InBev First Half 2004 Results

Presentation for Analysts and Investors

September 9, 2004
InBev First Half 2004 Results

John F. Brock, CEO
Today’s agenda

(1) Operating review
(2) Financial highlights
(3) Outlook
(4) Half year 2004 results
(5) Strategy and concluding remarks
Operating Performance Review

Delivered against operating targets

- Strong organic volume growth + 5.5%
- Beck’s + 14.6%
- Stella Artois + 6.2%
- EBITDA margin improvement + 36 b.p.
Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>HY 04</th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>€ 685</td>
<td>€ 622</td>
<td>+ 8.5%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>€ 317</td>
<td>€ 302</td>
<td>+ 11.2%</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>€ 0.65</td>
<td>€ 0.53</td>
<td></td>
<td>+ 22.6%</td>
</tr>
</tbody>
</table>
Outlook

• Overall global industry growth of 1-2%
• Challenging summer trading in Western Europe
• Reasonable current InBev trading after a soft July and a better August
• InBev is well positioned to realise in 2004 organic volume & profit growth in line with its long term targets
InBev First Half 2004 Results

François Jaclot, CFO
# Acquisitions & Divestitures

<table>
<thead>
<tr>
<th>HY04 Impact (€m)</th>
<th>Invested Capital</th>
<th>EBITDA</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACQUISITIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lion Group (China)</td>
<td>199</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Apatin (Serbia)</td>
<td>212</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>KK (China)</td>
<td>34</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>OB (South Korea)</td>
<td>474</td>
<td>0</td>
<td>(impact below EBITDA)</td>
</tr>
<tr>
<td>Beck’s (China)</td>
<td>-</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td><strong>DIVESTITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heineken (UK)</td>
<td>n/a</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Carlsberg (Canada/USA)</td>
<td>n/a</td>
<td>(5)</td>
<td>24</td>
</tr>
</tbody>
</table>

**Acquisitions performing in line or better than planned**
Breakdown of HY 04 Results

**Volume (1)\(^{(1)}\)**  
- HY 03: 45.0 HL million  
- Organic Growth: +5.5%  
- Acquisitions Divestitures: +15.8%  
- Foreign Exchange: -82  
- HY 04: 54.7 HL million

**Net Turnover**  
- HY 03: 3,250 € million  
- Organic Growth: +7.0%  
- Foreign Exchange: -2.5%  
- HY 04: 3,513 € million

**Net Turnover/ HI**  
- HY 03: 72.2 € per HI  
- Foreign Exchange: -1.7  
- HY 04: 64.2 € per HI

\(^{(1)}\) Fully controlled volume
# Continued Delivery of Underlying Organic Growth

<table>
<thead>
<tr>
<th></th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Acquisitions Divestitures</th>
<th>Foreign Exchange</th>
<th>HY 04</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong> € million</td>
<td>622</td>
<td>53</td>
<td>24</td>
<td>- 14</td>
<td>685</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.5%</td>
<td>3.8%</td>
<td>-2.3%</td>
<td>10.0%</td>
</tr>
<tr>
<td><strong>EBIT</strong> € million</td>
<td>302</td>
<td>34</td>
<td>-12</td>
<td>-7</td>
<td>317</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.2%</td>
<td>-4.0%</td>
<td>-2.6%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>
Diversified Geographic Reach

HY 04: Invested Capital %

HY 04: % of EBITDA

- Western Europe
- Americas
- Central & Eastern Europe
- Holding Companies + Export
- Asia Pacific

(1) includes 30% stake in FEMSA Cerveza
Breakdown of Growth in Americas

<table>
<thead>
<tr>
<th>Volume</th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Acquisitions Divestitures</th>
<th>FX</th>
<th>HY 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hl Million</td>
<td>7.8</td>
<td>0.5</td>
<td>7.1%</td>
<td>-0.6%</td>
<td>8.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Acquisitions Divestitures</th>
<th>FX</th>
<th>HY 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
<td>133</td>
<td>13</td>
<td>9.9%</td>
<td>-3.7%</td>
<td>136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Turnover</th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Acquisitions Divestitures</th>
<th>FX</th>
<th>HY 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
<td>834</td>
<td>97</td>
<td>11.6%</td>
<td>-0.8%</td>
<td>879</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT</th>
<th>HY 03</th>
<th>Organic Growth</th>
<th>Acquisitions Divestitures</th>
<th>FX</th>
<th>HY 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
<td>80</td>
<td>12</td>
<td>15.9%</td>
<td>10.4%</td>
<td>81</td>
</tr>
</tbody>
</table>
Americas: Strong Premium Portfolio

Canada

- Organic volume growth + 0.8%
- Growth of our premium brands + 25.0%

USA depletions

- Total + 7.1%
- Mexican brands + 13.5%
- European brands + 40.0%
- Canadian brands - 1.7%
- Bass - 11.6%
- Beck’s + 8.4%
Stella Artois: Premium Growth of Super Premium Brand
(USA, 12 month rolling data)
### Breakdown of Growth in Western Europe

<table>
<thead>
<tr>
<th></th>
<th>FY 02</th>
<th>FY 03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Growth</strong></td>
<td>-0.4</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Acquisitions Divestitures</strong></td>
<td>-0.2</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA € million</strong></td>
<td>318</td>
<td>322</td>
</tr>
<tr>
<td><strong>Net Turnover € million</strong></td>
<td>1,670</td>
<td>1,654</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 02</th>
<th>FY 03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Growth</strong></td>
<td>-11</td>
<td>-3.1%</td>
</tr>
<tr>
<td><strong>Acquisitions Divestitures</strong></td>
<td>-9</td>
<td>-1.8%</td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT € million</strong></td>
<td>145</td>
<td>140</td>
</tr>
</tbody>
</table>
Growing and Taking share in Western Europe

Stable or higher market share in 5 of 7 markets

**Germany**
- Beck’s volume + 15.9 %
- Hasseröder volume - 12.1 %

**UK**
- Stella Artois volume + 4.4 %
- Tennent’s lager volume + 2.9 %
- Castlemaine XXXX + 19.0 %

**Belgium**
- Jupiler’s success in the off-trade
Developing Markets \(^{(1)}\): contribution to Growth

**Organic growth**

- Volume \(+ 13.4\%\)
- EBITDA \(+ 10.9\%\)
- EBIT \(+ 10.5\%\)

\(^{(1)}\): Central and Eastern Europe, Asia/Pacific
Breakdown of Growth in Central & Eastern Europe

**Volume (Hl Million)**
- HY 03: 13.0
- HY 04: 16.8
- Growth: 18.5%
- Acquisitions: 1.4
- FX: 2.4
- Divestitures: 11.2%

**EBITDA (€ million)**
- HY 03: 97
- HY 04: 127
- Growth: 20.4%
- Acquisitions: 15
- FX: - 5
- Divestitures: 20

**Net Turnover (€ million)**
- HY 03: 443
- HY 04: 614
- Growth: 33.3%
- Acquisitions: 45
- FX: - 22
- Divestitures: 10.2%

**EBIT (€ million)**
- HY 03: 39
- HY 04: 54
- Growth: 28.8%
- Acquisitions: 6
- FX: - 2
- Divestitures: 11

- 5.1%
Great Performance in Central & Eastern Europe

Organic volume growth
+ 5.2% in Central Europe
+ 26.2% in Eastern Europe

Central Europe
• Share increase & 2nd quarter slowdown
• 230,000 Hls in Q-Pack
• Hungarian market suffering from imported German cans

Russia
• Volume +33%
• Record market share in Russia: 16.4%
• Strong showing of our premium brand portfolio

Ukraine
• Chernigivske + 34%
Breakdown of Growth in Asia Pacific

**Volume (Hl Million)**
- HY 03 Organic Growth: 4.0
- Acquisitions: 6.0
- Divestitures: -0.1
- FX: 9.9
- HY 04: 146.0%
- HY 03: 143.1%

**Net Turnover (€ million)**
- HY 03 Organic Growth: 230
- Acquisitions: 89
- Divestitures: -7
- FX: 294
- HY 04: 38.6%
- HY 03: 8.0%
- HY 04: 27.5%

**EBITDA (€ million)**
- HY 03 Organic Growth: 66
- Acquisitions: 12
- Divestitures: -2
- FX: 71
- HY 04: -3.2%
- HY 03: 19.1%
- HY 04: 7.7%

**EBIT (€ million)**
- HY 03 Organic Growth: 33
- Acquisitions: 11
- Divestitures: -3
- FX: 17
- HY 04: -11.6%
- HY 03: 33.2%
- HY 04: -52.4%
Asia/Pacific

China: positioned for growth

- Volume +16% to 6.3 million Hls
- Smooth integration of Lion group’s activities

South Korea: difficult market

- Beer Market - 1.2%
- Cass - 0.7%
- OB Lager - 3.2%
- Market share 41.0%
Free Cash Flow and Net Debt

• Free cash flow continues to improve
  +37.6% to € 117million

• Net CAPEX
  € 223million (€ 297 HY03) in line with budget

• Net financial Debt
  up to € 3,268 million, after Oriental Brewery option exercise

Continued organic free cash flow generation
EPS Breakdown

HY 03  EBIT  Currency  Income from associates*  Minority interests  Net financing costs & taxes  HY 04

0.53  0.10  -0.03  0.01  0.01  0.03  0.65

(*) Excluding currency impact (which is reflected in currency)
Strategy

John F. Brock, CEO
The Four Pillars

- Winning Brand Portfolio
- Winning at “Point of Connection”
- World Class Efficiency
- Targeted External Growth

Differentiation through Innovation

- Culture
- Values
- Organizational capabilities
- Leadership

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Footprint Optimisation

3 site closures: total capacity of 2.9 m hl

- UK: Belfast (0.7m hl), Manchester (1.2m hl)
- Canada: British Columbia (1.0m hl)

One-off cost:

- Cash cost € 40 million
- Write-offs € 60 million
- Total € 100 million
- Net employment changes: approx. 200
Footprint Optimisation (cont’d)

Expected full benefit

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>€ 3 m</td>
<td>€ 15 m</td>
</tr>
<tr>
<td>EBIT</td>
<td>€ 5 m</td>
<td>€ 20 m</td>
</tr>
<tr>
<td>Total CAPEX for reorganisation:</td>
<td>€ 28 m</td>
<td></td>
</tr>
<tr>
<td>Recurring CAPEX avoidance:</td>
<td>€ 8 m</td>
<td></td>
</tr>
</tbody>
</table>
Improved Company Structure

Initiatives:

- Control of Oriental Breweries
- Control of SunInterbrew
- Sale 30% stake in FEMSA Cerveza & capital gain
- Creation InBev USA

Initiatives to improve margins & increase ROIC
Annexes
Foreign Exchange

Turnover in non € currencies quantified

- GBP (15.8%) CAD (15.6%), USD (9.4%), KRW (5.7%), RUB (7.9%) of total net turnover

Translation risks

- Local currency income & costs - no hedge

Hedging policy (transaction risks)

- Export hedge 100% for 1 year & financial flows: 100% hedged first 6 months, > 50% next 6 months