Unaudited Interim Report for the 6 month period ended 30 June 2007

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1. Management report

The following management report should be read in conjunction with InBev's unaudited interim consolidated financial statements.

1.1. Main transactions in first half year 2007 and full year 2006, highlighting changes in scope

A number of acquisitions and divestitures affected InBev's profit from operations and financial condition over the past two years. The main transactions are highlighted hereafter.

TRANSACTIONS FIRST SIX MONTHS 2007

ACQUISITION OF LAKEPORT BREWING INCOME TRUST UNITS

On 1 February, InBev announced that Labatt Brewing Company Limited (Labatt) had entered into a Support Agreement with Lakeport Brewing Income Fund ("Lakeport") to acquire all of the outstanding units of Lakeport at a purchase price of 28.00 Canadian dollars per unit in cash for an aggregate purchase price of just over 201.4m Canadian dollar.

Under the Agreement, the Board of Trustees of Lakeport unanimously recommended that unit holders accept the Offer, which represented a premium of 36% based on the 20.57 Canadian dollar closing price for the Lakeport units on the Toronto Stock Exchange on January 31, 2007.

On 29 March, Labatt and Lakeport jointly announced that holders of trust units of Lakeport had tendered their units under Labatt's offer. As a result of the above transactions, Lakeport is now wholly-owned by Labatt.

ACQUISITION OF CERVEJARIAS CINTRA INDUSTRIA E COMERCIO LTDA

On 28 March, AmBev announced the signing of a purchase agreement with respect to the acquisition of 100% of Goldensand Comercio e Serviços Lda ("Goldensand"), the controlling shareholder of Cervejarias Cintra Industria e Comercio Ltda ("Cintra").

The total transaction value amounted to 150m US dollar and did not include the brands and distribution assets of Cintra, which may be included later at the option of the seller.

ACQUISITION OF MINORITY INTERESTS

During the first 6 months of 2007, InBev purchased minority interests in several subsidiaries for a total cash consideration of 770m euro. As the related subsidiaries were already fully consolidated, the purchases did not impact InBev's profit, but reduced the minority interests and thus impacted the profit attributable to equity holders of InBev.

The impact of the main minority purchases on InBev's economic interest in the related subsidiaries can be summarized as follows:

Majority interest	30 June 2007	31 December 2006	30 June 2006
AmBev Brazil	59.98%	58.36%	56.91%

TRANSACTIONS 2006

ACQUISITION OF FUJIAN SEDRIN BREWERY IN CHINA

On 23 January, InBev announced that it reached agreement with various parties to acquire, in a series of transactions, 100% of the shares in Fujian Sedrin Brewery Co. Ltd. ("Sedrin"), the largest brewer in Fujian province, for a total cash consideration of 5 886m RMB. The acquisition was completed on 8 June. The total RMB purchase price of 5 886m was settled in US dollar for an equivalent amount of 621m euro. InBev has fully consolidated the results of Sedrin as from June 2006.

INCREASE OF SHAREHOLDING IN QUINSA

On 13 April, InBev announced that AmBev had entered into an agreement with Beverage Associates Corp. ("BAC") to acquire all of BAC's remaining shares in Quinsa for a total purchase price of approximately 1.2 billion US dollars, subject to certain adjustments, including dividends and interest. As a result of the transaction, AmBev's equity interest in Quinsa increased from 56.72% to 91.18% of its total share capital.

This agreement represented the final step of a transaction initiated in May 2002, whereby AmBev acquired an initial stake in Quinsa. The respective agreements provided that BAC had a put option in connection with its remaining shares in Quinsa, in exchange for AmBev's shares. AmBev had a corresponding call right after 2009. Pursuant to this transaction, which superseded these put and call options, the parties agreed that the purchase price would be paid in cash. The transaction was closed on 8 August.

Since the creation of InBev in September 2004, InBev has included the results of Quinsa in its financial statements using the proportionate consolidation method. Following our substantial increase in shareholding in Quinsa, we fully consolidate Quinsa as from August 2006.

DISPOSAL OF ROLLING ROCK

On 19 May, InBev and Anheuser-Busch jointly announced the sale of the Rolling Rock® family of brands. The sales price was 82m US dollars (67m euro) for the US and worldwide rights to Rolling Rock® and Rock Green Light®.

Anheuser-Busch began brewing Rolling Rock® and Rock Green Light® in August using the brands' same time honored recipes, maintaining Rolling Rock's craftsmanship and heritage that its fans expect and appreciate.

The decision to sell the Rolling Rock® brands was based on InBev's strategic approach to the US market, which is to focus on the high-growth import brands in our portfolio.

In September 2006, InBev sold its brewery in Latrobe, Pennsylvania USA, which was dedicated to the brewing of Rolling Rock® beer to City Brewing of Lacrosse Wisconsin.

EUROPEAN IMPORT BRANDS IN USA

On 30 November, InBev and Anheuser-Busch reached an agreement for European import brands in the United States. On 1 February 2007 Anheuser-Bush became the exclusive US importer of a number of InBev's premium European import brands, including Stella Artois®, Beck's®, Bass Pale Ale®, Hoegaarden®, Leffe® and other select InBev brands.

Since 1 February 2007, Anheuser-Busch imports these premium brands and is responsible for their sales, promotion and distribution in the United States.

InBev's Canadian brands, including Labatt Blue ® and Labatt Blue Light®, as well as Brahma®, were not included in the agreement. Working closely with Labatt Breweries of Canada, Labatt USA continues to market and sell the Labatt and Brahma brands through a separate distribution network.

EVENTS AFTER THE BALANCE SHEET DATE

Please refer to note 16 *Events after the balance sheet date* of the interim consolidated financial statements.

1.2. Selected financial figures

The table below sets out the components of our operating income and our operating expenses, as well as certain other key data.

For the six month period ended 30 June Million euro	2007	%	2006[1]	%
Revenue[2]	**6 771**	**100.0**	**6 176**	**100.0**
Cost of sales	(2 810)	(41.5)	(2 553)	(41.3)
Gross profit	**3 961**	**58.5**	**3 623**	**58.7**
Distribution expenses	(824)	(12.2)	(751)	(12.2)
Sales and marketing expenses	(1 089)	(16.1)	(1 057)	(17.1)
Administrative expenses	(487)	(7.2)	(512)	(8.3)
Other operating income/(expenses)	111	1.6	64	1.0
Normalized profit from operations (normalized EBIT)	**1 672**	**24.7**	**1 367**	**22.1**
Non-recurring items	22	0.3	(37)	(0.6)
Profit from operations (EBIT)	**1 694**	**25.0**	**1 330**	**21.5**
Profit	**1 131**	**16.7**	**893**	**14.5**
Normalized profit attributable to equity holders of InBev	**760**	**11.2**	**591**	**9.6**
Profit attributable to equity holders of InBev	**778**	**11.5**	**561**	**9.1**
Depreciation, amortization and impairment	**(519)**	**(7.7)**	**(506)**	**(8.2)**
Goodwill impairment (loss)/reversal	**19**	**0.3**	**-**	**-**
Normalized EBITDA	**2 194**	**32.4**	**1 856**	**30.0**
EBITDA	**2 194**	**32.4**	**1 836**	**29.7**

Note: whenever used in this document, the term “normalized” refers to performance measures (EBITDA, EBIT, Profit, EPS) before non-recurring items. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of the company’s performance.

[1] Certain 2006 amounts have been reclassified to conform with the 2007 presentation.
[2] Turnover less excise taxes. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.

1.3. Financial performance

OPERATING ACTIVITIES BY ZONE

The tables below provide a summary of the performance of each geographical zone, for the six month period ended 30 June 2007.

INBEV WORLDWIDE	2006[1]	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	110 582	10 055	-	6 565	127 202	6.0
Revenue	6 176	237	(143)	501	6 771	8.2
Cost of sales	(2 553)	(104)	51	(203)	(2 810)	(8.1)
Gross profit	3 623	132	(92)	298	3 961	8.3
Distribution expenses	(751)	(21)	22	(73)	(824)	(9.9)
Sales & marketing expenses	(1 057)	(43)	18	(7)	(1 089)	(0.6)
Administrative expenses	(512)	(13)	8	30	(487)	5.9
Other operating income/(expenses)	64	5	(1)	43	111	60.5
Normalized EBIT	1 367	60	(46)	290	1 672	21.4
Normalized EBITDA	1 856	81	(57)	314	2 194	17.1

NORTH AMERICA	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	6 929	(928)	-	(145)	5 855	(2.5)
Revenue	889	(105)	(59)	(3)	722	(0.5)
Cost of sales	(343)	88	19	3	(233)	1.1
Gross profit	546	(17)	(40)	(1)	489	(0.1)
Distribution expenses	(138)	(8)	10	4	(132)	2.6
Sales & marketing expenses	(179)	54	9	2	(113)	1.9
Administrative expenses	(59)	5	4	5	(46)	8.8
Other operating income/(expenses)	(5)	1	-	5	1	129.1
Normalized EBIT	165	35	(17)	15	199	7.7
Normalized EBITDA	212	34	(20)	12	239	5.0

LATIN AMERICA - NORTH	2006[1]	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	44 248	221	-	2 025	46 494	4.6
Revenue	2 022	6	(50)	231	2 209	11.4
Cost of sales	(692)	(3)	19	(87)	(763)	(12.6)
Gross profit	1 330	3	(31)	143	1 446	10.8
Distribution expenses	(246)	(1)	7	(20)	(261)	(8.3)
Sales & marketing expenses	(217)	(2)	6	(11)	(224)	(4.9)
Administrative expenses	(131)	(2)	3	12	(117)	9.2
Other operating income/(expenses)	41	-	(1)	17	57	41.9
Normalized EBIT	776	(2)	(16)	142	900	18.2
Normalized EBITDA	899	-	(19)	140	1 020	15.6

LATIN AMERICA - SOUTH	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	7 895	5 466	-	828	14 189	10.8
Revenue	255	181	(21)	53	469	21.5
Cost of sales	(113)	(79)	10	(22)	(204)	(19.6)
Gross profit	142	102	(11)	32	265	23.0
Distribution expenses	(16)	(15)	2	(9)	(38)	(55.3)
Sales & marketing expenses	(38)	(24)	3	(1)	(60)	(1.7)
Administrative expenses	(12)	(8)	1	(1)	(20)	(7.4)
Other operating income/(expenses)	(3)	(2)	-	(1)	(5)	(30.5)
Normalized EBIT	73	54	(5)	21	142	30.0
Normalized EBITDA	98	70	(7)	21	183	22.6

WESTERN EUROPE	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	18 888	(512)	-	(513)	17 862	(2.8)
Revenue	1 746	(31)	9	(6)	1 718	(0.4)
Cost of sales	(779)	13	(6)	(32)	(804)	(4.2)
Gross profit	967	(18)	3	(39)	914	(4.1)
Distribution expenses	(207)	5	(1)	(3)	(205)	(1.6)
Sales & marketing expenses	(367)	(3)	(2)	9	(363)	2.4
Administrative expenses	(135)	1	(1)	8	(126)	6.1
Other operating income/(expenses)	(68)	7	(1)	21	(41)	34.7
Normalized EBIT	191	(9)	-	(4)	178	(2.1)
Normalized EBITDA	347	(12)	1	3	339	0.9

[1] Certain 2006 amounts have been reclassified to conform with the 2007 presentation.

CENTRAL & EASTERN EUROPE	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	19 829	-	-	3 530	23 359	17.8
Revenue	829	-	(13)	207	1 024	25.0
Cost of sales	(392)	-	7	(74)	(460)	(19.0)
Gross profit	437	-	(6)	133	564	30.4
Distribution expenses	(112)	-	2	(27)	(137)	(24.0)
Sales & marketing expenses	(145)	-	2	(56)	(199)	(38.5)
Administrative expenses	(65)	-	-	(3)	(67)	(3.9)
Other operating income/(expenses)	(26)	-	1	(25)	(50)	(95.6)
Normalized EBIT	89	-	(2)	23	111	26.1
Normalized EBITDA	180	-	(3)	36	213	20.0

ASIA PACIFIC	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	11 956	4 511	-	520	16 987	4.5
Revenue	386	73	(18)	33	474	9.1
Cost of sales	(203)	(35)	8	(7)	(237)	(3.9)
Gross profit	183	38	(10)	26	237	14.5
Distribution expenses	(31)	(1)	1	(2)	(33)	(5.8)
Sales & marketing expenses	(83)	(23)	4	(3)	(104)	(3.8)
Administrative expenses	(25)	(6)	1	-	(30)	0.4
Other operating income/(expenses)	(4)	(1)	-	4	-	86.5
Normalized EBIT	40	7	(3)	26	70	73.6
Normalized EBITDA	80	14	(5)	31	120	42.4

GLOBAL EXPORT & HOLDING COMPANIES	2006	Scope	Currency translation	Organic growth	2007	Organic growth %
Volumes	837	1 298	-	320	2 455	15.0
Revenue	49	112	8	(14)	155	(8.4)
Cost of sales	(31)	(88)	(6)	16	(109)	13.5
Gross profit	17	24	2	3	46	6.3
Distribution expenses	-	(2)	-	(16)	(18)	(787.7)
Sales & marketing expenses	(28)	(45)	(4)	52	(24)	72.0
Administrative expenses	(86)	(3)	-	9	(81)	9.6
Other operating income/(expenses)	128	-	-	21	149	16.0
Normalized EBIT	32	(25)	(3)	68	72	1 065.4
Normalized EBITDA	39	(25)	(3)	70	82	488.3

REVENUE

Consolidated revenue of 6 771m euro for the first half of 2007 represented an organic increase of 501m euro, or 8.2% higher versus the same period last year. Volume growth was achieved in most of our Zones, and revenue per hectoliter increased by 2.1%, with all Zones reporting higher revenue per hectoliter. This is the result of a consistent focus to deliver revenue growth faster than volume growth, through building strong local and global brands, supported by innovation; and adjusting prices to capture inflation in some regions.

COST OF SALES

Consolidated Cost of Sales (CoS) was 2 810m euro during the first half of 2007, an organic increase of 203m euro or 8.1% above last year. CoS per hectoliter was up by 2.0% on an organic basis, evidence that the company's efficiency programs are able to offset some inflation and input cost increases.

OPERATING EXPENSES

Operating expenses, which comprise distribution expenses, sales and marketing expenses, administrative expenses and other operating income/expenses, amounted to 2 289m euro during 1H07, being 7m euro or 0.3% organically higher than one year ago.

Higher sales volumes, selected investment in direct distribution and some increases in transport costs resulted in higher distribution expenses by 73m euro (9.9%). Sales and marketing expenses grew 7m euro (0.6%), as the company continued to invest in programs designed to increase our long term top line growth, while simultaneously finding savings in areas which do not impact the consumer. Administrative expenses were 30m euro lower (5.9%), as overhead costs remain tightly under control.

Other operating income/expenses improved by +43m euro during the first six months of 2007, year on year. This change is mainly explained by the increase in royalties income from third parties, besides the release of some provisions, and the adjustment of bonus accruals.

NORMALIZED PROFIT FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION (NORMALIZED EBITDA)

For the first half of 2007 normalized EBITDA was 2 194m euro or an increase of 314m euro (17.1%), every Zone achieving EBITDA growth.

Volume growth, improved revenue per hectoliter and ongoing solid cost management led to an EBITDA margin of 32.4% in 1H07, compared to 30.0% in the same period of 2006. EBITDA margin expansion was 236 basis points, of which 245 basis points was organic (i.e. excluding the impact of scopes, as well as the negative impact of changes in currencies on translation of foreign operations). The negative currency translation impact was 57m euro for 1H07 (positive impact of 237 million euro in 1H06).

NON-RECURRING ITEMS

Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature.

Details on the nature of the non-recurring items are disclosed in note 6 *Non-recurring items*.

PROFIT

Normalized profit attributable to equity holders of InBev of 760m euro (normalized EPS 1.24 euro) in 1H07 represents an absolute increase of 29% compared to 1H06.

Profit attributable to equity holders of InBev included the following:

- Net financing costs: 296m euro, 78m euro higher than 1H06. This increase is largely explained by higher interest expense following the increase in InBev's average net debt position combined with a higher mix of Brazilian real interest-bearing financial liabilities in comparison to that of 2006
- Income tax expense: 267 million euro with an effective tax rate of 19.1 % (versus 19.7% in 1H06). The company continues to benefit at the AmBev level from the impact of interest on equity payments and tax deductible goodwill from the merger between InBev Holding Brazil and AmBev in July 2005 and the acquisition of Quinsa in August 2006. The effective tax rate was also favorably impacted in Q107 by the successful outcome of a tax audit in the UK. For the full year 2007, the estimated effective tax rate is expected to be in the range 20% to 22%.
- Profit attributable to minority interests: 353m euro (332m euro in 1H06)

1.4. Liquidity position and capital resources

CASH FLOWS

Our cash flow from operating activities increased from 1 224m euro in the first half of 2006 to 1 658m euro in the first half of 2007, or 35.5%, mainly explained by a strong increase in the profit from operations and a better working capital management.

The evolution of the cash used in investment activities from (1 295)m euro in the first six months of 2006 to (1 542)m euro in the first six months of 2007 is mainly explained by the strong increase in the purchase of minority interests when compared to previous period, partially compensated by a lower cash out for the acquisition of subsidiaries.

The cash inflow from our financing activities decreased from 150m euro in the first six months of 2006 to 12m euro in the first six months of 2007, impacted by increased purchases of treasury shares and higher dividend payments.

CAPITAL EXPENDITURES AND ACQUISITIONS

We spent 628m euro in the first six months of 2007 and 447m euro in the first six months of 2006 on acquiring capital assets. The increase in net capex is mainly explained by higher acquisitions of property, plant and equipment in Brazil, Russia and Ukraine and lower proceeds from the sale of intangible assets (last year proceeds included 67m euro from the sale of the Rolling Rock® brands).

We spent 158m euro in the first six months of 2007 on acquiring businesses compared to 606m euro acquisition expenditures during the same period last year. As regards purchases of minority interests, we spent 770m euro during the first half of 2007 compared to 238m euro in the same period of 2006. As already mentioned above, our principal purchases of minority interests relate to AmBev Brazil.

CAPITAL RESOURCES AND EQUITY

InBev's net financial debt increased to 6 227m euro as of June 2007, from 5 563m euro as of December 2006. The increase in net debt is primarily the result of the financing of the Lakeport and Cintra acquisition (153m euro); the InBev and AmBev share buyback programs (respectively 234m euro and 747m euro); dividend payments to shareholders of InBev (432m euro); dividend payments to minority shareholders of AmBev (106m euro) and the impact of changes in foreign exchange rates (72m euro).

Consolidated equity attributable to equity holders of InBev as at 30 June 2007 was 12 849m euro, compared with 12 262m euro at the end of 2006. Further details on equity movements can be found in note 11 *Changes in equity* to the interim consolidated financial statements.

1.5. Risks and uncertainties

Judgments made by management in the application of IFRS that may have a significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed in the relevant notes of the consolidated financial statements. Important contingencies are disclosed in note 15 *Contingencies* of the interim consolidated financial statements.

2. Unaudited consolidated financial statements

2.1. Unaudited consolidated income statement

For the six month period ended 30 June Million euro	Notes	2007	2006[1]
Revenue		**6 771**	**6 176**
Cost of sales		(2 810)	(2 553)
Gross profit		**3 961**	**3 623**
Distribution expenses		(824)	(751)
Sales and marketing expenses		(1 089)	(1 057)
Administrative expenses		(487)	(512)
Other operating income/(expenses)		111	64
Profit from operations before non-recurring items		**1 672**	**1 367**
Non-recurring items	6	22	(37)
Profit from operations		**1 694**	**1 330**
Finance costs		(341)	(286)
Finance income		45	68
Profit before tax		**1 398**	**1 112**
Income tax expense	7	(267)	(219)
Profit		**1 131**	**893**
Attributable to:			
Equity holders of InBev		778	561
Minority interests		353	332
Weighted average number of ordinary shares (million shares)		612	608
Diluted weighted average number of ordinary shares (million shares)		615	613
Period-end number of ordinary shares, net of treasury shares (million shares)		610	608
Basic earnings per share		1.27	0.92
Diluted earnings per share		1.27	0.91
Earnings per share before non-recurring items		1.24	0.97
Diluted earnings per share before non-recurring items		1.24	0.96

2.2. Unaudited consolidated statement of recognized gains and losses

For the period ended 30 June Million euro	2007	2006
Exchange differences on translation of foreign operations (gains/(losses))	401	(112)
Full recognition of actuarial gains and (losses)	-	(3)
Cash flow hedges	46	48
Net result recognized directly in equity	**447**	**(67)**
Profit	1 131	893
Total recognized gains and losses	**1 578**	**826**
Attributable to:		
Equity holders of InBev	**1 223**	**509**
Minority interests	**355**	**317**

[1] Certain 2006 amounts have been reclassified to conform with the 2007 presentation.

2.3. Unaudited consolidated balance sheet

As at Million euro	Notes	30 June 2007	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	8	6 610	6 301
Goodwill	9	13 732	12 305
Intangible assets	10	1 290	1 265
Investments in associates		13	13
Investment securities		136	40
Deferred tax assets		923	857
Employee benefits		7	6
Trade and other receivables		611	695
		23 322	**21 482**
Current assets			
Investment securities		184	223
Inventories		1 101	1 017
Income tax receivable		237	213
Trade and other receivables		2 464	2 571
Cash and cash equivalents		727	626
Assets held for sale		55	114
		4 768	**4 764**
Total assets		**28 090**	**26 246**
EQUITY AND LIABILITIES			
Equity			
Issued capital	11	473	473
Share premium	11	7 437	7 412
Reserves	11	934	715
Retained earnings	11	4 005	3 662
Equity attributable to equity holders of InBev		**12 849**	**12 262**
Minority interests	11	1 077	880
		13 926	**13 142**
Non-current liabilities			
Interest-bearing loans and borrowings	12	5 964	5 146
Employee benefits		749	753
Deferred tax liabilities		664	637
Trade and other payables		298	241
Provisions		543	448
		8 218	**7 225**
Current liabilities			
Bank overdrafts		55	90
Interest-bearing loans and borrowings	12	1 241	1 204
Income tax payable		476	372
Trade and other payables		3 935	3 919
Provisions		233	253
Liabilities held for sale		6	41
		5 946	**5 879**
Total equity and liabilities		**28 090**	**26 246**

2.4. Unaudited consolidated cash flow statement

For the period ended 30 June Million euro	2007	2006[1]
OPERATING ACTIVITIES		
Profit	1 131	893
Depreciation, amortization and impairment losses	504	506
Write-off receivables	30	8
Net financing costs	296	218
Loss/(gain) on sale of property, plant and equipment and intangible assets	(10)	(62)
Loss/(gain) on assets held for sale	(16)	-
Equity-settled share-based payment expense	28	25
Income tax expense	267	219
Other non-cash items included in the profit	15	15
Cash flow from operating activities before changes in working capital and provisions	**2 245**	**1 822**
Decrease/(increase) in trade and other receivables	173	(122)
Decrease/(increase) in inventories	(44)	(29)
Increase/(decrease) in trade and other payables	(145)	19
Increase/(decrease) in provisions	(109)	(32)
Cash generated from operations	**2 120**	**1 658**
Interest paid	(331)	(241)
Interest received	20	51
Dividends received	-	1
Income tax paid	(151)	(245)
CASH FLOW FROM OPERATING ACTIVITIES	**1 658**	**1 224**
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment and intangible assets	36	87
Proceeds from assets held for sale	44	-
Proceeds from sale of investment securities	89	11
Repayments of loans granted	1	8
Sale of subsidiaries, net of cash disposed of	21	(1)
Acquisition of subsidiaries, net of cash acquired	(158)	(606)
Purchase of minority interests	(770)	(238)
Acquisition of property, plant and equipment and intangible assets	(664)	(534)
Acquisition of investment securities	(133)	(16)
Payments of loans granted	(8)	(6)
CASH FLOW FROM INVESTING ACTIVITIES	**(1 542)**	**(1 295)**
FINANCING ACTIVITIES		
Proceeds from the issue of share capital	71	28
Purchase of treasury shares	(234)	(58)
Proceeds from borrowings	2 798	3 495
Repayment of borrowings	(2 026)	(2 846)
Cash net financing costs other than interests	(51)	(49)
Payment of finance lease liabilities	(2)	(1)
Dividends paid	(544)	(419)
CASH FLOW FROM FINANCING ACTIVITIES	**12**	**150**
Net increase/(decrease) in cash and cash equivalents	**128**	**79**
Cash and cash equivalents less bank overdrafts at beginning of period	536	552
Effect of exchange rate fluctuations	8	(20)
Cash and cash equivalents less bank overdrafts at end of period	**672**	**611**

[1] Certain 2006 amounts have been reclassified to conform with the 2007 presentation.

2.5. Notes to the unaudited consolidated financial statements

1. CORPORATE INFORMATION

InBev NV is a company domiciled and publicly traded (Euronext: INB) in Belgium. The company's origins date back to 1366, and today it is the leading global brewer by volume. InBev's strategy is to strengthen its local platforms by building significant positions in the world's major beer markets through organic growth, world-class efficiency, targeted acquisitions, and by putting consumers first. InBev has a portfolio of more than 200 brands, including Stella Artois®, Brahma®, Beck's®, Skol®, Leffe®, Hoegaarden®, Staropramen® and Bass®. InBev employs some 88 000 people, running operations in over 30 countries across the Americas, Europe and Asia Pacific.

The unaudited interim consolidated financial statements of the company for the period ended 30 June 2007 comprise the company and its subsidiaries (together referred to as "InBev" or the "company") and the company's interest in associates and jointly controlled entities.

The unaudited interim consolidated financial statements were authorized for issue by the board of directors on 29 August 2007.

2. STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to 30 June 2007. InBev did not apply any European carve-outs from IFRS meaning that our financials fully comply with IFRS. The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2006. InBev has not applied IFRS requirements that are not yet effective in 2007. Certain 2006 amounts have been reclassified to conform with the 2007 presentation.

As prescribed by IAS 34 *Interim Financial Reporting* this IFRS interim financial report is prepared in accordance with IAS 34.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements are presented in euro, rounded to the nearest million. Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic remeasurement), the cost approach is applied.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes hereafter.

(B) FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

EXCHANGE RATES

The following exchange rates have been used in preparing the financial statements.

1 euro equals:	Closing rate			Average rate		
	30 June 2007	31 December 2006	Evolution in %	30 June 2007	30 June 2006	Evolution in %
Argentinean peso	4.174128	4.042527	(3.26)	4.094920	3.736320	(9.60)
Brazilian real	2.601328	2.815751	7.62	2.744094	2.692276	(1.92)
Canadian dollar	1.424499	1.528101	6.78	1.509124	1.393251	(8.32)
Chinese yuan	10.281613	10.279288	(0.02)	10.287219	9.894231	(3.97)
Russian ruble	34.714990	34.696922	(0.05)	34.735489	34.011292	(2.13)
South Korean won	1 248.439451	1 225.490196	(1.87)	1 243.781095	1 182.033097	(5.22)
Ukrainian hryvnia	6.797311	6.650838	(2.20)	6.746409	6.216083	(8.53)
US dollar	1.350501	1.317001	(2.54)	1.330022	1.221611	(8.87)

(C) RECENTLY ISSUED IFRS

There are no new standards or interpretations that are not yet effective which have been early applied in this half year report.

4. SEGMENT REPORTING

PRIMARY SEGMENTS

Million euro, except volume (million hl)

For the six month period ended 30 June	North America		Latin America North		Latin America South		Western Europe		Central & Eastern Europe		Asia Pacific		Global export and holding companies		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Volume	**6**	**7**	**46**	**44**	**14**	**8**	**18**	**19**	**23**	**20**	**17**	**12**	**2**	**1**	**127**	**111**
Revenue	**722**	**889**	**2 209**	**2 022**	**469**	**255**	**1 718**	**1 746**	**1 024**	**829**	**474**	**386**	**155**	**49**	**6 771**	**6 176**
Cost of goods sold	(233)	(343)	(763)	(692)	(204)	(113)	(804)	(779)	(460)	(392)	(237)	(203)	(109)	(31)	(2 810)	(2 553)
Distribution expenses	(132)	(138)	(261)	(246)	(38)	(16)	(205)	(207)	(137)	(112)	(33)	(31)	(18)	-	(824)	(751)
Sales and marketing expenses	(113)	(179)	(224)	(217)	(60)	(38)	(363)	(367)	(199)	(145)	(104)	(83)	(24)	(28)	(1 089)	(1 057)
Administrative expenses	(46)	(59)	(117)	(131)	(20)	(12)	(126)	(135)	(67)	(65)	(30)	(25)	(81)	(86)	(487)	(512)
Other operating income/(expenses)	1	(5)	57	41	(5)	(3)	(41)	(68)	(50)	(26)	-	(4)	149	128	111	64
Profit from operations before non-recurring items (normalized EBIT)	**199**	**165**	**900**	**776**	**142**	**73**	**178**	**191**	**111**	**89**	**70**	**40**	**72**	**32**	**1 672**	**1 367**
Non-recurring items	(2)	15	6	30	-	-	16	(60)	(8)	(3)	12	(9)	(2)	(9)	22	(37)
Profit from operations (EBIT)	**197**	**181**	**906**	**807**	**142**	**73**	**194**	**131**	**103**	**86**	**82**	**31**	**70**	**23**	**1 694**	**1 330**
Net financing cost	(26)	(23)	(183)	(130)	(10)	(9)	(136)	(93)	(18)	(20)	(3)	(8)	81	65	(296)	(218)
Profit before tax	**171**	**158**	**723**	**677**	**132**	**64**	**58**	**38**	**85**	**66**	**79**	**23**	**151**	**88**	**1 398**	**1 112**
Income tax expense	(58)	(61)	(83)	(87)	(41)	(17)	(6)	(17)	(31)	(14)	(21)	(10)	(27)	(13)	(267)	(219)
Profit	**113**	**97**	**640**	**589**	**90**	**46**	**51**	**21**	**54**	**51**	**58**	**13**	**124**	**75**	**1 131**	**893**
Normalized EBITDA	239	212	1 020	899	183	98	339	347	213	180	120	80	82	39	2 194	1 856
EBITDA margin (normalized) in %	33.1	23.9	46.2	44.4	39.0	38.6	19.7	19.9	20.8	21.7	25.2	20.7	52.7	79.7	32.4	30.0
Segment assets	2 764	2 324	9 407	7 768	2 317	946	4 898	5 295	3 078	2 869	2 869	2 866	996	764	26 329	22 833
Intersegment elimination															(689)	(514)
Non-segmented assets															2 449	2 166
Total assets															**28 090**	**24 485**
Segment liabilities	822	862	1 641	1 112	192	104	2 069	2 313	625	451	543	431	501	400	6 393	5 674
Intersegment elimination															(689)	(514)
Non-segm. liabilities															22 386	19 325
Total liabilities															**28 090**	**24 485**

SECONDARY SEGMENTS

Million euro, except volume (million hl)

For the six month period ended 30 June	Beer		Non-beer		Consolidated	
	2007	2006	2007	2006	2007	2006
Volume	108	96	19	15	127	111
Revenue	6 219	5 727	552	449	6 771	6 176
Total assets	25 368	22 563	2 722	1 922	28 090	24 485
Gross capex	574	505	71	29	645	534

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The table below summarizes the impact of the acquisitions and disposals on the financial position of InBev:

For the six month period ended 30 June Million euro	2007 Acquisitions	2007 Disposals	2006 Acquisitions	2006 Disposals
Non-current assets				
Property, plant and equipment	101	-	98	-
Goodwill	-	(23)	-	-
Intangible assets	27	-	161	-
Trade and other receivables	1	(2)	2	-
Deferred tax assets	27	-	-	-
Current assets				
Investment securities	6	-	-	-
Inventories	14	-	14	-
Trade and other receivables	4	-	8	-
Cash and cash equivalents	4	(1)	22	(5)
Assets held for sale	-	(32)	-	(29)
Minority interests	-	-	-	2
Non-current liabilities				
Interest-bearing loans and borrowings	(44)	-	(8)	-
Trade and other payables	(56)	-	-	-
Provisions	(118)	-	(2)	-
Deferred tax liabilities	(6)	-	(54)	-
Current liabilities				
Bank overdrafts	(1)	-	-	-
Interest-bearing loans and borrowings	(23)	-	(9)	-
Income tax payable	(1)	-	-	-
Trade and other payables	(52)	-	(78)	-
Liabilities held for sale	-	36	-	19
Net identifiable assets and liabilities	**(117)**	**(22)**	**154**	**(13)**
Goodwill on acquisition	278	-	474	-
Loss/(gain) on disposal	-	-	-	9
Consideration paid/(received), satisfied in cash	**161**	**(22)**	**628**	**(4)**
Cash (acquired)/disposed of	(3)	1	(22)	5
Net cash outflow/(inflow)	**158**	**(21)**	**606**	**1**

- On 1 February, InBev announced that Labatt Brewing Company Limited (Labatt) had entered into a Support Agreement with Lakeport Brewing Income Fund ("Lakeport") to acquire all of the outstanding units of Lakeport at a purchase price of 28.00 Canadian dollars per unit in cash for an aggregate purchase price of just over 201.4m Canadian dollar. On 29 March, Labatt and Lakeport jointly announced that holders of trust units of Lakeport had tendered their units under Labatt's offer. Costs directly attributable to the combination represent 5m euro. The amounts recognized at the acquisition date for each class of Lakeport's assets, liabilities and contingent liabilities are included in the column "2007 Acquisitions" of the above table. The Lakeport goodwill of 118m euro is justified by the strong and growing position of Lakeport in the discount segment in Ontario. The fair values of the identifiable assets and liabilities are still provisional as at 30 June, and are subject to possible revisions in the course of 2007.

  Lakeport contributed 1.9m euro to the 2007 profit of InBev. If the acquisition date had been 1 January 2007 it is estimated that InBev's revenue and profit would have been higher by approximately 14m and 2m euro, respectively.

- On 28 March, AmBev announced the signing of a purchase agreement with respect to the acquisition of 100% of Goldensand Comercio e Serviços Lda ("Goldensand"), the controlling shareholder of Cervejarias Cintra Industria e Comercio Ltda ("Cintra").

The total transaction value amounted to approximately 150m US dollar and did not include the brands and distribution assets of Cintra, which may be included later at the option of the seller. The amounts recognized at the acquisition date for each class of Cintra's assets, liabilities and contingent liabilities are included in the column "2007 Acquisitions" of the above table. The Cintra goodwill of 155m euro is justified by the acquisition of additional production capacity. The fair values of the identifiable assets and liabilities are provisional as at 30 June, and are subject to possible revisions in the course of 2007.

Cintra contributed 1.2m euro to the 2007 profit of InBev. If the acquisition date had been 1 January 2007 it was estimated that InBev's revenue and profit would have been higher by approximately 15m and 2m euro, respectively.

- The company acquired several local distributors throughout the world. As these distributors are immediately integrated in the InBev operations, no separate reporting is maintained on their contributions to the InBev profit. Goodwill recognized on these transactions amounted to 5m euro.

6. NON-RECURRING ITEMS

InBev's management performance rewards are based on several criteria, including profitability of the company. To measure management's performance, profit from operations and profit, as reported in accordance with IFRS, are adjusted for certain items approved by the compensation committee of the board of directors. These items include the non-recurring items as detailed below. From an IFRS perspective, the items warrant separate disclosure because of their significance.

The non-recurring items included in the income statement are as follows:

Million euro	30 June 2007	30 June 2006[1]
Profit from operations before non-recurring items	**1 672**	**1 367**
Restructuring	(23)	(91)
Business & asset disposal	14	24
Disputes	12	30
Impairment	19	-
Profit from operations	**1 694**	**1 330**

The 2007 non-recurring restructuring charges of 23m euro relate primarily to organizational alignments in Western Europe, Central and Eastern Europe and the global headquarters. These changes aim to create clear responsibilities and to eliminate overlapping or duplicated processes and activities across functions and zones. The outcome should be a quicker decision-making and improvements to efficiency, service and quality.

Asset disposals in the first half of 2007 resulted in net gains of 14m euro.

In the first half of 2007, a reversal of an impairment loss of 19m euro was recorded, based on a change in the recoverable amount of assets held for sale. Further, profit from operations as at 30 June 2007 was positively affected by a net reversal of provisions for disputes of 12m euro.

The 2006 non-recurring restructuring charges of 91m euro related primarily to the realignment of the structures and processes in Western Europe, North America, China and the global headquarters, and to the creation of European and American shared service centers for transactional services.

The sale of the Rolling Rock® family of brands in May 2006 resulted in a net business disposal gain of 24m euro. This net gain comprises the proceeds from the brands sold (67m euro) as well as related discontinuance (26m euro) and impairment charges (17m euro).

Further, profit from operations as at 30 June 2006 was positively affected by a net reversal of provisions for disputes of 30m euro.

All the above amounts are before income taxes. The 2007 non-recurring items as at 30 June increased income taxes by 3m euro, whereas the 2006 non-recurring items as at 30 June decreased income taxes by 13m euro.

[1] Certain 2006 amounts have been reclassified to conform with the 2007 presentation.

7. INCOME TAXES

Income taxes recognized in the income statement can be detailed as follows:

Million euro	30 June 2007	30 June 2006
Current tax expense	(259)	(174)
Deferred tax expense	(8)	(45)
Total income tax expense in the income statement	**(267)**	**(219)**

The reconciliation of the aggregated weighted nominal tax rate with the effective tax rate can be summarized as follows:

Million euro	30 June 2007	30 June 2006
Profit before tax	1 398	1 112
Deduct share of result of associates	-	-
Profit before tax and before share of result of associates	**1 398**	**1 112**
Adjustments on taxable basis		
Expenses not deductible for tax purposes	87	121
Non-taxable financial and other income	(36)	(68)
	1 449	**1 165**
Aggregated weighted nominal tax rate	**32.6%**	**33.4%**
Tax at aggregated weighted nominal tax rate	(472)	(389)
Adjustments on tax expense		
Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized	(6)	(27)
Recognition of deferred tax assets on previous years' tax losses	-	6
Over/(under) provided in prior years	(1)	6
Tax savings from tax credits	192	177
Tax savings from special tax status	39	40
Change in tax rate	(2)	-
Withholding taxes	(10)	(31)
Other	(7)	(1)
	(267)	**(219)**
Effective tax rate	**19.1%**	**19.7%**

The aggregated weighted nominal tax rate decreased from 33.4% in 2006 to 32.6% in 2007 mainly due to the lower contribution of Brazil to the total taxable basis of the company at a country tax rate of 34.0%.

The total income tax expense amounts to 267m euro in 2007 or 19.1% of the profit before taxes and share of result of associates, compared to 219m euro in 2006, or 19.7%. In Brazil, the company continues to benefit from the impact of interest on equity payments and tax deductible goodwill from the merger between InBev Holding Brazil and AmBev in July 2005 and the acquisition of Quinsa in August 2006.

8. PROPERTY, PLANT AND EQUIPMENT

Million euro	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Acquisition cost					
Balance at end of previous year	3 082	8 395	2 279	530	14 286
Effect of movements in foreign exchange	61	207	37	9	314
Acquisitions through business combinations	23	72	5	1	101
Other acquisitions	25	182	103	298	608
Other disposals	(4)	(158)	(26)	(1)	(189)
Transfer to other asset categories	22	105	50	(210)	(33)
Other movements	-	(8)	-	7	(1)
Balance at end of period	**3 209**	**8 795**	**2 448**	**634**	**15 086**
Depreciation and impairment losses					
Balance at end of previous year	(1 282)	(5 082)	(1 621)	-	(7 985)
Effect of movements in foreign exchange	(30)	(134)	(26)	-	(190)
Other disposals	4	130	23	-	157
Depreciation	(56)	(306)	(115)	-	(477)
Impairment losses	3	-	-	(2)	1
Transfer to other asset categories	(7)	22	1	2	18
Balance at end of period	**(1 368)**	**(5 370)**	**(1 738)**	**-**	**(8 476)**
Carrying amount					
at 1 January 2007	**1 800**	**3 313**	**658**	**530**	**6 301**
at 30 June 2007	**1 841**	**3 425**	**710**	**634**	**6 610**

9. GOODWILL

Million euro	
Acquisition cost	
Balance at end of previous year	12 305
Effect of movements in foreign exchange	496
Acquisitions through business combinations	278
Purchases of minority interests	653
Balance at end of period	**13 732**
Impairment losses	
Balance at end of previous year	-
Impairment losses	19
Disposals	(19)
Balance at end of period	**-**
Carrying amount	
at 1 January 2007	**12 305**
at 30 June 2007	**13 732**

The major business combinations that took place during the first 6 months of 2007 are the acquisition of all of the outstanding units of "Lakeport" and the acquisition of 100% of Goldensand Comercio e Serviços Lda, the controlling shareholder of "Cintra" – See note 5 *Acquisitions and disposals of subsidiaries.*

These transactions resulted in recognition of goodwill of 118m euro and 155m euro respectively. 5m euro stems from the acquisition of distributors.

During the first 6 months of 2007, InBev purchased minority interests in several subsidiaries for a total amount of 770m euro. These purchases resulted in an increase of goodwill by 653m euro. As the related subsidiaries were already fully consolidated, the purchases did not impact InBev's profit, but reduced the minority interests and thus impacted the profit attributable to equity holders of InBev.

The impact of the minority purchases on InBev's economic interest in the related subsidiaries can be summarized as follows:

Majority interest	30 June 2007	31 December 2006
AmBev Brazil	59.98%	58.36%

InBev's annual goodwill impairment testing is performed during the fourth quarter of the year.

10. INTANGIBLE ASSETS

	Useful life		Advance	
Million euro	Indefinite	Finite	payments	Total
Acquisition cost				
Balance at end of previous year	994	632	2	1 628
Effect of movements in foreign exchange	(16)	2	-	(14)
Acquisitions through business combinations	27	-	-	27
Other acquisitions and expenditures	-	31	7	38
Other disposals	-	(4)	-	(4)
Transfer to other asset categories	-	26	(8)	18
Other movements	-	9	-	9
Balance at end of period	**1 005**	**696**	**1**	**1 702**
Amortization and impairment losses				
Balance at end of previous year	(36)	(327)	-	(363)
Effect of movements in foreign exchange	1	(3)	-	(2)
Amortization	-	(47)	-	(47)
Other disposals	-	3	-	3
Transfer to other asset categories	-	3	-	3
Other movements	-	(6)	-	(6)
Balance at end of period	**(35)**	**(377)**	**-**	**(412)**
Carrying value				
at 1 January 2007	**958**	**305**	**2**	**1 265**
at 30 June 2007	**970**	**319**	**1**	**1 290**

InBev is the owner of some of the world's most valuable brands in the beer industry. As a result, certain brands and distribution rights are expected to generate positive cash flows for as long as the company owns the brands and distribution rights. Given InBev's more than 600-year history, certain brands and their distribution rights have been assigned indefinite lives.

Intangible assets with indefinite useful lives are tested for impairment during the fourth quarter of the year.

The increase of intangible assets with indefinite useful life is explained by the acquisition of the Lakeport brands – See note 5 *Acquisitions and disposals of subsidiaries.*

11. CHANGES IN EQUITY

The table below summarizes the changes in equity that took place during the first half year of 2006 and 2007:

Million euro	Attributable to equity holders of InBev										Minority interest	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Translation reserves	Hedging reserves	Actuarial gains/ losses	Other reserves	Retained earnings	Total		
As per 31 December 2005	**470**	**7 334**	**(66)**	**64**	**1 283**	**(14)**	**(306)**	**8**	**2 698**	**11 471**	**379**	**11 850**
Total recognized gains and losses	-	-	-	-	(97)	48	(3)	-	561	509	317	826
Shares issued	1	27	-	-	-	-	-	-	-	28	-	28
Dividends	-	-	-	-	-	-	-	-	(292)	(292)	(136)	(428)
Share-based payments	-	-	-	(7)	-	-	-	-	-	(7)	(4)	(11)
Treasury shares	-	-	(45)	-	-	-	-	(11)	-	(56)	(6)	(62)
Other	-	-	-	-	-	-	-	(2)	-	(2)	(1)	(3)
Scope changes	-	-	-	-	-	-	-	-	-	-	(20)	(20)
As per 30 June 2006	**471**	**7 361**	**(111)**	**57**	**1 186**	**34**	**(309)**	**(5)**	**2 967**	**11 651**	**529**	**12 180**

Million euro	Attributable to equity holders of InBev										Minority interest	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Translation reserves	Hedging reserves	Actuarial gains/ losses	Other reserves	Retained earnings	Total		
As per 31 December 2006	**473**	**7 412**	**(39)**	**72**	**930**	**50**	**(289)**	**(9)**	**3 662**	**12 262**	**880**	**13 142**
Total recognized gains and losses	-	-	-	-	404	40	-	-	779	1 223	355	1 578
Shares issued	-	25	-	-	-	-	-	-	-	25	-	25
Dividends	-	-	-	-	-	-	-	-	(445)	(445)	(118)	(563)
Share-based payments	-	-	-	-	-	-	-	-	-	-	1	1
Treasury shares	-	-	(217)	-	-	-	-	(5)	-	(222)	(5)	(227)
Other	-	-	-	-	-	-	-	-	6	6	(6)	-
Scope changes	-	-	-	-	-	-	(3)	-	3	-	(30)	(30)
As per 30 June 2007	**473**	**7 437**	**(256)**	**72**	**1 334**	**90**	**(292)**	**(14)**	**4 005**	**12 849**	**1 077**	**13 926**

Share-based payment reserves were impacted by 28m euro expense for 2007 (see also note 13 *Share-based payments*) and (28)m euro related to the settlement of the 2006 bonus.

STATEMENT OF CAPITAL

ISSUED CAPITAL	Million euro	Million shares
At the end of the previous year	473	613
Changes during the period	-	1
	473	**614**

TREASURY SHARES	Million euro	Million shares
At the end of the previous year	39	1.1
Changes during the period	217	3.7
	256	**4.8**

During the first six months of 2007, InBev repurchased 4.1m own shares on the Euronext Brussels Stock Exchange. The shares were redeemed at the share price of the day for a total value of 234m euro. 0.4m shares (17m euro) were used to settle the exercise of employee share options.

12. INTEREST-BEARING LOANS AND BORROWINGS

The current and non-current interest-bearing loans and borrowings amount to 7 205m euro, compared to 6 350m euro at year end.

This increase is primarily explained by the funding of the share buyback programs, the Cintra and Lakeport acquisitions, dividend payments to shareholders of InBev and to the minority shareholders of AmBev and the impact of changes in foreign exchange rates.

13. SHARE-BASED PAYMENTS

Different share option programs allow company senior management and members of the board of directors to acquire shares of InBev or AmBev. The fair value of these share-based payment compensations is estimated at grant date, using the binomial Hull model, modified to reflect the IFRS 2 *Share-based Payment* requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

The fair value of options granted is expensed over the vesting period. The options granted under the bonus plan and issued during the second quarter of 2007 cliff vest after 5 years. InBev issued a total of 0.9m of such options representing a fair value of approximately 23m euro. In addition 0.1m options were granted to members of the board of directors. These options gradually vest over a period of 3 years (one third on 1 January of 2009, one third on 1 January 2010 and one third on 1 January 2011) and represent a fair value of approximately 2m euro.

The weighted average fair value of the options and assumptions used in applying the InBev option pricing model for the 2007 grants are as follows:

Amounts in euro unless otherwise indicated	30 June 2007
Fair value of options granted	23.05
Share price	57.42
Exercise price	53.92
Expected volatility	20%
Expected dividends	0.16%
Risk-free interest rate	4.47%

Since the acceptance period of the options is 2 months, the fair value was determined as the average of the fair values calculated on a weekly basis during the two months offer period. Expected volatility is based on historical volatility calculated using 756 days of historical data. The Hull binomial model assumes that all employees would immediately exercise their options if the InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

Under an equivalent 5 year cliff vesting plan, AmBev has issued during the second quarter of 2007 58m options for which the fair value amounts to approximately 10m euro. The fair value of the options and assumptions used in applying the binomial Hull option pricing model for the 2007 AmBev grant are as follows:

Amounts in euro unless otherwise indicated	30 June 2007
Fair value of options granted	0.17
Share price	0.42
Exercise price	0.42
Expected volatility	26%
Expected dividends	3.00%
Risk-free interest rate	10.60%

Share-based payment transactions resulted in a total expense of 28m euro for the half year 2007 and 25m euro for the half year 2006.

14. FINANCIAL INSTRUMENTS – MARKET AND OTHER RISKS

Changes in market conditions that give rise to market risk include changes in interest rates, commodity prices and foreign exchange rates. At 30 June 2007, no material changes are warranted to our disclosures made in note 28 *Financial instruments – Market and other risks* of our 31 December 2006 annual financial statements.

15. CONTINGENCIES

InBev U.S.A. L.L.C., Labatt Brewing Company Limited, and numerous other U.S., Canadian and European beer and alcohol producers have been named in a putative class action lawsuit seeking damages and injunctive relief over alleged marketing of alcoholic beverages to underage consumers. Lawsuits have been filed in various states to date, predominantly by the same firm. The lawsuits are all essentially similar in nature. InBev USA L.L.C. and Labatt Brewing Company Limited were named in several of the suits, however the parties agreed in April 2006 to voluntarily dismiss foreign defendants, including Labatt Brewing Company Limited. The dismissal requires certain document preservation by Labatt and allows refiling of the lawsuits in limited circumstances. The company will vigorously defend this litigation. It is not possible at this time to estimate the possible range of loss, if any, of these lawsuits.

Certain subsidiaries of AmBev have received tax assessments totaling 4 295m real including accrued interest and penalties, related to corporate Brazilian taxation of income generated outside Brazil. In 2005, AmBev was officially notified of administrative Lower Court decisions, recognizing that a substantial portion of the amount of the tax assessment mentioned above was incorrect. These decisions, which were appealed, reduced the amount of such tax assessments to 2 316m real (approximately 890m euro). AmBev disputes the validity of these tax assessments and intends to vigorously defend its case. No provision has been recorded related to these tax assessments.

16. EVENTS AFTER THE BALANCE SHEET DATE

On 6 July InBev announced that it has entered into an agreement with Cofinimmo under which InBev Belgium will sell 90% of Immobrew S.A./N.V., a subsidiary which directly owns 824 pubs and some residential real estate locations in Belgium and indirectly 245 in the Netherlands, for 419 million euro for 90%, on a debt and cash free basis. At the same time InBev will enter into a lease agreement with Immobrew and some of its affiliates.
Consistent with InBev's commitment to free up capital invested in non-core activities, InBev has decided to sell parts of its real estate assets in Belgium and the Netherlands, thereby enhancing the focus on its core beer business. The portfolio is sold to Cofinimmo, the largest listed real estate company in Belgium. The structure of the transaction ensures that InBev Belgium will retain a 10% interest in Immobrew. Immobrew will hold lease agreements (commercial types) of 27 years (plus renewal mechanism) with InBev for an initial rent of 26.8 million euro per annum (indexed to CPI).
InBev's business in pubs and bars is a tradition and strength, and will remain a key factor for success in connecting with consumers and InBev will continue to be the dedicated partner and supplier for the respective properties in Belgium and the Netherlands. The commercial relationship between the pub tenants and InBev will not change. Cofinimmo has committed to further investments in the properties, and it is the aim of both parties to assure the continued success of the property portfolio.
The transaction is expected to close by the end of 2007. Completion is subject to certain customary conditions, such as approval from the relevant authorities and involvement of workers' councils.

On August 29, 2007, exercising the authority granted to it by the Extraordinary General Meeting of Shareholders of 24 April 2007, InBev S.A.'s Board of Directors has resolved that the Company commence a new share buyback program of InBev shares, for an amount of up to 300m euro. This new share buyback program will run until October 2008 and may be renewed thereafter.
This new program follows the successful completion of the share buyback program for 300m euro, announced on 1 February 2007.

3. Glossary

AGGREGATED WEIGHTED NOMINAL TAX RATE
Calculated by applying the statutory tax rate of each country on the profit before tax of each entity and by dividing the resulting tax charge by the total profit before tax of the company.

CASH INTEREST COVERAGE
EBITDA minus gross capex, divided by net interest expenses.

DEBT EQUITY RATIO
Net debt divided by equity attributable to equity holders of InBev.

DILUTED EPS BEFORE GOODWILL
Profit attributable to equity holders of InBev, plus impairment of goodwill, divided by the fully diluted weighted average number of ordinary shares.

DILUTED WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES
Weighted average number of ordinary shares, adjusted by the effect of share options on issue.

EBIT
Profit from operations.

EBITDA
Profit from operations plus depreciation and amortization.

EPS
Profit attributable to equity holders of InBev, plus impairment of goodwill, divided by the weighted average number of ordinary shares.

INVESTED CAPITAL
Includes property, plant and equipment, goodwill and intangible assets, investments in associates and equity securities, working capital, provisions, employee benefits and deferred taxes.

MARKETING EXPENSES
Include all costs relating to the support and promotion of the brands. They include among others operating costs (payroll, office costs, etc.) of the marketing department, advertising costs (agency costs, media costs, etc.), sponsoring and events, and surveys and market research.

NET CAPEX
Acquisitions of property, plant and equipment and of intangible assets, minus proceeds from sale.

NET DEBT
Non-current and current interest-bearing loans and borrowings and bank overdrafts, minus debt securities and cash.

NON-RECURRING ITEMS
Items of income or expense which do not occur regularly as part of the normal activities of the company.

NORMALIZED
The term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS) before non-recurring items. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of the company's performance.

NORMALIZED DILUTED EPS BEFORE GOODWILL
Diluted EPS before goodwill, adjusted for non-recurring items.

NORMALIZED EBIT
Profit from operations adjusted for non-recurring items.

NORMALIZED EBITDA
Profit from operations adjusted for non-recurring items, plus depreciation and amortization.

NORMALIZED EPS BEFORE GOODWILL
EPS before goodwill, adjusted for non-recurring items.

NORMALIZED PROFIT
Profit adjusted for non-recurring items.

NORMALIZED PROFIT FROM OPERATIONS
Profit from operations adjusted for non-recurring items.

PAY OUT RATIO
Gross dividend per share multiplied by the number of outstanding ordinary shares at year-end, divided by profit attributable to equity holders of InBev.

REVENUE
Gross revenue less excise taxes and discounts.

SALES EXPENSES
Include all costs relating to the selling of the products. They include among others the operating costs (payroll, office costs, etc.) of the sales department and the sales force.

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES
Number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.

WORKING CAPITAL
Includes inventories, trade and other receivables and trade and other payables, both current and non-current.