

AB InBev Investor Seminar

September 1st, 2015

Carlos Brito, CEO AB InBev

Good afternoon everyone and welcome to China. More specifically, welcome to Guangzhou. It's great to see you all here.

When we started to plan this event last year we didn't realize it would be taking place at such an interesting time for China. But as you will hear over the next three days, we remain as excited as ever about the prospects for our business.

So why did we chose to bring you all to Guangzhou?

Guangzhou is the third largest city in China after Beijing and Shanghai, with a population of more than 14 million. The city is a major transportation and manufacturing hub. Guangzhou is also a major growth market for us, and a perfect location for you to experience how we bring our brands and programs to life in the marketplace.

I am sure you will leave Guangzhou with the same excitement we have for our business.

But before we start to deep dive into China, Miguel, Felipe and I will provide you with a global update.

I will start with a brief reminder of where AB InBev stands today and then spend most of my time talking about our plans for the future, our platforms for growth and our commercial priorities.

So let's get going

AB InBev is the largest brewer in the world by some distance, and one of the world's top 5 consumer products companies, with an amazing portfolio of brands. We have operations in 25 countries and sell our products in almost 200 countries around the world.

Last year, we sold over 400 million hectoliters of beer and 47 million hectoliters of other products, generating revenues of over 47 billion dollars, EBITDA of over 18 billion dollars, and cash flow from operations of 14 billion dollars.

Each of our six geographic zones generated over a billion dollars of EBITDA in 2014. The Asia Pacific zone, which includes China as well as South Korea, Vietnam and India, accounted for 18% of our volumes last year, 11% of our revenues and 6% of our EBITDA. Given the growth potential in our Asian markets, we expect that APAC's contribution to global revenue will grow to approximately 20% by 2020.

We have a healthy balance between developed and developing markets with approximately two thirds of our volume and more than half of our Revenues and EBITDA being generated in faster growing developing markets.

And we have delivered best in class returns for our shareholders over the last 6 years, following the combination with Anheuser-Busch at the end of 2008.

We have been able to deliver these results by adopting a very simple, but consistent, business model.

The model is all about Focus. Time and time again we have proven that we are at our very best when we focus on a few big things, when we focus on the most important markets and the most important brands, and when we focus on cash generation.

The model can be summarized in these four simple pillars, underpinned by our powerful Dream - People - Culture platform.

I will quickly review some of the most important principles within the first three pillars of the model and leave Felipe to cover financial discipline later this afternoon.

We are the leader in the beer industry, both by volume and profitability.

Our volumes are more than 50% larger than those of our closest competitor – and our EBITDA is more than 30% larger than our four largest competitors combined.

Scale matters. It drives operational leverage, and provides the resources, access to properties and commercial opportunities which provide excitement for our customers and consumers.

We have made a conscious decision to focus our efforts on the most important markets, those markets with the largest profit pools and the greatest growth potential.

Today, we hold the No. 1 position in 4 of the 5 largest profit pools in the world. The top three markets the US, Brazil and Mexico alone represent nearly 40% percent of the global profit pool.

And in profitable markets like Japan and Australia, where we don't have an operational presence, we are building share of the high end with our global brands, working through local partners.

We work hard to grow our business in the world's largest profit pools, but also keep a close eye on the fastest growing developing markets.

This chart shows the estimated volume growth in the most important developing markets over the next few years, with India and Vietnam at the top of the list.

Of the 10 countries shown here, we have an operational presence in six of them, and very strong positions in both Brazil and China.

We concentrate the majority of our investments behind a limited number of brands ... brands which we believe have the greatest growth potential. We have 20 Focus Brands which account for approximately two thirds of our total volume and revenue.

Our three Global brands account for around 20% of our revenue, and continue to show strong growth, with volumes up 5.6%, and revenues up 10.7%, in the first half this year. Miguel will be talking more about the global brands later.

Our brands are the heart and soul of our business, and we are proud to have the best portfolio in the industry.

Each of our three global brands Budweiser, Corona and Stella Artois has a unique and differentiated consumer proposition, while our international brands of Beck's, Hoegaarden and Leffe have rich histories and quality credentials. Our local champions which command significant consumer loyalty, complete a strong portfolio.

Our portfolio now includes 16 brands with more than one billion dollars in annual retail sales and more in the making.

Strong brands have been critical in delivering profitable growth over the years, positioning us very favorably amongst the very best consumer goods companies in the world.

And the strength of our portfolio is well recognised in the marketplace.

Based on the 2015 BrandZ report, we own 4 of the top 5, and 7 of the top 10 most valuable beer brands in the world. BrandZ also confirms that Budweiser remains the only beer brand, across all categories, in the Top 100, at number 33.

And finally... our brands, and our scale, allow us to secure some of the most valuable properties in the world.

As you know, last year was a huge year for us as sponsors of the FIFA World Cup. In Europe we sponsor events such as Wimbledon in the UK and Tomorrowland in Belgium. And of course in the US we are the sole beer sponsors of the NFL and the SuperBowl. Here in China we are major sponsors of many music, basketball and Chinese New Year events. We are proud to have these properties and continue to work very hard to make full use of them to drive consumer engagement with our brands.

Before I move on to our plans for the future, a few words on Dream-People-Culture

You have heard me talk about our 10 principles before, and so I am not going to go into great detail today, but I do want to stress how very important these principles are to all of us at AB InBev.

Our company has been driven by 3 ideas: an inspiring dream, great people and a unique culture.

Our culture is based on an ownership mindset. Our people are consumer-focused, never completely satisfied with results and always looking to open new gaps to drive performance. Our culture is one in which we lead by personal example, in an open and informal manner, and manage our costs tightly, so as to free up resources to support top

line growth. We keep things simple rather than introducing unnecessary complexity. We never take short-cuts. We understand it takes time to build a great company and that there is only one way to do it, the right way.

Dream-People-Culture defines who we are and how we behave on a daily basis. It is the most important element of our business model and our true long term sustainable competitive advantage.

Moving on to the future

Our business model has served us well over the years, and has driven tremendous value creation. But we are operating in a rapidly changing environment where volatility and uncertainty are the norm, and where consumer trends and habits are evolving at an ever accelerating pace. Our business model must also evolve, not only to keep pace, but to stay ahead of this change.

We have worked with Jim Collins – author of “Good To Great” – for many years. Some of his recent research has shown that great and enduring companies have three common characteristics.

First, they deliver consistent and superior financial results, year after year

Second, they are resilient in that they adapt and change the way they operate over time in order to remain relevant and respected. They do not change everything at the same time. They retain the majority of what has made them successful – while also adapting and reinventing.

Finally, they make their brands indispensable and loved by consumers.

So how do these principles apply to our company?

To ensure superior financial results, we need to grow our topline faster, in a consistent and sustainable way, while keeping our financial discipline. You will hear more about this later.

But doing more of the same is not enough. We need to safeguard and retain many of the things that have brought us here – the 80% - but do some things differently, where necessary to stimulate growth – the 20%. We must remain nimble and quick to anticipate new tastes, demands and behaviors.

We are the industry leader, and we need to continue to earn this position every day. We have built our company since 1989 by being an insurgent and challenging conventional wisdom. We want to remain an insurgent minded leader not an incumbent one.

Finally we need to safeguard our reputation. Consumers today have more information and more choices than ever before, and their behaviors, preferences and tastes are constantly evolving. This is the new normal, and we have to ensure that AB InBev, and our brands, remain relevant and become an essential part of our consumers’ lives.

You will see many of these themes coming through during our presentations over the next two days.

As said before top line growth is a priority.

In 2014, our topline grew by 5.9%, ahead of our peers. Although we were pleased with this result, we need to raise the bar again. We need to accelerate growth.

Beer is our focus, and historically we have concentrated on traditional beer occasions. Traditional beer occasions will remain very important to us, but to drive revenue growth we also need to use our products and competencies to create new beer occasions and capture a larger share of non-traditional beer occasions.

With this in mind, two years ago we undertook a major deep-dive to quantify the demand for total alcohol in the world’s top markets. This involved mapping not only the various consumer segments, but also the occasions on which consumers drink alcohol beverages.

This work led to the identification of four Growth Driven Platforms or GDPs

The GDPs frame the demand for total alcohol in a way that captures both consumer needs and consumption occasions. This in turn allows us to develop brands, communication plans and market programs tailored to these needs.

As we were carrying out this research, we found that our markets were actually far more similar than different, and that the GDPs were applicable to multiple markets, in a very consistent way.

I am going to briefly introduce the GDPs but leave Miguel to go through them in more detail with you.

Relaxation and Bonding is the largest GDP in terms of demand. It is all about getting together to share good times, to relax and unwind, to strengthen existing friendships and make new ones. Relaxation and Bonding is about friends enjoying a Bud Light while watching the game in a bar, or enjoying a summer concert with a cold Jupiler or Budweiser.

Relaxation and Bonding has always been an important part of beers' appeal, and it will remain that way for many years to come.

Food and savor represents a growing opportunity for beer.

Food has become a passion point for consumers, especially millennials. This has sparked a renewed interest in beer as the perfect pairing for food. Food and Savor is about enjoying a perfectly poured Stella Artois in a chalice, or a cold Budweiser Supreme in an upscale Chinese restaurant.

Our international premium, and local craft and specialty brands, uniquely position us to take advantage of this GDP.

Changing the mood, the third GDP, represents a new frontier for brewed products.

At the end of a long day, people want to get together with friends and shift into another gear. Brands such as Corona and Oculito fit into this GDP.

Serving up a great night out is an area where beer has traditionally been under-represented but this is changing rapidly as we increase the presence of our brands in bars, clubs, restaurants and concert venues.

We are leveraging the appeal of our existing brands by ramping up our marketing, trade marketing and sales efforts in the On-Trade, as well as introducing new products, such as Skol Beats Senses and MixxTail, specifically for these night-out occasions.

Our work on the GDPs has not only given us a deep understanding of the demand for alcohol – it has also helped us to frame our long term commercial priorities, all of which will require us to continue to search for powerful insights, execute with excellence and innovate further.

There are three big buckets.

First, we must protect and improve our base business by elevating our core brands in the minds of our consumers.

Second, we must scale up proven concepts, the most important of which is growing our global brands much faster.

And third, we must seed for the future. This includes the development of the near beer segment, through malt beverage alternatives, as well as the premiumization and invigoration of the beer category, through innovations and the use of new technologies.

So what do we mean by “Elevate the core”?

Our core brands account for the majority of our volume. These brands are very profitable and need to be protected and grown. That's why we focus on elevating the perception and relevance of core lager amongst key demographics, especially young adults legal drinking age to age 27.

And for this group we have a number of initiatives underway.

Today's consumers expect brands to engage with them in a more differentiated and personalized style than ever before. Unique messaging which elevates the quality of our creative and communicates both the functional and emotional benefits of our brands is critical.

Our Budweiser Brewed the Hard Way campaign in the US is a great example of Differentiated Messaging. A bold message from a brand which is proud of its heritage and quality credentials, and not afraid to say so.

To create excitement in the Core we also need to update our packaging to catch the consumer's eye, create excitement and differentiate the product on the shelf.

But there is no point in having differentiated messages and eye catching packaging if the consumer cannot find the product. Communication and packaging must be paired with strong execution in the On and Off trade, working in partnership with our distributor and retail partners.

Recruitment of legal drinking age consumers is also a top priority. We need to be laser focused on LDA recruitment by connecting to millennials through passion points such as food, sports, and music. Bud Light, Skol, Jupiler and

our other core brands need to OWN the most relevant events for this target demographic, using digital to amplify our messages and engage with consumers on an individual basis.

Turning to priority number 2 our Global Brands

We are very proud to have a portfolio of complementary Global Brands, each of which has its own distinct brand imagery and consumer positioning. Miguel will be focusing on our Global Brands in his presentation and so I will keep my comments relatively short.

Budweiser is the great American lager, first introduced in 1876, and available today in more than 80 countries worldwide. Last year, Global Budweiser grew volume and revenue by around 6%, with similar trends in the first half of this year.

The newest member of our Global brand portfolio is Corona, the world's no. 1 Mexican beer. Corona is now exported to almost 200 countries worldwide, and in 2014, saw volumes grow by 5.8%, and revenues grow by 11%. In the first half this year Corona volumes were up almost 8%. Corona is an amazing brand with tremendous growth potential across many markets, including here in China.

Finally, Stella Artois ... a brand of supreme quality and worth. Its brewing heritage dates back to 1366 in Leuven and is available in nearly 100 countries worldwide. It is the No. 1 selling Belgian beer worldwide, with volume growth of 2.5% and revenue growth of around 9% in 2014. Volumes were up 4.9% in the first half this year.

As I said earlier, consumers today have more choices than ever before, and their behaviors, preferences and tastes are constantly evolving. While many of our brands have deep roots and strong consumer loyalty, we must not be complacent. We have seen hard liquor gaining share of throat in many markets and need to leverage our products and competencies to provide consumers with NEW, malted, alternatives to hard liquor.

Our GDP work has shown that the consumer appeal of Near Beer products is not a single-country phenomenon. Whether it be MixxTail in Argentina, Skol Beats Senses in Brazil, or the Ritas and Oculito in the US, Near Beer is a universal concept. The Ritas and MixxTail are already being rolled out in multiple markets, and we will continue to invest in both existing and new products, as well as the occasions they serve.

It is still early days for the Near Beer category, but the consumer insights we have gained shows the category is here to stay, is highly incremental to beer, has growth potential and is very profitable.

Our fourth and final commercial priority is all about premiumizing and invigorating beer.

You have heard me talk before about the need to premiumize the category. To get consumers to look up and think of beer in more aspirational terms. This is still a big opportunity for us and was confirmed in our GDP work. But we need to go further. We need to invigorate beer. Bring excitement to the category and drive relevance with today's consumer.

If we take the US market, craft beer has been doing a very good job of elevating beer and bringing the beer category back to the meal occasion for example, challenging wine.

But the notion of invigorating beer is much broader than craft, new liquids and brands. It's about the development of people, skill sets, distribution channels, technologies, and new businesses, all of which bring energy, ideas, creativity, relevance and excitement into beer.

Invigorating beer is everyone's job, but we have also created a new Disruptive Growth team which will focus on our insurgent and disruptive agenda. This slide shows some examples of where the focus will lie initially packaging, equipment and appliances, brew-pubs, e-commerce, and mobile.

I just want to say a few words about mobile and e-commerce.

Like many other companies, we need to increase our focus on providing convenience to consumers. Mobile represents a huge opportunity in this area. If you talk to some of today's most successful start-ups, they will tell you that the biggest business opportunities lie in solving consumer problems or "pain points". One of these pain points around beer is getting the product from retail outlets to the consumer as quickly as possible. People, homes and venues are now connected all the time. This allows us to dream about using real time data to fill our fridges before we even realize that they are running low on Budweiser.

E-commerce will continue to grow globally and will alter routes to market, allowing consumers to order a cold beer – and have it delivered to their homes, offices or picnic blankets in under an hour.

In summary ...

We have delivered best in class Total Shareholder Returns, driven by a simple and consistent business model, underpinned by our powerful Dream-People-Culture platform.

I talked about what makes great and enduring companies and how our number one priority is to accelerate revenue growth, acting as an insurgent minded leader not an incumbent one, and making ourselves indispensable to our consumers.

I explained how we have quantified the total demand for alcohol in the top markets around the world and identified four Growth Driven Platforms or GDPs, to address these demands.

These GDPs are consistent across our company, and have allowed us to identify four major commercial priorities for all of our top markets in the coming years ... elevate the core, grow our Global Brands, develop the Near Beer segment, premiumize and invigorate beer.

Without question there are many challenges out there today. But we are totally committed to further value creation, to accelerating revenue growth and are excited by the opportunities to redefine and reshape the industry, invigorate beer and drive excitement for our consumers.

With that I will hand over to Miguel who will talk to you about our global brands in more detail.

Thank you.