InBev – the first 3 years
Progress Update

✓ Consistent beer volume growth

✓ Revenue growth ahead of volume growth

✓ Improved cost management

✓ Margin expansion

✓ Enhanced cash flow management
InBev – the first 3 years
Progress update - Income Statement

Revenue Normalized EBITDA Normalized EBITDA margin

- Revenue
- Normalized EBITDA
- Normalized EBITDA margin

+716 bps
InBev – the first 3 years
Progress update – Cash Flow and Working Capital

Cash Flow from operating activities
Working Capital as % of Revenue
How was this achieved?

- Strong beer volume growth
  - growth of selected brands
  - leading sales execution in some markets
  - healthy geographic footprint

- Significant increase in efficiency
  - VPO drives lower cost of sales
  - ZBB mindset: achieve more with less

- Target setting and compensation
- Right people in the right places
- Shared dream
- One company one culture
Where does InBev go from here?

- Strengthening our strengths
  - Dream People Culture
  - Further roll out of sales execution programs
  - Continuous cost discipline

- Further address the top line
  - Enhance brand building skills across the group
  - Innovation supports volumes and mix
  - Disciplined Execution
  - Right level of commercial investment
  - Margin pool
### Winning portfolios in our key markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Biggest brand</th>
<th>Favorite brand</th>
<th>Winning Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Quilmes</td>
<td>✔️</td>
<td></td>
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<tr>
<td>Belgium</td>
<td>Jupiler</td>
<td>✔️</td>
<td>Stella Artois, Leffe, Hoegaarden</td>
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<tr>
<td>Brazil</td>
<td>SKOL</td>
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<td>Canada</td>
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<td>China</td>
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<tr>
<td>Germany</td>
<td>Beck's</td>
<td>✔️</td>
<td>Hasseröder, Stella Artois, Hoegaarden</td>
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<td>Russia</td>
<td>KANSSKOE</td>
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<td>South Korea</td>
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<td>UK</td>
<td>Stella Artois</td>
<td>✔️</td>
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<tr>
<td>Ukraine</td>
<td>Чернігівське</td>
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Stella Artois and Beck’s

The number one German beer in the world

Beck’s has achieved premium growth of **13%** outside its home market

Distributed in more than **80 countries**

Stella Artois has grown very strong in **6** significant premium markets worldwide

more than 10 000 on-trade installations of Beck’s Vier in the U.K.
Premium portfolio across continents

Expanding growth in the U.S.

A strong year in Western Europe

Growing by 10% in the Czech Republic,

and 60% in the Ukraine

Double Digit Growth in Russia
## Innovation as a top line driver

### Track record so far

<table>
<thead>
<tr>
<th>BRAND</th>
<th>COUNTRY</th>
<th>KEY STRATEGIES</th>
</tr>
</thead>
</table>
| Cass Fresh | Korea | • Market share gains supported by successful line extensions  
  • Improved brand health |
| Beck's Vier | UK | • Beck’s Vier fastest growing brand in 2007  
  • Captured 2% share in only 2 years |
| Beck's | Germany | • Beck’s Gold, Green Lemon line extensions with minimal cannibalization  
  • Impressive brand health improvement |
| Bohemia | Brazil | • Developing the Premium segment in Brazil  
  • Driving revenue per Hl  
  • Steady brand health improvement |
| Stella Artois | Argentina | • From 0 to 28% Segment share in 2 years  
  • Leader in Supermarkets – beat Heineken in 2007 |
Standard approach ensures fundamentals in place and continuous improvement

**Implementation Phase**
- **Performance**
  - Fundamentals
  - Stability

**Sustainability Phase**
- **Sustainability**
- **Continuous Improvement**
- **World Excellence**

- Diagnostics and 1st round of certification of countries
- Development of toolkits based on global best practices
- Excellence to drive sustainability and continuous improvement across countries

Best-in-class benchmark
Right level of Sales and Marketing expenses
Sales and Marketing as % of Revenue

Geographic split by Operating Zone

- LAN: 10%
- LAS: 12%
- NA: 13%
- CEE: 18%
- WE: 19%
- APAC: 21%
- InBev: 15%
InBev can improve its results significantly by increasing its share in the total margin pool.

Sources of opportunities:
- Fixed costs efficiency (ZBB)
- CoS efficiency (VPO)
- Procurement

Addressing the margin pool

Sources of opportunities:
- Fixed costs efficiency (ZBB)
- CoS efficiency (VPO)
- Procurement
Summary

• InBev remains committed to deliver **EBITDA margin expansion** through a combination of top line growth and continued disciplined cost management.

• **Top line growth** will remain our priority as we are linking a more significant part of our variable compensation program to improved market share performance.

• Operating **efficiency** also remains high on the agenda.

• We will maintain cost of sales per hl growth in line with the 4% weighted average country inflation to which we are exposed.

• Change towards more pro-active approach of **managing capital structure**, as dividend policy of 33% maximum payout is removed.

• Strong growth in 1H 2007 presents **challenging comparables for 1H08**, especially in 1Q08 for volumes and EBITDA.