Brewing Driving the Top Line

Pete Kraemer
VP, Supply
Key Messages

- Quality is thriving!
- Innovation process is delivering and fully integrated with commercial agenda
- Variety of tools to innovate and commercialize our great ideas
- Our VPO management system allows us to operate at world-class efficiency levels and deal with complexity in an organized way
- Facilities fully leverage strengths to create competitive advantage

VPO = Voyager Plant Optimization
Brewmasters Supporting the Top Line Through Knowledge, Experience, Talent and Passion
Full Integration of Supply Chain Innovation Process Into Commercial Agenda

- Starts with raw materials, source of competitive advantage
- Incredible capability to innovate
- Organized and integrated design, scale-up & commercialization processes
Our Strategy for Vertical Integration Requires We Deliver the Highest Quality and Lowest Cost in the Industry

- Vertical integration
- Industry insight
- Benchmarking
- Highest quality, lowest cost
- New innovation possibilities through raw materials

Benchmarking Cross-Plant Malting Extract Losses

![Graph showing extract loss index with ABI Global Malting Plants (U.S. Plants in Green) and size of opportunity highlighted.](image-url)
Technical Knowledge and our Research Pilot Brewery (RPB) are Catalysts for Innovation

- Best technical knowledge in the world
- Small-scale experimentation
- Versatility to innovate
- RPB taste score for Bud & Bud Light consistently high
Advanced Technological Capabilities for Flavor Development

- State-of-the-art control systems & processing equipment
- Hi-tech instrumentation for process control
Focus on Routine Execution and Continuous Improvement Results in Good Cost Management

**Extract Loss (%)**

- 2009
- 2010
- 2011
- 2012
- 2013

42% Reduction

**Water Usage (hl/hl)**

- 2009: 4.1
- 2010: 3.7
- 2011: 3.5
- 2012: 3.4
- 2013: 3.3

20% Reduction

**Total Technical Productivity Index**

- Canadian Breweries
- ABI Global Breweries
- US Breweries

**VPO**

- Efficiency / Standardization
- Optimal Staffing
- Process Loss Reductions
- Culture of Continuous Improvement

**Technology**

- Control Systems
- Instrumentation
- Lightweighting

**Global Benchmarking**

- Efficiency
- Optimal Staffing
- Process Loss Reductions
- Breweries, Malt, Glass, Aluminum

42% Reduction

20% Reduction
Organized Approach & Proven Processes to Manage Complexity Generated by Innovation

VPO
- Efficiency
- Organization
- Green / Black Belts
- Data Analysis

OPERATIONAL AGILITY
- Change-Overs
- Ramp-Up
- Clean Time

SKU RATIONALIZATION
- Value-driven analysis

BREWERY DESIGN FLEXIBILITY
- Surge capability
- Latest networking planning tools

38 Successful New Brands or Packages Rolled Out in 2012!
Leveraging US Knowledge to Drive Significant Quality Improvements Across the ABI World

Canadian Filter Beer Monthly Average DO

DO = Dissolved Oxygen

Canadian TPO – Monthly Averages

TPO = Total Packaged Oxygen

Tasted Panel Score – Budweiser

Country: Canada

Oxy-6 Crown Liner

O₂
Metal Can Corporation (MCC) Provides Significant Strategic Advantage

Industry Analysis
- Volume declines led to internal review

Strategic Findings
- Better utilize MCC in strategic decisions
- Source internally where possible and profitable
- Increase MCC presence in higher margin specialty products

Tactical Actions
- Improved view of cost...footprint

Strategic Actions
- $200M+ in CAPEX Innovation Investment
- 12 oz Can Light-Weighting
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