

ANNEX 2 - INBEV IFRS FINANCIALS 05

Audited financial statements prepared in accordance with International Financial Reporting Standards (IFRS)

Consolidated income statement

| For the year ended 31 December Million euro | 2005 | 2004 ¹ |
|---|---------------|-------------------|
| Revenue | 11 656 | 8 568 |
| Cost of sales | (5 082) | (3 992) |
| Gross profit | 6 574 | 4 576 |
| Distribution expenses | (1 362) | (950) |
| Sales and marketing expenses | (1 948) | (1 543) |
| Administrative expenses | (957) | (730) |
| Other operating income/expenses | 132 | (98) |
| Profit from operations before non-recurring items | 2 439 | 1 255 |
| Restructuring | (223) | (158) |
| Business disposal | 16 | 473 |
| Impairment | (34) | (256) |
| Profit from operations | 2 198 | 1 314 |
| Net financing costs | (451) | (172) |
| Gain on sale of investment securities (non-recurring financial income) | 47 | - |
| Share of result of associates | (1) | 23 |
| Profit before tax | 1 793 | 1 165 |
| Income tax expense | (391) | (267) |
| Profit | 1 402 | 898 |
| Attributable to: | | |
| Equity holders of InBev | 904 | 719 |
| Minority interests | 498 | 179 |
| Weighted average number of ordinary shares (million shares) | 600 | 480 |
| Diluted weighted average number of ordinary shares (million shares) | 603 | 483 |
| Year-end number of ordinary shares, net of treasury shares (million shares) | 608 | 576 |
| Basic earnings per share | 1.51 | 1.50 |
| Diluted earnings per share | 1.50 | 1.49 |
| Earnings per share before goodwill and non-recurring items | 1.71 | 1.69 |
| Diluted earnings per share before goodwill and non-recurring items | 1.70 | 1.68 |
| Earnings per share before goodwill | 1.51 | 1.95 |

Consolidated statement of recognized gains and losses

| For the year ended 31 December Million euro | 2005 | 2004 |
|--|--------------|-------------|
| Exchange differences on translation of foreign operations (gains/(losses)) | 1 734 | (106) |
| Full recognition of actuarial gains and (losses) | (114) | 49 |
| Cash flow hedges | 9 | (14) |
| Net result recognized directly in equity | 1 629 | (71) |
| Profit | 1 402 | 898 |
| Total recognized gains and losses | 3 031 | 827 |

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

Consolidated balance sheet

As at 31 December
Million euro

| | 2005 | 2004 ¹ |
|---|---------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment..... | 5 997 | 5 298 |
| Goodwill..... | 11 108 | 7 459 |
| Intangible assets | 540 | 246 |
| Interest-bearing loans granted..... | 30 | 48 |
| Investments in associates | 6 | 6 |
| Investment securities | 38 | 274 |
| Deferred tax assets | 930 | 792 |
| Employee benefits | 20 | 39 |
| Trade and other receivables | 629 | 550 |
| | 19 298 | 14 712 |
| Current assets | | |
| Interest-bearing loans granted..... | 5 | 11 |
| Investment securities | 175 | 2 |
| Inventories | 929 | 847 |
| Income tax receivable..... | 123 | 119 |
| Trade and other receivables | 2 351 | 1 977 |
| Cash and cash equivalents | 613 | 976 |
| Assets held for sale..... | 67 | - |
| | 4 263 | 3 932 |
| Total assets..... | 23 561 | 18 644 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Issued capital | 470 | 444 |
| Share premium..... | 7 334 | 6 471 |
| Reserves | 969 | (551) |
| Retained earnings | 2 698 | 1 955 |
| Equity attributable to equity holders of InBev..... | 11 471 | 8 319 |
| Minority interests | 379 | 374 |
| | 11 850 | 8 693 |
| Non-current liabilities | | |
| Interest-bearing loans and borrowings..... | 4 466 | 2 217 |
| Employee benefits | 935 | 742 |
| Deferred tax liabilities | 274 | 240 |
| Trade and other payables | 269 | 401 |
| Provisions | 578 | 502 |
| | 6 522 | 4 102 |
| Current liabilities | | |
| Bank overdrafts | 61 | 100 |
| Interest-bearing loans and borrowings..... | 1 171 | 2 074 |
| Income tax payable..... | 278 | 310 |
| Trade and other payables | 3 463 | 3 284 |
| Provisions | 198 | 81 |
| Liabilities held for sale..... | 18 | - |
| | 5 189 | 5 849 |
| Total equity and liabilities | 23 561 | 18 644 |

¹ December 2004 as published, restated for the impact of the adoption of IFRS 2 *Share-based payment* and for the impact of the early adoption of the IAS 19 *Employee benefits* option to recognize actuarial gains and losses in full in the period in which they occur in the statement of recognized gains and losses.

Consolidated cash flow statement

For the year ended 31 December
Million euro

| | 2005 | 2004 ¹ |
|---|----------------|-------------------|
| OPERATING ACTIVITIES | | |
| Profit | 1 402 | 898 |
| Depreciation..... | 829 | 621 |
| Amortization and impairment of goodwill | - | 216 |
| Amortization of intangible assets..... | 59 | 49 |
| Impairment losses (other than goodwill)..... | 48 | 135 |
| Write-offs on non-current and current assets..... | - | 3 |
| Unrealized foreign exchange losses/(gains) | (32) | (25) |
| Net interest (income)/expense..... | 382 | 196 |
| Net investment (income)/expense..... | 10 | (39) |
| Loss/(gain) on sale of investment in associates | - | (488) |
| Loss/(gain) on sale of property, plant and equipment..... | (13) | (31) |
| Loss/(gain) on sale of intangible assets | - | 3 |
| Equity-settled share-based payment expense..... | 59 | 10 |
| Income tax expense | 391 | 267 |
| Share of result of associates | 1 | (23) |
| Cash flow from operating activities before changes in working capital and provisions | 3 136 | 1 792 |
| Decrease/(increase) in trade and other receivables | (147) | (194) |
| Decrease/(increase) in inventories | 18 | (63) |
| Increase/(decrease) in trade and other payables | (14) | 329 |
| Increase/(decrease) in provisions..... | 82 | (74) |
| Cash generated from operations | 3 075 | 1 790 |
| Interest paid..... | (514) | (252) |
| Interest received..... | 92 | 75 |
| Dividends received..... | 4 | 8 |
| Income tax paid..... | (371) | (237) |
| CASH FLOW FROM OPERATING ACTIVITIES | 2 286 | 1 384 |
| INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant and equipment..... | 97 | 135 |
| Proceeds from sale of intangible assets | 7 | - |
| Proceeds from sale of investments | 172 | 1 155 |
| Repayments of loans granted..... | 42 | 3 |
| Sale of subsidiaries, net of cash disposed of | 73 | 7 |
| Acquisition of subsidiaries, net of cash acquired..... | (136) | (214) |
| Purchase of minority interests | (1 580) | (759) |
| Acquisition of property, plant and equipment..... | (1 037) | (812) |
| Acquisition of intangible assets..... | (144) | (48) |
| Acquisition of other investments | (64) | (12) |
| Payments of loans granted..... | (14) | (32) |
| CASH FLOW FROM INVESTING ACTIVITIES | (2 584) | (577) |
| FINANCING ACTIVITIES | | |
| Proceeds from the issue of share capital | 56 | 29 |
| Purchase of treasury shares | (109) | - |
| Reimbursement of capital | (10) | (6) |
| Proceeds from borrowings..... | 7 169 | 4 941 |
| Repayment of borrowings..... | (6 598) | (5 015) |
| Payment of finance lease liabilities | (5) | (7) |
| Dividends paid..... | (568) | (229) |
| CASH FLOW FROM FINANCING ACTIVITIES | (65) | (287) |
| Net increase/(decrease) in cash and cash equivalents..... | (363) | 520 |
| Cash and cash equivalents less bank overdrafts at beginning of year | 876 | 360 |
| Effect of exchange rate fluctuations | 39 | (4) |
| Cash and cash equivalents less bank overdrafts at end of year..... | 552 | 876 |

¹ December 2004 as published, restated for the impact of the adoption of IFRS 2 *Share-based payment* and for the impact of the early adoption of the IAS 19 *Employee benefits* option to recognize actuarial gains and losses in full in the period in which they occur in the statement of recognized gains and losses and for the distinction between acquisitions of subsidiaries during the year and subsequent acquisitions of minority stakes.