev's global brand developments, innovation and ideas for on- and off-trade activation.

On track

The World Class Commercial Program, rolled out by InBev in 2005, uses a sales diagnostic tool to reveal capabilities in top markets.

"WCCP gives us a clear view on where we are right now in our sales execution capability in China, where we want to go and how we are going to get there."

Daolin Xu
SALES MANAGER, SHAOXING DISTRICT
CHINA


Чернігівське
КРАЩЕ РАЗОМ!
Чернігівське
СВІТЛЕ
ЗВАРЕНО В УКРАЇНІ
АЛК. 4,4% об.

Company

2005 was a year of rapid change for InBev. Beyond the integration of two world-class companies—AmBev and Interbrew—into one, last year witnessed the implementation of global improvement programs throughout our group.

These new programs are guiding the way we buy, the way we produce, the way we control costs and the way we train and develop our people.

One Global Company

To enable the successful combination between Interbrew and AmBev, and to ensure at the same time delivery against our vision of going from Biggest to Best, we have focused the new company—within its strategic framework—on a few important global change programs and major initiatives.

These programs have multiple goals, such as realizing the combined entity, implementing strategic choices for InBev and delivering strong organic growth.

In the commercial area, we concentrated our efforts on:

- developing strong brand portfolios for each market and fueling the winning brands;
- defining and executing sales-improvement initiatives;
- strengthening our route-to-market and margin pool for each market; and
- developing focused innovation initiatives.

Within the People Department, we rolled out new values, culture and remuneration policies, and added a target-setting program, drilling down through the levels of the organization.

In terms of efficiency, InBev focused on:

- breweries, via the Voyager Plant Optimization (VPO) roll-out and 'footprint' adjustments;
- kicking off Zero-Based Budgeting in the key North American and Western European Zones;
- rationalizing procurement of indirect materials;
- outsourcing of our information technology infrastructure; and
- building a lean organization.

In the following pages you will find more information about the company-wide initiatives that had the biggest impact in 2005.

"Effective execution is our key focus in delivering on InBev's strategy, mission and vision."

Jo Van Biesbroeck
CHIEF STRATEGY & BUSINESS DEVELOPMENT OFFICER

"The successful integration of the two companies, Interbrew and AmBev, in such a brief time-frame is nothing short of amazing."

Felipe Dutra
CHIEF FINANCIAL OFFICER

Procurement

The global scope and scale of InBev gives us opportunities to deliver value from procurement by leveraging our scale and by implementing best practices. The result : lowest costs for bought-in materials and services.

In 2005, we achieved merger-synergy benefits of 13 million euro.

The focus has primarily been on raw materials and packaging, where common global suppliers and similar requirements across Zones have facilitated early wins. Despite market pressures resulting from rising energy, plastic and metal prices, InBev has benefited from integration synergies, as well as from our ability to leverage buying opportunities in raw material markets.

Our achievements in packaging resulted in reduced prices in both Europe and North America for paper and metal packaging. These were offset by a rise in global PET prices, as well as the price of aluminum cans in Latin America. On utilities, InBev could not fully avoid the impact of rising oil prices, despite some forward contracts.

We continued to progress initiatives in indirect procurement and in applying procurement disciplines to previously untouched expenditures. This has been aided by the introduction of Zero-Based Budgeting and greater cost discipline. During 2005, InBev reduced costs by over 25 million euro versus 2004, with the vast majority of benefits accruing to the North America and Western Europe Zones.

The appointment in 2006 of a Chief Buying Officer—a member of the Executive Board of Management—will ensure that we build on the achievements of 2005 and fully implement integration synergies, as well as the opportunities in indirect expenditure, through a centrally-coordinated Procurement Department.

On track

In 2005 we achieved merger-synergy benefits of €13 million, and reduced costs by over €25 million.

“Our goal in Procurement is to spend in a much more efficient way to free up money to invest in our markets.”

Shamim Lakhani
GENERAL SERVICES BUYER
CANADA

Voyager Plant Optimization

In order to realize the full potential of each of our breweries, InBev recognizes the need to align brewery operations across the board; it was a question of stand-alone versus standardized.

The objective of Voyager Plant Optimization (VPO)—a long-term, evolutionary program that encourages cross-pollination between cultures and countries—is to establish a standard 'InBev Way' to operate breweries, continuously improving performance and rapidly sharing best practices.

VPO was piloted at InBev breweries in Montreal (Canada), Leuven (Belgium), Klin (Russia) and Zagreb (Croatia), and then rolled out in the Samlesbury plant in the U.K. At the same time, local teams were trained in the VPO approach to analyze business processes, identify and quantify opportunities, and coordinate implementation.

These initiatives created a multiplier effect, allowing us to implement the program at a much faster pace, and to harvest benefits much earlier.

In addition, there was a significant improvement in performance and cost-savings in all five breweries. We are now on track with the program in other plants in Western Europe, and in Central & Eastern Europe as well. In total, VPO was rolled out to 55 breweries in 2005.

Zero-Based Budgeting

Zero-Based Budgeting (ZBB) is a crucial element in InBev's journey from Biggest to Best, and one of the tools which will allow us to realize our strategic goals.

In effect, ZBB teaches everyone how to run their business over the long haul, and at the same time provides visibility into the cost structure. Perhaps the most important element of ZBB is its ability to drive our top-line performance by allowing InBev to use accrued savings to back winning brands and increase profitability.

Piloted in North America in 2005, ZBB produced more than 40 million euro in cost reductions. The process has been in place for the last five years at AmBev's Latin American operations, where it has averaged 40 million euro in annual savings.

It was put into operation in our global headquarters in mid-2005, resulting in savings of more than 10 million euro, and was also kicked off in Western Europe and Russia. South Korea and several countries in Central Europe are planning to start ZBB in 2006, with all remaining markets to follow in time.

"With VPO, my targets are very clear. I can see exactly how my job contributes to our brewery's results."

Svetlana Eliseeva
PACKAGING OPERATOR, KLIN BREWERY
RUSSIA

Leadership Training & Development

InBev's People Continuity team is focused on ensuring that we have the right people in the right places at the right time with the right skills—to drive the right results for the business.

Our 'People Cycle' provides the framework to make this happen. The heart of the cycle is what we call the Organization & People Review (OPR) process. Here, robust dialog occurs between senior leaders regarding the performance of our people, in relation to both results delivered and competences developed. The OPR is our forum for discussions on succession-planning and related development needs.

The InBev Trainee initiative is a rigorous program designed to expose the best young talent to all aspects of the global beer business. It aims to support the long-term potential of InBev by nurturing and developing the talent of top university graduates with hands-on business experience.

In our INSEAD/Wharton training program, InBev's senior leaders are challenged to confront the realities of the business each year, and to engage each other on the best ways to solve organizational dilemmas, share best practices and drive results.

A combined leadership-development and culture-building initiative for InBev's senior employees is also in place, known as the Leadership, Performance & Change (LPC) program. Every one of InBev's top 200 leaders participate in this initiative, which focuses on the key change initiatives needed to take us from Biggest to Best.

On track

Our new InBev Trainee program 'OwnYourFuture', which is designed to recruit and train top university graduates, received over 9 000 applications in its first year.

"The INSEAD/Wharton program has prepared me for my next career move in InBev—from a global headquarters role to the APAC leadership team."

Toon Van Assche
VICE PRESIDENT PEOPLE
CHINA

"ZBB demands a change in the way we think about—and spend—the company's money."

Eduardo Lacerda
MANAGER BUDGET AND BUSINESS PERFORMANCE
LATIN AMERICA


WATER.
BARLEY.
HOPS.
YEAST.
SO MUCH FOR SECRET RECIPES.
LIFE BECKONS™
BECK'S
IMPORTED
BRAUEREI BECK & CO
BECK'S
BIER · BEER
BREMEN · GERMANY

Commitment

InBev is a citizen of every community, country and region in which it operates. It is in our own interest to act in a responsible manner toward consumers, customers, employees, society at large and the environment.

Corporate Responsibility

Corporate Responsibility, also known as corporate citizenship, is part of the language of business today. InBev's Global Citizenship Report (GCR) details how we are aligning our business activities to produce a positive impact on our financial bottom line, our workforce, the communities and society in which we operate, as well as the environment.

InBev's vision is to move from Biggest to Best, and our mission is to create enduring bonds with our consumers.

Both are closely linked to trust, which is earned. Honesty and transparency are instrumental in developing and maintaining trust. InBev is a new company, but we also have a long heritage—stretching back over 600 years—of which we are proud. Corporate Responsibility will be a key part of our legacy for the future.

It is critical for us to even more effectively manage the risks we face, and make our business even more efficient. Good corporate citizenship can strengthen our reputation, help build new markets and increase loyalty to InBev's brands.

Our position on our products is clear: beer is an authentic, natural product which should be savored. It plays an important role in friendships, quality of life and is interwoven in the fabric of modern society. At the same time, we also acknowledge that when consumed irresponsibly, our products can have a negative impact on both individuals and society. Such impacts include drinking-and-driving, underage drinking and alcohol-related antisocial behavior. Personal choice plays a large role, presenting us with opportunities to educate consumers with the facts and to offer them guidance as to how to enjoy our products in moderation.

We plan to fully integrate Corporate Responsibility into all aspects of our business. Our initial task is to develop a global coordinated approach for the whole of InBev, and our early actions have focused on this. But we realize that over the long term, we need to continue to explore opportunities to improve our Corporate Responsibility activities.

Global Citizenship Report
The publication in November 2005 of InBev's Global Citizenship Report was a major event. The report fulfills the commitment we made in our 2004 Annual Report to keep our stakeholders informed of our progress in the area of corporate responsibility. The report is available at www.InBev.com/Citizenship.

"It's true that we are committed to superior performance, and the proof of that is our new target-setting and compensation system; but we must do it within the rules, legally and ethically. To prosper over the long term, we need to be the kind of company that people want to do business with regularly; trust and reputation are integral to this."

Carlos Brito
CHIEF EXECUTIVE OFFICER

Highlights

- InBev's Leuven brewery in Belgium now produces bioelectricity from its waste-water. In 1980, a first innovative waste-water treatment plant was built at the Leuven premises. Recently, the site decided to expand the water purification process by starting up the production of bioelectricity. The process happens in two stages: first, through anaerobic pre-purification of the brewery's waste-water, a biogas is produced. This biogas is then converted into heat and electricity, which are used by the brewery. The electricity created represents 8 % of the brewery's total electricity consumption.

- In May 2005, over 80 % of our Latin American employees hit the road to visit Points of Connection with the message, 'If you drink, don't drive'. Members of our top management, including Luiz Fernando Edmond, Zone President, Latin America, took part in the activities. This is the second year in a row that our responsible drinking program was the focal point of the visits. The event happened simultaneously in five countries where AmBev has operations: Ecuador, Guatemala, Peru, the Dominican Republic and Venezuela. In Brazil, 14 000 employees visited a total of 35 000 Points of Connection throughout the country. To reinforce the responsible drinking message, employees wore T-shirts bearing the logo of the campaign and the message, 'The example begins at home'. AmBev has been producing multimedia campaigns alerting consumers about the dangers of drinking and driving since 2001.

- InBev launched our Commercial Communications Code, which sets the rules for marketing our brands responsibly. The Code is mandatory for all communications to consumers—including traditional advertising, promotions, sponsorships and websites—and has been applicable since January 1, 2006. This revised Code builds on the former Interbrew and AmBev Codes of Responsible Marketing, with a strong focus on compliance. The Code is InBev's main tool for ensuring that our marketing teams are able to self-regulate their communications with consumers.

More to read Online

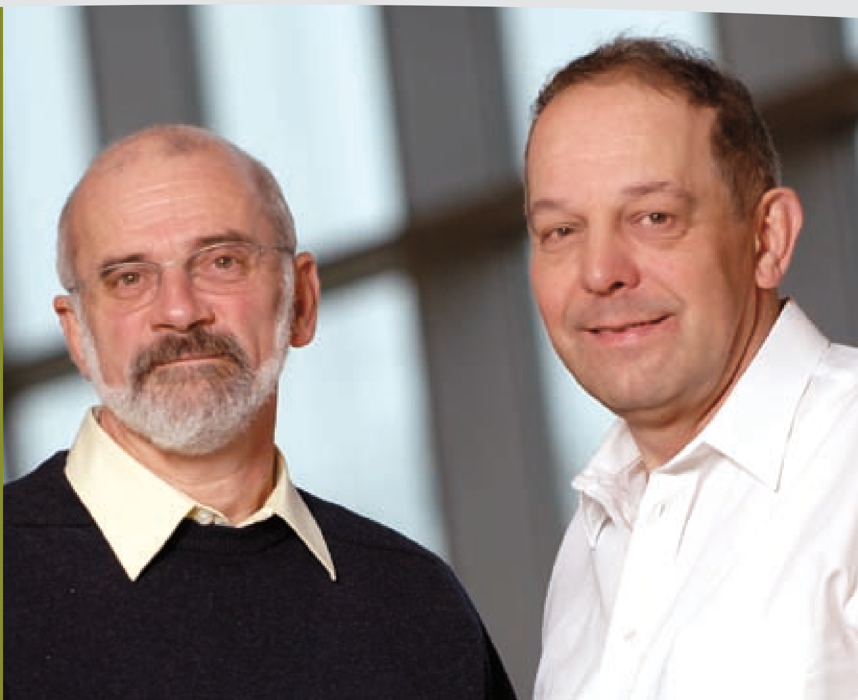
On track

InBev's brewery in Leuven has joined our growing list of sites that use waste-water to produce bioelectricity—meeting 8 % of that brewery's electricity needs.

"Any success has a lot to do with great teamwork and coordination. The work of our team on the biogas project contributes to InBev's commitment to Corporate Responsibility."

Vital Everaerts
PROJECT COORDINATOR
BREWERY SUPPORT LEUVEN
BELGIUM

Paul Franco
ENVIRONMENT COORDINATOR
BREWERY SUPPORT LEUVEN
BELGIUM



Corporate Governance

The Belgian Corporate Governance Code

As a company incorporated under Belgian law and listed on the Eurolist by Euronext Brussels, InBev adheres to the principles and provisions of the Belgian Corporate Governance Code, published in December 2004.

The majority of the Code is reflected in InBev's Corporate Governance rules. However, in order to reflect InBev's specific shareholding structure and the global nature of its operations, the Board of Directors has made the following provisions:

Principle 5.3./1 (Appendix D) of the Belgian Code:
"The Board should set up a nomination committee composed of a majority of independent non-executive Directors.":
The Board of Directors appoints the chairman and members of the Compensation & Nominating Committee from among the Directors, including at least one member from among the independent Directors. As the Committee is composed exclusively of non-executive Directors who are independent of management and free from any business relationship which could materially interfere with the exercise of their independent judgment, the Board considers that the composition of this Committee achieves the Code's aim of avoiding potential conflicts of interest.

Principle 7.4. of the Belgian Code:
"Non-executive Directors should not be entitled to performance-related remuneration such as bonuses, stock-related, long-term incentive schemes, fringe benefits or pension benefits.":
The remuneration of the Board members is composed of a fixed fee and a limited, pre-determined number of options, which ensures the independence of the Board members, as well as aligning the Directors' interests with those of the shareholders. The Board of Directors considers it very unlikely that the granting of options could affect their judgement as Board members. As a consequence, the Board considers InBev's principles of remuneration compatible with the recommendations of the Belgian Code on Corporate Governance.

Finally, it should be noted that options may only be granted upon the recommendation of the Compensation & Nominating Committee. Any such recommendation must be subsequently approved by the Board and the shareholders in a general meeting.

Principle 7.15 of the Belgian Code:
"In the annual report, the company should disclose, on an individual basis, the amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the company."

Principle 7.17of the Belgian Code:
"For the CEO and other executive managers, the annual report should disclose on an individual basis, the number and key features of shares, share options granted during the year."

On track

In 2005, InBev created a new Code of Business Conduct which sets out the ethical standards to which all of our employees are expected to adhere.

"InBev is committed to delivering best practice in Corporate Governance and the highest standards of transparency in reporting. The InBev Corporate Governance rules ensure that the company is effectively run and properly controlled. They foster a culture of ethics and integrity."

Pierre Jean Everaert
CHAIRMAN OF THE BOARD

In light of the various changes to the constitution of the Executive Board of Management in 2005, the Board has decided that in 2005 the remuneration of the members of the Executive Board of Management shall be disclosed on an aggregate basis covering base salary, annual variable pay and long term variable pay. The Board believes that this information should allow investors to assess globally whether the level and structure of the remuneration of the Executive Board of Management is such that qualified professionals can be attracted to, motivated and retained by InBev, taking into account the global nature of InBev's business and competitive environment in which it operates. In addition, the information provided, and particularly the description of the Executive remuneration policy in InBev's Corporate Governance Statement, confirms that as of 2005 Executive remuneration will become largely dependent on both company and individual performance, thereby aligning the Executives' interests with the interest of the company and its shareholders. The Board further believes that the process whereby Executive remuneration, including that of the CEO, requires the approval of the Board of InBev, composed exclusively of non-executive Directors, upon recommendation of the Compensation and Nominating Committee of the Board, is designed to ensure that such remuneration is fair and equitable and that any conflicts of interest are avoided.

Principle 8.9 of the Belgian Code:
"The level of shareholding for the submission of proposals by a shareholder to the general shareholders' meeting should not exceed 5% of the share capital.":
As provided for by the Belgian Companies Code, shareholders representing one-fifth of InBev's capital may ask the Board to convene a shareholders' meeting, and hence table resolutions. The Board believes that InBev's Corporate Governance framework ensures equitable treatment of all shareholders, including minority and foreign shareholders. InBev encourages participation at shareholders' meetings and promotes proxy voting and voting by mail. Time is always allocated for questions during the shareholders' meetings and shareholders are invited to send the company written questions in advance of the meeting. In addition, InBev is committed to maintaining a strong line of communication with its shareholders at all times. It is especially respectful of the rights of its minority shareholders. The Board does not believe that lowering the shareholder requirement to table resolutions at a shareholders' meeting, would substantially contribute to achieving this aim.

The Board of Directors

Structure

The InBev Board of Directors currently consists of fourteen members, all of which are non-executives. The roles and responsibilities of the Board, its composition, structure and organization are described in detail in InBev's Corporate Governance Statement. This Statement includes the criteria for independence, which applies to independent Directors.

The terms of appointment of Directors, whose mandate came to an end in 2005, were renewed for a term of three years during the annual shareholders' meeting held on 26 April 2005. Mark Winkelman was appointed a new Director. In addition, his qualification as an independent Director was confirmed by the shareholders at the same meeting.

Born in 1946, Mark Winkelman served as a Management Committee member of Goldman Sachs & Co. from 1988 to 1994, where he is now a Senior Director. Before joining Goldman Sachs in 1978, he served at the World Bank for four years as a Senior Investment Officer. 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 currently a Trustee.

Directors			Term started	Term expires
Pierre Jean Everaert	°1939, American	Non-Executive Independent Director, Chairman of the Board	1997	2006 [1]
Allan Chapin	°1941, American	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1994	2008
Carlos Alberto da Veiga Sicupira	°1948, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2007
Jean-Luc Dehaene	°1940, Belgian	Non-Executive Independent Director	2001	2007
Arnoud de Pret Roose de Calesberg	°1944, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1990	2008
Philippe de Spoelberch	°1941, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1977	2007
Peter Harf	°1946, German	Non-Executive Independent Director	2002	2008 [2]
Remmert Laan	°1942, French	Non-Executive Independent Director	1998	2007
Jorge Paulo Lemann	°1939, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2007
Roberto Moses Thompson Motta	°1957, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2007
Kees J. Storm	°1942, Dutch	Non-Executive Independent Director	2002	2008
Marcel Herrmann Telles	°1950, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2007
Alexandre Van Damme	°1962, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1992	2007
Mark Winkelman	°1946, Dutch	Non-Executive Independent Director	2004	2007

1 Mandate expires on April 25th, 2006.
2 Chairman of the Board as of 26 April 26th, 2006.

	Audit Committee	Compensation & Nominating Committee	Finance Committee	Convergence Committee
Pierre Jean Everaert	Member	Member	Member	
Allan Chapin			Member	
Carlos Alberto da Veiga Sicupira		Member		
Jean-Luc Dehaene	Member			
Arnoud de Pret Roose de Calesberg	Member		Chairman	
Philippe de Spoelberch		Member		
Peter Harf		Member		Member
Remmert Laan			Member	
Jorge Paulo Lemann			Member	
Roberto Moses Thompson Motta			Member	
Kees J. Storm	Chairman			
Marcel Herrmann Telles		Chairman		Chairman
Alexandre Van Damme		Member		
Mark Winkelman	Member			
John Brock (CEO)				Member (until Dec 2005)

Functioning

In 2005, the Board held ten ordinary and five special meetings. Several of these meetings, by design, were held in the Zones in which InBev has operations. On these occasions, the Board was provided with a comprehensive briefing of the Zone or relevant market. These briefings provided a performance overview, key challenges facing the market and the steps being taken to address the challenges. Several of these visits also provided the Board with the opportunity to meet with employees and customers.

Major Board agenda items in 2005 included the long-range plan ; achievement of targets ; sales figures ; reporting and budget ; consolidated results ; strategic direction ; culture and people, including succession planning ; new and ongoing investment ; as well as discussions and analysis of acquisitions.

The average attendance rate at Board meetings in 2005 was 94 % for ordinary meetings and 91 % for special meetings. The Board is assisted by three Committees: the Audit Committee, the Finance Committee and the Compensation & Nominating Committee.

In 2005, the Audit Committee met five times. During its meetings, the Committee reviewed the financial statements of InBev, the annual, half yearly as well as quarterly statements. The Committee also discussed specific accounting issues under IFRS, such as IAS 19 (Employee Benefits), IFRS 3 (Business Combinations) and IFRS 2 (Share-based Payment). The Committee also considered significant issues arising from internal audits conducted by the group's Internal Audit department and the implementation of InBev's Compliance Program. InBev's obligations under Sarbanes Oxley, material litigation and results announcements were some of the other important topics on the agenda of the Committee. The average attendance rate at the Committee meetings was 85 %.

The Finance Committee met six times in 2005. Committee discussions included the budget, the debt profile and capital structure of the group, and the disclosure policy of InBev. The tax planning and the guidelines for the hiring of external financial advisors were also discussed. The average attendance rate at the Committee meetings was 92 %.

The Compensation and Nominating Committee met six times in 2005 and, in accordance with its charter, the Committee discussed target setting, management bonuses, the granting of stock options under the long-term incentive plan, the rules of the new compensation system for Executives, the rules for internal promotion to senior executive functions and succession planning for key executive functions. Particular attention was paid to the organizational changes required to achieve targeted cost savings. The average attendance rate at the Committee meetings was 94 %.

Finally, the Convergence Committee met four times in 2005. This Committee was created at the announcement of the combination with AmBev in March 2004. The Committee is a temporary ad hoc Committee which is to be dissolved at the request of the Committee Chairman, once the integration of InBev and AmBev is deemed completed. At the end of 2005, the Board announced its decision to continue the Committee, which will be composed of Marcel Herrmann Telles, Peter Harf, Carlos Brito and Stéfan Descheemaeker.

Certain transactions and other contractual relationships

There are no transactions or other contractual relationships to report between the company and its Board members, which are covered by the legal provisions on conflicts of interest or otherwise.

The company is prohibited from making loans to Directors, whether for the purpose of exercising options or for any other purpose.

Chief Executive Officer & Executive Board of Management

The Chief Executive Officer (CEO) is entrusted by the Board with responsibility for the day-to-day management of InBev. The CEO has direct operational responsibility for the entire company. The CEO leads an Executive Board of Management (EBM) which comprises eight global functional heads and five Zone Presidents, including the two Co-CEOs of AmBev, who report to the Board of Directors of AmBev. The list of names and positions of the members of InBev's EBM can be found on pages 10-11 of this annual report.

During 2005, Patrice Thys decided to step down as Zone President, Asia Pacific, as of August 31st. He was replaced by Brent Willis. Steve Cahillane was appointed as the new Chief Commercial Officer, succeeding Brent Willis.

In addition, effective as of January 2006, Juan Vergara was appointed in the newly created function of Chief Buying Officer, designed to reflect the significant potential for redeployment of resources through centrally coordinated purchasing.

End of 2005, the Board also announced that John Brock, CEO, would be succeeded by Carlos Brito, formerly co-CEO of AmBev and Zone President, North America.

At the beginning of 2006, Stewart Gilliland, Zone President for Western Europe, left the company and was replaced by Stéfan Descheemaeker. Alain Beyens was appointed as the new Zone President for Central & Eastern Europe, succeeding Stéfan Descheemaeker.

Remuneration Report 2005 (1)

Board Remuneration

Board members earn a fixed annual fee of 67 000 euro, based on attendance at ten Board meetings. The fee is supplemented with an amount of 1 500 euro for each additional Board meeting or Committee meeting. The Chairman's fee is double that of other Directors. InBev does not provide pensions, medical benefits or other benefit programs to Directors. The second table sets forth information regarding the number of share options granted to the Board as a group during the past three years. (2)

	Number of Board meetings attended	Annual fee for Board meetings (basis of 10 meetings)	Fees for extra Board meetings	Fees for Committee meetings	Total fee	Number of share options granted in 2005 (3)
Pierre Jean Everaert	12	134 000	6 000	24 000	164 000	18 727
Allan Chapin	15	67 000	7 500	9 000	83 500	9 364
Carlos Alberto da Veiga Sicupira	14	67 000	6 000	7 500	80 500	9 364
Jean-Luc Dehaene	15	67 000	7 500	4 500	79 000	9 364
Arnoud de Pret Roose de Calesberg	14	67 000	6 000	21 000	94 000	9 364
Philippe de Spoelberch	14	67 000	6 000	9 000	82 000	9 364
Peter Harf	15	67 000	7 500	15 000	89 500	9 364
Remmert Laan	14	67 000	6 000	7 500	80 500	9 364
Jorge Paulo Lemann	15	67 000	7 500	9 000	83 500	9 364
Roberto Moses Thompson Motta	15	67 000	7 500	9 000	83 500	9 364
Kees J. Storm	12	67 000	6 000	9 000	82 000	9 364
Marcel Herrmann Telles	14	67 000	6 000	18 000	91 000	9 364
Alexandre Van Damme	14	67 000	6 000	7 500	80 500	9 364
Mark Winkelman	13	67 000	4 500	6 000	77 500	9 364
All Directors as a group					1 251 000	140 459

No. of subscription rights offered	Issuance date	Offer date	Exercise price in euro
66 096	29 April 03	2003	19.51
143 208	27 April 04	2004	23.02
140 459	26 April 05	2005	27.08

1 All remuneration figures in this report are gross figures.
2 Based on membership on the offer date.
3 Share options were granted under the long-term incentive plan. Options have an exercise price of 27.08 euro per share, have a term of 10 years and vest over a 3 year period.

Executive Remuneration in 2005 [1]

In 2005 the shareholders' meeting approved a new Executive remuneration policy, which has been designed to help embed the high-performance culture needed to take InBev from Biggest to Best. The goal is to deliver market-leading compensation, driven by both company and individual performance, and ensure alignment with shareholders' interests by encouraging Executive ownership of company shares. The focus is on annual and long-term variable pay, rather than on base salary. The full Executive remuneration policy of InBev is disclosed in its Corporate Governance Statement which is available on www.inbev.com/investors.

Base salary

In 2005, the Executive Board of Management earned an aggregate base salary of 5.6 million euro.

Annual incentive

In 2005, the Executive Board of Management earned an aggregate bonus of 11.4 million euro. The bonus was based on the company performance in 2005 compared to the EBITDA growth targets set for the years 2005-2007 and the performance of the Executives is judged against their individual targets. The bonus will be payable in or around April 2006.

In accordance with the new Executive remuneration policy of InBev, half of the bonus is settled in InBev shares to be held for three years, the shares being valued at their market price at the moment of settlement. With respect to the other half of their bonus, Executives may elect to receive cash or to invest all or half of the remaining part of their bonus in shares to be held for 5 years. Such voluntary deferral leads to a free grant of matching options.

Long-term incentives

For the past several years, InBev has granted share options under the long-term incentive plan, which was adopted in 1999. The plan entails a yearly issue of registered share options, principally to executive officers and managers and secondarily to InBev's Directors. Each share option entitles the holder to one share, paying the average price over the 30 days before it was issued. Options may not be re-priced. The options have a term of 10 years and become exercisable over a three-year period.

The following table sets forth information regarding the aggregate number of share options granted in 2005 under the long term incentive plan, to the members of the Executive Board of Management. One third of the options become exercisable on January 1, 2007, a second third on January 1, 2008 and the final third on January 1, 2009.

	Share options granted in 2005	Issuance date	Exercise price in euro
Executive Management as a group	404 690	26 April 2005	27.08

Matching shares plan

In 2004 and 2005, members of the Executive Board of Management have been offered the possibility to invest up to 30% of their net bonus in InBev shares at the market price of the shares at the time of purchase. At the expiry of a three years lock-up period, InBev undertakes to grant to the Executive a number of matching shares equal to the number of shares the Executive will have purchased. Special rules and forfeiture provisions apply in the event of retirement, termination or resignation.

	Number of shares purchased under the matching shares plan		Number of matching shares available after 3 years lock-up period
	2004	2005	
Executive Management as a group	16 710	44 700	61 410

1 This report does not include figures and details for Carlos Brito and Luiz Fernando Edmond, Co-CEOs of AmBev and reporting to the Board of Directors of AmBev. Information on remuneration and additional benefits, such as share ownership plans, profit sharing plans and pension plans for these Executives in 2005 is disclosed by Companhia de Bebidas das Américas - AmBev.

Exchange of share-ownership program

The combination with AmBev provides a unique opportunity to share AmBev's best practices within the InBev group and resulted in the transfer of certain members of AmBev's senior management to InBev. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with InBev's interests, the Board approved a program that aims at facilitating the exchange by these managers of their AmBev shares into InBev shares. In accordance with the program, AmBev shares can be exchanged into InBev shares based on the average share price of both the AmBev and the InBev shares on the date the exchange is requested. A discount of 16.66 % is granted in exchange for a 5 year lock-up period for the shares and provided that the employee remains in service during this period.

The Executive Board of Management was granted the following number of shares under the program:

	Number of AmBev shares exchanged in 2005	Number of InBev shares granted
Executive Management as a group	72 843 122	747 372

Other compensation

InBev also provides Executives with life and medical insurance that are competitive with market practices. In addition, Executives also enjoy the usual perquisites such as a company car, in accordance with local market practice.

Post-employment benefits

Executives also participate in InBev's pension plans in either Belgium or their home country. InBev operates a number of defined benefit and defined contribution plans in line with market practices.

On track

InBev adopted a Disclosure Manual in 2005, which is designed to ensure that there is full, consistent and timely disclosure of all company activities.

SET/05 A DEZ/05

600ml
R$

APRECIE COM MODERAÇÃO
VENDA PROIBIDA PARA MENORES DE 18 ANOS

Registered Trademarks

1. The following brands are registered trademarks of InBev NV/SA or one of its affiliated companies:

Global brands:
- Stella Artois, Beck's, Brahma and Leffe

Local brands:
- Hoegaarden, Löwenbräu and Staropramen
- Artois Bock, Belle-Vue, Bergenbräu, Boomerang, C.T.S. Scotch, De Neve Gueuze, Ginder Ale, Horse Ale, Hougaerdse Das, Jack-op, Julius, Jupiler, Krüger, Loburg, Palten, Piedboeuf, Safir, Verboden Vrucht, Vieux Temps
- Skol, Antarctica, Fratelli Vita, Bohemia, Guaraná Antarctica, Bare Guarana, Liber, Marathon, Sukita, Kronenbier, Caracu, Polar, Serramalte, Serrana, Original, Nectar, Ouro Fino,
- Astika, Burgasko, Kamenitza, Pleven, Slavena
- Alexander Keith's, Black Label, Blue Star, Boomerang, Club, Crystal, Jockey Club, Kokanee, Kootenay, John Labatt Classic, Labatt, Labatt Wildcat, Lucky, Oland's, Old Mick's, Schooner, Sterling, Winchester, Nordic
- Jinling, Yali, Chunjing, KK, K, Yizhou, Ming Zhou, Pu Tuo Shan, 168, Zi Zhu Lin, Ningbo, Double Deer, Jinlongquan, Santai, Silvery Baisha, Golden Baisha, Baisha, Red Shiliang, Lu Lansha, Double Deer Xinxiandai, Double Deer Chunqing, Yandangshan
- Bozicno Pivo, Izzy, Ozujsko, Tomislav Pivo
- Branik, Ceský Akciovy Pivovar, D Pivo, Kelt, Mestan, Moravar, Ostravar, Velvet, Vratislav
- Beowulf, La Becasse, Lutèce, Moco, Preskil, Platzen, Sernia, Vega, Brussel's Café, Belgian Beer Café, Irish Corner, Au Bureau, Cave à Bières, Bars & Co, Giovanni Baresto, Café in, Charles Antoine
- Cluss, Diebels, Dimix, Dinkelacker, D-Pils, Franziskaner, Gilde, Haake-Beck, Haigerlocher, Hasseröder, Hemelinger, Kloster, Lindener Spezial, Löwen Weisse, Löwen Malz, Lüttje Lagen, Sanwald, Schwaben, Schwarzer Herzog, Sigel Kloster, Spaten, St Pauli Girl, Vitamalz, Wolters, Beck's Beerloft
- Arany Sas, Borsodi, Borostyan, Frisch Fassl, Wundertal, Königsberg, Welsenburg, Riesenbrau, Szent Imre, Reinberger
- Cafri, Cass, OB, Red Rock
- Diekirch, Mousel, Henri Funck
- Nik Gold, Nik Cool, Niksicko Pivo, Niksicko Tamno
- Atlas, Anchor Beer, Breda Royal, Classe Royale, Dommelsch, Dutch Gold, Het Elfde Gebod, Flying Dutchman, Hertog Jan, Jaeger, Magic Malt, Molenbier, Oranjeboom, Phoenix, Pirate, Royal Dutch Post Horn, Three Horses, Trio Stout, Weidmann
- Bergenbier, Hopfen König, Noroc
- Bagbier, Klinskoe, Nashe, Permskoye Gubernskoye, Pikur, Rifey, Sibirskaya Korona, Tolstiak, Volzhanin, Premier, Tinkoff, T, Zooom, Tequiza
- Jelen Pivo, Apa Cola, Apatinsko Pivo, Pils Light
- Chernigivske, Rogan, Taller, Yantar,
- Bass, Barbican, Boddingtons, Campbell's, Castle Eden Ale, English Ale, Flowers, Fowler's Wee Heavy, Gold Label, Mackeson, Tennent's, Trophy, Whitbread
- Rock Green Light, Rolling Rock, Rock Bock

2. The following brands are Co-owned registered trademarks:
- PerfectDraft is a registered trademark co-owned by InBev SA and Koninklijke Philips Electronics N.V.
- T in the Park is a registered trademark co-owned by Brandbrew SA and Big Day Out limited.

3. The following brands are registered trademarks of our partners:
- Cerveceria Bucanero SA: Bucanero, Cristal, Mayabe
- Zhujiang Beer Group Company: Zhujiang, Zhujiang Fresh, Xuebao, Huaxin, Supra Beer
- In Argentina, Maltería Quilmes S.A.I.C.A y G.: Quilmes, Iguana, Andes, Norte
- In Uruguay, Fabrica Nacional de Cerveza S.A. (affiliate of Quilmes): Norteña, Patricia, Pilsen
- In Paraguay, Cerveceria Paraguaya S.A. (affiliate of Quilmes): Baviera, Pilsen
- In Bolivia, Cerveceria Boliviana Nacional S.A. (affiliate of Quilmes): Paceña, Ducal, Taquiña
- In Chile, Cerveceria Chile S.A. (affiliate of Quilmes): Becker, Baltica

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