

Unofficial translation from the French and Dutch originals



Anheuser-Busch InBev

**Naamloze vennootschap / Société anonyme
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SPECIAL REPORT BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS ON THE ISSUANCE OF SUBSCRIPTION RIGHTS

prepared in accordance with Articles 583, 596 and 598 of the Companies Code

Dear Shareholders,

In accordance with Articles 583, 596 and 598 of the Belgian Companies Code, the Board of Directors reports (i) on the purpose and justification of the issuance of a maximum of 1,250,000 subscription rights (*droits de souscription / warrants*) for the benefit of current and former Directors of Anheuser-Busch InBev SA/NV (the "**Company**") as part of its Long-Term Incentive Plan (the "**LTI**"), (ii) on the exclusion of the shareholders' preference right in relation to such issuance and (iii) on the impact of such issuance on the shareholders.

The issuance of the subscription rights and the exclusion of the preference right are on the agenda of the Extraordinary Shareholders' Meeting of the Company convened on 28 April 2009.

1 Background

1.1 Compensation of certain holders of subscription rights against the unfavourable effect of the Rights Issue

1.1.1 Introduction

On 18 November 2008 the Company closed its acquisition of Anheuser-Busch Companies, Inc. The price paid for the acquisition has been partially refinanced with the proceeds of a €6.36 billion capital increase of the Company that closed on 16 December 2008 (the "**Rights Issue**").

As explained in our previous report to the shareholders dated 17 December 2008, which is available on www.ab-inbev.com, the Rights Issue had an unfavourable

effect on the value of the subscription rights issued by the Company in the framework of the LTI.

According to Article A.11 of the terms and conditions of the outstanding LTI subscription rights, where a corporate change has an unfavourable effect on the outstanding subscription rights, all those outstanding subscription rights must be adjusted for the purposes of safeguarding the interests of their holders.

1.1.2 Adjustment of Subscription Rights held by employees of the Company

Pursuant to the above requirement, the Board of Directors of the Company decided, on 17 December 2008, within the framework of the authorised capital, to adjust the number and exercise price of the 2,694,798 outstanding LTI subscription rights held by LTI participants who were employees of the Company or its subsidiaries at the time those subscription rights were originally granted (the "**Adjusted Subscription Rights**").

1.1.3 Adjustment of subscription rights held by Directors and former Directors of the Company

As a result of Article 598, second indent of the Companies Code, the Board of Directors of the Company could not apply, on 17 December 2008, the above adjustments to the 901,182 outstanding LTI subscription rights granted to LTI participants who were Directors of the Company at the time of granting of the subscription rights (the "**Non-Adjusted Subscription Rights**").

Therefore, given the requirement of Article A.11 of the terms and conditions of the subscription rights, an alternative adjustment mechanism must be applied to the Non-Adjusted Subscription Rights so as to provide holders of Non-Adjusted Subscription Rights with a compensation consistent with the compensation provided to holders of Adjusted Subscription Rights.

The Board of Directors has determined that the best alternative solution to compensate the holders of Non-Adjusted Subscription Rights against the unfavourable effect of the Rights Issue is to issue a new tranche of LTI subscription rights (the "**Adjustment Subscription Rights**") and to grant those Adjustment Subscription Rights to the holders of the Non-Adjusted Subscription Rights.

Each holder of Non-Adjusted Subscription Rights will, therefore, be entitled to a number of Adjustment Subscription Rights that fairly compensates them for the unfavourable economic effect of the Rights Issue on their Non-Adjusted Subscription Rights.

The Company's Compensation & Nominating Committee will be delegated powers to determine the methodology to be applied and, on that basis, the number of Adjustment Subscription Rights to be granted to each holder of Non-Adjusted Subscription Rights.

1.1.4 Number of Adjustment Subscription Rights

On the basis of the above considerations and of the information available to the Board of Directors on the date of this report, the Board has determined that a maximum of 1,000,000 Adjustment Subscription Rights will have to be issued and granted to holders of Non-Adjusted Subscription Rights.

1.1.5 Beneficiaries of the Adjustment Subscription Rights

The beneficiaries of the Adjustment Subscription Rights (i.e. the holders of Non-Adjusted Subscription Rights) are:

(i) The following current Directors of the Company:

- Peter Harf
- Jean-Luc Dehaene
- Arnoud de Pret Roose de Calesberg
- Grégoire de Spoelberch
- Jorge Paulo Lemann
- Carlos Alberto da Veiga Sicupira
- Kees J. Storm
- Marcel Herrmann Telles
- Roberto Moses Thompson Motta
- Alexandre Van Damme
- Mark Winkelman

(ii) The following former Directors of the Company:

- Allan Chapin
- Pierre Jean Everaert
- Harald Einsmann
- Bernard Hanon
- Frédéric de Mevius
- Remmert Laan
- Christophe d'Ansembourg
- Philippe de Spoelberch
- Charles Adriaenssen

1.2 Granting of subscription rights in the framework of the LTI

In addition, and in line with the previous issues that have been made since 1999 as part of the LTI, the Board of Directors proposes to issue a maximum of 250,000 subscription rights (the “LTI 2009 Subscription Rights”) in favour of all current Directors of the Company for the purpose indicated in Section 4.2 below. Those Directors are:

- Peter Harf
- August Busch IV
- Jean-Luc Dehaene
- Arnoud de Pret Roose de Calesberg
- Grégoire de Spoelberch
- Stéfan Descheemaeker
- Jorge Paulo Lemann
- Carlos Alberto da Veiga Sicupira
- Kees J. Storm
- Marcel Herrmann Telles
- Roberto Moses Thompson Motta
- Alexandre Van Damme
- Mark Winkelman

2 Characteristics of the New Subscription Rights

The Adjustment Subscription Rights and the LTI 2009 Subscription Rights (together, the “**New Subscription Rights**”) will entitle their holders to subscribe for one new ordinary share of the Company per New Subscription Right, which will grant the same rights as the existing shares of the Company, including with respect to the profits. The terms and conditions of the New Subscription Rights are contained in the document attached to this report.

In accordance with Article 598 of the Companies Code, the exercise price of the New Subscription Rights is equal to the average closing stock price of the share of the Company on Euronext Brussels during the last 30 calendar days preceding their day of issuance by the Extraordinary Shareholders’ Meeting convened on 28 April 2009.

The Board of Directors proposes to issue a total of maximum 1,250,000 New Subscription Rights (i.e. a maximum of 1,000,000 Adjustment Subscription Rights and a maximum of 250,000 LTI 2009 Subscription Rights). As noted above, such issuance 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 their respective grantees.

3 Exclusion of the preference right

In accordance with Articles 596 and 598 of the Companies Code, the Board of Directors proposes to exclude the preference right of the existing shareholders in relation to the issuance of the New Subscription Rights, for the benefit of the persons referred to in Sections 1.1.5 and 1.2 above.

4 Purpose of the issuance

4.1 Adjustment Subscription Rights

As indicated in Section 1.1.3 above, the purpose of the issuance of the Adjustment Subscription Rights is to compensate for the impact of the Rights Issue on the Non-Adjusted Subscription Rights. The Non-Adjusted Subscription Rights have initially 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.

4.2 LTI 2009 Subscription Rights

The purpose of the issuance of the LTI 2009 Subscription Rights is to further increase the involvement of their grantees in the long-term strategy and development of the Company, as well as their supervisory role. This issuance also takes into consideration the services that have been rendered in this respect by the grantees of the LTI 2009 Subscription Rights.

5 Financial impact on existing shareholders

In comparison with the total number of shares representing the capital of the Company, 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 0.07% of the 1,602,739,939 shares currently outstanding.

The issue of the New Subscription Rights may also entail a financial dilution for the shareholders, resulting from the difference between the exercise price of the New Subscription Rights and the 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 very limited in view of the limited number of New Subscription Rights to be issued.

The fair value of the New Subscription Rights, which will be calculated on the basis of the Binominal Hull model, will depend, *inter alia*, on their exercise price, which will only be known on 28 April 2009. However, as a matter of example, if the New Subscription Rights were issued at an exercise price equal to the stock price of the share of the Company on Euronext Brussels on 4 March 2009 (i.e., €19.45), their fair value calculated on the basis of the Binominal Hull model (with a volatility of 36.58% and a risk free rate of 2.18%) would be €4.99. This figure is given for illustrative purposes only.

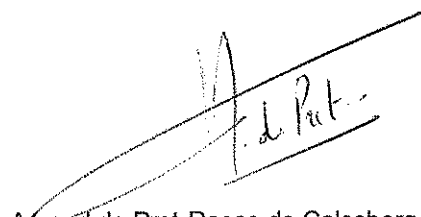
6 Conclusion

The issuance 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, including with respect to their share in the profits and own funds of the Company. It is fully justified by the need, on the one hand, to avoid any negative impact of the Rights Issue on the holders of Non-Adjusted Subscription Rights and, on the other hand, to further increase the involvement of the grantees of the LTI 2009 Subscription Rights in the long-term strategy and development of the Company.

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

Leuven, 20 March 2009

For the Board of Directors,



Arnoud de Pret Roose de Calesberg
Director



Stéfán Descheemaeker
Director

ANHEUSER-BUSCH INBEV LONG TERM INCENTIVE PLAN

TERMS AND CONDITIONS RELATING TO THE ISSUE OF SUBSCRIPTION RIGHTS OF 28 APRIL 2009

A. Subscription rights

1. **Rights** – Each subscription right confers the right to subscribe to one new ordinary share of Anheuser-Busch InBev NV/SA (the “Company”).
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 2010. With respect to each holder, as referred to in item A. 13 a first third of the subscription rights may be exercised between 1 January 2011 and 27 April 2014. A second third of the subscription rights may be exercised between 1 January 2012 and 27 April 2014. The third third of subscription rights may be exercised between 1 January 2013 and 27 April 2014.

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 during a Prohibited Period (as defined in the then most recent version of the Code of Dealing of the Company) or in breach of any applicable laws prohibiting insider dealing.
6. **Terms of exercise** – Any request to exercise subscription rights shall be addressed in writing to the Chairman of the Board of Directors of the Company. The exercise price must be paid in full at the latest five (5) banking days before the ascertainment by notarial deed (as provided for under item A. 10) of the subscription and realization of the capital increase, by bank transfer of funds to a bank account opened in the name of the Company. 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 the Company or of a modification, as a result of a public bid or otherwise, of the direct or indirect control exercised over the Company, 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 reorganization of the structure of the Anheuser-Busch 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 the Company 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 the Company 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 holds the position of director of the Company or any subsidiary thereof and who has not entered into an employment contract with the Company or a subsidiary thereof is not re-appointed as a director at the expiry of his/her directorship or is terminated in the course of his/her term without any breach of duty by the director, 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 is not renewed upon the expiry of its term or is 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.

d) General provisions – The present item A.8 applies notwithstanding any appeal which might be lodged 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 pre-pension, 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 pre-pension, the Board of Directors of the Company 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, pre-pension 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 realization of the resulting capital increase and of the issuing of the new shares shall take place at the periodic meetings of the Board of Directors of the Company or on another date if necessary. The dates of the ascertainments 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 that have an impact on its capital, such as capital increases, including by incorporation of reserves in the capital, capital decreases, issuance of convertible bonds, subscription rights or options, stock splits or reverse stock splits, combinations or reclassifications of the shares of the Company, mergers, (partial) demergers, 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 would have an unfavourable effect on the subscription rights, their exercise price and/or the number of subscription rights 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, in the manner determined at the sole discretion of the Board of Directors, subject to any required action by the Shareholders' Meeting of the Company. The terms of such adjustment will be 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. 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 to the Directors or former Directors of the Anheuser-Busch InBev Group. The number of subscription rights which they are offered shall be determined by the Compensation and Nominating Committee.

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 dematerialized 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 the Company of the holder's death as soon as possible and at the latest within one month of the death.
3. **Modification to 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. It may also unilaterally modify the terms and conditions when such modifications are required to comply with any change in legislation.
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.