



# First Quarter 2013 Results

30 April 2013

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# 1Q13 summary

- Revenue **+1.5%**
- Revenue per hl **+5.8%**
  - US **+4.0%**
  - Brazil **+8.6%**
  - China **+11.6%**
- Total volumes **-4.1%**, beer **-4.0%**
  - Global Brands **+4.7%** and Focus Brands **-2.9%**
- EBITDA **+0.9%** with EBITDA margin **-22 bps** to **37.4%**
- EPS **of \$1.16**, growth of **12.6%**



# Global brands volume +4.7%, led by Budweiser

## +8.4%

Strong growth in  
China and Brazil,  
Bud share gains in  
Russia & Ukraine



# Beer Brazil results –1Q13 Summary

## Industry

- Volumes declined by **~7% in 1Q13**

## AB InBev

- Beer volumes **-8.2% in 1Q13**
- Beer market share **-90 bps** to **68.1%**
  - Tough 1Q12 comp
  - 2012 Price increase
  - 20 bps improvement in share over 4Q12
- Beer revenue / hl growth of **+8.6% in 1Q13<sup>(1)</sup>**
- Strong consumer preference for Focus Brands



# Beer Brazil 1Q13 – Drivers of Volume

## Drivers

- Earlier timing of Carnival
- Poor weather
- High food inflation
- Slowdown in disposable income growth
- Real price increase following October 2012 excise tax increase

## Industry volume outlook for 2013

- Flat or down low single digits





# Brazil – fundamentals remain strong

## Macro:

- **Demographics:** young and growing population
- **Government stimulation:** measures underway and expected to continue
- **Sports events:** FIFA World Cup 2014 & Olympics 2016

## Beer industry:

- **Per capita:** room for growth in north and northeast
- **Disposable income:** growing middle class means growing consumption
- **Premium segment:** represents only 5% of industry volumes (versus global average of ~13%)

## AB InBev:

- **Innovation:** healthy pipeline
- **Returnables:** market share opportunity, especially in off-premise



# US results – 1Q13 summary

## Industry

- STRs (Selling Day Adjusted) **-3.0%** in **1Q13**

## AB InBev

- STRs (Selling Day Adjusted) **-4.1%** in **1Q13**
- Shipments **-5.2%** in **1Q13** (One less selling day)
- Market share decline of **50 bps** in **1Q13**
  - Focus brand families growing share
  - Decline primarily attributable to sub-premium
- Revenue / hl **+4.0%** <sup>(1)</sup>
  - 150 bps of brand mix





# Bud Light family – 1Q13 highlights

## Bud Light Platinum

- Share stable at 0.8% since summer 2012
- Cycling exceptionally strong 1Q12 launch volumes

## Lime-A-Rita

- Continued strong performance, helped to drive brand mix

## Straw-ber-Rita

- Launched in March, off to a very strong start
- Lime-A-Rita and Straw-ber-Rita achieved combined share of 0.6% in 1Q13 and 1.3% share in first two weeks of April per IRI



# Budweiser family – share stable in 1Q13



- Successful launch of Budweiser Black Crown in January 2013
- Bowtie can coming to market in May 2013
- Made in America – Labor Day weekend, 2013



# Ultra and High end performing well



- Good share performances by Michelob Ultra and high end portfolio
- Shock Top continues to perform well, especially latest flavor – Honeycrisp Apple Wheat
- Goose Island national rollout has been well received. Volumes nearly doubled in the quarter

# Innovation pipeline remains healthy

**Bowtie  
can**



**Stella  
Artois  
Cidre**



**New 25 oz.  
can**



**Shock Top  
Summer  
Pack**



**.. and  
more to  
come...**



# China results – 1Q13 Summary

- Beer Volume **+15.5%** in 1Q13 following strong industry recovery
- Focus Brands **+21.8%**, Harbin and Budweiser delivered very strong growth
- Estimated market share **gain** in 1Q13 <sup>(1)</sup>
- Revenue/hl **+11.6%** mainly due to premiumization strategy





# Successful Chinese New Year Campaign driving Budweiser Growth

Launch of seasonal  
**Year of the Snake**  
aluminum bottle  
and can





# Harbin –NBA Activation Chinese New Year 2013



**NBA sponsorship is the key theme for Harbin during Chinese New Year season**

## **Packaging**

- Launch of themed cans and multipacks

## **Connectivity**

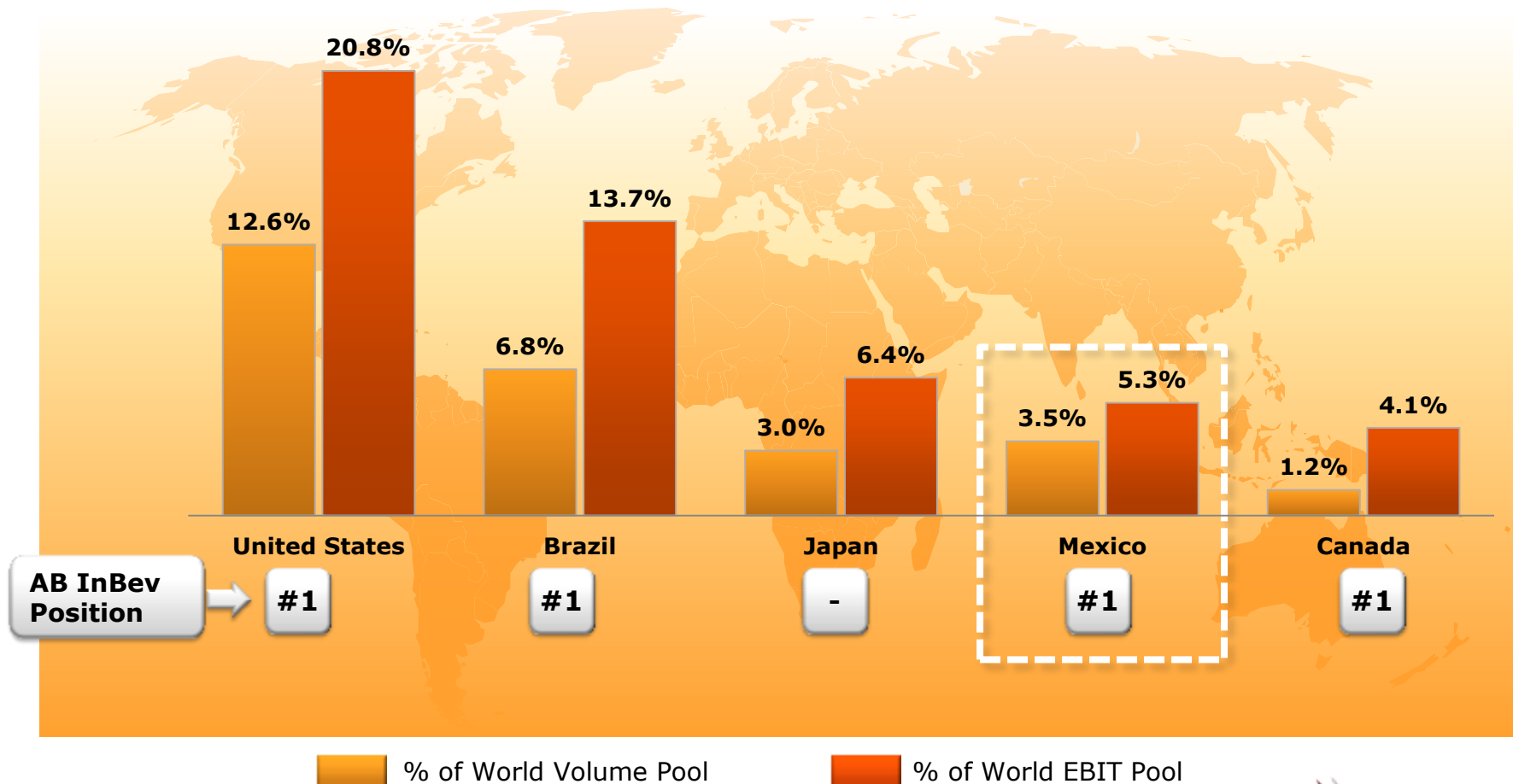
## **Retail activation**

**Double  
digit  
growth  
in 1Q13**



# Mexico is the World's Fourth Largest Beer Profit Pool

The combined company will hold the #1 position in 4 of the top 5 profit pools globally



Sources: The Bernstein Global Beer Guide, published April 11<sup>th</sup>, 2013. Plato Logic (March 2013) and AB InBev 2012 20F.

Note: Profit pool equals 2011 consolidated EBIT per market, Plato Logic volume estimates for 2011



# Canada highlights – 1Q13 Summary

- Beer volumes **-2.9%**
- Strong volume and share performance by **Bud Light Family**, following launch of **Bud Light Platinum**



# Latin America South – 1Q13 Summary

- Total volumes **-10.2%**
  - Beer volumes **-9%**
  - Non-beer **-12%**
- Argentina beer volumes **-10.7%** due to poor industry performance, weak consumer confidence and colder weather
- Good market share result with gains from Quilmes brand family
- EBITDA **+9.4%** with a margin of **45.4%**



% organic growth	1Q13
Beer volumes	-10.2%
Revenue	+ 7.9%
Revenue/hl	+ 20.2%
EBITDA	+9.4%
EBITDA margin growth	+65 bps



# Western Europe – 1Q13 Summary

- Own beer volumes **-7.0%**
  - **Belgium -9.1%** fully driven by weak industry
  - **Germany -4.4%** due to weak trading environment
  - **UK own products -4.6%**
    - Share gains in on-trade
    - Share pressure in off-trade
- **EBITDA -7.9%**, mainly due to volume decline



% organic growth	1Q13
Own beer volumes	-7.0%
Revenue	-5.4%
Revenue/hl	+1.8%
EBITDA	-7.9%
EBITDA margin growth	-67 bps





# Central & Eastern Europe – 1Q13 Summary

- Total volumes **-16.4%**
- **Russia -17%**
  - Challenging industry due to sales restrictions, media ban, excise taxes
  - Bud growth of over +25%
- Focus on balancing **profitability** and **share**
- **Revenue/hl +6.9%**
- **EBITDA +1%** with margin growth of 66 bps

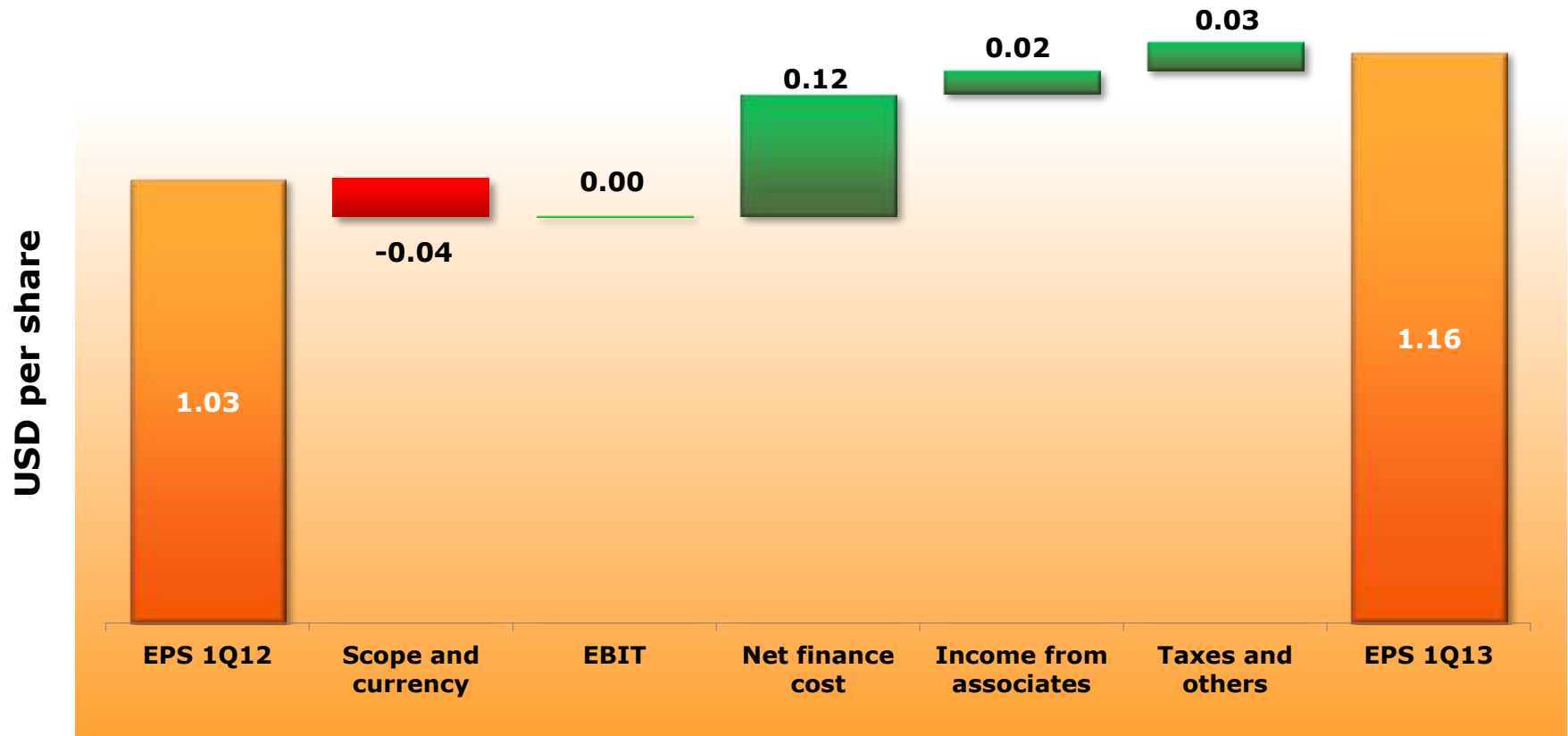


% organic growth	1Q13
Beer volumes	-16.4%
Revenue	-10.6%
Revenue/hl	+ 6.9%
EBITDA	+1.0%
EBITDA margin growth	+66 bps





# Normalized EPS grew by 12.6% to \$1.16 in 1Q13



# 1Q13 below EBIT results

## Net finance costs decrease of 167 million USD

- Other financial results includes gains of 402 million USD linked to the hedging of our share based payment programs in 1Q13

## Non-recurring net finance income of 223 million USD

- Mainly from mark-to market adjustments on hedges related to the Modelo transaction

## Effective tax rate improved from 17.1% to 12.4%

- Decrease in effective tax rate due to:
  - Non-taxable nature of gains linked to the hedging of our equity related exposure
  - Shift in profit mix to countries with lower marginal tax rates
  - Incremental tax benefits



# 1Q13 summary

- **Challenging quarter** for volumes in most markets, with the exception of **China**
- Continuing expansion of **Budweiser globally**
- **Strong Revenue per hectoliter** performance
- Focused on what we can **impact** and **influence**
- Actions are being taken to **improve volume performance** while **maintaining profitability** and **continuing to invest** behind our brands





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