



# Third Quarter 2012 Results

31 October 2012

# Forward looking statements

There are statements in this document, such as statements that include the words or phrases “*outlook*”, “*will likely result*”, “*are expected to*”, “*will continue*”, “*is anticipated*”, “*estimate*”, “*project*”, “*may*” or similar expressions that are “*forward looking statements*”. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the risks or uncertainties listed below.

These forward looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward looking statements include, among others: local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact; limitations on our ability to contain costs and expenses; our expectations with respect to expansion, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections; our ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies; changes in consumer spending; changes in applicable laws, regulations and taxes in jurisdictions in which we operate, including the laws and regulations governing our operations, changes to tax benefit programs as well as actions or decisions of courts and regulators; changes in pricing environments; volatility in the prices of raw materials, commodities, water and energy; difficulties in maintaining relationships with employees; the monetary and interest rate policies of central banks, in particular the European Central Bank, the Board of Governors of the U.S. Federal Reserve System, the Bank of England, *Banco Central do Brasil* and other central banks; continued availability of financing and our ability to achieve our targeted coverage and debt levels and terms, including the risk of constraints on financing in the event of a credit rating downgrade; financial risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, liquidity risk, inflation or deflation; regional or general changes in asset valuations; greater than expected costs (including taxes) and expenses; the risk of unexpected consequences resulting from acquisitions; tax consequences of restructuring and our ability to optimize our tax rate; the outcome of pending and future litigation and governmental proceedings; changes in government policies; natural and other disasters; any inability to economically hedge certain risks; inadequate impairment provisions and loss reserves; technological changes; and our success in managing the risks involved in the foregoing.

Where mentioned in the presentation, all performance measures (EBITDA, EBIT, profit, tax rate, EPS) are presented on a “normalized” basis, which means they are presented before non-recurring items.

Our statements regarding financial risks, including interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, inflation and deflation, are subject to uncertainty. For example, certain market and financial risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market or financial risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Without prejudice to our obligations under Belgian and US law in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.



# Summary

- Revenue **+9.1% in 3Q12**
- Revenue per hl **+10.2% in 3Q12**
  - US revenue per hl **+5.7%**
  - Brazil revenue per hl **+18.3%**
- Focus Brands **+1.3%** and Global Brands **+5.8% in 3Q12**
- EBITDA growth **+10.6% in 3Q12** and **+ 6.9% in 9M12**
- EBITDA margin **+54 bps** to **38.7% in 3Q12**
- EPS **+7.3% in 3Q12** to **\$1.17** and **+21.6%** in **9Q12** to **\$3.43**



# Global Brands volume +5.8% in 3Q12

**+6.2%**



**Brand healthy. Good performances in the UK, China, Russia & Brazil**

**+5.0%**



**Double digit growth in the US, strong results in Brazil & Argentina**

**+5.0%**



**Good performance in Germany**



# US results – 3Q12



- Industry STRs (Selling Day Adjusted) **-0.4% in 3Q12, + 0.3% in 9M12**
  - Strongest performance since 2008
  - Weather in 1Q12, innovations
- AB InBev
  - STRs (Selling Day Adjusted) **-0.9% in 3Q12** and **-0.2% in 9M12**
  - Marginal market share decline of **23 bps in 3Q12** and **26 bps in 9M12**
  - Drivers of volume and share:
    - Bud Light family, Michelob Ultra, Stella Artois & Shock Top
  - Shipments **+1.5% in 3Q12**
  - Revenue / hl **+5.7%** <sup>(1)</sup>
    - 200 bps of brand mix





# Bud Light – NFL Season in full swing



# Bud Light Platinum



- New 22oz bottle and 12oz bottle/18 pack
- Share of over 0.9% since launch

**#MAKEITPLATINUM**



# Bud Light Lime – Lime-A-Rita

- One of the **hottest brands** in beer
- **2<sup>nd</sup> fastest** growing brand in the category
- **+80% distribution** in the off-trade, with estimated share in 3Q12 of **over 0.4%**
- Initial research shows **+40% of volume** being sourced from hard liquor and other beverages outside of beer





# Budweiser activations in 3Q12

 *Budweiser*  
**MADE IN AMERICA**





# Budweiser – MLB and Folds of Honor



FOLDS of HONOR  
FOUNDATION





**Michelob Ultra volumes +7.3% in 3Q12**



**+15**  
**bps**  
**of share**  
**in 3Q12**



# High-end portfolio continues to thrive



**Stella Artois  
volumes +17%  
in 3Q12**



## Best of Belgium promotions



## Shock Top – End of The World Midnight pack



- **70% volume growth in 9M12**
- **End of The World Midnight Wheat joins 4 other line extensions**

# Beer Brazil results – 3Q12



- Industry
  - Volumes **+1.8% in 3Q12,**  
**+2.6% in 9M12**
- AB InBev
  - Beer volumes **+0.2% in 3Q12,**  
and **+2.3% in 9M12**
  - Beer market share **-110 bp** due  
to timing of price increase
  - Beer revenue / hl growth of  
**+18.3%** <sup>(1)</sup>
  - Good growth in premium segment





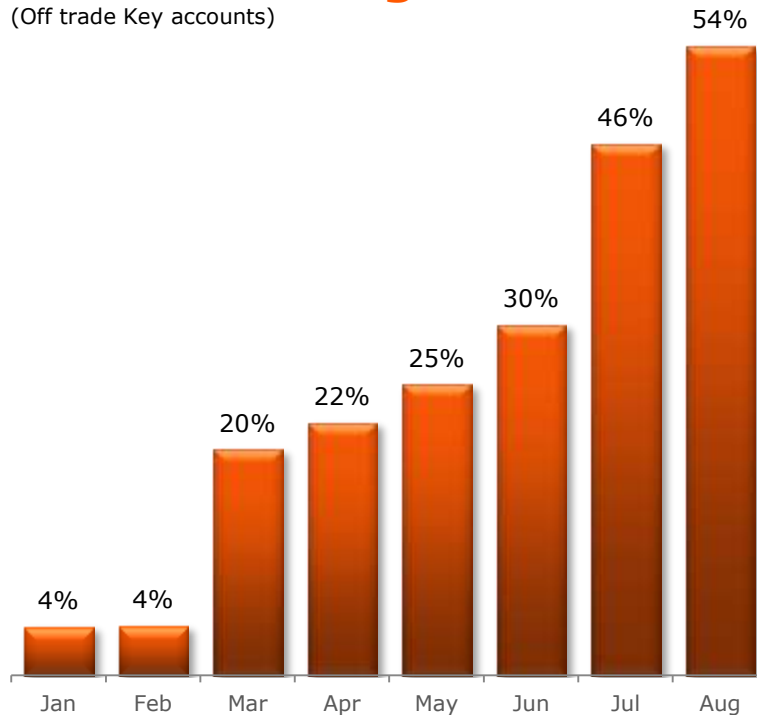
# Skol – New visual identity



# 300 ml Returnable Glass Bottle (RGB) opportunity

## 300ml Coverage

(Off trade Key accounts)



Source: Company data

## Production footprint - 2012



# Route to Market innovations

## Micro Events



## Pit stops



## Nosso Bar





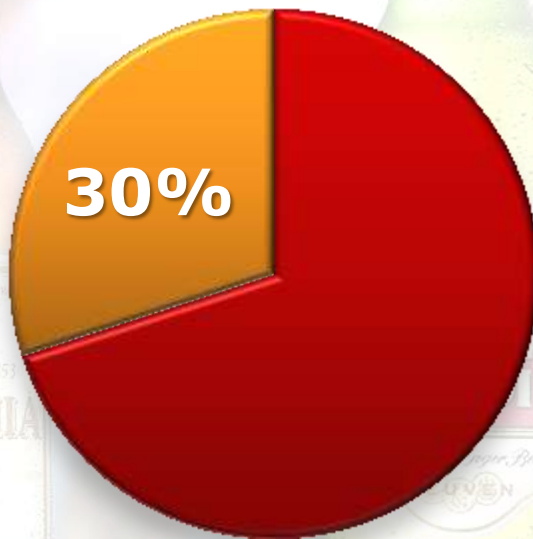
# Premium portfolio



# Premium represents only ~5% of industry volumes

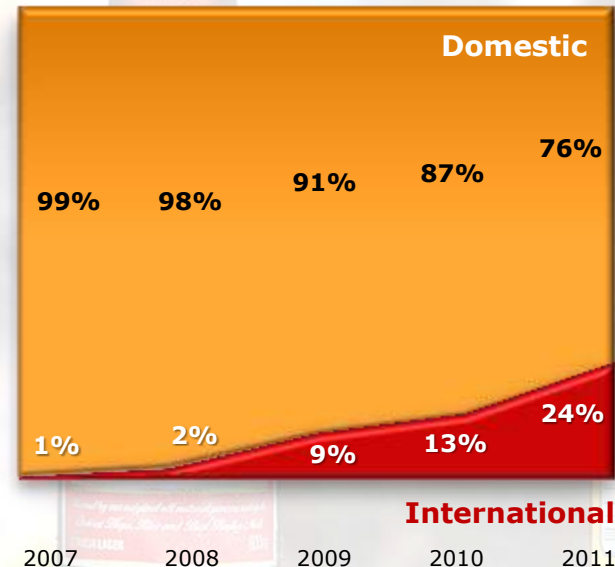
- The premium opportunity is driven mainly by international brands

Premium brand penetration  
(% of beer consumers)



Source: Ipsos

Weight within Premium  
volumes (%)



Source: Nielsen



# China results – 3Q12



- Beer Volume **+2.2%**
  - Industry performance in regional strongholds impacted by adverse weather conditions
- Focus Brands **+9.2%**  
led by Budweiser and Harbin
- Market share growth of **20 bps** YTD August <sup>(1)</sup>
- Revenue/hl **+10.1%** <sup>(2)</sup>  
mainly driven by brand mix,  
as we continue to focus on  
premiumization





# Budweiser Music Kingdom

## J-LO campaign highlights



Oct 20<sup>th</sup>

Nov 24<sup>th</sup>

### Kick-off

Digital



Activation and displays



### Dream prize

Budweiser  
exclusive sponsor of  
Jennifer Lopez concert  
in Shanghai



# Harbin NBA sponsorship

## Season highlights

哈尔滨啤酒  
HARBIN



### Retail



### Campaign



- Online video
- TV commercials
- Billboards and transportation
- Print media
- Program sponsorship

### Packaging





# Geographic expansion through Greenfields and M&A is a key enabler for growth

2012

**Xinxiang  
(Province Henan)**

- 2.5 Mio hl capacity
- Opened in June 2012

**Zhangzhou  
(Province Fujian)**

- 2.5 Mio hl capacity
- Opened in May 2012



Existing Wholly-Owned Plant



Core Market



Expansion Market



Greenfield Projects



M&A



# Canada highlights – 3Q12



*2012 Stella Artois World  
Draught Master Championship –  
Montreal, Canada*

- Beer volumes **-0.8% in 3Q12** and **+0.7% in 9M12**
- Strong volume and share performance by **Bud Light**
- **Stable** market share in 3Q12, and remains around **41% in 9M12** <sup>(1)</sup>





# Latin America South – 3Q12 highlights

- Total volumes **-2.3%**
  - Beer volumes **flat**
  - Non-beer **-5.9%**
- Argentina beer volumes **-1.8%** with estimated market share gains
- Strong performance by Stella Artois
- Launch of Quilmes Night and rollout of Quilmes 1890
- EBITDA **+21.7%** to a margin of **43.7%**

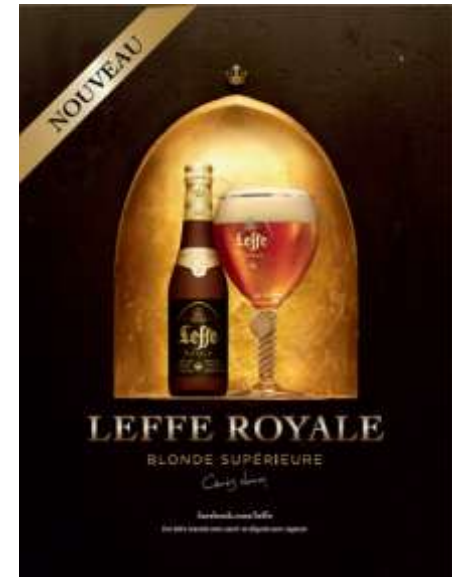


% organic growth	3Q12	9M12
Beer volumes	-2.3%	0.3%
Revenue	18.7%	19.6%
Revenue/hl	21.5%	19.2%
EBITDA	21.7%	18.4%
EBITDA margin	109 bp	-42 bp



# Western Europe – 3Q12 highlights

- Own beer volumes **-0.5%**, own products including cider **+0.2%**
- **Belgium -1%**
- **Germany +1.3%**
  - Focus Brands **+3.7%**
- **UK -6.3%, -3.4%** with cider
  - Share trends improving
  - Budweiser gaining share in 3Q12 and 9M12



% organic growth	3Q12	9M12
Own beer volumes	-0.5%	-3.4%
Revenue	4.1%	-2.2%
Revenue/hl	4.7%	2.2%
EBITDA	9.7%	0.4%
EBITDA margin	170 bp	82 bp





# Central & Eastern Europe – 3Q12 highlights

- Total volumes **-13.5%**
- **Russia** beer volumes **-17.0%**
  - Industry weakness & share loss
  - Bud reached market share of 1.3%, priced at premium
- **Ukraine** beer volumes **-8.3%**
  - Bud reached 1% market share a few months after launch
- EBITDA **+41.3%**, Revenue per hl **+12.9%**



% organic growth	3Q12	9M12
Beer volumes	-13.5%	-11.7%
Revenue	-2.3%	0.9%
Revenue/hl	12.9%	14.2%
EBITDA	41.3%	29.5%
EBITDA margin	707 bp	378 bp



# Russia update – 3Q12

## Industry background

- Challenging regulatory environment contributing to a declining industry since 2008
- Competitor promotional activity

## Action & Strategy

- “Fix the Mix”
  - Focus on Premiumization, especially Bud
  - Improve profitability of brand portfolio
- Restructuring
  - Improve cost base for the new reality
  - Closure of brewing and malting facilities in Kursk





# Below EBIT results – 3Q12

## Net finance costs decrease of 173 million USD

- Lower net debt levels and lower coupon
- Accretion expenses of 90 million USD in 3Q12
  - Includes IFRS accounting treatment for the put option associated with our investment in Cervecería Nacional Dominicana S.A.
- Other financial results of -85 million USD, including
  - Non-cash, unrealized foreign exchange translation losses on intercompany payables and loans
  - Costs of currency and commodity hedges
  - Bank fees and taxes
  - Gains from derivatives related to hedging of our share-based payment programs

## Income tax expense

- Effective tax rate improved from 19.2% to 17.7%

## Earnings Per Share

- EPS of \$1.17 in 3Q12, growth of +21.6%, to \$3.43 in 9M12

# In summary

- Solid **Revenue growth** and **Revenue per hl growth**
- Strong Focus Brands and Global Brands volumes
- EBITDA growth **+10.6% in 3Q12** and **+ 6.9% in 9M12**
- EBITDA margin **expansion**







Q&A

