AB InBev in Belgium

InBev Belgium

2014
AB InBev worldwide & in Belgium

2013 results

People-Brands-Means

Best Beer Company Bringing People Together for a Better World
AB InBev worldwide

- AB InBev is the leading global brewer
- One of the world’s top five consumer product companies (FMCG)
- We hold the No.1 or No.2 position in many of the world’s leading beer markets
- Global, European and BeNeFraLux headquarters in Leuven, Belgium
- 6 of the top 10 most valuable beer brands in the world
  (BrandZ™ Top 100 Most Valuable Global Brands 2013)
- Operations in 25 countries
- Our beer is sold in more than 100 countries
- +/- 150 000 employees worldwide
AB InBev portfolio + 200 brands
Important presence of Belgian beers around the world

Worldwide brands
3 strong global brands:
Budweiser, Stella Artois, Corona

International brands
Distributed in many countries around the world
e.g. Hoegaarden (> 70 countries), Leffe (> 80 countries)
et Beck’s (> 80 countries)

“Local Champions”
e.g. Jupiler (Belgium),
Hertog Jan (The Netherlands)
AB InBev in BeNeLux & France

7 AB InBev breweries

Leuven  Sint-Pieters-Leeuw  Hoegaarden  Jupille  Diekirch  Arcen  Dommelen

Volume 2013: > 9 million hl
Split on/off-trade: ± 40% / 60%
Customer base: 2/3 horeca – 1/3 retail
Over 3 500 employees
Market leader in Belgium & Luxemburg; N°2 in the Netherlands and N°3 in France
AB InBev in Belgium

- Market share 2013: 56% (Market leader)
- Volumes 2013: 4,9 million hl
- Over 2 500 employees
- 4 breweries: Leuven, Jupille, Hoegaarden, Sint-Pieters-Leeuw
- Top 3 of the favorite beer brands in Belgium:
## Volume of BeNeLux & France

<table>
<thead>
<tr>
<th>AB InBev</th>
<th>Volumes 2013 (mio HL)</th>
<th>Contribution to total volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>445,8</td>
<td>100%</td>
</tr>
<tr>
<td>Europe</td>
<td>47,6</td>
<td>11%</td>
</tr>
<tr>
<td>BeNeFraLux</td>
<td>9,1</td>
<td>2%</td>
</tr>
<tr>
<td>Belgium</td>
<td>4,9</td>
<td>1%</td>
</tr>
</tbody>
</table>
## Overview BeNeLux & France in 2013

<table>
<thead>
<tr>
<th></th>
<th>BE</th>
<th>NL</th>
<th>FR</th>
<th>LUX</th>
<th>BNFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of inhabitants 2013 (mio)</td>
<td>10,8</td>
<td>16,8</td>
<td>65,6</td>
<td>0,5</td>
<td>94</td>
</tr>
<tr>
<td>Per capita per country 2013 (ltr)</td>
<td>73</td>
<td>61</td>
<td>24</td>
<td>74</td>
<td>37</td>
</tr>
<tr>
<td>Beer volume per country 2013 (mio hl)</td>
<td>8</td>
<td>10,3</td>
<td>15,5</td>
<td>0,37</td>
<td>34,2</td>
</tr>
<tr>
<td>Industry evolution 2013 vs 2012 (%)</td>
<td>-2,5</td>
<td>-0,5</td>
<td>-13,6</td>
<td>-1,8*</td>
<td>-7,3</td>
</tr>
<tr>
<td>AB InBev marketshare 2013</td>
<td>=</td>
<td>↑</td>
<td>↑</td>
<td>=</td>
<td>↑</td>
</tr>
<tr>
<td>Split on/off-trade % (sector)</td>
<td>45/55</td>
<td>25/75</td>
<td>25/75</td>
<td>46/54</td>
<td>30/70</td>
</tr>
<tr>
<td>Split on/off-trade % (AB InBev)</td>
<td>40/60</td>
<td>40/60</td>
<td>40/60</td>
<td>40/60</td>
<td>40/60</td>
</tr>
</tbody>
</table>

Results show:
- Strong on-trade orientated organisation
- Export from Belgium remains important
- About 1 out of 4 glasses of beer in Benelux & France comes out of the AB InBev portfolio
Our biggest export market from Belgium is NeFraLux
- Basis of BeNeFraLux-organisation = same brands = synergies

Strong growth of export to US market
- x 4 since 2004
- Export of Hoegaarden and Stella Artois keeps growing
  - +/- 70% of production Leuven is destined for export
    - Leffe (France)
    - Stella Artois (USA, Canada...)
  - +/- 80% of production Hoegaarden is destined for export
November 2013: CEO Brito handed the 600 millionth Stella Artois of 2013 to Prime Minister Di Rupo
Stable AB InBev market share of 56%

Volume decreased with 3% due to weak sector and weather conditions in HY1
  • Q4 showed again a marginal volume growth of 0.4 %

Despite difficult sector conditions (especially in HY1), our brands performed well in FY13

Investments made in 2012 and continued in 2013 didn’t miss their goal:
  • Jupiler: solid performance in retail thanks to the strong activities around world cup + TVC

Top 3 of the favorite beer brands in Belgium:
Also online Jupiler is the favorite beer brand in Belgium: ca. 330 000 Jupiler fans on Facebook = Nr 1 Beer Brand Fansite in Belgium
Leffe performed in line with sector

- Strong campaigns (abribus; TVC)
- Leffe Royale > +5% (strong activations in on-trade)

Hoegaarden performed better than the market

- Hoegaarden White: strong results in retail
- Hoegaarden 0,0 Rosée: > 5% growth
AB InBev worldwide & in Belgium

2013 results

People-Brands-Means

Best Beer Company Bringing People Together for a Better World
People, Brands and Means

An approach that works

People: the right people at the right place, training and development of people

Brands: our brands respond to the expectations of our customers and clients

Means: continuous investments in our brands, people, operations and distribution channels in retail and in on-trade.
People

- Over 2500 employees in Belgium

**Engagement score of our employees** (= employees satisfaction survey) of 80 %, after a record score of 77% in 2012

- Our 10 leading principles

**We Go For It:**

- Clear and open communication
- Safety at work
- Helping to achieve career goals of our employees
- Encouraging development of our employees

10 Principles

**Dream:**

1. Our shared dream energizes everyone to work in the same direction to be the best beer company in a better world.

**People:**

2. Great people, allowed to grow at the pace of their talent and compensated accordingly, are the most valuable assets of our company.

3. We must select people who, with the right development, challenges and encouragement, can be better than ourselves. We will be judged by the quality of our teams.

**Culture:**

4. We are never completely satisfied with our results, which are the fuel of our company. Focus and zero-complacency guarantees lasting competitive advantage.

5. The consumer is the Boss. We connect with our consumers through meaningful brand experiences, balancing heritage and innovation, and always in a responsible way.

6. We are a company of owners. Owners take results personally.

7. We believe common sense and simplicity are usually better guidelines than unnecessary sophistication and complexity.

8. We manage our costs tightly to free up resources that will support top-line growth.

9. Leadership by personal example is the best gift to our culture. We do what we say.

10. We don't take shortcuts. Integrity, hard work, and consistency are keys to building our company.
Brands

Jupiler is the favourite beer brand in Belgium: 1 out of 3 Belgians prefer Jupiler

In Belgium, Leffe is market leader in the segment of abbey beers and is the second most popular beer brand in Belgium

Belle-Vue is an authentic beer brewed according to the Brussels lambic tradition for more than 100 years

Stella Artois is the No. 1 Belgian beer worldwide and it’s part of a rich brewing tradition that goes back to 1366

Hoegaarden, the worldwide famous authentic white beer, is the 3\textsuperscript{th} most popular beer brand in Belgium
Continuous investments, also in 2013:

**BeNeLux & France**
- Annual investments of €200 million on average in production, commercial activities and marketing

**Belgian production facilities**
- €75 million long-term investments
- €50 million investments in commercial activities and marketing

**Necessary requirements** to justify continuous investments
- Perfect quality
- Productivity
- Flexibility
- Daily delivery reliability
Our
Better world
Dream:
Best Beer Company
Bringing People Together
For a Better World
Our Better World dream

Our employees share the dream to be the Best Beer Company Bringing People Together for a Better World, and this dream inspires us all to aim higher, to do more and never compromise on integrity, quality or results.

Our efforts for a Better World consist of 3 pillars:

- **The promotion of responsible consumption**, for consumers to enjoy our products in a responsible way
- **The protection and preservation of the environment** by means of 8 global environmental goals to be achieved by the end of 2017
- **Making a difference in the communities** where we live and work
Responsible consumption

2013: Launch of the online **Responsible Barkeeper training**

2014: **WE ID**-program
• Helping to support retail and on-trade customers with age verification of consumers.
• Campaign will be implemented through the whole of the European organisation
Responsible consumption

**Family Talk**: help and support to parents and caretakers in educating children about responsible consumption

Initiatives on a Belgian level: BOB, Respect16 etc.
Protect and preserve the environment

In 2013, the Belgian organisation has also contributed to achieve the ambitious global environmental goals to be achieved by 2017*

<table>
<thead>
<tr>
<th>Global environmental goals</th>
<th>Results of the Belgian organisation</th>
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<tbody>
<tr>
<td><strong>Recycling</strong> percentage up to 99%</td>
<td>99,6%</td>
</tr>
<tr>
<td>Reduce <strong>water usage</strong> per hl production with 3,5 hl/hl</td>
<td>-5,5%</td>
</tr>
<tr>
<td>Reduce <strong>energy usage</strong> per hl production with 10%</td>
<td>-4,8%</td>
</tr>
<tr>
<td>Reduce <strong>CO₂-emission</strong> per hl production with 10%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

* Results of the Belgian organisation 2013 vs 2012
2013: **GreenLight Awards** of the European Commission for the reduction of energy usage on lightning

- Coronation of 5 lightning projects in the breweries of Leuven and Hoegaarden

2013: **Lean and Green-award** of the Flemish Institute for Logistics (Vlaams Instituut voor de Logistiek – VIL) for AB InBev’s action plan to reduce the CO$_2$-emission of its logistic activities in Belgium by 20% over a period of 5 years
On **World Environment Day 2013** we started the production of **drinkwater cans** in the brewery of Leuven. These cans will be used as emergency aid for victims of disasters like floods, extreme heat and drought.

In 2013 **200 000 cans were sent** to Germany, following floods and to Sardinia after cyclone Cleopatra.
Make a difference in the communities where we live and work

2013: **Clean up action in Hoegaarden**. A total of 200kg of litter was collected by employees of the brewery.
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