CSFB Global Beverage Conference

New York - March 23rd, 2005

InBev

The InBev Way

Felipe Dutra

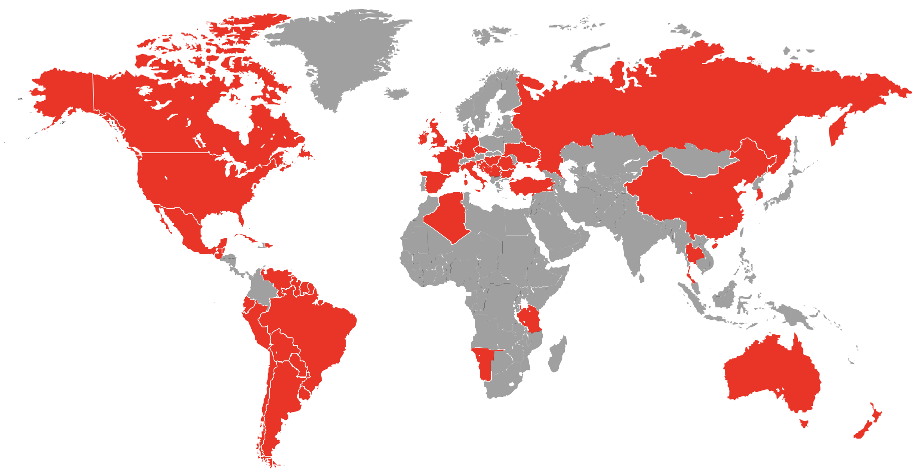
CFO InBev

CSFB Global Beverages Conference

March 23rd 2005

InBev — a True Global Company

- ❑Healthy balance of emerging and developed markets
- ❑Leading presence in the fastest-growing market worldwide – Latin America
- ❑Number one or two position in more than 20 key markets – more than any other brewer
- ❑The opportunity for synergies driven by procurement, best practices and cross-licensing

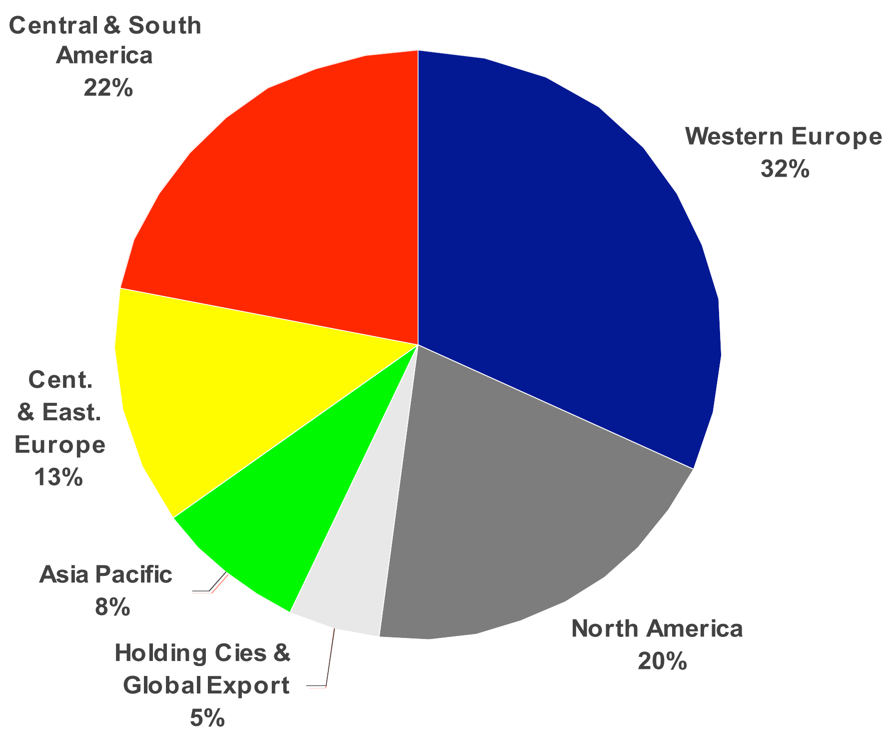


2004 EBITDA Performance

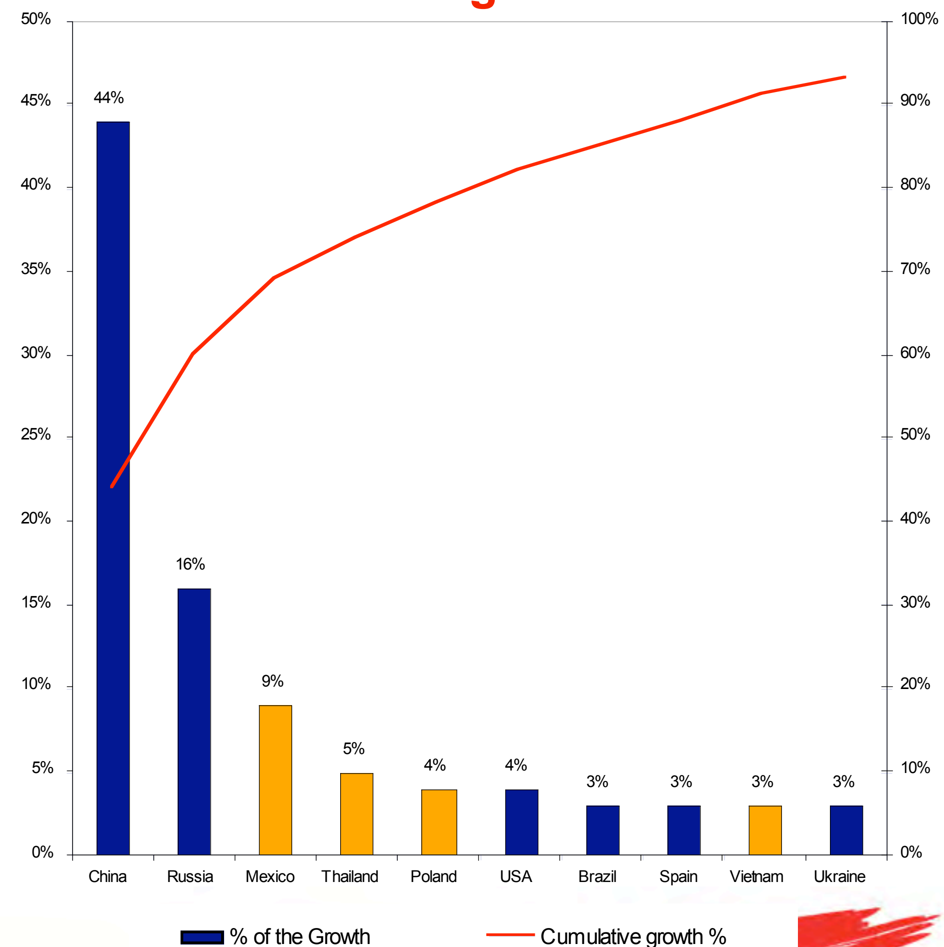
- Reported +41.0%
- Organic growth +8.9%
- EBITDA margin 24.6%

Diversified Geographic Reach

2004: % of EBITDA(1)



InBev in 6 of the 10 highest contributing markets…



(1) before non-recurring items

InBev Culture

Values

Our **consumers** come first

Our **people** make the difference

We **lead** the way

We **make things happen**

Four-Pillar Strategy

Strategic Pillars and Enablers			
Winning Brand Portfolio	Winning at the Point of Connection	World Class Efficiency	Targeted Mergers & Acquisitions
Innovation			
People / Culture			
Financial Discipline			

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Best Practice Sharing & Implementation

- ❑Zero-based budgeting
- ❑Target Setting
- ❑Brand Management
- ❑Direct Distribution
- ❑Innovation
- ❑Revenue management tools & techniques
- ❑Shared Services Centers

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Global Premium Brands:
We must shape the future, or be shaped by it

Brent Willis

CCO InBev

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InBev is a company with a portfolio of >200 leading Local and Regional brands

Why Premium Brands

- ❑Consumer preferences are changing
- ❑Consumers looking for variety and choice
- ❑Consumer's 'trading up'
  - *Developed Markets*
  - *Developing Markets*
- ❑Customers looking for margin

- ❑Contribution of up to 30% incremental volume
- ❑Shifts Profitability Mix
- ❑Isolate from low-price entrants
- ❑Create category price halo

Global consumer preferences changing

Unmet consumer needs

- Health/well being
- Relaxation

Changing tastes

- Lower alcohol
- Sweetness, Nutritious

Changing consumption patters

- "Meals on the go"
- Beverages as "meal replacement"

Global demographic shifts

- Developed world
  1. Shrinking "core" segment
  2. Untapped "aging" segment

Implications for brewers

- **Traditional beer category under attack**
  1. Per capital consumption of beer stagnant
  2. Significant cannibalization
  3. Other beverage choices for different occasions

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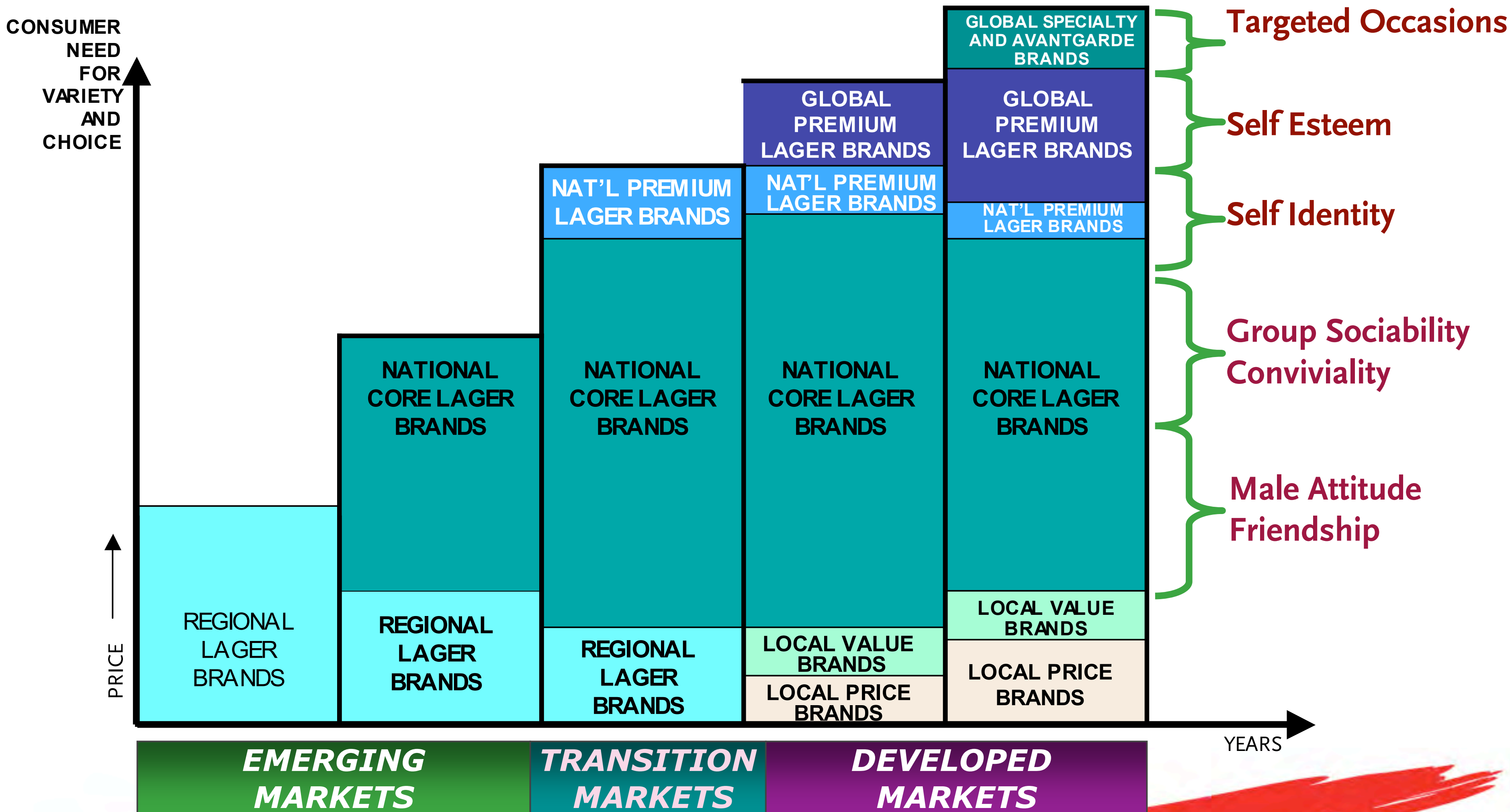
As markets develop, consumers seek more variety and choice



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Consumers shifting to other beverage types for different occasions

Global Beverage Market (1997-2002)

Wine, FAB's,
Spirits, All Other

Beer

Tea

Coffee

Milk

Juices, Nectars

Soft Drinks

Bottled water

1997 2002

Per capita consumption growth (1997-2002)

FAB's 22,2

Spirits

Wine

Beer

Tea

Coffee

Milk

Sports and energy

Juice and nectar

Soft Drinks

Bottled water

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Greater Pressures on retail profitability

Increasing retailer consolidation

- Western Europe and North America
- Growing trade discounts and trade spending

Growth of private label beer

- Growing share in developed markets
- Several new entrants aimed at core
- Share of the value segment + some core volumes

Irrational competitive dynamics

SAB MILLER

- Regional price wars potential to destroy significant value

Entry of low cost competitors, excess capacity

- Low cost players enter to use excess capacity
- New entrants will accept lower margins, reducing industry EBITDA pool

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Portfolio of Global Brands

Global Flagship Brands

Global Specialty Brands

Multi-Country Brands

Global Soft Drink Brands

Within local/regional brands, 3 fundamental value domains

BEVERAGE NEED STATES

	Functional product delivery	Social interaction	Pleasure	Self Esteem	Self Actualisation
		Values-based domains			
Enhance group interactions		- Bonding with my group - Fitting in with the 'tribe/crowd' - Romance/fl	- Go for it / party	- Outward recognition	- World harmony - Profound relationships
Influence mental state	- Boost - Stress relief	- Consumer cultural roots /identity	Excitement / wind up - Chill out/escape - Contentment	- Self respect - Reward/ indulgence	Enlightenment/ wisdom Originality Inner harmony
Influence physical senses	- Taste stimulation - Refreshment		- Relax / unwind - Savour - Simplicity	- Connoisseurship - Appreciating beauty	Exploration/learning Freedom of thought
Fulfil basic needs	- Quench thirst			- Looking after myself / wellness	

HUMAN VALUES

Taking Brahma Global
by delivering to an unmet consumer insight & need

"The world may not be waiting for another beer, even one from Brazil, but it is waiting for a little bit of Ginga."

BRAHMA

CERVEJA DO BRASIL

We have identified a globally relevant, untapped and ownable 'Value-Domain'

BEVERAGE-RELEVANT NEEDSTATES

ORIGINALITY

HUMAN VALUES

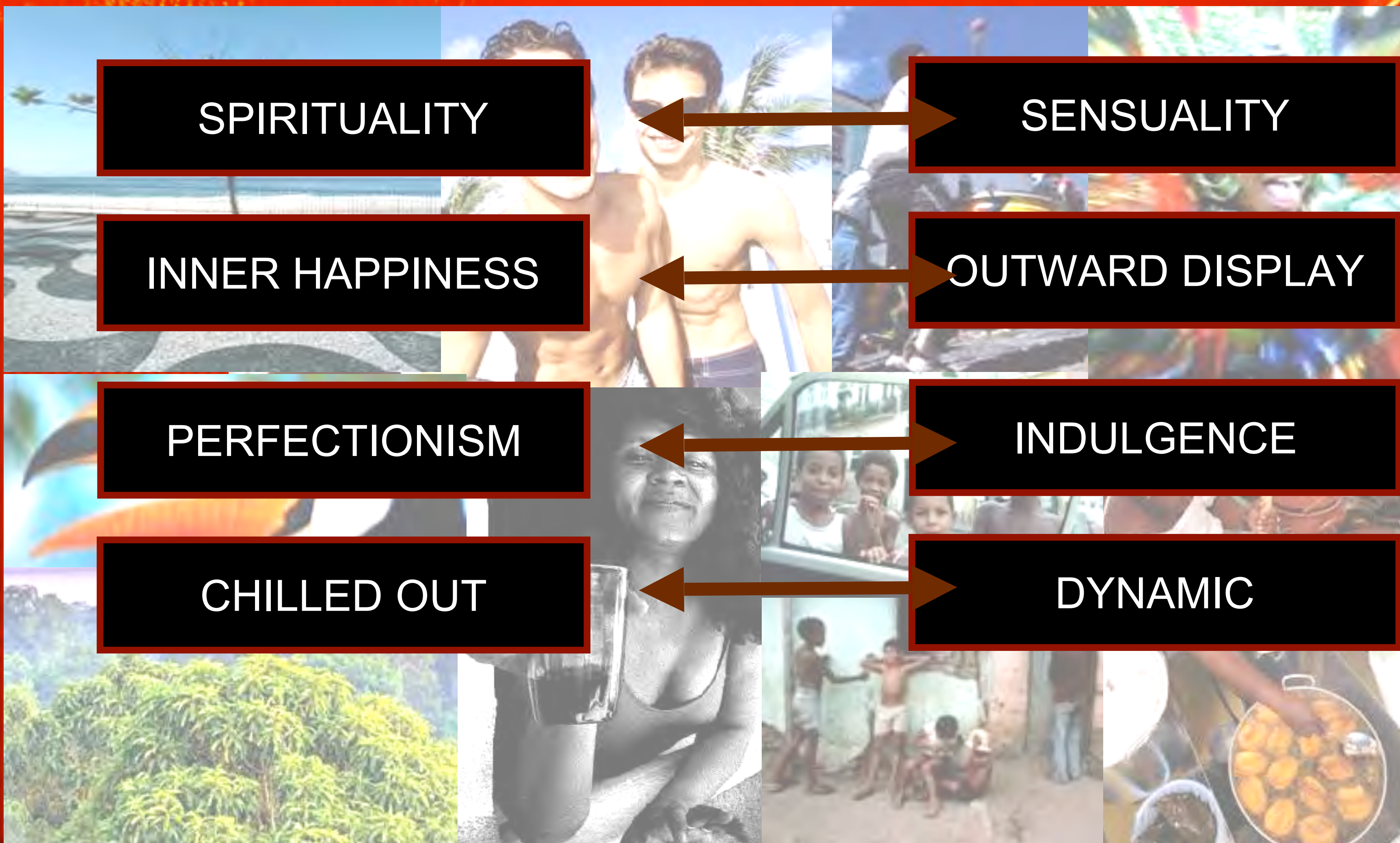
CERVEJA DO BRASIL

Consumer insights revealed significant potential for Brahma

- Desire for brands that tap into higher order values
- Increased demand for light liquids
- Move towards more premium brands
- Heightened style consciousness
- Latin influence in music, film, food, fashion

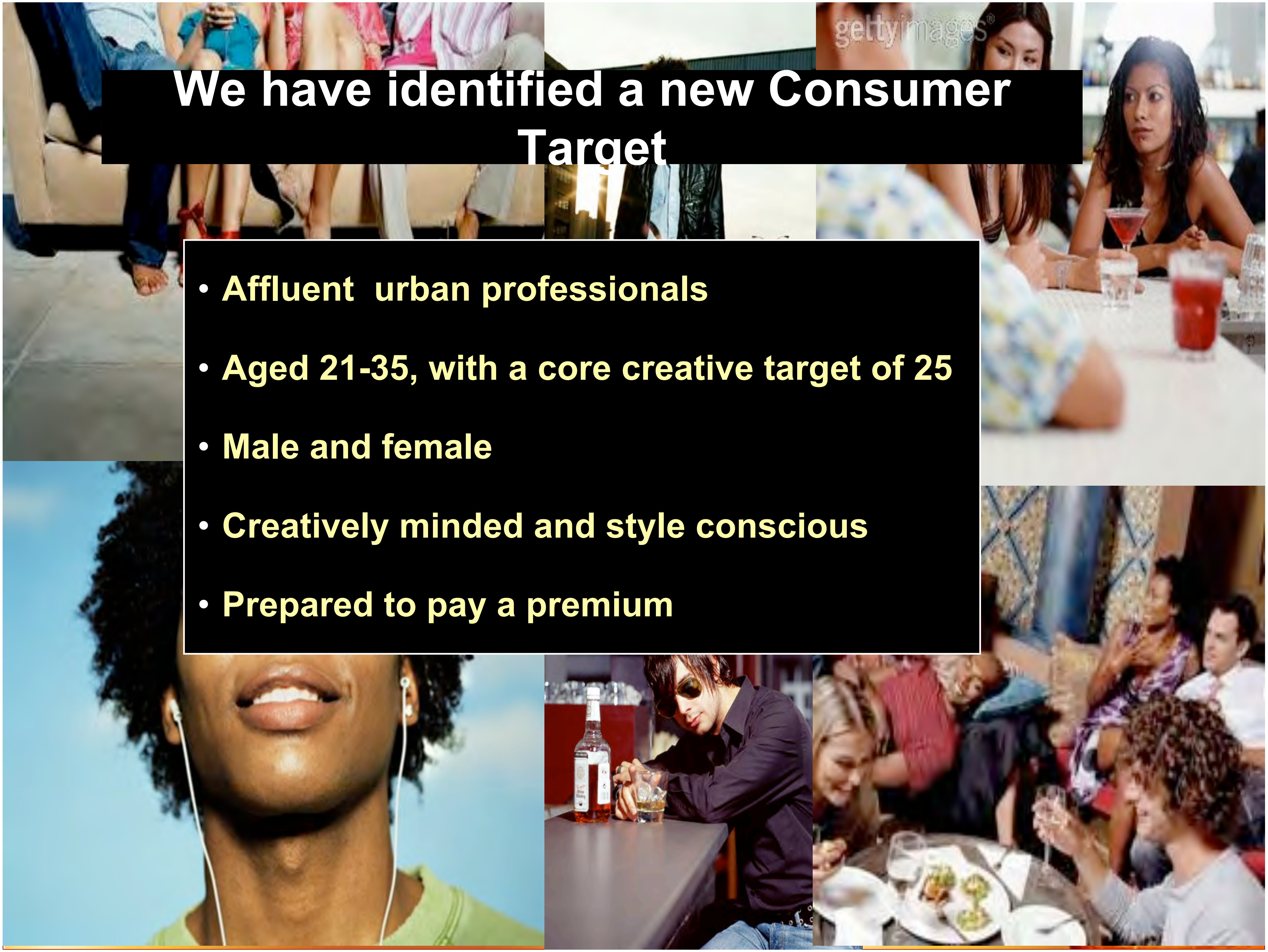
CERVEJA DO BRASIL

The 'Real' Brasil provides rich/authentic grounding



CERVEJA DO BRASIL

We have identified a new Consumer Target



- Affluent urban professionals
- Aged 21-35, with a core creative target of 25
- Male and female
- Creatively minded and style conscious
- Prepared to pay a premium


BRAHMA
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Original
CERVEJA DO BRASIL
since 1888
CERVEJA DO BRASIL


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Brahma original "Rio-flash" color and sophisticated design

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CERVEJA DO BRASIL

An “Effortless Drinking” Experience

- Highly refreshing, original, “effortless drinking” experience.
- Unprecedented scores on “Smoothness”, “easy to drink” and “refreshment” across all countries.
- Purchase intent scores 30% higher than the competition
- Concept scores 41% higher than the competition
- Unprecedented consumer research results against leading premium brands in all markets

BRAHMA

CERVEJA DO BRASIL

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