



# Full Year 2009 Results

4 March 2010

# FY09 highlights

- Total **volumes decreased -0.7%** (own beer -0.8%, non-beer 2.7%)
- **Focus brands grew 1.9%**
- Market share **gained or maintained in markets representing approximately 70%** of our total beer volumes

	FY08 combined	FY09	Organic growth
(million USD)			
<b>Total volumes (million hls)</b>	416.1	408.6	-0.7%
Own beer volumes (million hls)	368.5	358.8	-0.8%
<b>Revenue</b>	39 158	36 758	2.5%
<b>Normalized EBITDA</b>	12 067	13 037	16.6%
<b>Normalized EBITDA margin</b>	30.8%	35.5%	415 bp
<b>Normalized EBIT</b>	9 122	10 248	20.8%



## Focus Brand highlights

- **Focus Brands grew 1.9% in FY09**, ahead of own beer volumes and well above generally flat global industry results

AB InBev has **3 of the top 4 most valuable global beer brands** in Millward Brown Optimor's 2009 BrandZ Report: Bud Light, Budweiser and Stella Artois



Only 18 months after the successful launch of Bud Light Lime, **Bud Light Golden Wheat** was introduced in October 2009

**Innovative, lighter beers in Brazil – Brahma Fresh and Antarctica Sub Zero** – posted strong performances in the North East and South East of the country, respectively. Driven by these brand extensions, Brahma and Antarctica showed double digit growth in FY09



## Focus Brand highlights (continued)



In 2009, **Stella Artois UK** received 6 major industry and press awards, including "Best Premium Lager" and "Best On-Trade Launch" from The Publican, "Cool Brand" status from independent global brand arbiter Superbrands and Cannes Lions "Grand Prix" recognition for the "Smooth Originals" digital campaign

**Sibirskaya Korona was named the beer category's "Brand #1 in Russia"** in an annual popular survey conducted by national press and leading research firms

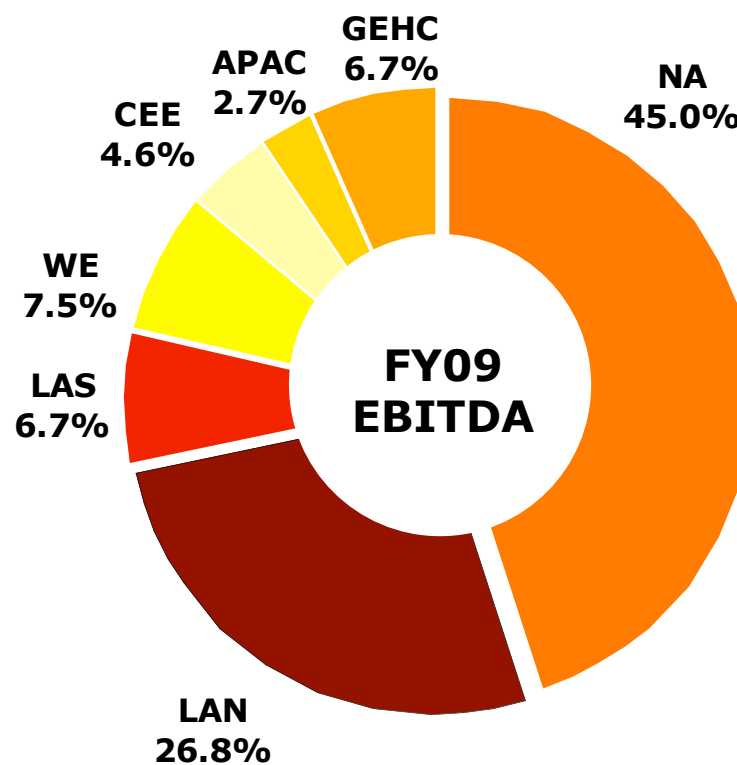
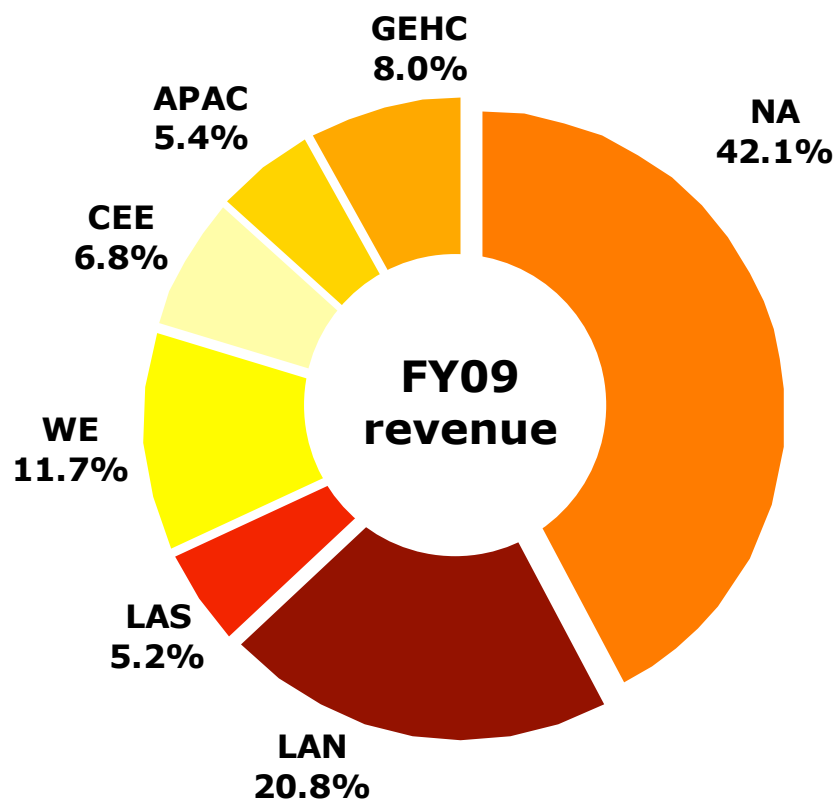


In China, **Budweiser and Harbin extended their national presence** with strong growth of 12.1% and 9.3% in FY09, respectively. "Bud Music Kingdom", our largest initiative in China to date, was named among the country's top 10 campaigns of 2009 by AdAge Asia. A full national advertising effort for Harbin launched alongside the 26th annual Harbin International Ice and Snow Festival





## FY09 revenue and normalized EBITDA breakdown



# North America

## FY09 performance



- Volumes decreased -2.0%
  - Shipment volumes in the **United States** declined 2.1%. Domestic US beer selling-day adjusted sales-to-retailers (STRs) decreased 1.9%, in line with a softer industry
  - In **Canada**, beer volumes fell 1.1% due to a weak industry environment and market share loss
- Synergy generation and operational discipline led to an organic EBITDA increase of 23.2%

(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	140 558	-3 116		-2 798	134 644	-2.0%
Revenue	15 571	0	-180	95	15 486	0.6%
EBITDA	4 697	172	-77	1 076	5 868	23.2%
EBITDA margin	30.2%				37.9%	669 bp



# Latin America North

## FY09 performance



- Strong volume growth of 8.8%, with beer up 9.2% and soft drinks up 7.8%
  - In **Brazil**, beer volume grew 9.9% as a result of improved economic conditions and higher market share gains
  - We recorded market share gains of 120 bps, reaching 68.7%, from a strong market reception to our packaging and product innovations
- EBITDA rose 11.7% increased investment behind innovation and higher accruals for variable compensation offset strong revenue growth and cost management

(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	101 519	-608		8 883	109 794	8.8%
Revenue	7 664	-6	-982	972	7 649	12.7%
EBITDA	3 540	5	-468	415	3 492	11.7%
EBITDA margin	46.2%				45.7%	-39 bp



# Latin America South

## FY09 performance



- -3.8% volume decline amidst an industry slowdown across most markets
  - In **Argentina**, beer volumes decreased -0.3% resulting from a weak industry performance compounded by adverse weather conditions
  - Our premium brands continued to perform well, and Stella Artois grew 19.8%, fueled by new campaigns extending the brand's growth momentum
- EBITDA rose 22.8% primarily from revenue growth, partially offset by higher sales and marketing expenses behind commercial campaigns as well as increased distribution expenses

(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	33 698	920		-1 299	33 319	-3.8%
Revenue	1 855	35	-277	286	1 899	15.3%
EBITDA	808	6	-123	184	875	22.8%
EBITDA margin	43.5%				46.1%	280 bp



# Western Europe FY09 performance

- Own beer volumes declined -2.4% and total volumes fell -4.9%
  - In **Germany**, own beer volumes decreased -4.9%, driven largely by a deteriorating industry, and aggressive competitor pricing leading to market share loss
  - In the **United Kingdom**, own beer volumes fell -2.7% despite full year volume growth of our Focus Brands and market share gain
  - **Belgium**: see next slide
- EBITDA improved 11.8% with margin expansion of 266 bp to 22.8%



(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	34 969	54		-1 716	33 306	-4.9%
Revenue	4 967	-94	-479	-82	4 312	-1.7%
EBITDA	976	-9	-98	114	983	11.8%
EBITDA margin	19.6%				22.8%	266 bp





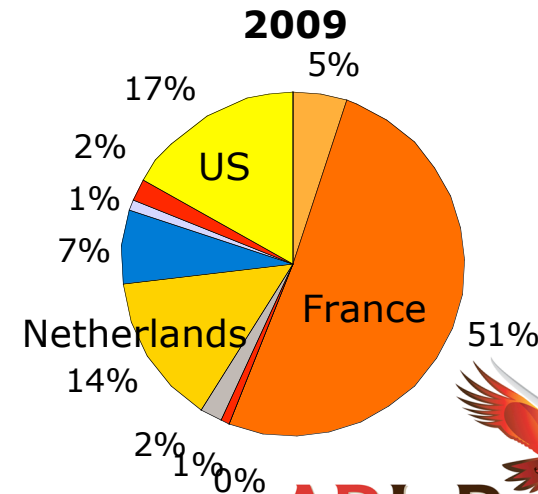
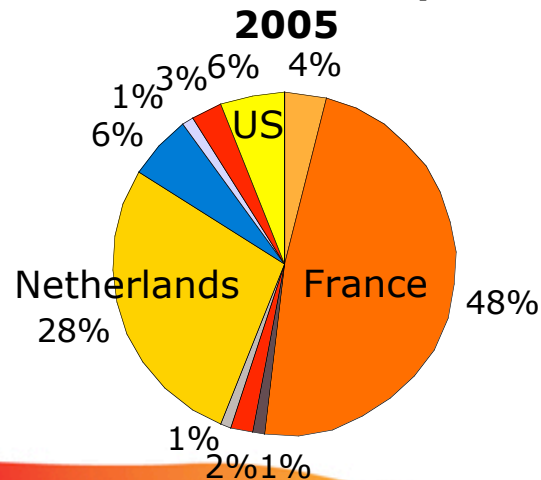
# Belgium

## FY09 performance

- Own beer volumes in **Belgium** declined -1.1% in FY09
  - 4Q volumes growth of 0.9% in a highly competitive environment
  - Market share improved by 0.1%, driven by continued commercial and marketing investments behind our brands
  - Jupiler grew 1.2% in FY09 and 2.3% in 4Q
- Results improved due to the decline of input costs as compared to FY08 and the positive effect of cost and revenue management initiatives
- In FY09, export volumes represented about 50% of total production



### Export volumes by market



**AB InBev**

# Central and Eastern Europe

## FY09 performance

- Volumes decreased -10.8% reflecting industry declines
  - In **Russia**, volumes fell -13.1% with inventory build ahead of the January 2010 excise tax increase driving a strong year-end performance
  - In **Ukraine**, beer volumes fell -4.8%
- EBITDA grew 46.3% driven by higher prices, lower Cost of Sales and distribution expenses due to lower transport tariffs, and successful logistics optimization projects



(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	46 142	-1 119		-4 845	40 178	-10.8%
Revenue	3 267	-93	-707	24	2 492	0.8%
EBITDA	571	-20	-207	255	599	46.3%
EBITDA margin	17.5%				24.1%	763 bp



# Asia Pacific

## FY09 performance

- Volumes declined -2.0%
  - Volumes in **China** were down -2.4% while **South Korea** contributed 3.4% growth prior to the business divestiture in July 2009
  - Focus Brands Budweiser and Harbin delivered growth of 12.1% and 9.3%, respectively
- EBITDA increased 19.7% driven by gross margin expansion and operational efficiencies



(million USD)	FY 08 combined	Scope	Currency	Organic growth	FY 09	Organic growth
Volumes (thousand hls)	56 438	-2 911		-1 041	52 486	-2.0%
Revenue	2 285	-308	-35	43	1 985	2.2%
EBITDA	452	-148	-16	61	349	19.7%
EBITDA margin	19.8%				17.6%	225 bp



# FY09 below EBIT performance

(million USD)

**Normalized EBIT**  
 Non-recurring items above EBIT  
 Net finance costs  
 Non-recurring net finance costs  
 Share of results of associates  
 Income tax expense  
**Profit**

**FY 08  
reported**

**FY 09**

**5 898**

**10 248**

-558

1 321

-1 413

-3 790

-187

-629

60

513

-674

-1 786

**3 126**

**5 877**

Attributable to non-controlling interest  
**Attributable to equity holders of  
 AB InBev**

1 199

1 264

**1 927**

**4 613**

**FY 08  
reported**

**FY 09**

1.93

2.91

**2.51**

**2.48**

Earnings per share (EPS)

**Normalized EPS**



# Outlook

- **We expect to show solid operating performance in 2010**, but we expect quarter-over-quarter results to skew strongly toward the second half of the year
  - The first half of the year will face more difficult volume comparisons in most regions than the second half. 1Q10 volumes look the most challenging of 2010, due to tough comparisons in the US exacerbated by unusually bad weather and a 4Q09 stocking effect ahead of excise taxes in Russia
  - Due to the timing of 2009 sales and marketing and administrative expenses, we face very difficult expense comparisons in the first half of 2010 and much easier ones in the second half
- Consequently, we expect to see **progressively higher organic EBITDA growth rates as the year unfolds, starting from low single digit growth in 1Q10**
- We expect **Cost of Sales per hectoliter** to run flat or increase in the low single digits and expect synergy capture of at least 500 million USD compared with 1.1 billion USD achieved in 2009





## Outlook (continued)

- As a result of the 17.2 billion USD refinancing announced on 26 February 2010, **non-recurring finance costs** in 1Q10 and 2Q10 will include incremental non-cash accretion expenses of 29 million USD and 157 million USD, respectively, in addition to a one-time negative mark-to-market adjustment estimated to be approximately 150 million USD for each of 1Q10 and 2Q10
- We expect an **average coupon** in 2010 to be in line with our 2009 coupon of 6.4%, while our **tax rate** should come in at the upper end of the 25-27% range
- **Debt paydown remains a top priority and we should generate significant free cash flow from operations.** We expect capital expenditures of approximately 1.7 billion USD, and working capital to remain a source of funds



# Our Better World areas of focus



Best Beer Company  
in a **Better** World



**Responsible  
drinking**



**Environment**



**Community**



# Responsible drinking examples

- **Germany**  
Beck's "Check Who is Driving?"  
designated driver program
- **Argentina**  
"Vivamos Responsablemente"  
educational program
- **United States**  
"Family Talk About Drinking"  
encourages open, honest  
communication between parents and  
children

**GEKLÄRT, *WER* FÄHRT!**

BECK'S EXPERIENCE: WELCOME TO THE DRIVERS NIGHT!



**vivamos**  
RESPONSABLEMENTE  
Una iniciativa de Cervecería y Maltería Quilmes

**family talk**

**TALK NOW. THEY'LL LISTEN.  
HELP PREVENT UNDERAGE DRINKING.**

[familytalkonline.com](http://familytalkonline.com)

**RESPONSIBILITY MATTERS®**  
ANHEUSER-BUSCH, INC.

# Performance highlights

## *Environmental*

In 2009, we were successful in:

- Recycling 98% of our waste and byproducts
- Reducing total water usage by 8.6% per hectoliter of production
- Cutting total energy consumption by 7.0% per hectoliter of production



# Environment examples

## Renewable energy

- About 34 percent of the heat requirements in our **Brazilian** breweries are fulfilled by using biomass fuel



## Water

- Our Cartersville brewery in the **United States** has significantly reduced water consumption, now using only 2.94 hectoliters of water per hectoliter of production



## Recycling

- Our Leuven and Jupille, **Belgium**, breweries reuse or recycle more than 99 percent of their waste and by-products





# Performance highlights

## *Community*

- Total wages and salaries paid to AB InBev's approximately 116,000 employees was 3.8 billion USD in 2009
- Excise and income taxes paid to governments around the world totaled close to 10 billion USD in 2009
- Partnerships with communities to make a positive impact where we operate



# Community examples

- **Brazil-United States**
  - To help victims of the **Haiti** earthquake, AmBev shipped nearly 350,000 plastic bottles of fresh drinking water and the US Cartersville brewery shipped another 600,000 cans of water
- **Russia**
  - Employees and their families annually join townspeople and local authorities to help clean the streets of our brewery cities
- **China**
  - Partnership with the China Europe International Business School (CEIBS): tuition scholarship for MBA students

