



KPMG Bedrijfsrevisoren
Bourgetlaan - Avenue du Bourget 40
1130 Brussel - Bruxelles
Belgium

Tel. +32 2 708 43 00
Fax +32 2 708 43 99
www.kpmg.be

InBev NV/SA

Special report by the statutory auditor on the increase of the share capital by means of a contribution in kind (drawn up in accordance with Article 602 of the Belgian Companies Code)

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EH/pv

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1 Mission

As statutory auditor of InBev NV/SA (hereafter referred to as 'InBev' or 'the Company') we were engaged by the Board of Directors to report on a proposed capital increase by means of a contribution in kind in accordance with Article 602 of the Belgian Companies Code (hereafter referred to as 'BCC').

Article 602 of the Companies Code provides that:

"When a capital increase consists of contributions in kind, a report must be prepared in advance, either by the statutory auditor, or, for companies which do not have a statutory auditor, by the auditor appointed by the board of directors.

This report should address the description of each contribution in kind and the valuation methods adopted. The report should indicate whether the valuation which results from the valuation methods adopted corresponds at least to the number and the nominal value, or, in the absence of nominal value, the book value and, if applicable, the issue premium of the shares to be issued as consideration. The report should indicate what the effective remuneration of the contributions is.

This report should be attached to the special report prepared by the board of directors which addresses the interest which the contribution and the capital increase represent for the company, as well as, if need be, the reasons why the conclusions reached in the special board report differ from the conclusions reached in the auditor's report.

The auditor's report and the special board report must be submitted to the commercial court in accordance with Article 75.

If the capital increase is submitted to the general meeting of shareholders in accordance with Article 581, the reports referred to in paragraph 3 should be indicated in the agenda of the shareholders' meeting. A copy can be obtained in accordance with Article 535.

In the absence of the reports required by this article, any decision taken by the general meeting of shareholders is void."

2 Description of the contribution

2.1 Background of the transactions

SUN Interbrew Limited (Jersey) (hereafter referred to as 'SUN Interbrew') is the holding company of the second largest brewer in Russia and of the market leader in the Ukraine. SUN Interbrew is listed on the Luxembourg Stock Exchange¹.

The share capital of SUN Interbrew is divided into Class A shares (non-voting shares) and Class B shares (voting shares). As of today's date, the large majority of the class B shares (namely 75.49%) are held on a fifty-fifty basis by S.U.N. Trade International Ltd (Jersey) (hereafter referred to as 'SUN Trade') and InBev. These two joint venture partners are parties to an April 2, 1999 Shareholders' Agreement (the "Shareholders Agreement") that stipulates the rights and obligations of both parties. The Shareholders Agreement grants InBev the power to govern the financial and operating policies of SUN Interbrew and provides protection rights to SUN Trade. In addition to the 37.74% Class B shares², InBev also owns 86.92% of the Class A shares of SUN Interbrew bringing InBev's total economical interest in SUN Interbrew to 75.17%³.

A Share Purchase Agreement was signed between InBev and SUN Trade on August 11, 2004 and subsequently amended and restated on January 10, 2005 (the "SUN Trade Share Purchase Agreement"). According to this agreement and subject to the satisfaction or waiver of certain conditions described in Section 3.3 of the Board report, SUN Trade agreed to contribute to InBev a total of 5,557,220 Class A shares of SUN Interbrew (representing 6.28% of all Class A shares) and 6,556,949 Class B shares of SUN Interbrew (representing 23.59% of all Class B shares) against 12,500,001 new ordinary shares of InBev (representing approximately 2% of all shares in InBev), to be issued through the existing authorized capital. Together with this transaction (referred to in the draft Board Report as the "Capital Increase") SUN Trade will sell an additional 3,334,381 Class A shares of SUN Interbrew (representing 3.77% of all Class A shares) and 3,934,227 Class B shares of SUN Interbrew (representing 14.15% of all Class B shares) to InBev against an amount in cash equal to the value of 7,500,110 ordinary shares of InBev based on the InBev average share price in the 25 trading days, ending two business days prior to closing of the transaction (referred to in the draft Board Report as the "Cash Payment")

As a result of the transaction SUN Trade will no longer retain its significant influence over SUN Interbrew which in the past was based on the protection rights embedded in the Shareholders agreement. Due to the nature and structure of the Shareholders Agreement InBev acquired 50% of the voting stock held by the two joint venture partners as the result of a number of transactions, including cash settlement and contribution of existing InBev Russian and Ukrainian assets. Even though InBev was granted operational and financial control over the combined business, SUN Trade maintained significant protection rights since the acquisition at that time did not entail the payment of a control premium. These protection rights were granted

¹ Also listed in Germany, for trading purposes only, on the Freiverkehr Market of the Berlin Stock Exchange, on the Stuttgart Stock Exchange, on the Xetra Market of the Frankfurt Stock Exchange and (Class B GDRs only) on the Munich Stock Exchange.

² Excluding 971,575 Class B shares subject to a purchase option held by SUN Trade.

³ Excluding the additional interest acquired from Alfa-Eco pursuant to a share purchase agreement signed on 31 December 2004.

to ensure that InBev's joint venture partner would continue to participate in the market development of SUN Interbrew.

The continuing increase of beer consumption in Russia and the Ukraine transformed the CIS countries into becoming one of the main growth markets of InBev and as a result, one of the more important sources of growth and increase in profitability for the whole group. In order to continue SUN Interbrew's growth pattern, InBev wants to retain the ability of investing, an objective that could have been hindered by the need for its joint venture partner to keep up with this investment level in order to maintain its 50% ownership. Therefore, both parties agreed to terminate the joint venture agreement, including settlement of the unpaid control premium. Since both parties played a crucial role in building the current position of SUN Interbrew on the Russian/Ukrainian market, InBev agreed to determine such control premium based on the current enterprise value of SUN Interbrew.

2.2 Description and valuation of the contributed assets

The contributed assets will consist of 6,556,949 voting shares and 5,557,220 non-voting shares in SUN Interbrew.

Although the SUN Interbrew shares are listed, volumes traded are negligible and quoted prices are heavily influenced, even if small volumes are put on the market. At the time of the preparation of this report, peaks in share prices were around \$ 13.50 per share. Given the low liquidity of the shares⁴, we agree with the Company that quoted share prices are not a valid basis for valuing the Capital Increase part of the SUN Trade Share Purchase Agreement resulting in the acquisition of a significant stake of 16.66% in SUN Interbrew.

Prior to the signing of the August 11, 2004 Share Purchase Agreement between InBev and SUN Trade, valuations had been prepared by a project team under control of InBev's management, including members of InBev's Business Development & External Growth Strategy and Finance departments, and assisted by external advisors, including two international investment banks. The valuation methodology used is basically a discounted cash flow model using projected cash-flows for the years 2004 up to 2014, including a terminal value calculation as specified in section 6.3 of the draft Board Report prepared in accordance with Article 602 of the BCC.

The implied equity value of SUN Interbrew, calculated based on the method described above and as specified in section 6.3 of the draft Board Report, ranges between EUR 1,954 million and EUR 2,349 million, so without making a distinction between voting and non-voting shares the contributed 16.66% interest in SUN Interbrew would represent a value ranging between EUR 326 million and EUR 392 million and an average share price ranging between EUR 16.82 and EUR 20.22 per share.

The settlement of the control premium, as agreed between both parties, is based on the valuation method described in section 6.4 of the draft Board Report. This method determines the control premium as the difference between the market value of the company compared to the value an investor is prepared to pay to obtain control.

⁴ Economical interest % not held by the two joint venture partners is only 8.2% of the total number of shares of SUN Interbrew.

To determine the market value of SUN Interbrew a multiple of between 8 and 11 times the estimated average 2004 EBITDA of EUR 137.5 million was used as a basis. Such method deviates from the method used to determine the value of the 16.66%, as described before, in that the method does not take into account the expected future increase of earnings due to the anticipated change in consumption pattern on the Russian and Ukrainian markets. Taking into account an estimated debt position of EUR 303 million, the market value of SUN Interbrew (basis: equity value) is estimated to be between EUR 797 million and EUR 1,210 million (for the 91.83% owned by Inbev after the transaction a value ranging between EUR 732 million and EUR 1,111 million). According to the computations of the project team, the control premium an investor is prepared to pay for a 91.83% ownership in an investment comparable to SUN Interbrew is to be estimated between EUR 247 million and EUR 287 million – or in fact an investor would be prepared to acquire control based on a multiple between 10 and 13.5 times the current year's EBITDA.

The final agreement reached between the two parties results in the allocation of 12,500,001 InBev shares plus the Cash Payment to remunerate the acquired economic interest in SUN Interbrew, including the control premium. Based on InBev's share price of EUR 26.51 at the closing date of the contract (being August 11, 2004) to value the Capital Increase and at EUR 28.90 to value the Cash Payment this would mean a remuneration of EUR 548 million, an amount which would bring the total difference between the implied equity value of the 16.66% stake in SUN Interbrew and the price paid into a range between EUR 222 million and EUR 156 million- or an average of EUR 189 million. The amount is less than the average of the estimated control premium determined by the project team (being EUR 267 million) and as a result is considered to be an acceptable price paid to buy-out the 50% co-controlling shareholder of the joint venture.

3 Remuneration of the contribution in kind

The Board of Directors proposes to increase the share capital of InBev by way of the issuance of 12,500,001 InBev shares to remunerate the contribution in kind, a remuneration that represents a value of EUR 331,375,026.51 based upon InBev's share price of EUR 26.51 as of the close of market on August 11, 2004.

Taking into account the additional payment of the control premium to remunerate the exit of the joint venture partner, the combination of InBev's initial investment together with the current remuneration of the contribution brings the total investment to a level of approximately 7 times the EBITDA of 2004, a multiple which is even lower if the estimated EBITDA numbers of the years subsequent to 2004 are taken into account.

In our opinion, taking into account the settlement of the control premium to remunerate the exit of the joint venture partner, the value of the assets contributed is at least equal to the number and par value of the newly issued InBev shares (EUR 9,625,000.77) increased with the share premium of EUR 321,750,025.74.

4 Work performed

We performed or relied on the following work:

- Audit of the InBev consolidated financial statements over the past three years and review of 2004 interim financial statements in our capacity as the InBev group auditor;
- Audit of the SUN Interbrew accounts over the past three years and review of 2004 interim financial statements in our capacity of SUN Interbrew's group auditor;
- KPMG Corporate Finance review of the valuation model prepared by the InBev project team (assisted by two international investment bankers), including evaluation of the underlying assumptions being used and comparison with recent transactions within the sector;
- ISA 810 review of forecasted figures;
- Update review of the initial valuations between mid-August 2004 and January 2005.

Conclusion

The contribution in kind consists of the issuance of 12,500,001 new ordinary shares of InBev to SUN Trade as remuneration for the contribution in kind of 6,556,949 Class B (voting) and 5,557,220 Class A (non-voting) shares of SUN Interbrew.


In our opinion:

- The transaction was reviewed in accordance with the standards of the Belgian Institute of Chartered Accounts (IBR-IRE) on the audit of contributions in kind. The Board of Directors of InBev is responsible for the valuation of the assets contributed and for the determination of the number of new shares issued by InBev as remuneration for the contribution in kind;
- The description of the contribution in kind meets normal requirements of precision and clarity;
- The valuation methods applied are economically justified and lead to a value, which corresponds, at least to the number and the par value of the newly issued InBev shares increased with the share premium.

The remuneration of the contribution comprises of 12,500,001 shares of InBev without nominal value.

We would finally like to remind the reader that our engagement does not consist in expressing a fairness opinion. Our report is provided on the basis that it is for the intended recipients' information only and can only be used in the context of the transactions described above.

KPMG Reviseurs d'Entreprises
Represented by



Erik Helsen
Partner

Brussels, January 20, 2005