



Limited Liability Company
(*société anonyme/naamloze vennootschap*)

Grand'Place 1
1000 Bruxelles

Register of Legal Entities No. 0.417.497.106

SPECIAL REPORT BY THE BOARD OF DIRECTORS TO SHAREHOLDERS
on the issue of warrants

prepared in accordance with Article 583 of the Belgian Companies Code

Dear Shareholders,

In accordance with Article 583 of the Belgian Companies Code, the Board of Directors has the pleasure to report, in this special report, on the purpose and justification of the proposal that shall be made to the Extraordinary Shareholders' Meeting convened on 26 April 2005, to issue warrants (*droits de souscription / warrants*) mostly for the benefit of management executives of InBev SA/NV ("**InBev**") and of its subsidiaries as well as incidentally for the benefit of its directors.

I. Issue of warrants

The Board of Directors proposes that the Extraordinary Shareholders' Meeting approves the issue of 3,500,000 warrants. Such issue will entail an exclusion of the preferential subscription right. Every warrant will entitle its holder to subscribe to one ordinary InBev share. The exercise price of each warrant will be determined on 25 April 2005 and will amount to the average closing stock price of the InBev share during the 30 days preceding the issuance day (see the Board of Directors' report relating to the exclusion of the preferential subscription right of the shareholders).

English version
Official versions are in French and Dutch

The terms and conditions of the warrants are described in the document attached to this report.

The warrants will be issued mostly for the benefit of management executives as well as incidentally for the benefit of all InBev directors (for a maximum of 350,000 warrants) in compliance with the general rules determined by the Compensation and Nominating Committee, approved by the Board of Directors on 7 December 1999 and modified by the latter on 13 March 2001.

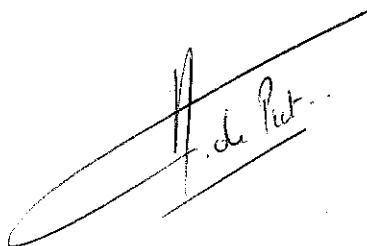
II. Purpose of the issue

The above-mentioned issue is in line with the Long-Term Incentive plan, which has several objectives. On the one hand, the plan aims to improve the convergence of the shareholders' interests with those of management executives and, as a result, to improve even further their involvement in the long-term strategy of InBev and its subsidiaries; on the other hand, it aims to gain their loyalty through the lapse of a certain period. With respect to the beneficiary directors, the issue is part of their remuneration. The Board of Directors deems it very unlikely that the granting of warrants could affect their judgement within the Board given the fact that the warrants granted only represent a limited fraction of the total remuneration of the directors.

This transaction conforms with InBev's interest, as well as with that of the shareholders, since it aims to motivate management executives of InBev and its subsidiaries in view of the long-term development of the activities.

Leuven, 1 March 2005

For the Board of Directors,



Director



Pierre Jean Everaert
Chairman of the Board of Directors

Annex: terms and conditions of the warrants and the shares.

INBEV LONG TERM INCENTIVE

TERMS AND CONDITIONS RELATING TO THE ISSUE OF SUBSCRIPTION RIGHTS OF 26 APRIL 2005

A. Subscription rights

1. **Rights** - Each subscription right confers the right to subscribe to one new ordinary share of InBev N.V./S.A.
2. **Form** - The subscription rights shall be and remain in registered form. Certificates reflecting entries in the register of the subscription rights shall be remitted to the holders of subscription rights, upon their request.
3. **Transferability** - Except for transfers as a result of death, subscription rights may not be transferred.
4. **Exercise periods** - No subscription right may be exercised until 31 December 2006. With respect to each holder, as referred to in item A. 13 a first third of the subscription rights may be exercised from 1 January 2007 to 25 April 2015. A second third of the subscription rights may be exercised from 1 January 2008 to 25 April 2015. The third third of subscription rights may be exercised from 1 January 2009 to 25 April 2015.

Subscription rights not exercised within the exercise periods as defined under this item A.4 shall automatically expire and become null and void. In the event that not all subscription rights are exercised, the capital shall be increased in the amount corresponding to the amount of new shares subscribed to.

5. **Exercise limitations** - The subscription rights may not, under any circumstances, be exercised:
 - a) during the closed period immediately preceding the preliminary announcement of InBev N.V./S.A.'s annual results;
 - b) during the closed period immediately preceding the preliminary announcement of InBev N.V./S.A.'s half yearly or quarterly results.
6. **Terms of exercise** - Any request to exercise subscription rights shall be addressed in writing to the President of the Board of Directors of InBev N.V./S.A. The exercise price must be paid in full at the latest three (3) banking days before the ascertainment by notarial deed (as provided for under item A. 10) of the subscription and realisation of the capital increase, by bank transfer of funds to a bank account opened in the name of InBev N.V./S.A. The account number shall be communicated later.

7. **Change of control** – – Except if the events contemplated in this item A.7 have been made public on or before the offering of the subscription rights, the holders of the subscription rights shall, in the event of a mandatory public takeover bid or public exchange bid with respect to securities of InBev N.V./S.A. or of a modification, as a result of a public bid or otherwise, of the direct or indirect control exercised over InBev N.V./S.A., as defined under Belgian law, have the right to exercise their subscription rights immediately, without regard to the exercise periods set forth under item A.4 above and the exercise limitations set forth under item A.5 above except, in the latter case, where prohibited by applicable legislation or regulations. Subscription rights not exercised (i) by the last day of the offering period, in case of a bid (as referred to above) or (ii) one month after the date of the change of control, in the other cases, shall however cease to be exercisable as provided for by this item A.7 and shall again be fully governed by items A.4 and A.5 above.

A reorganisation of the structure of the InBev Group which does not involve a change of control at the level of the Group shall not constitute a change of control for the purpose of this item A.7. As a result, for example, the interposition of a new entity between InBev N.V./S.A. and its shareholders shall not qualify as a change of control, provided that no change of control occurs at the level of those shareholders.

8. **a) Resignation and dismissal for serious cause** - Upon resignation or dismissal for serious cause of a holder, all subscription rights which are not exercisable under item A.4 above at the date of effect of the resignation or the date of notification of the dismissal shall automatically expire and become null and void.

On the other hand, subscription rights which, at the date of effect of the resignation or the date of notification of the dismissal, are exercisable according to item A.4 above may only be exercised during a 365-day period starting from the above-mentioned date or from the beginning of the exercise period contractually agreed upon with the holder. Subscription rights not exercised during one of these two windows shall automatically expire and become null and void.

b) Dismissal other than for serious cause - Upon dismissal of a holder other than for serious cause, all subscription rights which, at the date of notification of the dismissal, are not exercisable according to item A.4 above shall automatically expire and become null and void. However, the Board of Directors of InBev N.V./S.A. may, at its discretion, allow the dismissed holder to exercise all or a portion of the said subscription rights during a 365-day period starting from the beginning of the exercise period, either determined in accordance with the terms of item A.4 above, or contractually agreed upon with the holder. This power may be delegated by the Board of Directors.

On the other hand, subscription rights which, at the date of notification of the dismissal, are exercisable according to item A.4 above may only be exercised during a 365-day period starting from the above-mentioned notification date or from the beginning of the exercise period contractually agreed upon with the holder.

In all applicable cases, subscription rights not exercised during the said 365-day period shall automatically expire and become null and void.

c) Directors not bound by an employment contract - In the event that a holder who has the quality of director of the company or any subsidiary thereof and who has not entered into an employment contract with InBev N.V./S.A. or a subsidiary thereof, would not be re-appointed as a director at the term of his/her directorship, his/her subscription rights shall remain exercisable in accordance with the present terms and conditions, to the exclusion of items A.8.a and A.8.b above. However, in the event that the directorship would not be renewed upon the expiry of its term or would be terminated in the course of its term due to a breach of duty by the director, the rules of item A.8.a shall apply. In the event that the directorship would be terminated in the course of its term without any breach of duty by the director, the rules of item A.8.b. shall apply.

d) General provisions - The present item A.8 applies notwithstanding any recourse which might be introduced by a dismissed holder against such dismissal. The notion of dismissal for serious cause shall be defined by reference to the Belgian law of 3 July 1978 or any other equivalent relevant local law, to the extent that they apply to the holder concerned. The present item A.8 does not in any way affect the rights of holders set forth under item A.7 above in the event of a change of control.

9. **Retirement, early retirement and prepension, long-term disability or death** - In case of retirement or long-term disability, subscription rights shall remain exercisable by holders in accordance with the present terms and conditions, to the exclusion of item A.8 above. In case of early retirement and prepension, the Board of Directors of InBev N.V./S.A. shall decide, at its discretion, either (i) that subscription rights shall also remain exercisable by the holder concerned in accordance with the present terms and conditions, to the exclusion of item A.8 above or (ii) that the provisions of item A.8.b with respect to dismissal other than for serious cause shall apply. The notions of retirement, early retirement, prepension and long-term disability shall be defined by reference to the law governing the employment contract, or alternatively, by the pension plan rules in the relevant jurisdiction or, if applicable, directorship of the holder of the subscription rights.

In case of death of a holder, subscription rights inherited or otherwise acquired as a result of the holder's death by the children, grandchildren, spouse, father and/or mother of the holder shall also remain exercisable by such persons in accordance with the present terms and conditions, to the exclusion of item A.8 above. Subscription rights inherited or otherwise acquired by other persons as a result of the holder's death shall be exercisable as provided for by item A.8.b above with respect to dismissal other than for serious cause, it being understood that the words "date of notification of the dismissal" shall be replaced by "date of death".

10. **Ascertainment of the capital increase resulting from the exercise of the rights** - The ascertainment by notarial deed of the subscriptions resulting from the exercise of the subscription rights, the realisation of the resulting capital increase and of the

issuing of the new shares shall take place at the monthly meetings of the Board of Directors of InBev N.V./S.A or on another date if necessary. The dates of the ascertainment will be provided in due time. The ascertainment will only take place if the exercise price has been fully paid as set forth under item A.6 above.

11. **Anti-dilution measures** - The company expressly reserves the right to proceed with corporate changes having an impact on its capital, such as capital increases, including by incorporation of reserves in the capital, issuance of convertible bonds or subscription rights, stock splits or reverse stock splits, combinations or reclassifications of the shares of InBev N.V./S.A., as well as the right to amend the clauses in the articles of association governing the allocation of profits or liquidation boni. In the event that such corporate changes should have an unfavourable effect on the exercise price of the subscription rights, the latter price and/or the number of shares to which the subscription rights give right, shall be adjusted for the purpose of safeguarding the interests of the holders of subscription rights, as determined at the sole discretion of the Board of Directors of InBev N.V./S.A. subject to any required action by the Shareholders' Meeting of InBev N.V./S.A. The terms of such adjustment shall be established and communicated to the holders of subscription rights in due time.
12. **Expenses and taxes** - All legal, tax, administrative and other costs and expenses related to the issuance of the subscription rights and the new shares shall be paid by the company, except income taxes on the income received by the holders of the subscription rights in connection with the offering, the ownership or the exercise of subscription rights and with the subscription to the new shares and except taxes on the physical delivery of the bearer shares should such delivery be requested. All financing costs related to the subscription of the new shares shall be paid by the subscribers. The subscribers shall ensure that the bank account of the company shall be credited by the net amount.
13. **Offering of subscription rights** -The subscription rights shall be offered for subscription principally to certain senior management employees and, accessorially, to the Directors of the InBev Group. The identity of the recipients and the number of subscription rights which they are offered shall be determined either by the Compensation and Nominating Committee or by the Chief Executive Officer (as provided for by the corporate governance rules of InBev N.V./S.A.), in accordance with the general rules of granting as established by the Compensation and Nominating Committee and approved by the Board of Directors of InBev N.V./S.A. on 7 December 1999, as amended by the same Board on 13 March 2001.

B. New shares obtained as a result of the exercise of the subscription rights

1. **Characteristics and rights** - The shares to be issued upon exercise of the subscription rights shall be identical to the existing ordinary shares, with the same rights and benefits.
2. **Form** - The new shares shall be bearer shares. At the request of the shareholder, these shares may be converted into registered shares. A non-transferable certificate reflecting the entries in the register of registered shares shall be remitted to the shareholders, upon their request.

C. General provisions

1. **Matrimonial regime** - In the event that the matrimonial regime of the holder of a subscription right or a share resulting from the exercise of subscription rights confers ownership or other rights on her/his spouse with respect to any of the subscription rights and/or the shares resulting from the exercise of the subscription rights, the holder undertakes that her/his spouse shall appoint such holder as her/his sole representative for all matters arising in relation to such subscription rights and/or shares.
2. **Death** - In the event of a holder's death, any person acquiring the subscription rights shall inform InBev N.V./S.A. of the holder's death as soon as possible and at the latest within one month of the date of death.
3. **Modification of the present terms and conditions** - The Board of Directors may unilaterally modify at any time the practical and/or accessory aspects of the present terms and conditions.
4. **Applicable law** - The subscription rights, the new shares and these terms and conditions shall be governed by Belgian law. Any dispute relating thereto shall be submitted to the competent Belgian courts.

