Unaudited Interim Report for the 6 month period ended 30 June 2008

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1. Management report

InBev is a publicly traded company (Euronext: INB) based in Leuven, Belgium. The company's origins date back to 1366, and today, it is the leading global brewer. As a true consumer-centric, sales driven company, InBev manages a carefully segmented portfolio of more than 200 brands. This includes true beer icons with global reach like Stella Artois® and Beck's®, fast growing multicountry brands like Leffe® and Hoegaarden®, and many consumer loved "local champions" like Skol®, Quilmes®, Sibirskaya Korona®, Chernigivske®, Sedrin®, Cass® and Jupiler®. InBev employs close to 89 000 people, running operations in over 30 countries across the Americas, Europe and Asia Pacific. In 2007, InBev realized 14.4 billion euro of revenue. For further information visit www.InBev.com.

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

A number of acquisitions, divestitures and joint ventures influenced InBev's profit and financial profile over the past two years. Further details on acquisitions and disposals of subsidiaries and on the purchase of minority interests are disclosed respectively in note 6 *Acquisitions and disposals of subsidiaries* and in note 10 *Goodwill*.

1.1. Selected financial figures

The tables below set out the components of our operating income and our operating expenses, as well as our key cash flow figures.

For the six month period ended 30 June Million euro	2008	%	2007	%
Revenue[1]	**6 908**	**100.0**	**6 771**	**100.0**
Cost of sales	(2 920)	42.3	(2 810)	41.5
Gross profit	**3 988**	**57.7**	**3 961**	**58.5**
Distribution expenses	(847)	12.3	(824)	12.2
Sales and marketing expenses	(1 108)	16.0	(1 089)	16.1
Administrative expenses	(478)	6.9	(487)	7.2
Other operating income/(expenses)	120	1.7	111	1.6
Normalized profit from operations (Normalized EBIT)	**1 675**	**24.2**	**1 672**	**24.7**
Non-recurring items	(35)	0.5	22	0.3
Profit from operations (EBIT)	**1 640**	**23.7**	**1 694**	**25.0**
Normalized profit attributable to equity holders of InBev	**818**	**11.8**	**760**	**11.2**
Profit attributable to equity holders of InBev	**792**	**11.5**	**778**	**11.5**
Depreciation, amortization and impairment	**(546)**	**7.9**	**(500)**	**7.4**
Normalized EBITDA	**2 222**	**32.2**	**2 194**	**32.4**
EBITDA	**2 186**	**31.6**	**2 194**	**32.4**

For the six month period ended 30 June Million euro	2008	2007
Operating activities		
Profit	1 155	1 131
Non cash items included in profit	1 146	1 155
Cash flow from operating activities before changes in working capital and use of provisions	**2 301**	**2 286**
Change in working capital	(321)	(16)
Use of provisions	(135)	(150)
Interest and taxes (paid)/received	(642)	(462)
Cash flow from operating activities	**1 203**	**1 658**
Investing activities		
Net capex	(702)	(628)
Acquisition and sale of subsidiaries, net of cash acquired/disposed of, and purchase of minority interests	(598)	(907)
Other	(15)	(7)
Cash flow from investing activities	**(1 315)**	**(1 542)**
Financing activities		
Dividends paid	(1 602)	(544)
Purchase of treasury shares	(706)	(234)
Net proceeds from borrowings	2 079	772
Other	(155)	18
Cash flow from financing activities	**(384)**	**12**
Net increase/(decrease) in cash and cash equivalents	**(496)**	**128**

[1] Turnover less excise taxes. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.

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. To facilitate the understanding of InBev's underlying performance, the comments in this management report, unless otherwise indicated, are based on organic and normalized numbers.

1.2. Financial performance

Consistent with the outlook that we presented at our full year 2007 results, 2008 has presented more challenges when compared to the last three years, especially for the first half as we benefited from strong growth in the first half of 2007. However, as anticipated we saw the second quarter operating performance already improving when compared to the first quarter, and we continue to see further improvement for the second half of the year.

Consolidated volumes grew by 0.2% in the first half of 2008, with growth of 0.2% for our branded beer, and 2.9% for soft drinks. We continued to improve our product mix by strongly reducing private label and other lower margin volumes.

Our volumes in North America, Latin America North, Latin America South, and Asia-Pacific were above our consolidated volume growth. The overall volume performance in the first half of 2008 has been influenced primarily by three factors: our market share performance in Ukraine, lower industry volumes in Western Europe and our focus to reduce lower margin, non InBev brand products in our Western Europe portfolio.

Cost of sales per hectoliter grew by 8.0% reflecting industry wide commodity input cost pressures, but already showing a deceleration of growth in the second quarter when compared to the first quarter as expected.

Operating expenses increased by 2.6%, driven entirely by consistent investments behind sales and marketing activities, as well as the distribution of our beer, and partly offset by control of fixed overhead costs.

Cash from operations amounted to 1 203m euro in the first six months of 2008, compared to 1 658m euro in the first half of 2007, mainly as a result from higher working capital levels as compared to 2007 year-end and an increase in income taxes paid.

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 2008 (in million euros, except volumes in thousand hectoliters).

INBEV WORLDWIDE	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	127 202	(4)	-	265	127 463	0.2%
Revenue	6 771	(7)	(168)	312	6 908	4.6%
Cost of sales	(2 810)	6	114	(231)	(2 920)	(8.3)%
Gross profit	3 961	(1)	(54)	81	3 988	2.1%
Distribution expenses	(824)	(4)	18	(37)	(847)	(4.6)%
Sales and marketing expenses	(1 089)	9	34	(63)	(1 108)	(5.9)%
Administrative expenses	(487)	(30)	4	36	(477)	6.9%
Other operating income/(expenses)	111	5	(1)	6	120	4.3%
Normalized EBIT	1 672	(20)	1	22	1 675	1.3%
Normalized EBITDA	2 194	(22)	(14)	64	2 222	2.9%
Normalized EBITDA margin	32.4%				32.2%	(54) bp

NORTH AMERICA	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	5 855	83	-	102	6 040	1.8%
Revenue	722	8	(22)	25	734	3.5%
Cost of sales	(233)	(2)	10	(12)	(237)	(5.1)%
Gross profit	489	6	(11)	14	497	2.8%
Distribution expenses	(132)	(7)	2	(2)	(139)	(1.6)%
Sales and marketing expenses	(113)	6	3	9	(94)	8.8%
Administrative expenses	(46)	(1)	1	7	(38)	15.2%
Other operating income/(expenses)	1	-	-	(3)	(2)	(244.8)%
Normalized EBIT	199	4	(5)	25	223	12.3%
Normalized EBITDA	239	5	(6)	24	263	10.0%
Normalized EBITDA margin	33.1%				35.8%	214 bp

LATIN AMERICA NORTH	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	46 494	381	-	368	47 244	0.8%
Revenue	2 209	9	98	124	2 440	5.6%
Cost of sales	(763)	(9)	(28)	(50)	(851)	(6.6)%
Gross profit	1 446	-	70	73	1 589	5.1%
Distribution expenses	(261)	(2)	(8)	(14)	(286)	(5.5)%
Sales and marketing expenses	(224)	(1)	(9)	(38)	(272)	(17.0)%
Administrative expenses	(117)	(27)	(5)	4	(146)	2.5%
Other operating income/(expenses)	57	28	3	(22)	66	(26.0)%
Normalized EBIT	900	(3)	52	3	952	0.3%
Normalized EBITDA	1 020	(3)	56	21	1 094	2.0%
Normalized EBITDA margin	46.2%				44.8%	(156) bp

LATIN AMERICA SOUTH	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	14 189	-	-	1 600	15 789	11.3%
Revenue	469	-	(63)	126	531	26.9%
Cost of sales	(204)	-	28	(50)	(225)	(24.3)%
Gross profit	265	-	(35)	76	306	28.8%
Distribution expenses	(38)	-	5	(10)	(43)	(27.0)%
Sales and marketing expenses	(60)	-	6	(6)	(60)	(9.8)%
Administrative expenses	(20)	-	2	-	(19)	(1.9)%
Other operating income/(expenses)	(5)	-	-	9	3	165.8%
Normalized EBIT	142	-	(22)	68	188	48.2%
Normalized EBITDA	183	-	(27)	74	230	40.2%
Normalized EBITDA margin	39.0%				43.2%	412 bp

WESTERN EUROPE	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	17 862	(536)	-	(638)	16 689	(3.7)%
Revenue	1 718	(28)	(67)	(35)	1 587	(2.1)%
Cost of sales	(804)	16	45	(3)	(746)	(0.4)%
Gross profit	914	(12)	(22)	(39)	841	(4.3)%
Distribution expenses	(205)	5	7	(10)	(202)	(4.8)%
Sales and marketing expenses	(363)	13	12	6	(332)	1.7%
Administrative expenses	(126)	(4)	2	7	(122)	5.3%
Other operating income/(expenses)	(41)	(22)	(3)	-	(66)	0.2%
Normalized EBIT	178	(21)	(4)	(35)	118	(20.5)%
Normalized EBITDA	339	(24)	(9)	(32)	274	(9.7)%
Normalized EBITDA margin	19.7%				17.3%	(152) bp

CENTRAL AND EASTERN EUROPE	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	23 359	-	-	(937)	22 422	(4.0)%
Revenue	1 024	-	(55)	62	1 031	6.0%
Cost of sales	(460)	-	31	(94)	(522)	(20.4)%
Gross profit	564	-	(24)	(32)	508	(5.7)%
Distribution expenses	(137)	-	6	(2)	(133)	(1.7)%
Sales and marketing expenses	(199)	-	9	(24)	(215)	(12.2)%
Administrative expenses	(67)	1	2	13	(52)	20.0%
Other operating income/(expenses)	(50)	-	-	-	(50)	-
Normalized EBIT	111	1	(7)	(46)	58	(41.0)%
Normalized EBITDA	213	1	(12)	(34)	167	(16.2)%
Normalized EBITDA margin	20.8%				16.2%	(436) bp

ASIA PACIFIC	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	16 987	-	-	83	17 070	0.5%
Revenue	474	-	(56)	29	448	6.2%
Cost of sales	(237)	-	26	(25)	(236)	(10.4)%
Gross profit	237	-	(30)	5	212	2.0%
Distribution expenses	(33)	-	4	(2)	(30)	(6.7)%
Sales and marketing expenses	(104)	-	12	(14)	(106)	(13.1)%
Administrative expenses	(30)	-	3	(2)	(30)	(6.6)%
Other operating income/(expenses)	-	-	-	(1)	(1)	-
Normalized EBIT	70	-	(11)	(14)	44	(20.4)%
Normalized EBITDA	120	-	(16)	(11)	92	(8.9)%
Normalized EBITDA margin	25.2%				20.6%	(359) bp

GLOBAL EXPORT AND HOLDING COMPANIES	2007	Scope	Currency translation	Organic growth	2008	Organic growth %
Volumes	2 455	68	-	(312)	2 210	(12.4)%
Revenue	155	4	(3)	(19)	138	(11.9)%
Cost of sales	(109)	2	2	3	(102)	2.5%
Gross profit	46	6	-	(16)	36	(31.3)%
Distribution expenses	(18)	-	-	3	(14)	19.1%
Sales and marketing expenses	(24)	(9)	-	4	(29)	11.0%
Administrative expenses	(81)	2	-	7	(71)	9.3%
Other operating income/(expenses)	149	-	(1)	23	170	15.3%
Normalized EBIT	72	(1)	(1)	21	91	29.1%
Normalized EBITDA	82	(1)	(1)	22	102	27.1%

REVENUE

Consolidated revenue was up 4.6% (312m euro) year-on-year, to 6 908m euro. Revenue per hl expanded 4.4%, and all zones achieved a higher revenue per hl, reflecting ongoing improvements in our product mix, as well as price adjustments. On a constant geographic basis, i.e. eliminating the impact of faster growth in countries with lower revenue per hl in euro, revenue per hl would have grown 5.5% organically.

COST OF SALES

First half 2008 consolidated cost of sales of 2 920m euro was 8.3% (231m euro) above last year. Cost of sales per hl increased 8.0% year-on-year, reflecting industry wide commodity cost pressure. On a constant geographic basis, the organic increase in cost of sales per hl would have been an estimated 9.3%. The company continues to implement its proven supply efficiency programs which are helping to partly compensate for increased cost pressures and, as previously disclosed, the company expects a deceleration in cost of sales per hl growth in the second half of 2008.

OPERATING EXPENSES

Operating expenses for the first half of 2008 totaled 2 312m euro.

Distribution expenses increased by 37m euro (4.6%) to 847m euro, primarily as a result of higher unit transport expenses in Latin America South and Western Europe, and more volumes being sold directly to customers. Sales and marketing expenses were up 63m euro (5.9%) to 1 108m euro, evidencing our focus on further strengthening sales execution, investments behind our brands and bringing innovations to our consumers. Overhead expenses decreased 36m euro (6.9%) to 477m euro, as nearly all zones continue to demonstrate our ability to keep a tight grip on non-working costs.

Other operating income/expenses in the first half of 2008 amounted to 120m euro, or 6m euro better than last year. The main impacts were a lower bonus adjustment in the first quarter of 2008 compared to the first quarter of 2007 in Latin America North, and gains on asset disposals in Western Europe and Latin America South.

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

Normalized EBITDA of 2 222m euro in the first half of 2008 is 2.9% above last year (up 64m euro).

- North America delivered an EBITDA of 263m euro (+10.0% / up 24m euro), as a result of a good commercial performance and cost management.
- Latin America North EBITDA was 1 094m euro (+2.0% / up 21m euro), driven by higher revenue, partly offset by increased commercial expenses and a lower bonus adjustment in the first quarter of 2008 versus the previous year, as mentioned above.
- Latin America South EBITDA increased to 230m euro (+40.2% / up 74m euro) as a result of a combination of very good top line results and diligent cost control.
- Western Europe's EBITDA was 274m euro (-9.7% / down 32m euro), driven by lower industry volumes and a defocus on lower margin products, which has a negative impact on short term results, but is important for long term profitability. The combined impact resulted in lower volumes despite stable or higher shares in all markets; expenses also remained under control.
- Central and Eastern Europe achieved EBITDA of 167m euro (-16.2% / down 34m euro), as the combined effect of volume decline, higher cost of sales and higher sales and marketing expenses could not be fully compensated by a healthy increase in revenue per hl and strong overhead cost management.
- Asia Pacific EBITDA was 92m euro (-8.9% / down 11m euro), reflecting the impact of increased cost of sales and continued investment in commercial activities, partly offset by solid revenue per hl growth.
- Global Export and Holding Companies EBITDA of 102m euro (up 22m euro), primarily due to higher intercompany income which is neutral at the consolidated level.

The consolidated EBITDA margin for the first six months of 2008 was 32.2% (2007: 32.4%). The EBITDA margin decreased by 25 basis points, while it was 54 basis points lower on an organic basis. There was a negative currency translation impact on consolidated EBITDA of 14m euro for the first six months of 2008 (first six months of 2007: negative impact of 57m euro).

PROFIT

Normalized profit attributable to equity holders of InBev was 818m euro (normalized EPS 1.36 euro) for the first half of 2008. Reported profit attributable to equity holders of InBev for the first six months of 2008 was 792m euro, which included the following impacts:

- Net finance costs: 336m euro (versus 296m euro in 2007). The difference is largely explained by higher interest charges for the parent companies and AmBev Brasil as a result of a higher average net debt position, partially offset by slightly lower interest rates in Brazil.
- Income tax expense: 151m euro with an effective tax rate of 11.6% (versus 19.1% in 2007). The decrease is mainly attributable to the recognition of a deferred tax asset of 83m euro in the second quarter of 2008, following the probability of use of tax losses not previously recognized. Furthermore, 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. Excluding the impact of the deferred tax asset recognition, the effective tax rate would have been 18%, and normalized EPS would have been 1.22 euro.
- Profit attributable to minority interests: 363m euro (first half of 2007: 353m euro).

IMPACT OF FOREIGN CURRENCIES

Foreign currency exchange rates have a significant impact on our financial statements. In the first half of 2008, 33.8% (2007 – 30.8%) of our revenue was realized in Brazilian reals, 9.4% (2007 – 9.3 %) in Canadian dollars, 6.8% (2007 – 8.1%) in Pound sterling, 7.1% (2007 – 7.5%) in Russian ruble, 3.3% (2007 – 3.7%) in South Korean won, 1.3% (2007 – 1.4%) in US dollars, 2.6% (2007 – 2.4%) in Ukrainian hryvnia, 5.0% (2007 – 4.6%) in Argentinean peso and 3.3% (2007 – 3.4%) in Chinese yen.

The fluctuation of the foreign currency rates had a negative translation impact on our 2008 revenue of 168m euro (versus a negative impact in 2007 of 143m euro), a negative translation impact on normalized EBITDA of 14m euro (versus a negative impact in 2007 of 57m euro) and a positive translation impact on normalized profit from operations of 1m euro (versus a negative impact in 2007 of 46m euro).

Our profit has been positively affected by the fluctuation of foreign currencies for 21m euro (2007: (28)m euro), while the effect on our EPS base (profit attributable to equity holders of InBev) is 10m euro or 0.02 per share (2007: (18)m euro or (0.03) euro per share).

The impact of the fluctuation of the foreign currencies on our net debt is (69)m euro (decrease of net debt) and on our equity (213)m euro (decrease of equity). In 2007 there was an impact of (107)m euro (decrease of net debt) and (60)m euro (decrease of equity), respectively.

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 7 *Non-recurring items*.

1.3. Liquidity position and capital resources

CASH FLOWS - KEY FIGURES

Our cash flow from operating activities decreased from 1 658m euro in the first half of 2007 to 1 203m euro in the first half of 2008, or 27.4%, mainly explained by higher working capital levels as compared to 2007 year-end and an increase in income taxes paid.

The evolution of the cash used in investment activities from (1 542)m euro in the first half of 2007 to (1 315)m euro in the first half of 2008 is mainly explained by lower purchases of minority interests and lower acquisition of subsidiaries than in the same period last year. We spent 50m euro in the first six months of 2008 on acquiring businesses compared to 158m euro acquisition expenditures during the same period last year. Further details are disclosed in note 6 *Acquisitions and disposals of subsidiaries*. As regards to purchases of minority interests, we spent 552m euro during the first half of 2008 compared to 770m euro in the same period of 2007. Our purchases of minority interests relate to AmBev (through share buy-back programs), Zheijang Shiliang (China) and Quinsa.

The cash inflow from our financing activities went from 12m euro in the first half of 2007 to (384)m euro in the first half of 2008, explained by higher dividend payment and an increase in the purchase of treasury shares, partly compensated by higher net proceeds from borrowings.

NET CAPITAL EXPENDITURES

We spent 702m euro in the first six months of 2008 and 628m euro in the first six months of 2007 on acquiring capital assets. Out of the total capital expenditures of the first half of 2008 approximately 70% was used to improve our production facilities while 23% was used for logistics and commercial investments. Approximately 7% was used for improving administrative capabilities and purchase of hardware and software.

CAPITAL RESOURCES AND EQUITY

InBev's net debt increased to 7 514m euro as of June 2008, from 5 093m euro as of December 2007. Apart from operating results net of capital expenditures, the net financial debt is impacted by the InBev and AmBev share buyback programs (respectively 706m euro and 233m euro), the purchase of minority interests of Quinsa and Zheijang Shiliang (respectively 275m euro and 44m euro), dividend payments to shareholders of InBev (1 428m euro), dividend payments to minority shareholders of AmBev (159m euro) and the impact of changes in foreign exchange rates (69m euro).

Consolidated equity attributable to equity holders of InBev as at 30 June 2008 was 12 066m euro, compared to 13 625m euro at the end of 2007. The combined effect of the strengthening of mainly the closing rate of the Brazilian real and the weakening of mainly the closing rates of the Argentinean peso, the Canadian dollar, the Chinese yuan, the Pound sterling, the Russian ruble, the South Korean won, the Ukrainian hryvnia and the US dollar resulted in a foreign exchange translation adjustment of (241)m euro. Further details on equity movements can be found in note 12 *Changes in equity* to the consolidated interim financial statements.

As a result of share buy-back programs, during the first six months of 2008, InBev acquired 12.7m InBev shares for an amount of 706m euro and AmBev acquired 4.8m AmBev shares for an amount of 233m euro.

1.4. 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 interim financial statements. Important contingencies are disclosed in note 16 *Contingencies* of the consolidated interim financial statements.

1.5. Events after the balance sheet date

Please refer to note 18 *Events after the balance sheet date* of the consolidated interim financial statements.

2. Statement of the Board of Directors

The Board of Directors of InBev SA/NV certifies, on behalf and for the account of the company, that, to their knowledge, (a) the condensed interim financial statements which have been prepared in accordance with the International Financial Reporting Standard on interim financial statements (IAS 34) as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole and (b) the interim management report includes a fair review of the information required under Article 13, §§ 5 and 6 of the Royal Decree.

3. Unaudited condensed consolidated interim financial statements

3.1. Unaudited condensed consolidated interim income statement

For the six month period ended 30 June Million euro	Notes	2008	2007
Revenue		**6 908**	**6 771**
Cost of sales		(2 920)	(2 810)
Gross profit		**3 988**	**3 961**
Distribution expenses		(847)	(824)
Sales and marketing expenses		(1 108)	(1 089)
Administrative expenses		(478)	(487)
Other operating income/(expenses)		120	111
Profit from operations before non-recurring items		**1 675**	**1 672**
Restructuring (including impairment losses)	7	(31)	(4)
Business and asset disposal	7	(4)	14
Disputes	7	-	12
Profit from operations		**1 640**	**1 694**
Finance cost		(412)	(341)
Finance income		76	45
Net finance cost		**(336)**	**(296)**
Share of result of associates		2	-
Profit before tax		**1 306**	**1 398**
Income tax expense	8	(151)	(267)
Profit		**1 155**	**1 131**
Attributable to:			
Equity holders of InBev		792	778
Minority interests		363	353
Basic earnings per share		1.32	1.27
Diluted earnings per share		1.31	1.27

3.2. Unaudited condensed consolidated interim statement of recognized income and expenses

For the six month period ended 30 June Million euro	2008	2007
Exchange differences on translation of foreign operations (gains/(losses))	(213)	401
Cash flow hedges	(1)	46
Net result recognized directly in equity	**(214)**	**447**
Profit	1 155	1 131
Total recognized gains and losses	**941**	**1 578**
Attributable to:		
Equity holders of InBev	**558**	**1 223**
Minority interests	**383**	**355**

3.3. Unaudited condensed consolidated interim balance sheet

As at Million euro	Notes	30 June 2008	31 December 2007
ASSETS			
Non-current assets			
Property, plant and equipment	9	6 694	6 629
Goodwill	10	14 172	13 834
Intangible assets	11	1 214	1 250
Investments in associates		34	31
Investment securities		154	163
Deferred tax assets		739	663
Employee benefits		8	7
Trade and other receivables		602	583
		23 617	**23 160**
Current assets			
Investment securities		223	179
Inventories		1 290	1 119
Income tax receivable		241	306
Trade and other receivables		2 642	2 570
Cash and cash equivalents		1 040	1 324
Assets held for sale		41	41
		5 477	**5 539**
Total assets		**29 094**	**28 699**
EQUITY AND LIABILITIES			
Equity			
Issued capital	12	475	474
Share premium	12	7 473	7 450
Reserves	12	(633)	292
Retained earnings	12	4 751	5 409
Equity attributable to equity holders of InBev		**12 066**	**13 625**
Minority interests	12	1 310	1 285
		13 376	**14 910**
Non-current liabilities			
Interest-bearing loans and borrowings	13	6 436	5 185
Employee benefits		562	624
Deferred tax liabilities		447	468
Trade and other payables		275	315
Provisions		530	512
		8 250	**7 104**
Current liabilities			
Bank overdrafts		304	80
Interest-bearing loans and borrowings	13	2 129	1 438
Income tax payable		399	570
Trade and other payables		4 474	4 410
Provisions		162	187
		7 468	**6 685**
Total equity and liabilities		**29 094**	**28 699**

3.4. Unaudited condensed consolidated interim cash flow statement

For the six month period ended 30 June Million euro	2008	2007
OPERATING ACTIVITIES		
Profit	1 155	1 131
Depreciation, amortization and impairment	550	504
Impairment losses on receivables and inventories	19	30
Additions/(reversals) in provisions and employee benefits	71	41
Net financing cost	336	296
Loss/(gain) on sale of property, plant and equipment and intangible assets	(2)	(10)
Loss/(gain) on sale of subsidiaries and associates	(2)	-
Loss/(gain) on assets held for sale	(12)	(16)
Equity-settled share-based payment expense	30	28
Income tax expense	151	267
Other non-cash items included in the profit	7	15
Share of result of associates	(2)	-
Cash flow from operating activities before changes in working capital and use of provisions	**2 301**	**2 286**
Decrease/(increase) in trade and other receivables	(85)	173
Decrease/(increase) in inventories	(170)	(44)
Increase/(decrease) in trade and other payables	(66)	(145)
Use of provisions	(135)	(150)
Cash generated from operations	**1 845**	**2 120**
Interest paid	(375)	(331)
Interest received	38	20
Income tax paid	(305)	(151)
CASH FLOW FROM OPERATING ACTIVITIES	**1 203**	**1 658**
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment and of intangible assets	27	36
Proceeds from sale of associates	6	-
Sale of subsidiaries, net of cash disposed of	4	21
Acquisition of subsidiaries, net of cash acquired	(50)	(158)
Purchase of minority interests	(552)	(770)
Acquisition of property, plant and equipment and of intangible assets	(729)	(664)
Net proceeds/(acquisition) of other assets	(23)	-
Net repayments/(payments) of loans granted	2	(7)
CASH FLOW FROM INVESTING ACTIVITIES	**(1 315)**	**(1 542)**
FINANCING ACTIVITIES		
Proceeds from the issue of share capital	23	71
Purchase of treasury shares	(706)	(234)
Net proceeds from borrowings	2 079	772
Cash net financing costs other than interests	(176)	(51)
Payment of finance lease liabilities	(2)	(2)
Dividends paid	(1 602)	(544)
CASH FLOW FROM FINANCING ACTIVITIES	**(384)**	**12**
Net increase/(decrease) in cash and cash equivalents	**(496)**	**128**
Cash and cash equivalents less bank overdrafts at beginning of period	1 244	536
Effect of exchange rate fluctuations	(12)	8
Cash and cash equivalents less bank overdrafts at end of period	**736**	**672**

3.5. Notes to the unaudited condensed consolidated interim 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 89 000 people, running operations in over 30 countries across the Americas, Europe and Asia Pacific.

The unaudited condensed consolidated interim financial statements of the company for the period ended 30 June 2008 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 condensed consolidated interim financial statements were authorized for issue by the board of directors on 13 August 2008.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standard Board (IASB) as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the company as at and for the year ended 31 December 2007. InBev has not applied IFRS requirements that were not yet effective in 2008. Certain 2007 amounts from the consolidated interim financial statements have been reclassified to conform to the 31 December 2007 presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2007.

(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 re-measurement), the cost approach is applied.

(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 2008	31 December 2007	30 June 2008	30 June 2007
Argentinean peso	4.797613	4.638585	4.790029	4.094920
Brazilian real	2.509473	2.607528	2.612590	2.744094
Canadian dollar	1.594200	1.444901	1.530864	1.509124
Chinese yuan	10.805087	10.752457	10.830951	10.287219
Pound sterling	0.792250	0.733350	0.773383	0.676257
Russian ruble	36.907178	35.933738	36.668989	34.735489
South Korean won	1 652.892562	1 377.410468	1 494.768311	1 243.781095
Ukrainian hryvnia	7.627823	7.419443	7.692485	6.746409
US dollar	1.576399	1.472099	1.533385	1.330022

(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. ESTIMATES

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.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2007, except as for the recognition of a deferred tax asset of 83m euro following the probability of use of tax losses not previously recognized – see also note 8 *Income taxes*.

5. SEGMENT REPORTING

PRIMARY SEGMENTS

For the six month period ended 30 June Million euro, except volume (million hl)	North America		Latin America North		Latin America South		Western Europe		Central and Eastern Europe		Asia Pacific		Global export and holding companies		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Volume	**6**	**6**	**47**	**46**	**16**	**14**	**17**	**18**	**22**	**23**	**17**	**17**	**2**	**2**	**127**	**127**
Revenue	**734**	**722**	**2 440**	**2 209**	**531**	**469**	**1 587**	**1 718**	**1 031**	**1 024**	**448**	**474**	**138**	**155**	**6 908**	**6 771**
Cost of goods sold	(237)	(233)	(851)	(763)	(225)	(204)	(746)	(804)	(522)	(460)	(236)	(237)	(102)	(109)	(2 920)	(2 810)
Distribution expenses	(139)	(132)	(286)	(261)	(43)	(38)	(202)	(205)	(133)	(137)	(30)	(33)	(14)	(18)	(847)	(824)
Sales and marketing expenses	(94)	(113)	(272)	(224)	(60)	(60)	(332)	(363)	(215)	(199)	(106)	(104)	(29)	(24)	(1 108)	(1 089)
Administrative expenses	(38)	(46)	(146)	(117)	(19)	(20)	(122)	(126)	(52)	(67)	(30)	(30)	(71)	(81)	(478)	(487)
Other operating income/(expenses)	(2)	1	66	57	3	(5)	(66)	(41)	(50)	(50)	(1)	-	170	149	120	111
Normalized profit from operations (normalized EBIT)	**223**	**199**	**952**	**900**	**188**	**142**	**118**	**178**	**58**	**111**	**44**	**70**	**91**	**72**	**1 675**	**1 672**
Non-recurring items	(1)	(2)	(1)	6	(1)	-	(32)	16	-	(8)	(1)	12	2	(2)	(35)	22
Profit from operations (EBIT)	**222**	**197**	**951**	**906**	**187**	**142**	**86**	**194**	**58**	**103**	**43**	**82**	**93**	**70**	**1 640**	**1 694**
Net finance cost	(20)	(26)	(180)	(183)	(29)	(10)	(165)	(136)	(21)	(18)	(4)	(3)	84	81	(336)	(296)
Share of result of associates	-	-	-	-	1	-	-	-	-	-	-	-	-	-	2	-
Profit before tax	**202**	**171**	**771**	**723**	**159**	**132**	**(79)**	**58**	**37**	**85**	**39**	**79**	**177**	**151**	**1 306**	**1 398**
Income tax expense	(65)	(58)	(81)	(83)	(48)	(41)	9	(6)	(15)	(31)	(19)	(21)	68	(27)	(151)	(267)
Profit	**137**	**113**	**690**	**640**	**111**	**90**	**(70)**	**51**	**22**	**54**	**20**	**58**	**245**	**124**	**1 155**	**1 131**
Normalized EBITDA	263	239	1 094	1 020	230	183	274	339	167	213	92	120	102	82	2 222	2 194
EBITDA margin (normalized) in %	35.8	33.1	44.8	46.2	43.2	39.0	17.3	19.7	16.2	20.8	20.6	25.2	74.1	52.7	32.2	32.4
Segment assets	2 174	2 764	10 541	9 407	2 430	2 317	4 709	4 898	3 209	3 078	2 606	2 869	1 649	996	27 318	26 329
Intersegment elimination															(814)	(689)
Non-segmented assets															2 590	2 449
Total assets															**29 094**	**28 090**
Segment liabilities	647	822	2 024	1 641	264	192	1 983	2 069	729	625	528	543	710	501	6 885	6 393
Intersegment elimination															(814)	(689)
Non-segmented liabilities															23 023	22 386
Total liabilities															**29 094**	**28 090**

SECONDARY SEGMENTS

Million euro, except volume (million hl)

For the six month period ended 30 June Million euro, except volume (million hl)	Beer		Non-beer		Consolidated	
	2008	2007	2008	2007	2008	2007
Volume	108	108	19	19	127	127
Revenue	6 305	6 219	603	552	6 908	6 771
Total assets	26 161	25 368	2 933	2 722	29 094	28 090
Gross capex	669	574	38	71	707	645

6. 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	2008 Acquisitions	2008 Disposals	2007 Acquisitions	2007 Disposals
Non-current assets				
Property, plant and equipment	-	-	101	-
Goodwill	-	-	-	(23)
Intangible assets	6	-	27	-
Deferred tax assets	-	-	27	-
Trade and other receivables	-	-	1	(2)
Current assets				
Investment securities	-	-	6	-
Inventories	-	-	14	-
Trade and other receivables	-	-	4	-
Cash and cash equivalents	-	-	4	(1)
Assets held for sale	-	-	-	(32)
Minority interests	-	-	-	-
Non-current liabilities				
Interest-bearing loans and borrowings	-	-	(44)	-
Trade and other payables	-	-	(56)	-
Provisions	-	-	(118)	-
Deferred tax liabilities	-	-	(6)	-
Current liabilities				
Bank overdrafts	-	-	(1)	-
Interest-bearing loans and borrowings	-	-	(23)	-
Income tax payable	-	-	(1)	-
Trade and other payables	-	-	(52)	-
Liabilities held for sale	-	-	-	36
Net identifiable assets and liabilities	**6**	**-**	**(117)**	**(22)**
Goodwill on acquisition	44	-	278	-
Net cash received from last years' disposal	-	(4)	-	-
Consideration paid/(received), satisfied in cash	**50**	**(4)**	**161**	**(22)**
Cash (acquired)/disposed of	-	-	(3)	1
Net cash outflow/(inflow)	**50**	**(4)**	**158**	**(21)**

The following main transactions took place in the first half of 2008:

- 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 44m euro.
- In January 2008, AmBev reached an agreement for the purchase of the Cintra brands. The finalization of the purchase accounting for the 2007 business combination with Cintra resulted in the recognition of intangible assets for an amount of 6m euro. In May 2008, the Cintra brands were sold. Please also refer to note 11 *Intangible assets*.
- The 4m euro net cash received from last years' disposal relates to the partial collection of the remaining receivable from the sale of Immobrew in 2007.

7. NON-RECURRING ITEMS

To better reflect the underlying performance of our business, Profit from operations and Profit, as reported in accordance with IFRS, is adjusted for certain non-recurring items because of their importance, as detailed below.

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

For the six month period ended 30 June Million euro	2008	2007
Profit from operations before non-recurring items	**1 675**	**1 672**
Restructuring (including impairment losses)	(31)	(4)
Business and asset disposal	(4)	14
Disputes	-	12
Profit from operations	**1 640**	**1 694**

The 2008 non-recurring restructuring charges of 31m euro are mainly the result of organizational alignments and outsourcing of activities in Western Europe.

Asset disposals in the first half of 2007 resulted in net business disposal gain of 14m euro.

Further, profit from operations as at 30 June 2007 was positively affected by a net reversal of provisions for disputes of 12m euro.

All the above amounts are before income taxes. The 2008 non-recurring items as at 30 June decreased income taxes by (9)m euro, whereas the 2007 non-recurring items as at 30 June increased income taxes by 3m euro.

8. INCOME TAXES

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

For the six month period ended 30 June Million euro	2008	2007
Current tax expense	(231)	(259)
Deferred tax (expense)/income	80	(8)
Total income tax expense in the income statement	**(151)**	**(267)**

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

For the six month period ended 30 June Million euro	2008	2007
Profit before tax	1 306	1 398
Deduct share of result of associates	(2)	-
Profit before tax and before share of result of associates	**1 304**	**1 398**
Adjustments on taxable basis		
Non-deductible impairment of goodwill and intangible assets	3	-
Expenses not deductible for tax purposes	106	87
Non-taxable financial and other income	(42)	(36)
	1 371	**1 449**
Aggregated weighted nominal tax rate	**32.1%**	**32.6%**
Tax at aggregated weighted nominal tax rate	(440)	(472)
Adjustments on tax expense		
Utilization of tax losses not previously recognized	88	-
Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized	(17)	(6)
Over/(under) provided in prior years	-	(1)
Tax savings from tax credits	214	209
Tax savings from special tax status	48	39
Change in tax rate	-	(2)
Withholding taxes	(30)	(27)
Other tax adjustments	(14)	(7)
	(151)	**(267)**
Effective tax rate	**11.6%**	**19.1%**

The aggregated weighted nominal tax rate decreased from 32.6% in the first half of 2007 to 32.1% in the first half of 2008 mainly due to lower contribution of Brazil to the total taxable basis of the company at a country tax rate of 34%. Furthermore, the non deductible expenses increased from 87m euro in 2007 to 106m euro in 2008.

The total income tax expense amounts to 151m euro in the first half of 2008 or 11.6% of the profit before taxes and share of result of associates, compared to 267m euro in 2007, or 19.1%. This decrease mainly results from the recognition of a deferred tax asset of 83m euro following the probability of use of tax losses not previously recognized. Furthermore, the company continues to benefit in Brazil 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.

9. PROPERTY, PLANT AND EQUIPMENT

As at	30 June 2008					31 December 2007
Million euro	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total	Total
Acquisition cost						
Balance at end of previous year	**3 167**	**8 729**	**2 261**	**672**	**14 829**	**14 286**
Effect of movements in foreign exchange	(53)	(118)	(16)	(5)	(192)	(70)
Acquisitions	28	251	89	310	678	1 496
Acquisitions through business combinations	-	-	-	-	-	117
Disposals	(3)	(96)	(36)	(1)	(136)	(705)
Disposals through the sale of subsidiaries	-	-	-	-	-	(152)
Transfer to other asset categories	24	163	43	(257)	(27)	(136)
Other movements	-	2	8	(5)	5	(7)
Balance at end of period	**3 163**	**8 931**	**2 349**	**714**	**15 157**	**14 829**
Depreciation and impairment losses						
Balance at end of previous year	**(1 353)**	**(5 252)**	**(1 595)**	**-**	**(8 200)**	**(7 985)**
Effect of movements in foreign exchange	15	90	11	-	116	(14)
Disposals	2	76	33	-	111	586
Disposals through the sale of subsidiaries	-	-	-	-	-	89
Depreciation	(58)	(322)	(120)	-	(500)	(974)
Impairment losses	-	(2)	-	-	(2)	10
Transfer to other asset categories	8	(6)	13	-	15	78
Other movements	-	-	(3)	-	(3)	10
Balance at end of period	**(1 386)**	**(5 416)**	**(1 661)**	**-**	**(8 463)**	**(8 200)**
Carrying amount						
at 31 December 2007	**1 814**	**3 477**	**666**	**672**	**6 629**	**6 629**
at 30 June 2008	**1 777**	**3 515**	**688**	**714**	**6 694**	**-**

10. GOODWILL

As at Million euro	30 June 2008	31 December 2007
Acquisition cost		
Balance at end of previous year	13 834	12 305
Effect of movements in foreign exchange	(77)	165
Acquisitions through business combinations	44	266
Purchases of minority interests	374	1 097
Other movements	1	1
Balance at end of period	**14 176**	**13 834**
Impairment losses		
Balance at end of previous year	-	-
Impairment losses	(4)	-
Balance at end of period	**(4)**	**-**
Carrying amount		
at 31 December 2007	**13 834**	**13 834**
at 30 June 2008	**14 172**	**-**

The business combinations that took place during the first 6 months of 2008 are the acquisitions of several local distributors throughout the world – see note 6 *Acquisitions and disposals of subsidiaries*. These transactions resulted in recognition of goodwill of 44m euro.

As a result of a share buy-back program of AmBev shares in the first half year of 2008, InBev increased its interest percentage in AmBev from 61.01% to 61.63%. Other purchases of minority interests relate to the buy out of InBev Shiliang (Zhejiang) Brewery and to the closing of AmBev's tender offer for Quinsa shares resulting in an increase of AmBev's economic interest in Quinsa to 99.26%. The increase of goodwill by 374m euro stems from these transactions for which the total cash consideration amounted to 552m 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.

Impairment losses of 4m euro were incurred following indications of impairments of local businesses in Italy and France.

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

11. INTANGIBLE ASSETS

As at	30 June 2008				31 December 2007
	Useful life				
Million euro	Indefinite	Finite	Advance payments	Total	Total
Acquisition cost					
Balance at end of previous year	**938**	**734**	**16**	**1 688**	**1 628**
Effect of movements in foreign exchange	(11)	4	-	(7)	(89)
Acquisitions through business combinations	-	6	-	6	27
Acquisitions and expenditures	-	28	1	29	75
Disposals	-	(12)	-	(12)	(22)
Transfer to other asset categories	-	8	-	8	62
Other movements	-	(24)	-	(24)	7
Balance at end of period	**927**	**744**	**17**	**1 688**	**1 688**
Amortization and impairment losses					
Balance at end of previous year	**(32)**	**(406)**	**-**	**(438)**	**(363)**
Effect of movements in foreign exchange	2	(4)	-	(2)	3
Amortization	-	(44)	-	(44)	(87)
Disposals	-	3	-	3	19
Transfer to other asset categories	-	1	-	1	(4)
Other movements	-	6	-	6	(6)
Balance at end of period	**(30)**	**(444)**	**-**	**(474)**	**(438)**
Carrying value					
at 31 December 2007	**906**	**328**	**16**	**1 250**	**1 250**
at 30 June 2008	**897**	**300**	**17**	**1 214**	**-**

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.

In May 2008, the Cintra brands, acquired through the business combination with Cintra, were sold at net carrying value.

As a result of renegotiations of distribution rights, intangible assets were derecognized for a net carrying value of 18m euro. As the related outstanding payable was also derecognized, the impact on the income statement was minor.

12. CHANGES IN EQUITY

The table below summarizes the changes in equity that took place during the first half year of 2007 and 2008:

Million euro	Attributable to equity holders of InBev										Minority interest	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Trans-lation reserves	Hedging reserves	Actuarial gains/ losses	Other reserves	Retained earnings	Total		
As per 1 January 2007	**473**	**7 412**	**(39)**	**72**	**930**	**50**	**(289)**	**(9)**	**3 662**	**12 262**	**880**	**13 142**
Total recognized income and expenses	-	-	-	-	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**

Million euro	Attributable to equity holders of InBev										Minority interest	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Trans-lation reserves	Hedging reserves	Actuarial gains/ losses	Other reserves	Retained earnings	Total		
As per 1 January 2008	**474**	**7 450**	**(521)**	**95**	**921**	**69**	**(254)**	**(18)**	**5 409**	**13 625**	**1 285**	**14 910**
Total recognized income and expenses	-	-	-	-	(241)	9	(2)	-	792	558	383	941
Shares issued	1	23	-	-	-	-	-	-	-	24	-	24
Dividends	-	-	-	-	-	-	-	-	(1 463)	(1 463)	(186)	(1 649)
Share-based payments	-	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Treasury shares	-	-	(682)	-	-	-	-	(4)	-	(686)	(2)	(688)
Other	-	-	-	-	-	-	-	(1)	-	(1)	6	5
Scope changes	-	-	-	-	-	-	-	-	13	13	(176)	(163)
As per 30 June 2008	**475**	**7 473**	**(1 203)**	**91**	**680**	**78**	**(256)**	**(23)**	**4 751**	**12 066**	**1 310**	**13 376**

Share-based payment reserves were impacted by 30m euro expense for 2008 (see also note 14 *Share-based payments*) and (34)m euro related to the settlement of the 2007 bonus.

STATEMENT OF CAPITAL

ISSUED CAPITAL	Million euro	Million shares
At the end of the previous year	474	615
Changes during the period	1	1
	475	**616**

TREASURY SHARES	Million euro	Million shares
At the end of the previous year	521	9.2
Changes during the period	682	12.3
	1 203	**21.5**

During the first six months of 2008, InBev repurchased 12 703 440 own shares on the Euronext Brussels Stock Exchange. The shares were redeemed at the share price of the day for a total value of 706m euro. In addition, 426 231 shares were granted to executives of the group according to the executive remuneration policy.

13. INTEREST-BEARING LOANS AND BORROWINGS

The current and non-current interest-bearing loans and borrowings amount to 8 565m euro, compared to 6 623m euro at year end 2007.

InBev's net debt increased to 7 514m euro as of June 2008, from 5 093m euro as of December 2007.

This increase is primarily explained by the funding of the InBev and AmBev share buyback programs (respectively 706m euro and 233m euro), the purchase of minority interests of Quinsa and Zheijang Shiliang (respectively 275m euro and 44m euro), dividend payments to shareholders of InBev and to the minority shareholders of AmBev (respectively 1 428m euro and 159m euro) and the impact of changes in foreign exchange rates (69m euro).

14. 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 2008 cliff vest after 5 years. InBev issued a total of 1m of such options representing a fair value of approximately 26m 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 2010, one third on 1 January 2011 and one third on 1 January 2012) 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 2008 grants are as follows:

Amounts in euro unless otherwise indicated	30 June 2008	30 June 2007
Fair value of options granted	24.39	23.05
Share price	57.88	57.42
Exercise price	54.92	53.92
Expected volatility	24%	20%
Expected dividends	0.16%	0.16%
Risk-free interest rate	4.47%	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 1 068 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 2008 0.8m options for which the fair value amounts to approximately 25m euro. The fair value of the options and assumptions used in applying the binomial Hull option pricing model for the 2008 AmBev grant are as follows:

Amounts in euro unless otherwise indicated	30 June 2008	30 June 2007
Fair value of options granted	31.98	17.00
Share price	51.36	42.00
Exercise price	51.36	42.00
Expected volatility	33%	26%
Expected dividends	0%	0%
Risk-free interest rate	12.50%	10.60%

During the second half of 2007, AmBev performed a reverse stock split in the ratio of 100:1. Consequently the June 2007 figures have been restated to consider the impact of the reverse stock split.

Share-based payment transactions resulted in a total expense of 30m euro for the half year 2008 and 28m euro for the half year 2007.

15. RISKS ARISING FROM FINANCIAL INSTRUMENTS

Changes in market conditions that give rise to market risk include changes in interest rates, commodity prices and foreign exchange rates. At 30 June 2008, no material changes are warranted to our disclosures made in note 28 *Risks arising from financial instruments* of our 31 December 2007 annual financial statements, except for interest rate swaps contracts which InBev entered into with the objective to hedge part of future US dollar interest rate risk exposure.

16. CONTINGENCIES

Certain subsidiaries of AmBev have received tax assessments totaling 4 804m 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 691m real (approximately 1 072m 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.

Certain holders of warrants issued by AmBev in 1996 for exercise in 2003 proposed lawsuits to subscribe correspondent shares for an amount lower than AmBev considers as established upon the warrant issuance. In case AmBev loses the totality of these lawsuits, the issuance of 5 536 919 preferred shares and 1 376 344 common shares would be necessary. AmBev would receive in counterpart funds that are materially lower than the current market value. This could result in a dilution of about 1% to all AmBev shareholders. Furthermore, the holders of these warrants claim to receive the dividends relative to these shares since 2003 (approximately 95m real excluding legal fees). AmBev disputes these claims and intends to vigorously defend its case.

17. RELATED PARTIES

TRANSACTIONS WITH DIRECTORS AND EXECUTIVE BOARD MANAGEMENT MEMBERS (KEY MANAGEMENT PERSONNEL)

In addition to short-term employee benefits (primarily salaries) InBev's executive board management members are entitled to post-employment benefits. More particular, members of the executive board management participate in the pension plan of their respective country. Finally, key management personnel is eligible for the company's share option and/or share swap program. Total directors and executive board management compensation included in the income statement can be detailed as follows:

	2008	
Million euro	Directors	Executive board management
Short-term employee benefits	1	15
Post-employment benefits	-	1
Termination benefits	-	-
Share-based payments	1	9
	2	25

Directors' compensations consist mainly of directors' fees (tantièmes). Key management personnel was not engaged in any transactions with InBev and did not have any significant outstanding balances with the company.

JOINTLY CONTROLLED ENTITIES

InBev reports its interest in jointly controlled entities using the line-by-line reporting format for proportionate consolidation. Aggregate amounts of InBev's interest are as follows:

Million euro	2008
Non-current assets	55
Current assets	20
Non-current liabilities	65
Current liabilities	19
Result from operations	4
Profit attributable to equity holders	1

TRANSACTIONS WITH ASSOCIATES

InBev's transactions with associates were as follows:

Million euro	2008
Revenue	5
Current assets	27
Current liabilities	6

Revenue from associates primarily consists of sales to distributors in which InBev has a non-controlling interest.

18. EVENTS AFTER THE BALANCE SHEET DATE

On 13 July 2008, Anheuser-Busch and InBev announced an agreement to combine the two companies, forming the world's leading brewer. The combined company will be called Anheuser-Busch InBev. Both companies' Boards of Directors have unanimously approved the transaction.

The combination of Anheuser-Busch and InBev will create the global leader in the beer industry and one of the world's top five consumer products companies. On a pro-forma basis for 2007, the combined company would have generated global volumes of 460m hectoliters, revenues of 36.4 billion US dollars (26.6 billion euro) and EBITDA of 10.7 billion US dollars (7.8 billion euro). Anheuser-Busch and InBev together believe that this transaction is in the best interests of both companies' shareholders, consumers, employees, wholesalers, business partners and the communities they serve.

The transaction is subject to the approval of InBev and Anheuser-Busch shareholders, and other customary regulatory approvals. Shareholders of both companies will have an opportunity to vote on the proposed combination at special shareholder meetings that will be scheduled at a later date. InBev's controlling shareholder has agreed to vote its shares of InBev in favor of the combination. In light of the limited overlap between the InBev and Anheuser-Busch businesses, the combination is not anticipated to encounter any significant regulatory issues, and is expected to be completed by the end of 2008.

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.

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

DILUTED EPS
Profit attributable to equity holders of InBev 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, amortization and impairment.

EPS
Profit attributable to equity holders of InBev 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 items of income or expense which do not occur regularly as part of the normal activities of the company and which warrant separate disclosure because they are important for the understanding of the underlying results of the company due to their size or nature. InBev believes that the communication and explanation of normalized measures is essential for readers of its financial statements to understand fully the sustainable performance of the company. 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
Diluted EPS 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, amortization and impairment.

NORMALIZED EPS
EPS 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.

SCOPE
Financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scopes. A scope represents the impact of acquisitions and divestitures, the start up or termination of activities, or the transfer of activities between segments.

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-weighing factor.

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