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Register of Legal Entities Brussels (0417.497.106)

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## SPECIAL REPORT BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS ON THE ISSUE OF SUBSCRIPTION RIGHTS

prepared in accordance with Articles 583 and 596 of the Belgian Companies Code

Dear Shareholders,

In accordance with Articles 583 and 596 of the Belgian Companies Code, the Board of Directors reports (i) on the purpose and justification of the issue of 1,615,543 subscription rights (*droits de souscription / warrants*) in the framework of the authorised capital for the benefit of holders of existing subscription rights already issued by Anheuser-Busch InBev SA/NV ("**Anheuser-Busch InBev**"), formerly denominated as InBev SA/NV ("**InBev**"), as part of its long term incentive plan, (ii) on the exclusion of the shareholders' preference right in relation to such issue and (iii) on the impact of such issue on the shareholders.

### **1 Background**

#### **1.1 The Acquisition and the Rights Issue**

Anheuser-Busch InBev (at the time denominated as InBev SA/NV) and Anheuser-Busch Companies, Inc. announced on 13 July 2008 an agreement to combine the two companies. The combination takes the form of an acquisition of Anheuser-Busch Companies, Inc. (the "**Acquisition**"), which was approved on 29 September 2008 by the Extraordinary Shareholders' Meeting of Anheuser-Busch InBev. The Acquisition was completed on 18 November 2008, as announced by InBev on 19 November 2008. As a result, the denomination of InBev was changed to Anheuser-Busch InBev, as noted above.

The Extraordinary Shareholders' Meeting of 29 September 2008 also decided an increase of the capital up to a maximum amount of €10 billion (including the issuance premium) by the issuance of new shares to be offered by preference to the existing shareholders of Anheuser-Busch InBev (the "**Rights Issue**"). The proceeds of the Rights Issue will be used to refinance in part the Acquisition. The Extraordinary Shareholders' Meeting granted to the Board of Directors the power to decide whether or not to effectively launch the Rights Issue and to determine the issuance price, the number of new shares offered, the

subscription ratio and the timing of the Rights Issue. On 23 November 2008, the Board of Directors of Anheuser-Busch InBev decided to launch the Rights Issue on 25 November 2008. The issuance price and number of new shares offered were set at €6.45 and 986,109,272, respectively. All shares on offer have been placed at such issuance price and the completion of the capital increase in the framework of the Rights Issue was recorded yesterday.

## 1.2 Impact of the Rights Issue on the Existing Subscription Rights

Since 1999, Anheuser-Busch InBev has issued 16 tranches of subscription rights in the framework of its Long Term Incentive Plan (the "LTI"). Each subscription right entitles its holder to subscribe for one new ordinary share of Anheuser-Busch InBev.

For those holders who did not exercise their subscription rights on the occasion of the Rights Issue as permitted by Article 501 of the Companies Code (which would have enabled them, subject to applicable securities laws, to use the preference rights attached to the resulting newly issued Anheuser-Busch InBev shares to participate in the Rights Issue), the Rights Issue has had an unfavourable effect on the market value of such subscription rights (the "**Existing Subscription Rights**").

Pursuant to Article A.11 of the terms and conditions of the Existing Subscription Rights, the exercise price of the Existing Subscription Rights and/or the number of Anheuser-Busch InBev shares to which the Existing Subscription Rights give right needs to be adjusted to compensate for the unfavourable effect of the Rights Issue, as determined at the sole discretion of the Board of Directors of Anheuser-Busch InBev.

The Board of Directors has decided that only the Existing Subscription Rights of LTI participants who were employees of Anheuser-Busch InBev (at the time denominated as InBev SA/NV) or its subsidiaries at the time that the Existing Subscription rights were granted (the "**Beneficiaries**") will be adjusted through the transactions described in this report, in accordance with applicable company law requirements. The total number of Existing Subscription Rights granted to Beneficiaries and which will therefore be adjusted amounts to approximately 2.7 million.

The Board of Directors has determined that the most appropriate manner to take into account the impact of the Rights Issue on the Existing Subscription Rights of the Beneficiaries is to apply the "ratio method" as set out in the NYSE Euronext "*Liffe's Harmonised Corporate Actions Policy*" (version 3.0 of 20 December 2007), pursuant to which both the number of Existing Subscription Rights of the Beneficiaries and their exercise price must be adjusted on the basis of the following adjustment ratio (the "**Adjustment Ratio**"):

$$\text{Adjustment Ratio} = \frac{P-E}{P} = 0.6252$$

where:

E	=	theoretical value of the preference right under the Rights Issue	=	€6.1846
P	=	official closing price of the Anheuser-Busch InBev shares on the day immediately preceding the opening of the Rights Issue	=	€16.50

The theoretical value of the preference right under the Rights Issue (E) has been calculated on the basis of the following formula:

$$E = \frac{P-S}{(n+x)} = €6.1846$$

where:

S	=	issue price of the Anheuser-Busch InBev shares in the Rights Issue	=	€6.45
n	=	number of preference rights required for one new Anheuser-Busch InBev share	=	0.625
x	=	number of preference rights received for one existing Anheuser-Busch InBev share	=	1

The adjusted exercise price of the Existing Subscription Rights of the Beneficiaries is obtained by multiplying the Adjustment Ratio by the current exercise price of the Existing Subscription Rights of the Beneficiaries, rounded to the closest second decimal (the “**Adjusted Exercise Price**”).

The adjusted number of subscription rights is obtained by dividing the number of Existing Subscription Rights of the Beneficiaries by the Adjustment Ratio, rounded to the closest unit, per Beneficiary and per LTI tranche (the “**Adjusted Subscription Rights**”). The difference between the number of Existing Subscription Rights and the number of Adjusted Subscription Rights represents the number of new subscription rights to be issued by Anheuser-Busch InBev (the “**New Subscription Rights**”).

In order to get to the required number of Adjusted Subscription Rights, a total of 1,615,543 New Subscription Rights will thus have to be issued by Anheuser-Busch InBev. In addition, as noted above, the exercise price of the Existing Subscription Rights of the Beneficiaries will also have to be adjusted.

The attached table provides the Adjusted Exercise Price and the number of Adjusted Subscription Rights per LTI tranche.

## 2 Exclusion of the preference right

In accordance with Article 596 of the Companies Code, the Board of Directors proposes to exclude the preference right of the existing shareholders in relation to the issue of the New Subscription Rights, for the benefit of the Beneficiaries.

As explained above and in accordance with the NYSE Euronext “ratio method”, the New Subscription Rights will be granted to the Beneficiaries with a view to compensating the unfavourable effect of the Rights Issue on the Existing Subscription Rights, without conferring any additional economic benefits on them.

According to Article 598 of the Companies Code, where subscription rights are granted to persons who are not employees of the issuer or its subsidiaries, certain limitations apply (including as regards the exercise price). The Board of Directors is of the opinion that where new subscription rights are granted with a view to compensating the unfavourable effect of a rights issue on previously issued subscription rights - and not with a view to conferring additional economic benefits to the holders of those initial subscription rights - the status of employee of the issuer or its subsidiaries must be assessed at the time that the initial subscription rights were granted and not at the time that the new subscription rights are granted.

In the present case, since the Beneficiaries of the New Subscription Rights were all employees of Anheuser-Busch InBev or its subsidiaries at the time that the Existing Subscription Rights were granted, the Board is of the opinion that Article 598 of the Companies Code is not applicable, including as regards the issuance of New Subscription Rights to those Beneficiaries who are no longer employees of Anheuser-Busch InBev or its subsidiaries as at the date of this report.

### **3 Issue of New Subscription Rights**

The Board of Directors proposes to issue 1,615,543 New Subscription Rights. As noted above, such issue will necessarily entail an exclusion of the preference right of the existing shareholders. Such exclusion is required to allow the grant of the New Subscription Rights to the Beneficiaries.

Each New Subscription Right will entitle its holder to subscribe for one new ordinary Anheuser-Busch InBev share. The exercise price of the New Subscription Rights will be the same as the Adjusted Exercise Price of the Existing Subscription Rights to which they relate (see attached table).

The terms and conditions of the New Subscription Rights will be the same as the terms and conditions of the Existing Subscription Rights to which they relate. For vesting purposes, they will be treated as if they had been issued at the same time as the Existing Subscription Rights to which they relate. They will be exercisable in the same manner and under the same conditions.

### **4 Purpose of the issue**

From an economic perspective the granting of the New Subscription Rights to holders of Existing Subscription Rights will not constitute a new LTI tranche.

As indicated in Section 1 above, the purpose of the issue of the New Subscription Rights is to compensate for the impact of the Rights Issue on the Existing Subscription Rights of the Beneficiaries. The Existing Subscription Rights have been issued with a view to aligning the interests of the grantees with those of the shareholders and further increasing the involvement of the grantees in the long-term strategy and development of the company, as well as in their supervisory role.

### **5 Financial impact on existing shareholders**

In comparison with the total number of shares representing the capital of Anheuser-Busch InBev, the transaction is relatively limited and will only entail, even in the event that all the

New Subscription Rights are exercised, a limited dilution of the shareholding of the existing shareholders. Indeed, if all New Subscription Rights were to be exercised, the new shares resulting from that exercise would only represent 0.10% of the 1,602,427,569 shares currently outstanding (taking into account the 986,109,272 shares issued in the Rights Issue).

The transaction may also entail a financial dilution for the shareholders, resulting from the difference between the exercise price of the New Subscription Rights and the stock price of the Anheuser-Busch InBev share at the time that such New Subscription Rights are exercised. This financial dilution will, in all circumstances, be limited in view of the limited number of New Subscription Rights to be issued.

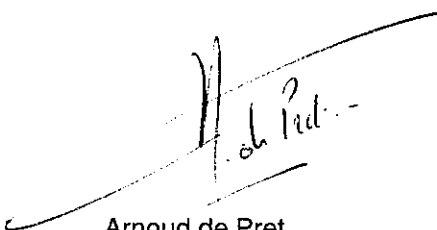
## 6 Conclusion

The issue of the New Subscription Rights and the exclusion of the preference right of existing shareholders will have a limited impact on the situation of the existing shareholders, notably with respect to their share in the profits and own funds of Anheuser-Busch InBev. It is fully justified by the need to avoid any negative impact of the Rights Issue on the Beneficiaries, as provided for by the terms and conditions of the Existing Subscription Rights.

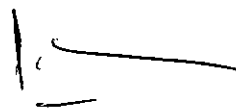
For the above reasons, it is in Anheuser-Busch InBev's and its shareholders' interests to issue the New Subscription Rights and to exclude the preference right in relation to such issue.

17 December 2008


For the Board of Directors,



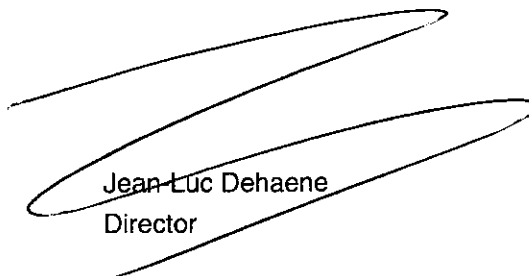
Arnoud de Pret  
Director



Grégoire de Spoelberch  
Director



Alexandre Van Damme  
Director



Jean-Luc Dehaene  
Director

### Number of subscription rights and exercise price before and after adjustment

The information contained in this table only relates to subscription rights held by LTI participants who were employees of Anheuser-Busch InBev or its subsidiaries at the time that the Existing Subscription rights were granted (the Beneficiaries).

LTI #	Issue Date	Expiry Date	Number of Existing Subscription Rights	Number of New Subscription Rights	Total Number of Subscription Rights After Adjustment	Existing Exercise Price	Adjusted Exercise Price
LTI 1	29/06/1999	28/06/2009	49,200	29,496	78,696	€14.23	€8.90
LTI 3	25/04/2000	24/04/2010	75,800	45,440	121,240	€11.64	€7.28
LTI 4	31/10/2000	30/10/2010	18,764	11,249	30,013	€25.01	€15.64
LTI 5	13/03/2001	12/03/2011	155,481	93,206	248,687	€30.23	€18.90
LTI 6	23/04/2001	22/04/2011	33,400	20,023	53,423	€29.74	€18.59
LTI 7	04/09/2001	03/09/2011	3,500	2,098	5,598	€28.70	€17.94
LTI 8	11/12/2001	10/12/2011	265,467	159,139	424,606	€28.87	€18.05
LTI 9	13/06/2002	12/06/2012	19,900	11,930	31,830	€32.70	€20.44
LTI 10	10/12/2002	09/12/2012	271,361	162,681	434,042	€21.83	€13.65
LTI 12	27/04/2004	26/04/2014	702,823	421,333	1,124,156	€23.02	€14.39
LTI 13	26/04/2005	25/04/2015	860,170	515,717	1,375,887	€27.08	€16.93
LTI 14	25/04/2006	24/04/2016	238,932	143,231	382,163	€38.70	€24.20
		<b>Total</b>	<b>2,694,798</b>	<b>1,615,543</b>	<b>4,310,341</b>		