



Unaudited Interim Report
for the 6 month period ended
30 June 2010

Index

1.	Management report.....	4
1.1.	Selected financial figures	4
1.2.	Financial performance	6
1.3.	Liquidity position and capital resources.....	10
1.4.	Risks and uncertainties.....	12
1.5.	Events after the balance sheet date	14
2.	Statement of the Board of Directors	15
3.	Report of the statutory auditor	16
4.	Unaudited condensed consolidated interim financial statements	18
4.1.	Unaudited condensed consolidated interim income statement	18
4.2.	Unaudited condensed consolidated interim statement of comprehensive income...18	
4.3.	Unaudited condensed consolidated interim statement of financial position	19
4.4.	Unaudited condensed consolidated interim statement of changes in equity	20
4.5.	Unaudited condensed consolidated interim statement of cash flows	21
4.6.	Notes to the unaudited condensed consolidated interim financial statements.....	22
5.	Glossary	44

1. Management report

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with an American Depositary Receipt secondary listing on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. A true consumer-centric, sales driven organization, AB InBev manages a portfolio of well over 200 brands that includes global flagship brands Budweiser®, Stella Artois® and Beck's®, fast growing multi-country brands like Leffe® and Hoegaarden®, and strong "local champions" such as Bud Light®, Skol®, Brahma®, Quilmes®, Michelob®, Harbin®, Sedrin®, Klinskoye®, Sibirskaya Korona®, Chernigivske®, and Jupiler®, among others. In addition, the company owns a 50 percent equity interest in the operating subsidiary of Grupo Modelo, Mexico's leading brewer and owner of the global Corona® brand. AB InBev's dedication to heritage and quality is rooted in brewing traditions that originate from the Den Hoorn brewery in Leuven, Belgium, dating back to 1366 and the pioneering spirit of the Anheuser & Co brewery, which traces its origins back to 1852 in St. Louis, USA. Geographically diversified with a balanced exposure to developed and developing markets, AB InBev leverages the collective strengths of its approximately 116 000 employees based in operations in 23 countries across the world. The Company strives to be the Best Beer Company in a Better World. In 2009, AB InBev realized 36.8 billion US dollar revenue. For more information, please visit: www.ab-inbev.com.

The following management report should be read in conjunction with Anheuser-Busch InBev's 2009 audited consolidated financial statements and with the unaudited condensed consolidated interim financial statement as at 30 June 2010.

A number of acquisitions, divestitures and joint ventures influenced Anheuser-Busch InBev's profit and financial profile over the past two years.

On 18 November 2008, InBev announced the completion of its combination with Anheuser-Busch, following approval from shareholders of both companies. Anheuser-Busch's results are included in Anheuser-Busch InBev's result as from this date. The combination creates the global leader in beer and one of the world's top five consumer products companies. InBev changed its name to Anheuser-Busch InBev to reflect the heritage and traditions of Anheuser-Busch. Starting 20 November 2008, the company trades under the new ticker symbol ABI on the Euronext Brussels stock exchange. Anheuser-Busch became a wholly owned subsidiary of Anheuser-Busch InBev and retained its headquarters in St. Louis, MO. St. Louis also became the North American headquarters for the combined company.

Following the Anheuser-Busch acquisition and the resulting increased leverage, the group performed a series of assets disposals. Pursuant to the disposal program Anheuser-Busch InBev divested during 2009 its 27 % stake in Tsingtao (China), Oriental Brewery (Korea), four metal beverage can lid manufacturing plants from the US metal packaging subsidiary, Busch Entertainment Corporation, the Central European Operations, the Tennent's Lager brand and associated trading assets in Scotland, Northern Ireland and the Republic of Ireland and the Labatt USA distribution rights.

In the rest of this document we refer to Anheuser-Busch InBev as "AB InBev" or "the company".

1.1. Selected financial figures

To facilitate the understanding of AB InBev's underlying performance, the comments in this management report, unless otherwise indicated, are based on organic and normalized numbers. "Organic" means the financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scopes. Scopes represent the impact of acquisitions and divestitures, the start up or termination of activities, curtailment gains and losses, or the transfer of activities between segments.

To facilitate the understanding of AB InBev's underlying performance the selected income statement figures also include a comparison versus the results of the Reference base of the half year 2009. This Reference base treats all divestitures as if they had closed on 1 January 2009. In addition, certain intra-group transactions, which were previously recorded in the zones, are recorded in the Global export and holding companies segment, thus with no impact at the consolidated level.

Whenever used in this report, 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, but rather should be used in conjunction with the most directly comparable IFRS measures.

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 US dollar	2010	%	2009 Reported	%	2009 Reference base	%
Revenue¹	17 501	100.0	17 698	100.0	16 027	100.0
Cost of sales	(7 830)	44.7	(8 390)	47.4	(7 389)	46.1
Gross profit	9 671	55.3	9 308	52.6	8 638	53.9
Distribution expenses	(1 375)	7.9	(1 276)	7.2	(1 189)	7.4
Sales and marketing expenses	(2 300)	13.1	(2 271)	12.8	(2 059)	12.8
Administrative expenses	(994)	5.7	(1 090)	6.2	(1 038)	6.5
Other operating income/(expenses)	208	1.2	350	2.0	343	2.1
Normalized profit from operations (Normalized EBIT)	5 210	29.8	5 021	28.4	4 695	29.3
Non-recurring items	(182)	1.1	(93)	0.5	-	-
Profit from operations (EBIT)	5 028	28.7	4 928	27.9	-	-
Depreciation, amortization and impairment	1 295	7.4	1 362	7.7	1 191	7.4
Normalized EBITDA	6 440	36.8	6 383	36.1	5 886	36.7
EBITDA	6 323	36.1	6 290	35.6	-	-
Normalized profit attributable to equity holders of AB InBev	2 331	13.3	1 918	10.8	-	-
Profit attributable to equity holders of AB InBev	1 624	9.3	1 787	10.1	-	-

For the six month period ended 30 June Million US dollar	2010	2009 Reported
Operating activities		
Profit.....	2 345	2 343
Interest, taxes and non-cash items included in profit	4 381	4 059
Cash flow from operating activities before changes in working capital and use of provisions	6 726	6 402
Change in working capital	(573)	(45)
Pension contributions and use of provisions	(287)	(279)
Interest and taxes (paid)/received	(2 101)	(1 011)
Dividends received.....	368	-
Cash flow from operating activities	4 133	5 067
Investing activities		
Net capex	(692)	(508)
Acquisition and sale of subsidiaries, net of cash acquired/disposed of, and purchase of non-controlling interests	20	(533)
Proceeds from the sale of associates and assets held for sale	19	932
Other	18	266
Cash flow from investing activities	(635)	157
Financing activities		
Dividends paid.....	(1 031)	(673)
Net (payments) on/proceeds from borrowings.....	(1 340)	(942)
Net proceeds from the issue of share capital	34	33
Other	(264)	130
Cash flow from financing activities	(2 601)	(1 452)
Net increase/(decrease) in cash and cash equivalents	897	3 772

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

1.2. Financial performance

To facilitate the understanding of AB InBev's underlying performance the company is presenting in this management report the 2009 consolidated volumes and results up to Normalized EBIT on a Reference base and as such these financials are included in the organic growth calculations. This Reference base treats all divestitures as if they had closed on 1 January 2009. In addition, certain intra-group transactions, which were previously recorded in the zones, are recorded in the Global Export and Holding Companies segment, thus with no impact at the consolidated level. The profit, cash flow and balance sheet are presented as Reported in 2009.

Both from an accounting and managerial perspective, AB InBev is organized along seven business zones. Upon the acquisition of Anheuser-Busch, the Anheuser-Busch businesses are reported according to their geographical presence in the following segments: the US beer business and Modelo are reported in zone North America, the UK business is reported in zone Western Europe, the Harbin and the Budweiser China business are reported in zone Asia Pacific and the Export and Packaging businesses are reported in the Global Export and Holding Companies segment.

The tables below provide a summary of the performance of AB InBev, for the six month period ended 30 June 2010 (in million US dollar, except volumes in thousand hectoliters) and the related comments are based on organic numbers.

AB INBEV WORLDWIDE	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
Volumes (thousand hectoliters)	188 903	757	-	2 782	192 443	1.5%
Revenue	16 027	(57)	1 040	490	17 501	3.1%
Cost of sales	(7 389)	(44)	(329)	(68)	(7 830)	(0.9)%
Gross profit	8 638	(101)	711	423	9 671	5.0%
Distribution expenses	(1 189)	(1)	(118)	(66)	(1 375)	(5.6)%
Sales & marketing expenses	(2 059)	42	(130)	(153)	(2 300)	(7.6)%
Administrative expenses	(1 038)	(19)	(57)	119	(994)	11.3%
Other operating income/(expenses) .	343	(158)	23	(1)	208	(0.4)%
Normalized EBIT	4 695	(237)	430	322	5 210	7.2%
Normalized EBITDA	5 886	(237)	488	303	6 440	5.4%
Normalized EBITDA margin	36.7%				36.8%	79 bp

In the first six months of 2010 AB InBev delivered EBITDA growth of 5.4%, while its EBITDA margin increased 79 bp, reaching 36.8%.

Consolidated volumes increased 1.5%, with own beer volumes up 1.4% and non-beer volumes up 3.9%. AB InBev's focus brands grew 4.0%. Focus brands are those with the highest growth potential within each relevant consumer segment and where AB InBev makes the greatest marketing investment.

AB InBev's revenue grew by 3.1% compared to the previous year.

AB InBev's total Cost of Sales (CoS) increased 0.9% and decreased 1.3% per hl. On a constant geographic basis, Cost of Sales per hl would have increased by an estimated 0.8% as higher commodity and packaging costs in Latin America North and South offset procurement and synergy savings in North America.

VOLUMES

The table below summarizes the volume evolution per zone and the related comments are based on organic numbers. Volumes include not only brands that AB InBev owns or licenses, but also third party brands that the company brews as a subcontractor and third party products that it sells through AB InBev's distribution network, particularly in Western Europe. Volumes sold by the Global Export business are shown separately. The pro-rata stake of volumes in Modelo is not included in the reported volumes.

Thousand hectoliters	2009 Reference base	Scope	Organic growth	2010	Organic growth %
North America	68 391	-	(3 211)	65 180	(4.7)%
Latin America North	49 959	-	6 404	56 364	12.8%
Latin America South	15 842	306	(182)	15 965	(1.1)%
Western Europe	15 451	378	(83)	15 746	(0.5)%
Central and Eastern Europe	13 948	(455)	(860)	12 633	(6.4)%
Asia Pacific	22 380	82	781	23 244	3.5%
Global Export and Holding Companies	2 932	446	(67)	3 311	(2.0)%
AB InBev Worldwide	188 903	757	2 782	192 443	1.5%

North America total volumes decreased 4.7%. Shipment volumes in the United States fell 4.8%, but showed a sequential improvement in 2Q10 as compared to 1Q10 volumes growth. Domestic US beer selling-day adjusted sales-to-retailers (STRs) decreased 2.9%. Shipment volumes fell below STRs due to a reduction in wholesaler inventories. Despite increased competitive activity in the import segment, Stella Artois shipment volumes grew almost 30% in HY10.

In Canada, beer volumes fell 3.0% due to industry weakness as well as market share loss. Bud Light family volumes continued to perform strongly with double digit growth, despite Bud Light Lime lapsing its successful May 2009 launch.

Latin America North delivered strong volume growth of 12.8% with beer volume growth of 14.4% and soft drinks up 8.8%. In Brazil, beer volume grew 14.9%, driven by industry growth on the back of a robust macroeconomic environment, as well as market share gains. Brazil market share reached 69.9% in June year-to-date compared to 67.6% in the previous year, with significant volume contributions from innovations. Soft drinks volume improvement of 9.2% primarily reflects industry growth.

Latin America South volumes decreased 1.1%, with beer volumes up 2.7% as recovery spread in most countries. Soft drinks fell 6.9% based on continued market contraction and difficult year-over-year comparisons. In Argentina, beer volumes decreased 0.8% as an industry recovery in the second quarter could not fully offset a weak first quarter. The premium segment continued to grow with Stella Artois extending its leadership, posting nearly 10% growth.

Western Europe Own beer volumes increased 1.0%, while total volumes including subcontracted volumes, were down 0.5%. In Belgium, own beer volumes fell 4.0% mainly due to trade disruptions in January, as a consequence of social actions. In Germany, own beer volumes fell 9.8%, driven largely by challenging industry conditions and aggressive competitive activity, especially in the off-trade. In the United Kingdom, own beer volumes improved 11.4%. Budweiser performed particularly well with the FIFA World Cup sponsorship, featuring a number of campaigns and promotions, driving the brand in both the on-trade and off-trade channels.

Central and Eastern Europe volumes decreased 6.4%. In Russia, volumes fell 6.4%, with a gradual improvement as from the relevant price increases, targeting to offset the excise tax increase in the beginning of January 2010. The excise tax increase was fully passed on by the end of the second quarter. As a consequence, revenue per hectoliter showed a considerable improvement on a sequential basis. In Ukraine, beer volumes fell 6.2% in a competitive market.

Asia Pacific China volumes increased 3.5%, as volume growth was held back by colder temperatures and heavy rainfall. Our Focus Brands Budweiser and Harbin benefited from sponsoring FIFA World Cup activities, generating national media exposure.

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 2010 (in million US dollar, except volumes in thousand hectoliters) and the related comments are based on organic numbers.

AB INBEV WORLDWIDE	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
Volumes	188 903	757	-	2 782	192 443	1.5%
Revenue	16 027	(57)	1 040	490	17 501	3.1%
Cost of sales	(7 389)	(44)	(329)	(68)	(7 830)	(0.9)%
Gross profit.....	8 638	(101)	711	423	9 671	5.0%
Distribution expenses.....	(1 189)	(1)	(118)	(66)	(1 375)	(5.6)%
Sales & marketing expenses	(2 059)	42	(130)	(153)	(2 300)	(7.6)%
Administrative expenses.....	(1 038)	(19)	(57)	119	(994)	11.3%
Other operating income/(expenses) .	343	(158)	23	(1)	208	(0.4)%
Normalized EBIT	4 695	(237)	430	322	5 210	7.2%
Normalized EBITDA	5 886	(237)	488	303	6 440	5.4%
Normalized EBITDA margin	36.7%				36.8%	79 bp

NORTH AMERICA	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
Volumes	68 391	-	-	(3 211)	65 180	(4.7)%
Revenue	7 825	(26)	147	(284)	7 662	(3.6)%
Cost of sales	(3 650)	(54)	(40)	209	(3 535)	5.6%
Gross profit.....	4 175	(79)	107	(75)	4 127	(1.8)%
Distribution expenses.....	(392)	-	(27)	32	(387)	8.2%
Sales & marketing expenses	(791)	-	(18)	35	(774)	4.5%
Administrative expenses.....	(295)	(19)	(6)	37	(285)	11.7%
Other operating income/(expenses) .	188	(158)	-	(3)	27	(11.0)%
Normalized EBIT	2 885	(257)	56	26	2 709	1.0%
Normalized EBITDA	3 347	(257)	63	2	3 155	0.1%
Normalized EBITDA margin	42.8%				41.2%	153 bp

LATIN AMERICA NORTH	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
Volumes	49 959	-	-	6 404	56 364	12.8%
Revenue	3 111	-	832	601	4 544	19.3%
Cost of sales	(986)	-	(253)	(255)	(1 493)	(25.8)%
Gross profit.....	2 125	-	579	346	3 051	16.3%
Distribution expenses.....	(322)	-	(83)	(100)	(506)	(31.1)%
Sales & marketing expenses	(414)	-	(94)	(67)	(575)	(16.2)%
Administrative expenses.....	(232)	-	(44)	8	(267)	3.5%
Other operating income/(expenses) .	90	-	23	6	118	6.2%
Normalized EBIT	1 246	-	381	193	1 820	15.5%
Normalized EBITDA	1 440	-	425	211	2 075	14.6%
Normalized EBITDA margin	46.3%				45.7%	(182) bp

	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
LATIN AMERICA SOUTH						
Volumes	15 842	306	-	(182)	15 965	(1.1)%
Revenue	883	12	(30)	115	980	13.0%
Cost of sales	(351)	(7)	14	(40)	(384)	(11.4)%
Gross profit	533	5	(16)	75	596	14.1%
Distribution expenses	(78)	(1)	3	(4)	(79)	(5.3)%
Sales & marketing expenses	(77)	(1)	3	(32)	(107)	(41.0)%
Administrative expenses	(34)	-	1	1	(32)	3.8%
Other operating income/(expenses) ..	(1)	-	-	(2)	(3)	-
Normalized EBIT	344	2	(10)	39	375	11.3%
Normalized EBITDA	413	3	(12)	47	451	11.4%
Normalized EBITDA margin	46.8%				46.1%	(67) bp

	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
WESTERN EUROPE						
Volumes	15 451	378	-	(83)	15 746	(0.5)%
Revenue	1 974	(10)	33	(21)	1 976	(1.1)%
Cost of sales	(942)	-	(19)	39	(922)	4.1%
Gross profit	1 032	(10)	14	18	1 054	1.8%
Distribution expenses	(205)	-	(3)	9	(200)	4.2%
Sales & marketing expenses	(365)	10	(5)	(7)	(367)	(2.0)%
Administrative expenses	(181)	-	(3)	37	(147)	20.5%
Other operating income/(expenses) ..	40	-	-	(15)	25	(38.8)%
Normalized EBIT	319	-	4	42	365	13.1%
Normalized EBITDA	502	-	6	31	539	6.2%
Normalized EBITDA margin	25.4%				27.3%	187 bp

	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
CENTRAL AND EASTERN EUROPE						
Volumes	13 948	(455)	-	(860)	12 633	(6.4)%
Revenue	747	-	54	(53)	749	(7.0)%
Cost of sales	(387)	-	(27)	3	(412)	0.7%
Gross profit	360	-	27	(50)	337	(13.9)%
Distribution expenses	(80)	-	(7)	-	(87)	0.2%
Sales & marketing expenses	(132)	-	(15)	(23)	(169)	(17.4)%
Administrative expenses	(62)	-	(3)	16	(50)	25.0%
Other operating income/(expenses) ..	-	-	-	2	2	-
Normalized EBIT	85	-	2	(56)	31	(65.5)%
Normalized EBITDA	183	-	9	(63)	129	(34.4)%
Normalized EBITDA margin	24.5%				17.2%	(721) bp

	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
ASIA PACIFIC						
Volumes	22 380	82	-	781	23 244	3.5%
Revenue	809	(25)	4	37	825	4.7%
Cost of sales	(465)	(10)	(2)	10	(468)	2.0%
Gross profit	344	(35)	1	47	358	15.2%
Distribution expenses	(54)	-	-	(7)	(62)	(12.8)%
Sales & marketing expenses	(208)	32	(1)	(45)	(222)	(25.3)%
Administrative expenses	(67)	-	-	(1)	(69)	(1.7)%
Other operating income/(expenses) ..	8	-	-	3	11	37.7%
Normalized EBIT	21	(3)	-	(3)	16	(15.2)%
Normalized EBITDA	115	(1)	-	-	114	(0.4)%
Normalized EBITDA margin	14.2%				13.8%	(72) bp

	2009 Reference base	Scope	Currency translation	Organic growth	2010	Organic growth %
GLOBAL EXPORT AND HOLDING COMPANIES						
Volumes	2 932	446	-	(67)	3 311	(2.0)%
Revenue	678	(9)	1	94	764	14.1%
Cost of sales	(607)	27	(2)	(33)	(616)	(5.7)%
Gross profit	71	18	(1)	61	149	68.7%
Distribution expenses	(57)	-	-	4	(53)	7.1%
Sales & marketing expenses	(72)	2	-	(15)	(86)	(21.4)%
Administrative expenses	(166)	-	(1)	22	(144)	13.2%
Other operating income/(expenses) ..	18	-	-	10	28	54.4%
Normalized EBIT	(205)	20	(3)	82	(106)	44.2%
Normalized EBITDA	(114)	18	(3)	76	(23)	78.8%

REVENUE

Consolidated revenue grew 3.1%, reaching 17 501m US dollar. Revenue per hectoliter grew 1.3% per hl, reflecting positive revenue momentum partially balanced by geography mix as Latin America North and Asia Pacific grew faster than zones with higher revenue per hl, and by the excise tax impact in Russia. On a constant geographic basis, i.e. eliminating the impact of stronger volume growth coming from countries with lower revenue per hl, revenue per hl growth would have been 2.7%

COST OF SALES

Cost of Sales (CoS) increased 0.9%, and decreased 1.3% per hl. On a constant geographic basis, Cost of Sales per hl would have increased by an estimated 0.8% as higher commodity and packaging costs in Latin America North and South offset procurement and synergy savings in North America. Latin America South and Central and Eastern Europe saw higher CoS per hl over last year due to high general inflation.

OPERATING EXPENSES

Operating expenses increased 2.5% organically in HY10:

- **Distribution expenses** increased 5.6%, as higher transportation costs in Latin America North and Asia Pacific related to geographic expansion outweighed synergy generation and a reduction of out-of-pattern distribution expenses in the US.
- **Sales and marketing expenses** grew 7.6%, with increased investments in our brands and sponsoring activities during the FIFA World Cup in part offset by reductions in non-working money in North America.
- **Administrative expenses** decreased 11.3%, due to fixed cost management and lower accruals for variable compensation.
- **Other operating income** fell 0.4% to 208m US dollar.

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

Normalized EBITDA grew 5.4% to 6 440m US dollar, with EBITDA margin of 36.8% compared to 36.7% in HY09 Reference base, an organic improvement of 79 bp, as EBITDA growth in Latin America North, Latin America South and Western Europe was reduced by a lower EBITDA contribution in Central and Eastern Europe.

RECONCILIATION BETWEEN NORMALIZED EBITDA AND PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Normalized EBITDA and EBIT are measures utilized by AB InBev to demonstrate the company's underlying performance.

Normalized EBITDA is calculated excluding the following effects from profit attributable to equity holders of AB InBev: (i) Non-controlling interests, (ii) Income tax expense, (iii) Share of results of associates, (iv) Net finance cost, (v) Non-recurring net finance cost, (vi) Non-recurring items above EBIT and (vii) Depreciation, amortization and impairment.

Normalized EBITDA and EBIT are not accounting measures under IFRS accounting and should not be considered as an alternative to Profit attributable to equity holders as a measure of operational performance or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and EBIT do not have a standard calculation method and AB InBev's definition of Normalized EBITDA and EBIT may not be comparable to that of other companies.

For the six month period ended 30 June
Million US dollar

	Notes	2010	2009 Reported
Profit attributable to equity holders of AB InBev		1 624	1 787
Non-controlling interests.....		721	556
Profit		2 345	2 343
Income tax expense.....	9	825	820
Share of result of associates	13	(233)	(228)
Non-recurring net finance cost	8	672	-
Net finance cost.....	8	1 419	1 993
Non-recurring items above EBIT (including non-recurring impairment)	7	182	93
Normalized EBIT		5 210	5 021
Depreciation, amortization and impairment		1 230	1 362
Normalized EBITDA		6 440	6 383

PROFIT

Normalized profit attributable to equity holders of AB InBev was 2 331m US dollar (normalized EPS 1.46 US dollar) in HY10, compared to 1 918m US dollar (normalized EPS 1.21 US dollar) in HY09 (on a reported base). Profit attributable to equity holders of AB InBev for HY10 was 1 624m US dollar, compared to 1 787m US dollar in HY09 (on a reported base) and includes the following impacts:

- *Net finance cost:* 1 419m US dollar in HY10 compares to 1 993m US dollar in HY09 as reported. This decrease is mainly driven by lower net interest charges due to reduced debt levels and lower accretion expenses as bank borrowings are being reduced as a percentage of total debt. Furthermore, as a result of the refinancing and repayment of the 2008 senior facilities in HY10, the currency of the primary economic environment in which one of our holding companies operates, became the US dollar. This change resulted in a change of functional currency from the euro to the US dollar of that company,

effective 1 January 2010. Please refer to Note 8 *Finance cost and income of the unaudited consolidated interim financial statements*;

- *Non-recurring net finance cost*: Consists of incremental accretion expenses of 190m US dollar in HY10, and a one-time mark-to-market adjustment of 482m US dollar in HY10 as certain interest rate swaps hedging our 2008 senior facilities are no longer effective as a result of the repayment and refinancing of these facilities. While the accretion expense is a non-cash item, the cash equivalent of the negative mark-to-market adjustment will be spread over 2010 and 2011;
- *Share of result of associates*: 233m US dollar in HY10 compared to 228m US dollar in HY09, attributed to the result of Grupo Modelo in Mexico;
- *Income tax expense*: HY10 income tax expense of 825m US dollar compares with 820m US dollar in HY09. The effective tax rate increased from 27.9% in HY09 to 28.1% HY10 primarily due to the non-deductibility of certain non-recurring charges associated with the refinancing of the 2008 senior facilities. Excluding the effect of non-recurring items, the normalized effective tax rate was 25.3% in HY10 versus 26.9% in HY09. 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 2005 and the acquisition of Quinsa in 2006;
- *Profit attributable to non-controlling interests*: was 721m US dollar in HY10, an increase from 556m US dollar in HY09 as a result of the strong performance of AmBev and currency translation effects.

IMPACT OF FOREIGN CURRENCIES

Foreign currency exchange rates have a significant impact on AB InBev's financial statements. The following table sets forth the percentage of its revenue realized by currency for the periods ended 30 June 2010 and 30 June 2009 Reference base:

	2010	2009 Reference base
US dollars	42.2%	47.3%
Brazilian real	25.0%	18.4%
Euro	8.0%	9.3%
Canadian dollars	5.8%	5.5%
Chinese yuan	4.7%	5.0%
Argentinean peso	3.3%	3.5%
Russian ruble	3.1%	3.3%
Other	7.9%	7.7%

The following table sets forth the percentage of its normalized EBITDA realized by currency for the periods ended 30 June 2010 and 30 June 2009 Reference base:

	2010	2009 Reference base
US dollars	43.2%	51.2%
Brazilian real	32.6%	24.8%
Canadian dollars	5.9%	6.1%
Euro	5.7%	5.1%
Argentinean peso	3.5%	3.6%
Chinese yuan	1.8%	2.1%
Russian ruble	0.9%	1.4%
Other	6.4%	5.7%

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

For the six month period ended 30 June Million US dollar	2010	2009 Reported
Cash flow from operating activities	4 133	5 067
Cash flow from investing activities	(635)	157
Cash flow from financing activities	(2 601)	(1 452)
Net increase/(decrease) in cash and cash equivalents	897	3 772

Cash flows from operating activities

For the six month period ended 30 June
Million US dollar

	2010	2009 Reported
Profit.....	2 345	2 343
Interest, taxes and non-cash items included in profit	4 381	4 059
Cash flow from operating activities before changes in working capital and use of provisions	6 726	6 402
Change in working capital.....	(573)	(45)
Pension contributions and use of provisions	(287)	(279)
Interest and taxes (paid)/received	(2 101)	(1 011)
Dividends received.....	368	-
Cash flow from operating activities	4 133	5 067

AB InBev's cash flow from operating activities decreased from 5 067m US dollar in the first half of 2009 to 4 133m US dollar in the first half of 2010. This decrease is mainly driven by:

- Higher interest and taxes paid, mainly related to the timing of the payments.
- Higher working capital levels compared to 2009 year-end levels partly due to seasonality. In addition, the 6-months period ending June 2009 reflected working capital improvements compared to year-end 2008 as a result of working capital initiatives during 2009.
- The cash generated from operating activities of the businesses disposed in 2009 which are included in the reported figures of 2009.

AB InBev devotes substantial efforts to the more efficient use of its working capital, especially those elements of working capital that it perceives as "core" (including trade receivables, inventories and trade payables).

Cash flow from investing activities

For the six month period ended 30 June
Million US dollar

	2010	2009 Reported
Net capex	(692)	(508)
Acquisition and sale of subsidiaries, net of cash acquired/disposed of, and purchase of non-controlling interests	20	(533)
Proceeds from the sale of associates and assets held for sale	19	932
Other	18	266
Cash flow from investing activities	(635)	157

Net cash used in investing activities was 635m US dollar in the first half of 2010 as compared to net cash received of 157m US dollar in the first half of 2009. The movement is mainly triggered by the proceeds from the sale of Tsingtao (901m US dollar) that occurred in the first half of 2009, partly offset by the decrease of payments to former Anheuser-Busch shareholders from 529m US dollar in HY09 to 10m US dollar in HY10. AB InBev's net capital expenditures amounted to 692m US dollar and 508m US dollar in the first half of 2010 and 2009 respectively. Out of the total capital expenditures of 2010 approximately 50% was used to improve its production facilities while 42% was used for logistics and commercial investments. Approximately 8% was used for improving administrative capabilities and purchase of hardware and software.

Cash flow from financing activities

For the six month period ended 30 June
Million US dollar

	2010	2009 Reported
Dividends paid.....	(1 031)	(673)
Net (payments) on/proceeds from borrowings.....	(1 340)	(942)
Net proceeds from the issue of share capital	34	33
Other	(264)	130
Cash flow from financing activities	(2 601)	(1 452)

The cash outflow from AB InBev's financing activities amounted to 2 601m US dollar in the first half of 2010, as compared to a cash outflow of 1 452m US dollar in the comparative period of last year, mainly reflecting higher dividend pay outs and higher net repayments from borrowings as well as settlements of derivatives not part of a hedging relationship.

AB InBev's cash and cash equivalents less bank overdrafts as at 30 June 2010 amounted to 4 664m US dollar. As of 30 June 2010, the company had an aggregate of 521m US dollar available under committed short-term credit facilities and an aggregate of 5 364m US dollar available under committed long-term credit facilities. Although AB InBev may borrow such amounts to meet its liquidity needs, the company principally relies on cash flows from operating activities to fund its continuing operations.

CAPITAL RESOURCES AND EQUITY

AB InBev's net debt decreased to 42 145m US dollar as of 30 June 2010 from 45 174m US dollar as of 31 December 2009.

Apart from operating results net of capital expenditures, the net debt is mainly impacted by dividend payments to shareholders of AB InBev and AmBev (1 031m US dollar), the payment of interests and taxes (2 101m US dollar) and the impact of changes in foreign exchange rates (1 477m US dollar reduction of net debt).

Net debt to normalized EBITDA as of 30 June 2010 was 3.3 for the 12 month period ending 30 June 2010 (July 2009 - December 2009 at Reference base).

To finance the acquisition of Anheuser-Busch, AB InBev entered into a 45 billion US dollar senior facilities agreement (of which 44 billion US dollar was ultimately drawn) and a 9.8 billion US dollar bridge facility agreement, enabling us to consummate the acquisition, including the payment of 52.5 billion US dollar to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness. On 18 December 2008, AB InBev repaid the debt it incurred under the bridge facility with the net proceeds of the rights issue and cash proceeds received by AB InBev from pre-hedging the foreign exchange rate between the euro and the US dollar in connection with the rights issue. During 2009, AB InBev had refinanced approximately 27 billion US dollar of the 44 billion US dollar debt incurred under the senior credit facility with proceeds of several debt capital market offerings, the proceeds from the disposal program and from cash generated from operations. As of 30 June 2010, AB InBev fully refinanced the debt incurred under the senior facility with the proceeds from new senior credit facilities, from other debt capital market offerings and from cash generated from operations.

Consolidated equity attributable to equity holders of AB InBev as at 30 June 2010 was 31 785m US dollar, compared to 30 318m US dollar at the end of 2009. The combined effect of the strengthening of mainly the closing rates of the Chinese yuan and the Mexican peso and the weakening of mainly the closing rates of the Argentinean peso, the Brazilian real, the Canadian dollar, the euro, the pound sterling and the Russian ruble resulted in a foreign exchange translation adjustment of 337m US dollar. Further details on equity movements can be found in the consolidated statement of changes in equity.

Further details on interest bearing loans and borrowings, repayment schedules and liquidity risk, are disclosed in Note 16 *Interest-bearing loans and borrowings* and Note 18 *Risks arising from financial instruments*.

1.4. Risks and uncertainties

Under the explicit understanding that this is not an exhaustive list, AB InBev's major risk factors and uncertainties are listed below. There may be additional risks which AB InBev is unaware of. There may also be risks AB InBev now believes to be immaterial, but which could turn out to have a material adverse effect. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or of the potential magnitude of their financial consequence.

RISKS RELATING TO AB INBEV AND THE BEER AND BEVERAGE INDUSTRY

AB InBev relies on the reputation of its brands and its success depends on its ability to maintain and enhance the image and reputation of its existing products and to develop a favorable image and reputation for new products. An event, or series of events, that materially damages the reputation of one or more of AB InBev's brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Further, any restrictions on the permissible advertising style, media and messages used or the introduction of similar restrictions may constraint AB InBev's brand building potential and thus reduce the value of its brands and related revenues.

AB InBev may not be able to protect its current and future brands and products and defend its intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how, which could have a material adverse effect on its business, results of operations, cash flows or financial condition, and in particular, on AB InBev's ability to develop its business.

Certain of AB InBev's operations depend on independent distributors' or wholesalers' efforts to sell AB InBev's products and there can be no assurance that such distributors will not give priority to AB InBev's competitors. Further, any inability of AB InBev to replace unproductive or inefficient distributors could adversely impact AB InBev's business, results of operations and financial condition.

Changes in the availability or price of raw materials, commodities and energy could have an adverse effect on AB InBev's results of operations.

AB InBev relies on key third parties, including key suppliers for a range of raw materials for beer and soft drinks, and for packaging material. The termination of or material change to arrangements with certain key suppliers or the failure of a key supplier to meet its contractual obligations could have a material impact on AB InBev's production, distribution and sale of beer and have a material adverse effect on AB InBev's business, results of operations, cash flows or financial condition.

Competition in its various markets could cause AB InBev to reduce pricing, increase capital investment, increase marketing and other expenditures, prevent AB InBev from increasing prices to recover higher cost and thereby cause AB InBev to reduce margins or lose market share, any of which could have a material adverse effect on AB InBev's business, financial condition and results of operations.

The consolidation of retailers could result in reduced profitability for the beer industry as a whole and indirectly adversely affects AB InBev's financial results.

AB InBev could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern AB InBev's operations. Also, public concern about beer consumption and any resulting restrictions may cause the social acceptability of beer to decline significantly and consumption trends to shift away from beer to non-alcoholic beverages, which would have a material adverse effect on AB InBev's business, financial condition and results of operations.

AB InBev's operations are subject to environmental regulations, which could expose it to significant compliance costs and litigation relating to environmental issues.

Antitrust and competition laws and changes in such laws or in the interpretation and enforcement thereof as well as being subject to regulatory scrutiny, could have a material adverse effect on AB InBev's business. In particular, the terms and conditions of any authorizations, approvals and/or clearances still to be obtained, or any of the proceedings or actions that seek equitable or other relief that affects the combination of InBev with Anheuser-Busch and its operations in specific jurisdictions or its ability or that of its subsidiaries to exercise rights under existing agreements, or that may require AB InBev to take other actions, including the divestiture of any of its assets or businesses, could diminish substantially the synergies and the advantages which AB InBev expects from the Anheuser-Busch acquisition, and have a material adverse effect on AB InBev and on the trading price of its securities.

Negative publicity regarding AB InBev's products (e.g. because of concerns over alcoholism, under age drinking or obesity) or publication of studies indicating a significant risk in using AB InBev's products generally or changes in consumer perceptions in relation to AB InBev's products could adversely affect the sale and consumption of AB InBev's products and could have a material adverse effect on its business, results of operations, cash flows or financial condition.

Demand for AB InBev's products may be adversely affected by changes in consumer preferences and tastes. Consumer preferences and tastes can change in unpredictable ways. Failure by AB InBev to anticipate or respond adequately to changes in consumer preferences and tastes could adversely impact AB InBev's business, results of operations and financial condition.

The beer and beverage industry may be subject to changes in taxation, which makes up a large proportion of the cost of beer charged to consumers in many jurisdictions. Increases in taxation tend to reduce overall consumption and encourage consumers to switch to lower-taxed categories of beverages. An increase in beer excise taxes or other taxes could adversely affect the financial results of AB InBev as well as its results of operations.

Seasonal consumption cycles and adverse weather conditions in the markets in which AB InBev operates may result in fluctuations in demand for AB InBev's products and therefore may have an adverse impact on AB InBev's business, results of operations and financial condition.

AB InBev is exposed to emerging market risks as a proportion of AB InBev's operations are carried out in emerging European, Asian and Latin American markets, which could adversely impact AB InBev's business, results of operations and financial condition.

If any of AB InBev products is defective or found to contain contaminants, AB InBev may, despite of it having certain product liability insurance policies in place, be subject to product recalls or other liabilities, which could adversely impact its business, results of operations and financial condition.

AB InBev may not be able to obtain the necessary funding for its future capital or refinancing needs and it faces financial risks due to its level of debt and uncertain market conditions. AB InBev may be required to raise additional funds for AB InBev's future capital needs or refinance its current indebtedness through public or private financing, strategic relationships or other arrangements and there can be no assurance that the funding, if needed, will be available on attractive terms. AB InBev has incurred substantial indebtedness in connection with the Anheuser-Busch acquisition. AB InBev financed the Anheuser-Busch acquisition in part with fully committed credit facilities. Although AB InBev repaid the debt incurred under the bridge facility and it refinanced the debt incurred under the 2008 senior acquisition facilities, AB InBev will still have an increased level of debt after the acquisition, which could have significant adverse consequences on AB InBev, including (i) increasing its vulnerability to general adverse economic and industry conditions, (ii) limiting its ability to fund future working capital and capital expenditure, to engage in future acquisitions or developmental activities or to otherwise fully realize the value of its assets and opportunities, (iii) limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which AB InBev operates; (iv) impairing its ability to obtain additional financing in the future and (v) requiring AB InBev to issue additional equity (potentially under unfavorable market conditions). AB InBev could also be at a competitive disadvantage compared to other companies that have less debt. AB InBev's ability to repay its outstanding indebtedness will be partially dependent upon market conditions. Unfavorable conditions could increase costs beyond what is currently anticipated and these costs could have a material adverse impact on AB InBev's cash flows, results of operations or both. Further, AB InBev expects to reduce the amount of dividends it will pay in the first two to three years after the closing of the acquisition, and may have to make further reductions or reduce dividends for a longer period as a result of management's strategy to reduce the leverage of AB InBev and its increased level of debt. Further, rating agencies may downgrade AB InBev's credit ratings below its current levels as a result of the merger and the incurrence of the related financial indebtedness, and this would adversely affect AB InBev's refinancing capacity and business. In addition, AB InBev's failure to raise additional equity capital or debt financing or to realize proceeds from asset sales when needed could adversely impact its business, results of operations and financial condition.

AB InBev's results could be negatively affected by increasing interest rates. Although AB InBev enters into interest rate swap agreements to manage its interest rate risk and also enters into cross-currency interest rate swap agreements to manage both its foreign currency risk and interest-rate risk on interest-bearing financial liabilities, there can be no assurance that such instruments will be successful in reducing the risks inherent in exposures to interest rate fluctuations.

AB InBev results of operations are affected by fluctuations in exchange rates. Any change in exchange rates between AB InBev's operating companies' functional currencies and the US dollar will affect its consolidated income statement and balance sheet when the results of those operating companies are translated into US dollars for reporting purposes. Also, there can be no assurance that the policies in place to manage commodity price and foreign currency risks to protect AB InBev's exposure will be able to successfully hedge against the effects of such foreign exchange exposure, particularly over the long-term. Further, financial instruments to mitigate currency risk and any other efforts taken to better match the effective currencies of AB InBev's liabilities to its cash flows could result in increased costs.

The ability of AB InBev's subsidiaries to distribute cash upstream may be subject to various conditions and limitations. The inability to obtain sufficient cash flows from its domestic and foreign subsidiaries and affiliated companies could adversely impact AB InBev's ability to pay its substantially increased debt resulting from the Anheuser-Busch acquisition and otherwise negatively impact its business, results of operations and financial condition.

Failure to generate significant cost savings and margin improvement through initiatives for improving operational efficiency could adversely affect AB InBev's profitability and AB InBev's ability to achieve its financial goals.

The integration process resulting from the acquisition involves inherent costs and uncertainties, and there is no assurance that the acquisition will achieve the business growth opportunities, cost savings, increased profits, synergies and other benefits that AB InBev currently anticipates.

AB InBev may not be able to successfully carry out further acquisitions and business integrations or restructuring.

If the combination of the businesses meets with unexpected difficulties, or if the business of AB InBev does not develop as expected, impairment charges on goodwill or other intangible assets may be incurred in the future which could be significant and which could have an adverse effect on AB InBev's results of operations and financial condition.

Although AB InBev's operations in Cuba are quantitatively immaterial, its overall business reputation may suffer or it may face additional regulatory scrutiny as a result of its activities in Cuba based on Cuba's identification as a state sponsor of terrorism and target of US economic and trade sanctions. If investors decide to liquidate or otherwise divest their investments in companies that have operations of any magnitude in Cuba, the market in and value of AB InBev's securities could be adversely impacted.

AB InBev may not be able to recruit or retain key personnel and successfully manage them, which could disrupt AB InBev's business and have an unfavorable material effect on AB InBev's financial position, its income from operations and its competitive position.

Further, AB InBev may be exposed to labor strikes, disputes and work stoppages or slowdown, within its operations or those of its suppliers, or an interruption or shortage of raw materials for any other reason that could lead to a negative impact on AB InBev's costs, earnings, financial condition, production level and ability to operate its business. The reorganization and restructuring of AB InBev's business to meet current market challenges or as a result of the Anheuser-Busch acquisition has indeed led to a more strained relationship with unions in some of its operations. AB InBev's production may also be affected by work stoppages or slowdowns that affect its suppliers, as a result of disputes under existing collective labor agreements with labor unions, in connection with negotiations of new collective labor agreements, as a result of supplier financial distress, or for other reasons. A work stoppage or slowdown at AB InBev's facilities could interrupt the transport of raw materials from its suppliers or the transport of its products to its customers. Such disruptions could put a strain on AB InBev's relationships with suppliers and clients and may have lasting effects on its business even after the disputes with its labor force have been resolved, including as a result of negative publicity.

Information technology failures or interruptions could disrupt AB InBev's operations and could have a material adverse effect on AB InBev's business, results of operations, cash flows or financial condition.

AB InBev's business and operating results could be negatively impacted by social, technical, natural, physical or other disasters.

AB InBev's insurance coverage may not be sufficient. Should an uninsured loss or a loss in excess of insured limits occur, this could adversely impact AB InBev's business, results of operations and financial condition.

AB InBev is exposed to the risk of a global recession or a recession in one or more of its key markets, and to credit and capital market volatility and economic and financial crisis, which could have an adverse effect on AB InBev's ability to access capital, on AB InBev's business, results of operations and financial condition and on the market price of AB InBev's shares and ADSs, as beer consumption in many of the jurisdictions in which AB InBev operates is closely linked to general economic conditions and changes in disposable income.

AB InBev is now, and may in the future be, a party to legal proceedings and claims, including collective suits (class actions), and significant damages may be asserted against it. Given the inherent uncertainty of litigation, it is possible that AB InBev might incur liabilities as a consequence of the proceedings and claims brought against it, which could have a material adverse effect on AB InBev's business, results of operations, cash flows or financial position. Important contingencies are disclosed in Note 19 *Contingencies* of the unaudited consolidated interim financial statements.

The uncertainties about the effects of the Anheuser-Busch acquisition could cause disruptions to AB InBev's business and materially and adversely affect AB InBev's businesses and operations.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

Note 29 of the 2009 consolidated financial statements and Note 18 of the 2010 unaudited condensed consolidated interim financial statements on *Risks arising from financial instruments* contain detailed information on the company's exposures to financial risks and its risk management policies.

1.5. Events after the balance sheet date

Please refer to Note 21 *Events after the balance sheet date* of the unaudited condensed consolidated interim financial statements.

2. Statement of the Board of Directors

The board of directors of Anheuser-Busch InBev NV/SA certifies, on behalf and for the account of the company, that, to the best of their knowledge, (a) the condensed consolidated interim financial statements which have been prepared in accordance with the International Financial Reporting Standard on interim financial statements (IAS 34), as issued by the International Accounting Standard Board (IASB) and 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 overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

3. Report of the statutory auditor

Statutory auditor's report to the shareholders of Anheuser-Busch InBev NV/SA on the review of the condensed consolidated interim financial statements for the six-month period ended June 30, 2010



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STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANHEUSER-BUSCH INBEV NV/SA ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Anheuser-Busch InBev NV/SA and its subsidiaries as of June 30, 2010 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with both International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing or with the standards of the Public Company Accounting Oversight Board (United States) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

Sint-Stevens-Woluwe,
10 August 2010

Statutory auditor
PricewaterhouseCoopers Bedrijfsrevisoren BCVBA
Represented by



Yves Vandenplas
Bedrijfsrevisor / Réviseur d'Entreprises

4. Unaudited condensed consolidated interim financial statements

4.1. Unaudited condensed consolidated interim income statement

For the six month period ended 30 June Million US dollar, except earnings per shares in US dollar		Notes	2010	2009 ¹
Revenue			17 501	17 698
Cost of sales			(7 830)	(8 390)
Gross profit			9 671	9 308
Distribution expenses			(1 375)	(1 276)
Sales and marketing expenses			(2 300)	(2 271)
Administrative expenses			(994)	(1 090)
Other operating income/(expenses)			208	350
Profit from operations before non-recurring items			5 210	5 021
Restructuring (including impairment losses)	7		(181)	(140)
Business and asset disposal (including impairment losses)	7		(1)	47
Profit from operations			5 028	4 928
Finance cost	8		(1 701)	(2 131)
Finance income	8		282	138
Non-recurring finance cost	8		(672)	-
Net finance cost			(2 091)	(1 993)
Share of result of associates	13		233	228
Profit before tax			3 170	3 163
Income tax expense.....	9		(825)	(820)
Profit			2 345	2 343
Attributable to:				
Equity holders of AB InBev			1 624	1 787
Non-controlling interests			721	556
Basic earnings per share.....	15		1.02	1.13
Diluted earnings per share	15		1.01	1.12
Basic earnings per share before non-recurring items ²	15		1.46	1.21
Diluted earnings per share before non-recurring items ²	15		1.45	1.21

4.2. Unaudited condensed consolidated interim statement of comprehensive income

For the six month period ended 30 June Million US dollar		2010	2009
Profit		2 345	2 343
Other comprehensive income:			
Exchange differences on translation of foreign operations (gains/(losses))		238	1 465
Cash flow hedges			
Recognized in equity		40	616
Removed from equity and included in profit or loss		172	74
Removed from equity and included in the initial cost of inventories		2	(132)
Actuarial gains/(losses)		(13)	(2)
Other comprehensive income, net of tax		439	2 021
Total comprehensive income		2 784	4 364
Attributable to:			
Equity holders of AB InBev		2 169	3 683
Non-controlling interests		615	681

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

¹ Reclassified to conform to the 2010 presentation.

² Basic earnings per share and diluted earnings per share before non-recurring items are not defined metrics in IFRS. Refer to note 15 *Changes in equity and earnings per share* for more details.

4.3. Unaudited condensed consolidated interim statement of financial position

As at Million US dollar	Notes	30 June 2010	31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	10	15 481	16 461
Goodwill	11	51 310	52 125
Intangible assets	12	23 269	23 165
Investments in associates.....	13	6 786	6 744
Investment securities.....		299	277
Deferred tax assets.....		857	949
Employee benefits		10	10
Trade and other receivables		1 754	1 941
		99 766	101 672
Current assets			
Investment securities.....		11	55
Inventories		2 350	2 354
Income tax receivable		244	590
Trade and other receivables		4 360	4 099
Cash and cash equivalents	14	4 687	3 689
Assets held for sale		77	66
		11 729	10 853
Total assets		111 495	112 525
EQUITY AND LIABILITIES			
Equity			
Issued capital.....	15	1 732	1 732
Share premium		17 525	17 515
Reserves		1 282	623
Retained earnings		11 246	10 448
Equity attributable to equity holders of AB InBev		31 785	30 318
Non-controlling interests		3 247	2 853
		35 032	33 171
Non-current liabilities			
Interest-bearing loans and borrowings	16	44 244	47 049
Employee benefits		2 508	2 611
Deferred tax liabilities		11 843	12 495
Trade and other payables		2 201	1 979
Provisions		933	966
		61 729	65 100
Current liabilities			
Bank overdrafts.....	14	23	28
Interest-bearing loans and borrowings	16	2 749	2 015
Income tax payable		567	526
Trade and other payables		11 111	11 377
Provisions		284	308
		14 734	14 254
Total equity and liabilities.....		111 495	112 525

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

4.4. Unaudited condensed consolidated interim statement of changes in equity

Million US dollar	Attributable to equity holders of AB InBev										Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Translation reserves	Hedging reserves	Actuarial gains/losses	Other reserves	Retained earnings	Total		
As per 1 January 2009	1 730	17 477	(997)	123	1 027	(2 242)	(712)	(446)	6 482	22 442	1 989	24 431
Profit	-	-	-	-	-	-	-	-	1 787	1 787	556	2 343
Other comprehensive income												
Exchange differences on translation of foreign operations (gains/(losses))	-	-	-	-	1 320	-	-	-	-	1 320	145	1 465
Cash flow hedges	-	-	-	-	-	578	-	-	-	578	(20)	558
Actuarial gains/(losses)	-	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Total comprehensive income	-	-	-	-	1 320	578	(2)	-	1 787	3 683	681	4 364
Shares issued	1	15	-	-	-	-	-	-	-	16	-	16
Dividends	-	-	-	-	-	-	-	-	(678)	(678)	(267)	(945)
Treasury shares	-	-	32	-	-	-	-	(17)	-	15	(2)	13
Share-based payments	-	-	-	78	-	-	-	-	-	78	6	84
Scope changes	-	-	-	-	-	-	-	-	2	2	(4)	(2)
Other	-	-	-	-	-	-	-	-	28	28	10	38
As per 30 June 2009	1 731	17 492	(965)	201	2 347	(1 664)	(714)	(463)	7 621	25 586	2 413	27 999

Million US dollar	Attributable to equity holders of AB InBev										Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Share-based payment reserves	Translation reserves	Hedging reserves	Actuarial gains/losses	Other reserves	Retained earnings	Total		
As per 1 January 2010	1 732	17 515	(659)	268	3 243	(1 052)	(547)	(630)	10 448	30 318	2 853	33 171
Profit	-	-	-	-	-	-	-	-	1 624	1 624	721	2 345
Other comprehensive income												
Exchange differences on translation of foreign operations (gains/(losses))	-	-	-	-	337	-	-	-	-	337	(99)	238
Cash flow hedges	-	-	-	-	-	221	-	-	-	221	(7)	214
Actuarial gains/(losses)	-	-	-	-	-	-	(13)	-	-	(13)	-	(13)
Total comprehensive income	-	-	-	-	337	221	(13)	-	1 624	2 169	615	2 784
Shares issued	-	10	-	-	-	-	-	-	-	10	-	10
Dividends	-	-	-	-	-	-	-	-	(844)	(844)	(248)	(1 092)
Treasury shares	-	-	60	-	-	-	-	15	-	75	4	79
Share-based payments	-	-	-	39	-	-	-	-	-	39	4	43
Scope changes	-	-	-	-	-	-	-	-	7	7	17	24
Other	-	-	-	-	-	-	-	-	11	11	2	13
As per 30 June 2010	1 732	17 525	(599)	307	3 580	(831)	(560)	(615)	11 246	31 785	3 247	35 032

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

4.5. Unaudited condensed consolidated interim statement of cash flows

For the six month period ended 30 June
Million US dollar

	2010	2009
OPERATING ACTIVITIES		
Profit	2 345	2 343
Depreciation, amortization and impairment	1 295	1 361
Impairment losses on receivables, inventories and other assets	55	58
Additions/(reversals) in provisions and employee benefits	306	21
Non recurring finance cost	672	-
Net finance cost	1 419	1 993
Loss/(gain) on sale of property, plant and equipment and intangible assets	(29)	(107)
Loss/(gain) on sale of subsidiaries, associates and assets held for sale	(50)	(1)
Equity-settled share-based payment expense	71	97
Income tax expense	825	820
Other non-cash items included in the profit	50	45
Share of result of associates	(233)	(228)
Cash flow from operating activities before changes in working capital and use of provisions	6 726	6 402
Decrease/(increase) in trade and other receivables	(611)	(126)
Decrease/(increase) in inventories	(89)	96
Increase/(decrease) in trade and other payables	127	(15)
Pension contributions and use of provisions	(287)	(279)
Cash generated from operations	5 866	6 078
Interest paid	(1 400)	(1 004)
Interest received	100	45
Dividends received	368	-
Income tax paid	(801)	(52)
CASH FLOW FROM OPERATING ACTIVITIES	4 133	5 067
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment and of intangible assets	69	166
Proceeds from sale of assets held for sale	18	31
Proceeds from sale of associates	1	901
Sale of subsidiaries, net of cash disposed of	31	(4)
Acquisition of subsidiaries, net of cash acquired	(10)	(529)
Purchase of non-controlling interests	(1)	-
Acquisition of property, plant and equipment and of intangible assets	(761)	(674)
Net proceeds/(acquisition) of other assets	14	260
Net repayments/(payments) of loans granted	4	6
CASH FLOW FROM INVESTING ACTIVITIES	(635)	157
FINANCING ACTIVITIES		
Net proceeds from the issue of share capital	34	33
Proceeds from borrowings	19 802	10 598
Payments on borrowings	(21 142)	(11 540)
Cash net finance costs other than interests	(262)	132
Payment of finance lease liabilities	(2)	(2)
Dividends paid	(1 031)	(673)
CASH FLOW FROM FINANCING ACTIVITIES	(2 601)	(1 452)
Net increase/(decrease) in cash and cash equivalents	897	3 772
Cash and cash equivalents less bank overdrafts at beginning of year	3 661	2 171
Effect of exchange rate fluctuations	106	246
Cash and cash equivalents less bank overdrafts at end of period	4 664	6 189

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

4.6. Notes to the unaudited condensed consolidated interim financial statements

Corporate information	1
Statement of compliance	2
Summary of significant accounting policies	3
Use of estimates and judgments.....	4
Segment reporting.....	5
Acquisitions and disposals of subsidiaries.....	6
Non-recurring items.....	7
Finance cost and income	8
Income taxes	9
Property, plant and equipment	10
Goodwill	11
Intangible assets	12
Investment in associates	13
Cash and cash equivalents.....	14
Changes in equity and earnings per share	15
Interest-bearing loans and borrowings	16
Share-based payments.....	17
Risks arising from financial instruments.....	18
Contingencies	19
Related parties	20
Events after the balance sheet date	21

1. CORPORATE INFORMATION

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with an American Depositary Receipt secondary listing on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. A true consumer-centric, sales driven organization, AB InBev manages a portfolio of well over 200 brands that includes global flagship brands Budweiser®, Stella Artois® and Beck's®, fast growing multi-country brands like Leffe® and Hoegaarden®, and strong "local champions" such as Bud Light®, Skol®, Brahma®, Quilmes®, Michelob®, Harbin®, Sedrin®, Klinskoye®, Sibirskaia Korona®, Chernigivske®, and Jupiler®, among others. In addition, the company owns a 50 percent equity interest in the operating subsidiary of Grupo Modelo, Mexico's leading brewer and owner of the global Corona® brand. AB InBev's dedication to heritage and quality is rooted in brewing traditions that originate from the Den Hoorn brewery in Leuven, Belgium, dating back to 1366 and the pioneering spirit of the Anheuser & Co brewery, which traces its origins back to 1852 in St. Louis, USA. Geographically diversified with a balanced exposure to developed and developing markets, AB InBev leverages the collective strengths of its approximately 116 000 employees based in operations in 23 countries across the world. The company strives to be the Best Beer Company in a Better World. In 2009, AB InBev realized 36.8 billion US dollar revenue. For more information, please visit: www.ab-inbev.com.

The unaudited condensed consolidated interim financial statements of the company for the period ended 30 June 2010 comprise the company and its subsidiaries (together referred to as "AB InBev" or the "company") and the company's interest in associates and jointly controlled entities. The condensed consolidated interim financial statements as of 30 June 2010 and for the six months ended 30 June 2010 and 30 June 2009 are unaudited; however, in the opinion of the company, the interim data include all adjustments, consisting of only normally recurring adjustments, necessary for a fair statement of the results for the interim period.

The unaudited condensed consolidated interim financial statements were authorized for issue by the board of directors on 09 August 2010.

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) and 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 2009. AB InBev did not apply any European carve-outs from IFRS. AB InBev has not applied early any new IFRS requirements that are not yet effective in 2010.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2009, except as described below.

(A) SUMMARY OF CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

Revised IFRS 3 Business Combinations (2008)

Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to AB InBev's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
- Contingent consideration will be measured at fair value, with subsequent changes therein recognized in profit or loss;
- Transaction costs, other than share and debt issue costs, will be expensed as incurred;
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognized in profit or loss;
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

The company adopted the revised standard as of 1 January 2010 with no material effect on its financial result or financial position.

Amended IAS 27 Consolidated and Separate Financial Statements (2008)

Amended IAS 27 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by AB InBev in a subsidiary, while maintaining control, to be recognized as an equity transaction. When AB InBev loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss.

The company adopted the amendment as of 1 January 2010 with no material effect on its financial result or financial position.

IFRIC 17 Distributions of Non-cash Assets to Owners

IFRIC 17 *Distributions of Non-cash Assets to Owners* addresses the treatment of distributions in kind to shareholders. A liability has to be recognized when the dividend has been appropriately authorized and is no longer at the discretion of the entity, to be measured

at the fair value of the non-cash assets to be distributed. Outside the scope of IFRIC 17 are distributions in which the assets being distributed are ultimately controlled by the same party or parties before and after the distribution (common control transactions).

The company adopted the interpretation as of 1 January 2010 with no material effect on its financial result or financial position.

IFRIC 18 Transfers of Assets from Customers

IFRIC 18 *Transfers of Assets from Customers* addresses the accounting by access providers for property, plant and equipment contributed to them by customers. Recognition of the assets depends on who controls them. When the asset is recognized by the access provider, it is measured at fair value upon initial recognition. The timing of the recognition of the corresponding revenue depends on the facts and circumstances.

The company adopted the interpretation as of 1 January 2010 with no material effect on its financial result or financial position.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* provides additional guidance concerning specific positions that qualify for hedging (“eligible hedged items”).

The company adopted the amendment as of 1 January 2010 with no material effect on its financial result or financial position.

Improvements to IFRSs (2009)

Improvements to IFRSs (2009) is a collection of minor improvements to existing standards.

The company adopted the improvement as of 1 January 2010 with no material effect on its financial result or financial position.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues

Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* allows rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

The company adopted the amendment as of 1 January 2010 with no material effect on its financial result or financial position.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* provides guidance on the accounting for debt for equity swaps.

The company adopted the interpretation as of 1 January 2010 with no material effect on its financial result or financial position.

Revised IAS 24 Related Party Disclosures (2009)

Revised IAS 24 *Related Party Disclosures* amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

The company adopted the revised standard as of 1 January 2010 with no material effect on its financial result or financial position.

Amendments to IFRIC 14 IAS 19 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Amendments to IFRIC 14 IAS 19 *The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* removes unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognized as an asset rather than an expense.

The company adopted the amendment as of 1 January 2010 with no material effect on its financial result or financial position.

(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 US dollar at foreign exchange rates ruling at the dates the fair value was determined.

TRANSLATION OF THE RESULTS AND FINANCIAL POSITION OF FOREIGN OPERATIONS

Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflationary economies, are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of

shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at year-end exchange rates are taken to comprehensive income (translation reserves).

In hyperinflationary economies, re-measurement of the local currency denominated non-monetary assets, liabilities, income statement accounts as well as equity accounts is made by applying a general price index. These re-measured accounts are used for conversion into US dollar at the closing exchange rate. As of 30 November 2009 the economy in Venezuela has been assessed to be highly inflationary and AB InBev has applied the price index from Venezuela's central bank to report its Venezuelan operations as of year-end 2009. The impact is not material to the company's financial results or financial position.

Effective 1 January 2010, one of AB InBev's holding companies changed its functional currency from the euro to the US dollar. As a result of the refinancing of the debt related to the Anheuser-Busch acquisition in late 2009 and beginning 2010, the primary economic environment for this entity became the US dollar. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* the change was accounted for prospectively.

EXCHANGE RATES

The most important exchange rates that have been used in preparing the financial statements are:

1 US dollar equals:	Closing Rate			Average Rate	
	30 June 2010	31 December 2009	30 June 2009	30 June 2010	30 June 2009
Argentinean peso.....	3.931807	3.796702	3.795208	3.901437	3.580611
Brazilian real.....	1.801499	1.741198	1.951601	1.804376	2.249458
Canadian dollar	1.050445	1.050117	1.151480	1.028937	1.204165
Chinese yuan	6.781419	6.826993	6.830670	6.815099	6.844261
Euro.....	0.814930	0.694155	0.707514	0.744168	0.749823
Pound sterling	0.666164	0.616479	0.602873	0.650609	0.676322
Russian ruble	31.119639	30.117797	31.002761	29.451005	33.031850
Ukrainian hryvnia	7.859974	7.947278	7.609805	7.850701	7.704241

4. USE OF ESTIMATES AND JUDGMENTS

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.

Although each of its significant accounting policies reflects judgments, assessments or estimates, AB InBev believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results: business combinations, intangible assets, goodwill, impairment, provisions, share-based payments, employee benefits and accounting for current and deferred tax.

The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows.

The company uses its judgment to select a variety of methods including the discounted cash flow method and option valuation models and make assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other postretirement benefit expense and liability. These factors include assumptions with respect to interest rates, expected investment returns on plan assets, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

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 further discussed in the relevant notes hereafter.

In preparing these unaudited 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 2009.

5. SEGMENT REPORTING

Segment information is presented by geographical segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker. AB InBev operates its business through seven zones. Regional and operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, AB InBev management uses performance indicators such as normalized profit from operations (normalized EBIT) and normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled to segment profit in the tables presented (figures may not add up due to rounding).

Effective from 1 January 2010 onward, AB InBev has updated its segment reporting for purposes of internal review by senior management. This presentation treats all 2009 divestitures as if they had closed on 1 January 2009. In addition, certain intra-group transactions, which were previously recorded in the zones, are recorded in the Global Export and Holding Companies segment, thus with no impact at the consolidated level. The tables below provide the segment information per zone for 2009 in the format that is used by management as of 2010 to monitor performance. The differences between the 2009 Reference base and the 2009 audited income statement As Reported represent the effect of divestitures.

SEGMENT REPORTING (2009 REFERENCE BASE)

All figures in the table below are stated in million US dollar, except volume (million hls). The information presented is for the six month period ended 30 June.

	North America		Latin America North		Latin America South		Western Europe		Central and Eastern Europe		Asia Pacific		Global Export and Holding Companies		Effect of divestitures		Consolidated	
	2010	2009 Reference base	2010	2009 Reference base	2010	2009 Reference base	2010	2009 Reference base	2010	2009 Reference base	2010	2009 Reference base	2010	2009 Reference base	2010	2009 bridge to reported	2010	2009 Reported
Volume	65	68	56	50	16	16	16	15	13	14	23	22	3	3	-	12	192	200
Revenue.....	7 662	7 825	4 544	3 111	980	883	1 976	1 974	749	747	825	809	764	678	-	1 671	17 501	17 698
Cost of goods sold	(3 535)	(3 650)	(1 493)	(986)	(384)	(351)	(922)	(942)	(412)	(387)	(468)	(465)	(616)	(607)	-	(1 002)	(7 830)	(8 390)
Distribution expenses.....	(387)	(392)	(506)	(322)	(79)	(78)	(200)	(205)	(87)	(80)	(62)	(54)	(53)	(57)	-	(88)	(1 375)	(1 276)
Sales and marketing expenses ..	(774)	(791)	(575)	(414)	(107)	(77)	(367)	(365)	(169)	(132)	(222)	(208)	(86)	(72)	-	(212)	(2 300)	(2 271)
Administrative expenses.....	(285)	(295)	(267)	(232)	(32)	(34)	(147)	(181)	(50)	(62)	(69)	(67)	(144)	(166)	-	(53)	(994)	(1 090)
Other operating income/(expenses).....	27	188	118	90	(3)	(1)	25	40	2	-	11	8	28	18	-	7	208	350
Normalized profit from operations (EBIT).....	2 709	2 885	1 820	1 246	375	344	365	319	31	85	16	21	(106)	(205)	-	326	5 210	5 021
Depreciation, amortization and impairment	(446)	(462)	(255)	(194)	(76)	(69)	(174)	(183)	(98)	(98)	(98)	(94)	(83)	(91)	-	(171)	(1 230)	(1 362)
Normalized EBITDA	3 155	3 347	2 075	1 440	451	413	539	502	129	183	114	115	(23)	(114)	-	497	6 440	6 383
Normalized EBITDA margin in %.....	41.2%	42.8%	45.7%	46.3%	46.1%	46.8%	27.3%	25.4%	17.2%	24.5%	13.8%	14.2%	-	-	-	29.7%	36.8%	36.1%

SEGMENT REPORTING (2009 REPORTED)

All figures in the table below are stated in million US dollar, except volume (million hls). The information presented is for the six month period ended 30 June, except for Statement of financial position comparatives at 31 December 2009.

	North America		Latin America North		Latin America South		Western Europe		Central and Eastern Europe		Asia Pacific		Global Export and Holding Companies		Consolidated	
	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported	2010	2009 Reported
Volume	65	69	56	50	16	16	16	16	13	21	23	26	3	2	192	200
Revenue.....	7 662	7 871	4 544	3 111	980	883	1 976	2 049	749	1 222	825	1 074	764	1 487	17 501	17 698
Cost of goods sold	(3 535)	(3 785)	(1 493)	(986)	(384)	(351)	(922)	(922)	(412)	(584)	(468)	(571)	(616)	(1 191)	(7 830)	(8 390)
Distribution expenses.....	(387)	(398)	(506)	(323)	(79)	(78)	(200)	(228)	(87)	(122)	(62)	(76)	(53)	(51)	(1 375)	(1 276)
Sales and marketing expenses	(774)	(793)	(575)	(414)	(107)	(77)	(367)	(379)	(169)	(226)	(222)	(256)	(86)	(126)	(2 300)	(2 271)
Administrative expenses.....	(285)	(297)	(267)	(232)	(32)	(34)	(147)	(182)	(50)	(88)	(69)	(77)	(144)	(180)	(994)	(1 090)
Other operating income/(expenses)	27	73	118	90	(3)	(2)	25	(52)	2	(62)	11	7	28	297	208	350
Normalized profit from operations (EBIT)	2 709	2 672	1 820	1 247	375	342	365	285	31	140	16	100	(106)	236	5 210	5 021
Non-recurring items (refer Note 7).....	(173)	45	(1)	98	(6)	(6)	(43)	(62)	-	(1)	-	(15)	41	(153)	(182)	(93)
Profit from operations (EBIT)	2 536	2 717	1 819	1 345	369	335	322	223	31	139	16	86	(65)	83	5 028	4 928
Net finance cost	(261)	(289)	(113)	(204)	(28)	(33)	(152)	(115)	(13)	(24)	7	(8)	(1 531)	(1 320)	(2 091)	(1 993)
Share of result of associates	232	228	-	-	-	-	1	-	-	-	-	-	-	-	233	228
Profit before tax	2 507	2 656	1 706	1 142	341	302	171	108	18	115	23	78	(1 596)	(1 237)	3 170	3 163
Income tax expense	(794)	(982)	(278)	(153)	(105)	(82)	(26)	11	(11)	(21)	3	(40)	386	446	(825)	(820)
Profit	1 713	1 674	1 428	989	236	220	145	119	7	94	26	38	(1 210)	(791)	2 345	2 343
Normalized EBITDA	3 155	3 137	2 075	1 440	451	412	539	469	129	291	114	205	(23)	429	6 440	6 383
Non-recurring items (including impairment)....	(173)	45	(1)	98	(6)	(6)	(43)	(62)	-	(1)	-	(15)	41	(153)	(182)	(93)
Depreciation, amortization and impairment ...	(446)	(465)	(255)	(193)	(76)	(70)	(174)	(185)	(98)	(151)	(98)	(105)	(83)	(193)	(1 230)	(1 362)
Net finance cost	(261)	(289)	(113)	(204)	(28)	(33)	(152)	(115)	(13)	(24)	7	(8)	(1 531)	(1 320)	(2 091)	(1 993)
Share of results of associates	232	228	-	-	-	-	1	-	-	-	-	-	-	-	233	228
Income tax expense	(794)	(982)	(278)	(153)	(105)	(82)	(26)	11	(11)	(21)	3	(40)	386	446	(825)	(820)
Profit	1 713	1 674	1 428	989	236	220	145	119	7	94	26	38	(1 210)	(791)	2 345	2 343
Normalized EBITDA margin in %.....	41.2%	39.9%	45.7%	46.3%	46.1%	46.6%	27.3%	22.9%	17.2%	23.8%	13.8%	19.1%	-	-	36.8%	36.1%
Segment assets	73 368	72 222	15 710	16 221	3 553	3 766	5 398	5 889	2 410	2 484	3 601	3 549	3 989	4 189	108 029	108 320
Intersegment elimination.....															(3 297)	(2 089)
Non-segmented assets.....															6 763	6 294
Total assets															111 495	112 525
Segment liabilities	6 732	5 250	3 515	3 819	774	785	2 756	3 067	685	418	1 338	1 143	2 907	3 134	18 707	17 616
Intersegment elimination.....															(3 297)	(2 089)
Non-segmented liabilities.....															96 085	96 998
Total liabilities.....															111 495	112 525

6. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

In the first six months of 2010 acquisitions and disposals of subsidiaries were limited to settlements of last year's acquisitions and disposals.

During the first six months of 2010, AB InBev paid 10m US dollar to former Anheuser-Busch shareholders (529m US dollar in the first six months of 2009). By 30 June 2010, 36m US dollar consideration remains payable to former Anheuser-Busch shareholders whom did not yet claim the proceeds. This payable is recognized as a deferred consideration on acquisitions.

During the first six months of 2010, AB InBev collected the deferred consideration related to the disposal of Oriental Brewery. The deferred consideration with a notional amount of 300m US dollar had been reported for a fair value amount of 225m US dollar by year end 2009. The deferred consideration was sold to a third party for a gross proceed of 275m US dollar excluding interest accrued since inception and resulted in a non-recurring gain of 50m US dollar – see Note 7 *Non-recurring items*. The cash receipt was partially offset by corporate taxes paid on the disposal of Busch Entertainment and other subsidiaries (244m US dollar).

7. NON-RECURRING ITEMS

IAS 1 *Presentation of financial statements* requires material items of income and expense to be disclosed separately. Non-recurring items are items, which in management's judgment need to be disclosed by virtue of their size or incidence in order for the user to obtain a proper understanding of the financial information. The company considers these items to be of significance in nature, and accordingly, management has excluded these from their segment measure of performance as noted in Note 5 *Segment reporting*.

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

For the six month period ended 30 June Million US dollar	2010	2009
Restructuring (including impairment losses).....	(181)	(140)
Business and asset disposal (including impairment losses).....	(1)	47
Impact on profit from operations	(182)	(93)
Non-recurring finance cost.....	(672)	-
Non-recurring taxes	135	(6)
Non-recurring non-controlling interests	12	(32)
Net impact on profit attributable to equity holders of AB InBev	(707)	(131)

The non-recurring restructuring charges for the six-months ended 30 June 2010 total 181m US dollar. The charges are primarily related to the Anheuser-Busch integration in North America, organizational alignments and outsourcing activities in Western Europe in order to eliminate overlap or duplicated processes and activities across functions and zones and the closure of the Hamilton Brewery in Canada. These one time expenses as a result of the series of decisions provide us with a lower cost base besides a stronger focus on AB InBev's core activities, quicker decision-making and improvements to efficiency, service and quality.

Business and asset disposal (including impairment losses) amounts to (1)m US dollar. The net impact of the gain on the settlement of the deferred collection related to the disposal of Oriental Brewery was 50m US dollar. See also Note 6 – *Acquisitions and disposals of subsidiaries*. (46)m US dollar net realizable value adjustments were recognized on certain Anheuser-Busch non-core assets as the result of the review of the recoverability of these assets. These non-core assets were recognized as assets held for sale as at 30 June 2010. Finally (5)m US dollar relates to adjustments of accruals and provisions related to divestitures of previous year.

The non-recurring restructuring charges for the six-months ended 30 June 2009 total 140m US dollar. The charges are primarily related to the Anheuser-Busch integration in North America and Asia Pacific and organizational alignments and outsourcing activities in Western Europe and Asia Pacific.

The 2009 business and asset disposal of 47m US dollar mainly represents the sale of assets of InBev USA LLC (also doing business under the name Labatt USA) to an affiliate of KPS Capital Partners, LP.

Non-recurring finance cost per 30 June 2010 is comprised of a negative mark-to-market adjustment of (482)m US dollar and accelerated accretion expenses of (190)m US dollar as the result of the repayment and refinancing of the 2008 senior debt facilities.

All the above amounts are before income taxes. The 2010 non-recurring items as at 30 June decreased income taxes by 135m US dollar, the non-recurring items as at 30 June 2009 increased income taxes by 6m US dollar.

Non-controlling interests on the non-recurring items per 30 June amount to 12m US dollar in 2010 versus (32)m US dollar in 2009.

8. FINANCE COST AND INCOME

FINANCE COSTS

For the six month period ended 30 June Million US dollar	2010	2009 ¹
Interest expense	(1 530)	(1 785)
Capitalization of borrowing costs	9	1
Accretion expense	(78)	(208)
Loss on hedging instruments that are not part of a hedge accounting relationship	(41)	(5)
Net gain/(loss) from hedge ineffectiveness	3	(67)
Tax on financial transactions	(12)	(11)
Other financial costs, including bank fees	(52)	(56)
	(1 701)	(2 131)
Non-recurring finance costs	(672)	-
	(2 373)	(2 131)

Finance costs, excluding non recurring items, decreased by 430m US dollar driven by lower net interest charges and accretion expenses due to reduced debt positions and refinancing of the 2008 senior debt facilities.

During 2009 and 2010, AB InBev repaid and refinanced the debt incurred under the 2008 senior debt facilities arising from the acquisition of Anheuser-Busch (see Note 16 *Interest-bearing loans and borrowings* of these unaudited condensed consolidated interim financial statements and Note 24 *Interest-bearing loans and borrowings* of the 2009 audited consolidated financial statements). As a result, interest and accretion expense decreased by 255m US dollar and 130m US dollar respectively, compared to 30 June 2009.

As a result of the repayments and refinancing in 2010, AB InBev incurred hedging losses of 482m US dollar on interest rate swaps that became ineffective and incremental accretion expense of 190m US dollar. These amounts have been recorded as non-recurring finance cost. For non-recurring finance costs see also Note 7 *Non-recurring items*.

Interest expense is presented net of the effect of interest rate derivative instruments hedging AB InBev's interest rate risk – see also Note 18 *Risks arising from financial instruments*.

FINANCE INCOME

For the six month period ended 30 June Million US dollar	2010	2009 ¹
Interest income	136	53
Dividend income, non-consolidated companies	5	-
Net foreign exchange gains	133	73
Other financial income	8	12
	282	138

The increase in interest income is explained by higher cash and cash equivalent positions in AmBev Brazil and in the parent companies.

In 2010, AB InBev incurred 133m US dollar of net foreign exchange gains arising mainly from euro/US dollar currency fluctuations on intra-group transactions.

9. INCOME TAXES

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

For the six month period ended 30 June Million US dollar	2010	2009
Current tax expense		
Current year	(1 472)	(1 004)
Deferred tax (expense)/income	647	184
Total income tax expense in the income statement	(825)	(820)

¹ Reclassified to conform to the 2010 presentation.

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

For the six month period ended 30 June Million US dollar	2010	2009
Profit before tax	3 170	3 163
Deduct share of result of associates	(233)	(228)
Profit before tax and before share of result of associates	2 937	2 935
Adjustments on taxable basis		
Expenses not deductible for tax purposes	102	333
Taxable intercompany dividends	-	9
Non-taxable financial and other income	(402)	(186)
	2 637	3 091
Aggregated weighted nominal tax rate.....	36.1%	35.4%
Tax at aggregated weighted nominal tax rate.....	(952)	(1 094)
Adjustments on tax expense		
Utilization of tax losses not previously recognized	15	7
Recognition of deferred tax assets on previous years' tax losses	6	-
Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized	(22)	(124)
(Underprovided)/overprovided in prior years	25	31
Tax savings from tax credits	291	333
Tax savings/(cost) from special tax status	(66)	80
Change in tax rate	1	(1)
Withholding taxes	(63)	(39)
Other tax adjustments	(60)	(13)
	(825)	(820)
Effective tax rate	28.1%	27.9%

The total income tax expense amounts to 825m US dollar compared to 820m US dollar for the six-months ended 30 June 2010 and 2009, respectively. The effective tax rate increased from 27.9% to 28.1% for the six month period ended 30 June 2009 and 2010 respectively, primarily due to the non-deductibility of certain non-recurring charges associated with the refinancing of the 2008 senior facilities.

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.

10. PROPERTY, PLANT AND EQUIPMENT

Million US dollar	30 June 2010					31 December 2009
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total	Total
Acquisition cost						
Balance at end of previous year.....	7 855	17 619	3 060	756	29 290	30 892
Effect of movements in foreign exchange	(290)	(934)	(246)	(32)	(1 502)	2 069
Effect of hyperinflation	6	32	3	-	41	-
Acquisitions	6	152	52	489	699	1 540
Acquisitions through business combinations	-	-	-	-	-	15
Disposals	(24)	(87)	(37)	-	(148)	(885)
Disposals through the sale of subsidiaries	-	-	-	-	-	(3 386)
Transfer to other asset categories	(114)	59	210	(368)	(213)	(1 263)
Other movements	3	-	-	-	3	308
Balance at end of the period	7 442	16 841	3 042	845	28 170	29 290
Depreciation and impairment losses						
Balance at end of previous year.....	(2 113)	(8 582)	(2 134)	-	(12 829)	(11 221)
Effect of movements in foreign exchange	180	696	191	-	1 067	(1 203)
Effect of hyperinflation	(5)	(27)	(1)	-	(33)	-
Disposals	13	64	31	-	108	784
Disposals through the sale of subsidiaries	-	-	-	-	-	902
Depreciation	(168)	(754)	(166)	-	(1 088)	(2 411)
Impairment losses	(43)	(56)	-	-	(99)	(128)
Transfer to other asset categories	109	179	(105)	-	183	683
Other movements	-	3	(1)	-	2	(235)
Balance at end of the period	(2 027)	(8 477)	(2 185)	-	(12 689)	(12 829)
Carrying amount						
at 31 December 2009	5 742	9 037	926	756	16 461	16 461
at 30 June 2010	5 415	8 364	857	845	15 481	-

The transfer to other asset categories mainly relates to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. The carrying amount of property, plant and equipment subject to restrictions on title amounts to 152m US dollar.

LEASED ASSETS

The company leases land and buildings as well as equipment under a number of finance lease agreements. The carrying amount of leased land and buildings was 167m US dollar (2009: 98m US dollar) and leased plant and equipment was 23m US dollar (2009: 14m US dollar).

11. GOODWILL

Million US dollar	30 June 2010	31 December 2009
Acquisition cost		
Balance at end of previous year.....	52 132	50 251
Effect of movements in foreign exchange	(815)	2 988
Acquisitions through business combinations	-	17
Purchases of non-controlling interests	-	145
Disposals	-	(304)
Disposals through the sale of subsidiaries	-	(166)
Transfer to other asset categories	-	(799)
Other movements	-	-
Balance at end of the period	51 317	52 132
Impairment losses		
Balance at end of previous year.....	(7)	(7)
Impairment losses	-	-
Balance at end of the period	(7)	(7)
Carrying amount		
at 31 December 2009	52 125	52 125
at 30 June 2010	51 310	-

During the first six months of 2010 there are no material changes to the company's goodwill.

The business combinations that took place in 2009 are the acquisition of several local businesses throughout the world. These transactions resulted in recognition of goodwill of 17m US dollar.

As a result of the asset and business disposals completed in 2009, goodwill was derecognized for a total amount of 1 269m US dollar (including disposals, disposals through the sale of subsidiaries and transfer to other assets categories), mainly represented by the sale of the Korean subsidiary Oriental Brewery to an affiliate of Kohlberg Kravis Roberts & Co. L.P. (799m US dollar), the sale of the Central European operations to CVC Capital Partners (166m US dollar), the sale of four metal can lid manufacturing plants from AB InBev's US metal packaging subsidiary, Metal Container Corporation, to Ball Corporation (156m US dollar) and the sale of Tennent's Lager brand and associated trading assets in Scotland, Northern Ireland and the Republic of Ireland to C&C Group plc (148m US dollar).

Further, increase of goodwill in 2009 by 145m US dollar stems from the purchase of non-controlling interests, mainly including the buy-out of the businesses in Dominican Republic and Peru. In addition, under the exchange of share-ownership program, a number of AmBev shareholders who are part of the senior management of AB InBev exchanged AmBev shares for AB InBev shares which increased AB InBev's economic interest percentage in AmBev. As the related subsidiaries were already fully consolidated, the purchases did not impact AB InBev's profit, but reduced non-controlling interests and thus impacted the profit attributable to equity holders of AB InBev.

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

12. INTANGIBLE ASSETS

Million US dollar	30 June 2010					31 December 2009
	Brands	Commercial intangibles	Software	Other	Total	Total
Acquisition cost						
Balance at end of previous year	21 655	1 449	802	161	24 067	24 330
Effect of movements in foreign exchange	(24)	(85)	(66)	(3)	(178)	75
Acquisitions through business combinations	-	-	-	-	-	13
Acquisitions and expenditures	-	281	23	1	305	168
Disposals through the sale of subsidiaries	-	-	-	-	-	(583)
Disposals	-	(4)	(2)	-	(6)	(44)
Transfer to other asset categories	1	8	11	(11)	9	108
Balance at end of period	21 632	1 649	768	148	24 197	24 067
Amortization and impairment losses						
Balance at end of previous year	-	(400)	(465)	(37)	(902)	(693)
Effect of movements in foreign exchange	-	43	43	3	89	(47)
Amortization	-	(45)	(68)	(6)	(119)	(266)
Disposals through the sale of subsidiaries	-	-	-	-	-	73
Disposals	-	4	2	-	6	34
Impairment losses	-	-	-	-	-	(6)
Transfer to other asset categories	-	(9)	-	8	(1)	3
Other movements	-	(1)	-	-	(1)	-
Balance at end of period	-	(408)	(488)	(32)	(928)	(902)
Carrying value						
at 31 December 2009	21 655	1 049	337	124	23 165	23 165
at 30 June 2010	21 632	1 241	280	116	23 269	-

AB 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 AB 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 comprised primarily of brands and certain distribution rights that AB InBev buys back for its own products, and are tested for impairment during the fourth quarter of the year or whenever a triggering event has occurred. As of 30 June 2010, the carrying amount of the intangible assets amounted to 23 269m US dollar (31 December 2009: 23 165m US dollar) of which 22 232m US dollar was assigned an indefinite useful life (31 December 2009: 22 265m US dollar) and 1 037m US dollar a finite life (31 December 2009: 900m US dollar). Commercial intangibles include supply rights, distribution rights, exclusive multi-year sponsorship rights and other commercial intangibles.

13. INVESTMENT IN ASSOCIATES

Million US dollar	30 June 2010	31 December 2009
Balance at end of previous year	6 744	6 871
Effect of movements in foreign exchange	172	324
Disposals	-	(927)
Share of results of associates	233	513
Dividends	(362)	(14)
Transfer to other asset categories	(1)	(23)
Balance at end of period	6 786	6 744

AB InBev holds a 35.12% direct interest in Grupo Modelo, Mexico's largest brewer, and a 23.25% direct interest in DIBLO S.A. de C.V., Grupo Modelo's operating subsidiary, providing AB InBev with, directly and indirectly, a 50.2% interest in Modelo without however having voting or other control of either Grupo Modelo or DIBLO.

On 27 April 2010, AB InBev received a dividend of 4.36 billion Mexican pesos (357m US dollar) from its participation in Grupo Modelo.

14. CASH AND CASH EQUIVALENTS

As at Million US dollar	30 June 2010	31 December 2009
Short term bank deposits	3 060	2 051
Cash and bank accounts	1 627	1 638
Cash and cash equivalents.....	4 687	3 689
Bank overdrafts.....	(23)	(28)
	4 664	3 661

As of 30 June 2010, cash and cash equivalents include 142m US dollar restricted cash of which 36m US dollar reflects the outstanding consideration payable to former Anheuser-Busch shareholders whom did not yet claim the proceeds (the related payable is recognized as a deferred consideration on acquisitions) and 106m US dollar relates to restricted cash held on escrow accounts following the disposal of the Central European subsidiaries.

15. CHANGES IN EQUITY AND EARNINGS PER SHARE

STATEMENT OF CAPITAL

The tables below summarize the changes in issued capital and treasury shares during the first six months of 2010:

ISSUED CAPITAL	Million US dollar	Million shares
At the end of the previous year	1 732	1 604
Changes during the year	-	1
	1 732	1 605

TREASURY SHARES	Million US dollar	Million shares
At the end of the previous year	659	13.6
Changes during the year	(60)	(0.7)
	599	12.9

As at 30 June 2010, the total issued capital of 1 732m US dollar is represented by 1 604 799 561 shares without par value, of which 401 790 482 registered shares, 5 259 926 bearer shares and 1 197 749 153 dematerialized shares. For a total amount of capital of 4m US dollar (3.14m euro), there are still 4 077 832 of subscription rights outstanding corresponding with a maximum of 4 077 832 shares to be issued. The total of authorized, un-issued capital amounts to 50m US dollar (37m euro).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. In respect of the company's shares that are held by AB InBev, rights are suspended.

DIVIDENDS

A dividend of 0.38 euro per share that relates to the period ended 31 December 2009 and that amounts to 605m euro was declared in April 2010.

TRANSFERS FROM SUBSIDIARIES

The amount of dividends payable to AB InBev by its operating subsidiaries is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. Capital transfer restrictions are also common in certain emerging market countries, and may affect AB InBev's flexibility in implementing a capital structure it believes to be efficient. Dividends paid to AB InBev by certain of its subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 10%.

EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of AB InBev of 1 624m US dollar (2009: 1 787m US dollar) and a weighted average number of ordinary shares outstanding during the year, calculated as follows:

Million shares	2010	2009
Issued ordinary shares at 1 January, net of treasury shares.....	1 591	1 582
Effect of shares issued/share buyback programs	-	-
Weighted average number of ordinary shares at 30 June.....	1 591	1 582

The calculation of diluted earnings per share is based on the profit attributable to equity holders of AB InBev of 1 624m US dollar (2009: 1 787m US dollar) and a weighted average number of ordinary shares (diluted) outstanding during the year, calculated as follows:

Million shares	2010	2009
Weighted average number of ordinary shares at 30 June.....	1 591	1 582
Effect of share options and warrants	17	8
Weighted average number of ordinary shares (diluted) at 30 June.....	1 608	1 590

The calculation of earnings per share before non-recurring items is based on the profit after tax and before non-recurring items, attributable to equity holders of AB InBev. A reconciliation of profit before non-recurring items, attributable to equity holders of AB InBev to profit attributable to equity holders of AB InBev is calculated as follows:

Million US dollar	2010	2009
Profit before non-recurring items, attributable to equity holders of AB InBev.....	2 331	1 918
Non-recurring items, after taxes, attributable to equity holders of AB InBev (refer Note 7)	(87)	(131)
Non-recurring finance cost, after taxes, attributable to equity holders of AB InBev (refer Note 7) ..	(620)	-
Profit attributable to equity holders of AB InBev.....	1 624	1 787

The table below sets out the EPS calculation:

Million US dollar	2010	2009
Profit attributable to equity holders of AB InBev	1 624	1 787
Weighted average number of ordinary shares	1 591	1 582
Basic EPS.....	1.02	1.13
Profit before non-recurring items, attributable to equity holders of AB InBev.....	2 331	1 918
Weighted average number of ordinary shares	1 591	1 582
EPS before non-recurring items.....	1.46	1.21
Profit attributable to equity holders of AB InBev	1 624	1 787
Weighted average number of ordinary shares (diluted)	1 608	1 590
Diluted EPS.....	1.01	1.12
Profit before non-recurring items, attributable to equity holders of AB InBev.....	2 331	1 918
Weighted average number of ordinary shares (diluted)	1 608	1 590
Diluted EPS before non-recurring items	1.45	1.21

The average market value of the company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding. 11m share options were anti-dilutive and not included in the calculation of the dilutive effect.

16. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings.

NON-CURRENT LIABILITIES

Million US dollar	30 June 2010	31 December 2009
Secured bank loans	61	53
Unsecured bank loans	12 521	18 616
Unsecured bond issues.....	31 446	28 126
Secured other loans	6	6
Unsecured other loans	98	204
Finance lease liabilities.....	112	44
	44 244	47 049

CURRENT LIABILITIES

Million US dollar	30 June 2010	31 December 2009
Secured bank loans	26	30
Unsecured bank loans	2 138	1 559
Unsecured bond issues.....	473	387
Secured other loans	0	14
Unsecured other loans	106	19
Finance lease liabilities.....	6	6
	2 749	2 015

The current and non-current interest-bearing loans and borrowings amount to 46 993m US dollar at June 2010, compared to 49 064m US dollar at year end 2009.

To finance the acquisition of Anheuser-Busch, AB InBev entered into a 45 billion US dollar senior debt facilities agreement (of which 44 billion US dollar was ultimately drawn) and a 9.8 billion US dollar bridge facility agreement, enabling us to consummate the acquisition, including the payment of 52.5 billion US dollar to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness, which together amounted to approximately 54.8 billion US dollar.

On 18 December 2008, AB InBev repaid the debt it had incurred under the bridge facility with the net proceeds of the rights offering and cash proceeds it received from pre-hedging the foreign exchange rate between the euro and the US dollar in connection with the rights offering.

As of 31 December 2009, the amounts outstanding under AB InBev's 45 billion US dollar senior debt facilities (of which 44 billion US dollar was ultimately drawn) entered into in connection with the Anheuser-Busch acquisition had been reduced to 17.2 billion US dollar. In 2010, AB InBev fully refinanced the debt incurred under the senior facility with the proceeds of new senior credit facilities and debt capital market offerings as shown below.

- On 26 February 2010, AB InBev obtained 17.2 billion US dollar in long-term bank financing. The new financing consisted of a 13.0 billion US dollar senior credit facilities agreement ("2010 Senior Facilities") comprising of a 5.0 billion US dollar term loan maturing in 2013 and a 8.0 billion US dollar multi-currency revolving credit facility maturing in 2015 bearing interest at a floating rate equal to LIBOR (or EURIBOR for euro-denominated loans) plus 1.175% and 0.975%, respectively; and 4.2 billion US dollar in long-term bilateral facilities that was subsequently canceled on 31 March 2010.
- On 24 March 2010, AB InBev issued four series of notes in an aggregate principal amount of 3.25 billion US dollar, consisting of 1.0 billion US dollar aggregate principal of notes due 2013, 0.75 billion US dollar aggregate principal of notes due 2015 and 1.0 billion US dollar aggregate principal of notes due 2020 bearing interest at a rate of 2.5%, 3.625% and 5.0% respectively and a note consisting of 0.5 billion US dollar aggregate principal of notes due 2013 and bearing an interest at a floating rate of 3 month US dollar LIBOR plus 0.73%.
- On 6 April 2010, AB InBev fully repaid the 17.2 billion US dollar remaining balance from proceeds from the 2010 Senior Facilities, proceeds from the March 2010 bond issuance, cash generated from operations, proceeds of disposal activity and from drawdowns from existing loan facilities.

In addition to the above, AB InBev continued to refinance and repay its obligations under the 2010 Senior Facilities by entering into the following transactions:

- On 26 April 2010, AB InBev issued notes from its European Medium Term Note program in an aggregate principal amount of 750m euro due 2018 bearing interest at a fixed rate of 4.0%. The net proceeds of the April notes were used to repay approximately 950m US dollar of the 8 billion US dollar revolving credit facility.
- On 8 June, AB InBev repaid 750m US dollar of the 8 billion US dollar revolving credit facility with cash from operations.

As of 30 June 2010, the outstanding balance of the 2010 Senior Facilities amounted to 8.35 billion US dollar. The interest rate on the outstanding 2010 Senior Facilities have effectively been fixed through a series of hedge arrangements – see Note 18- *Risk arising from financial instruments*.

**TERMS AND DEBT REPAYMENT
SCHEDULE AT 30 JUNE 2010**

Million US dollar	Total	1 year or less	1-2 years	2-3 years	3-5 years	More than 5 years
Secured bank loans.....	87	26	19	17	15	10
Unsecured bank loans	14 659	2 138	349	8 180	3 861	131
Unsecured bond issues	31 919	473	1 037	5 964	7 882	16 563
Secured other loans	6	-	-	6	-	-
Unsecured other loans	204	106	12	12	25	49
Finance lease liabilities	118	6	5	2	3	102
	46 993	2 749	1 422	14 181	11 786	16 855

**TERMS AND DEBT REPAYMENT
SCHEDULE AT 31 DECEMBER 2009**

Million US dollar	Total	1 year or less	1-2 years	2-3 years	3-5 years	More than 5 years
Secured bank loans.....	83	30	22	16	15	-
Unsecured bank loans	20 175	1 559	5 648	427	12 416	125
Unsecured bond issues	28 513	387	819	3 784	6 684	16 839
Secured other loans	20	14	-	-	6	-
Unsecured other loans	223	19	104	14	26	60
Finance lease liabilities	50	6	4	4	1	35
	49 064	2 015	6 597	4 245	19 148	17 059

AB InBev's net debt decreased to 42 145m US dollar as of 30 June 2010, from 45 174m US dollar as of 31 December 2009. Net debt is defined as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by AB InBev's management to highlight changes in the company's overall liquidity position. The company believes that net debt is meaningful for investors as it is one of the primary measures AB InBev's management uses when evaluating its progress towards deleveraging.

The following table provides a reconciliation of AB InBev's net debt as of the dates indicated:

Million US dollar	30 June 2010	31 December 2009
Non-current interest-bearing loans and borrowings	44 244	47 049
Current interest-bearing loans and borrowings	2 749	2 015
	46 993	49 064
Bank overdrafts	23	28
Cash and cash equivalents	(4 687)	(3 689)
Interest-bearing loans granted (included within Trade and other receivables)	(47)	(48)
Debt securities (included within Investment securities)	(137)	(181)
Net debt	42 145	45 174

Apart from operating results net of capital expenditures, the net debt is mainly impacted by dividend payments to shareholders of AB InBev and AmBev (1 031m US dollar), the payment of interests and taxes (2 101m US dollar) and the impact of changes in foreign exchange rates (1 477m US dollar reduction of net debt).

17. SHARE-BASED PAYMENTS

Different share option programs allow company senior management and members of the board of directors to acquire shares of AB InBev or AmBev. AB InBev has three primary share-based compensation plans, the long-term incentive warrant plan ("LTI Warrant Plan"), established in 1999, the share-based compensation plan ("Share-Based Compensation Plan"), established in 2006 and amended as from 2010, and the discretionary long-term incentive stock-option plan ("LTI Stock Option Plan"), established in 2009. For all plans, the fair value of share-based payment compensation 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.

SHARE-BASED COMPENSATION PLAN

Since 2006, the Share-Based Compensation Plan provides that members of AB InBev's executive board of management and certain other senior employees are granted bonuses, half of which is settled in shares to be held for three years, the shares being valued at their market price at the time of grant. With respect to the other half of the bonus, participants may elect to receive cash or to invest all or half of the remaining part of their bonus in shares to be held for five years. Such voluntary deferral leads to a company option match, which vests after five years, provided that predefined financial targets are met or exceeded. If the remaining half is completely invested in shares, the number of matching options granted will be equal to 4.6 times the number of shares corresponding to the gross amount of the bonus invested. If the remaining half is invested at 50 % in shares, the number of matching options granted will be equal to 2.3 times the number of shares corresponding to the gross amount of the bonus invested. Upon exercise, holders of the matching options may be entitled to receive from AB InBev a cash payment equal to the dividends declared since the options were granted. The fair value of the matching options is estimated at the grant date using a binomial Hull model, and is expensed over the vesting period. These options have a life of 10 years.

During 2010, AB InBev issued 0.7m of matching options in relation to the bonus for the second half of 2009, based on the Share-Based Compensation Plan as described above. These options represent a fair value of approximately 13.5m US dollar and cliff vest after 5 years.

As from 1 January 2010, the structure of the Share-Based Compensation Plan for certain executives, including the executive board of management and other senior management in the general headquarters, has been modified. These executives will receive their bonus in cash but will have the choice to invest some or all of the value of their bonus in AB InBev shares with a five-year vesting period, referred to as bonus shares. The company will match such voluntary investment by granting three matching shares for each bonus share voluntarily invested, up to a limited total percentage of each executive's bonus. The matching shares are granted in the form of restricted stock units which have a 5 year vesting period. From 1 January 2011, the new plan structure will apply to all other senior management.

During 2010, AB InBev issued 0.7m of matching restricted stock units according to the new Share-Based Compensation Plan as described above, in relation to the second half 2009 bonus. These matching restricted stock units are valued at the share price at the day of grant, representing a fair value of approximately 36.7m US dollar, and cliff vest after 5 years.

LONG-TERM INCENTIVE PLAN

The company has issued warrants, or rights to subscribe for newly issued shares, under the LTI plan for the benefit of directors and, until 2006, members of the executive board of management and other senior employees. Since 2007, members of the executive board of management and other employees are no longer eligible to receive warrants under the LTI plan, but instead receive a portion of their compensation in the form of shares and options granted under the Share-Based Compensation Plan. Each LTI warrant gives its holder the right to subscribe for one newly issued share. The exercise price of LTI warrants is equal to the average price of the company's shares on the regulated market of Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 have a duration of 10 years; LTI warrants granted as from 2007 (and in 2003) have a duration of 5 years. LTI warrants are subject to a vesting period ranging from one to three years.

During 2010, 0.2m warrants were granted to members of the board of directors. These warrants vest in equal annual installments over a three-year period (one third on 1 January of 2012, one third on 1 January 2013 and one third on 1 January 2014) and represent a fair value of approximately 2.3m US dollar.

DISCRETIONARY LONG-TERM INCENTIVE STOCK-OPTION PLAN

As from 1 July 2009, senior employees are eligible for a discretionary annual long-term incentive to be paid out in LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential.

In December 2009 AB InBev issued 1.6m discretionary LTI stock options with an estimated fair value of 21.3m US dollar.

In addition to awards granted under the plans described above, the company offered stock options to a small group of senior executives in November 2008 and April 2009. AB InBev believes that the selected executives will help implement a successful integration of Anheuser-Busch Companies, Inc., which will underpin AB InBev's ability to quickly deleverage. The number of options offered was 28.4m in 2008 and 4.9m in 2009, representing a combined fair value of approximately 390.2m US dollar. One-half of the stock options granted in November 2008 have a life of 10 years as from granting and vest on 1 January 2014; the other half has a life of 15 years as from granting and vest on 1 January 2019. The stock options granted in April 2009 have a life of 10 years as from granting and vest on 1 January 2014. Vesting is conditional upon achievement of certain predefined financial targets.

In order to encourage management mobility, in particular for the benefit of executives moving to the United States, an options exchange program was executed in 2009 whereby 4.4m unvested options were exchanged against 2.8m restricted shares that will remain locked-up until 31 December 2018. 47m US dollar of cost was reported in the second half of 2009 related to the acceleration of the IFRS 2 cost following this exchange in accordance with IFRS 2. Furthermore, to encourage management mobility, certain options granted have been modified whereby the dividend protected feature of these options have been cancelled and replaced by the issuance of 5.7m options representing the economic value of the dividend protection feature. As there was no change between the fair value of the original award immediately before the modification and the fair value of the modified award immediately after the modification, no additional expense was recorded as a result of the modification.

As per the terms of the Anheuser-Busch merger agreement, the company offered 5.9m options with a fair value of 54.5m US dollar following the approval of the AB InBev shareholders meeting of April 2009. Furthermore the company offered in December 2009 3m options with an estimated fair value of 39.8m US dollar.

During 2009, a limited number of Anheuser-Busch shareholders who are part of the senior management of Anheuser-Busch were given the opportunity to purchase AB InBev shares (0.6m) at a discount of 16.7% provided that they stay in service for another five years. The fair value of this transaction amounts to approximately 2.9m US dollar and is expensed over the five year service period.

The weighted average fair value of the options and assumptions used in applying the AB InBev option pricing model for the 2010 grants of awards described above are as follows:

Amounts in US dollar unless otherwise indicated ¹	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008 ²
Fair value of options and warrants granted	12.79	13.99	38.17
Share price	44.26	29.03	90.58
Exercise price	44.10	21.62	86.62
Expected volatility	26%	32%	24%
Expected dividends	2.24%	0.85%	0.16%
Risk-free interest rate	3.49%	3.49%	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 1 398 days of historical data. In the determination of the expected volatility, AB InBev is excluding the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

The total number of outstanding options developed as follows:

Million options and warrants	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008 ²
Options and warrants outstanding at 1 January	50.8	8.8	6.3
Options and warrants issued during the period	5.5	50.3	1.1
Options and warrants exercised during the period	(0.7)	(6.6)	(1.2)
Options and warrants forfeited during the period	(2.1)	(1.7)	(0.4)
Additional options and warrants granted as a result of the December 2008 rights issue	-	-	3.0
Options outstanding at end of period	53.5	50.8	8.8

As a consequence of the rights issue that took place in November 2008, the exercise price and the number of options were adjusted with the intention of preserving the rights of the existing option holders. The terms and conditions of the new subscription rights are the same as those of the existing subscription rights to which they relate. For vesting purposes, they are treated as if they have been issued at the same time as the existing subscription right, and are exercisable in the same manner and under the same conditions. The company accounted for the dilutive effect of the rights issuance by applying the ratio method as set out in the NYSE Euronext "Liffe's Harmonised Corporate Actions Policy" pursuant to which both the number of existing subscription rights and the exercise price were adjusted by a ratio of 0.6252. The adjusted exercise price of the subscription rights equals the original exercise price multiplied by the adjustment ratio. The adjusted number of subscription rights equals the original number of subscription rights

¹ Amounts have been converted to US dollar at the closing rate of the respective period.

² Not adjusted for the NYSE Euronext 'ratio method' as applied after the rights issue of 17 December 2008 (adjustment factor 0.6252).

divided by the adjustment ratio. As a result, during the fourth quarter of 2008, 3m additional options (1.4m and 1.6m options under the Share-based Compensation Plan and the LTI, respectively) were granted to employees in order to compensate for the dilutive effect of the rights issue. As there was no change between the fair value of the original award immediately before the modification and the fair value of the modified award immediately after the modification, no additional expense was recorded as a result of the modification.

The range of exercise prices of the outstanding options is between 10.32 euro (12.66 US dollar) and 58.31 euro (71.55 US dollar) while the weighted average remaining contractual life is 9.29 years.

Of the 53.5m outstanding options 4.1m options are vested at 30 June 2010.

The weighted average exercise price of the options is as follows:

Amounts in US dollar ¹	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008
Options and warrants outstanding at 1 January	27.37	34.42	46.50
Granted during the period	44.10	24.78	76.92 ²
Granted during the period (adjustment factor)	-	-	32.87
Forfeited during the period.....	23.29	27.48	56.63
Exercised during the period.....	23.24	18.94	32.76
Outstanding at the end of the period.....	25.45	27.37	34.42
Exercisable at the end of the period	27.12	31.16	23.66

For share options exercised during 2010 the weighted average share price at the date of exercise was 38.67 euro (47.45 US dollar).

AMBEV SHARE-BASED COMPENSATION PLAN

Since 2005, AmBev has had a plan which is substantially similar to the Share-Based Compensation Plan under which bonuses granted to company employees and management are partially settled in shares. Under an equivalent 5 year cliff vesting plan, AmBev has issued in 2010, 0.7m options for which the fair value amounts to approximately 34.6m US dollar. The fair value of the options and assumptions used in applying a binomial option pricing model for the 2010 AmBev grant are as follows:

Amounts in US dollar unless otherwise indicated ¹	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008
Fair value of options granted	53.84	52.01	44.51
Share price	92.01	76.95	71.48
Exercise price.....	96.57	74.70	71.48
Expected volatility.....	26%	45%	33%
Risk-free interest rate	12.22%	12.64%	12.50%

As the AmBev options are dividend protected, the dividend yield used for the fair value calculation was 0%.

The total number of outstanding AmBev options developed as follows:

Million options	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008
Options outstanding at 1 January.....	4.1	2.8	2.2
Options issued during the period.....	0.7	1.6	0.8
Options exercised during the period	(0.1)	(0.1)	(0.1)
Options forfeited during the period.....	(0.1)	(0.2)	(0.1)
Options outstanding at end of period.....	4.6	4.1	2.8

The range of exercise prices of the outstanding options is between 52.50 Brazilian real (29.14 US dollar) and 173.97 Brazilian real (96.57 US dollar) while the weighted average remaining contractual life is 5.75 years.

Of the 4.6m outstanding options 0.3m options are vested at 30 June 2010.

The weighted average exercise price of the options is as follows:

Amounts in US dollar ¹	Six months ended	Year ended 31 December	
	30 June 2010	2009	2008
Options outstanding at 1 January.....	59.60	56.01	49.21
Granted during the period.....	96.57	70.17	57.42
Forfeited during the period.....	71.03	56.77	33.69
Exercised during the period.....	31.79	32.95	40.62
Outstanding at the end of the period.....	78.80	59.60	42.07
Exercisable at the end of the period	30.65	32.82	23.62

During the fourth quarter of 2009, a limited number of AmBev shareholders who are part of the senior management of AB InBev were given the opportunity to exchange AmBev shares against a total of 2.1m AB InBev shares (2008: 0.9m - 2007: 1.8m) at a discount of 16.7% provided that they stay in service for another five years. The fair value of this transaction amounts to approximately 11m US dollar (2008: 11m US dollar - 2007: 25m US dollar) and is expensed over the five years service period. The fair values of the AmBev and AB InBev shares were determined based on the market price. Furthermore 20m US dollar of cost was

¹ Amounts have been converted to US dollar at the closing rate of the respective period.

² Pre rights issue.

reported in 2009 related to the acceleration of the vesting of the AmBev share swap for selected employees in accordance with IFRS 2 following the change in vesting conditions.

Since 2005, variable compensation granted to company employees and management is partially settled in shares.

The above described share-based payment transactions resulted in a total expense of 71m US dollar for the first six months 2010 (including the variable compensation expense settled in shares), as compared to 97m US dollar for the first six months 2009.

18. 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. These changes have an impact on the performance of AB InBev. As such, some of the company's risk management strategies include the usage of derivatives. Derivative instruments used by the company mainly include forward exchange contracts, exchange traded foreign currency futures, interest rate swaps, cross currency interest rate swaps ("CCIRS"), forward rate agreements, exchange traded interest rate futures, equity swaps, aluminum swaps and forwards, exchange traded sugar futures and exchange traded wheat futures. AB InBev's policy prohibits the use of derivatives in the context of speculative trading. Other than the disclosures below, there were no other material changes to Note 29 *Risk arising from financial instruments* of the 31 December 2009 consolidated financial statements.

The following table provides an overview of the derivative financial instruments outstanding at 30 June 2010 by maturity bucket. The amounts included in this table are the notional amounts.

Million US dollar	30 June 2010					31 December 2009				
	< 1 year	1-2 years	2-3 years	3-5 years	> 5 years	< 1 year	1-2 years	2-3 years	3-5 years	> 5 years
Foreign currency										
Forward exchange contracts	3 648	455	6	-	-	2 334	410	190	-	-
Foreign currency futures.....	2 056	3	-	-	-	1 581	6	-	-	-
Other foreign currency derivatives.....	152	-	-	-	-	330	83	-	-	-
Interest rate										
Interest rate swaps.....	9 127	65 302	2 220	7 400	229	17 324	212	57 738	7 495	264
Cross currency interest rate swaps	1 237	641	908	1 808	1 470	550	1 971	940	662	1 276
Commodities										
Aluminum swaps	822	360	-	-	-	738	381	-	-	-
Other commodity derivatives	368	55	-	-	-	325	78	-	-	-
Credit										
Credit default swaps	-	-	-	-	-	86	-	-	-	-
Equity										
Equity instruments	-	431	-	-	-	-	52	-	-	-

To finance the acquisition of Anheuser-Busch, AB InBev entered into a 45 billion US dollar senior facilities agreement (of which 44 billion US dollar was ultimately drawn). At the time of the Anheuser-Busch acquisition, the interest rate for an amount of up to 34.5 billion US dollar had effectively been fixed through a series of hedge arrangements for the period 2009 to 2011 and a portion of the hedging arrangements had been successively extended for an additional two year period. In 2009 the company repaid part of the senior facilities and in 2010, the senior facilities were fully refinanced and partially replaced by the 2010 Senior Facilities as described in Note 16 *Interest-bearing loans and borrowings*. Following the repayment and the refinancing activities performed throughout 2009 and 2010, the company entered into new interest rate swaps to unwind the ones that were derecognized from a hedge relationship as a result of these repayments. As of 30 June 2010, the remaining open positions include a series of US dollar LIBOR fixed interest-rate swaps for a total notional amount of 15.75 billion US dollar. The interest rate for 8.35 billion US dollar has been fixed at a weighted average rate of 4.038% per annum (plus applicable spreads) for the period 2010 and 2011 and the interest rate for 7.4 billion US dollar has been fixed at a weighted average rate of 2.85 % per annum (plus applicable spreads) for the period 2011 to 2013.

During the first half of 2010, approximately 8.2 billion US dollar interest swap instruments matured.

EQUITY PRICE RISK

During 2010, AB InBev entered into a series of derivative contracts to hedge the risk arising from the different share based payment programs, as described in Note 17 *Share-based payments*.

The purpose of these derivatives is to effectively hedge the risk that a price increase in the AB InBev shares will negatively impact future cash flows related to the share based payments.

These derivative instruments could not qualify for hedge accounting therefore they have not been designated in any hedge relationships.

LIQUIDITY RISK

The following are the contractual maturities of non-derivative financial liabilities including interest payments and derivative financial assets and liabilities:

Million US dollar	30 June 2010						
	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	(87)	(108)	(33)	(25)	(23)	(17)	(10)
Unsecured bank loans	(14 659)	(15 758)	(2 399)	(591)	(8 425)	(4 214)	(129)
Unsecured bond issues	(31 919)	(53 460)	(2 597)	(2 972)	(7 824)	(10 831)	(29 236)
Secured other loans	(6)	(7)	(1)	(1)	(5)	-	-
Unsecured other loans	(204)	(216)	(111)	(15)	(14)	(25)	(51)
Finance lease liabilities	(118)	(277)	(15)	(14)	(10)	(18)	(220)
Bank overdraft	(23)	(23)	(23)	-	-	-	-
Trade & other payables	(9 928)	(9 928)	(9 123)	(444)	(88)	(128)	(145)
	(56 944)	(79 777)	(14 302)	(4 062)	(16 389)	(15 233)	(29 791)
Derivative financial assets/(liabilities)							
Interest rate derivatives	(2 044)	(2 095)	(1 010)	(931)	(87)	(69)	2
Foreign exchange derivatives ...	160	136	(122)	258	-	-	-
Interest rate and foreign exchange derivatives	(75)	(237)	(40)	(221)	33	(55)	46
Commodity derivatives	(4)	5	24	(19)	-	-	-
Equity instruments derivatives .	33	33	(5)	38	-	-	-
	(1 930)	(2 158)	(1 153)	(875)	(54)	(124)	48
Of which: directly related to cash flow hedges	(1 184)	(1 203)	(695)	(352)	(86)	(70)	-

Million US dollar	31 December 2009						
	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	(83)	(105)	(37)	(28)	(21)	(19)	-
Unsecured bank loans	(20 176)	(21 561)	(1 931)	(6 051)	(628)	(12 823)	(128)
Unsecured bond issues	(28 513)	(50 512)	(2 257)	(2 661)	(5 598)	(9 795)	(30 201)
Secured other loans	(20)	(21)	(15)	(1)	(1)	(6)	2
Unsecured other loans	(222)	(241)	(27)	(108)	(16)	(29)	(61)
Finance lease liabilities	(50)	(126)	(9)	(7)	(6)	(5)	(99)
Bank overdraft	(28)	(28)	(28)	-	-	-	-
Trade & other payables	(10 023)	(10 023)	(9 422)	(426)	(53)	(57)	(65)
	(59 115)	(82 617)	(13 726)	(9 282)	(6 323)	(22 734)	(30 552)
Derivative financial assets/(liabilities)							
Interest rate derivatives	(2 094)	(2 064)	(960)	(796)	(363)	54	1
Foreign exchange derivatives ...	207	162	(93)	180	75	-	-
Interest rate and foreign exchange derivatives	(374)	(622)	(230)	(217)	38	(119)	(94)
Commodity derivatives	318	312	239	73	-	-	-
	(1 943)	(2 212)	(1 044)	(760)	(250)	(65)	(93)
Of which: directly related to cash flow hedges	(598)	(636)	(421)	(150)	(119)	54	-

FAIR VALUE

The following table summarizes for each type of derivative the fair values recognized as assets or liabilities in the balance sheet:

Million US dollar	Assets		Liabilities		Net	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Foreign currency						
Forward exchange contracts	334	322	(160)	(122)	174	200
Foreign currency futures.....	-	-	(14)	(15)	(14)	(15)
Other foreign currency derivatives..	-	22	-	-	-	22
Interest rate						
Interest rate swaps.....	598	420	(2 642)	(2 514)	(2 044)	(2 094)
Cross currency interest rate swaps .	399	237	(474)	(611)	(75)	(374)
Commodities						
Aluminum swaps	74	327	(41)	(27)	33	300
Sugar futures.....	-	44	(8)	(16)	(8)	28
Wheat futures	5	3	(6)	-	(1)	3
Other commodity derivatives	7	11	(35)	(25)	(28)	(14)
Equity						
Equity instruments	33	-	-	-	33	-
	1 450	1 386	(3 380)	(3 330)	(1 930)	(1 944)

During the six-month period ended 30 June 2010, the net mark-to-market balance for interest swaps remained relatively flat as amortization expenses on hedging instruments not part of a hedge relationship were partly offset by the impact of a decrease in US dollar Libor interest rates.

As of 30 June 2010, the net mark-to-market liability of 2 044m US dollar for interest rate swaps include 745m US dollar of hedging losses that have been recorded as non-recurring items in the income statement in 2009 and 2010 as a result of repayment and refinancing of the 2008 senior debt facilities for which the cash equivalent of the net mark-to-market liability will be spread over 2010 and 2011.

19. CONTINGENCIES¹

Certain subsidiaries of AmBev have received tax assessments related to corporate Brazilian taxation of income generated outside Brazil. In 2005 and 2008, AmBev was officially notified of administrative Lower Court decisions, recognizing that a substantial portion of the amount of these tax assessments was incorrect. These decisions, of which some were appealed, reduced the amount of the tax assessments to 2 919m Brazilian real (1 620m US dollar) including interest and penalties. 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 are claiming that they should receive the dividends relative to these shares since 2003, approximately 167m Brazilian real (93m US dollar) in addition to legal fees. AmBev disputes these claims and intends to continue to vigorously defend its case.

AmBev, together with other Brazilian brewers, is party to a lawsuit whereby the Federal Public Prosecutor's office claims collective damages of approximately 2.8 billion Brazilian real (1.6 billion US dollar), out of which 2.1 billion Brazilian real (1.2 billion US dollar) is allocated to AmBev. Plaintiff argues that advertising campaigns of defendants increase total consumption of alcohol and, as a result, public health and social security costs, traffic accidents, criminality and underage consumption. AmBev believes that the claim is without merit and intends to vigorously defend this litigation.

Shortly after the above lawsuit was filed, a consumer-protection association applied to be admitted as a joint-plaintiff. The association has made further requests in addition to the ones made by Public Prosecutor including the claim for "collective moral damages" in an amount to be ascertained by the court; however, it suggests that it should be equal to the initial request of 2.8 billion Brazilian real (1.6 billion US dollar), therefore it doubles the initial amount involved. The court has admitted the association as joint-plaintiff and has agreed to hear the new claims. AmBev intends to vigorously defend this litigation.

On 10 September 2008, an action brought under Section 7 of the Clayton Antitrust Act styled Ginsburg et al. v. InBev NV/SA et al., C.A. No. 08-1375, was filed against InBev NV/SA, Anheuser-Busch Companies, Inc. and Anheuser-Busch, Inc. in the United States District Court for the Eastern District of Missouri. The plaintiffs in the Ginsburg action allege that the merger between Anheuser-Busch and InBev will have certain anticompetitive effects and consequences on the beer industry and will create a monopoly in the production and sale of beer in the United States. The plaintiffs sought declaratory relief that the merger violates Section 7 of the Clayton Antitrust Act, injunctive relief to prevent consummation of the merger and fees and expenses. On 18 November 2008, plaintiffs' request for injunctive relief was denied. On 3 August 2009, the Court granted defendants Motion to Dismiss plaintiffs claims with prejudice. On 4 August 2009, the Court entered judgment in favor of the defendants. On 19 August 2009, plaintiffs filed an appeal of such judgment. AB InBev will continue to vigorously defend against these claims.

On 22 July 2009, CADE, the Brazilian antitrust authority issued its ruling in Administrative Proceeding No. 08012.003805/2004-1. This proceeding was initiated in 2004 as a result of a complaint filed by Schincariol (a South American brewery and beverage maker

¹ Amounts have been converted to US dollar at the closing rate of the period.

based in Brazil) and has, as its main purpose, the investigation of AmBev's conduct in the market, in particular its customer loyalty program known as "Tô Contigo" and which is similar to airline frequent flyer and other mileage programs. During its investigation, the Secretariat of Economic Law of the Ministry of Justice ("SDE") concluded that the program should be considered anticompetitive unless certain adjustments were made. These adjustments have already been substantially incorporated into the current version of the Program. The SDE opinion did not threaten any fines and recommended that the other accusations be dismissed. After the SDE opinion was issued, the proceeding was sent to CADE, which issued a ruling that, among other things, imposed a fine in the amount of 353m Brazilian real (196m US dollar). AmBev believes that CADE's decision was without merit and thus has challenged it before the federal courts, which have ordered the suspension of the fine and other parts of the decision upon its posting of a guarantee. AmBev has already rendered a court bond (carta de fiança) for this purpose. According to its advisors' analysis, a loss is possible (but not probable), and therefore the company has not established a provision in its financial statements. AmBev is also involved in other administrative proceedings before CADE and SDE, relating to the investigation of certain conduct, none of which the company believes contravenes applicable competition rules and regulations.

On 1 December 2009, AB InBev and several of its related companies were sued in Federal Court in the Eastern District of Missouri in a lawsuit styled Richard F. Angevine v. AB InBev, et al. The plaintiff seeks to represent a class of certain employees of Busch Entertainment Corporation, which was divested on December 1, 2009, and the four Metal Container Corporation plants which were divested on October 1, 2009. He also seeks to represent certain employees of any other Anheuser-Busch Companies, Inc. (ABC) subsidiary that has been divested or may be divested during the November 18, 2008 and November 17, 2011 period. The lawsuit contains claims that the class is entitled to enhanced retirement benefits under sections 4.3 and 19.11(f) of the Anheuser-Busch Companies' Salaried Employees' Pension Plan (the "Plan"). Specifically, plaintiff alleges that the divestitures resulted in his "involuntarily termination" from "ABC and its operating division and subsidiaries" within three years of the November 18, 2008 ABC/InBev merger, which allegedly triggers the enhanced benefits under the Plan. The lawsuit claims that by failing to provide the class members with these enhanced benefits, AB InBev, et al. breached their fiduciary duties under ERISA. The complaint seeks punitive damages and attorneys' fees. AB InBev believes that it has defenses to these claims and intends to vigorously defend against the lawsuit.

On 16 October 2008, Grupo Modelo, Diblo S.A. de C.V. and the Grupo Modelo series A shareholders filed a notice of arbitration against Anheuser-Busch, Anheuser-Busch International Inc. and Anheuser-Busch International Holdings Inc. Please refer to Note 21 *Events after the balance sheet date* for more details.

20. RELATED PARTIES

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

In addition to short-term employee benefits (primarily salaries) AB 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 are eligible for the company's share option and/or share swap program (refer Note 17 *Share-based payments*). Total directors and executive board management compensation included in the income statement can be detailed as follows:

For the six month period ended 30 June Million US dollar	2010		2009	
	Directors	Executive board management	Directors	Executive board management
Short-term employee benefits	2	19	2	42
Post-employment benefits.....	-	-	-	1
Share-based payments	2	23	1	30
	4	42	3	73

Directors' compensation consists mainly of directors' fees (tantièmes). Key management personnel was not engaged in any transactions with AB InBev and did not have any significant outstanding balances with the company, with the exception of a consultancy agreement entered into between AB InBev and Mr. Busch IV in connection with the merger and which will continue until 31 December 2013. Under the terms of the consultancy agreement Mr. Busch IV received a lump sum cash payment of 10.3m US dollar in 2008. During the consultancy period Mr. Busch IV will be paid a fee of approximately 120 000 US dollar per month and Mr. Busch IV will be provided with an appropriate office in St Louis, Missouri, administrative support and certain employee benefits that are materially similar to those provided to full-time salaried employees of Anheuser-Busch.

JOINTLY CONTROLLED ENTITIES

AB InBev reports its interest in jointly controlled entities using the line-by-line reporting format for proportionate consolidation. Significant interests in joint ventures include two distribution entities in Canada and three entities in Brazil. None of these joint ventures are material to the company. Aggregate amounts of AB InBev's interest are as follows (for the six month period ended 30 June, except for balance sheet comparatives at 31 December):

Million US dollar	2010	2009
Non-current assets	103	76
Current assets	34	42
Non-current liabilities.....	60	131
Current liabilities	180	84
Result from operations.....	5	5
Profit attributable to equity holders.....	1	1

TRANSACTIONS WITH ASSOCIATES

AB InBev's transactions with associates were as follows (for the six month period ended 30 June, except for balance sheet comparatives at 31 December):

Million US dollar	2010	2009
Revenue.....	17	28
Current assets	10	9
Current liabilities	5	22

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

TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

AB InBev's transactions with government-related entities are mainly comprised of 8m US dollar of current liabilities versus local government in China.

21. EVENTS AFTER THE BALANCE SHEET DATE

On 16 October 2008, Grupo Modelo, Diblo S.A. de C.V. and the Grupo Modelo series A shareholders filed a notice of arbitration, under the arbitration rules of the United Nations Commission on International Trade Law, against Anheuser-Busch, Anheuser-Busch International Inc. and Anheuser-Busch International Holdings Inc. The notice of arbitration claimed the transaction between Anheuser-Busch and InBev violated provisions of the 1993 investment agreement, governed by the law of the United Mexican States, between the Anheuser-Busch entities, Grupo Modelo, Diblo and the series A shareholders.

On 9 July 2010, an arbitration panel issued a decision finding that the combination of Anheuser-Busch and InBev did not violate the investment agreement between entities of Anheuser-Busch and Grupo Modelo. The Panel awarded no damages or other remedies.

5. Glossary

AGGREGATED WEIGHTED NOMINAL TAX RATE

Calculated by applying the statutory tax rate of each country on the taxable basis of each entity and by dividing the resulting tax charge by that taxable basis.

DILUTED EPS

Profit attributable to equity holders of AB 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 AB 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. AB 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 normalized profit attributable to equity holders of AB 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, curtailment gains and losses 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-weighting factor.

WORKING CAPITAL

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