Asia Pacific
Graham Staley
Global Investor Relations
Agenda

Why APAC?

ABI APAC Journey and Dream

Why China?

China trends and implications

ABI China performance

China strategy – main priorities
## Why APAC?

<table>
<thead>
<tr>
<th>Main countries/regions</th>
<th>Pop Mio</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1,367</td>
</tr>
<tr>
<td>India</td>
<td>1,260</td>
</tr>
<tr>
<td>Indonesia</td>
<td>251</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>158</td>
</tr>
<tr>
<td>Japan</td>
<td>127</td>
</tr>
<tr>
<td>The Philippines</td>
<td>99</td>
</tr>
<tr>
<td>Vietnam</td>
<td>90</td>
</tr>
<tr>
<td>Thailand</td>
<td>69</td>
</tr>
<tr>
<td>South Korea</td>
<td>50</td>
</tr>
<tr>
<td>Taiwan</td>
<td>23</td>
</tr>
<tr>
<td>Cambodia</td>
<td>16</td>
</tr>
<tr>
<td>Laos</td>
<td>7</td>
</tr>
<tr>
<td>Others</td>
<td>121</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,638</strong></td>
</tr>
</tbody>
</table>

Source: US Census Bureau, 2013

There are more people living inside this circle than outside of it.
Why APAC?
Asia Pacific will account for 46% of world population growth between 2014 and 2025

World population
% of people, 2014

- Asia Pacific: 53%
- Others: 47%

Population growth
% of growth, 2014 - 2025

- Asia Pacific: 46%
- Africa & Middle East: 37%
- Americas: 15%
- Europe: 2%
- 2025: 8,033

Source: Euromonitor
Why APAC?
Asia Pacific is the largest region in the beer industry, and will be responsible for 53% of the growth between 2014 and 2025.

World beer industry
% of volume, 2014

- Asia Pacific: 34%
- America: 32%
- Europe: 27%
- Africa & Middle East: 7%

Volume growth
Mio HL; % of growth, 2014 - 2025

- 2014: 1,859 Mio HL
- Asia Pacific: 53%
- Americas: 28%
- Europe: 1%
- Africa & Middle East: 18%
- 2025: 2,164 Mio HL

Source: China: Seema for 2014 and consensus of growth rates going forward (Seema, LCA, Plato and Deutsche Bank); Plato Logic for all other countries
Why APAC?

Asia Pacific is still largely fragmented without a clear leader. There are several untapped opportunities for ABI.

Source: Bank of America, 2014 (includes top 50 markets, circa 93% of the world market)
Agenda

- Why APAC?
  - ABI APAC Journey and Dream
    - Why China?
    - China trends and implications
    - ABI China performance
    - China strategy – main priorities
Journey in Asia Pacific

Interbrew entered China by providing technology transfer to Zhujiang Brewery in 1995.

- Budweiser entered China in 1995
- Harbin
- Shiliang
- Sedrin
- AB and InBev combination
- Oriental Brewery in South Korea
- Ginsber and Dafuhao
- Vietnam Brewery

1995

Acquisitions & partnerships with several local leaders

Building up a unique brand portfolio
APAC Journey

In the last 5 years revenues grew 2.3x faster than volumes, and EBITDA grew 1.3x faster than revenues.

Source: ABI internal reports
APAC Dream

#1 in Asia

• Building strong and relevant premium brands
• Accelerating top line growth
• Leading super premium & premium segments across Asia Pacific
• Building leadership in market share
• Constantly pursuing operational efficiencies and EBITDA growing ahead of topline
Agenda

- Why APAC?
- ABI APAC Journey and Dream
- **Why China?**
  - China trends and implications
  - ABI China performance
  - China strategy – main priorities
Why China
To be the #1 in Asia, we must win in China

- China represents 37% of Asia Pacific’s population
- Largest economy in Asia Pacific region, representing 43% of the region’s GDP
- Largest beer market in the world, accounting for 66% of Asia Pacific’s industry

Source: Beer industry: Seema for China, Plato Logic for all other countries; Population and GDP: IMF
Why China – Beer industry

China has the largest beer industry in the world, by volume, and is expected to account for 31% of world volume growth in the next ten years.

World beer industry

% of volume, 2014

- China: 23%
- USA: 13%
- Brazil: 7%
- W. Europe: 15%
- Other Asia Pacific: 12%
- C. & E. Europe: 12%
- Africa: 7%
- Other America: 11%
- Other: 12%

Volume growth

Mio HL; % of growth, 2014 - 2025

- China: 34%
- Brazil: 9%
- India: 7%
- Mexico: 6%
- Vietnam: 6%
- USA: 3%
- Nigeria: 2%
- Thailand: 2%
- Others: 2%
- 2025: 34%

Source: China: Seema for 2014 and consensus of growth rates going forward (Seema, LCA, Plato and Deutsche Bank); Plato Logic for all other countries.
Agenda

- Why APAC?
- ABI APAC Journey and Dream
- Why China?
- China trends and implications
- ABI China performance
- China strategy – main priorities
Trends & implications: Industry evolution

In the long term, there is a correlation between GDP and beer consumption. But GDP alone cannot explain short term variations in industry performance.

GDP growth vs Beer industry growth

% pa; 2006 - 2014

Source: Plato Logic, IMF and LCA
### Trends & implications: GDP

China is rebalancing the GDP from investment-led to consumption-led growth.

#### China 5YP Evolution

<table>
<thead>
<tr>
<th>Economic Theme</th>
<th>GDP implied growth</th>
<th>Investment GDP Share</th>
<th>Private consumption GDP share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11th Five Year (2006-2010)</strong></td>
<td>~10.8</td>
<td>~48%</td>
<td>~35%</td>
</tr>
<tr>
<td><strong>12th Five Year (2011-2015)</strong></td>
<td>~7.5</td>
<td>~46%</td>
<td>~37%</td>
</tr>
<tr>
<td><strong>13th Five Year (2016-2020)</strong></td>
<td>~6.5</td>
<td>~43%</td>
<td>~40%</td>
</tr>
</tbody>
</table>

Source: BCG
Trends & implications: Industry evolution
There are other factors that influence the industry in the short term other than GDP

<table>
<thead>
<tr>
<th>Short term KPIs</th>
<th>2014</th>
<th>Going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Urbanization</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Real disposable income</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Employment conditions</td>
<td>↓</td>
<td>↑</td>
</tr>
<tr>
<td>Weather (temperature &amp; precipitation)</td>
<td>↓</td>
<td>↔</td>
</tr>
<tr>
<td>FAI – Fixed Asset investment</td>
<td>↓</td>
<td>↔</td>
</tr>
<tr>
<td>PMI – Purchase Index</td>
<td>↓</td>
<td>↔</td>
</tr>
<tr>
<td>Beer industry growth</td>
<td>-4.2%</td>
<td>↑</td>
</tr>
</tbody>
</table>

Source: Plato Logic, IMF and LCA
China is too big and too complex to use averages
Looking beyond averages in China to **win with the winners**

Geographies  |  Segments  |  Channels
China – A continent by itself
Because of its size, averages can be misleading in China

Source: The Economist Intelligence Unit
Looking beyond average: Geographies – Beer consumption

There is still space for China’s beer industry to grow. Provinces with per capita consumption below the China average account for 45% of the beer market.

**GDP vs Consumption**

Per capita, thousand USD and liters

- **Australia**
- **New Zealand**
- **Japan**
- **South Korea**
- **China**
- **Singapore**

**Consumption per capita**

Liters; 20 largest provinces for beer

- Population: 855 mio (64% of total population)
- Industry: 190 mio HL (45% of beer industry)
- Avg consumption per capita: 22 L

Source: IMF and NBS
Geographical expansion

We have been expanding our footprint to regions with sizable markets and the highest potential for beer volume growth.

Footprint - 2010

Footprint - 2015

- Greenfields
- Core Market
- Expansion Market
China – Urbanization

Looking beyond provinces, and moving into pockets of growth at city level

<table>
<thead>
<tr>
<th>Year</th>
<th># of cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>85</td>
</tr>
<tr>
<td>2020E</td>
<td>~300</td>
</tr>
</tbody>
</table>

*MAC: Middle and Affluent Class households
Source: BCG
China – Consumer development
The number of urban middle & affluent class consumer (MAC) households will grow from ~102 million (35%) in 2014 to ~299 million (75%) in 2030

Household monthly income (RMB 000s)*

- **Affluent**: >23
- **Upper middle**: 12-23
- **Middle Class**: 8-12
- **Emerging Middle**: 5-8
- **Aspirant**: 2.8-5
- **Poor**: <2.8
- **Average 8.0**

<table>
<thead>
<tr>
<th>Year</th>
<th>Household (mio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6 38 58 85 74 29</td>
</tr>
<tr>
<td>2020</td>
<td>21 77 81 87 55 18</td>
</tr>
<tr>
<td>2030</td>
<td>60 141 98 69 26 6</td>
</tr>
</tbody>
</table>

Source: BCG 2014 China Income Forecast Model

*Disposable income after tax in 2014 value
Looking beyond averages: Consumers – industry segments

Premium and Super Premium segments are growing ahead of the average and have 5x-9x the profitability of the core & value segment.

### Industry by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of volume by segment</th>
<th>Million HL 2014</th>
<th>Million HL 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core &amp; Value</td>
<td>67.3%</td>
<td></td>
<td>270</td>
</tr>
<tr>
<td>Premium</td>
<td>26.2%</td>
<td>179</td>
<td>518</td>
</tr>
<tr>
<td>Super Premium</td>
<td>6.3%</td>
<td>12.4%</td>
<td>64</td>
</tr>
</tbody>
</table>

### Segment comparisons

Indexed at 100 for core & value segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Price to consumer</th>
<th>Net revenues</th>
<th>Gross Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Premium</td>
<td>5.0x</td>
<td>7.0x</td>
<td>9.0x</td>
</tr>
<tr>
<td>Premium</td>
<td>2.5x</td>
<td>3.0x</td>
<td>5.0x</td>
</tr>
<tr>
<td>Core+</td>
<td>1.5x</td>
<td>1.5x</td>
<td>1.6x</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Simulation for illustrative purposes

Source: BCG
Brand portfolio
ABI is well positioned to lead the way in the Super Premium, Premium and Core+ segments.
Industry evolution by segment

Super Premium, Premium and Core+ segments are growing at a significant pace, while the core & value segments are declining. ABI has outperformed in the most profitable segments.

### Industry by segment

**% of volume by segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Premium</td>
<td>0.2%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Premium</td>
<td>26.2%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Core +</td>
<td>67.3%</td>
<td>52.1%</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>0.2%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

### Industry growth by segment

**Volume growth by segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Premium</td>
<td>69.7%</td>
<td>23.1%</td>
<td>35.0%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Premium</td>
<td>11.5%</td>
<td>11.5%</td>
<td>10.6%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Core+</td>
<td>10.8%</td>
<td>12.1%</td>
<td>6.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>-4.3%</td>
<td>0.0%</td>
<td>-8.8%</td>
<td>-9.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-0.6%</td>
<td>3.2%</td>
<td>-4.2%</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

**ABI growth vs industry**

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 1H</th>
<th>ABI growth vs industry*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt;3.0x</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt;2.0x</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt;1.5x</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~1.0x</td>
</tr>
</tbody>
</table>

* In 2014

Source: Seema, LCA and BCG
Modern channels are growing faster than traditional channels. ABI is over-performing the industry growth in all growing channels.

<table>
<thead>
<tr>
<th>Channels</th>
<th>Industry</th>
<th>ABI</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce</td>
<td>+79.2%</td>
<td>&gt; 4.0x</td>
</tr>
<tr>
<td>CVS</td>
<td>+9.3%</td>
<td>&gt; 2.0x</td>
</tr>
<tr>
<td>NL</td>
<td>+8.6%</td>
<td>&gt; 2.5x</td>
</tr>
<tr>
<td>CR</td>
<td>-1.5%</td>
<td>~ 1.0x</td>
</tr>
<tr>
<td>TT</td>
<td>-7.8%</td>
<td>~ 1.0x</td>
</tr>
<tr>
<td>Total</td>
<td>-4.5%</td>
<td></td>
</tr>
</tbody>
</table>
Winning with the winners

• China is too big and too complex to use averages

• Looking beyond averages in China to win with the winners – Geographies, Segments and Channels

• Provinces with per capita consumption below the China average account for 45% of the beer market. Urbanization will drive per capita consumption growth in these provinces

• Growth in the urban middle & affluent class consumer (MAC) households will drive growth in the most profitable segments (Super Premium and Premium)

• Modern channels are growing faster than traditional channels.
Agenda

- Why APAC?
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- Why China?
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- ABI China performance
- China strategy – main priorities
China Journey

In the last 5 years revenues grew 2.4x faster than volumes and EBITDA grew 1.1x faster than revenues

CAGR 10-14
- NR: 21.7%
- Vol growth: 24.4%
- Gross Profit: 9.2%
- NR growth: 25.1%

Source: ABI internal reports
Market share in China

ABI has significantly increased market share in China

Volume market share in China

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>12.2%</td>
</tr>
<tr>
<td>2011</td>
<td>12.3%</td>
</tr>
<tr>
<td>2012</td>
<td>13.4%</td>
</tr>
<tr>
<td>2013</td>
<td>15.0%</td>
</tr>
<tr>
<td>2014</td>
<td>17.5%</td>
</tr>
<tr>
<td>2015 1H</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

Ranking

- 2010: #4
- 2011: #3
- 2012: #3
- 2013: #3
- 2014: #3
- 2015 1H: #3

Source: Seema and internal reports. Considers full M&A volumes in the year of acquisition.
EBITDA pool

In 2014 ABI became the leader, capturing 29.2% of the EBITDA pool

- ABI’s participation in the EBITDA pool is growing fast
- ABI is leading the way in EBITDA expansion
- ABI is well positioned to further expand participation in the EBITDA pool

Source: Annual Reports/Seema
EBITDA margin

ABI’s EBITDA margin is well above the average of the rest of the industry, and growing

<table>
<thead>
<tr>
<th>Year</th>
<th>ABI EBITDA Margin</th>
<th>Average Industry Margin (ex-ABI)</th>
<th>Margin Change (2011-2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>18.5%</td>
<td>14.0%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>2011-2014</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Reports/Seema
Since 2012 ABI has been increasing EBIT margin at the fastest rate in the industry.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>8.0%</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Average industry (ex-ABI)</td>
<td></td>
</tr>
<tr>
<td>5.0%</td>
<td>+1.3%</td>
</tr>
</tbody>
</table>
Greenfield and Footprint Renovation

Greenfields and brewery relocations have led to an increase in depreciation & amortization (D&A). Going forward, D&A is expected to stabilize.

Footprint improvements are expected to drive operational efficiencies.

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th># of Brewery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>&lt;1 Mio HL</td>
<td>23</td>
</tr>
<tr>
<td>Medium</td>
<td>1~3 Mio HL</td>
<td>16</td>
</tr>
<tr>
<td>Large</td>
<td>3~5 Mio HL</td>
<td>6</td>
</tr>
<tr>
<td>Extra Large</td>
<td>&gt;5 Mio HL</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Relocation</td>
<td></td>
<td></td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>New breweries</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: ABI internal reports
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China strategy – Main Priorities

**Building winning brands**
- Win consumers in Premium and Super Premium
- Connect through digital, experiential & multiple touch points
- Do it with speed, relevance and simplicity

**Building scale with replicable models**
- Maximize strongholds
- Sales Machine
- Expansion

**Delivering operational efficiencies**
- Renewed footprint
- Operational efficiencies

**Building the right team and a better world**
- People pipeline
- Better world agenda
China strategy – Focus Areas

- PREMIUMIZATION
- DISTRIBUTION
- CHANNELS
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province

**High Road**

**Stronghold**

**China Average**

**Expansion**
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province

- High Road
- Stronghold
- China Average
- Expansion
High Road
Careful selection of cities with the highest Middle/Affluent Class Population concentration...

Source: BCG, MAC = Middle/Affluent Class Population
Premiumization as the biggest driver of revenue per HL...

Premium Segment is more than 6% of the industry, and consistently growing above 10%

<table>
<thead>
<tr>
<th>Industry growth</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Premium</td>
<td>69.7%</td>
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<td>35.0%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Premium</td>
<td>11.5%</td>
<td>11.5%</td>
<td>10.6%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Core+</td>
<td>10.8%</td>
<td>12.1%</td>
<td>6.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>-4.3%</td>
<td>0.0%</td>
<td>-8.8%</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Total</td>
<td>-0.6%</td>
<td>3.2%</td>
<td>-4.2%</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

Source: BCG, Internal Report
High Road
ABI over-indexes in Premium (22%), and outperforms the industry segment growth by 2x

% of volume by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014 Industry</th>
<th>2014 ABI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Premium</td>
<td>67.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Premium</td>
<td>26.2%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Core+</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total</td>
<td>67.3%</td>
<td>22.3%</td>
</tr>
</tbody>
</table>

% of volume growth

<table>
<thead>
<tr>
<th>Segment</th>
<th>Industry growth</th>
<th>ABI growth vs industry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012 2013 2014 2015 1H</td>
<td>2012 2013 2014 2015 1H</td>
</tr>
<tr>
<td>Super Premium</td>
<td>69.7% 23.1% 35.0% 30.5%</td>
<td>&gt;3.0x</td>
</tr>
<tr>
<td>Premium</td>
<td>11.5% 11.5% 10.6% 10.0%</td>
<td>&gt;2.0x</td>
</tr>
<tr>
<td>Core+</td>
<td>10.8% 12.1% 6.0% 4.8%</td>
<td>&gt;1.5x</td>
</tr>
<tr>
<td>Core &amp; Value</td>
<td>-4.3% 0.0% -8.8% -9.0%</td>
<td>~1.0x</td>
</tr>
</tbody>
</table>

Source: BCG, Internal Report  * ABI Volume refers to 1H15 vs. 1H14
High Road
1 HL of Super Premium = 9 HL of Core/Value

% of volume by segment

2014 Industry

- 67.3%
- 26.2%
- 6.3%
- 0.2%

2014 ABI

- 52.9%
- 24.6%
- 22.3%
- 0.2%

GROSS MARGIN INDEX

- Super Premium: 9.0 X
- Premium: 5.0 X
- Core+: 1.6 X
- Core & Value: 100%

Source: BCG, Internal Report
Budweiser being a clear winner in Premium.....

**BUDWEISER VOLUME**

- 2011: 7,159
- 2012: 9,426
- 2013: 12,283
- 2014: 15,400 KHL

+29.1% 11-14 CAGR

**BUDWEISER SHARE OF PREMIUM**

- 2011: 36.6%
- 2012: 43.2%
- 2013: 50.5%
- 2014: 57.2%

+20.6 pp 14 vs. 11

Source: Internal Report
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province

PREMIUMIZATION

High

Low

DISTRIBUTION

Low

High

High Road

China Average

Stronghold

Expansion
Expansion
Leap-frog growth in areas around our new breweries...

Source: Internal Report
Harbin being a strong engine to fuel expansion...

**HARBIN VOLUME**

- 18,748 in 2011
- 20,083 in 2012
- 23,888 in 2013
- 25,829 in 2014

**CAGR**

- +11.3% 11-14

**HARBIN T3F among LDA Drinkers**

- 19.6 in 2011
- 27.6 in 2012
- 31.2 in 2013
- 39.1 in 2014
- 45.9 in 2015 YTD

**CAGR**

- +10.4 1H15 vs. 1H14

Source: Equity Tracker, Internal Report
Two-Engine Growth Strategy to Win in China

Win nationally in premium while expanding and increasing leadership, province by province
What a Stronghold looks like...

Fujian

<table>
<thead>
<tr>
<th>Category</th>
<th>Stronghold</th>
<th>High Road</th>
<th>China Average</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (000’)</td>
<td>37,740</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer Industry (000 hl)</td>
<td>15,758</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption Per Capita (liter)</td>
<td>41.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Premium &amp; Core+ Industry</td>
<td>76.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABI Market Share (Yr 2014)</td>
<td>60.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABI Relative Market Share</td>
<td>2.98</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SEEMA, Internal Report
Our Channel Strategy is focused on Managing complexity....with Budweiser

Brand Volume Contribution by Channel

Source: Internal Report
Our Channel Strategy is focused on Managing complexity....and Harbin

Source: Internal Report
... Managing complexity...complemented by the Super Premium portfolio
Summary

- Asia Pacific: largest beer industry, 53% of world industry growth in the next ten years
- Dream is to be #1 in Asia
- To achieve ABI APAC’s dream we must win in China
- Averages in China are misleading
- We must look beyond averages in geographies, segments and channels
- Winning with the winners
  - Lead the way in Super Premium, Premium and Core+
  - Expand footprint to sizable and fast growing provinces
  - Win in the fastest growing channels
- ABI is developing insights, refining strategy, Route-to-Market, portfolio and building the people pipeline to win in China
- Our Two-Engine growth strategy to win in China includes winning nationally in premium while expanding and increasing leadership, province by province
- The combination of leading brands commanding top line growth and operational efficiencies will continue to drive improvements in profitability