

# Delivering on Commitments

InBev FY06 results presentation  
March 1<sup>st</sup> 2007



## Today's Agenda

- 2006 summary and highlights
- Performance drivers
- Full year financial results
- Challenges ahead
- Outlook

## Delivering on commitments

- Organic beer **volume growth of 5.5%**, ahead of global industry growth
- **Revenue per Hl increase of 1.8%** driving revenue growth of 7.9%, in line with objectives (3.5% at same geographic mix)
- Strict cost management to support top line growth and margin expansion
  - Cost of sales per hectoliter **declined 2.5%**
  - Operating expenses further optimized
- Significant EBITDA growth and **margin improvement**

## Financial Highlights *(million euro)*

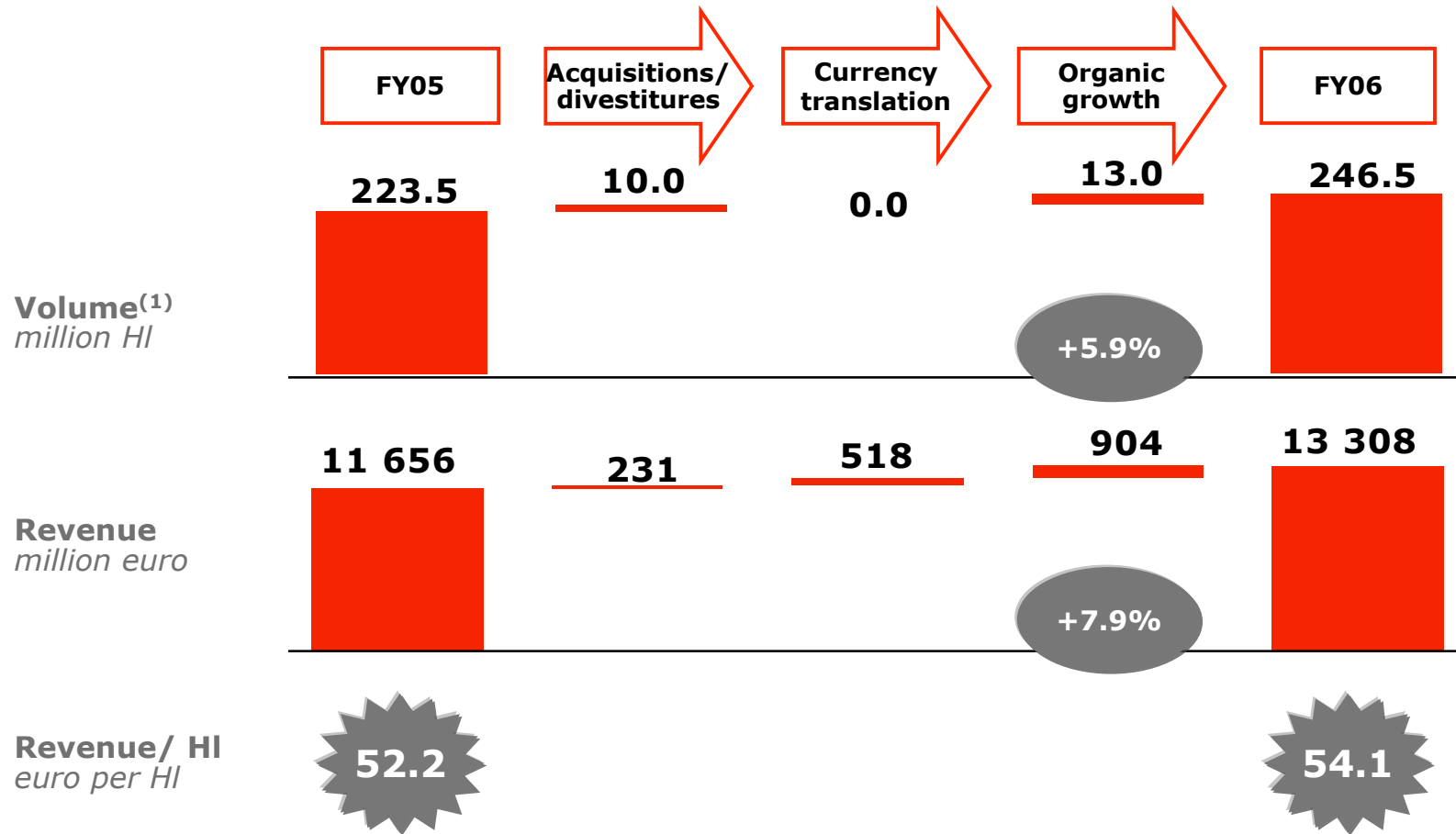
	<b>FY06</b>	<b>FY05</b>	<b>Organic Growth</b>
<b>Volume (million HI)</b>	<b>246.5</b>	<b>223.5</b>	<b>5.9%</b>
<b>Revenue</b>	<b>13 308</b>	<b>11 656</b>	<b>7.9%</b>
<b>EBITDA <sup>(1)</sup></b>	<b>4 239</b>	<b>3 339</b>	<b>16.8%</b>
<b>EBITDA Margin</b>	<b>31.9%</b>	<b>28.6%</b>	<b>239 bp</b>
<b>EBIT<sup>(2)</sup></b>	<b>3 223</b>	<b>2 439</b>	<b>20.1%</b>

(1) Before non-recurring items on EBITDA of -16 million euro FY06 and -207 million euro FY05

(2) Before non-recurring items on EBIT of -94 million euro FY06 and -241 million euro FY05

# Volume and revenue

*Growth in line with objectives*



(1) Proportional volumes for proportionally consolidated subsidiaries

## Global brands

Global volumes  
up almost 10%



Up 60%  
in the US



Volumes outside  
Latin America  
up 48%



Global volumes  
up 14%



## Strong local brands

33 million  
hectoliters sold  
in 2006



volumes grew  
by 6.5%

10 million  
hectoliter brand  
in China



number 1  
beer brand  
in Belgium



growth of  
23%  
vs previous year



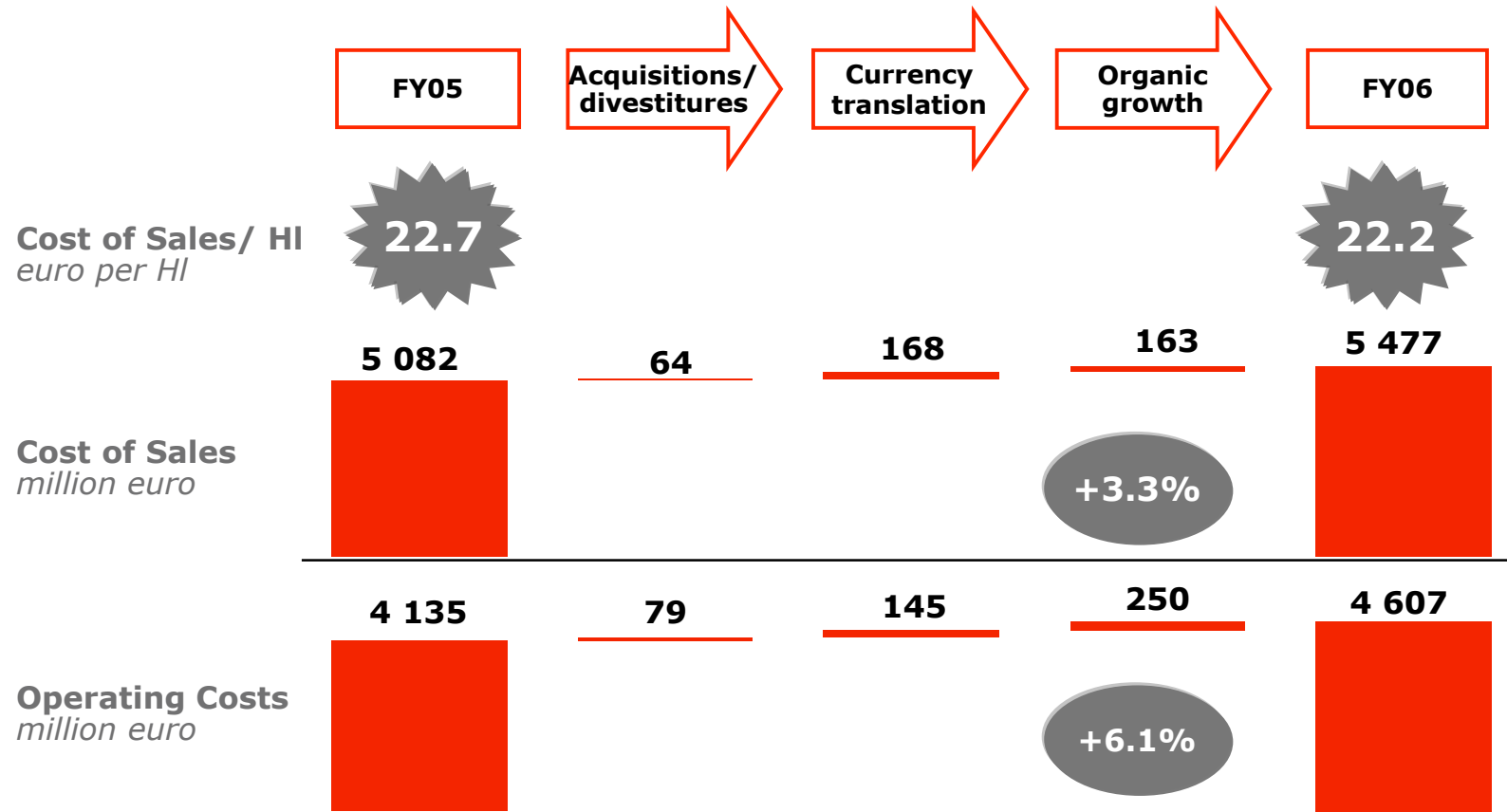
## Winning at the Point of Connection

- Optimize consumer experience
- Ensure proven best practice deployment
- Disciplined sales execution



# Cost of Sales and Operating Expenses

*CoS growth under control and operating expenses optimized*



# World Class Efficiency

## Voyager Plant Optimization

- 69 breweries running under VPO in 2006

## Zero Based Budgeting roll out

- Western Europe significant first year progress
- North America delivered incremental second year savings
- Central & Eastern Europe and South Korea ready for 2007

## Procurement

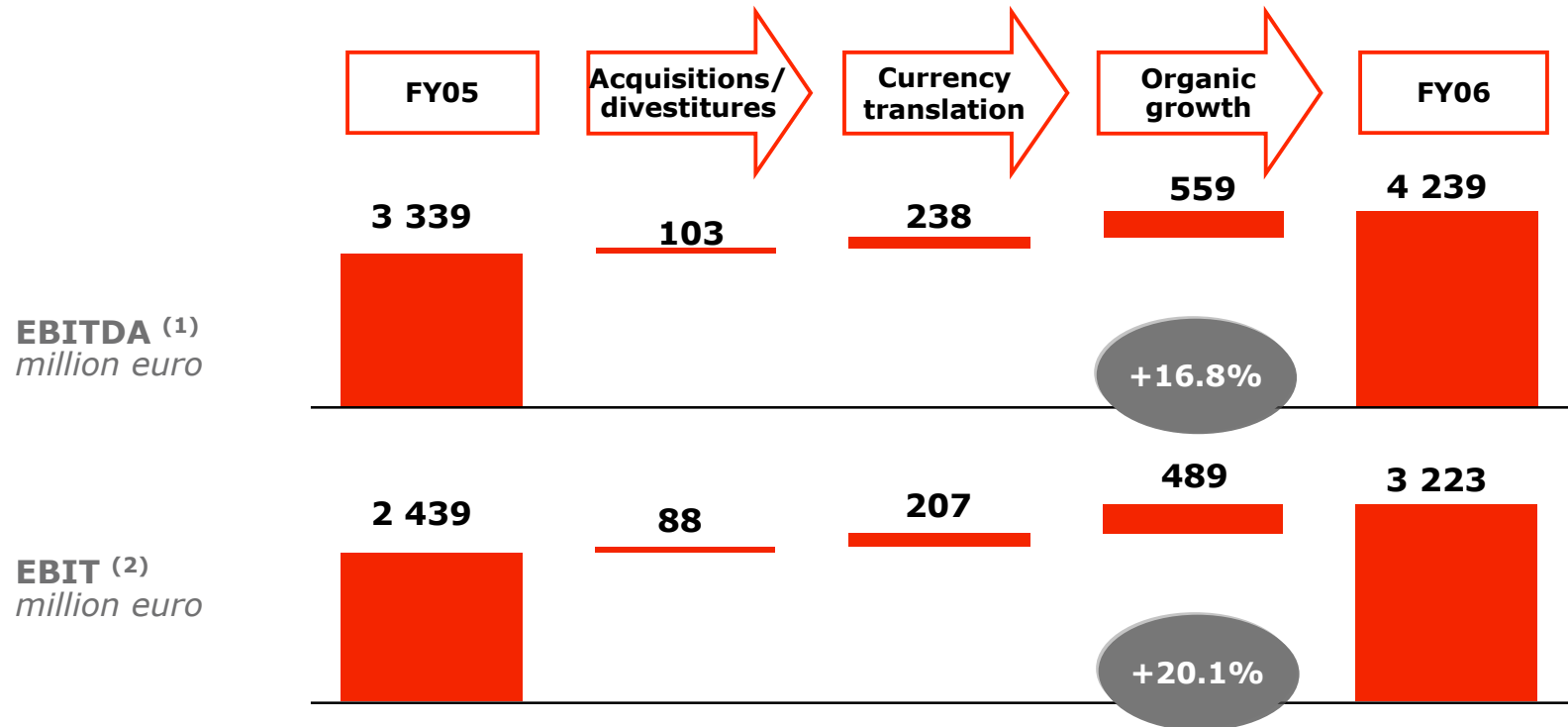
- Greater spend visibility and awareness of buying process
- Savings achieved in commercial spend

## Shared Service Centers

- Established for North America and Europe

# Profit Growth

*Driven by volume, mix and enhanced cost management*



(1) Before non-recurring items on EBITDA of -16 million euro FY06 and -207 million euro FY05

(2) Before non-recurring items on EBIT of -94 million euro FY06 and -241 million euro FY05

## Targeted External Growth

### Sharpened focus on fast-growing US import segment

- Sold Rolling Rock to Anheuser Busch
- Announced agreement with Anheuser Busch for import and distribution of premium European import brands in fast growing segment of the US market

### Increased position in southern Latin America

- Increased shareholding in Quinsa

### Strengthened portfolio in Western Europe

- Divested 3 breweries in Germany allowing greater brand focus

### Solidified presence in southern and eastern China

- Accelerated closure of Sedrin transaction

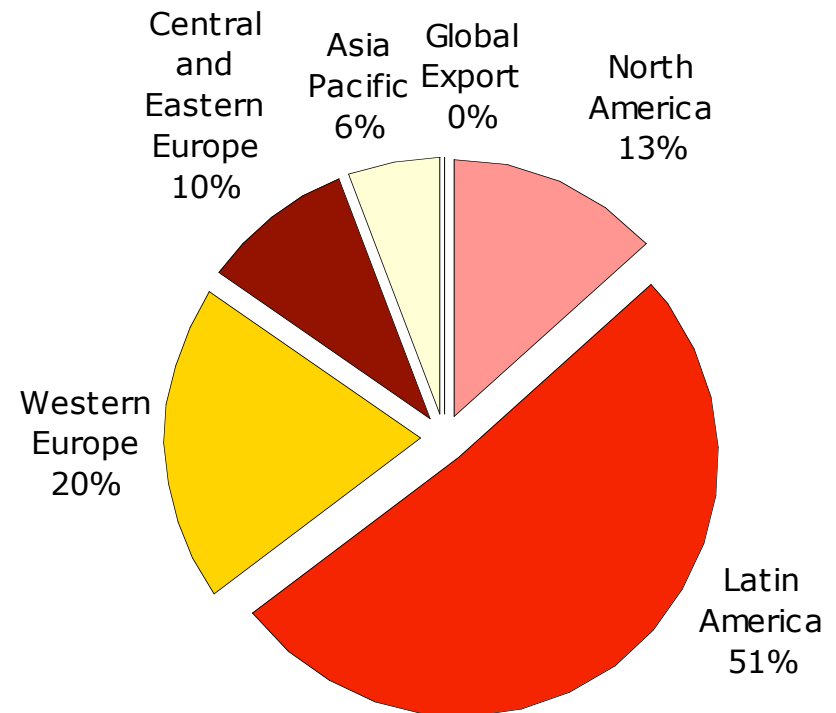
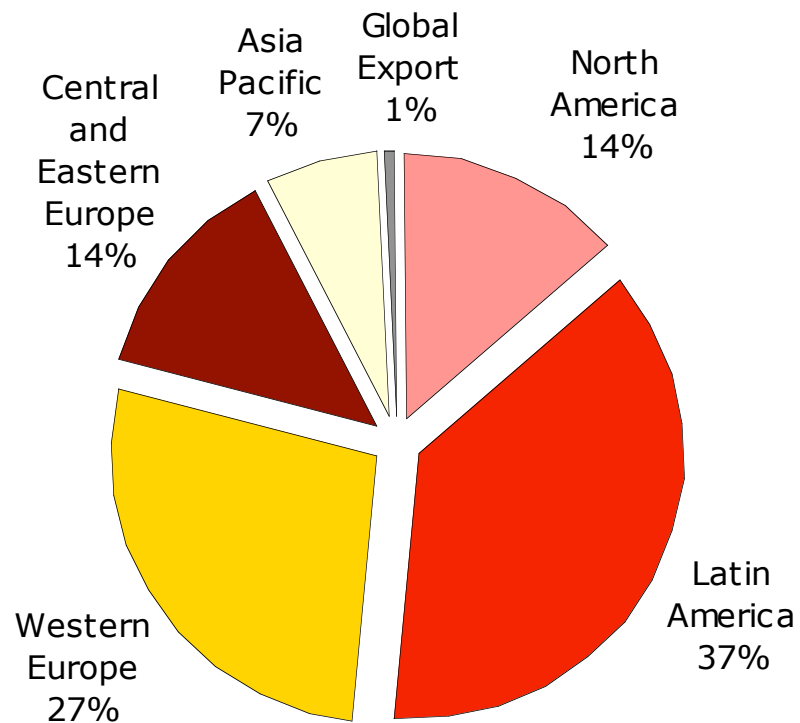
# Dream, People, Culture

- Dream
  - From Biggest to Best
  - Stretched targets
- People
  - Our only sustainable competitive advantage
  - Meritocracy
- Culture
  - Ownership
  - Focus on results
  - Disciplined execution

# Cost, Connect, Win: A foundation for success



# Breakdown of Revenue and EBITDA



(1) Before non-recurring items of -16 million euro

# North America

in million euro	FY 05	Acquisitions/ Divestitures	Currency	Organic Growth	FY 06	Organic Growth
Volumes (in thousand hl)	14 639	-617	0	319	14 342	2.3%
Revenues	1 733	-45	89	53	1 831	3.2%
EBITDA	477	-7	37	43	551	9.2%
EBIT	389	-4	32	43	459	11.1%



- **Stella Artois in the US delivered significant growth**
- **Canada growth driven by western provinces**
- **Continued sound cost management**
- **Strengthening our focus in the US**
  - **Compete in fast growing import category**
  - **Import agreement with Anheuser-Busch**



# Latin America

in million euro	FY 05	Acquisitions/ Divestitures	Currency	Organic Growth	FY 06	Organic Growth
Volumes (in thousand hl)	103 533	6 654	0	6 965	117 152	6.7%
Revenues	3 947	224	357	473	5 001	12.0%
EBITDA	1 577	68	180	328	2 152	20.8%
EBIT	1 323	50	162	305	1 839	23.1%



- **Another good year in Brazil beer**
- **Further development of the premium segment**
- **Excellent volume results in Quinsa**
- **Diligent cost control**
- **Increased stake in Quinsa**

# Western Europe

in million euro	FY 05	Acquisitions/ Divestitures	Currency	Organic Growth	FY 06	Organic Growth
Volumes (in thousand hl)	41 450	-2 091	0	-211	39 147	-0.5%
Revenues	3 669	-114	4	86	3 646	2.4%
EBITDA	751	-17	1	100	834	13.6%
EBIT	439	-6	1	86	520	19.9%



- **Total ZBB savings 118 million euro**
- **UK market: Stella Artois lower and other global brands up more than 50%**
- **Excellent performance of Beck's**
  - Successful introduction of Chilled Orange and Level 7 in Germany
  - Beck's Vier boosted volumes in the UK
- **Belgium – successful launch of Jupiler & Leffe line extensions**

## Central and Eastern Europe

in million euro	FY 05	Acquisitions/ Divestitures	Currency	Organic Growth	FY 06	Organic Growth
Volumes (in thousand hl)	38 021	513	0	4 667	43 201	12.3%
Revenues	1 468	42	33	277	1 820	18.9%
EBITDA	311	6	10	70	398	22.9%
EBIT	145	5	6	51	206	35.8%



- **Very good volume and revenue performance across the zone**
- **Russia and Ukraine showed further market share gains**
- **Siberian Crown drove premium segment ahead**
- **Romania ahead more than 30%, gained share**
- **Costs managed to support continued growth**
- **ZBB roll-out in 2006 – first savings expected in 2007**

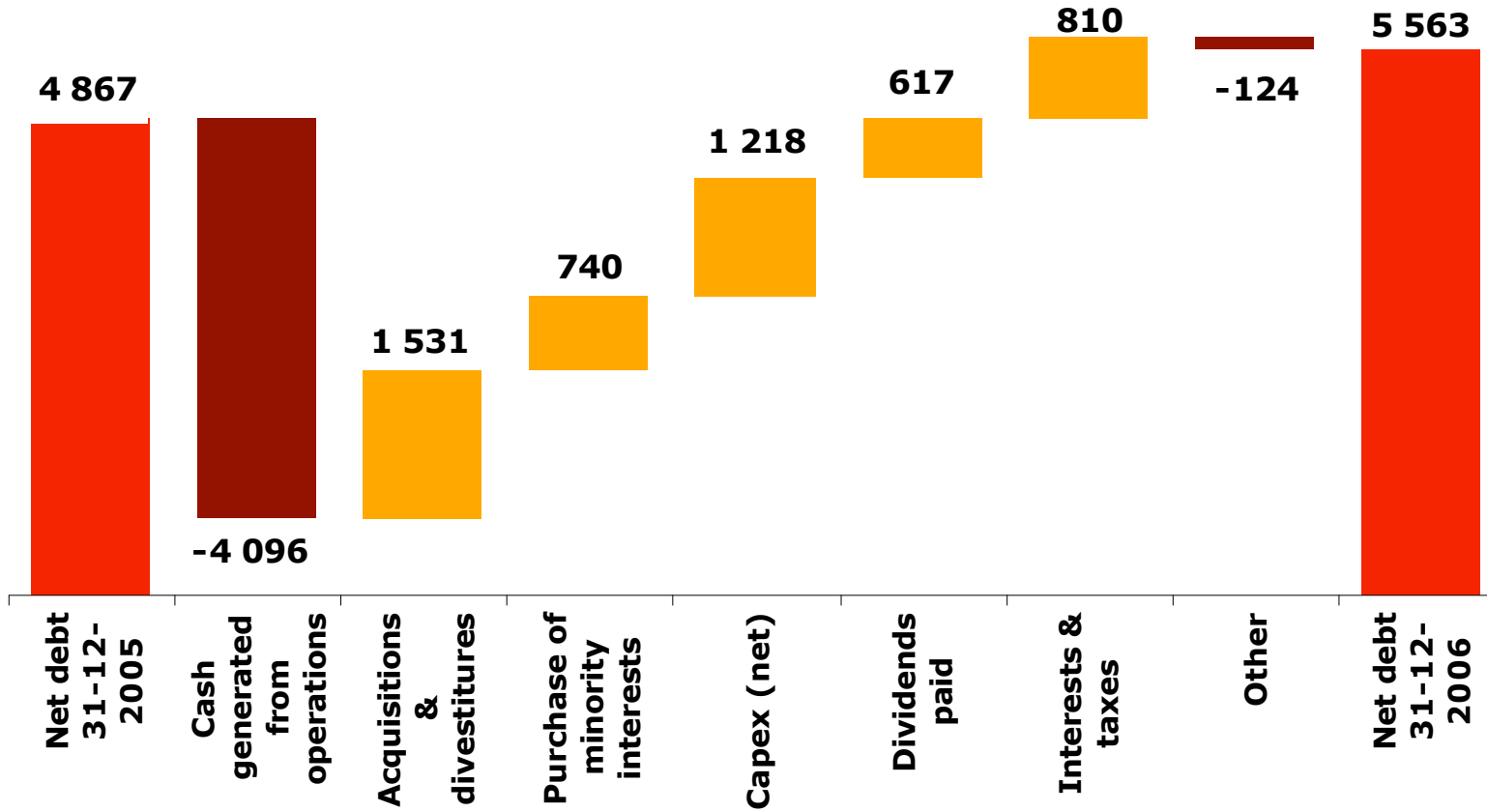
# Asia Pacific

in million euro	FY 05	Acquisitions/ Divestitures	Currency	Organic Growth	FY 06	Organic Growth
Volumes (in thousand hl)	24 048	5 791	0	1 084	30 924	4.6%
Revenues	747	123	35	6	912	0.8%
EBITDA	207	42	11	-20	241	-9.7%
EBIT	138	33	7	-28	150	-20.2%



- Overall volumes below expectations
- Sedrin performance ahead of plan
- Cass presented solid growth in South Korea
- ZBB implemented in South Korea for 2007

# Net Debt Evolution



## Below EBIT (million euro)

	FY06	FY05
<b>Normalized EBIT<sup>(1)</sup></b>	<b>3 223</b>	<b>2 439</b>
Net financing costs <sup>(2)</sup>	-472	-451
Share of results of associates	-	-
Income tax expense(1)	-531	-449
<b>Normalized Profit<sup>(1)</sup></b>	<b>2 220</b>	<b>1 538</b>
Attributable to minority holders	698	515
<b>Attributable to equity holders of InBev</b>	<b>1 522</b>	<b>1 024</b>

(1) Before non-recurring items

(2) Net debt December 2005: 4,867 million euro December 2006: 5,563 million euro

## Challenges ahead

Execute in the marketplace

Ensure sufficient resources for brand building

Generate innovation from consumer insights

Financial discipline

Resource allocation

## Outlook

InBev remains committed to a strategy which is targeted to

- deliver organic volume growth ahead of the industry
- revenue growing ahead of volume, &
- strong cost management

As the company develops a culture of ownership and focus on results across a geographic portfolio geared for growth, there continue to be significant opportunities for further margin expansion and value creation



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