

# Resolved

to be the Best



Zone performance snapshot  
Brand success stories  
People & Culture  
Priorities for 2008



# Resolved

to be the Best



*This cursor arrow - which you will find on selected pages of the 2007 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/annualReport2007](http://www.InBev.com/annualReport2007)



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# Key Figures<sup>1</sup>

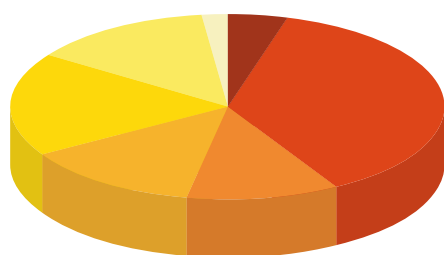
Million euro, unless stated otherwise	2003	2004 <sup>2</sup>	2005	2006	2007
Volumes (million hls)	108	162	224	247	271
Revenue	7 004	8 568	11 656	13 308	14 430
Normalized EBITDA	1 498	2 116	3 339	4 239	4 992
EBITDA	1 498	2 329	3 132	4 223	5 324
Normalized profit from operations	839	1 255	2 439	3 223	3 920
Normalized profit attributable to equity holders of InBev	505	621	1 024	1 522	1 863
Profit attributable to equity holders of InBev	505	719	904	1 411	2 198
Net financial debt	2 434	3 271	4 867	5 563	5 093
Cash flow from operating activities	1 151	1 384	2 405	3 287	4 064
Normalized earnings per share before goodwill (euro)	1.45	1.69	1.71	2.50	3.05
Dividend per share (euro)	0.36	0.39	0.48	0.72	n.a.
Pay out ratio (%)	30.8	31.2	32.3	31.3	n.a.
Weighted average number of ordinary shares (million shares)	432	480	600	608	610
Share price high (euro)	23.2	29.1	37.5	49.9	69.0
Share price low (euro)	15.0	20.3	24.6	35.0	47.70
Year-end share price (euro)	21.2	28.5	36.8	49.9	57.0
Market capitalization	9 141	16 442	22 355	30 611	35 057

<sup>1</sup> Refer to Glossary.

<sup>2</sup> 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).

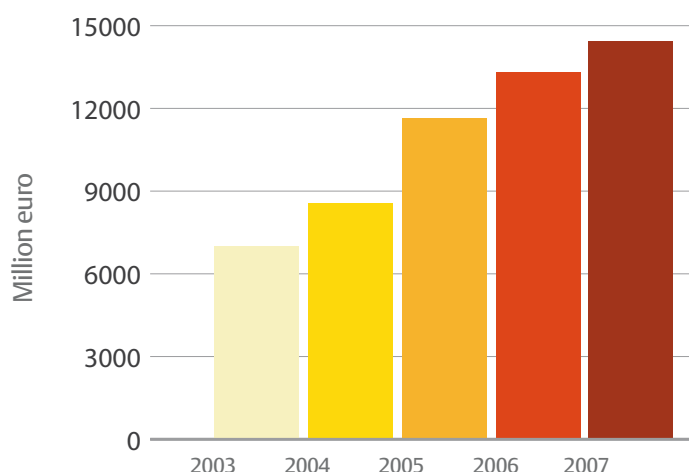
**Solid**  
*geographic presence*  
*drives growth* **delivery**

2007 Volumes

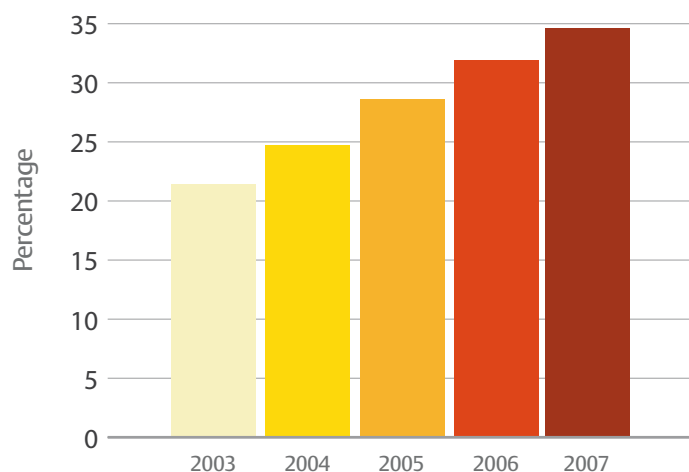


North America	4.6%
Latin America North	37.3%
Latin America South	11.3%
Western Europe	13.3%
Central & Eastern Europe	18.2%
Asia Pacific	13.4%
Global Export & Holding Companies	1.9%

2007 Revenue



Normalized EBITDA margin



Consistent margin  
*progression*

When you spend over 400 years crafting the perfect beer, you become very fastidious about the way it's served. In our eyes, there is no greater dereliction of a bartender's duty than a hasty pour. Just serving a glass of Stella Artois takes nine steps and, as you'll see, each is essential to your beer tasting its very best.

# THE STELLA ARTOIS POURING RITUAL.



I. THE PURIFICATION. The trademark Stella Artois chalice is designed to release the beer's flavour and aroma. Your bartender will always use one, preferably cleaned with a non-fat-based detergent. It's then rinsed with cold water, allowing the glass to reach the same temperature as the beer.



II. THE SACRIFICE. Your bartender opens the tap in one swift motion to let the first burst of foam flow away. It must never enter the chalice glass, thus ensuring that every drop of Stella Artois is fresh.



III. THE LIQUID ALCHEMY BEGINS. The chalice glass is held at a 45-degree angle. When the beer hits the chalice and begins to circulate, it creates the ideal proportion of foam relative to liquid.



IV. THE HEAD. ALTHOUGH "CROWN" WOULD BE MORE APPROPRIATE. The natural creation of the foam head occurs by straightening and lowering the glass. This initial foam is important as it prevents the beer from coming into contact with the air and losing any flavour.



V. THE REMOVAL. Your bartender then closes the tap in one quick action and moves the glass away from the font to prevent any drops from falling into the glass. These drops come into contact with the air, and oxidize, making them unworthy of your glass of Stella Artois.



VI. THE BEHEADING. While the head is flowing over the edge of the glass, your bartender cuts it gently with a knife on a 45-degree angle. This eliminates the larger bubbles, which burst easily and accelerate the dissipation of the head.



VII. THE TWO-FINGER RULE. The right amount of foam is about two fingers (3cm) thick. The final head creates a protective "cap" that keeps your Stella Artois from going stale.



VIII. THE CLEANSING. Your bartender then rinses the bottom and sides of the glass. This step keeps the outside of the chalice clean and comfortable to hold.



IX. THE BESTOWAL. Finally, your Stella Artois is served to you on a coaster, accompanied by the drip catcher at the base. Behold the perfect glass of Stella Artois. Cheers to you, and for your patience, a refreshing reward.



## Year in a snapshot

In 2007, we organically grew EBITDA<sup>1</sup> 16.5%, and delivered on our commitment to create shareholder value through margin expansion and a disciplined use of capital for the third consecutive year.

With top line growth of around 5.2%, 2007 presented a mixed picture. We affirmed our strategic approach to brand-building and disciplined sales execution, with some good brand performances across our portfolio. But we also faced challenges in some key markets, impacting our overall volume growth as a result.

Going forward, we will build on our proven strengths and financial discipline to ensure a continuation of our strong profit growth. But we will also focus specifically on top line growth by drawing on best practices we find around us and throughout our company.

Top line growth combined with financial discipline, executed by the best teams of people working within InBev's culture, reinforces our unchanging resolve to become the best beer company in a better world.

<sup>1</sup> Wherever EBITDA is mentioned in the Annual Report 2007 it refers to normalized EBITDA. The term normalized refers to performance measures before non-recurring items.





Guide to our business

	Volumes All Products YR 2007 (Mio Hl) <sup>(1)</sup>	Market Position YR 2007	Market Share YR 2007 <sup>(1)</sup>	Number of Beverage Plants as per 31 Dec 2007	Trading Names	Global Brands		Multi-country brands	Main Local Brands
Global	273.9			123					
North America	14.8								
Canada <sup>(9)</sup>	9.8	Nº. 1	42.7%	7	Labatt Brewing Company	Beck's	Stella Artois	Leffe, Brahma	Alexander Keith's, Boomerang, Budweiser <sup>(7)</sup> , Kokanee, Labatt Blue, Labatt Blue Light, Labatt Sterling, Labatt Ice, Labatt Wildcat
Cuba	1.0	Nº. 2	42.8%	1	Bucanero	Beck's			Bucanero <sup>(4)</sup> , Bucanero Malta <sup>(4)</sup> , Cristal <sup>(4)</sup> , Mayabe <sup>(4)</sup>
USA <sup>(12)</sup>	4.0	Nº. 3 <sup>(2)</sup>	11.5% <sup>(2)</sup>	0	InBev International / Labatt USA	Beck's	Stella Artois	Leffe, Brahma, Hoegaarden	Bass, Belle-Vue, Bohemia, Boddingtons, Labatt Blue, Labatt Blue Light, Haake-Beck, Löwenbräu, St. Pauli Girl
Latin America	131.3								
Brazil - Beer	70.1	Nº. 1	68.6%	23 <sup>(10)</sup>	Cia de Bebidas das Americas-AmBev		Stella Artois	Brahma	Antarctica, Bohemia, Caracu, Kronenbier, Polar, Serramalte, Skol
Brazil - Soft Drinks	24.5	Nº. 2	17.5%	5	Cia de Bebidas das Americas-AmBev				Guaraná Antarctica, Pepsi <sup>(7)</sup>
Dominican Republic - Beer	0.3	Nº. 2	6.9%	1	Embodom C. por A.			Brahma	
Dominican Republic - Soft Drinks	1.3	Nº. 1	49.1%	1	Embodom C. por A.				Pepsi <sup>(7)</sup> , 7UP <sup>(7)</sup> , Red Rock
Guatemala	0.2	Nº. 2	14.1%	1	Ind.del Atlântico S.A.			Brahma <sup>(13)</sup>	
Ecuador	0.2	Nº. 2	7.2%	1	Cervesur SA			Brahma	
Peru - Beer	0.7	Nº. 2	8.6%	1	Cia Cerv. AmBev Peru SA			Brahma	
Peru - Soft Drinks	1.8	Nº. 2	14.1%	1	Cia Cerv. AmBev Peru SA				Concordia <sup>(7)</sup> , Pepsi <sup>(7)</sup> , Triple Kola <sup>(7)</sup>
Venezuela - Beer	1.6	Nº. 3	15.0%	1	CACN			Brahma	Brahma Light, Brahma Ice
Venezuela - Soft Drinks	0.2	-	-	0	CACN				Malta Caracas
Bolivia	3.1	Nº. 1	97.4%	4	Cia Boliviana National SA		Stella Artois		Ducal, Paceña, Taquiña
Paraguay	2.2	Nº. 1	94.5%	1	Cia Paraguay SA		Stella Artois	Brahma	Baviera, Ouro Fino, Pilsen
Uruguay - Beer	0.8	Nº. 1	96.8%	2	FNC SA		Stella Artois		Norteña, Patricia, Pilsen
Uruguay - Soft Drinks	0.6	-	18.1%	0	FNC SA				
Argentina - Beer <sup>(8)</sup>	11.6	Nº. 1	72.5%	5	Cia y Malteria Quilmes SAICA y G		Stella Artois	Brahma	Andes, Iguana, Norte, Quilmes, Quilmes Cristal
Argentina - Soft Drinks	11.6	Nº. 2	20.9%	5	Cia y Malteria Quilmes SAICA y G				7UP <sup>(7)</sup> , Pepsi <sup>(7)</sup>
Chile	0.7	Nº. 2	12.1%	1	Cia Chile SA	Beck's	Stella Artois	Brahma	Baltica, Becker
Western Europe	36.1								
Belgium	6.1	Nº. 1	57.5%	4	InBev Belgium	Beck's	Stella Artois	Leffe, Brahma, Hoegaarden	Belle-Vue, Jupiler
France	2.3	Nº. 3	9.7%	0	InBev France	Beck's	Stella Artois	Leffe, Brahma, Hoegaarden	Boomerang, La Bécasse, Loburg
Luxemburg	0.2	Nº. 1	48.2%	1	Brasseries de Luxembourg Mousel-Diekirch S.A.	Beck's	Stella Artois	Leffe, Brahma	Belle-Vue, Diekirch, Jupiler, Mousel
The Netherlands	2.8	Nº. 2	14.9%	2	InBev Nederland	Beck's	Stella Artois	Leffe, Brahma, Hoegaarden	Dommelsch, Jupiler, Hertog Jan, Oranjeboom
U.K.	10.8	Nº. 3	16.9%	3	InBev U.K.	Beck's	Stella Artois	Leffe, Brahma, Hoegaarden, Staropramen	Bass, Boddingtons, Castlemaine XXXX <sup>(7)</sup> , Labatt, Murphy's <sup>(7)</sup> , Oranjeboom, Tennent's
Germany - Beer <sup>(3)</sup>	9.0	Nº. 2	9.3%	6	InBev Germany	Beck's	Stella Artois	Leffe, Staropramen	Diebels Alt, Diebels Light, Dimix, Franziskaner, Haake-Beck, Hasseröder, Löwenbräu, Spaten
Germany - Soft Drinks	0.6	-	-	0	InBev Germany				
Italy	1.4	Nº. 4	7.8%	0	InBev Italia	Beck's	Stella Artois	Leffe, Brahma	Tennent's Super
Export/Licenses as handled by Zone Western-Europe	2.9	-	-	-		Beck's	Stella Artois	Leffe	
Central & Eastern Europe	48.4								
Bulgaria	1.5	Nº. 2	27.3%	2	Kamenitza	Beck's	Stella Artois	Leffe	Astika, Burgasko, Kamenitza, Pleven, Slavena
Croatia	1.6	Nº. 1	41.1%	1	Zagrebacka Pivovara	Beck's	Stella Artois	Leffe	Ozujsko
Czech Republic	2.6	Nº. 2	15.4%	2	Pivovary Staropramen	Beck's	Stella Artois	Leffe, Staropramen	Branik, Kelt, Mestan, Ostravar, Vratislav, Velvet
Hungary	2.2	Nº. 3	28.9%	1	Borsodi Sorgyar	Beck's	Stella Artois	Leffe	Borostyán, Borsodi Barna, Borodi Bivaly, Borsodi Polo, Borsodi Sör
Serbia	2.9	Nº. 1	50.9%	1	Apatin	Beck's	Stella Artois		Jelen Pivo, Apatinsko Pivo
Montenegro	0.4	Nº. 1	91.5%	1	Trebjesa	Beck's	Stella Artois		Nik Cool, Nik Gold, Niksicko Pivo, Niksicko Tamno
Romania	3.9	Nº. 3	20.4%	2	InBev Romania	Beck's	Stella Artois	Leffe	Bergenbier, Noroc
Russia	21.2	Nº. 2	19.3%	10	SUN InBev	Beck's	Stella Artois	Leffe, Brahma, Staropramen	Bagbier, Klinskoye, Pikur, Premier, Rifey, Sibirsкая Korona, T, Tinkoff, Tolstiak, Volzhanin
Ukraine	10.9	Nº. 1	38.0%	3	SUN InBev	Beck's	Stella Artois	Leffe, Brahma, Staropramen	Chernigivske, Rogan, Taller, Yantar
Export/Licenses as handled by Zone Central & Eastern European affiliates	1.1	-	-	-					
Asia Pacific	40.3								
China	33.4	Nº. 3 <sup>(5)</sup>	11.4% <sup>(5)</sup>	20 <sup>(11)</sup>	Interbrew China Zhuijiang	Beck's		Brahma	Bai Sha, Double Deer, Jinling, Yali, Jinlongquan, KK, Lu Lansha, Santai, Sedrin, Shiliang Zhuijiang <sup>(4)</sup> , Supra Beer <sup>(4)</sup> , Zhuijiang Fresh <sup>(4)</sup>
South Korea	6.9	Nº. 2	39.8%	3	Oriental Brewery	Beck's	Stella Artois	Leffe, Brahma	Budweiser <sup>(7)</sup> , Cass, Cafri, OB
Global Exports/Licenses <sup>(6)</sup>	2.9	-	-	-	-	Beck's	Stella Artois	Leffe, Brahma	

(1) Full 12 months volumes and shares according to scope on Dec 31, 2007.

(2) Within segment 'Imports'.

(3) Germany: divestment of breweries Wolters / Dinkelacker in 2006.

(4) Registered brands owned by our partners.

(5) Zhuijiang counted for 100%.

(6) Sales under responsibility of the central international department.

Excludes InBev brands in the USA, handled by Anheuser-Busch.

(7) 'Brewed under license' or 'bottled under exclusive bottling agreement'.

(8) Argentina: divestment of brands to ICSA explains decrease in share versus 2006.

(9) Includes Lakeport for full 12 months 2007.

(10) Brazil: 10 beer plants and 13 mixed plants.

(11) Includes as well breweries as bottling plants; excludes Zhuijiang-plants.

(12) Includes InBev brands in the USA, handled by Anheuser-Busch.



Peter Harf

Carlos Brito

# Letter to Shareholders

**2007** has been the third full year of InBev. In 2007 we grew EBITDA by 16.5%, and delivered an EBITDA margin of 34.6%, an increase of 274 basis points on an organic basis compared to 31.9% in the previous year.

During the first three years of InBev, our EBITDA margin has demonstrated consistent evolution from 24.7% in 2004, 28.6% in 2005, 31.9% in 2006, to 34.6% in 2007. Our EBITDA grew at a compounded annual growth rate of 16.2% for these first years.

In 2007, our EBITDA margin grew in five out of six Zones:

## North America

up to 38.2% or 173 bps organically

## Latin America South

up to 40.3% or 244 bps organically

## Asia Pacific

up to 26.5% or 88 bps organically

## Latin America North

up to 47.3% or 344 bps organically

## Central & Eastern Europe

up to 23.6% or 173 bps organically

## Western Europe

down to 22.3% or -9 bps organically.

Consolidated volumes grew by 5.2% in 2007, with growth of 4.7% for beer, and 8.6% for soft drinks. However our own beer volumes increased by 5% as a result of our strategy to focus on building branded volumes, while reducing private labels and other, lower margin beer volumes. Our volumes in Latin America North, Latin America South, and Central & Eastern Europe were strong, and above our overall average. Three main issues diluted our overall volume performance in 2007: our market share performances in China and the U.K. (the only Western European market where we lost share) and industry contraction in Western Europe.

With respect to costs, cost of sales per hectoliter grew by 2% versus average inflation of 4%, as effective productivity programs enabled us to partially offset commodity and general inflationary pressures.

Operating expenses decreased by 2.1%, which once again confirms the power of our Zero-Based Budgeting cost management approach, a way of life prevalent throughout the company.

In terms of cash from operations, 2007 saw growth of 777 mio euro and our working capital decreased by 270 mio euro.

## Priorities for 2008

We will continue to work on the hallmarks of our business model: our Dream / People / Culture platform, market execution capabilities, brand-building skills, and strict cost control.

### Dream / People / Culture

Our dream is to become 'the best beer company in a better world'. We use the term 'better world' to articulate our belief that if we are to become the best beer company measured by profitability, we must work hard internally as well as externally.

Internally, our aim is to continue to build and grow our brands whilst becoming more efficient in everything we do - year in, and year out.

Externally, we are committed to working with all relevant stakeholders to ensure our company and industry supports and promotes responsible drinking and environmental initiatives.

Talented people continue to represent our most important, and indeed only, sustainable competitive advantage. Our ownership culture unites our people providing the necessary energy, commitment and alignment to support the pursuit of our dream.

### Market execution

In our industry, execution is what differentiates great companies from good companies, and we will continue to build these skills in order to differentiate ourselves in the market place. We still have opportunities in some of our Zones to enhance our in-market discipline.

### Brand-building capabilities

Brand-building provides the content for market execution. The commercial section of this report features examples of brand development success stories from 2007. Beck's Vier in the U.K., Bohemia in Brazil, Cass in South Korea, Sedrin in China, Chernigivske in the Ukraine, Quilmes Stout in Argentina, and Stella Artois in the U.S. are just some examples of positive brand development. We are committed to learn from these successes and replicate best practices throughout our company.

### Strict cost control

Cost control remains an essential pillar of our business, and could make an even bigger difference going forward in an environment in which commodity prices are on the rise and inflation is predicted to increase.

In summary, 2007 was a good year for our company. We know we still have much to do to deliver on our dream of being the best beer company in a better world. Going forward into 2008, we at InBev, are excited by and committed to the prospect of realizing another step in pursuit of our dream.

*Peter Harf* *Carlos Brito*

Peter Harf

Chairman of the Board

Carlos Brito

Chief Executive Officer





# The *Brands* that define us

Connecting with consumers  
around the globe

Premium portfolio  
across continents

Local champions

# Connecting with consumers around the globe

**Stella Artois**  
has grown very strong  
in **6** significant premium  
markets worldwide



## Distributed in more than 80 countries

Stella Artois is the optimum premium lager, renowned the world over for its quality, and for the rich heritage of the brand which dates back to Leuven, Belgium in 1366. Stella Artois is a brand with a well-known international profile. It is currently distributed in more than 80 countries, and it has strong global potential.

In 2007, Stella Artois has grown very strong in 6 significant premium markets worldwide, Russia, Ukraine, U.S., Canada, Brazil and Argentina. Although introduction only took place in 2005, Stella Artois is already the leading international premium brand in Buenos Aires, demonstrating the brand's potential across the Americas.

In the U.S., 2007 has been the first year in which our distribution agreement with Anheuser-Busch has been in operation, delivering premium European import brands such as Stella Artois and Beck's to U.S. consumers. While it was clearly a year of transition, we are confident that the agreement will enable us to maximize the growth potential of both Stella Artois and Beck's within the U.S. marketplace.

In Russia, Stella Artois was the first to innovate in the super-premium segment, with attractive packaging and impactful communication. Brand equity was further enhanced through successful leverage of the brand's cinema platform including the sponsorship of the Moscow Film Festival, together with a focus on on-line activations.

In the U.K., Stella Artois lost volume in 2007, and this remains a key priority for action in 2008. We are committed to the brand in the U.K., and are focused on deploying the right people and resources against a strategy that will return the brand to growth over time. Stella Artois can be developed from a position of strength as the brand remains the most preferred beer in the U.K.

## World Draught Master

The attractive Stella Artois chalice is the perfect glass, particularly when combined with the Stella Artois pouring ritual that allows the beer to flow, breathe and develop a pristine head.

For more than a decade, the Stella Artois World Draught Master Championship has assembled the best bartenders from around the world to rate their tapping, bottle-pouring skills, and table-serving protocol. This year's winner was Erin Carroll from New Zealand.



## The number one German beer in the world

Beck's is renowned for its uncompromising quality. True to its original recipe, it has been brewed in the same way using only four key natural ingredients for more than 125 years. Every bottle of Beck's is brewed according to the traditional German Reinheitsgebot (Purity law). It is a tribute to Beck's strong commitment to this heritage, that the brand has had only 6 brewmasters throughout its 125 year history.

Beck's is the number 1 German brand in the world, present in more than 120 countries worldwide. In 2007, it has achieved premium growth of +13% outside its home market.

At home in Germany, an innovative portfolio of Beck's line extensions including Beck's Gold, Beck's Green Lemon, and Beck's Chilled Orange, continued to keep the brand vibrant and premium, against the backdrop of a market in overall decline.

Outside its home market, Beck's has performed particularly well in the U.K. The brand delivered both volume and market share growth, supported by the performance of Beck's Vier which was introduced in 2006, the most successful draught brand launch in the U.K. in the last 5 years. A premium challenger to the standard lager category, Beck's Vier offers consumers a crisp, clean, refreshing full flavored lager, at only 4% alcohol by volume (ABV).

Investments in Beck's Vier in 2007 included new bespoke glassware, and the exciting Beck's Fusions event, a collaboration of art and music which supported brand awareness and personality. These efforts combined with more than 10 000 on-trade installations achieved in little over a year since its launch, have contributed to the success of the brand in the U.K. Adding further strength to the Beck's family, Beck's Green Lemon was also successfully introduced to the U.K.

**Beck's has achieved**  
premium growth of **13%** outside its home market;  
more than **10 000** on-trade installations  
of Beck's Vier in the U.K.



# Premium portfolio across continents

InBev boasts some of the world's most outstanding brands, both in terms of recognition and quality - brands that increasingly transcend the distinction between local and global.

Double-digit growth in Russia



## Brahma

Brahma is one of the most popular beers in Brazil, especially in cities such as São Paulo and Rio de Janeiro. The international potential of Brahma is well illustrated by its success in Russia in 2007. It grew double-digit in 2007 and now comprises more than 4% of the super-premium segment in the Russian market. With an effective distribution network supporting the brand, key markets include Moscow, St. Petersburg and Siberia.

A strong year in Western Europe



## Leffe

Leffe makes the ordinary – extraordinary, bringing people together to share, and savor special moments. The Leffe family of beers are rich and full bodied. Made from only the highest quality ingredients, they provide a recipe for rich moments in life that deserve to be savored. Leffe's unique brewing heritage is now shared and enjoyed by consumers in more than 60 countries worldwide.

2007 has been another strong year for Leffe in Western Europe, with particularly good performances in France and Belgium, where the brand has shown strong growth against a backdrop of declining market trends. The brand has continued to be supported by the growth of Leffe 9°, an innovation introduced in 2006. Leffe has also increased its smaller, but growing presence in the U.S. and Canada.

Expanding growth in the U.S.



## Hoegaarden

Hoegaarden is a unique and authentic Belgian wheat (or "white") beer. First brewed in 1445, this top fermented beer is refermented in the bottle or keg, leading to its distinctive cloudy white appearance. The unique taste of Hoegaarden delivers an appealing sweet and sour beer with a note of bitterness – slightly spicy, with a strong touch of coriander and a hint of orange.

Hoegaarden grew by 9% overall in 2007, also growing by 9% in the U.S., and tripling its volumes in Russia in 2007.

In 2007, the Hoegaarden Visitor Center opened its doors in the town of Hoegaarden in Belgium. InBev founded the center to honor the rich history of the Belgian white beer. The name of the center, 't Wit Gebrouw (meaning 'white brewing'), was the winning entry of a competition of local residents.



Growing by 10% in the Czech Republic, and 60% in the Ukraine

## Staropramen

Prague's favorite beer, Staropramen, is brewed using a special blend of natural hops, which have been used in Czech brewing processes for centuries. Founded in 1869, the Staropramen brewery, which is synonymous with Prague's great brewing tradition, continues to brew this beer of unrivalled quality today, celebrating its 100 millionth hectoliter of production in 2007.

Achieving 10% growth in its home market in 2007, the brand is proving equally popular across international borders, with growth of 60% in the Ukraine, 17% in Russia, and 14% in the U.K.





# Local champions



## Jupiler

Market leader in Belgium for the last two decades, Jupiler continues to grow both volume and market share, in Belgium and the Netherlands. Successful football sponsorship of the 'Jupiler League' in both countries supports the appeal of the brand with its core consumers.

## Cass

In 2007, Cass continued to be the most distinguished and fastest growing lager in the core beer segment which accounts for 95% of the South Korean beer market. The brand delivered double-digit top line growth and strengthened InBev's overall market share in the country, while reversing a previously negative trend. In 2007 Cass became the number one brand in the Northern region of the country, while also gaining momentum in the South.

## Quilmes

Quilmes, representing 50% of the beer market in Argentina, is a national symbol with its striped light blue and white label linked to the colors of the national flag and football team. Sponsorship commitments and partnerships ensure that the brand connects with young adult consumers through friendship, music, the beach and nightlife under the tagline 'El Sabor del Encuentro' (the flavor of the encounter). Quilmes grew both volume and market share in 2007.

## Siberian Crown

Siberian Crown has tripled its sales since its re-launch in 2001, and has continued to grow both volume and market share in 2007, while also receiving a 'number one national beer brand award' in Russia, based on the opinions of consumers. Our Russian team has developed Siberian Crown from a local brand in Western Siberia into a fully-fledged national brand, by developing consumer insights into a creative strategy meeting consumer aspirations.

## Skol

The leading beer brand in the Brazilian market, Skol has always invested in pioneering and innovation, showing new market trends. This behaviour is reflected in entertainment initiatives, like Skol Beats, launched in 2000, which is the first electronic music festival in Brazil, the largest in Latin America and one of the largest in the world. In 2007, the event brought together around 40 000 people for more than 30 hours of enjoyment.

## Alexander Keith's

Brewed in Halifax since 1820, Alexander Keith's India Pale Ale is the number one brand in the Canadian domestic specialty segment. Alexander Keith's has continued to build on its performance in 2006, growing volume and market share in 2007.

## Sedrin

Based on research, consumer understanding and insights, InBev has chosen Sedrin as the key driver of growth for its business in China. In 2007, Sedrin expanded in the provinces of Fujian, Jiangxi, and Hunan. Successful launches in Ningbo and Nanjing were important steps and contributed to the brand's double-digit growth in 2007.





# The *Priorities* that unite us

The priorities that unite us

Execution in the marketplace

Connecting with consumers  
through innovation

Financial discipline  
in everything we do

# The priorities that unite us

The three long-term objectives of our business are: to deliver volume growth ahead of industry growth; to grow revenue ahead of volumes; while at the same time maintaining strong financial discipline and ensuring that costs remain below inflation. All are necessary conditions if we are to fulfill our long-term goal of becoming the best beer company in the industry measured by profitability.

*Behind these long-term objectives are key focal areas, which are the hallmarks of our business model, and which unite us in working towards our dream:*

## Execution in the marketplace

InBev is a sales driven company, and we are continually working towards best in class distribution. We have to out-pace and out-execute our competitors with a sense of urgency to win with consumers at the point of connection.

## Brand-building

InBev is a portfolio player, in the business of building high quality brands for which consumers will pay a premium. In 2007, we have made clear brand choices, enabling us to put the right resources behind the brands we believe will most effectively build deep connections with consumers.

## Innovation generated from consumer insights

We work hard to understand the values, lifestyles, and preferences of today's and tomorrow's consumers, building fresh appeal and competitive advantage through innovative products and services tailored to meet those needs.

*'With great events like Skol Beats, strong premium brands like Bohemia, and new packaging innovations, I'm really proud of what we can offer to customers and consumers.'*

**Adriana Ferreira Batista**  
Sales Representative, Brazil



## Financial discipline in everything we do

Keeping a tight grip on costs enables us to be leaner and fitter to face the challenges of the marketplace, and to enable us to invest further behind our brands.

## People and Culture: critical enablers

Each of these priorities is backed up by our single overarching ambition: to have the best people working for us united by the strength of our culture wherever we do business.

## Cost-Connect-Win

The Cost-Connect-Win model demonstrates our operational approach. Whilst never compromising the quality of our brands, strong cost management allows us to capture 'non-working' money from within our overall cost envelope, and convert it into 'working money' to increase brand support and sales and marketing activities.



As our revenue grows as a company, so too, do our sales and marketing investments. In 2007, we have been successful in increasing the 'working money' investments within our overall sales and marketing budgets, spending more directly where consumers will benefit.



# Execution in the marketplace

InBev uses a disciplined and comprehensive sales strategy to help our brands reach their highest potentials in markets throughout the world. We want to reach as many consumers as possible and give them a positive experience at the point of connection.

## Winning at the point of connection

InBev's sales strategy is based on proven best practices, integrated into a coherent global program which is being rolled out systematically across our operations. The fundamental principle behind the strategy is simple and unchanging: to win with consumers at the point of connection. Wherever consumers encounter our products, in their favorite bar or restaurant, in a supermarket or another retail environment, the ultimate test is whether the combination of brand appeal and experience creates the right connection; one that translates into a decision to buy one of our brands.

We always strive for consistency between the twin pillars of marketing and sales execution. By linking the two disciplines together we aim to attract consumers to the values of our brands, and to execute with the sense of urgency and focus that is required to succeed in a highly competitive marketplace.

## Sales and marketing combined to drive growth

In 2007, the roll out of InBev's sales strategy in South Korea led to steady growth of distribution of the Cass brand. This, combined with multi-channel brand activation and a strengthening of execution across all points of connection, supported the double digit growth of the brand.



Integrated sales and marketing was rolled out  
in **Russia in 2007**  
with some very positive results

InBev's approach to integrated sales and marketing was rolled out in Russia in 2007, with some very positive results. For example, a strengthened focus on execution of the Klinskoye brand within points of connection, secured its return to double-digit growth; successfully reversing a negative trend in its home market of Moscow. These efforts, combined with new image campaigns, national promotions, and a packaging re-launch with a new 'twist-off' bottle, demonstrated the power of a focused and coherent sales and marketing approach.

Chernigivske, the number one brand in InBev's Ukrainian portfolio, is a brand that appeals to consumers looking to 'live life to the fullest'. Through a consistent and integrated communication and experience platform, Chernigivske has aggressively grown both volume and market share in 2007, more than compensating for a temporary growth plateau experienced by the brand two years ago.

In Brazil where InBev's approach to sales is well established, a continuous focus on disciplined planning and effective distribution, combined with strong sales execution at the point of connection has delivered further volume growth in 2007. Premium growth and distribution led by the flagship brand Bohemia have been particularly effective, with Bohemia growing both volume and market share during the year.



# Connecting with consumers through innovation

Innovation at InBev always starts from the perspective of the consumer, based on in-depth understanding of their values, perceptions, preferences and trends, combined with the experience and technical know-how to translate good ideas into winning commercial propositions.



Exciting consumers, building competitive advantage.

## Quilmes Stout ARGENTINA

Quilmes Stout has supported InBev's growth of over 100% and market share leadership increase in the dark beer segment in Argentina in 2007. The beer was developed after extensive market research with consumers, which helped shape the unique appeal of its sweet and creamy flavor. This beer, which stands for connoisseurship, was launched in 2006, and is attracting new consumers to the beer category by penetrating the wine occasion.

## H2OH! BRAZIL

Selling over two million hectoliters in 2007, H2OH!, a Pepsi branded innovation available in Brazil and Argentina, continues to build on its growth from previous years. A lightly carbonated beverage with zero sugar, flavored with natural lemon juice, the drink was especially developed for consumers looking for flavor and refreshment without sugar, reflecting consumers increasing interest in health and well-being.

## Alexander Keith's Red Amber Ale CANADA

Alexander Keith's Red Amber Ale is a premium offering from the great family of Keith's beers in Canada. With its dark amber color and rich red overtones, Keith's Red Amber Ale offers a rich specialty beer experience. The Keith's family is now the number one draught in Ontario.

## Hoegaarden Rosée BELGIUM

Sweeter beers are a fast growing segment of the Belgian beer market, especially among female consumers. Hoegaarden Rosée, introduced in 2007, combines the refreshing, light and natural Hoegaarden white beer, with the sweet and fruity taste of raspberries, offering consumers an accessible and easy drinking choice, appealing to adult consumers across the beer, wine, and soft drink categories of the beverage market.

## Klinskoye Freez RUSSIA

A new lager beer launched in May 2007 which provides superior refreshment and a long lasting cooling sensation. Delivering strong appeal to young adult consumers in Russia, the brand is supported by innovative packaging such as a twist-off bottle with a holographic label.

## Cass Red SOUTH KOREA

Cass Red, introduced in March 2007, was the most successful new off-trade introduction in South Korea over the last 5 years. A strong, full-bodied beer with 6.9% ABV, the brand offers a new choice to the marketplace, under the strapline 'a taste of passion'.

## Siberian Crown Lime RUSSIA

A classic light beer, supplemented with lime and lemon tones delivers freshness without bitterness - a harmony of elegant taste. The brand has quadrupled expectations since its launch in March 2007.

Where heritage meets the future:  
the innovative global website for Stella Artois:  
[www.stellaartois.com](http://www.stellaartois.com)

The new global website for Stella Artois launched in 2007, received high recognition with gold, silver, and bronze awards for its content from 'Epica' (Europe's premier creative awards). This innovative global digital campaign demonstrates how brand communication can be leveraged via new channels in a way that is relevant, creative, and fun for its target consumers.

Strengthening  
our brands  
through  
*innovation*

# Financial discipline in everything we do

## Challenges of the external environment

World-class efficiency is a long-term strategic objective for InBev, wherever we do business, and whatever the wider economic circumstances. It is clear however, that the beverage industry, similar to other parts of the economy, is facing higher input costs, which inevitably places pressure on margins across all sectors. With commodity price increases an economic reality for the foreseeable future, we are confident that we can partially off-set these impacts by becoming leaner and fitter operationally, while continuing to focus on growing the business.

## A balanced response - cost discipline combined with top line investment

Our response is to build on the solid foundations we have already established, through Zero-Based Budgeting, our Voyager Plant Optimization process, and by managing costs through procurement; thus enabling us to achieve more with less. Our focus on having the right people, aligned through a clear target-setting and reward process, will also improve productivity, help the business to become more efficient, and enable us to continue to invest in growing the top line, consistent with the Cost-Connect-Win model.

## Zero-Based Budgeting reinforcing cost discipline

Cost discipline continues to be a core pillar of InBev's culture. In 2007, InBev's Zero-Based Budgeting cost management approach was introduced in both Latin America South and China, further strengthening this global approach. The rigorous challenging of all non-working costs has also continued across other Zones, with strong results achieved in Central & Eastern Europe, Western Europe and Global Headquarters.

## Voyager Plant Optimization continuing to drive efficiency

Voyager Plant Optimization is InBev's program to bring greater efficiency to our brewing operations and generate cost savings, while at the same time driving up quality and safety.

Each segment of InBev's Voyager Plant Optimization (VPO) program is clearly connected to InBev's culture, emphasizing the importance of everyone acting in the same direction while respecting our standards of business integrity and the leading principles that define our company culture. As the VPO program is primarily about behavioral change, comprehensive training programs have been continued in 2007 to support people in establishing new ways of working in their daily routines.

In 2007 Voyager Plant Optimization was introduced in China at the Changsha brewery. Reaching one of its final implementation milestones, VPO is now up and running in all InBev Zones apart from the new Zone Latin America South. Further progress is being made as breweries transition to the sustainability phase of the program.

## Footprint Optimization

### New Plants

- Production started in October 2007 at a new plant in Angarsk in Russia, which will enable us to satisfy growing demand for our products in the East of the country.
- In Latin America North, InBev acquired the production capacity of two additional plants as part of its acquisition of Cintra.
- In North America, InBev's acquired the Lakeport brewery in Ontario, Canada.
- In Asia Pacific, the Golden Key brewery was acquired in the Fujian Province in China.

### Extending existing capacity

In 2007, production capacity was extended at three major plants in Latin America South: Santa Cruz (Bolivia), Ypané (Paraguay) and Zarate (Argentina); as well as the soft drinks capacity at Viamão, Jaguariúna, Camaçari and Cembrasa in Latin America North. In Central & Eastern Europe, all plants in Ukraine, Ploiesti in Romania, and Schmichov in the Czech Republic increased capacity. In Asia Pacific, Putian (Sedrin) and Nanchang were extended.



## A BEER TO BE DISCOVERED SLOWLY.

Why are so few things discovered slowly?  
With no time to enjoy. But this Belgian beer is different.

You savour it layer by layer. Sip by sip.  
Requires time to admire the natural hues and intense aroma.

Maybe this is why you drink it slowly.

To leave those who go fast behind.  
Those with no time to think. No time to enjoy.



Savour Life. Savour Leffe.

1 1 4 0



# The Zones that drive us

Zone performance snapshot

Zone headlines and highlights



**'After 4 years as a truck driver,**

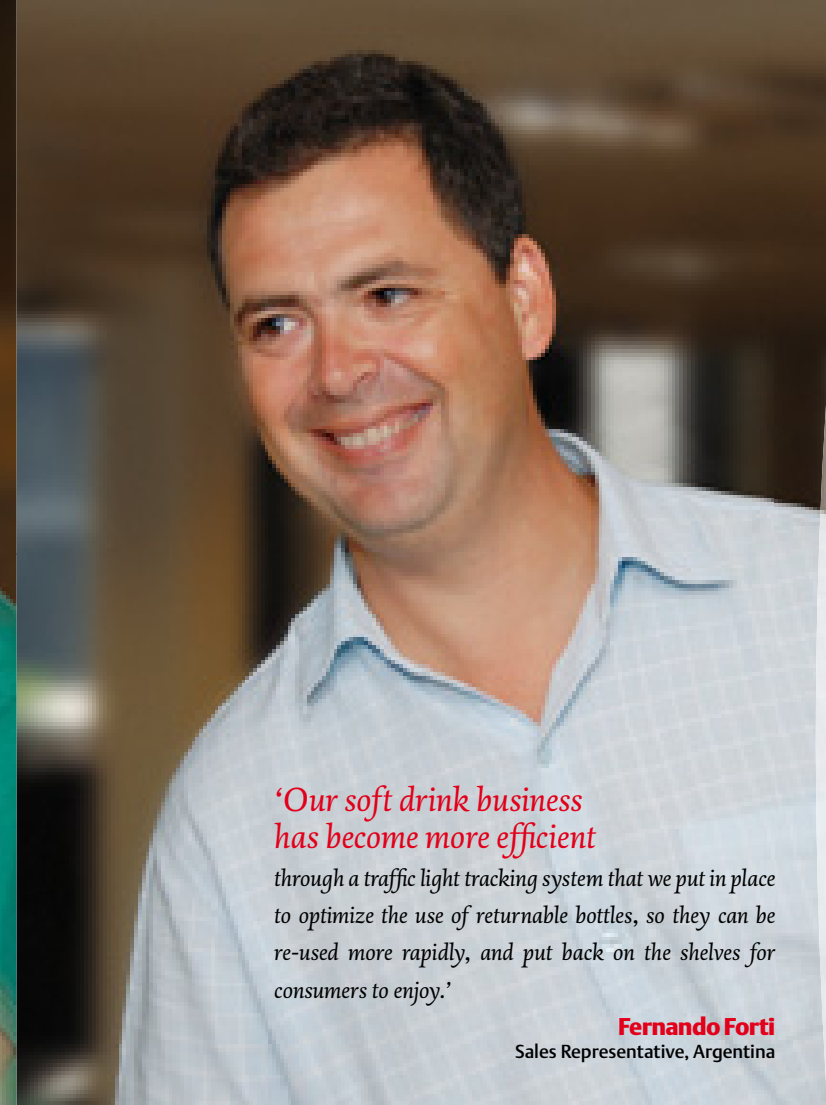
*I was given a big opportunity by InBev to become a warehouse manager. It has been challenging and exciting to learn a new job, on the job. It's great to see that productivity has improved in the warehouse, and every day brings a new challenge.'*

**Stéphane Delu**  
Warehouse Manager, France



**'The summer tourist season is crucial for us,**  
*but I work with small village points of connection all year round, to build lasting relationships. In the winter, when our distributors don't travel that far, I take our brands out to the villages myself, supporting our customers, who in turn, support us during the important summer months.'*

**Stoyan Stoyanov**  
Sales Representative, Bulgaria



**'Our soft drink business  
has become more efficient**

*through a traffic light tracking system that we put in place to optimize the use of returnable bottles, so they can be re-used more rapidly, and put back on the shelves for consumers to enjoy.'*

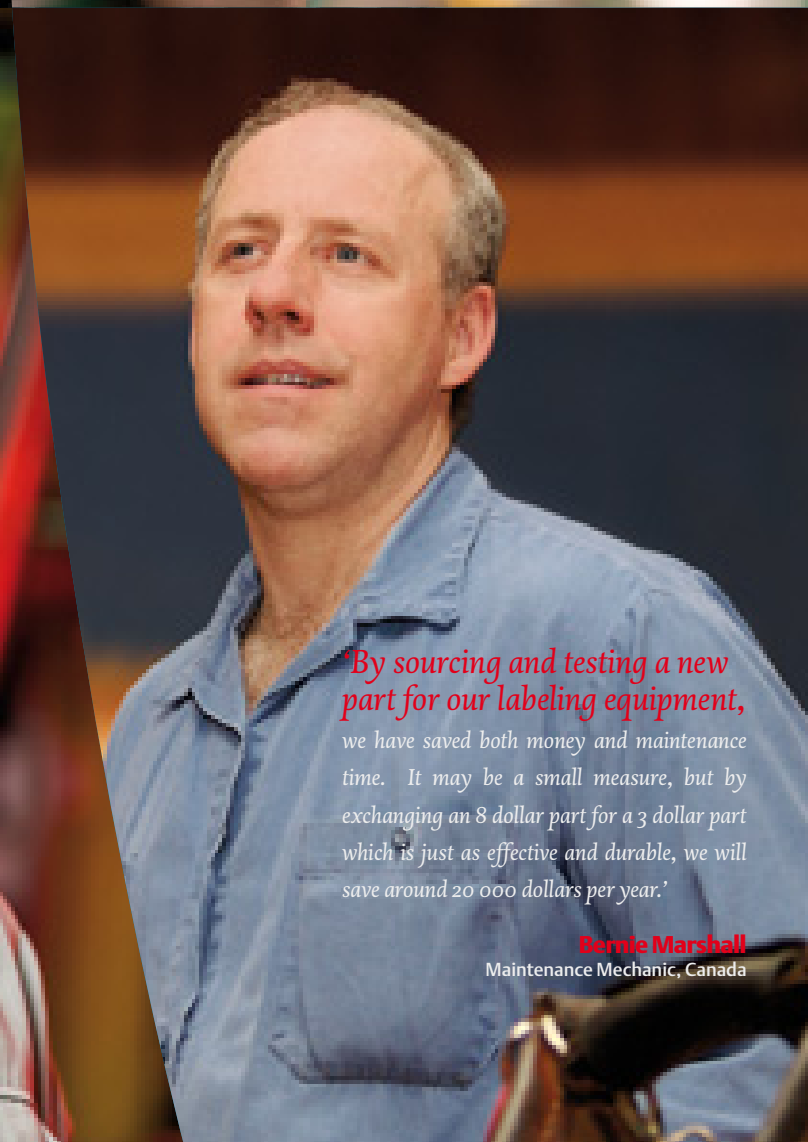
**Fernando Forti**  
Sales Representative, Argentina



**'We are proud to have achieved  
Voyager Plant Optimization**

*qualification for the Icheon brewery in 2007, bringing to life InBev's culture and way of working in our brewing processes.'*

**Keunyoung Lee**  
Brewer, South Korea



**'By sourcing and testing a new  
part for our labeling equipment,**  
*we have saved both money and maintenance time. It may be a small measure, but by exchanging an 8 dollar part for a 3 dollar part which is just as effective and durable, we will save around 20 000 dollars per year.'*

**Bernie Marshall**  
Maintenance Mechanic, Canada



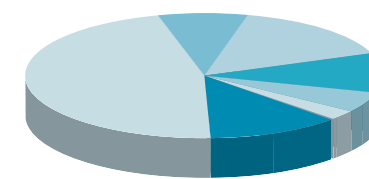
**'The quality of our beverages is absolutely central  
to our business, and my job is to make sure that quality is never  
compromised. I show zero-tolerance when it comes to our manufacturing  
processes and methodology, because there can never be any short-cuts to  
consumer confidence.'**

**Micheline Helena Ferreira**  
Quality Assurance Manager, Brazil

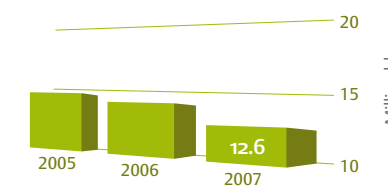
# Zone performance snapshot

## North America

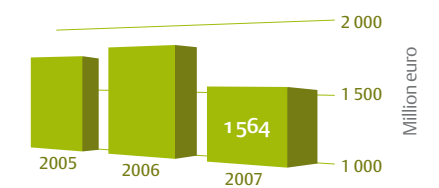
A combination of business focus and a further strengthening of the InBev culture in the Zone has enabled us to continue to grow EBITDA despite challenging market conditions. Our Canadian brands have returned to growth in the U.S., and the Lakeport brands, together with Budweiser and Bud Light have boosted performance in Canada.



12% normalized EBITDA



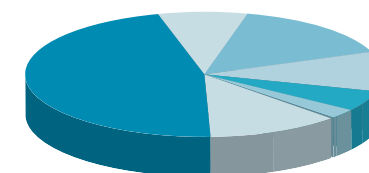
Volume



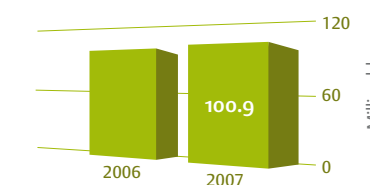
Revenue

## Latin America North

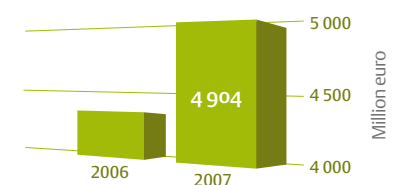
Overall, the Zone performed well in 2007 with volume and EBITDA growth driven by a positive market development in Brazil. While beer market share slightly declined overall in Brazil early in the year, share gains were recorded, month on month, since April. With the exception of Venezuela, all markets outside Brazil have substantially improved versus 2006, placing the Zone in a strong position going into 2008.



46% normalized EBITDA



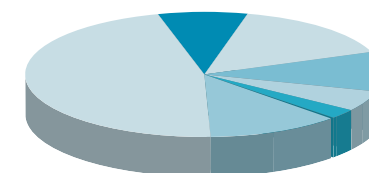
Volume



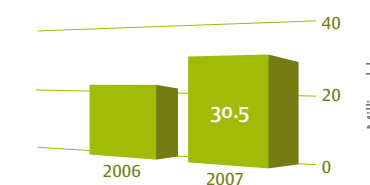
Revenue

## Latin America South

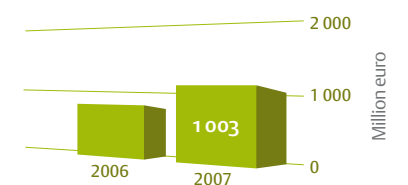
Latin America South had a very good year - its first as a fully integrated Zone within InBev's management structure. Volume and EBITDA growth was delivered at the same time as operations transitioned into the InBev way of doing business, and teams embraced InBev's culture. Within the Zone, Argentina and Bolivia in particular, delivered strong growth and mix improvement through enhancement of the premium segment in both countries.



8% normalized EBITDA

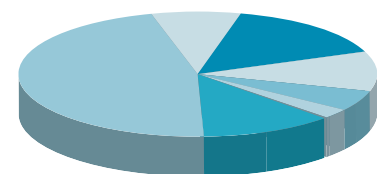


Volume

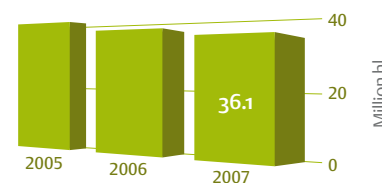


Revenue

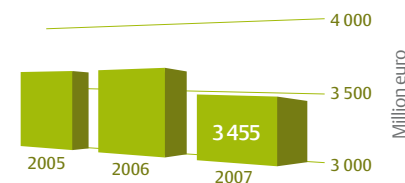
# Zone performance snapshot



15% normalized EBITDA



Volume



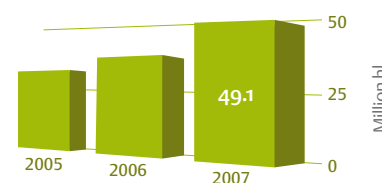
Revenue

## Western Europe

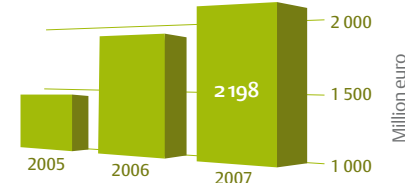
Five out of the six main countries in the Zone maintained or grew market share in 2007 against the backdrop of a very challenging year for the beer industry. The Zone's results were however, negatively impacted by the under-performance of Stella Artois in the U.K. The company is addressing this under-performance, so that the brand can return to growth over time. Costs remained very tightly managed right across the Zone, as further progress was made in converting 'non-working' money into 'working' money through Zero-Based Budgeting.



10% normalized EBITDA



Volume



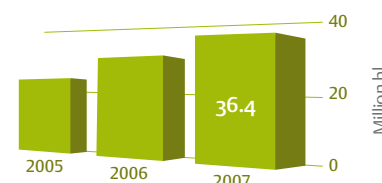
Revenue

## Central & Eastern Europe

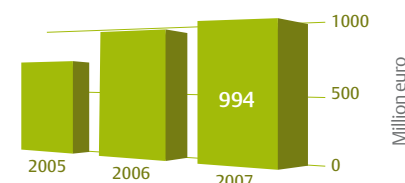
In 2007, the Zone delivered strong volume and EBITDA growth, while continuing to improve cost management. Now based in Russia, the Zone management team is well-positioned to embrace changes in the marketplace and respond rapidly. Both Russia and the Ukraine delivered mix improvement in 2007, by successfully growing the premium beers in their portfolios, and innovation continued to enhance growth, especially in Russia.



5% normalized EBITDA



Volume



Revenue

## Asia Pacific

2007 was a very good year in South Korea with the growth of the Cass brand improving InBev's market share in the country, reversing a previously negative trend. In China, the Sedrin brand grew ahead of the market, and was successfully extended to new geographies. Other local brands under-performed in the context of a highly competitive market environment. Improving top line growth in China, whilst not compromising profitability is a key priority for the company going forward into 2008.





# Zone headlines and highlights

## Western Europe

### 90% stake in InBev's pub real-estate business sold to Cofinimmo

In October 2007, InBev announced the closure of a transaction with Cofinimmo under which Cofinimmo acquired a 90% interest in Immobrew S.A./N.V., a subsidiary of InBev Belgium that directly owned 823 pubs in Belgium, and indirectly owned 245 pubs in the Netherlands. At the same time InBev Belgium and InBev Netherlands entered into master lease agreements with Immobrew and its Netherlands affiliates with respect to these pubs. The sale is consistent with InBev's commitment to free up capital invested in non-core activities, whilst maintaining the commercial link with the pubs.

### InBev invests 60 million euro in Belgian brewery operations for 07/08

In September 2007, InBev announced that it will invest close to 60 million euro in its brewery operations in Hoegaarden, Jupille and Leuven over a 12 month period, in response to the international success of Stella Artois and Hoegaarden, the growth of Jupiler in the Netherlands, and successful brand innovations. A significant part of the investment will go towards making Hoegaarden a dedicated white beer brewery, with investments in production, logistics equipment, and facility upgrades. Jupille will substantially increase brewing of lager beer utilizing the freed up capacity, and Leuven will continue to enhance its export capability with investments in brewing and packaging capacity.

## North America

### Acquisition of Lakeport by Labatt Breweries of Canada

On March 29, 2007, Labatt Brewing Company Limited acquired all of the Units of Lakeport Brewing Income Trust. Completion of the transaction occurred following an unsuccessful challenge by competition authorities to gain more time to review the transaction following expiration of minimum statutory waiting periods. Lakeport's business has been successfully integrated into InBev North America. The acquisition secured a strong presence for InBev in the growing value segment in Ontario.

### New offices for Labatt USA

In July 2007, InBev's business in the USA opened the doors of its new headquarters in Buffalo. With its close proximity to Canada, core customers and key business partners, and situated in the heart of Western New York, the new office is a strategic location for Labatt USA's next phase of growth. To coincide with the opening, Labatt Blue fans participated in a brand promotion as part of the 'welcome to Buffalo' campaign which ran throughout the summer.

## Latin America North

### AmBev acquired Cintra to expand production capacity

In March 2007, AmBev announced the signing of a purchase and sale agreement with respect to the acquisition of 100% of Goldensand Comércio e Serviços Ltda., the controlling shareholder of Cervejarias Cintra Indústria e Comércio Ltda. The acquisition enabled AmBev to expand production capacity to meet the continuing increase in demand in the beer and soft drink markets. In November 2007, under the terms of the offer, arrangements commenced to implement the transfer of the Cintra brand to AmBev.

## Latin America South

### A record year for investment in Argentina

In July 2007, InBev's Latin America South business officially opened a PepsiCo soft drink plant at its Zárate site, in the Buenos Aires province of Argentina, with an investment of 11 million USD (over eight million euro). The investment reinforces InBev's successful strategic partnership with PepsiCo in Argentina.

Furthermore, to support growing demand for beer and soft drinks in the marketplace, investments have been made to expand capacity at existing breweries in Argentina, making 2007 a record year for investment in Argentina. Facilities in Bolivia and Paraguay were also expanded.

## Central & Eastern Europe

### InBev opens its 10<sup>th</sup> brewery in Russia

In October 2007, InBev's 10<sup>th</sup> Russian brewery in Angarsk became operational, to satisfy growing demand in the East of the country. As well as boosting production capacity, the strategic location reduces distribution time to ensure our beers reach consumers as rapidly and efficiently as possible.

## Asia Pacific

### Construction underway for new brewery in eastern China

InBev China announced plans to build a new brewery in Zhoushan, in East China's Zhejiang Province. The plant will become operational in 2008. The new plant will include a modern disposal center for wastewater and gases, using leading environmentally-friendly technologies and processes. With Zhoushan city receiving nearly 10 million tourists per year, the new brewery will help meet growing consumer demand for premium, high quality beer, and serve as a new 'Sedrin-hub'.

### InBev enters into a long-term joint venture agreement in India

In May 2007, InBev announced a long-term joint venture agreement with the RKJ group, a leading beverage group operating in India. This will be InBev's vehicle to invest in the promising Indian beer market. The agreement will not have a material impact on InBev's business in the short to medium term, but InBev is confident that the combination of its expertise in beer with the financial and operational discipline of the RKJ group will allow this venture to deliver its business plan and to build a meaningful presence over time.





InBev people

Meet the Executive Board  
of Management

The  
*People*  
that enable us



# InBev people

People are at the heart of our business, and represent our only long-term competitive advantage. Every year we look to strengthen our people capabilities, attract and grow talent, and deploy the right people, incentivised through our target-setting and reward systems, to deliver the right results for the business. Key actions in 2007 include:

## Enhanced clarity around InBev's corporate culture

More than two years since the creation of InBev, we compiled the feedback of people throughout our company and created what we call our 'Dream, People, Culture Principles'. These ten principles articulate the company's aspirations and commitment to developing and deploying great people within a high performance company culture.

## Strengthening performance evaluation

In 2007, we increased the visibility of our global organization and people review. We evolved our behavioral competencies to match the company's ten principles, extended our 360-degree feedback tool deeper into the organization, and ensured that bi-annual individual performance and competency evaluations have become a discipline for which all line managers are held responsible.

## Extending employee engagement

This year, we expanded the scope of our global engagement survey so that it now covers every country in which we operate. Evaluating feedback versus last year, we are encouraged to see a trend towards improvement in employees' views of their career development opportunities within the company, something which has been a clear focus of action during the year.



*'A combination of passion and teamwork helps us turn ideas into reality.'*

*By investing in our resources and best practice tools, whilst always striving to become more efficient in what we do, we have been able to get many exciting innovation and development projects off the ground'.*

**Global Experimental Brewery Team**  
Global Headquarters, Belgium

*'The Global Management Trainee Program has given me the opportunity to gain real insight into how different disciplines work together on a global, Zone and country level. This experience provided me with a solid base for my current position as a manager in Planning & Performance Management, in which I work with different departments in order to be the best business partner for our On Trade customers.'*

**Hester Van Lint**

Overall we recruited  
**123 new** recent graduates  
in **17 countries**  
across our six Zones

## Career planning and talent development

Our approach is to develop future leaders through direct business experience, and equip them with the right skill sets through very challenging experiences as they progress through their careers at InBev. We have developed a framework known as 'PACE' which we are committed to utilizing to ensure that talented individuals gain the right breadth and depth of experience across the business to maximize their career development potential.

## Promotions from within

Given our investment in talent development, our approach is to promote individuals from within the company wherever possible. In 2007, InBev promoted more than 15 per cent of its management-level employees, with promotions across all its Zones exceeding 4 000 people.

## Expanding the pool of future talent

This year we expanded our Global Management Trainee Program to include South Korea for the first time. Overall we recruited 123 new recent graduates in 17 countries across our six Zones. With three current Executive Board of Management members having started with the company in this program, the precedent for growth in the organization is well established.

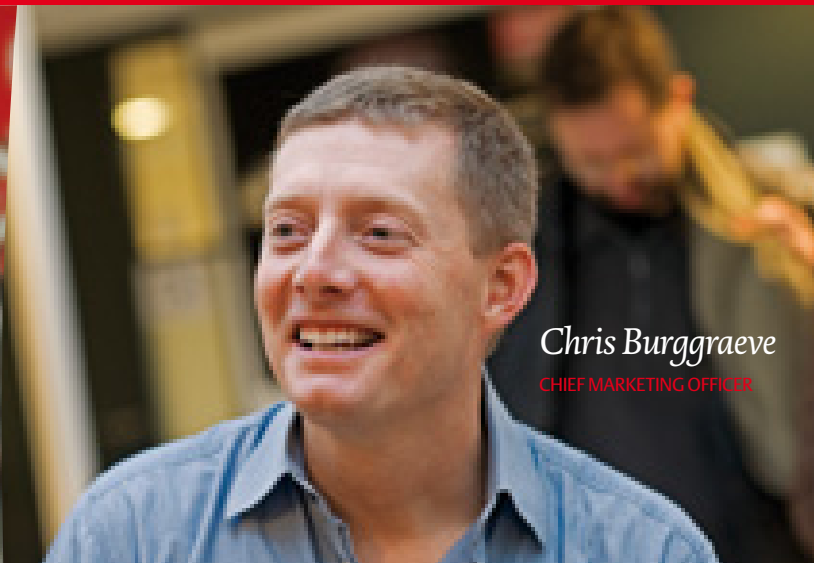
# Meet the Executive Board of Management



*Claudio Garcia*  
CHIEF PEOPLE AND TECHNOLOGY OFFICER



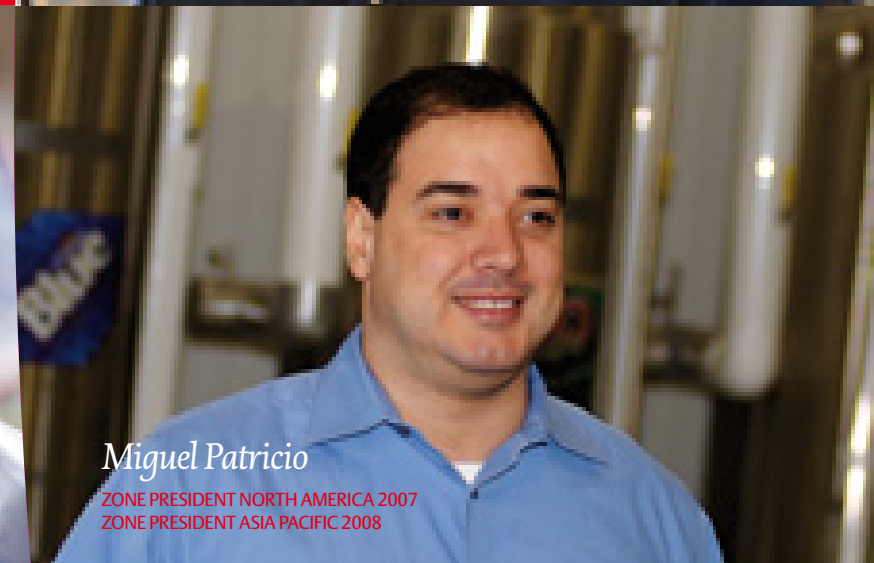
*Alain Beyens*  
ZONE PRESIDENT CENTRAL &  
EASTERN EUROPE 2007  
ZONE PRESIDENT WESTERN EUROPE 2008



*Chris Burggraeve*  
CHIEF MARKETING OFFICER



*Stéfan Descheemaeker*  
ZONE PRESIDENT WESTERN EUROPE 2007  
CHIEF STRATEGY OFFICER 2008



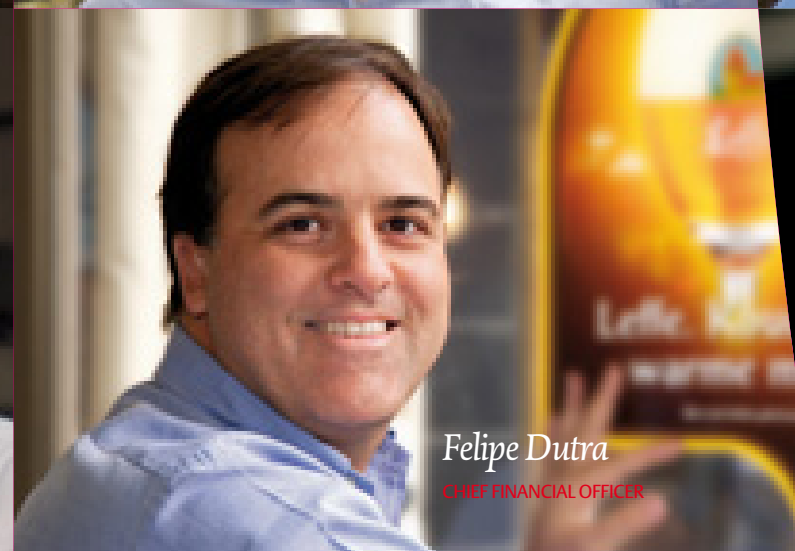
*Miguel Patricio*  
ZONE PRESIDENT NORTH AMERICA 2007  
ZONE PRESIDENT ASIA PACIFIC 2008



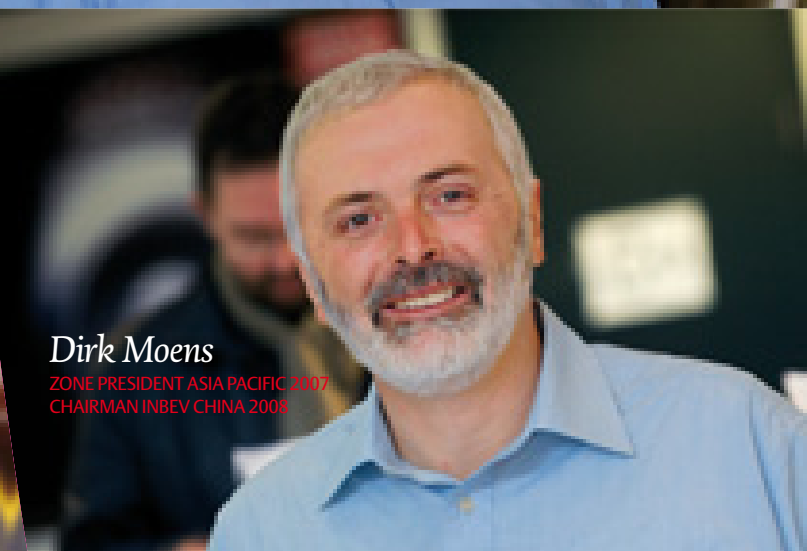
*Claudio Braz Ferro*  
CHIEF SUPPLY OFFICER



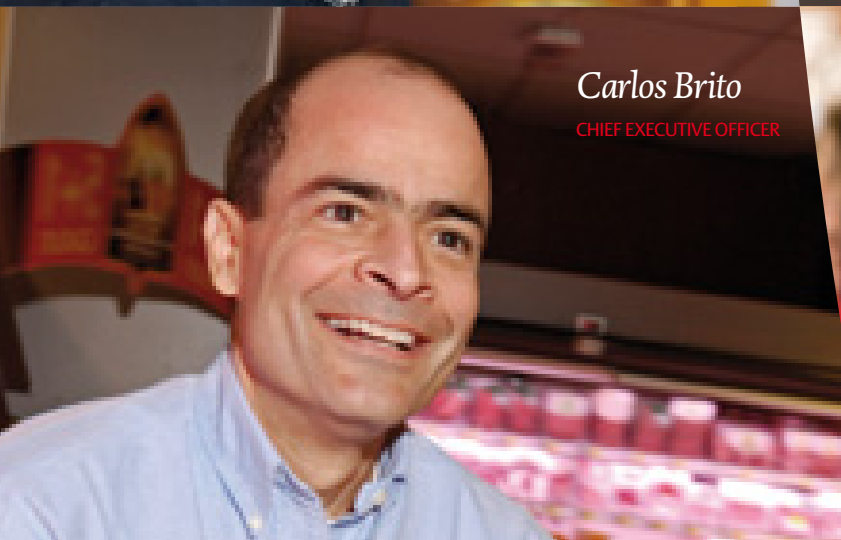
*João Castro Neves*  
ZONE PRESIDENT LATIN AMERICA SOUTH



*Felipe Dutra*  
CHIEF FINANCIAL OFFICER



*Dirk Moens*  
ZONE PRESIDENT ASIA PACIFIC 2007  
CHAIRMAN INBEV CHINA 2008



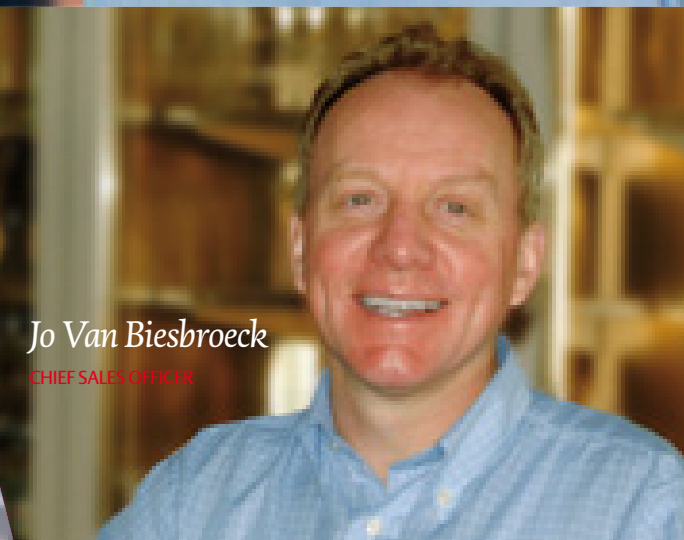
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CHIEF SALES OFFICER



# The World around us

The best beer company  
in a better world

Responsible drinking

The environment



# The best beer company in a better world

InBev's dream is to become the best beer company in a better world. In so doing, we also aim to add value to the people, communities, and places we do business in, impacting positively on the world around us.

As the world's leading beer company, with operations in over 30 countries, and sales in over 130 countries, we take our responsibilities as a global Corporate Citizen seriously. We know that we can make a difference through the integrity of our business conduct; the sustainability of our use of resources; and the ways in which we engage with consumers in the promotion of responsible enjoyment of our products.

Our ambition is to build a company for the long-term, with a legacy to be proud of - for the people who work for us and with us; for future generations and the future of the environment in which they live; and above all for our consumers, who we hope will always be as proud to choose our products, as we are to create them.

In August 2007, InBev published its third Global Citizenship Report<sup>2</sup> which can be found on our website at [www.InBev.com/citizenship](http://www.InBev.com/citizenship). This chapter details some of the highlights that can be found in that report, together with additional initiatives since the report went to print.

## Stakeholder engagement: Leading the way in China

In December 2007, InBev hosted an event in Beijing in partnership with the China State Environment Protection Administration (SEPA), bringing together a wide range of stakeholders on the environment. InBev became the first corporation in China to submit its Global Citizenship Report to SEPA's new 'Center for Promotion of Corporate Responsibilities' which was inaugurated at the event by SEPA, to further develop corporate environmental responsibility in China.

## Progressing the UN Global Compact principles

In 2007, InBev formally submitted its first communication on progress to the UN Global Compact, whose principles we support. Going forward we will continue to communicate progress annually.

## Corporate Citizenship Priorities for 2008, we will focus our efforts on:

### Responsible enjoyment of our products

We will continue to build on the strengths of our existing, well-established actions to promote responsible drinking. We aim to communicate with more consumers across broader geographies, as well as work with our own employees, and continue to responsibly self-regulate our marketing communications.

### The environment – now and for the future

The sustainability of our business and sustainability of the environment go hand in hand. In practice that means being as efficient as possible in our use of natural resources, such as the water we use to brew our beers; recycling our by-products and waste; and taking on the shared challenges of the future, such as climate change, by reducing our carbon footprint.

### Supporting communities

Across our operations a diverse and extensive range of schemes support local communities in areas such as health, education, local environmental projects, and direct charitable giving. In 2008, we intend to encourage strategic community support around the themes of heritage, education and the environment to maximize the benefit we can deliver locally.

We will continue to engage with stakeholders around these topics going forward, before rolling out action plans at country level.

In addition to these external objectives, we will continue to maintain our internal focus on corporate governance and compliance, to ensure we do the right things in the right way, supporting the overall integrity of the business. For further details see Corporate Governance Chapter p. 127.

<sup>2</sup> 07 GCR is based on 06 data; 07 data will be available in the 2008 Global Citizenship Report.

InBev

About InBev

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### Responsible Brewer

#### ► Global Citizenship Report

- Download center
- A welcome from our Chief Executive Officer
- Corporate Citizenship Vision and Strategy
- Environmental responsibility
- Responsible drinking
- People and the community
- Economic Impacts

#### ► Responsible Drinking

In August 2007  
InBev published its third  
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# Responsible drinking

Our primary responsibility to our consumers is to ensure that our products are safe and of the highest quality. However we also recognize an additional responsibility relating to how consumers use our products.

We have a two-fold approach to ensuring our wider product responsibility. First, we ensure that our own marketing activities support our position on responsible drinking and do not encourage alcohol misuse. Second, we help address or prevent alcohol-related problems through targeted campaigns.

## Our position

InBev believes in moderate consumption, as demonstrated by the vast majority of our consumers. This is not only more favourable for individuals and society; it is also in the long-term interest of our company and its brands. Our full position, including support for legal restrictions on drinking age, and support for the enforcement of blood alcohol restrictions to prevent drinking and driving, can be found in the 2007 Global Citizenship Report.

## Commercial Communications Code

InBev has a single global Commercial Communications Code which is the minimum standard we apply wherever we do business. If local rules are less strict than the Code, then the Code prevails. If local rules are more precise, then those are applied. In many cases our Code goes well beyond existing legal frameworks.

The main objectives of the Code are to make sure that our advertising does not encourage inappropriate behavior and it is not directed at those under the legal drinking age. The Code applies to all forms of brand marketing and commercial communications for all InBev products above 0.5% ABV.

## The Code has specific principles relating to:

- Responsible drinking
- Legal drinking age
- Association with hazardous activities
- Health aspects
- Alcohol content
- Performance and success

## Responsible drinking programs around the world

### Latin American support for enforcing drinking and driving limits

Our Latin America North operations have donated more than 20 000 single-use breath-analyzers in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul and the Federal District and in Latin America South we also co-operate with authorities in Argentina to help prevent traffic accidents by donating latest generation, multiple use breath-analyzers.

In 2007,

InBev launched a new global responsible drinking **website**, featuring information on all our responsible drinking programs around the world. For more information visit the site at

<http://www.InBev.com/responsiblebrewer>

### Promoting the 'don't drink and drive' message in Russia

InBev's hard-hitting anti-drink driving campaign attracted a significant public response and won first prize at the Moscow Festival of Social Advertising organized by the Moscow Government. The commercial was timed to coincide with the National Road Safety Week and was shown on more than 70 channels, supported by roadside billboards and online communication.

### Promoting responsible drinking in the U.K.: 'The Drinkaware Trust'

InBev U.K. is a founding member of the Drinkaware Trust, a registered charity which aims to improve public awareness and understanding of responsible drinking, and to positively change drinking habits in the U.K. Our U.K. products reference the Drinkaware website and also clearly state the number of units of alcohol contained in the bottle or can.

### 'Make a Plan' in Canada

Our Canadian program, 'Make a Plan' is an advertising campaign aimed at educating adults on the importance of the responsible use of alcohol. Its focus is on helping adults plan ahead to have fun safely. The campaign is delivered by children and directly targets parents and other adults by providing common-sense tips on responsible use covering topics such as getting home safely; being a good host; and having a designated driver. Children of company employees volunteered to feature in the campaign, thereby further engaging the whole company in this important message.

О ЗА РУЛЕМ УБИВАЮТ  
ПОЗДНО. ВСЕГДА



"Не пейте за рулем"



Батьківські збори?



Mom, don't be a child  
Program a cab number in your cell phone

# The environment

As a truly global company, we at InBev take our responsibility to the environment seriously. Since our products come from the earth, we understand that what's good for the environment is also good for business.

## Taking on the Carbon challenge

Climate change is predicted to have serious and far-reaching environmental, economic, and social consequences. For our business it may directly impact on crop outputs and costs, and the quality of our essential raw materials. It may also lead to limits on the supply of water, rising energy prices, unpredictable weather affecting our breweries and supply chain, and of course changes in consumer demand. In the face of these challenges, we want to be part of the solution by reducing our carbon footprint through energy efficiency and smarter management and sourcing of energy.

## Our energy use

Since 2005, we have reduced the amount of energy required to produce a hectoliter of product by 16.7% and we will continue to work to achieve year on year improvements.

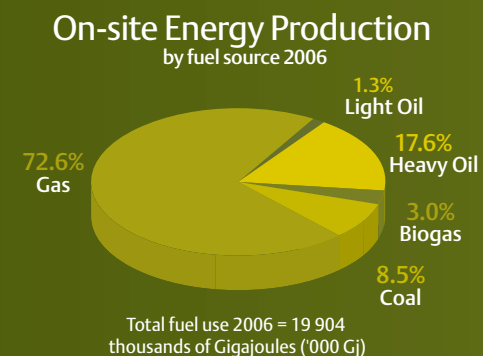
## Sourcing renewable energy

We generate a small but growing proportion of our power from renewable energy sources such as biogas and biofuel. In 2007, we continued to use biomass such as eucalyptus, pine sawdust, coconut fibers and rice husks, to fuel boilers to generate heat at our Agudos, Lages, Teresina, Viamão and Cuiabá plants in Brazil. In Argentina, 24 221 tons of CO<sub>2</sub> have been cut since 2004 by substituting heavy oil with eucalyptus sawdust as boiler fuel. We have also substituted two million cubic meters of natural gas at our Jacareí, Jaguariúna, Jundiaí, Guarulhos and Juatuba plants in Brazil by using on-site biogas-to-energy systems.

In Western Europe, seven breweries produce biogas which is used for generating heat and electricity. At the Wernigerode plant in Germany we plan the production of biogas from by-products such as spent grains and spent yeast. The produced biogas will be used for the production of electricity, heat and cold. Other future investments include a new state-of-the art boiler house for the Leuven brewery in Belgium, and CO<sub>2</sub> recovery optimization at the Jupille brewery in Belgium.

In 2007, our Latin America North operations launched the first ever beverage company Clean Development Mechanism project to be approved by the Brazilian government. The project at the Viamão brewery has now been successfully registered by the United Nations Framework Convention on Climate Change. We introduced renewable sources in the Águas Claras do Sul Branch energy matrix, replacing oil by solid biomass from rice husks for steam generation. This measure is expected to reduce CO<sub>2</sub> emissions by 188 000 tonnes over the next seven years.

Also in 2007, Zone Latin America South kick-started the approval process for its first Certified Emissions Reduction Project at the Ypané brewery in Paraguay, a biomass project which will substitute 5 000 tons of oil per year, contributing to the sustainability of the local community.



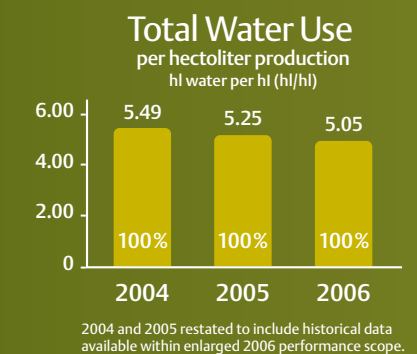
## 97% of InBev's waste and by-products are recycled

We have an obligation to take responsibility for the waste we generate as a result of brewing our beers and for the impact of our packaging. Our strategy is to divert by-products with a residual value from our waste streams for recycling or re-use and to recycle other wastes such as on-site packaging waste. We are especially proud of our record in byproduct management and will continue to strengthen this in 2008.

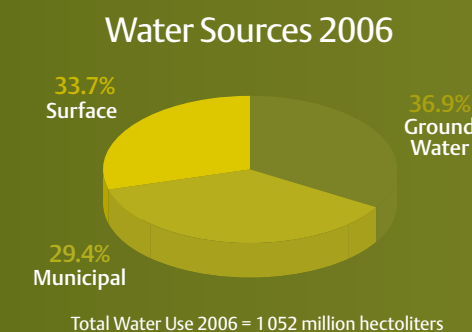
We are now achieving a global reuse/recycling rate of 97%. In some areas of the business it is even higher. In Latin America North for example, 98.1% of the company's total waste and by-products were recycled during 2006, and the top 12 plants there reused / recycled 99% of their waste. Our Stella Artois brewery in Leuven, Belgium is also proud to be among the plants achieving a 99% recycling rate.

## Water – at the heart of our products

Water is fundamental to our business. We depend on reliable supplies of the highest quality drinking water to produce our beers and soft drinks. Water is also used in the brewing process, for example in cleaning, cooling and steam production. We have a dual responsibility – to our stakeholders and to our business – to manage water use efficiently, especially in parts of the world where availability is limited. The chart below shows that water use per hectoliter of production has fallen by 3,8% over the last three years.



## Where does our water come from ?



## Reducing water consumption in Ningbo China

Reducing water consumption is one of the highest priorities at our Ningbo brewery in China. An intensive water reduction program led to the saving of 15,9 million liters of water which is equivalent to a 0,7 hectoliter reduction in water use per hectoliter of beer. Further improvements are planned going forward.





O CARNAVAL  
É AGORA.  
TÁ REDONDO?  
YEAH, YEAH!

SE BEBER, NÃO DIRIJA.  
VENDA PROIBIDA PARA MENORES DE 18 ANOS.

# Registered trademarks

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

### Global brands:

- Stella Artois and Beck's.

### Multi-country brands:

- Brahma, Leffe, Staropramen and Hoegaarden.

### Local brands:

- Alexander Keith's, Andes, Antarctica, Apatinsko Pivo, Astika, Bagbier, Bai Sha, Baltica, Bass, Baviera, Beck's Vier, Beck's Green Lemon, Beck's Chilled Orange, Beck's Gold, Becker, Belle-Vue, Bergenbier, Boddingtons, Bohemia, Boomerang, Borostyán, Borsodi Barna, Borodi Bivaly, Borsodi Polo, Borsodi Sör, Brahma Light, Brahma Ice, Branik, Burgasko, Cafri, Caracu, Cass, Cass Red, Chernigivske, Cintra, Concordia, Diebels Alt, Diebels Light, Diekirch, Dimix, Dommelsch, Double Deer, Ducal, Franziskaner, Guaraná Antarctica, Haake-Beck, Hasseröder, Hertog Jan, Iguana, Jelen Pivo, Jinling Yali, Jinlongquan, Jupiler, Kamenitza, Kelt, KK, Klinskoye, Klinskoye Freez, Kokanee, Kronenbier, La Bécasse, Labatt Blue, Labatt Blue Light, Labatt Ice, Labatt Sterling, Labatt Wildcat, Lakeport, Loburg, Löwenbräu, Lu Lansha, Malta Caracas, Mestan, Mousel, Nik Cool, Nik Gold, Niksicko Pivo, Niksicko Tamno, Noroc, Norte, Norteña, OB, Ostravar, Ouro Fino, Ozujsko, Paceña, Patricia, Pikur, Pilsen, Pleven, Polar, Premier, Quilmes, Quilmes Cristal, Red Rock, Shiliang, Rifey, Rogan, Santai, Sedrin, Serramalte, Sibirska Korona, Skol, Slavena, Spaten, St. Pauli Girl, Staropramen Granát, T, Taller, Taquiña, Tennent's, Tennent's Super, Tinkoff, Tolstiak, Velvet, Volzhanin, Vratislav, Yantar.

## 2. The following brands are registered trademarks of our:

- joint-venture with Cerveceria Bucanero SA: Bucanero, Bucanero Malta, Cristal, Mayabe.
- partnership with Zhujiang Beer Group Company: Zhujiang, Supra Beer, Zhujiang Fresh.

## 3. The following brands are registered brands under license :

- Budweiser and Bud Light are registered trademarks of Anheuser-Busch, Incorporated.
- Pepsi, H2OH!, Triple Kola are registered trademarks of PepsiCo, Incorporated.
- 7UP is a registered trademark licensed by Seven Up International.
- Castlemaine XXXX is a registered trademark of Castlemaine Perkins Pty Limited.
- Murphy's is a registered trademark of Heineken Ireland Limited.

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Thanks to all our InBev colleagues who have helped make this report happen

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Gam

U kan dit rapport in het Nederlands op onze website consulteren: [www.InBev.com](http://www.InBev.com)  
Vous pouvez consulter ce rapport en français sur notre site web: [www.InBev.com](http://www.InBev.com)

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## Register of Companies

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