

Letter to Shareholders

Our dream is to become the Best Beer Company in a Better World.

This dream took a significant step towards becoming a reality with the creation of Anheuser-Busch InBev in November of 2008. We are now not just the largest and most profitable beer company in the world, but we are also one of the world's leading consumer goods companies with a pro forma EBITDA of approximately 8.2 billion euro in full year 2008. This accomplishment was made possible by the strengths generated from the prior combination of AmBev and Interbrew just five years ago. As we look forward to the next five years we are even more optimistic about the potential created by the combination of Anheuser-Busch and InBev. Our confidence is supported not just by the enhancement of our global position, but by our ability to attract talented people who share our dream and further enhance our unique culture. Our constant and relentless pursuit of excellence gives us confidence as we look forward during these challenging times.

On the operational side, we delivered EBITDA growth of 4.6% while our EBITDA margin decreased 15 bps, closing the year at 33.1%. Since InBev's creation in 2004, our EBITDA margin has increased as follows: 24.7% in 2004, 28.6% in 2005, 31.9% in 2006, 32.7% in 2007 including pro forma financials of Anheuser-Busch for the last six weeks of 2007, to 33.1% in 2008.

Our top line grew 5.2% compared to the previous year. This was primarily achieved through price and revenue management initiatives, as industry volumes were weak throughout our markets.

Consolidated volumes were essentially flat with own beer volumes decreasing 0.3% and soft drinks volume growing 4.9%. Importantly, our focus brands grew 2.6%. Our focus brands are those with the highest growth potential within each relevant consumer segment and where we make the greatest marketing investment.

2008 was a year in which we saw good progress in our top 10 markets and with our focus brands:

U.S.: Anheuser-Busch gained 0.5 pp of market share. Bud Light Lime was ranked as the number one product launch in the entire consumer goods industry by IRI (Information Resources, Inc.) in 2008.

Brazil: We closed the year with an average market share of 67.5%, a contraction of 0.3 pp as year-end 2008 price increases were not immediately followed by competitors.

Canada: Our business posted a share gain of 0.2 pp, after many years of share decline. Budweiser and Bud Light continued to grow and achieved record share levels.

Argentina: We had a good year of market share growth in Argentina, up 1.9 pp compared to the previous year. Stella Artois is the number one international beer brand in Argentina.

Belgium: We increased our share by 0.2 pp. The Jupiler family performed well. Jupiler Tauro was launched and achieved good acceptance by our consumers.

U.K.: Our market share grew 0.4 pp of which the Stella Artois family represented 0.2 share points. Stella Artois 4% was a very successful launch.

Russia: We lost 0.8 pp of market share as we shifted emphasis to the premium segment.

South Korea: We gained 1.2 pp of market share. Cass is the fastest growing top five beer brand in South Korea for the second year in a row.

China: In the three provinces that represent more than 80% of our business (Zhejiang, Fujian and Jiangxi) our market share fell slightly, however Harbin showed a good performance in the Northeast.

Germany: We increased our share 0.4 pp and Beck's posted another year of great performance with volume growth of 5%.

On the cost side, our operating expenses increased 3.6%, below the average inflation rate of 5-6% for 2008. Cost of Sales (CoS) per hl increased 9.1%, which is 3.1% above the upper-end of our previous expectation, which was 5-6%. This performance was primarily driven by the combined effects of lower than expected volume growth in Zones with below average CoS/hl (Latin America North and Central & Eastern Europe) and the spread of industrial fixed costs over lower than expected volumes.

As a result of missing our targets in 2008, the CEO and most members of our Executive Board of Management will not receive a bonus this year. This is a concrete example of the ownership culture that we believe in at Anheuser-Busch InBev - that management incentives must be totally aligned with shareholders' interests.

2008 was, however, also a memorable year for all of us. The combination between Anheuser-Busch and InBev was not only an unprecedented transaction that reshaped the beer industry, but it also created a world class consumer goods company that ranks in the top tier globally in terms of sales and EBITDA.

An Integration Committee was established in July 2008 following the signing of the merger agreement. The mandate of the committee was to identify prior to closing, subject to all applicable legal restrictions, best practices from InBev and Anheuser-Busch.

Since closing the transaction on 18 November 2008, the integration process has progressed quickly delivering 250 million USD of synergies in 2008. We now feel confident enough to increase our synergy projection from the original 1.5 billion USD to 2.25 billion USD with approximately 1 billion USD captured in 2009, and the balance in the following two years. Our teams are highly motivated and in full delivery mode.

At the time of the creation of InBev in 2004, EBITDA margin expansion was identified as the ultimate metric to measure the successful integration of Interbrew and AmBev.

In integrating InBev and Anheuser-Busch, the metric by which we will judge ourselves in the first five years will be the Net Debt to EBITDA ratio, which will have a significant impact on our variable pay.

The Net Debt to EBITDA ratio not only measures EBITDA growth and EBITDA margin expansion, but also relevant drivers of cash flow generation, fully consistent with our commitment to quickly deleverage our company.

Looking out on 2009, our fundamentals remain strong, and we expect our margins to expand. Thus far, our pricing actions are holding and overall volume performance remains stable. To achieve these results, we will move with greater pace and urgency in 2009:

- Over-delivering on the synergies to be captured in 2009 as compared to our original expectations.
- Maintaining pricing discipline in relevant markets while continuing to support our focus brands.
- Continuing to execute at least 7 billion USD in divestitures.
- Reducing 2009 Capital Expenditure by at least 1 billion USD from pro forma 2008 while not compromising the quality of our products and the safety of our people.
- Continuing to strive for working capital improvements at the former InBev while releasing at least 500 million USD in working capital from the former Anheuser-Busch.
- Enhancing the maturity and currency profile of our outstanding debt.
- Optimizing the effective tax rate of the combined company towards the 25-27% range.

In 2009 we will continue to build on the platforms of our business model: our Dream/People/Culture platform, market execution capabilities, brand building skills, strict cost control and cash flow generation. While current market conditions pose significant challenges, demand for beer in our two major markets remains stable and our market share high. Moreover, we have strong market share momentum in most of our key regions, led by our focus brands and enhanced marketing efforts. Our People are our primary sustainable competitive advantage. The combination of Anheuser-Busch and InBev has significantly strengthened our talent pipeline and enriched our culture.

In summary, despite the challenging conditions in 2008, our people are energized and excited about our future and the pursuit of our dream of building the Best Beer Company in a Better World.



Carlos Brito
Carlos Brito
Chief Executive Officer



Peter Harf
Peter Harf
Chairman of the Board



The new Anheuser-Busch InBev identity reflects the vision of our new organization. It is designed to represent drive, authenticity and friendship. It is also meant as a source of pride, which aims to motivate and inspire employees, engage with partners, and demonstrate our determination to become the Best Beer Company in a Better World.