

AB InBev Investor Seminar

November 14th, 2013

David Almeida, VP Sales - Beer industry overview, sales excellence

Good morning. It is an honor to be here presenting to you today. Representing AB-InBev's US business means a lot to me. A large part of my career has been in mergers and acquisitions, culminating with playing a key role in the Anheuser-Busch InBev merger 5 years ago.

Immediately following the signing of the AB deal (literally the next Monday) - I Moved to Saint Louis to first help coordinate integration activities. I then led our finance department and two years ago became head of sales. We are all proud of what we have accomplished so far in a tough environment, but clearly recognize that we still have a lot of work to do.

We are also very excited about the fact that we are building a world-class team with industry leading capabilities in our US sales organization. We are on track to truly become the US sales machine. Over the next 90 minutes or so, my team and I would like to cover 3 topics.

- 1) A brief overview of our Route to market.
- 2) A description of our program to turn our sales and distribution organization into a sales machine.

And finally, a brief overview of our people.

So let me first take you through our route to market capabilities...

Over the past decades, Anheuser-Busch has undeniably built THE BEST beer Route to market system in the US, if not in the world. AB and its wholesaler network rely on a team of almost 30,000 sales reps to ensure best in class execution day in day out in the marketplace.

One example of the strength of our wholesaler network is its ability to out-execute the competition. While we have roughly 50 percent market share, we have close to 70pct share of cases on display.

Another example of our system's ability to get things done includes the superior execution for our innovation brands. In 2012 Bud light Platinum reached 95pct distribution in only 4 weeks. Another example happened just two weeks ago. Our wholesaler system saw the opportunity to drive our most recent innovation, Cran-brr- Rita with our largest customer, and achieved 80pct distribution.....in 4 days!

While we are sure our RTM is best in class - we see a clear need to evolve and continue to raise the bar. The first reason why we need to change is the fact that the US beer market is becoming increasingly complex and competitive. Localization and the resurgence of the craft segment have led to a fragmentation of tastes and in market execution.

This change has limited our ability to improve our performance with broad brushes, and broad

targeting. It has increased our need to be more precise with our execution capabilities, utilizing big data and technology.

Another driver for change is the fact that our competitors are moving. Since the Miller Coors merger, they have consolidated their network to a point where they now have fewer wholesalers than we do.

When you add that to the fact that Miller Coors wholesalers are in general much less exclusive than the AB wholesalers, and carry a variety of other brands - this puts us in a position where in many markets our wholesalers are actually at a scale disadvantage to their local market competitor.

We are addressing the need to continue to evolve our Route to market with a very clear framework and strategy. The first two pillars of that strategy have drawn a significant amount of attention from the analyst community, and I will cover them briefly. Yes....we would like to have a network with more efficient and even better wholesalers.

Based on very clear criteria, we identified anchor wholesalers who we would like to see grow. We have encouraged those wholesalers to pursue opportunities to acquire other wholesalers. This is an entirely voluntary process, as AB does not have the ability or the desire to force wholesalers out of the business.

Despite the attractiveness of the US beer business, and despite the fact that consolidation is strictly voluntary, we have seen progress in this area. Over the last two years we have seen 25 wholesaler transactions, most of them including the expansion of an anchor wholesaler. Also, upon completing these acquisitions, our anchor wholesalers have in general increased their investment behind our brands.

The second pillar of our Route to market strategy is our WOD, or wholly owned distribution strategy. It is very important to state that our strategy is not to own WODs... our strategy is to have the Best Route to market in the world, and in some very specific situations it makes sense for us to own WODs.

Over the past few years our strategy has been to integrate our WOD network, and upgrade capabilities to ensure that our WODs are best in class, and outperform independent wholesalers. We have had success here.

Over the last 3 years, our WODs have achieved cost leadership when compared to independent wholesalers, and most importantly - in 2013 our WODs are outperforming their neighboring wholesalers on volume trends. We are learning how best to operate a distribution business, and this is providing insight that we can share with the independent wholesalers, improving the business overall.

There are a few other important benefits to having a WOD system. First: some of our best people have emerged out of our WOD system. These are people who can speak eye to eye with independent wholesalers given their frontline experience. Second: having WODs allows us to

pilot Commercial initiatives faster - providing a benefit to the entire system. Now, the third pillar of our Route to market strategy is the one that has received the least attention from the analyst community.

To us, this one is by far the most important, and it is all about how we are raising the bar within the US sales organization, including our wholesalers, through the development of best in class content via our sales machine platform....and then disseminating those practices in a thorough and disciplined way through our Ambassadors of excellence program.

We inherited tremendous sales capabilities from our colleagues at Anheuser-Busch. But we also identified very clear opportunities that we are tackling in a very disciplined way. In the area of category management - we inherited best in class space management tools. But retailers perceived us as being too transactional, and quite frankly - we were losing our position as thought leaders for the US beer industry.

In revenue management, we have seen a huge opportunity to expand on AB's capabilities in areas such as price to consumer, or PTC excellence - improving on skills that are very common to ABI in other parts of the world. In sales execution we are tackling the increased fragmentation and complexity of the market. We are building tools based on sales processes and technology that will turn a potential threat into a clear strength for AB - the ability to plan and execute by account.

And finally, we have completely changed the trade marketing discipline at Anheuser-Busch. We now have a completely shopper driven approach, applying the ABI way. Our sales machine programs have these 4 key pillars at its base. My team and I will now give you a brief overview of each, showing what our strategy is, what we have ready accomplished and the exciting opportunities that remain ahead of us.

Our first topic is category leadership. It is no coincidence that we are starting out with this. Our retailers told us loud and clear that in order to keep our position as thoughts leaders; we would need to become more category centric and less transactional. We are on our way.

Chris Williams is leading this initiative for us. He is our VP of National Retail sales (NRS) and is in charge of our chain business. He started with our company as one of the pioneers in our InBev USA business, but earned his stripes as a key sales leader in the Anheuser-Busch organization, where he led the Wal-Mart teams.

Please join me in welcoming Chris.

