



# **Second Quarter and Half Year 2011 Results**

## **Conference Call**

**11 August 2011**

# Forward looking statements

There are statements in this document, such as statements that include the words or phrases “outlook”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “estimate”, “project”, “may” or similar expressions that are “forward looking statements”. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the risks or uncertainties listed below.

These forward looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward looking statements include, among others: greater than expected costs (including taxes) and expenses, including in relation to the integration of acquisitions such as the Anheuser-Busch acquisition; the risk of unexpected consequences resulting from acquisitions, including the Anheuser-Busch acquisition; our expectations with respect to expansion, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections; lower than expected revenues; greater than expected customer losses and business disruptions including, without limitation, difficulties in maintaining relationships with employees, following the Anheuser-Busch acquisition; limitations on our ability to contain costs and expenses; local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact; the monetary and interest rate policies of central banks, in particular the European Central Bank, the Board of Governors of the US Federal Reserve System, the Bank of England, *Banco Central do Brasil* and other central banks; continued availability of financing and our ability to achieve our targeted coverage and debt levels and terms; market risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, inflation or deflation; our ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies; changes in pricing environments and volatility in commodity prices; regional or general changes in asset valuations; tax consequences of restructuring and our ability to optimise our tax rate after the Anheuser-Busch acquisition; changes in consumer spending; the outcome of pending and future litigation and governmental proceedings; changes in government policies; changes in applicable laws, regulations and taxes in jurisdictions in which we operate including the laws and regulations governing our operations, changes to tax benefit programs as well as actions or decisions of courts and regulators; natural and other disasters; any inability to economically hedge certain risks; inadequate impairment provisions and loss reserves; technological changes; and our success in managing the risks involved in the foregoing.

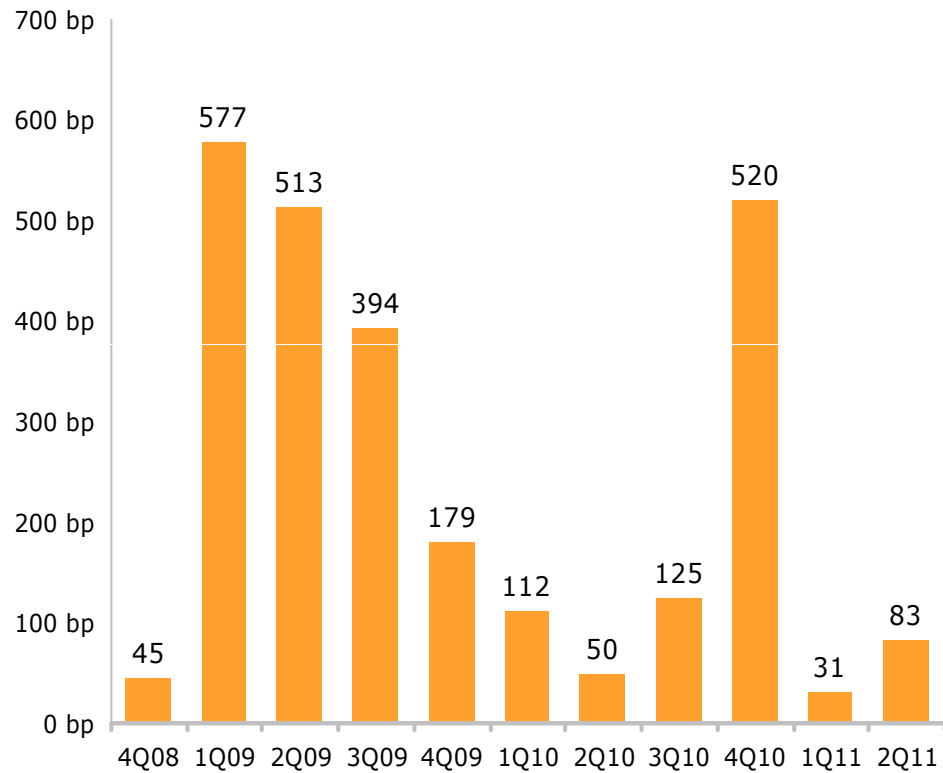
Certain cost savings and synergies information constitute forward looking statements and may not be representative of the actual cost savings and synergies that we will achieve because they are based on estimates and assumptions that are inherently subject to significant uncertainties which are difficult to predict, and accordingly there can be no assurance that these cost savings and synergies will be realised.

Without prejudice to our obligations under Belgian and US law in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.

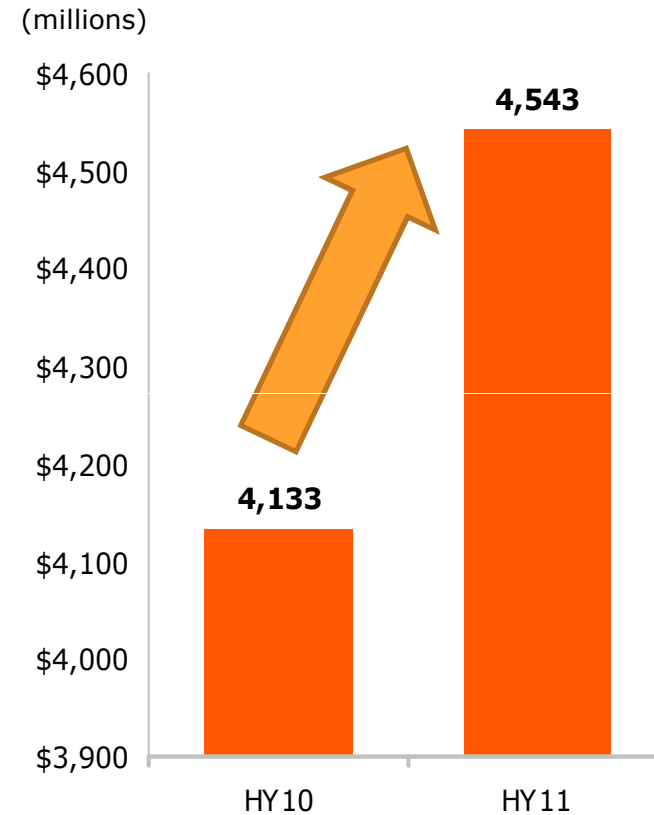


# Another quarter of solid results

**11 consecutive quarters of year-over-year margin expansion**



**Strong cash flow from operating activities**



# 2Q11 results overview

- **Own beer volumes +0.6%**
- **Focus Brand volumes +2.3%**
- **Revenue +3.7%**
- **Revenue per hl +3.4% and +4.4% (constant geographic basis)**
- **Sales & marketing +3.9% in 2Q11 and +4.3% in HY11**
  - Full year guidance of mid to high single digit increase unchanged
- **EBITDA growth +11.7% nominal, +6.0% organic**
- **EBITDA margin expansion +83 bp organic to 37.7%**

Note: All measures in this presentation are organic unless stated otherwise



# United States

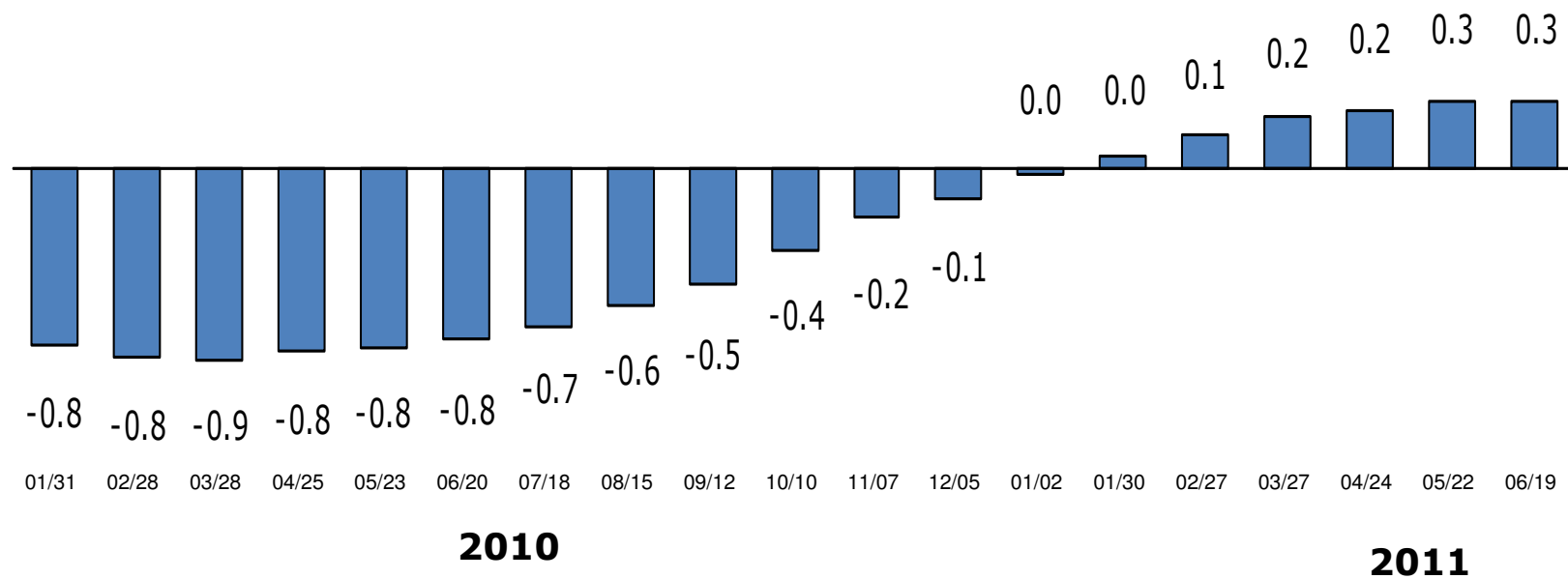
## Confidence in our strategy and focus on execution

### 2Q11 results

- **Shipments to wholesalers (STWs) -1.7%**
- **Shipments to retailers (STRs) -3.4%**
- **Market share -50 bp concentrated in sub-premium segment**
  - **Growth in Bud Light, Michelob Ultra and high end**
  - **Budweiser decline decelerating rapidly**
  - **Decline in sub-premium as a result of closing the price gap to premium**
- **Revenue per hl +3.6% with brand mix +52 bp**



# Bud Light steady market share improvement



Source: IRI combo (grocery + c-store) rolling 12 months





MEDIA



RETAIL



FAN EXPERIENCES



BACK TO FOOTBALL



PACKAGING

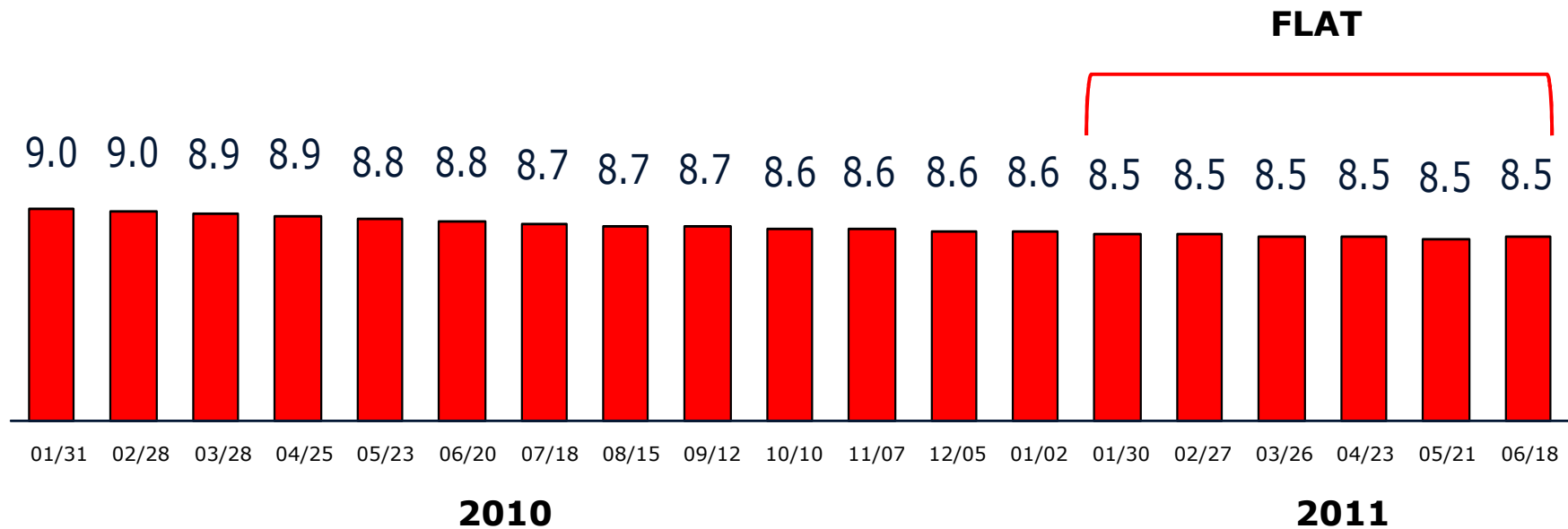


DIGITAL

THE FAVORITE BEER OF NFL FANS

# Budweiser stabilization underway

Flat share since January 2011



Source: IRI combo (grocery + c-store) rolling 12 months





# Growing the high end aggressively

More than a quarter of a million points of distribution added since December 2010

## HY11 results

- STRs **+16.5%**
- Stella Artois **+22.0%**
- Shock Top **+76.5%**

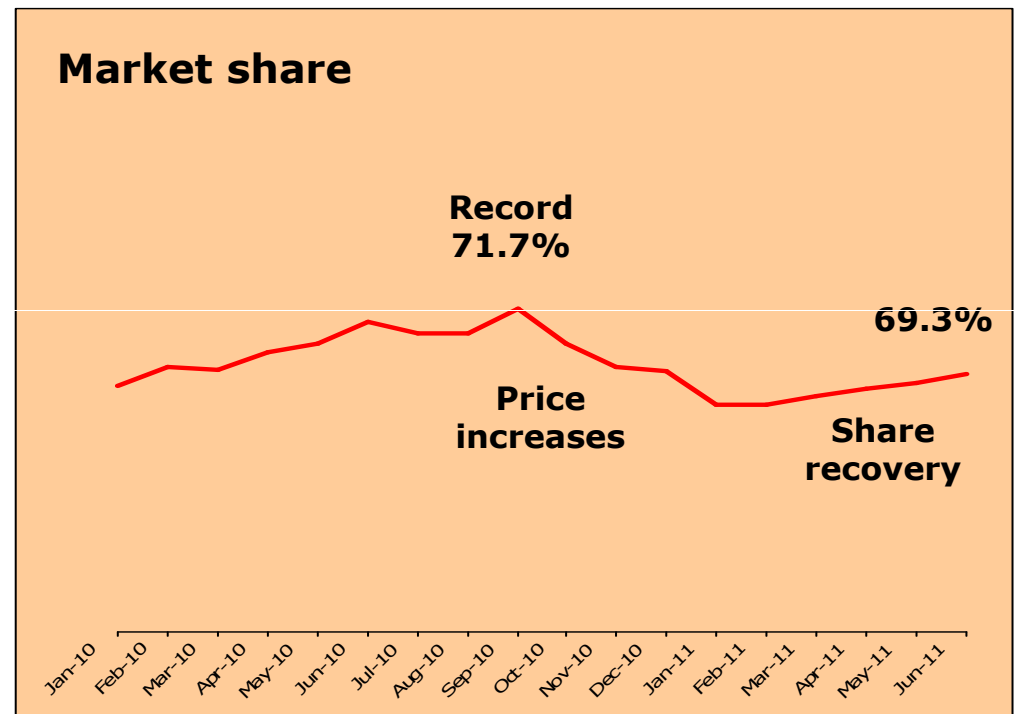


# Brazil

## Confidence in the medium to long term growth prospects for the country and the industry

### 2Q11 results

- Own beer volumes -2.6% vs. +13.7% comparable
- Strong revenue per hl +8.1%
- Sequential share growth since February 2011
- Third highest 2Q share in the last 10 years
- Zone EBITDA +10.3%
- Zone margin expansion +234 bp



# Brazil priorities

## Focus Brands

- Consumer preference >10 p.p. ahead of share
- Consistent brand building investment

## Innovation pipeline

- Lead, shape, create
- Liquids and packaging
- On and off premise innovation

## Premium segment

- Long term volume and margin opportunity
- Only 5% of the market today
- Stella Artois growth at ~+200%
- Budweiser launch in August 2011

## Regional growth

- Northeast expansion
- Roll-out of innovations nationwide



# China

## Long term volume and margin potential



### 2Q11 results

- Beer volumes **+11.7%**
- Focus Brands Budweiser, Harbin and Sedrin **+21.3%**
  - All three brands grew double digits and account for ~70% of volume
- Maintaining share while successfully transitioning local brand volume to Focus Brands





# North America

## 2Q11 performance

- **United States**

- Good progress in Focus Brand performance
- Beer-only revenue per hl **+3.6%**, including mix improvement of **+52 bp**
- On track to deliver synergy commitment

- **Canada**

- Maintained market share at approx. 41%
- Stable share since 2Q10

- **Zone**

- Margin expansion of **+66 bp** to 43.3%



	Organic growth
Volumes	-1.4%
Own beer volumes	-1.5%
Revenue	1.9%
EBITDA	3.5%
EBITDA margin	66 bp



# Latin America North 2Q11 performance

- **Brazil**

- Consistent progress in line with brand and pricing strategies
- Beer-only revenue per hl **+8.1%**
- Sequential share growth since February 2011, reaching 69.3% in June
- Third highest 2Q share in the last 10 years

- **Zone**

- EBITDA growth of **+10.3%**
- Margin expansion of **+234 bp** to 46.2%



	Organic growth
Volumes	-0.9%
Own beer volumes	-2.0%
Revenue	4.7%
EBITDA	10.3%
EBITDA margin	234 bp



# Latin America South 2Q11 performance

- **Argentina**
  - Beer volumes **+4.5%** with market share gain
  - Stella Artois growing double digits and expanding leadership in premium
- **Zone**
  - EBITDA growth of **+20.2%**
  - Margin decline driven by commodity and labor costs



	Organic growth
Volumes	-0.2%
Own beer volumes	2.9%
Revenue	26.0%
EBITDA	20.2%
EBITDA margin	-193 bp



# Western Europe 2Q11 performance

- **Belgium**
  - Own beer volumes **+3.2%**, maintaining share
- **Germany**
  - Own beer volumes **+9.9%**, gaining share
- **United Kingdom**
  - Own beer volumes -16.0% due to tough comparable (+18.6%) due to the FIFA World Cup
  - Successful Stella Artois Cidre launch
- **Zone**
  - EBITDA growth of **+1.7%**
  - Margin expansion of **+278 bp** to 33.3%



	Organic growth
Volumes	-4.3%
Own beer volumes	-1.6%
Revenue	-6.6%
EBITDA	1.7%
EBITDA margin	278 bp



# Central & Eastern Europe 2Q11 performance

- **Russia**

- Volumes -6.0% with consistent progress in line with brand and pricing strategies
- Market share in value terms +60 bp to 16.3%

- **Ukraine**

- Beer volumes +1.2%

- **Zone**

- EBITDA decline mainly due to higher commodity costs and distribution expenses



	Organic growth
Volumes	-3.1%
Own beer volumes	-3.0%
Revenue	4.4%
EBITDA	-19.8%
EBITDA margin	-552 bp





# Asia Pacific

## 2Q11 performance

- **China**
  - Beer volumes **+11.7%**
  - Focus Brands **+21.3%**
  - Maintaining share while successfully transitioning local brand volume to Focus Brands
- **Zone**
  - EBITDA growth of **+50.8%**
  - Margin expansion of **+270 bp** to 14.0%



	Organic growth
Volumes	12.1%
Own beer volumes	12.1%
Revenue	21.6%
EBITDA	50.8%
EBITDA margin	270 bp



# Cash flow

Over \$4.5 billion in cash flow from operating activities (+9.9%)

	HY10	HY11
(millions USD)		
Profit	2 345	3 386
Interest, taxes and non-cash items	4 381	3 874
<b>Cash flow from operating activities before working capital and use of provisions</b>	<b>6 726</b>	<b>7 260</b>
Working capital	- 573	- 564
Pension contributions and provisions	- 287	- 393
Interest and taxes	-2 101	-2 162
Dividends received	368	402
<b>Cash flow from operating activities</b>	<b>4 133</b>	<b>4 543</b>
Net capex	- 692	-1 508
Other investing activities	57	39
Dividends paid	-1 031	-2 237
Net payments/proceeds from borrowings	-1 340	- 548
Other financing activities	- 230	- 425
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>897</b>	<b>- 136</b>



# 2Q11 below EBIT performance



(millions USD)

	2Q10	2Q11
<b>Normalized EBIT</b>	<b>2 740</b>	<b>3 058</b>
Non-recurring items above EBIT	-136	-63
Net finance cost	-519	-668
Non-recurring net finance cost	-253	-195
Share of results of associates	138	152
Income tax expense	-470	-369
<b>Profit</b>	<b>1 501</b>	<b>1 915</b>

Attributable to non-controlling interests	352	465
Attributable to equity holders of AB InBev	1 149	1 450
<b>Normalized profit attributable to equity holders of AB InBev</b>	<b>1 440</b>	<b>1 603</b>

(USD)

	2Q10	2Q11
Earnings per share (EPS)	0.72	0.90
<b>Normalized EPS</b>	<b>0.90</b>	<b>1.00</b>





# Q & A

