

**Dated 24 September 2008**

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*a public limited liability company with registered office at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium*

*RLE Brussels No. 0417.497.106*

## **Supplement to the Information Memorandum to InBev Shareholders**

in view of the Extraordinary Shareholders' Meeting of 29 September 2008

### **AVAILABILITY OF THE SUPPLEMENT**

The Supplement to the Information Memorandum is available only in English, French and Dutch.

Subject to certain restrictions described in this Supplement, the Supplement to the Information Memorandum may be accessed on the website of InBev: [www.InBev.com](http://www.InBev.com), as from 24 September 2008.

Moreover and subject to the same restrictions, copies of the Supplement to the Information Memorandum are available, without charge, at the following addresses, as from 24 September 2008:

- InBev SA/NV, Grand-Place/Grote Markt 1, 1000 Brussels, Belgium;
- InBev SA/NV, Brouwerijplein 1, 3000 Leuven, Belgium;
- InBev Belgium SA, Rue des Anciennes Houblonnières 2, 4020 Jupille-sur-Meuse, Belgium.

## INTRODUCTION

This document provides a discussion of the unaudited illustrative financial impact on InBev of the Acquisition of Anheuser-Busch.

This document constitutes a supplement to the Information Memorandum made available on 15 September 2008 to InBev SA/NV shareholders in view of the Extraordinary Shareholders' Meeting which is convened for 29 September 2008 (the "**Supplement**").

You should read this Supplement in conjunction with the Information Memorandum.

## GENERAL INFORMATION

Except as otherwise defined, the terms used with a capital letter in this Supplement shall have the same meaning as in the Information Memorandum.

This Supplement has been prepared in English, French and Dutch language versions for use in view of the Extraordinary Shareholders' Meeting. In case of discrepancies between the different versions of this Supplement, the English version will prevail.

*This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This communication is not an offer of securities for sale into the United States, Canada, Australia or Japan. Such securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration thereunder.*

*No communication or information related to the capital increase of InBev through preference rights ("Rights") or scrips ("Scrips") for InBev shares ("Shares") as set forth in the agenda to the Extraordinary Shareholders' Meeting may be disseminated to the public in jurisdictions other than Belgium where prior registration or approval is required for that purpose. The offering in Belgium is subject to the prior approval by the Banking, Finance and Insurance Commission (CBFA) of a prospectus prepared in accordance with applicable legislation. The approval of the prospectus and its availability will be announced by InBev before launch of the offering. No steps have been taken or will be taken relating to the offering of Rights, Scrips or Shares outside of Belgium in any jurisdiction in which such steps would be required.*

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# 1 Discussion of the unaudited illustrative financial impact on InBev of the Acquisition of Anheuser-Busch

## 1.1 Introduction

The following is a discussion of the unaudited illustrative financial impact on InBev of the Acquisition (see section 4.1 “Overview” of the Information Memorandum) and the related effects of the financing of the Acquisition through a combination of new senior and bridge facilities (see section 4.4 “Financing the Acquisition”) and the proceeds of a rights issue (the “**Rights Issue**”). Together, the Acquisition, the related financing and the Rights Issue are referred to herein as the Transactions (the “**Transactions**”), and this discussion of the unaudited illustrative financial impact of the Transactions is referred to as the Narrative (the “**Narrative**”). The information provided by this Narrative about the unaudited illustrative financial impact of the Transactions is divided into three sub-sections: “Introduction”, “Description of adjustments”, and “Description of overall impact to InBev”.

This Narrative is subject to change in that it contains assumptions of InBev relating to an increase in InBev’s share capital from the issuance of new InBev Shares, the number of which will not be determined until a later date by InBev’s Board of Directors. Until that time, the number of new InBev Shares to be issued, the related fees and commissions thereon and the resulting amount of net cash proceeds are unknown. Additionally, InBev may finance the Acquisition and refinance a portion of the Senior Facilities with one or more debt capital markets issuances or repay a portion in part through disposals of assets or businesses, simultaneously with or following the Acquisition (see section 4.4.1 “Senior Facilities Agreement”). Accordingly, the information in this document will differ from the unaudited illustrative financial impact that will be described in the prospectus to be published in connection with the Rights Issue.

**This Narrative has been prepared solely for illustrative purposes. InBev will not have control of Anheuser-Busch until the Acquisition is completed. Until that time, due to legal restrictions on the companies’ conduct prior to the Acquisition, InBev will have limited access to financial and other information of Anheuser-Busch. Furthermore, InBev has no access to information about Grupo Modelo and Tsingtao, two significant investees of Anheuser-Busch, which are accounted for by Anheuser-Busch under the equity method under U.S. GAAP. Because of these limitations, InBev is unable to present financial statements for Anheuser-Busch on a basis consistent with InBev’s accounting policies under IFRS. Furthermore, the limitations on access to financial and other information of Anheuser-Busch prevent InBev from conducting the valuation studies necessary to prepare an allocation of the purchase price, provisional or otherwise, of Anheuser-Busch of the sort contemplated by IFRS. In addition, InBev has not reflected any potential dispositions of assets or businesses of InBev or Anheuser-Busch that may occur in connection with or following the Acquisition. Because of the foregoing limitations, InBev is unable to present, and this Narrative does not constitute, “pro forma financial information” within the meaning of Annex II of Commission Regulation (EC) No. 809/2004 of 29 April 2004.**

Information in this Narrative is based on information available to InBev and certain estimates and assumptions that InBev believes are reasonable. Because the Narrative contains uncertainties and assumptions, this information is for illustrative purposes only and does not purport to be representative of the actual financial condition or results of operations that would have resulted if the Transactions had occurred as of the dates specified below or to forecast the financial condition or results of operations of the Combined Company as of or for any future date or period.

This Narrative does not reflect any projected cost savings or other synergies (see section 4.2 “Rationale for the Acquisition”), or any special items such as payments pursuant to contractual change of control provisions or restructuring and integration costs which may be incurred as a result of the Acquisition. Simultaneously with or shortly following the Acquisition, InBev may dispose of certain assets or businesses of InBev or Anheuser-Busch, and InBev expects to utilise proceeds from any such disposals to repay indebtedness incurred to finance the Acquisition. Such disposals have not been considered in the preparation of the Narrative. Accordingly, such events have not been reflected in any amounts disclosed in this Narrative.

InBev will account for the Acquisition using the purchase method of accounting. In connection with the Acquisition, an independent third-party appraiser will perform a valuation of some or all of the assets of Anheuser-Busch as of the closing date of the Merger. Thereafter, InBev will prepare an allocation of the purchase price based on the fair values of the tangible and intangible assets acquired and the liabilities assumed of Anheuser-Busch as of such closing date. The impact of the purchase price allocation is likely to be material, including as a result the allocation of part of the purchase price to amortisable tangible and intangible assets, and the consequent increase in depreciation and amortisation expenses with respect thereto. Allocation of the purchase price to any other identified assets and liabilities of Anheuser-Busch could result in recurring or non-recurring impacts that have a positive or negative effect on EBITDA and net profit of InBev. However, as noted above, as of the date of this Information Memorandum, InBev has had limited access to information of Anheuser-Busch, and the studies necessary to estimate the fair values of Anheuser-Busch’s assets and liabilities and the related allocation of the purchase price have not been performed. For purposes of this Narrative, the excess of the purchase price of Anheuser-Busch over its historical equity has been assumed to be allocated in total to goodwill (which is not amortised under IFRS) and, accordingly, no adjustments have been reflected in this Narrative for the application of the purchase method of accounting.

This Narrative is based, in part, on the published historical consolidated financial statements of InBev and the published historical consolidated financial statements of Anheuser-Busch (see Annex B “Financial Statements” of the Information Memorandum). The estimated balance sheet impacts described in this Narrative have been determined as if the Transactions had occurred on 30 June 2008. The estimated income statement impacts have been determined as if the Transactions had occurred on 1 January 2007. This Narrative should be read in conjunction with the historical consolidated financial statements and notes thereto of InBev and Anheuser-Busch.

**InBev prepares its consolidated financial statements in accordance with the accounting policies set forth in its annual report, which conform to IFRS. Anheuser-Busch prepares its consolidated financial statements in conformity with U.S. GAAP. Due to the limitations set forth above, Anheuser-Busch’s historical consolidated financial statements have not been converted to IFRS as applied by InBev. Conversion of such information is complex and can take several months to complete. For purposes of this Narrative, Anheuser-Busch’s historical financial data has been “transitioned” to IFRS by applying IFRS as applied by InBev in all material respects, where possible, to its historical U.S. GAAP financial statements. InBev has not attempted to quantify all differences that would have been identified if complete Anheuser-Busch financial statements had been prepared in accordance with IFRS as applied by InBev. Had a full conversion to IFRS as applied by InBev been undertaken, other accounting and disclosure differences may have been identified that are not described below, some of which may be material. Additionally, while some reclassifications of Anheuser-Busch information have been made to achieve consistency with InBev’s financial statement presentation, additional reclassifications may be identified after completion of the Acquisition when a full conversion to IFRS as applied by InBev can be performed. Accordingly, no assurance can be provided that the**

**information described in this Narrative represents a complete summary of all differences that would result had the financial statements of Anheuser-Busch been prepared in accordance with IFRS as applied by InBev.**

InBev's historical financial information is presented in euros. Anheuser-Busch's historical consolidated financial statements have been presented in U.S. dollars. For purposes of this Narrative, the financial information of Anheuser-Busch has been translated into euros. Income statement data of Anheuser-Busch has been translated for the year ended 31 December 2007 at the average rate for the 12 month period of USD 1.367635 = EUR 1 and for the six months ended 30 June 2008 at the average rate for the six month period of USD 1.533385 = EUR 1. The balance sheet data of Anheuser-Busch has been translated into euro using the closing rate on 30 June 2008 of USD 1.576399 = EUR 1.

## 1.2 Description of adjustments

### (a) Narrative description of Anheuser-Busch transition to IFRS

The Anheuser-Busch historical consolidated financial statements included in Annex B of the Information Memorandum were prepared in accordance with U.S. GAAP. This Narrative discusses the estimated financial impact to Anheuser-Busch of "transitioning" such financial statements to IFRS by applying in all material respects, where possible, the accounting policies of InBev.

As mentioned above, InBev has limited access to information of Anheuser-Busch and therefore has not been able to prepare Anheuser-Busch financial statements in accordance with IFRS as applied by InBev. Restrictions of InBev's access to certain information includes data relating to Grupo Modelo and Tsingtao, in which Anheuser-Busch holds significant equity interests that it accounts for under the equity method under U.S. GAAP. As a result, no adjustments have been made by InBev to Anheuser-Busch's historical financial data set forth in the Narrative in relation to Grupo Modelo and Tsingtao.

In addition, the application of IFRS to certain transactions such as share-based payment and research and development expenditures, or to policies such as estimated useful lives of fixed assets, cannot be completed without greater access by InBev to Anheuser-Busch's financial records (and management) for purposes of determining the relevant IFRS accounting policies with respect to Anheuser-Busch. Furthermore, the application of purchase accounting by InBev to the Acquisition would result in results of operations and balances reported under IFRS that are not the same as those disclosed in this Narrative. Accordingly, the Anheuser-Busch IFRS financial statement data included in this Narrative is not fully in compliance with IFRS as applied by InBev and is incomplete in that it may not represent all material adjustments and reclassifications required to conform the U.S. GAAP financial information of Anheuser-Busch to IFRS as applied by InBev.

In transitioning the financial information of Anheuser-Busch to IFRS as applied by InBev, InBev management has estimated the financial impact to Anheuser-Busch of the following areas to be as set forth in the paragraphs below.

#### Employee benefits

Anheuser-Busch sponsors pension plans for its employees and provides certain health care and life insurance benefits for eligible retired employees. Differences between U.S. GAAP and IFRS as applied by InBev that will result in transition adjustments are summarised as follows:

- Actuarial gains and losses:* Under U.S. GAAP, actuarial gains and losses are deferred in accumulated other comprehensive income (“**AOCI**”) on the consolidated balance sheet in order to reflect the funded status of defined benefit plans, and are amortised out of AOCI into the income statement as a component of net periodic benefits expense over the remaining life expectancy of the plan participants. As permitted by IFRS, InBev’s stated policy is to recognise actuarial gains and losses in full in the period in which they occur outside of the income statement using the statement of recognised income and expense (“**SoRIE**”) option. Under this option, amounts recognised in the SoRIE are not subsequently recognised in the income statement. InBev estimates that a transition adjustment to eliminate amortisation of net actuarial losses from net periodic benefits expense would total USD 91.3 million before tax (USD 54.8 million after tax) for the year ended 31 December 2007, and USD 34.2 million before tax (USD 20.5 million after tax) for the six months ended 30 June 2008.
- Prior-service costs:* Under U.S. GAAP, positive prior-service costs for current and former employees are deferred in AOCI and amortised out of AOCI into the income statement as a component of net periodic benefits expense over the period during which the employer expects to receive an economic benefit derived from those costs, which is typically the remaining service periods of active employees. Negative prior-service costs first offset previous positive prior-service costs, with the excess recognised in income in the same manner as positive prior-service costs. Under IFRS as applied by InBev, positive and negative past-service costs are recognised in the income statement over the remaining vesting period. Where benefits have already vested, past-service costs are recognised immediately. InBev estimates that a transition adjustment to eliminate the amortisation of positive and negative past-service costs from net periodic benefits expense would amount to USD 8.5 million before tax (USD 5.1 million after tax) for the year ended 31 December 2007, and USD 4.0 million before tax (USD 2.4 million after tax) for the six months ended 30 June 2008.
- Measurement of plan assets:* Under U.S. GAAP and IFRS, plan assets should be measured at fair value. For the purposes of determining the expected return on plan assets, IFRS requires plan assets to be measured using fair value, while U.S. GAAP allows for plan assets to be measured using fair value or a calculated value that recognises changes in fair value over a period of time. Anheuser-Busch has utilised a calculated value under U.S. GAAP. Accordingly, transition adjustments totalling USD 7.2 million before tax (USD 4.3 million after tax) for the year ended 31 December 2007, and USD 11.5 million before tax (USD 6.9 million after tax) for the six months ended 30 June 2008 are estimated by InBev to be necessary to reduce net periodic pension expense to reflect an expected return on assets as determined in accordance with IFRS.
- Measurement date:* Under U.S. GAAP, Anheuser-Busch accounts for its pension assets and liabilities utilizing an annual measurement date of October 1st. IFRS requires companies to measure pension assets and liabilities as of the consolidated balance sheet date. During the first quarter of 2007, Anheuser-Busch recognised a USD 19.0 million charge before tax (USD 11.4 million after tax) related to a pension plan settlement that occurred during the fourth quarter of 2006. The timing of recognition of this charge was appropriate under U.S. GAAP given the October 1st measurement date. Had Anheuser-Busch reported under IFRS at this time and utilised a December 31st measurement date, this charge would have been recorded during the fourth quarter of 2006. Accordingly, a transition adjustment would be reflected to eliminate this charge from net periodic benefits expense for the year ended 31 December 2007.

- *Reclassifications:* Under U.S. GAAP, the funded status of defined benefit plans (i.e., the present value of the defined benefit obligation less the fair value of plan assets) is recognised on the consolidated balance sheet. While Anheuser-Busch's postretirement plan is unfunded, the net post-retirement liability on the consolidated balance sheet is presented net of a USD 57.4 million asset representing expected proceeds from Medicare Part D subsidies. Under IFRS, such subsidies should be presented as assets on the consolidated balance sheet. Accordingly, InBev estimates that a transition reclassification of USD 57.4 million would be made to present these expected proceeds as assets on the consolidated balance sheet at 30 June 2008.

The transition adjustments estimated above would increase Anheuser-Busch's consolidated income before tax by USD 126 million (USD 75.6 million after tax) for the year ended 31 December 2007, and by USD 49.7 million (USD 29.8 million after tax) for the six months ended 30 June 2008, as well as increasing Anheuser-Busch consolidated shareholders' equity as of 30 June 2008 by USD 7.8 million.

#### *Share-based payment*

- *Deferred tax assets:* Under U.S. GAAP, deferred tax assets on share-based payment awards are measured based on the fair value at the grant date of the respective awards and recognised in the income statement in conjunction with the related compensation expense. Changes in the stock price do not impact the deferred tax assets or result in any adjustment prior to settlement or expiration of the respective awards under U.S. GAAP. Under IFRS, deferred tax assets are measured at the end of each reporting period based on an estimate of the future tax deduction, if any, for the respective awards. If changes in stock price impact the future deduction, the estimate of the tax deduction is based on the current stock price. InBev estimates that a transition adjustment of USD 105.6 million would be necessary to recognise deferred tax assets related to share-based payment awards in accordance with IFRS as of 30 June 2008. In light of the limited availability of employee stock option data, the increase in deferred tax assets described above would be estimated by InBev to show a corresponding increase in consolidated shareholders' equity.
- *Social charges:* Under U.S. GAAP, a liability for payroll taxes related to employee share-based payment awards should be recognised on the date of the event triggering the measurement and payment of the tax. Under IFRS, social charges, such as payroll taxes related to share-based payment awards, are recognised as expense in the income statement during the period in which the related compensation expense is recognised. InBev estimates that a transition adjustment to recognise a payroll tax expense would amount to USD 7.7 million before tax (USD 4.6 million after tax) for the six months ended 30 June 2008, with the related liability totalling USD 19.1 million as of 30 June 2008 - the difference of USD 11.4 million (USD 6.9 million after tax) represents expense that would have been recognised in prior periods. As the difference between the expense recorded under U.S. GAAP and that which should be recorded under IFRS was immaterial for the year ended 31 December 2007, no transition adjustment to payroll tax expense was estimated by InBev for that period.
- *Liability classification:* Under the terms of Anheuser-Busch's current awards, Anheuser-Busch may, at an employee's request, withhold the taxes owed by the employee upon exercise of the awards. Under this option, the employee will only receive a portion of the shares awarded. Under U.S. GAAP, an award containing such a net settled tax withholding clause can be equity-classified as long as the arrangement solely permits tax withholding at the minimum statutory rate and nothing more, even if the tax will be paid out of the issuer's

existing cash reserves. Accordingly, these awards have been classified as equity awards by Anheuser-Busch in its historical U.S. GAAP accounting.

Under IFRS, these awards may continue to be eligible for equity classification provided that a company settles the tax withholding by facilitating the sale of the shares on the open market on behalf of the employee. If a company does not sell the shares in the open market and instead effectively repurchases the shares withheld, IFRS may require this portion of the award to be classified as a liability (even if the tax withholding is capped at the minimum statutory rate). Such classification would require the awards to be marked to market at each reporting period with changes recorded as compensation expense.

As Anheuser-Busch does not sell the shares withheld for taxes in the open market, IFRS may require liability classification for each award. While a change in classification could result in a transition adjustment to compensation expense, the potential difference has not been estimated by InBev due to limited availability of Anheuser-Busch employee stock option data.

The transition adjustments estimated above would decrease consolidated income of Anheuser-Busch before taxes by USD 7.7 million (USD 4.6 million after tax) for the six months ended 30 June 2008, and increase Anheuser-Busch shareholders' equity at 30 June 2008 by USD 94.1 million. No transition adjustments were estimated by InBev that would have impacted net income for the year ended 31 December 2007.

#### *Borrowing costs*

Under U.S. GAAP, Anheuser-Busch capitalises borrowing costs as part of the cost basis of capital assets. Under IFRS, borrowing costs are recognised as an expense in the period in which they are incurred except to the extent that costs are directly attributable to a qualifying asset. Since InBev has not early adopted the revised IFRS rules for borrowing costs, InBev's stated accounting policy requires all borrowing costs to be expensed as incurred. Accordingly, InBev estimates that transition adjustments to eliminate the deferral of current period borrowing costs, the amortisation of costs previously capitalised and the remaining unamortised borrowing costs within property, plant, and equipment, would increase Anheuser-Busch's consolidated income before tax by USD 10.7 million (USD 6.4 million after tax) for the year ended 31 December 2007, and by USD 5.2 million (USD 2.9 million after tax) for the six months ended 30 June 2008, as well as decreasing consolidated shareholders' equity as of 30 June 2008 by USD 183.7 million.

#### *Inventories*

Anheuser-Busch uses the last-in, first-out ("**LIFO**") valuation approach to determine cost primarily for domestic production inventories and uses average cost valuation primarily for international production and retail merchandise inventories. IFRS does not permit the use of LIFO to value inventory. Accordingly, InBev estimates that transition adjustments to reverse the effects of Anheuser-Busch's LIFO accounting would increase Anheuser-Busch's consolidated income before tax by USD 45.7 million (USD 27.4 million after tax) for the year ended 31 December 2007, and by USD 50.9 million (USD 30.5 million after tax) for the six months ended 30 June 2008; as well as increasing consolidated shareholders' equity by USD 168.1 million as of 30 June 2008.

#### *Income taxes*

Under U.S. GAAP, deferred tax assets and liabilities follow the classification of the balance sheet item to which they relate. If no related assets or liabilities exist, such deferred tax assets or liabilities are classified based on when they are expected to be realised. Under IFRS, deferred tax assets and liabilities are classified as non-current on the consolidated balance sheet and presented as current and non-current in the footnotes. InBev estimates that a transition

reclassification would be reflected as of 30 June 2008 to present the balance of USD 62.1 million within the net non-current liability balance.

Under U.S. GAAP, a liability for unrecognised tax benefits and the related deferred tax asset may not be combined with other deferred tax liabilities or assets and are presented separately on the balance sheet. Under IFRS, liabilities for unrecognised tax benefits are offset against the related deferred tax assets. Accordingly, InBev estimates that a transition reclassification would be reflected as of 30 June 2008 to combine the liability for unrecognised tax benefits of USD 122.5 million and the related deferred tax asset of USD 63.9 million as a single net liability totalling USD 58.6 million.

#### *Reclassifications*

Certain items included on Anheuser-Busch's financial statements prepared in accordance with U.S. GAAP would require reclassification to conform with InBev's IFRS presentation. These items include, but are not limited to, allocating marketing, distribution, and administrative expenses, which are presented on an aggregate basis in Anheuser-Busch's income statement, to individual line items as presented by InBev, and reclassifying certain transportation costs that were recognised in cost of sales by Anheuser-Busch to achieve consistency with InBev's presentation of distribution expenses. Additionally, under IFRS, companies are required to present minority interest within equity. Anheuser-Busch's minority interest of USD 44.8 million included within "Other long-term liabilities" at 30 June 2008 would be reclassified to equity for consistent presentation of IFRS as applied by InBev.

Reclassification of the Anheuser-Busch balance sheet and income statement information in this Narrative is incomplete in that it may not represent all reclassifications required to conform the U.S. GAAP financial information of Anheuser-Busch to IFRS as applied by InBev.

#### *Summary of impact of Anheuser-Busch transition to IFRS*

As a result of the foregoing adjustments, InBev estimates that the financial impact to Anheuser-Busch relating to the transition of Anheuser-Busch to IFRS as applied by InBev, and subject to the limitations and assumptions described above, would be as follows:

- For the year ended 31 December 2007, consolidated income of Anheuser-Busch would have increased by USD 182.4 million (EUR 133.4 million) before tax, and by USD 109.4 million (EUR 80.0 million) after tax, to an estimated profit before tax under IFRS of USD 3,267.5 million (EUR 2,389.2 million) and an estimated profit attributable to equity holders under IFRS of USD 2,224.7 million (EUR 1,626.7 million).
- For the six months ended 30 June 2008, consolidated income of Anheuser-Busch would have increased by USD 98.1 million (EUR 64.0 million) before tax, and by USD 58.6 million (EUR 38.2 million) after tax, to an estimated profit before tax under IFRS of USD 1,842.3 million (EUR 1,201.5 million) and an estimated profit attributable to equity holders under IFRS of USD 1,258.7 million (EUR 820.9 million).
- Consolidated shareholders' equity of Anheuser-Busch would have increased by USD 86.3 million (EUR 54.7 million) as of 30 June 2008, to an estimated equity attributable to equity holders under IFRS of USD 4,190.3 million (EUR 2,658.2 million).

#### *(b) Impact of the Anheuser-Busch purchase price allocation*

This Narrative is based on the assumption that the purchase method of accounting is applied to the Acquisition in line with IFRS 3 "Business Combinations". The standards concerning allocation of the purchase price and subsequent accounting for goodwill and intangible assets are derived from the application of IFRS 3 "Business Combinations", IAS 36 "Impairment of Assets" and IAS

38 “Intangible Assets”. IFRS requires that all assets, liabilities and contingent liabilities be measured at fair value at the time of acquisition and that the purchase price be allocated to them, with any balance remaining allocated to goodwill (“purchase price allocation”). This includes in particular intangible assets that are not capitalised in Anheuser-Busch’s financial statements to date.

An allocation of the purchase price in accordance with IFRS for the Acquisition has not yet been performed. As of the date of this Information Memorandum, InBev has had limited access to certain information of Anheuser-Busch, and therefore it has not been possible to conduct the valuation studies necessary to accurately estimate the fair values of Anheuser-Busch’s assets to be acquired and liabilities to be assumed at the closing date. Accordingly, for purposes of this Narrative, InBev has assumed that the excess of the purchase price of Anheuser-Busch over its historical equity, in the absence of a purchase price allocation, is allocated in total to goodwill (which is not amortised under IFRS). IFRS 3 “Business Combinations” allows an acquirer to account for a business combination using provisional values if the fair values to be assigned to the acquiree’s identifiable assets, liabilities or contingent liabilities can be determined only provisionally by the end of the period of the acquisition. Under IFRS, InBev will have 12 months from the date of the Acquisition to recognise any adjustments to those provisional values as a result of completing the initial accounting.

InBev estimates that the total amount of funds necessary to consummate the Acquisition will be approximately USD 54.8 billion (see section 4.1 “Overview”). Of that amount, the purchase price of Anheuser-Busch comprises USD 52.2 billion and estimated direct costs of the Acquisition are expected to approximate USD 1.3 billion (EUR 848 million), totalling an aggregate purchase price of USD 53.5 billion (EUR 34.0 billion). In addition, InBev expects to refinance indebtedness of Anheuser-Busch of USD 1.3 billion.

The historical equity of Anheuser-Busch, adjusted for transitioning to IFRS as applied by InBev as described above, subject to the limitations and assumptions described above, at 30 June 2008 would be USD 4.2 billion (EUR 2.7 billion), which would result in an excess of purchase price over historical equity of USD 49.3 billion (EUR 31.3 billion).

Investors assessing the Narrative should note that after Anheuser-Busch is actually acquired by InBev, a purchase price allocation will in any case lead to, among other things, the recognition of intangible assets and goodwill, adjustments to fixed assets and inventories, and possible recognition or derecognition of other assets or liabilities.

InBev expects that a significant portion of the purchase price will be allocated to intangible assets, which could include trademarks such as purchased trademarks, brand names, logos, slogans and other recognised symbols associated with Anheuser-Busch products, as well as other intangible assets such as distribution rights and supply agreements. Trademarks are not generally amortised as they usually have indefinite lives, although they would be assessed for impairment on an annual basis. However, other intangible assets such as distribution rights or other contractual arrangements, have finite lives and would be amortised over their respective useful lives. Identifying and recording finite-lived intangible assets through the purchase price allocation would result in an increase in future amortisation expense to InBev.

A portion of the purchase price may be allocated to property, plant and equipment or other tangible assets with finite lives, which would also result in an increase in depreciation and amortisation expense. No such increase has been assessed for the purposes of this Narrative.

A portion of the purchase price is expected to be allocated to inventory, which would be determined as the difference between the selling price less the sum of (i) costs to complete the work in progress and (ii) a reasonable profit allowance after completing work in progress and the

selling effort (for both finished goods and work in progress) based on profit for similar goods. This allocation would have a non-recurring negative impact on the related cost of sales, which has not been assessed for the purposes of this Narrative.

In addition to the items described above, a purchase price allocation may also result in identification of additional liabilities, including, but not limited to, contractual change in control provisions, restructuring provisions, onerous contracts, or other contingent liabilities, and recognition or derecognition of assets, that may be identified by the valuation studies or otherwise. Allocation of the purchase price to these or other items could result in recurring or non-recurring impacts that have a positive or negative effect on EBITDA and net profit.

(c) Narrative description of financing adjustments

*Senior Facilities*

The funding of USD 45 billion (EUR 28.5 billion) under the Senior Facilities Agreement (see section 4.4 “Financing the Acquisition”) will lead to a net increase in InBev’s total liabilities of EUR 28.1 billion after deducting financing costs that are to be deferred in accordance with IFRS. Under IFRS, these deferred costs will be amortised in the income statement in the current and future periods.

InBev would borrow under each tranche of the Senior Facilities at an interest rate equal to LIBOR, plus mandatory costs (if any), plus a margin that ranges from 1.0% to 1.75% (see section 4.4.1 “Senior Facilities Agreement”). For purposes of this Narrative, InBev has assumed a three-month LIBOR rate of 2.81% as at 29 August 2008 (plus the applicable margin) for approximately one-half of the debt, and a hedged rate of 4% (plus the applicable margin) for the remainder. As a result of the estimated funding cost related to the Senior Facilities, interest expense would increase by approximately EUR 1.560 billion before tax (EUR 1.077 billion after tax) and amortisation of the related financing fees would amount to EUR 180 million before tax (EUR 124 million after tax) for the year ended 31 December 2007; and for the six months ended 30 June 2008, interest expense would increase by approximately EUR 711 million before tax (EUR 491 million after tax) and amortisation of the related financing fees would amount to EUR 80 million (EUR 56 million after tax). A 1/8% change in the interest rate would impact annual interest expense by EUR 36 million before tax (EUR 25 million after tax). InBev has assumed that the interest charges will be deductible for tax purposes at an average rate of 31%.

InBev may finance the Acquisition and refinance a portion of the Senior Facilities with one or more debt capital markets issuances or repay a portion in part through disposals of assets or businesses, simultaneous with or following the Acquisition (see section 4.4.1 “Senior Facilities Agreement”). For purposes of this Narrative, InBev has assumed that no such financings, refinancings or repayments have occurred. If any such financings, refinancings or repayments were to occur, actual interest expense and amortisation of the related financing fees could differ from those described above.

*Bridge Facility*

InBev has entered into a short-term Bridge Facility Agreement of up to USD 9.8 billion principal amount available for uses such as financing a portion of the Transactions or refinancing existing indebtedness of Anheuser-Busch (see section 4.4.2 “Bridge Facility Agreement”). The Bridge Facility bears interest at LIBOR, plus mandatory costs (if any), plus a fixed margin of 1.5% per annum. For purposes of this Narrative, InBev has assumed that no amounts will be drawn under the Bridge Facility because the euro equivalent of USD 9.8 billion is expected to be raised through the Rights Issue prior to the closing date of the Merger. InBev paid USD 4.9 million in arrangement fees in connection with the Bridge Facility in July 2008. Additional finance costs for

the year ended 31 December 2007 and the six months ended 30 June 2008 have not been included for the Combined Company since the arrangement fees paid relating to the Bridge Facility are assumed by InBev for purposes of this Narrative to represent a non-recurring charge and would not continue to affect the income statement 12 months after the Transactions.

#### *Rights Issue*

The Acquisition is expected to be financed in part through the issue of up to USD 9.8 billion in new InBev Shares (see section 4.4 "Financing the Acquisition"). As a result, shareholders' equity as of 30 June 2008 would have increased by USD 9.8 billion, less offering fees of approximately EUR 118 million. The number of new InBev Shares to be issued, the related fees and commissions thereon, and the resulting amount of net cash proceeds are subject to change until determination thereof by or pursuant to a decision by InBev's Board of Directors.

#### (d) Narrative description of other adjustments

For purposes of this Narrative, any transactions that occurred between InBev and Anheuser-Busch are considered intercompany transactions. InBev imports and distributes in the United States certain of its European brands through its Import Agreement with Anheuser-Busch. InBev imports Anheuser-Busch products in the Dominican Republic. InBev also has license agreements with Anheuser-Busch in South Korea and Canada. For purposes of this Narrative, these transactions that occurred between InBev and Anheuser-Busch have been identified and eliminated to illustrate the impact of the Acquisition.

- For the year ended 31 December 2007, there would have been a decrease in InBev's revenue of EUR 166 million, a decrease in cost of sales of EUR 55 million, and a decrease of EUR 6 million and of EUR 23 million in sales and marketing expenses, and other operating expenses respectively. For the six months ended 30 June 2008, there would have been a decrease in InBev's revenue of EUR 60 million, a decrease in cost of sales of EUR 28 million, and a decrease of EUR 7 million and of EUR 9 million in sales and marketing expenses and other operating expenses respectively.
- For the year ended 31 December 2007, there would have been a decrease in Anheuser-Busch's revenue of EUR 84 million and a decrease in cost of sales of EUR 166 million. For the six months ended 30 June 2008, there would have been a decrease in Anheuser-Busch's revenue of EUR 40 million, and a decrease in cost of sales of EUR 56 million.
- As at 30 June 2008, there would have been a decrease in InBev's trade and other receivables, and a corresponding decrease in Anheuser-Busch's trade and other payables, of EUR 21 million.

The impact of intercompany adjustments would be immaterial to net profit of the Combined Company.

### 1.3 Description of overall impact to InBev

As a result of the adjustments relating to the Transactions and the transition of Anheuser-Busch to IFRS, and subject to the limitations, assumptions and qualifications described above, in particular, some of which would have a negative impact on the information disclosed below:

#### *Volumes*

For the year ended 31 December 2007, InBev estimates that, after adjusting reported figures to eliminate sales volumes of approximately 6 million hectolitres from InBev to Anheuser-Busch and licensed sales volumes from Anheuser-Busch to InBev in 2007, and before taking into account any volumes sold by equity investees of InBev and Anheuser-Busch, the Combined Company

would have had total sales volumes of approximately 415 million hectolitres. Including the proportionate share of volumes sold by equity investees of Anheuser-Busch (principally Grupo Modelo and Tsingtao), Combined Company volumes for the year ended 2007 would have totalled approximately 454 million hectolitres.

For the six months ended 30 June 2008, InBev estimates that, after adjusting reported figures to eliminate sales volumes of approximately 3 million hectolitres from InBev to Anheuser-Busch and licensed sales volumes from Anheuser-Busch to InBev for that period, and before taking into account any volumes sold by equity investees of InBev and Anheuser-Busch, the Combined Company would have had total sales volumes of approximately 201 million hectolitres. Including the proportionate share of volumes sold by equity investees of Anheuser-Busch (principally Grupo Modelo and Tsingtao), Combined Company volumes for the six months ended 30 June 2008 would have totalled approximately 220 million hectolitres.

#### *Revenue*

For the year ended 31 December 2007, InBev's revenue in accordance with IFRS was EUR 14,430 million, and Anheuser-Busch's revenue in accordance with U.S. GAAP was USD 16,685 million (EUR 12,200 million). Intercompany eliminations described above would have decreased revenue by EUR 250 million. As a result, Combined Company revenues would have been EUR 26,380 million for the year ended 31 December 2007.

For the six months ended 30 June 2008, InBev's revenue in accordance with IFRS was EUR 6,908 million, and Anheuser-Busch's revenue in accordance with U.S. GAAP was USD 8,821 million (EUR 5,753 million). Intercompany eliminations described above would have decreased revenue by EUR 100 million. As a result, Combined Company revenues would have been EUR 12,560 million for the six months ended 30 June 2008.

#### *EBITDA and normalised EBITDA*

For the year ended 31 December 2007, EBITDA for the Combined Company would have been EUR 8,306 million, an increase of EUR 2,982 million over InBev's EBITDA of EUR 5,324 million for the same period. Normalised EBITDA would have increased by EUR 2,950 million compared to InBev's normalised EBITDA of EUR 4,992 million, resulting in a Combined Company total of EUR 7,942 million.

For the six months ended 30 June 2008, EBITDA for the Combined Company would have been EUR 3,699 million, an increase of EUR 1,513 million over InBev's EBITDA of EUR 2,186 million for the same period. Normalised EBITDA would have increased by EUR 1,514 million compared to InBev's normalised EBITDA of EUR 2,222 million, resulting in a Combined Company total of EUR 3,736 million.

#### *Profit from operations*

For the year ended 31 December 2007, profit from operations (EBIT) for the Combined Company would have been EUR 6,568 million, or an increase of EUR 2,274 million from InBev's profit from operations of EUR 4,294 million.

For the six months ended 30 June 2008, profit from operations (EBIT) for the Combined Company would have been EUR 2,814 million, or an increase of EUR 1,174 million from InBev's profit from operations of EUR 1,640 million.

#### *Finance cost and finance income*

For the year ended 31 December 2007, finance cost for the Combined Company would have been EUR 2,825 million, or an increase of EUR 2,112 million over InBev's finance cost of EUR 713 million. Finance income of the Combined Company for the same period would have been EUR 118 million, or an increase of EUR 3 million over InBev's finance income of EUR 115 million.

For the six months ended 30 June 2008, finance cost for the Combined Company would have been EUR 1,368 million, or an increase of EUR 956 million over InBev's finance cost of EUR 412 million. Finance income of the Combined Company for the same period would have been EUR 78 million, or an increase of EUR 2 million over InBev's finance income of EUR 76 million.

The non-recurring impact of arrangement fees relating to the Bridge Facility Agreement (see section (c) "Narrative description of financing adjustments — Bridge Facility") would have increased finance costs for the year ended 31 December 2007 by USD 4.9 million (EUR 3.6 million).

#### *Share of result of associates*

For the year ended 31 December 2007, share of result of associates for the Combined Company would have been EUR 485 million, or an increase of EUR 484 million over InBev's share of result of associates of EUR 1 million.

For the six months ended 30 June 2008, share of result of associates for the Combined Company would have been EUR 193 million, or an increase of EUR 191 million over InBev's share of result of associates of EUR 2 million.

#### *Income tax*

For the year ended 31 December 2007, income tax expense for the Combined Company would have been EUR 873 million, or an increase of EUR 224 million over InBev's income tax expense of EUR 649 million.

For the six months ended 30 June 2008, income tax expense for the Combined Company would have been EUR 287 million, or an increase of EUR 136 million over InBev's income tax expense of EUR 151 million.

#### *Profit attributable to equity holders*

For the year ended 31 December 2007, profit attributable to equity holders of the Combined Company, after deducting InBev's profit attributable to minority interests of EUR 850 million, would have amounted to EUR 2,623 million, which represents an increase of EUR 425 million over profit attributable to equity holders of InBev of EUR 2,198 million.

For the six months ended 30 June 2008, profit attributable to equity holders of the Combined Company, after deducting InBev's profit attributable to minority interests of EUR 363 million, would have amounted to EUR 1,067 million, which represents an increase of EUR 275 million over profit attributable to equity holders of InBev of EUR 792 million.

The non-recurring impact of arrangement fees relating to the Bridge Facility Agreement (see section (c) "Narrative description of financing adjustments — Bridge Facility") would have decreased profit attributable to equity holders for the year ended 31 December 2007, before consideration of any tax impact, by USD 4.9 million (EUR 3.6 million).

### *Balance sheet data*

InBev's total liabilities as of 30 June 2008 would have increased by EUR 36,583 million from EUR 15,718 million to EUR 52,301 million, of which total interest-bearing liabilities would have amounted to EUR 42,060 million. The principal cause of the increase relates to debt that InBev expects to incur with the Senior Facilities.

InBev's total assets as of 30 June 2008 would have increased by EUR 42,709 million from EUR 29,094 million to EUR 71,803 million.

### *Earnings per share*

InBev's market capitalisation on 30 June 2008, based on the closing share price and weighted average number of ordinary shares outstanding for the purpose of basic earnings per share on 30 June 2008, approximated EUR 26.4 billion. InBev expects to raise up to USD 9.8 billion through the issuance of new InBev Shares. As described above, until determination by or pursuant to a decision by InBev's Board of Directors, the number of new InBev Shares to be issued, the related fees and commissions thereon, and the resulting amount of net cash proceeds are unknown. The issuance of new InBev Shares will have a dilutive effect on InBev's basic and diluted earnings per share. However, once the number of new InBev Shares to be issued has been determined, the estimated impact on InBev's historic basic and diluted earnings per share will be presented in the prospectus to be published in connection with the Rights Issue.

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