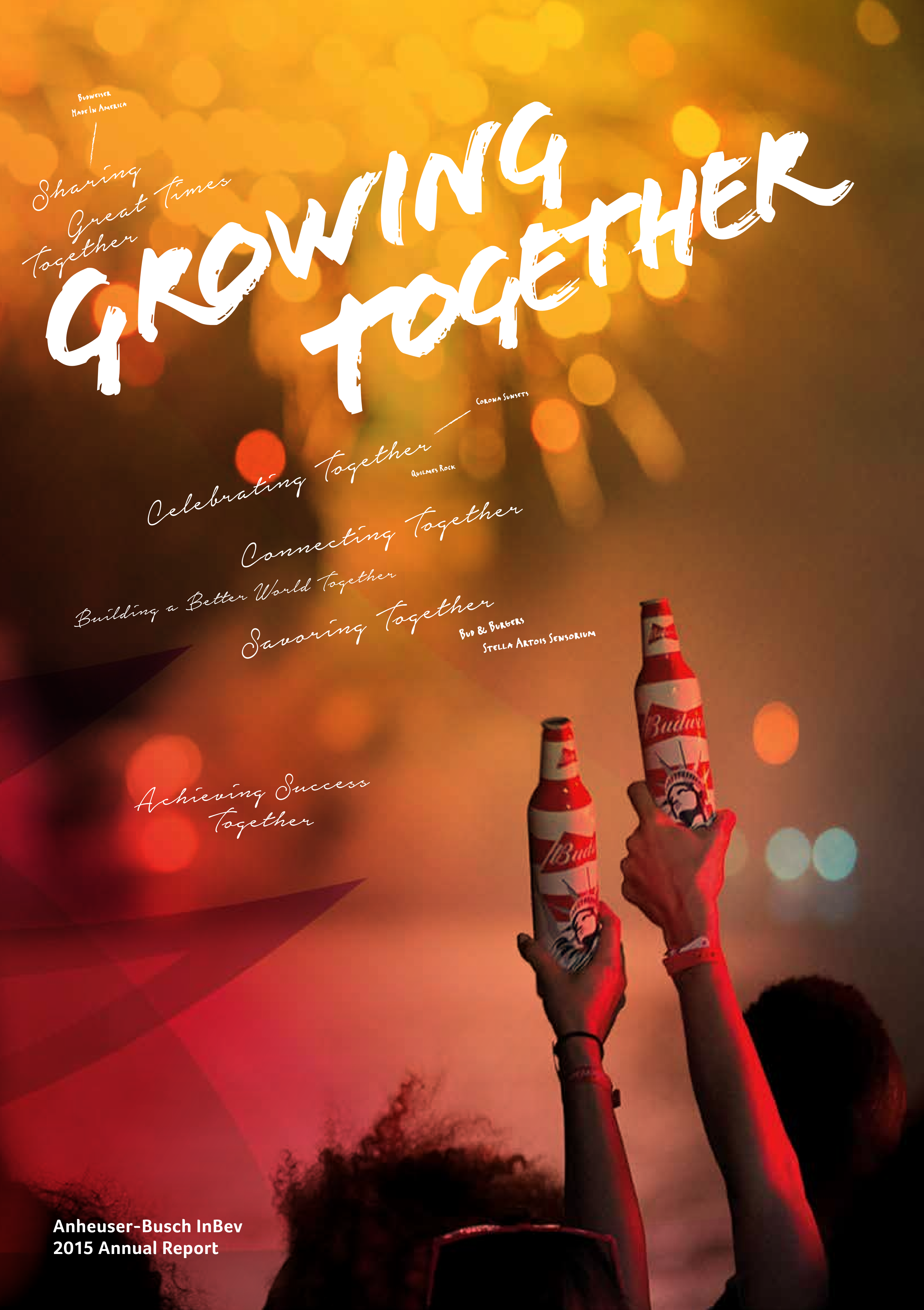


Anheuser-Busch InBev
2015 Annual Report

Growing

Best Beer Company

Global brands
Top-line growth
Marketing investments
Innovation
Profitability

Bringing People Together

Consumers
Colleagues
Business partners
Stakeholders
Shareholders

Contents

Open the foldout for an overview of our financial performance.

TOGETHER

For a Better World

Smart drinking

Environment

Community

AB InBev is inspired by a powerful Dream: to be the
Best Beer Company
Bringing People Together
For a Better World.

A strong commitment to bringing all of our stakeholders together is at the heart of our Dream — and the source of our growth.

Working together with our colleagues around the world, we are building a portfolio of quality brands that connect with consumers, and a company of enduring strength and value for our shareholders. Through successful collaboration with our customers and commercial partners, and celebrating together with consumers, we are delivering great experiences. And by bringing together our scale, resources and energy with the needs of our communities, we are striving to make the world a better place.

There are no limits on how big we can dream — or how much we can achieve for our consumers, colleagues, shareholders and the communities in which we live and work.

By growing together, we grow a Better World.

Anheuser-Busch InBev (Euronext: ABI; NYSE: BUD; MEXBOL: ABI; JSE: ANB) is the leading global brewer and one of the world's top five consumer products companies. We are a company of more than 150 000 people across 26 countries, who come together — with passion, commitment and pride — to brew many of the world's favorite beers. In 2015, AB InBev's revenue totaled 43.6 billion USD.

Our portfolio consists of well over 200 beer brands, including 19 "billion-dollar" brands. Within this diverse portfolio are global brands Budweiser®, Corona® and Stella Artois®; international brands Beck's®, Leffe®, and Hoegaarden®; and local champions such as Bud Light®, Skol®, Brahma®, Antarctica®, Quilmes®, Victoria®, Modelo Especial®, Michelob Ultra®, Harbin®, Sedrin®, Klinskoye®, Sibirskaya Korona®, Chernigivske®, Cass® and Jupiler®. This diverse portfolio includes seven of the ten most valuable beer brands in the world.*

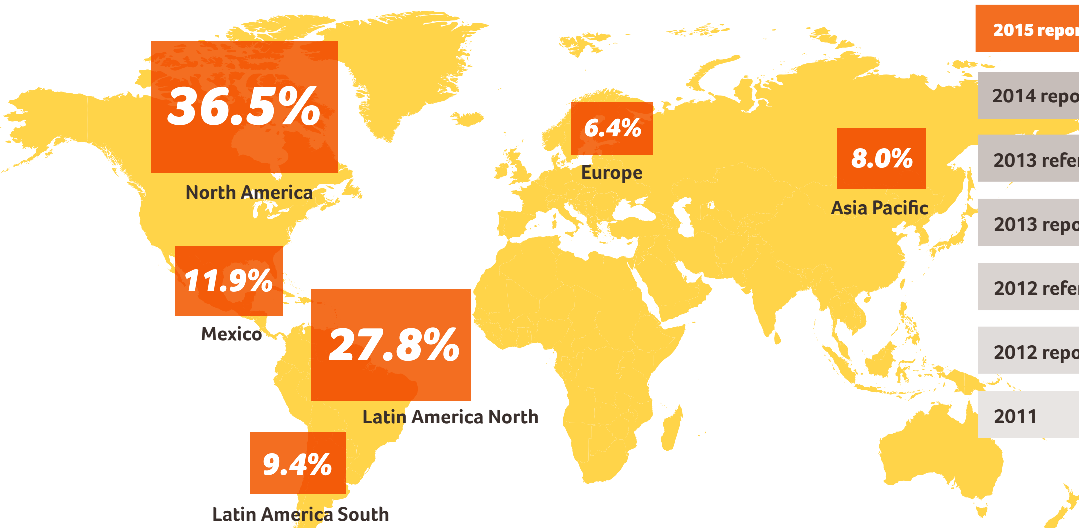
Anheuser-Busch InBev's dedication to quality goes back to a brewing tradition of more than 600 years and the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co brewery, with origins in St. Louis, USA since 1852.

Our Dream to be the **Best Beer Company Bringing People Together For a Better World** inspires us to craft brands of uncompromising quality, enhancing occasions that bring people together around the world. We also strive for excellence in the way we grow our business, build shareholder value, and contribute to society by promoting smart drinking programs, environmental stewardship and community involvement.

Learn more via *www.ab-inbev.com*, at *facebook.com/ABInBev* or on Twitter through @ABInBevNews.

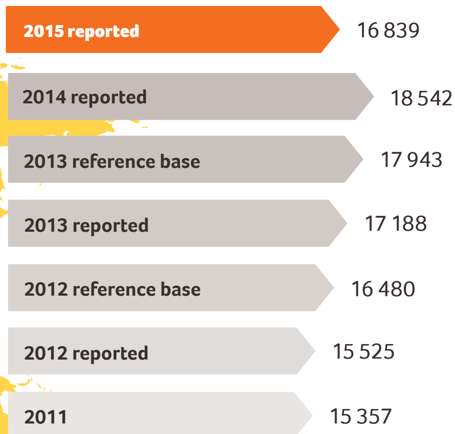
** SOURCE: 2015 BrandZ™ Top 100 Most Valuable Global Brands*

2015 Normalized EBITDA Contribution by Region*

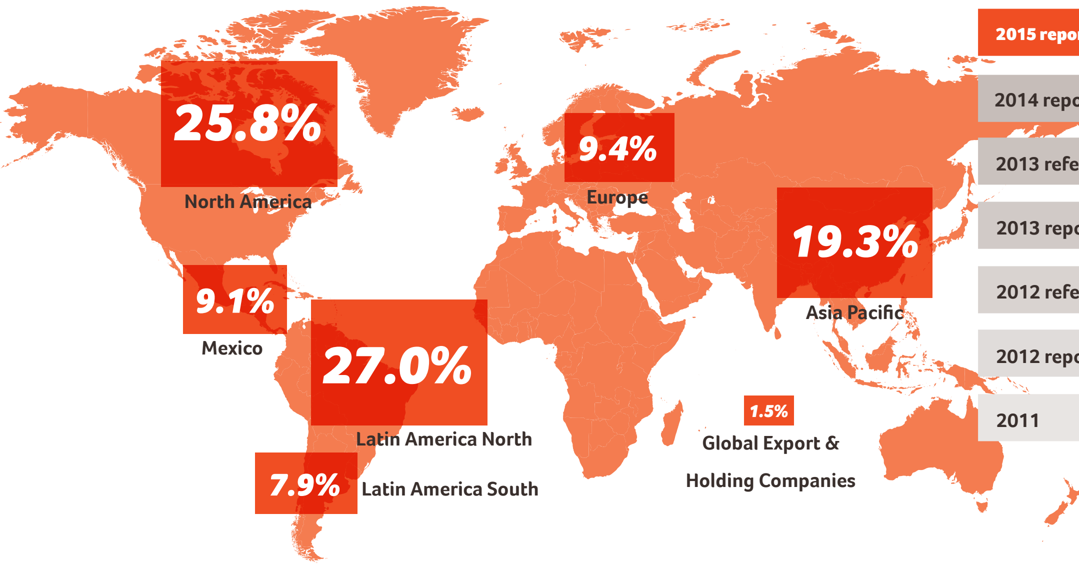


* Excludes Global Export & Holding Companies.

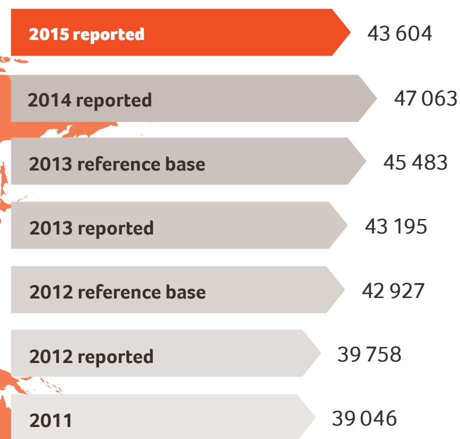
Normalized EBITDA (million USD)



2015 Volume Contribution by Region



Revenue (million USD)



Strong top-line growth of 6.3% led to revenue of 43.6 billion USD for 2015.	*Revenues of our 3 global brands grew by 12.6% in 2015.*	*Normalized EBITDA grew 7.8% organically to 16.8 billion USD, and normalized EBITDA margin rose by 55 basis points to 38.6%.*	*Normalized profit attributable to equity holders was 8.5 billion USD, and normalized earnings per share (EPS) was 5.20 USD.*	*Net debt to EBITDA was 2.51 times.*

To facilitate the understanding of AB InBev's underlying performance, the analyses of growth, including all comments in the commercial part of this Annual Report, unless otherwise indicated, are based on organic growth and normalized numbers.

Figures in million USD unless stated otherwise	2011	2012 reported[1]	2012 reference base[2]	2013 reported	2013 reference base[3]	2014	2015
Volumes (million hls)	399	403	431	426	446	459	457
Revenue	39 046	39 758	42 927	43 195	45 483	47 063	43 604
Normalized EBITDA	15 357	15 525	16 480	17 188	17 943	18 542	16 839
EBITDA	15 112	15 493	16 590	23 428	–	18 465	17 057
Normalized profit from operations	12 607	12 779	13 537	14 203	14 800	15 308	13 768
Normalized profit attributable to equity holders of Anheuser-Busch InBev	6 449	7 201	7 271	7 936	–	8 865	8 513
Profit attributable to equity holders of Anheuser-Busch InBev	5 855	7 160	7 374	14 394	–	9 216	8 273
Net financial debt	34 688	30 114	–	38 831	–	42 135	42 185
Cash flow from operating activities	12 486	13 268	–	13 864	–	14 144	14 121
Normalized earnings per share (USD)	4.04	4.50	–	4.91	–	5.43	5.20
Dividend per share (USD)	1.55	2.24	–	2.83	–	3.52	3.95
Dividend per share (euro)	1.20	1.70	–	2.05	–	3.00	3.60
Payout ratio %	38.5	49.8	–	57.6	–	64.8	76.0
Weighted average number of ordinary shares (million shares)	1 595	1 600	–	1 617	–	1 634	1 638
Share price high (euro)	47.35	71.05	–	79.60	–	94.89	124.20
Share price low (euro)	33.85	46.10	–	63.44	–	69.14	87.73
Year-end share price (euro)	47.31	65.74	–	77.26	–	93.86	114.40
Market capitalization (million USD)	98 315	138 716	–	171 142	–	183 167	200 302
Market capitalization (million euro)	75 983	105 209	–	124 097	–	150 867	183 983

1. 2012 as Reported, adjusted to reflect the effects of retrospective application on the revised IAS 19 Employee Benefits (see Note 3: Summary of Significant Accounting Policies).
2. Given the transformational nature of the transaction with Grupo Modelo, and to facilitate the understanding of AB InBev's underlying performance, AB InBev has updated its 2012 segment reporting for purposes of our results announcement and internal review by senior management. This presentation (referred to as the "2012 Reference Base") includes, for comparative purposes, the results of Grupo Modelo as if the combination had taken place on 4 June 2012. Following the combination, the Grupo Modelo operations are reported according to their geographical presence in the following segments: the Mexico beer and packaging businesses are reported in the new Zone Mexico, the Spanish business is reported in the Zone Western Europe and the Export business is reported in the Global Export and Holding Companies segment.
3. The 2013 Reference Base includes 12 months of Grupo Modelo operations to facilitate the understanding of AB InBev's underlying business. The 2013 reference base further reflects the combination of Western Europe and Central & Eastern Europe into a single Europe Zone, and a number of intra-Zone management reporting changes which took effect on 1 January 2014.

To Our Shareholders

At Anheuser-Busch InBev, our ambition is to build a great, enduring company for the long term, not just for a decade, but for the next 100 years. In 2015, we not only took significant steps towards building a company that will stand the test of time, but also delivered a year of solid growth and progress against our commercial priorities. Together with our colleagues, customers and commercial partners, and thanks to our consumers' passion for our great portfolio of brands, we delivered strong organic growth in both top-line and EBITDA.

With our focus and attention firmly fixed on the long-term, we executed on a series of commercial priorities to keep our business growing, relevant to our consumers and respected by our stakeholders for years to come. We strengthened the connections between our brands and consumers around the world, and expanded our efforts to invest in the wellbeing of the communities in which we live and work. We also announced a proposed transaction with SABMiller to create the first truly global brewer.

Through strong, healthy organic growth, enhanced by strategic combinations, we continue to work towards realizing our Dream: to be the *Best Beer Company Bringing People Together For a Better World.*

Sustainable Top-Line Growth

Organic top-line growth, driven by focused commercial priorities, topped the list of our team's accomplishments in 2015. Revenue grew by 6.3%, with revenues of our three global brands growing by 12.6%. These results, along with consistent cost discipline, drove a 7.8% increase in EBITDA. Normalized profit attributable to equity holders was 8.5 billion USD and normalized EPS was 5.20 USD. Delivering consistent, superior top-line growth remains our top priority and an important building block for sustainable growth and shareholder value creation.

Growing Together: Strategic Priorities

To accelerate top-line growth in a sustainable and consistent way, we have developed a deep understanding of both consumers' needs and the occasions when they enjoy beer and other alcohol beverages. These insights have enabled us to create frameworks that leverage the key moments of consumption. We then focus our sales, marketing, product development and other brand-building activities on capturing a greater share of these consumption moments, guided by four commercial priorities:

GROWING *our global brands*

PREMIUMIZING *and invigorating beer*

ELEVATING *the core*

DEVELOPING *the near beer segment*

In 2015, we made solid progress against each of these commercial priorities. But in line with our culture, we always challenge ourselves to aim higher and do more. We believe that, by understanding, embracing and enriching consumption moments and occasions, we will have the opportunity to drive top-line growth at an even faster pace, enabling us to continue investing in our future, while delivering increased shareholder value.

Growing our global brands involves leveraging the strength of Budweiser, Stella Artois and Corona to form strong connections with consumers around the world. To reach that goal, we are increasing our investments in sales and marketing programs that build on each brand's distinct image and consumer positioning.

Budweiser, a brand identified with celebration and optimism, has sponsored events as diverse as Chinese New Year celebrations, a visit by the Clydesdales to Moscow and St. Petersburg, an amateur soccer digital video contest in the UK, and the *Made in America* music festival. Stella Artois is creating unique, immersive experiences such as "Sensorium" in Toronto and "Stars" in New York City, that highlight the values of sophistication and worth by emphasizing the brand's heritage, quality and craftsmanship. Corona's brand essence of escapism and relaxation is reflected in our *Corona SunSets* top-tier festivals and local music events in more than 20 countries, as well as the sponsorship of the World Surf League. Strong execution in both on-trade and off-trade channels is also critical. Our "Spiritual Homes" program for Corona, in which we create a complete Corona-themed environment in a bar, is a great example of how we bring our brands to life through consistent and unique experiences for our consumers, wherever they enjoy our products.

The positive impact of these investments is significant. Our global brands enjoyed total volume growth of 7.3% and a combined revenue growth of 12.6% in 2015. Global revenue for

Organic top-line growth was driven by our commercial priorities.

Budweiser was up 7.6%, while Stella Artois revenues grew by 12.5%, and Corona revenues increased by 23.0%.

Premiumizing and invigorating beer involves creating more excitement and aspiration around beer, especially among millennial consumers. The development of the craft category in the US, and increasingly around the world, is a prime example of how new vigor and energy can be brought to the consumer's experience with beer. In recent years, we have been building a position in the craft space with acquisitions in the US. In 2015,

Getting consumers to see beer in new ways means thinking like an insurgent, not an incumbent, and being willing to disrupt the status quo.

we also expanded our global craft portfolio with acquisitions in other countries such as the UK, Mexico, Canada, Colombia and Brazil.

Getting consumers to see beer in new and fresh ways means we must do the same. To encourage this behavior, we have created a Disruptive Growth team to explore opportunities beyond the traditional areas of brands, brewing or marketing campaigns. One area being explored by the team is how technology can enhance distribution, packaging, and other aspects of the consumer's experience. The team has identified a number of "bets" which, while initially small, could eventually become game-changers in the years ahead. For example, digital solutions and craft e-commerce platforms that allow consumers to order beer for quick delivery are being piloted in several countries, including Mexico, Brazil and Canada.

200+ Brands, of which 19 have an estimated retail sales value of over 1 billion USD.

Elevating the core is focused on raising the perception and relevance of our core beers, which deliver the majority of our volume and revenue. Compelling, differentiated messaging and large scale activations that convey the unique character, quality and emotional appeal of our core brands, are some of the tools we are using to elevate the core. A great example is the "Brewed the Hard Way" campaign for Budweiser in the US. The campaign sent a strong message that evoked the brand's heritage of quality and craftsmanship — and connected with consumers who respect those values.

Updated visual identities for our brands also help to elevate the core. We continually invest in new eye-catching designs and packaging innovations such as aluminum bottles and new pack sizes, that encourage consumers to take a fresh look at our brands. For example, in 2015, among other initiatives, we announced a bold new package design for Bud Light in the US, launched Negra Modelo in cans in Mexico, and increased our share of returnable glass bottles for many of our brands in Brazil, as part of our affordability strategy.

We are also elevating our core brands to win the hearts and minds of a new generation of consumers — young adults of legal drinking age. To do this, we are connecting our core brands with the passion points that inspire millennials, by focusing on events that our brands can "own" in such areas as music, sports, food and film.

7 AB InBev brands are ranked among the Global Top Ten most valuable beer brands.

Developing the near beer segment is just one way in which we are responding to consumer demand for more choice and excitement. In particular, we are competing more effectively for share of total alcohol by launching innovative products that offer malt beverage alternatives to wine and hard liquor. We view this near beer category as a major global opportunity. For example, variants of our MixxTail product are now sold in Argentina, the US and China. The success of Skol Beats Senses in Brazil led us to introduce Cass Beats in South Korea. The popularity of brands such as Cubanisto in the UK, France and Belgium also shows the potential of the flavored beer category.

Achieving More Together: Proposed SABMiller Combination

In November 2015 we announced a proposal to acquire SABMiller. We believe that a combination of our two companies would build the first truly global brewer and that this transaction would be in

We elevate our core brands to win the hearts and minds of a new generation of adult consumers and continue to focus on growing our global brand portfolio.

the best interests of both companies' consumers, shareholders, employees, wholesalers, business partners and the communities we serve.

Both companies have deep roots in some of the most historic beer cultures around the world and share a strong passion for brewing as well as an enduring tradition of quality. By bringing together our rich heritage, brands and people, we aim to provide more opportunities for consumers to taste and enjoy the world's best beers. We believe this combination would generate significant growth opportunities and create enhanced value to benefit all stakeholders.

By pooling our resources, we would build one of the world's leading consumer products companies, benefiting from the experience, commitment and drive of our combined global talent base. Our joint portfolio of complementary global and local brands would provide more choices for beer drinkers in new and existing markets around the world. In particular, the combination would strengthen our position in emerging regions with strong growth prospects, such as Asia, Central and South America and Africa.

Bringing together our resources and expertise, we also would be able to make an even greater and more positive impact on the communities in which we live and work, by providing opportunities along the supply chain and aspiring to the highest standards of corporate social responsibility. In particular, we are very excited about the prospects of making a significant investment and commitment to the African continent. We admire SABMiller's commitment to a number of important issues such as local economic development, supporting entrepreneurship, regional farming, limiting the environmental impact of our industry and, of course, promoting responsible consumption.

We believe our companies and cultures are very similar; we are both grounded in the belief that great companies are made up of great operators and great people. There is great talent across both organizations, and we believe we will be able to achieve incredible results by bringing together this talent and setting a clear path forward for the new company that all of our colleagues can rally behind.

30+ years of experience in promoting responsibility led to our new Global Smart Drinking Goals.

Building a Better World Together

At AB InBev, we are committed to using our global resources — and our ability to bring people together — to make a difference in areas such as responsible or "smart" drinking, the environment and the communities in which we operate.

Examples of our Better World initiatives include the following:

- New *Global Smart Drinking Goals* for 2025 build on our 30-year track record of promoting responsible consumption, and aim to encourage positive changes in consumer behavior.

- *Together for Safer Roads* is a coalition of which AB InBev is a founding member. *TSR* is working to reduce traffic fatalities, the No. 1 cause of death among 15–29 year olds, by 50 percent by the year 2020 — a goal set by the United Nations Decade of Actions for Road Safety.

- The Stella Artois *Buy a Lady a Drink* campaign, in partnership with Water.org, is bringing clean water to women and families in developing regions.

- Our *SmartBarley* program continues to help barley growers worldwide improve their production, and livelihoods, through advanced technologies, data analysis and better farming practices. In 2015, we expanded our SmartBarley portfolio to include not only benchmarking but also research, technology, innovation and general education on best practices.

- Our involvement in communities around the world includes support for disaster relief, educational opportunities, and more than 370 000 hours of volunteer efforts by AB InBev colleagues.

These are just a few of our many efforts to create a Better World, which are discussed in more detail later in this Annual Report.

Moving Forward Together

Looking ahead, we continue to see exciting opportunities to grow together with our colleagues, consumers and commercial partners all along the supply chain, and stakeholders in general. We have demonstrated our ability to drive organic top-line growth through a sharply-focused commercial strategy with clear priorities. Our portfolio of brands provides strong connections with consumers in many of the world's largest beer markets. And our Dream-People-Culture platform inspires our more than 150 000 talented people — in 26 countries around the world — to work together and achieve more each day, and to deliver on our Dream: to be the *Best Beer Company Bringing People Together For a Better World*.

We appreciate the skill, passion and dedication of our people, as well as the support of our customers and shareholders, as we come together to advance the next stage of our growth story.

Carlos Brito
Chief Executive Officer

Olivier Goudet
Chairman of the Board

Strong Brand Portfolio

With well over 200 brands, of which 19 have an estimated retail sales value of over 1 billion USD, we believe our portfolio is the strongest in the industry. Seven of our brands — Budweiser, Bud Light, Stella Artois, Skol, Corona, Brahma and Modelo Especial — are ranked among the Global Top Ten most valuable beer brands by the 2015 Global BrandZ™ Report.

To connect our brands with consumers worldwide, and drive long-term growth, we invest the majority of our resources and efforts in those brands with the greatest growth and profit potential. We call these our Focus Brands:

- *Global Brands* — Budweiser, Corona and Stella Artois
- *International Brands* — Beck's, Hoegaarden and Leffe
- *Local Champions* — brands that lead in their respective markets

Global Brands

Budweiser
The "King of Beers", Budweiser, was introduced by Adolphus Busch in 1876 and is still brewed with the same care and high-quality, exacting standards. What began as an American original 139 years ago is a global brand today, enjoyed by consumers in 85 countries. In accordance with its original recipe, this great American lager is aged over beechwood chips for 21 days which results in a perfectly balanced flavor and a crisp, clean refreshing taste. Budweiser is considered the world's most valuable beer brand*.

Corona
Corona is the leading beer brand in Mexico, the 6^{th} most valuable beer brand in the world*, and the most popular Mexican beer worldwide, with sales in more than 120 countries. Corona Extra was first brewed in 1925 at the Cervecería Modelo in Mexico City. Ten years after its launch, Corona became the best-selling beer in Mexico, and today continues to stand for Mexican pride around the world.

Stella Artois
Stella Artois has been called the most sophisticated beer brand in the world. Based on a rich Belgian brewing heritage of more than 600 years, this legacy of quality and elegance is reflected in its iconic chalice and exacting 9-step Pouring Ritual. Stella Artois is still brewed using the finest natural ingredients in the tradition of hand-crafted luxury. Today, Stella Artois is the world's 4^{th} most valuable beer brand*, sold in more than 90 countries.

* SOURCE: 2015 BrandZ™ Top 100 Most Valuable Global Brands

International Brands

Beck's
The world's No. 1 German beer, Beck's is renowned for uncompromising quality by consumers in some 85 countries. Since 1873, the brand has been dedicated to innovation and independent thought. True to its original recipe, Beck's has been brewed in the same way using four key natural ingredients for more than 140 years. The hops used to brew Beck's today still come from the Hallertau region, and every bottle of Beck's is brewed according to the uncompromising German *Reinheitsgebot* (Purity Law).

Leffe
Making the extraordinary just perfect, Leffe is the beer that enriches special moments. The flavorful and full bodied character of the Leffe family of beers provides a recipe for life's best experiences. Made from only the highest quality ingredients, Leffe's unique brewing heritage is now shared and enjoyed by consumers in more than 70 countries worldwide.

Hoegaarden
A unique, authentic Belgian wheat beer with a brewing tradition dating back to 1445, Hoegaarden is totally different by nature. Hoegaarden has a unique and extremely complex brewing process whereby the beer is first top fermented and then is refermented within the bottle, resulting in a distinctive cloudy-white appearance and refreshing taste experience. Consumers in over 70 countries in the world can enjoy Hoegaarden's refreshing nature.

Local Champions

Bud Light is known for superior drinkability and refreshing flavor, making it the best-selling beer in the US and the leader in the premium light category.

Michelob Ultra offers the perfect balance between crisp refreshment and a light, clean profile, to be enjoyed by those who favor an active, healthy lifestyle.

Skol is the leading beer brand in Brazil, complementing a lifestyle that is sociable, innovative and always among friends. Skol has been rated the most valuable brand in Latin America by the 2015 BrandZ™ Report.

Brahma was born in Brazil in 1888. The brand embodies the Brazilian sensibility, combining a dynamic and industrious spirit with an effortless flair for life.

Antarctica has a reputation for unquestionable quality that leads to great moments in good company.

Quilmes is the original Argentinean lager since 1890, brewed with the best natural malt and hops. It is the preferred beer in Argentina and the choice of those who value fun, sharing good times and friendship.

Jupiler is the most popular beer in Belgium, and is the favorite of those who share a spirit of courage, self-confidence and adventure.

Victoria is an ultra-premium lager and one of Mexico's most popular beers. The brand's fans appreciate its medium body and slight malt sweetness. Victoria was first produced in 1865, making it Mexico's oldest beer brand.

Modelo Especial is a full-flavored pilsner beer brewed for a slightly sweet, well-balanced taste, light hop character and crisp finish. Brewed since 1925, it was created to be a "model" beer for all of Mexico and stands for pride and authenticity.

Klinskoye is noted for its clear taste and soft hop bitterness, and holds a leading position in the Russian beer market.

Sibirskaya Korona (Siberian Crown) has become a well-known national premium brand in Russia, with an image that evokes the Russian passion for a rich, satisfying beer experience.

Chernigivske is the beer that represents Ukrainian national pride, and a spirit of strength, self-confidence, respect and true friendship.

Harbin, from the oldest brewery in North China, features a unique blend of Chinese "Qingdao Dahua" hop and European aroma hop varieties, for a nuanced aroma and crisp finish.

Sedrin, originating in China's Fujian province, is enjoyed by groups of friends who share a common bond of excellence.

Cass, the No. 1 beer brand in South Korea, features a crisp and refreshing taste and is brewed using a 100% non-pasteurized treatment process.

Our Top Markets

Our Zones/Markets	*Volume All Products Full Year (000 hl)*	*Market Share December 2015*	*Market Position December 2015*	*Number of Beverage Plants*	*Trading Names*
AB InBev Worldwide	457 317	—	—	156[4]	Anheuser-Busch InBev, AB InBev
AB InBev Beer	413 214	—	—	144[5]	
AB InBev Non-Beer	44 103	—	—	12	
North America					
USA	108 513	45.8%	No. 1	18	Anheuser-Busch Companies
Canada	9 638	42.4%	No. 1	7	Labatt Breweries of Canada
Mexico					
Mexico	41 629	58.2%	No. 1	9	Grupo Modelo
Latin America North					
Brazil	114 354	Beer: 67.5% Soft Drinks: 19.2%	Beer: No. 1 Soft Drinks: No. 2	30[6]	Ambev
Latin America South					
Argentina	23 317	Beer: 76.7% Soft Drinks: 19.9%	Beer: No. 1 Soft Drinks: No. 2	9[7]	Cervecería y Maltería Quilmes
Europe					
Belgium	4 791	55.5%	No. 1	4	InBev Belgium
Germany[1]	7 918	8.6%	No. 2[3]	5	Anheuser-Busch InBev Deutschland
UK[2]	8 531	17.7%	No. 3	2	Anheuser-Busch InBev UK
Asia Pacific					
China	74 562	18.6%	No. 3	37	Anheuser-Busch InBev China
South Korea	13 198	57.0%	No. 1	3	Oriental Brewery Company

1. Germany volumes include Switzerland & Austria
2. UK volumes include Ireland
3. Market share based on off-trade data
4. Does not include JVs
5. Includes 17 mixed beer/soft drinks plants
6. Includes 12 mixed beer/soft drinks plants and 5 soft drinks plants

Our diverse portfolio, including some of the world's best loved and most valuable beer brands, enables us to form strong consumer connections.

Global Brands	*International Brands*	*Local Brands*	*Our Billion Dollar Brands*
Budweiser, Stella Artois	Beck's, Hoegaarden, Leffe	Bass, Bud Light, Busch, Michelob, Natural light	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Alexander Keith's, Bass, Bud Light, Kokanee, Labatt, Lucky, Lakeport, Oland	
Budweiser, Corona, Stella Artois	—	Barrilito, Estrella, Leon, Modelo, Montejo, Pacifico, Tropical, Victoria	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Antarctica, Bohemia, Brahma, Skol, Guaraná Antarctica, Pepsi[8]	
Budweiser, Corona, Stella Artois	—	Andes, Brahma, Norte, Patagonia, Quilmes, Pepsi[8], 7UP[8], H2OH!	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Belle-Vue, Jupiler, Vieux Temps	
Corona	Beck's, Hoegaarden, Leffe	Diebels, Franziskaner, Haake-Beck, Hasseröder, Löwenbräu, Spaten	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Bass, Boddingtons, Brahma, Whitbread, Mackeson	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Big Boss, Double Deer, Ginsber, Harbin, Jinling, Jinlongquan, KK, Nancheng, Sedrin, Shiliang	
Budweiser, Corona, Stella Artois	Beck's, Hoegaarden, Leffe	Cass, Cass Light, Cafri, The Premier OB, Aleston	

7. Includes 2 mixed beer/soft drinks plants and 4 soft drinks plants
8. Brewed under license or bottles under exclusive bottling agreement

A World of Growth Opportunities

With operations in 26 nations and products that are sold around the world, AB InBev is the world's leading brewer. Our operations span the North America, Mexico, Latin America North, Latin America South, Europe and Asia Pacific Zones. We have a healthy balance between developed and developing markets, with about two-thirds of our volume and more than half of our revenue and EBITDA being generated in faster-growing developing markets.

North America

A focus on Budweiser's quality, craftsmanship and heritage, as well as double-digit growth in our high-end portfolio, highlighted our performance in North America.

In the US, a new campaign emphasizing Budweiser's quality, craftsmanship and heritage, called "Brewed the Hard Way" supported the brand's best year in over a decade in terms of volume performance. We saw solid performance by our portfolio of high-end brands, including Stella Artois and Goose Island, which delivered solid double-digit volume growth in 2015. Michelob Ultra volumes also grew double digits, benefiting from its association with an active lifestyle; it was our fastest growing brand by volume in the US premium portfolio. Goose Island IPA has become one of the top craft beers in the country. Bud Light faced difficult comparisons due to the success of the *#UpForWhatever* campaign a year earlier, but we are very enthusiastic about plans for a creative reset of the brand that was launched during Super Bowl 50. We expanded our US craft operations in the past year with the addition of Elysian Brewing Company and Golden Road Brewing Company, and we have announced the acquisition of Four Peaks Brewing Company and Breckenridge Brewery. In Canada, we are now the market leader in nine out of ten provinces, with Budweiser, Bud Light, Corona and Stella Artois holding strong market positions. A new product, Bud Light Apple, had a strong launch in 2015. Acquisitions in Canada included the award-winning Mill Street Brewery, Turning Point Brewery, and the Canadian rights to Mike's Hard Lemonade and several ready-to-drink brands. Revenue in North America decreased 0.1% in 2015, while normalized EBITDA decreased 3.3%.

Mexico

Strong results in Mexico were driven by Corona and Victoria, as well as the popularity of Bud Light.

The industry environment is strong in Mexico. We enjoyed volume growth in all regions of the country, driven by solid performances from Corona, Bud Light and Victoria. Corona has delivered outstanding growth, and its position is continually reinforced through events such as the *Corona Capital* music festival and local and national soccer team partnerships. This year, Corona created *Movimiento Playa Corona*, a major initiative that helped preserve more than 40 beaches. Bud Light, the best-selling imported beer in Mexico, broadened its appeal through sports and music sponsorships, as well as a new Bud Light sharing size bottle introduced in Northern Mexico. Victoria launched a campaign inviting consumers, through a humorous approach, to let their Mexican-selves flourish. Modelo Especial has benefited from connections to the Food & Savor platform, highlighted by a food truck program and sponsorship of a reality TV show featuring a chef competition. New packaging, including the first Negra Modelo cans, has also helped drive volume growth. Investments in growth have included the renovation of more than 950 Modelorama retail stores and the opening of some 850 new shops, as well as the foundations for a major expansion of our footprint in the Yucatan region that will include a new brewery and canning facility. We also acquired the brands of Cerveceria Mexicana and Cerveceria Tijuana, two craft breweries located in Baja California. And we launched our innovative e-commerce platform, *beerhouse.mx*, which enables consumers in Mexico to purchase many premium brands on-line, including craft beers. Revenue in Mexico rose 11.1% in 2015, while further cost synergies have contributed to an 18.2% growth in normalized EBITDA.

Latin America North

Strong organic results in both top-line and EBITDA were driven by our premium portfolio and innovations, while growing brand health.

The team focused on delivering sustainable top-line growth despite a challenging economic environment in Brazil. Volumes of premium and near beer brands rose, with strong results for Budweiser, which gained premium market share, as well as Stella Artois, Corona, Original and Skol Beats Senses. Active campaigns helped drive volume, including summer music events on Brazil's main beaches, sponsored by Skol. Innovation has also been a source of growth. Skol Beats Senses was one of our most successful launches, and we have now introduced a variant called Skol Beats Spirit, with a distinctive green color and fruity flavor. We launched Skol Ultra, "the official beer for non-official athletes", a 4.2% ABV beer with low calories and low carbs, to address the wellbeing trend. Brahma 0,0 has become the No. 1 non-alcohol beer in Brazil. We are also extending Brahma's portfolio with new Brahma Extra variants designed to appeal to craft beer lovers: Weiss, Lager and Red Lager. Packaging initiatives such as returnable glass bottles and pack-price strategies have helped keep our brands affordable for consumers in a tough economy. We are bringing new consumers to the Corona brand with Coronita, a smaller package that encourages trial and discovery. In early 2015, through the Bohemia brewery, we also acquired the Brazilian craft brewers Colorado and Wäls. Together, Bohemia and Wäls have launched their first exclusive recipe, Saison d'Alliance — a farmhouse ale beer that combines the best of each brewery: access to global raw materials brought by Bohemia and all the creativity of Wäls. Revenue in Latin America North increased by 8.7% in 2015, with an 11.5% rise in normalized EBITDA.

Latin America South

Premium brands Corona and Stella Artois, and innovations such as MixxTail and a new variant of Patagonia, are driving performance in Latin America South.

In Argentina, one of our key markets in Latin America South, we experienced volume growth despite the country's economic pressures. Our super-premium brand Patagonia drove volume growth by successfully launching a new Küné variant, with a more intense and slightly bitter flavor, while Corona and Stella Artois continued to perform well. We also launched MixxTail in Argentina, providing a flavorful cocktail alternative for consumers. In Colombia, we acquired the craft brewer Bogota Beer Company and plan to expand their popular Bodega or "beer garage" neighborhood bar concept. In 2015, we developed 50 new Bodegas, building on the success of turning containers and garages into hospitable, appealing bars and working with small neighborhood restaurants to offer food choices. In Chile, we have been applying the Corona "toolkit" to drive growth. For example, we brought the *Corona SunSets* program to a popular ski resort as a pilot for the first *Corona Winter SunSets*. We have delivered a solid recovery in Paraguay, led by Brahma and Bud 66 among other premium brands. Revenue in Latin America South increased 28.4%, while normalized EBITDA increased 25.6%.

Europe

Growth of Corona, Budweiser, Stella Artois and innovative campaigns for our local champion brands led to a solid performance in Europe.

The Europe Zone delivered strong growth in revenue and profitability, in spite of considerable headwinds such as an economic crisis in Russia, the turmoil in Ukraine and uncertain conditions across Western Europe. We have built Corona into a key brand in most of the Zone. New product innovations for the low-alcohol and non-alcohol segments have been positively received in Germany, including Franziskaner NA fruit variants, and in Belgium with Hoegaarden Radler, a 2% ABV beer available in refreshing citrus flavors. A series of line extensions with choice hop variants strengthened Leffe Royale's premium positioning in Belgium and France. Packaging innovations designed to appeal to consumers included a 1.5 liter magnum bottle for Jupiler, refined 75 cl sharing size bottles for the Leffe hoppy innovations and sleek 33 cl cans for Hoegaarden, Cubanisto, Beck's and Stella Artois Cidre. Budweiser in the UK benefited from football and music campaigns, while Stella Artois continued its successful "World's Greatest Events" platform. In a challenging environment in Russia and Ukraine, brands such as Bud, Klinskoye, Sibirskaya Korona and Chernigivske created innovative solutions including non-alcohol variants and creative digital campaigns, like the "Xzibit House Party" for Klinskoye. Markets such as France and Belgium are responding well to Leffe's aperitif-moment positioning, while Beck's has grown in Italy as we have repositioned the brand to align with the preferences of Italian consumers. Revenue in Europe increased 4.6% in 2015, with a 1.8% rise in normalized EBITDA.

Asia Pacific

Activities in the Zone were led by the continued growth of Budweiser, a focus on super-premium brands, innovation in South Korea, and expansion in India and Vietnam.

In the Asia Pacific Zone, we have focused on the segments with the highest growth potential to win in a challenging market impacted by slower growth in China. We continued to invest behind Budweiser's leading position in the international premium segment, driving double-digit volume growth for the 6^{th} straight year. Budweiser again sponsored a major Chinese New Year event, the largest activation to date. "Celebrate Chinese New Year Around the World" was one of the broadcast highlights of the year on local television in China, and also appeared in New York's world-famous Times Square. A separate team in China was created to concentrate on growing our super-premium brands, including Corona, Stella Artois, Hoegaarden and Leffe. We have furthermore continued to build on the integration and development of our South Korea operations, adding new products such as Cass Beats, a new brand identity for Premier OB, and additional Weizen and Dunkel variants of OB which appeal to local consumers' taste for more variety and European-inspired beers and flavors. We see exciting opportunities to expand in the region, and created an India and Southeast Asia (ISEA) Business Unit to build that business. Budweiser and Corona, for example, are very popular in India, and we are now brewing Budweiser in our first Vietnam brewery. Revenue growth in Asia Pacific was 7.1%, with normalized EBITDA growth of 22.8%.


Mixing Together
Sharing great times together
Unwinding together
Socializing together
Experiencing together
Budweiser
Budweiser

Every day, around the world, people come together — to relax with friends, savor a meal, lighten the mood after work, or enjoy a great night out. Those moments are better with friends, and with a great beer at hand to enjoy responsibly.

To build strong connections with consumers, and deliver consistent growth, we aim to understand how our brands can help make these good times even better — looking closely at those occasions that bring people together, the experiences they seek, and the qualities they expect in their beverage of choice.

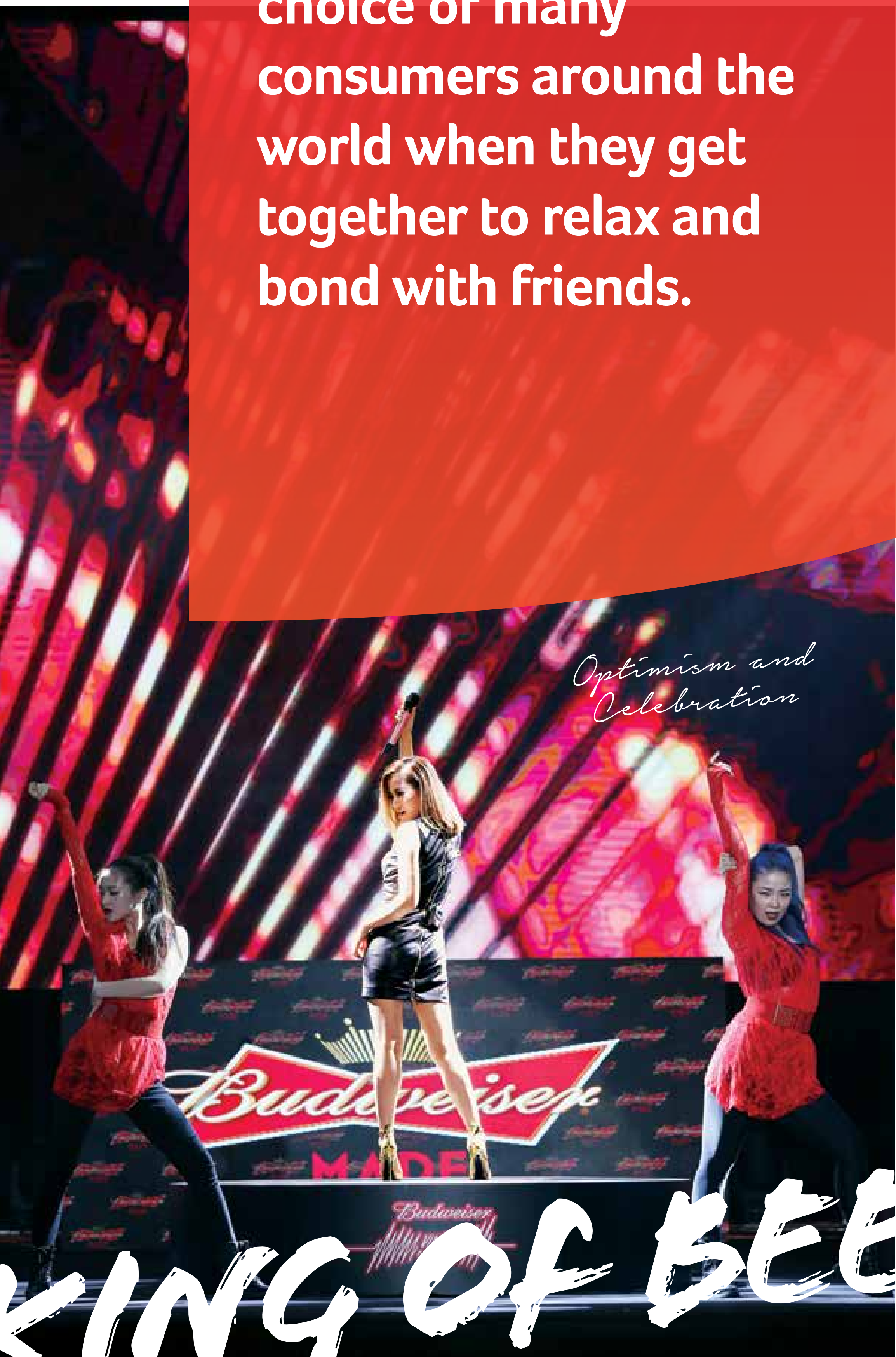
Based on extensive research and analysis, we have identified certain "need states" that are the main occasions for purchasing and consuming our products. Our marketing, sales, product development and other brand-building activities are closely aligned against these opportunities. Seizing the moment — to offer the right choices to the right consumers at the right times — will help drive sustainable growth.

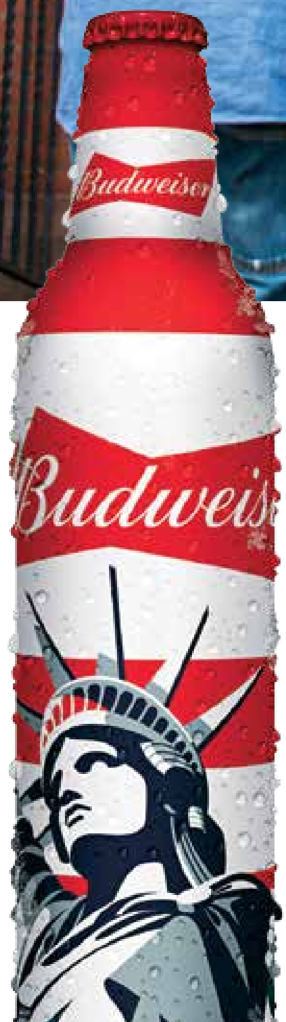
RELAXATION & BONDING

When friends get together to relax and share good times, they could be watching a game on TV, listening to music, or just socializing at home or at a bar. These moments usually call for a beer that is refreshing and easy to drink.

Budweiser, with its quality heritage and crisp, clean taste, is the global standard-bearer for the *Relaxation & Bonding* occasion. Many of our local champions, such as Bud Light, Antarctica, Skol, Brahma, Victoria, Sibirskaya Korona, Michelob Ultra, Harbin and Jupiler, are also positioned as great complements to these shared occasions to unwind and enjoy the moment together among friends.

Budweiser is the first choice of many consumers around the world when they get together to relax and bond with friends.





As the King of Beers, Budweiser is the first choice of many consumers around the world when they get together to relax and bond with friends. The perfectly balanced taste of this smooth lager has come to symbolize the American Dream, optimism and celebration. Budweiser is now enjoyed in 85 countries. Volumes grew 6.9% in 2015, with strong results especially in Brazil, China, South Korea, Paraguay, Spain and Vietnam. With our newly opened brewery in Vietnam, and the launch of our India and Southeast Asia Business Unit, consumers in even more countries around the globe are deciding that "*This Bud's for them*". The strong growth of Budweiser reflects the successful impact of brand-building efforts around the globe. The world-famous Clydesdales even traveled to Russia this year, turning up in Moscow and St. Petersburg.

In the US, Budweiser launched its "Brewed the Hard Way" campaign beginning with the Super Bowl. The campaign proudly positions Budweiser as a "macro brew" made to exacting standards, with passion and care, since 1876. With strong statements such as "The people who drink our beer are people who like to drink beer", the campaign sends a clear message that quality, taste and enjoyment are not restricted to microbrews. The highly visible and thought-provoking campaign started many conversations — around bars and in the media — leading consumers to take a fresh look at an old favorite brand.

Heading into its fifth year, the two-day *Budweiser Made In America* festival, curated by Jay Z, is one of our flagship music events in the US. Held over Memorial Day weekend in Philadelphia, *Made In America* celebrates the world's most diverse and talented performers who have "made it" in America. Top artists in 2015 included Beyoncé, Death Cab For Cutie, Modest Mouse, Nick Jonas, Metric, De La Soul, and many more. The 2015 festival was our biggest yet, hosting more than 70 000 music fans each day and sharing the experience with countless others via livestream and social media.

Around the world, we are encouraging legal drinking age millennial consumers to connect with the Budweiser brand through events such as major music festivals. In China, the *Budweiser Storm Electronic Music Festival* appeals to fans of Electronic Dance Music (EDM). Co-hosted by the globally renowned DJ Tiësto and Chinese pop star Jane Zhang, the festival was held in both Shanghai and Shenzhen. Jane Zhang recorded a Chinese version of Tiësto's hit single "Change Your World" as the festival's official theme song.

We are also motivating consumers to reconsider Budweiser through new packaging designs as part of a global refresh of the brand identity. The new identity, while inspired by the brand's heritage, has a fresh, eye-catching appeal. Aluminum bottles are an important part of the new packaging program, allowing for dramatic graphics.

Consumers are rediscovering Budweiser's quality heritage.

The universal language of music helps our brands connect with millennial consumers.

GAME ON

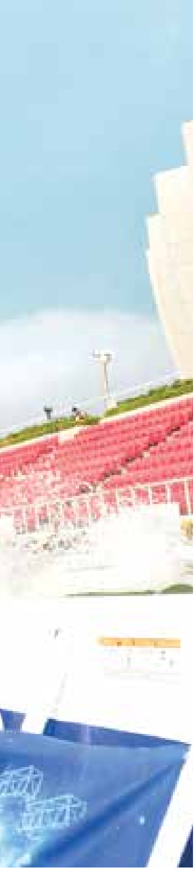
Sports sponsorships enable our brands to "team up" with loyal fans. One of our strongest sports connections is the long-running *Bud Light NFL Sponsorship*. In 2015, we had a strong integrated commercial plan for the NFL season, with exciting team cans and Super Bowl 50 cans that reinforce Bud Light as the beer of the fan. We just renewed our NFL contract for another six years, gaining additional marketing rights in the US as well as the ability to utilize NFL marks internationally. Bud Light will display highlight clips from NFL games on its website, Facebook page and other digital media, with features such as Bud Light "Player of the Game" and "Play of the Day". Moreover, Bud Light will be the exclusive sponsor of Thursday night football, allowing the brand to activate its 28 team partnerships outside the team city limits and connect with more fans nationally. Events like the NFL Draft and NFL Kickoff, as well as NFL team cans, will also promote Bud Light.

In Brazil, which is renowned for a love of the game, Brahma continued to support the soccer platform in 2015. The brand sponsored 67 local teams and built over 35 soccer fields in various communities.

The *Budweiser Dream Goal* competition in the UK challenged British amateur footballers to submit videos of their "dream goals". The ultimate prize was the opportunity to star in Budweiser's spring TV ad campaign supported by Sky Sports. The Dream Goal campaign highlighted Budweiser's commitment to supporting grassroots British football as part of its global association with the sport.

Harbin is an official sponsor in the beer category of *NBA China* games, with an active program to engage with basketball fans.

In Canada, where hockey is a passion, we offer consumers the *Budweiser Red Light*, a replica of a goal light that will come on and set off a horn whenever a fan's favorite city scores.



MUSIC TO OUR EARS

The universal language of music helps our brands connect with millennial consumers. For example, Bud Light's music ventures included a partnership with *TomorrowWorld*, which is a three-day, fantasy-themed music festival held near Atlanta (Georgia) known for incredible futuristic décor across multiple stages, great artist line-ups and luxury camping experiences. It was also one of the most livestreamed music festivals in the world. Bud Light celebrated the event with specially-designed Bud Light *TomorrowWorld* Festival cans, a special main stage viewing area and the *Bud Light Camp of Whatever*.

In Brazil, Skol partnered with the international *Lollapalooza* festival in an event held in São Paulo, featuring international top artists like Eminem, Florence & the Machine, Mumford & Sons and Snoop Dogg to attract over 135 000 fans in the country's biggest city.

Music events sponsored by other brands include *Corona Capital* in Mexico, *Quilmes Rock* in Argentina, and several of the top summer festivals in Belgium livened up by Jupiler.

Skol and Lollapalooza bring top performers to Brazil.

ENHANCING ACTIVE LIFESTYLES

For consumers whose idea of relaxation includes a focus on health and wellbeing, we have developed a number of products that feature fewer calories and lower alcohol content. Michelob Ultra, which is popular with consumers who are interested in a great-tasting light beer that matches up with a more active, social lifestyle, has delivered double-digit growth in 2015.

Other brands around the world are picking up on the wellbeing trend. Learning from the success of Michelob Ultra in the US, we introduced Skol Ultra in Brazil, positioned as "the official beer for non-official athletes". Skol Ultra is a 4.2% ABV beer with lower calories and carbs, which both reinforces the brand equity of Skol and expands our addressable market through its appeal to active lifestyle consumers.

Hoegaarden Radler was successfully introduced in the Benelux countries and France, also playing in the area of lower alcohol beers (2% ABV) for active consumers. With two refreshing flavor variants, Agrum and Lemon & Lime, Hoegaarden Radler is off to a strong start.

Savoring Life Together

FOOD & SAVOR

Food has become a passion point for more and more people. Whether in a fine restaurant or at a backyard barbecue, food lovers want to savor a drink that pairs well with their meal, has a taste that complements the ingredients, and elevates the experience into a special occasion worth savoring.

Stella Artois, which is widely regarded as the world's most sophisticated beer brand, has a prominent position on the menu of devoted food lovers worldwide. In addition, local champions that pair especially well with food include Leffe, Shock Top, Alexander Keith's, Franziskaner and Hoegaarden, along with our portfolio of craft beers like Goose Island, Blue Point, 10 Barrel and Elysian.

UNDER THE ST

To make convivial food or culinary occasions more special, consumers seek a sophisticated choice that delivers an unparalleled quality experience. As an international symbol of elegance and superior taste, Stella Artois perfectly matches this quest for refinement at the table.

The distinctive Stella Artois chalice and exacting pouring ritual enable the brand to stand out from all other beers. Also, the prestige image of Stella Artois around the globe is supported with stylish advertising that emphasizes its European “savoir faire” and a Belgian brewing tradition of more than 600 years. An elegant new bottle and redesigned label introduced this year embody the brand’s premium character.

In keeping with its role as a pillar of Food & Savor occasions, Stella Artois created a unique, immersive food and sensory experience called *Sensorium*. Under a sensorial dome in Toronto, Canada, the brand joined with a Michelin-star chef and a team of sensory experts to honor the way a perfectly poured Stella Artois immerses the five senses. Each dish in this multi-course dining experience with beer and food pairings, was inspired by one of the five senses: sight, sound, taste, touch and aroma. Guests at the sold-out event were surrounded by a 360° experience, with video and interactive elements that engaged all of their senses throughout the evening — and reinforced the unequaled sophistication of Stella Artois.

The name “Stella”, or “star” in Latin, has symbolized the holiday season for centuries. Stella Artois was originally brewed for the holidays as a Christmas gift to the city of Leuven, in Belgium. In 2015, the connection with the holiday season was made stronger than ever with a special event in New York City called “*Stars*”, an interactive light installation at Moynihan Station. The immersive event included a performance by recording star John Legend, who wrote an original single called “*Under the Stars*” for the occasion, featuring a “duet” with the sounds of actual stars.

Bringing the sophistication of Stella Artois to more points of consumption, including smaller, more intimate restaurants and bars, Stella Artois created the NOVA countertop draught system. NOVA enables these locations to serve a perfectly poured chalice of Stella Artois without the need for a full-scale tap system. The NOVA system, styled by renowned designer Marc Thorpe, combines beauty and functionality.

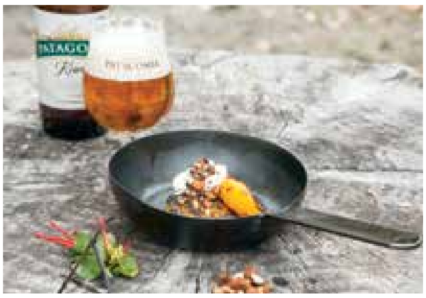
Stella Artois embodies the spirit of perfection around the globe — as highlighted by the brand’s sponsorship of the *World’s Greatest Events*, such as the *Festival de Cannes*, *Wimbledon*, *The Open Championship*, and *Abierto Argentino de Polo*.

Reflecting the appeal of Stella Artois in markets such as the UK, US, Argentina and Brazil, volumes increased by 7.5% in 2015.

Stella Artois is a symbol of elegance and superior taste around the globe.

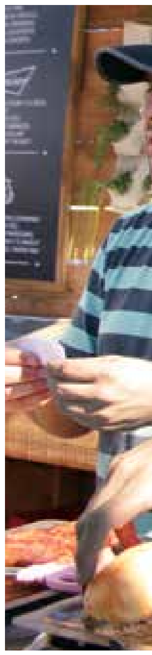
A TASTY CAMPAIGN

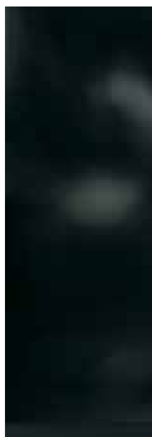
Leffe continued to enhance its reputation as an excellent complement to food through a new campaign in France and Belgium. The campaign was built around the distinctive term "*Aperonomy*"—a combination of aperitif and gastronomy—to convey the unique qualities that make Leffe a great alternative to the traditional aperitif and a wonderful accompaniment to dining occasions. The campaign included creative recipes, festive entertaining tips and profiles of leading chefs.



A WORLD OF FLAVORS

More consumers around the globe are discovering the pleasures of pairing a fine quality beer with a great meal, thanks to our brands. Stella Artois was a sponsor of the *Los Angeles Food & Wine* festival. In Russia, Budweiser opened the first *Bud Diners* in Moscow and St. Petersburg. Several brands sponsor *food trucks*, including Modelo Especial in Mexico, Bohemia in Brazil, and Leffe in France and Belgium. In Belgium and the Netherlands, we created a series of videos on the theme *Let's Meat*, to showcase the pairing of our Jupiler brand with favorites such as BBQ burgers and roast pork. Modelo also announced a new campaign in Mexico, "Chef's Life", that celebrates people who are choosing the best ingredients to enrich their lives, by adding a unique cultural, musical or literary flavor to their experiences.





The "Aperonomy" campaign showcases Leffe as an accompaniment to dining.

THE KING OF BEERS & BURGERS

It is no secret that Budweiser's smooth taste and clean, crisp finish go well with burgers, one of the world's favorite foods. In 2015, Budweiser launched the *Bud & Burgers Championship*, a coast-to-coast search for the burger that pairs best with a Budweiser. With the help of award-winning culinary pioneer, Chef David Chang, the brand challenged burger enthusiasts 21 and older to submit a video or photo explaining why they should be the 2015 Bud & Burgers champion. Finalists competed head-to-head at 10 local Bud & Burgers Championship events throughout the country. The winner, who received 100 000 USD to fund her culinary ambitions, was crowned in St. Louis in July.

BREAKING THE ROUTINE & NIGHTLIFE

At the end of the day, people want to shift down a gear or two and reward themselves. Getting together with friends at a bar or at home, they are looking for a beverage that mixes well, might be sweet, and is fun to drink.

Consumers also want a drink that makes a great night even better, whether they are partying at a club or hosting friends at home.

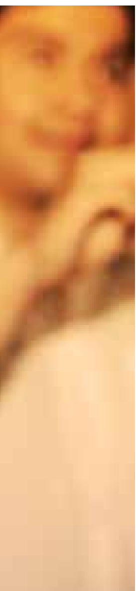
Innovations like MixxTail, Oculto, Cubanisto, Skol Beats Senses and Cass Beats, as well as local and international brands such as Beck's, Quilmes and the 'Ritas' family, will help us win with consumers on these occasions.


ER
Mixing Together

Corona champions the spirit of the beach and living in the moment.

Create Your Own Beach

Corona SunSets around the world set the mood for groups of friends.



Corona — with its spirit of the beach and living in the moment — is the acknowledged brand champion of *Breaking the Routine* occasions. It appeals broadly to both men and women, mixes well, and is authentic and unpretentious.

Around the world, *Corona SunSets* festivals encourage consumers to let their mood flow from day to night along with the setting sun and launch their own celebrations with friends. *Corona SunSets* festivals celebrate the beach lifestyle with concerts in iconic beach locations in Mexico, Canada, Spain, the UK and recent additions such as India, Japan and China — where we created a beach along the famous Bund in Shanghai. For the first time, Corona even held a SunSets winter festival, away from the beach, at a snow-covered mountaintop ski resort in Chile.

A new partnership with the *World Surf League* (WSL) will help Corona form a strong connection with consumers who identify with this major aspirational sport — or who simply crave the surfing lifestyle. WSL organizes the annual tour of professional surf competitions that attract the best male and female surfers around the world. Corona will work with WSL to sponsor several major surfing circuits, including the *Men's Championship Tour*, the *Women's Championship Tour*, the *Big Wave Tour* and the *Longboard Championship*.

Corona is also showing consumers how to change the mood, by changing the total environment in which they enjoy a beer with friends. The *Spiritual Homes* program provides premium bars and other points of consumption with everything they need to create an entire Corona-themed experience, bringing the spirit of the beach into the bar with special signage, fixtures, room decorations and other features. The bar essentially becomes a Corona "flagship", creating distinctive surroundings that transport consumers from their everyday lives into the world of Corona.

Corona is now exported to more than 120 countries worldwide. The brand has continued to grow strongly, both in its home base of Mexico and in export markets such as China, Brazil and many countries in Europe, and volumes increased 8.1% in 2015.

In Brazil, Carnival is a great time to enjoy our brands.

BREAKING THE ROUTINE

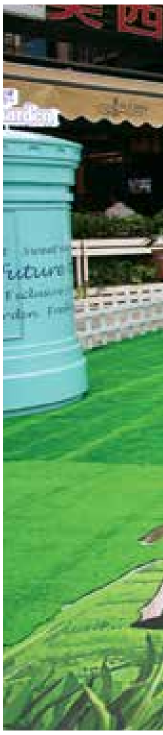
While Corona is strongly identified with mood changing occasions globally, several other brands also help set the tone for consumers who want to get together with friends, break out of the routine, treat themselves — and have a little fun.

Hoegaarden launched a successful campaign in China known as "*Bye Bye Bitterness, Hello Hoegaarden*". Major streets in the business district of Guangdong were decked out with Hoegaarden brand imagery to urge consumers to turn their attention from business to the pleasure of enjoying a great premium beer.

The holiday most closely associated with the Breaking the Routine spirit is *Halloween*, a time for people to take a break from their daily lives and transform themselves into costumed characters for one day. By coincidence, the 125th anniversary of Argentina's Quilmes brand and Halloween both fell on 31 October, providing an opportunity to associate Quilmes with this globally popular celebration. The Quilmes 2015 Halloween campaign included a video titled "Zona Paranormal", inspired by classic horror films.

Brazil's most famous holiday, and an occasion for the entire nation to break its routine, is the annual celebration known as Carnival. Each of our core brands took a leading role in sponsoring regional events across the country for Carnival. One of the biggest events was Antarctica's sponsorship of a huge street party in Rio de Janeiro.

Launched in 2014 and expanded during the past year, *MixxTail* is a cocktail-inspired beverage that appeals to consumers who desire more variety, mixology and convenient cocktail solutions. MixxTail represents a whole new global family of ready-to-drink flavored malt beverages that reinvent the cocktail. Showing how a great concept can travel to global markets, MixxTail is now available in several countries and tailored to specific regional tastes. In Argentina, for example, MixxTail Mojito by Quilmes has been a great success. In the US, MixxTail flavors include Hurricane and Long Island Iced Tea. And in China, MixxTail is sold in six flavors inspired by classic global cocktails including Mai Tai and Passion Caipirinha.



Quilmes created the "Zona Paranormal" video just for Halloween.


Take a Break
Hoegaarden


MIXX TAIL


MIXX TAIL
MOJITO
MIXX TAIL
SABOR MOJITO
Quilmes
LISTO PARA TOMAR
8%
IDEAL CON HIELO

As they leave the day behind, consumers want a drink that makes a great night even better.

Cass Beats is bringing new spirit to nightlife in South Korea.

SERVING UP A GREAT NIGHT OUT

We continue to introduce new brands — innovations that connect with consumers who prefer a drink that can be served over ice, mixes well or has a sweeter taste profile. Beer has often been under-represented in evening occasions, but our focus on this platform is helping to make our products the perfect companions for a great night out.

Skol Beats Senses evokes the mysterious spirit of the night, and has been a major hit in Brazil since its introduction in 2014. Easy, smooth and with a refreshing taste, Senses was designed to be consumed over ice, making this innovation particularly distinctive and versatile. The brand was expanded last year through the launch of *Skol Beats Spirit*, with a distinctive green apple and lemon-inspired flavor that is reflected in a unique green color — and packaged in a glow-in-the-dark green bottle that is perfect for enjoying on night-time occasions. The Beats experience was exported to South Korea in 2015, with the launch of Cass Beats.

Another new product aimed at Night Out occasions is *Oculto*, a tequila-flavored beverage. Oculto is made with blue agave, the same plant used to make tequila, blended with beer aged on wood staves from tequila barrels. Events such as a 12-weekend promotion with the Marquee Nightclub in Las Vegas, and the *Garden of Hedon* consumer event in Miami, are helping to bring the magic of Oculto to consumers.

Cubanisto is a brand innovation that has gained popularity in Europe among consumers seeking a "great night out". A rum-flavored premium beer, Cubanisto has a fresh taste of citrus, orange zest, lime and an aroma of caramelized cane sugar.

A Beck's promotion in Europe called "The Night Of Your Life!" offered consumers a chance to win a trip with friends to one of the ten best parties in the world: *TomorrowWorld Atlanta, Tomorrowland São Paulo, Thaibreak, New Year's Eve in New York City, New Year's Eve in Sydney, Carnival in Rio, Rooftop Party in Hong Kong, Club night in Ibiza, Pool Party Las Vegas,* or *Dimensions Festival Croatia.*


DELIVERING
OUR DREAM
TOGETHER
Working Together
Ten Guiding Principles
Ownership Mindset

DREAM-PEOPLE-CULTURE PLATFORM

At AB InBev, our ability to grow together and deliver increasing value is built on a platform that we call *Dream-People-Culture*. This platform has been a unique strength of our company since its inception and continues to guide our performance and progress. The essence of our culture is embodied in 10 Guiding Principles, which allow us to perform consistently and to work together toward one shared Dream around the world.

OUR DREAM

1

Our shared Dream energizes everyone to work in the same direction to be the Best Beer Company Bringing People Together For a Better World.

For us, everything begins with our shared Dream. Our aspiration of Bringing People Together is at the heart of our Dream. It is by joining together that we will build one of the leading global consumer products companies, and make the world around us better.

OUR

2

Our greatest strength is our people. Great people grow at the pace of their talent and are rewarded accordingly.

3

We recruit, develop and retain people who can be better than ourselves. We will be judged by the quality of our teams.

We know that great people are the key to transforming a great Dream into reality. Our Dream is shared by more than 150 000 colleagues around the world, who represent our greatest sustainable competitive advantage. It is because of our people — and their talent, engagement, drive and sense of purpose — that we have been able to deliver on our commitments to our customers, our shareholders, our communities and each other.

We hire people with the potential to be better than we are, ensure that our leaders engage them fully, and challenge them to perform at their best. At the same time, we invest heavily in attracting the best people and dedicate considerable senior management time — up to the Executive Board of Management level — to developing their potential, and enriching their opportunities through a range of programs and initiatives. This is how we build our people talent pipeline.

Great people are the key to transforming our Dream into reality.

PEOPLE

In 2015, we made several meaningful changes in our talent recruitment, learning and development initiatives to ensure that the people joining AB InBev today — at a time of growth and change in our business — have the strong leadership, marketing and disruptive innovation skills to meet our needs tomorrow.

Global Management Trainee (GMT) Program. In line with our belief that truly talented people are the key to future success, attracting and developing talent as early as possible has always been part of our strategy. Our GMT Program continues to attract top students from leading universities around the world. GMTs participate in a demanding 10 month paid training program combining classroom study and "in the field" jobs, before going on to full-time positions with AB InBev.

The GMT program helps us build a highly qualified, well-rounded team that is engaged with our culture from Day 1. In 2015, we hired over 160 trainees, our largest GMT class to-date.

Global MBA Program. Our global MBA program draws qualified candidates from such top business schools as Harvard, Stanford, Chicago-Booth, MIT Sloan, Columbia, Wharton and Kellogg in the US, as well as London Business School and IESE in Europe and CEIBS in Hong Kong. An important change this year was the growth of our Summer MBA program, which gives participants an opportunity to learn with us during the summer, encouraging more of them to join the company full-time in the fall. In 2015, we had nearly 60 GMBA summer interns and 26 full-time GMBAs.

Interactive Core Learning. We are very excited about a new interactive core learning program launched this year in conjunction with Harvard Business School. *HBX Core* uses an immersive, interactive online case-study methodology to help employees learn basic principles of accounting, economics and business analytics. It was successfully piloted in 2015 and starting in 2016 will be mandatory for all new Global Management Trainees.

Delivering Disruption. With the creation of our Disruptive Growth team, we are seeking team members with skills more typically associated with start-up, entrepreneurial companies. One approach to finding such employees with a creative, curious, challenge-the-status-quo mindset, has been to invite students to participate in hackathons where they are encouraged to tackle real business problems. In addition, along with Harvard Business School, we are offering *HBX Disruptive Strategy*, a virtual strategy retreat that teaches the frameworks and methodologies of Disruptive Innovation.

Engagement. We measure and enhance engagement, which is essential to our success. All employees participate in an annual cycle of communication and feedback to ensure that they understand our goals and are fully engaged in meeting them. We measure engagement through annual surveys, and raising engagement scores is a key responsibility for all managers.

Rewarding Performance. We apply cutting edge processes to measure and assess performance. Our compensation is structured on the basis of stretched but achievable targets. We believe that a bonus is a reward for great performance, not an entitlement, and this system is intended to attract people who relish a challenging, merit-based environment.

OUR CULTURE

4

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

5

The consumer is the Boss. We serve our consumers by offering brand experiences that play a meaningful role in their lives, and always in a responsible way.

6

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

Great people are united, shaped and propelled by a great culture. We foster a unique culture that values a sense of ownership and personal responsibility, encourages a dedication to putting the consumers' interests first, promotes individual and team initiative, and rewards superior performance.

At its core, our culture recognizes that sustainable results matter, and that it is essential to stay focused on the things that truly drive results. At the same time, *how* we achieve the results is just as important as the results themselves. We work together, share best practices and celebrate our wins, before challenging ourselves to go back and strive for even higher goals.

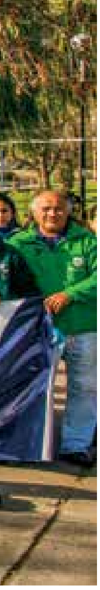
Our culture also recognizes that the consumer must be at the center of all we do. Thus, we focus on delivering great brands, making products of consistent and undeniable quality, and providing a superior experience. To do this, we act as ambassadors for our beers and remain true to our enduring heritage, while using all of today's resources to form connections with consumers.

In our culture, team members think and act like owners: being accountable for their actions; making decisions in the long-term best interests of the business; and executing with focus, excellence and integrity. This ownership mentality is reinforced by setting stretched but achievable targets, and ensuring that all team members understand their roles in meeting those targets. Incentive programs give senior leaders and other top performers the opportunity to reinvest their bonus in our shares, with a company match. However, our ownership culture goes beyond owning shares — it is about owning responsibility for our commitments to consumers, for the creation of shareholder value, and for delivering on our Dream.

At AB InBev we keep it simple: making decisions based on clear, agreed-upon approaches and common sense. Rooting out complexity, we seek to streamline processes. Points of view and decisions are based on facts, and arrived at through a transparent process. And we are disciplined and consistent in the way we execute, monitor and measure our results.

Cost discipline is another major tenet of our culture. We aim to convert "non-working money" into "working money" — reducing expenditures for ancillary items in order to invest in our brands, marketing, sales efforts, trade programs and other elements that drive top-line and bottom-line growth. This entails continually challenging and controlling costs, learning from successful initiatives across the company, and uniformly adopting best practices that promote efficiency and productivity.

We ask a lot of our leaders. They must live our Dream and, through personal example, point the way forward for the entire organization. We expect them to get results — with a spirit of passion, urgency and accountability — and to inspire our colleagues to do likewise.



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 sustainable and profitable **top-line growth.**

9

Leadership by personal example is at the core of our culture. **We do what we say.**

10

We never take shortcuts. **Integrity, hard work, quality and responsibility** are key to building our company.

Leaders never take the easy way out, nor do things in a manner that places their own interests above those of the company, consumers, shareholders, employees and community.

We believe there are no shortcuts on the path toward our Dream and that the safety of our people, the quality of our products, and the uniqueness of our consumer experience can never be compromised.

Safety First. The most important thing we can do for team members and their families is to ensure a safe working environment. 2015 was another good year of progress in the area of safety, with 37% fewer lost-time injuries, including in contractor operations. In addition 444 facilities experienced no lost-time injuries in the past year. Using a rewards system based on annual safety targets, our global excellence programs and auditing systems link safety performance and program implementation to the annual performance evaluations of individual employees, departments, facilities, regions and Zones. Safety requirements are embedded in our operational manuals and in programs such as VPO (Voyager Plant Optimization) and DPO (Distribution Process Optimization). They are checked on a daily basis. The best operations in terms of safety are recognized in our Supply Excellence Programs.

Corporate Governance and Compliance. We conduct business around the globe according to the highest ethical, corporate governance and transparency standards, and in compliance with all applicable regulations. The Board of Directors and senior leadership team have established and continually maintain a strong ethical climate, supported by an effective system of internal controls, monitoring, risk assessment, auditing and training. To be clear: we treat our integrity and reputation as key assets that must be preserved at all times.

SHARING STRENGTHS, ACHIEVING MORE

A passionate commitment to *Bringing People Together* is at the very heart of our Dream. We believe that together we can achieve more. That belief is clear from the way we have brought together the strengths and traditions of different companies to create an industry leader that is positioned for sustainable growth. And it is reflected in our drive to bring together our scale, resources and energy to help address the needs of our communities and strive to make the world a better place. Whether we're investing in opportunities in our Zones, providing water to parched communities, encouraging smart drinking, enhancing farmers' livelihoods, or enabling consumers to enjoy a great craft beer, we always achieve more together.


NG
HER
Caring Together
THE ORIGINAL BOURBON BARREL AGED STOUT
2015

SUCCEEDING TOGETHER

The experience of our Mexico Zone is a powerful example of Growing Together. When we combined with Grupo Modelo in 2013, we anticipated many exciting opportunities for our new market in Mexico and our newest global brand, Corona. The colleagues in both the AB InBev and Grupo Modelo organizations exceeded our expectations, coming together speedily and seamlessly thanks to compatible cultures, effective communications by Zone leadership and the motivation of the Mexico team.

Today, Mexico is a model of how to integrate and grow merging organizations. Since 2013, we have invested heavily in Mexico, adding capacity and launching a major renovation of the Modelorama stores. In 2015, we announced plans to establish facilities to greatly expand our presence in the State of Yucatan, including a brewery with a 5 million hl initial capacity, a new aluminum can factory and related commercial investments. These initiatives reflect our success to-date in Mexico, and our desire to better serve the market and create jobs and economic growth.

We have also spearheaded efforts to enhance the productivity and livelihoods of local barley growers. Our efforts to help Mexico become more self-sufficient in barley have driven an increase in the area under cultivation, from roughly 17 000 hectares originally to more than 52 000 hectares today. In fact, the Zacatecas region of Mexico has become a significant "beer capital", with vast fields of malt barley, as well as brewing, malting and related facilities. At the same time, Mexico has an extremely high level of employee engagement and our *Voluntarios Modelo* volunteering program is a gold standard of giving back to the community. On 5 December, *Fundación Grupo Modelo* activated the International Volunteer Day (IVD) for the second consecutive year and brought together some 50 000 volunteers who signed up for over 145 activities that took place simultaneously in 60 cities across the country, to support different causes and community organizations. Famous actors Ana de la Reguera and Luis Gerardo Mendez participated in volunteer activities in Mexico City, driving additional attention for these great efforts.

Preserving craft beer culture while bringing great craft beers to more consumers.

CRAFTING TOGETHER

Our passion for brewing quality beer is reflected in our investments in the craft category. We know — as do consumers — that a brewer's passion, care and skill must be evident in every glass. This has sparked an increasing interest among consumers in the craft beer experience, and led AB InBev to build a growing portfolio of exceptional craft beers, enabling more consumers to enjoy them.

Our entry into the craft space comes at a time when many craft brewers themselves are wondering how they can bring the beers they are passionate about to an ever-expanding audience and are asking, "What's next?" We are able to provide an answer by bringing together the resources to grow craft brands in the right way, with each brewer's passion and commitment.

We contribute capital, brewing expertise, distribution capabilities and talent — along with a deep respect for the craft brewing culture.

In recent years, our acquisitions of US craft brewers included Goose Island, 10 Barrel Brewing Co., Blue Point Brewing Company and in 2015, we added Elysian Brewing Company and Golden Road Brewing Company. We also announced the acquisition of the Four Peaks and Breckenridge breweries. Our interest in craft brewers is not limited to the US; we have recently acquired Mill Street Brewery in Canada, Bogota Beer Company in Colombia, Wäls and Colorado in Brazil, Cerveceria Mexicana and Cerveceria Tijuana in Mexico, and Camden Town Brewery in the UK.

Goose Island is a great example of our track record of investing to create opportunities for our craft brands. Within a year of acquiring Goose Island, we invested in an expansion of their brewery capacity and helped to quadruple their warehouse space. We are also learning from their passion and expertise: participants in our Global Brewmaster program are required to attend sessions at Chicago's Goose Island Brewery to hone their craft brewing skills. We are making investments in other craft beer brands as well, such as an expansion of 10 Barrel's brewery and hiring additional talent.

We are committed to preserving craft brands' cultures and connection to their community as well as to being long-term, strategic partners who help each brand grow.

TOGETHE

RESPONSIBLE TOGETHER

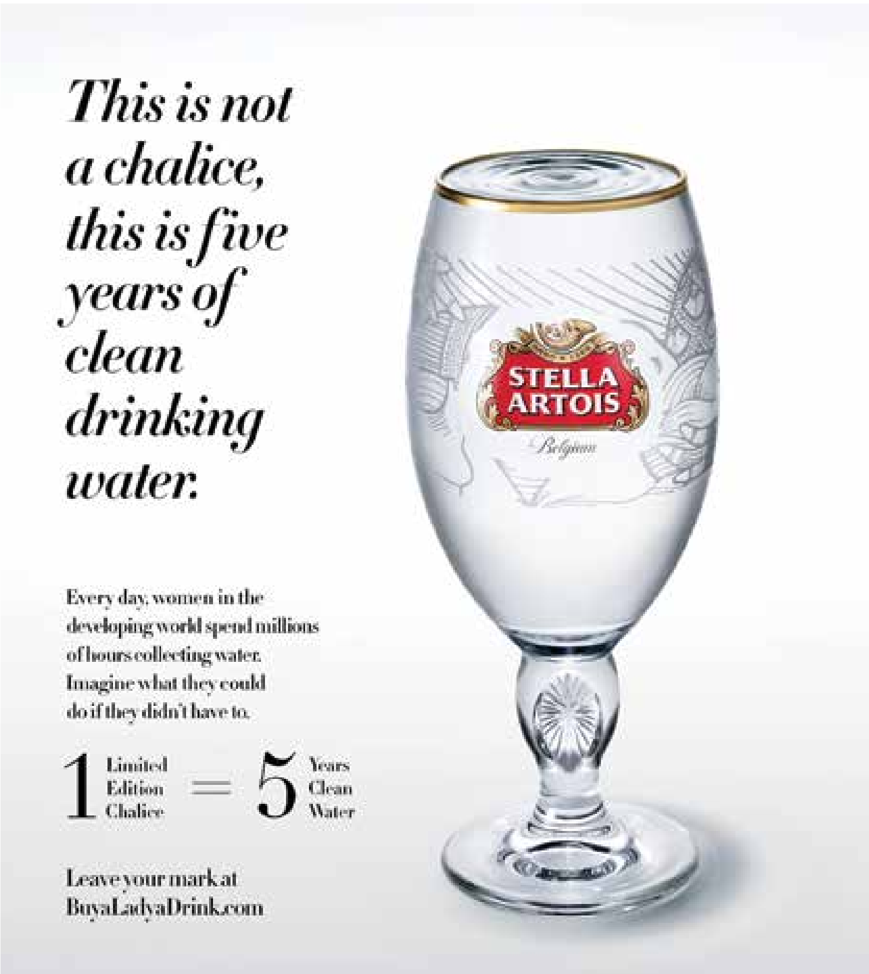
We believe that smart drinking choices are the result of companies, consumers, government authorities, non-governmental organizations and knowledgeable experts coming together for a common objective. This belief is embraced by our new Global Smart Drinking Goals, announced end 2015.

An important aspect of these goals is a pledge by AB InBev to expand our product portfolio to ensure that no- or lower-alcohol beer products represent at least 20% of our global beer volume by the end of 2025. Providing consumers with a wider range of alternatives will empower them to make smart drinking choices. Today, some of our most popular and fastest-growing products are in the no- or lower-alcohol category, such as Beck's Blue in Germany, Brahma 0,0 in Brazil, Siberian Crown Non-Alcohol in Russia, and O'Doul's and O'Doul's Amber in the US. In 2015, we launched additional products in the category, including Franziskaner Alkoholfrei fruit variants in Germany and Hoegaarden Radler, a 2% ABV beer in different citrus flavors that was introduced in the Benelux countries and France.

CARING TOGETHER

Working together with a global not-for-profit organization, our Stella Artois brand is helping to provide a solution for the hundreds of millions of people around the world who live without access to clean water. This problem disproportionately affects women, who often must travel great distances to find water for their families. To relieve their burden, Stella Artois launched a major global campaign called "*Buy a Lady a Drink*", in partnership with Water.org and its co-founders, actor Matt Damon and Gary White.

Stella Artois is actively engaging consumers in this issue, committing to fund five years of clean water for a person in a developing country for every purchase of a special limited edition chalice. In 2015, the campaign helped Water.org provide clean water to more than 290 000 people. The latest edition of the campaign, launched at the 2016 Sundance Film Festival, included a virtual reality video of a family in Honduras coping with the water crisis, as well as a film with Matt Damon urging consumers to do their part to make a difference.



CULTIVATING TOGETHER

Our global brewing operations consume several million tons of malt barley a year. Ensuring a consistent supply of high quality barley is a top priority. We created our SmartBarley program to work together with barley growers to improve growing practices — and farmers' livelihoods. Today, we work together with some 17 000 barley growers in 9 countries. Over 3 200 of our growers have participated since the program launched in 2014, with new growers and new countries set to join in 2016.

The heart of the SmartBarley program is a global farm benchmarking effort on an enormous scale. Leveraging the company's vast resources and global reach, we bring together a network of agronomists, researchers and barley farmers. Advanced tools such as benchmarking and data analysis are used to measure, communicate and disseminate best practices and technologies for barley production. The aim of the program is to close the most challenging gaps in productivity in each participating region, while elevating benchmarks to new levels.

SmartBarley enables farmers to enhance productivity by comparing their practices and yields to those of farmers with similar growing conditions, barley varieties and crop rotations. Farmers work with our agronomists to access a portfolio of technology and improved practice solutions that include soil management and sowing techniques, development of improved crop protection methods, water conservation, nitrogen sensors, satellite forecasting and other sophisticated approaches.

By encouraging state-of-the-art farming techniques, we are growing a dependable and high quality supply of malt barley, while enhancing economic opportunities for our grower partners.

BUILDING A BETTER WORLD

DRIVING CHANGE TOGETHER

AB InBev was a founding member in 2014 of Together for Safer Roads (TSR), a coalition of 14 leading global companies across industries that are working collaboratively to help reduce traffic injuries and fatalities. Members are committed to applying their collective knowledge, data, technology and networks, along with expert advice and research, to work towards ensuring safer roads for everyone. TSR is focused on three key areas: advancing safer vehicles and roads through data and technology, creating a culture of traffic safety built on a safe systems approach, and raising awareness about the importance of road safety.

TSR has made considerable progress in 2015, its first full year. The coalition convened an independent Expert Panel to advise its member companies. In November the panel released a white paper that assesses progress since the United Nations Decade of Action for Road Safety was established in 2010, identifies gaps and discusses the role of the private sector in advancing road safety. A key element of TSR's work will be our *Safer Roads Challenge*, working together with local governments to address their most pressing road safety challenges. Our first launch event took place in Shanghai together with local partners on 2 December, China's National Road Safety Day. TSR also participated in the UN Global High-Level Conference on Road Safety in Brasilia alongside government, business and NGO leaders from 150 countries.

TOGETHER FOR SAFER ROADS

Our Dream inspires us to make a positive difference in the communities in which we live and work.

New Global Smart Drinking Goals take our efforts to the next level.

SMART DRINKING

As the world's leading brewer, we are committed to encouraging the responsible enjoyment of our products by consumers of legal drinking age. Accordingly, we sponsor programs to promote smart drinking, prevent alcohol abuse, deter underage drinking and highlight the consequences of drink driving. We also believe measurable goals are essential to driving meaningful progress toward smart drinking.

New Global Smart Drinking Goals

In December 2015, we introduced a new set of Global Smart Drinking Goals — a meaningful step towards influencing smart drinking. Having met or exceeded our original Global Responsible Drinking Goals in 2014, which were primarily focused on training and education to raise awareness of alcohol responsibility, we now take our efforts to the next level: empowering consumers through choice and changing behaviors through social norms. The new goals, to be achieved by year-end 2025, include the following:

- Multi-year pilots to reduce the harmful use of alcohol by at least 10% in six cities around the world by the end of 2020. In this process, we will seek guidance from experts and other partners to invest in evidence-based solutions and best practices to shift social norms and individual behaviors. Additionally, we commit to implementing the best practices by the end of 2025 in all of our Zones.
- We plan to invest at least 1 billion USD across all of our markets in dedicated social marketing campaigns and related programs by the end of 2025.
- To empower consumers to make smart drinking choices, we will expand our product portfolio to ensure that no- or lower-alcohol beer products represent at least 20% of our global beer volume by the end of 2025.
- With the advice of an independent group of technical experts, we will place a Guidance Label on all beer products in all of our markets by year-end 2020, in an effort to increase alcohol health literacy.

Global Be(er) Responsible Day

Each year, in September, we organize a variety of activities that help focus worldwide attention on responsible drinking. Global Be(er) Responsible Day (GBRD) has traditionally involved a coordinated global effort by the company and our employees, as well as partners such as distributors, retailers, law enforcement and community groups.

In a move to broaden the visibility and impact of the responsibility message, in 2015 we continued to evolve GBRD, which is now an industry-wide effort in eight countries (up from one country a year earlier). Some of this year's GBRD activities included:

- Budweiser created a digital video to encourage consumers to "Make a Plan to Make It Home". Key messages of the video included the importance of making advance plans to get home safely, knowing one's limits, understanding the ABV level of mixed drinks vs. beer, eating and staying hydrated, and following through on the plan.
- Our "Family Talk About Drinking" program made a major push in 10 markets to encourage parents to have meaningful conversations with their kids about alcohol use.
- In Brazil, we partnered with the app Easy Taxi to offer discounts for consumers who chose to take a cab home.

Our 2015 Global Be(er) Responsible Day was our most successful yet. With a record number of 66 000 colleagues participating, we reached more than 8 million consumers directly and nearly 300 million indirectly, and engaged with 623 000 retailers worldwide.

Teaming Up for Responsibility

Our China team has produced "mini-movies" for several years to raise awareness of designated drivers. This year's mini-movie starred retired basketball star Yao Ming and Olympic-champion sprinter Liu Xiang, two of China's best-known athletes, as friends who choose a designated driver after drinking.

ENVIRONMENTAL STEWARDSHIP

Beer is a product of natural ingredients, and thus the conservation and stewardship of land, water and other natural resources is fundamental to helping ensure the quality of our brands for the long term. We recognize the critical role that companies can play in addressing the world's most pressing environmental challenges, such as water scarcity and climate change. We strive to be as efficient as possible in our use of natural resources; we invest in long-term projects, partnerships and technologies to conserve water and energy, reduce greenhouse gas emissions, protect watersheds, improve water management in our agricultural supply chain, and reduce packaging and waste; and we work to raise awareness of environmental issues among employees, consumers and the general public.

Shock the Drought

Our Shock Top brand responded to the severe California drought by partnering with state water aid organizations and the crowdfunding platform Indiegogo as part of the *Shock The Drought* campaign, to identify and fund breakthrough water-saving innovations that can be deployed in the near term. The public is also invited to make pledges for water-saving inventions and discover water conservation tips at *ShockTheDrought.com*. The first idea funded was *Drop-A-Brick 2.0*, a modern, eco-friendly product inspired by the classic tactic of placing a real brick in a toilet's tank to save water. *Drop-A-Brick* is made from rubber to prevent damage to the tank and can save about 50 gallons per week. Additional funded innovations include *EvaDrop*, the world's first smart shower, and *Droppler*, a smart water monitor designed to track personal water use.

Water Sharing

A growing number of our breweries around the world are donating effluent water to local communities before it is returned to the watershed. This water can be used for agricultural irrigation, watering public parks and soccer fields, street cleaning and other community needs, thus replacing the fresh water that would otherwise be used. At this time, 35 breweries are active in these programs.

Incentives for Environmental Services

In the Jaguariúna region of Brazil, we are partnering with The Nature Conservancy to provide financial incentives to farmers who agree to improve their environmental conservation practices by recovering degraded areas and riparian forest, preserving forest remnants and optimally managing the soil in order to prevent erosion and sediments.

World Environment Day

Around the world, our employees engage in initiatives to coincide with World Environment Day to make a positive impact on the planet. In 2015, over 14 000 employees participated in a Global Walk for Water to log steps and charitable donations to Water.org and other local water NGOs.

Green Logistics

In line with our 2017 goal to reduce greenhouse gas emissions by 15% in our Logistics operations, we stepped up the launch of several initiatives around the globe, leveraging local resources:

Truck Fleet Conversion. Nearly 100 diesel tractors in our St. Louis brewery fleet were replaced with tractors powered by compressed natural gas (CNG), making us one of the few heavy-haul fleet owners to employ the latest in cleaner-burning fuel vehicles. Approximately 30% of the US fleet now uses CNG. The new engines are expected to emit 23% less greenhouse gases (compared to diesel), which is the equivalent of taking more than 500 passenger vehicles off the road.

Boats and Trains. In Europe, we have launched several Green Logistics initiatives to reduce energy usage and emissions in the supply and logistics process. For example, river barges are used in Belgium to transport empty bottles between Leuven and Jupille instead of trucks, and in Germany we are shipping beer via a "beer train" rather than over the roadways.

Biodiesel Trucks. In Argentina, we introduced a 50 000 liter biodiesel station in the Zarate brewery to refuel delivery trucks, a good alternative to traditional fuel that is obtained from natural resources (soybean oil) and does not contain sulfur. So far, we have 50 trucks running on "B50" (50% petroleum/50% biodiesel blend) with 35% less CO_2 emissions. Early in 2016, a new station was installed in Buenos Aires' main distribution facility with upgraded

technology, doubling the capacity and allowing us to increase the number of trucks running on the B50 fuel blend.

Global Environmental Goals

To help chart our progress against several critical issues that are material to our business performance and further demonstrate our commitment to tackling environmental challenges inside and outside our brewery walls, in 2012 we defined eight ambitious Global Environmental Goals to be achieved by 2017. With the reduction of our global water usage ratio to an industry-leading 3.2hl/hl and over 10% decrease in our global GHG emissions, we achieved two of the eight goals in 2014. We have made further progress against the remaining goals in 2015, five of which have an external focus, reflecting our increased attention for collective action. We continue to both optimize internal management systems and best practices and rely on external partnerships to drive environmental and social progress.

RDSHIP

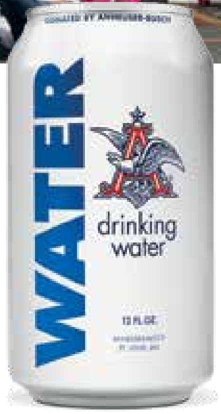
Improved farming practices

We must be responsible stewards of our natural resources.

OUR 2017 ENVIRONMENTAL GOALS

1	**reduce water risks and improve water management**	in **100%** of our key barley growing regions
2	**engage in watershed protection measures**	at **100%** of our facilities located in key areas
3	**reduce water usage**	to a leading-edge **3.2 hectoliters per hectoliters of production**
4	**reduce energy usage**	by another **10% per hectoliter of production** on top of the level we achieved in 2012
5	**reduce greenhouse gas emissions in beverage production**	by another **10% per hectoliter of production**, including a **15%** reduction in China
6	**reduce packaging materials**	by **100,000** tons from our 2012 base
7	**increase eco-friendly cooler purchases**	to a **70%** global average annually
8	**reduce greenhouse gas emissions in logistic operations**	by **15% per hectoliter sold** from our 2013 baseline

Volunteers for a cause



We're committed to building a better life for our communities.

COMMUNITY OUTREACH

AB InBev strives to make a positive difference in the communities where we live and work. Each year, we provide hands-on support to build schools and improve public places. We offer financial and volunteer support to non-profit organizations. And we help the victims of natural disasters through donations of drinking water and other assistance. We also make a positive impact in our communities through the jobs we create, the wages we pay, the tax revenues we generate, and the significant investments we make in local operations.

Disaster Relief

Using our facilities to produce canned drinking water for areas impacted by natural disasters is one way we apply our resources to help communities in need. In 2015, we donated nearly 265 000 cans of drinking water to assist refugees in Europe. We also distributed 588 000 cans in storm- and flood-ravaged communities in Texas, Oklahoma, Illinois, and Missouri; parts of California suffering from drought and wildfires; and Idaho and Washington communities affected by wildfires.

Teaching Teachers

In China, for several years, we have been building Hope Schools in remote, economically challenged areas near our breweries. We have now sponsored the creation of 10 Hope Schools. However, recognizing that good teachers are the key to the success of their students, in 2015 we launched a training program to increase the number of teachers qualified for jobs at Hope Schools. Our own employees, some wholesale partners, as well as academics and military instructors participated as trainers, providing 18 500 hours of training to more than 2000 new teachers in 421 elementary schools across 4 provinces.

Voluntarios Modelo

The most extensive corporate volunteer organization in Mexico, *Voluntarios Modelo*, fielded 150 000 volunteers this year to work in local initiatives, adding more than 820 000 service hours. On International Volunteer Day, volunteers worked with the Mexican Red Cross or other NGOs across the country to assist with community development, environmental, educational and humanitarian causes.

40th Anniversary

In the US, the *Anheuser-Busch Foundation* celebrated 40 years of supporting worthwhile community causes. Today, the foundation partners with organizations dedicated to five key areas: education, environmental sustainability, disaster relief, economic development, and supporting military personnel and their families. In 2015, the Foundation donated over 10 million USD for such efforts.

Contributing to Economic Opportunities

We deliver economic value in many ways for the communities and countries in which we operate. Wages and salaries paid in 2015 totaled approximately 3.7 billion USD. Capital expenditures around the world totaled 4.3 billion USD, as investments in facilities, distribution network and systems generated jobs and local economic growth. Excise and income taxes, which help to support government programs around the world, totaled about 13.7 billion USD. And globally, more than 76 000 of our employees volunteered in their communities.

FINANCIAL REPORT

Contents

Management Report

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with a secondary listing on the Mexico (MEXBOL: ABI) and South Africa (JSE: ANB) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. Beer, the original social network, has been bringing people together for thousands of years and the company's portfolio of well over 200 beer brands continues to forge strong connections with consumers. This includes global brands Budweiser®, Corona® and Stella Artois®; international brands Beck's®, Leffe® and Hoegaarden®; and local champions Bud Light®, Skol®, Brahma®, Antarctica®, Quilmes®, Victoria®, Modelo Especial®, Michelob Ultra®, Harbin®, Sedrin®, Klinskoye®, Sibirskaya Korona®, Chernigivske®, Cass® and Jupiler®. Anheuser-Busch InBev's dedication to quality goes back to a brewing tradition of more than 600 years and the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co brewery, with origins in St. Louis, USA since 1852. Geographically diversified with a balanced exposure to developed and developing markets, Anheuser Busch InBev leverages the collective strengths of more than 150 000 employees based in 26 countries worldwide. In 2015, AB InBev realized 43.6 billion US dollar revenue. The company strives to be the Best Beer Company Bringing People Together For a Better World. For more information, please visit: www.ab-inbev.com.

The following management report should be read in conjunction with Anheuser-Busch InBev's audited consolidated financial statements.

In the rest of this document we refer to Anheuser-Busch InBev as "AB InBev" or "the company".

PROPOSED COMBINATION WITH SABMILLER

On 11 November 2015, the boards of AB InBev and SABMiller plc ("SABMiller") announced that they had reached an agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of SABMiller by AB InBev (the "Combination").

The Combination will be implemented by means of a newly incorporated Belgian company formed for the purposes of the Combination ("Newco"). AB InBev will also merge into Newco so that, following completion of the Combination, Newco will be the new holding company for the combined AB InBev and SABMiller group.

Under the terms of the Combination, each SABMiller shareholder will be entitled to receive 44.00 pounds sterling in cash in respect of each SABMiller share. The Combination will also include a partial share alternative (the "Partial Share Alternative"), under which SABMiller shareholders can elect to receive 3.7788 pounds sterling in cash and 0.483969 restricted shares in respect of each SABMiller share in lieu of the full cash consideration to which they would otherwise be entitled under the Combination (subject to scaling back in accordance with the terms of the Partial Share Alternative).

The Partial Share Alternative is limited to a maximum of 326,000,000 restricted shares and 2,545,387,824 pounds sterling in cash, which will be available for approximately 41.6% of the SABMiller shares. Altria Group, Inc. and Bevco Ltd. which hold approximately 27% and 14% of the ordinary share capital of SABMiller respectively, have given irrevocable undertakings to AB InBev to elect for the Partial Share Alternative in respect of their entire beneficial holdings in SABMiller. The restricted shares will be unlisted, not admitted to trading on any stock exchange, and will be subject to, among other things, restrictions on transfer until converted into new ordinary shares on a one-for-one basis with effect from the fifth anniversary of completion of the Combination. From completion of the Combination, such restricted shares will rank equally with the new ordinary shares with respect to dividends and voting rights.

The total value of the Combination was, as at 10 November 2015, estimated to be approximately 71 billion[1] pounds sterling. The board of SABMiller has unanimously recommended the cash offer of 44.00 pounds sterling in respect of each SABMiller share to SABMiller shareholders.

On 11 November 2015, AB InBev also announced an agreement with Molson Coors Brewing Company, conditional on completion of the Combination, regarding a complete divestiture of SABMiller's interest in MillerCoors LLC (a joint venture in the U.S. and Puerto Rico between Molson Coors Brewing Company and SABMiller) and in the Miller Global Brand Business to Molson Coors Brewing Company. The total transaction is valued at 12 billion US dollar and is conditional on completion of the Combination.

On 10 February 2016, AB InBev announced that it had received a binding offer from Asahi Group Holdings, Ltd ("Asahi") to acquire certain of SABMiller's European premium brands and related business. The offer values the Peroni, Grolsch, and Meantime brand families and associated businesses in Italy, the Netherlands, UK and internationally at 2 550m euro on a debt free/cash free basis. The parties will now commence the relevant employee information and consultation processes, during which time AB InBev has agreed to a period of exclusivity with Asahi in respect of these brands and businesses. Asahi's offer is conditional on the successful closing of the recommended acquisition of SABMiller by AB InBev, as announced on 11 November 2015.

[1] The aggregate value of the transaction of approximately 71 billion pound sterling is calculated based on AB InBev closing share price of 111.20 euro on 10 November 2015, based on a GBP:EUR exchange rate of 1.4135 and a fully diluted share capital of SABMiller of 1,654,630,463 shares, assuming that Altria and BEVCO elect for the partial share alternative in respect of their entire beneficial holdings of 430,000,000 and 225,000,000 SABMiller shares respectively and all other SABMiller shareholders elect for the cash consideration.

On 27 January 2016, AB InBev announced that it had cancelled 42.5 billion US dollar of its 75.0 billion US dollar Committed Senior Acquisition Facilities following approximately 47 billion US dollar of capital markets issuances in January 2016. The Combination is subject to regulatory and shareholder approvals and closing is expected to occur during the second half of 2016.

Selected Financial Figures

To facilitate the understanding of AB InBev's underlying performance, the comments in this management report, unless otherwise indicated, are based on organic and normalized numbers. "Organic" means the financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scopes. Scopes represent the impact of acquisitions and divestitures, the start-up or termination of activities or the transfer of activities between segments, curtailment gains and losses and year-over-year changes in accounting estimates and other assumptions that management does not consider part of the underlying performance of the business.

Whenever used in this report, the term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS, effective tax rate) before non-recurring items. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature. Normalized measures are additional measures used by management, and should not replace the measures determined in accordance with IFRS as an indicator of the company's performance, but rather should be used in conjunction with the most directly comparable IFRS measures.

The tables below set out the components of AB InBev's operating income and operating expenses, as well as the key cash flow figures.

Million US dollar	2015	%	2014	%
Revenue[1]	**43 604**	**100%**	**47 063**	**100%**
Cost of sales	(17 137)	39%	(18 756)	40%
Gross profit	**26 467**	**61%**	**28 307**	**60%**
Distribution expenses	(4 259)	10%	(4 558)	10%
Sales and marketing expenses	(6 913)	16%	(7 036)	15%
Administrative expenses	(2 560)	6%	(2 791)	6%
Other operating income/(expenses)	1 032	2%	1 386	3%
Normalized profit from operations (Normalized EBIT)	**13 768**	**32%**	**15 308**	**33%**
Non-recurring items	136	–	(197)	–
Profit from operations (EBIT)	**13 904**	**32%**	**15 111**	**32%**
Depreciation, amortization and impairment	**3 153**	**7%**	**3 354**	**7%**
Normalized EBITDA	**16 839**	**39%**	**18 542**	**39%**
EBITDA	**17 057**	**39%**	**18 465**	**39%**
Normalized profit attributable to equity holders of AB InBev	**8 513**	**20%**	**8 865**	**19%**
Profit attributable to equity holders of AB InBev	**8 273**	**19%**	**9 216**	**20%**

[1] Turnover less excise taxes. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to the company's customers.

Million US dollar	2015	2014[1]
Operating activities		
Profit	9 867	11 302
Interest, taxes and non-cash items included in profit	6 859	7 029
Cash flow from operating activities before changes in working capital and use of provisions	**16 726**	**18 331**
Change in working capital	1 786	815
Pension contributions and use of provisions	(449)	(458)
Interest and taxes (paid)/received	(3 964)	(4 574)
Dividends received	22	30
Cash flow from operating activities	**14 121**	**14 144**
Investing activities		
Net capex	(4 337)	(4 122)
Acquisition and sale of subsidiaries, net of cash acquired/disposed of	(918)	(6 700)
Proceeds from the sale of/(investments in) short-term debt securities	169	(187)
Net of tax proceeds from the sale of assets held for sale	397	(65)
Other	(241)	14
Cash flow from investing activities	**(4 930)**	**(11 060)**
Financing activities		
Dividends paid	(7 966)	(7 400)
Net (payments on)/proceeds from borrowings	457	3 223
Net proceeds from the issue of share capital	5	83
Share buyback	(1 000)	–
Other (including net finance (cost)/income other than interest)	(777)	147
Cash flow from financing activities	**(9 281)**	**(3 947)**
Net increase/(decrease) in cash and cash equivalents	**(90)**	**(863)**

Financial Performance

The tables in this management report provide the segment information per zone for the period ended 31 December 2015 and 2014 in the format up to Normalized EBIT level that is used by management to monitor performance. The comments in this management report, unless otherwise indicated, are based on organic and normalized numbers.

Both from an accounting and managerial perspective, AB InBev is organized along seven business segments, which includes the Global Export and Holding business as the seventh segment. OB business is reported in the zone Asia Pacific as from 1 April 2014. The results of OB during the first quarter 2015 have therefore been treated as a positive scope.

The tables below provide a summary of the performance of AB InBev (in million US dollar, except volumes in thousand hectoliters) and the related comments are based on organic numbers.

AB INBEV WORLDWIDE	2014	Scope[2]	Currency translation	Organic growth	2015	Organic growth%
Volumes (thousand hectoliters)	458 801	1 315	–	(2 799)	457 317	(0.6)%
Revenue	47 063	(433)	(5 957)	2 930	43 604	6.3%
Cost of sales	(18 756)	237	2 097	(714)	(17 137)	(3.9)%
Gross profit	28 307	(196)	(3 860)	2 215	26 467	7.9%
Distribution expenses	(4 558)	2	672	(375)	(4 259)	(8.3)%
Sales and marketing expenses	(7 036)	(83)	867	(661)	(6 913)	(9.4)%
Administrative expenses	(2 791)	61	396	(225)	(2 560)	(8.3)%
Other operating income/(expenses)	1 386	(281)	(266)	192	1 032	17.4%
Normalized EBIT	15 308	(496)	(2 190)	1 146	13 768	7.8%
Normalized EBITDA	18 542	(473)	(2 639)	1 409	16 839	7.8%
Normalized EBITDA margin	39.4%				38.6%	55bps

[1] Reclassified to conform to the 2015 presentation.
[2] See Glossary.

In 2015 AB InBev delivered normalized EBITDA growth of 7.8%, while its normalized EBITDA margin increased 55 bps, reaching 38.6%.

Consolidated volumes decreased 0.6%, with own beer volumes essentially flat and non-beer volumes decreasing 4.7%. The company's three global brands, Budweiser, Corona and Stella Artois, grew by 7.3% during 2015. On the same basis, total Focus Brands volumes grew by 0.4%.

Consolidated revenue grew 6.3% to 43 604m US dollar, with revenue per hectoliter increasing 7.0%. On a constant geographic basis (i.e. eliminating the impact of faster growth in countries with lower revenue per hectoliter), revenue per hectoliter increased 7.7%.

Consolidated Cost of Sales (CoS) increased 3.9%, or 4.5% on a per hectoliter basis. On a constant geographic basis, CoS per hectoliter increased 5.2%.

Volumes

The table below summarizes the volume evolution per zone and the related comments are based on organic numbers. Volumes include not only brands that AB InBev owns or licenses, but also third party brands that the company brews as a subcontractor and third party products that it sells through AB InBev's distribution network, particularly in Europe. Volumes sold by the Global Export business are shown separately.

Effective 1 April 2014, AB InBev discontinued the reporting of volumes sold to Constellation Brands under the temporary supply agreement (TSA), since these volumes do not form part of the underlying performance of its business. The first quarter 2014 volumes related to the TSA have therefore been treated as a negative scope.

Thousand hectoliters	2014	Scope	Organic growth	2015	Organic growth%
North America	121 150	(706)	(2 293)	118 151	(1.9)%
Mexico	38 800	–	2 829	41 629	7.3%
Latin America North	125 418	18	(1 968)	123 468	(1.6)%
Latin America South	36 826	(277)	(565)	35 985	(1.5)%
Europe	44 278	(246)	(1 077)	42 955	(2.4)%
Asia Pacific	82 529	5 750	(62)	88 218	(0.1)%
Global Export and Holding Companies	9 800	(3 224)	335	6 911	5.1%
AB InBev Worldwide	**458 801**	**1 315**	**(2 799)**	**457 317**	**(0.6)%**

North America total volumes decreased 1.9%. The company estimates that the United States industry beer sales-to-retailers adjusted for the number of selling days declined by 0.3% in 2015. On the same basis, the company estimates that its shipment volumes in the United States and its beer sales-to-retailers adjusted for the number of selling days declined by 2.2% and 1.7%, respectively. The company estimates that its total market share, based on beer sales-to-retailers adjusted for the number of selling days, declined by approximately 65 bps during 2015 compared to 2014. The performance of Budweiser remained very encouraging throughout the year, driven by successful campaigns emphasizing the brand's quality and heritage credentials. The company estimates that Budweiser sales-to-retailers adjusted for the number of selling days declined by low single digits, with the brand's share of total market down approximately 20 bps in 2015. On the same basis, the company estimates that Bud Light's share of total market was down approximately 40 bps, with some share loss in the premium light segment. The company's portfolio of Above Premium brands performed well during the year, with sales-to-retailers adjusted for the number of selling day up mid-single digits, leading to a gain of approximately 30 bps of total market share, based on the company's estimate.

In Canada, beer volumes increased by low single digits in 2015, on the back of a good industry performance. The company estimates it gained market share.

Mexico total volumes increased 7.3%, driven by a favorable macroeconomic environment, and good performances by Corona, Bud Light and Victoria. The company's Focus Brands, which represent approximately 90% of its total volumes, continue to grow ahead of the total portfolio, increasing by 9.0% during 2015. The company estimates that beer continues to gain share of total alcohol in Mexico, with good volume growth in all regions of the country. The company estimates that its market share was marginally up in 2015, reaching a level of just over 58%, driven by the strong performance of its Focus Brands.

Latin America North volumes decreased 1.6%, with beer volumes and soft drinks decreasing 0.9% and 3.6%, respectively. In Brazil, beer volumes and soft drinks decreased by 1.8% and 5.2%, respectively. These results were delivered despite a very challenging macroeconomic environment, a difficult FIFA World Cup comparable and unfavorable weather in the fourth quarter 2015. The company estimates that the volumes of its premium and near beer brands, which now account for almost 10% of the company's total beer volumes, delivered good growth, led by Budweiser, Stella Artois, Corona, Original and Skol Beats Senses. The company estimates that its total beer market share, according to Nielsen, was 67.5% in 2015.

Latin America South total volumes decreased 1.5%, with beer volumes increasing 1.5% and non-beer volumes decreasing 6.7%. The company's beer volumes in Argentina increased by low single digits, as a result of growth in the company's premium and super-premium brands, Stella Artois and Corona, as well as a good performance by MixxTail.

Europe own beer volumes declined 2.2%, while total volumes declined 2.4%, mainly driven by a weak beer industry in Russia and Ukraine. On the same basis, the company's beer volumes declined by low-single digits in Belgium and Germany mainly due to a difficult FIFA World Cup comparable. In the United Kingdom, the company's own products volumes grew by mid-single digits, driven by strong performance from the company's Stella Artois and Corona activations. The company estimates it gained market share in the majority of its markets, driven by organic growth from the company's Focus Brands, especially in France, Italy and the Netherlands.

Asia Pacific volumes decreased by 0.1%. In China, the company estimates that the total industry volumes declined by approximately 6.0% in 2015, mainly driven by continuing economic headwinds, with most of the impact being felt in the value and core segments. The company's own beer volumes grew by 0.4% and the company estimates it gained approximately 100 bps market share in 2015, reaching 18.6%, driven by the company's commercial strategy of growing the premium and super premium brands nationally, and increasing distribution in the growth channels. The combined volumes of the company's Core+, Premium and Super Premium Brands grew double digits in the year, and now represent more than 50% of the company's total China volume.

The acquisition of OB closed on 1 April 2014. Year-over-year, for the period OB was consolidated, the company's beer volumes in South Korea were down mid-single digits, due to an estimated market share loss in a very competitive environment.

Operating Activities by Zone

The tables below provide a summary of the performance of each geographical zone (in million US dollar, except volumes in thousand hectoliters) and the related comments are based on organic numbers.

AB INBEV WORLDWIDE	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	458 801	1 315	–	(2 799)	457 317	(0.6)%
Revenue	47 063	(433)	(5 957)	2 930	43 604	6.3%
Cost of sales	(18 756)	237	2 097	(714)	(17 137)	(3.9)%
Gross profit	28 307	(196)	(3 860)	2 215	26 467	7.9%
Distribution expenses	(4 558)	2	672	(375)	(4 259)	(8.3)%
Sales and marketing expenses	(7 036)	(83)	867	(661)	(6 913)	(9.4)%
Administrative expenses	(2 791)	61	396	(225)	(2 560)	(8.3)%
Other operating income/(expenses)	1 386	(281)	(266)	192	1 032	17.4%
Normalized EBIT	15 308	(496)	(2 190)	1 146	13 768	7.8%
Normalized EBITDA	18 542	(473)	(2 639)	1 409	16 839	7.8%
Normalized EBITDA margin	39.4%				38.6%	55 bps

NORTH AMERICA	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	121 150	(706)	–	(2 293)	118 151	(1.9)%
Revenue	16 093	(193)	(276)	(22)	15 603	(0.1)%
Cost of sales	(6 391)	164	64	42	(6 122)	0.7%
Gross profit	9 702	(29)	(212)	20	9 481	0.2%
Distribution expenses	(1 324)	(2)	51	(42)	(1 317)	(3.2)%
Sales and marketing expenses	(2 136)	(4)	37	(190)	(2 293)	(8.9)%
Administrative expenses	(473)	(8)	11	(33)	(503)	(7.0)%
Other operating income/(expenses)	299	(266)	–	18	50	54.0%
Normalized EBIT	6 068	(310)	(113)	(228)	5 418	(4.0)%
Normalized EBITDA	6 820	(309)	(122)	(218)	6 172	(3.3)%
Normalized EBITDA margin	42.4%				39.6%	(132) bps

MEXICO	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	38 800	–	–	2 829	41 629	7.3%
Revenue	4 619	(387)	(749)	468	3 951	11.1%
Cost of sales	(1 374)	176	197	(33)	(1 034)	(2.8)%
Gross profit	3 245	(211)	(552)	435	2 917	14.3%
Distribution expenses	(453)	25	76	(51)	(403)	(12.0)%
Sales and marketing expenses	(808)	30	136	(78)	(720)	(10.0)%
Administrative expenses	(430)	16	66	1	(347)	0.3%
Other operating income/(expenses)	237	(20)	(42)	47	222	21.8%
Normalized EBIT	1 791	(160)	(316)	355	1 670	21.8%
Normalized EBITDA	2 186	(168)	(380)	368	2 007	18.2%
Normalized EBITDA margin	47.3%				50.8%	308 bps

LATIN AMERICA NORTH	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	125 418	18	–	(1 968)	123 468	(1.6)%
Revenue	11 269	1	(3 157)	984	9 096	8.7%
Cost of sales	(3 741)	(1)	1 007	(298)	(3 032)	(8.0)%
Gross profit	7 528	–	(2 150)	686	6 064	9.1%
Distribution expenses	(1 404)	–	402	(135)	(1 137)	(9.6)%
Sales and marketing expenses	(1 253)	–	336	(63)	(980)	(5.0)%
Administrative expenses	(581)	–	170	(72)	(483)	(12.4)%
Other operating income/(expenses)	689	–	(216)	84	557	12.1%
Normalized EBIT	4 979	–	(1 458)	500	4 020	10.0%
Normalized EBITDA	5 742	–	(1 690)	657	4 709	11.5%
Normalized EBITDA margin	51.0%	–			51.8%	127 bps

LATIN AMERICA SOUTH	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	36 826	(277)	-	(565)	35 985	(1.5)%
Revenue	2 961	32	(385)	849	3 458	28.4%
Cost of sales	(1 081)	(4)	144	(291)	(1 232)	(26.9)%
Gross profit	1 881	27	(240)	558	2 227	29.3%
Distribution expenses	(290)	6	41	(83)	(327)	(29.4)%
Sales and marketing expenses	(315)	(1)	48	(127)	(394)	(40.7)%
Administrative expenses	(106)	1	15	(39)	(129)	(37.3)%
Other operating income/(expenses)	5	7	(2)	6	16	55.5%
Normalized EBIT	1 175	40	(138)	315	1 392	25.9%
Normalized EBITDA	1 352	40	(160)	356	1 588	25.6%
Normalized EBITDA margin	45.6%				45.9%	(101) bps

EUROPE	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	44 278	(246)	–	(1 077)	42 955	(2.4)%
Revenue	4 865	(45)	(1 032)	224	4 012	4.6%
Cost of sales	(2 081)	10	461	(57)	(1 667)	(2.7)%
Gross profit	2 784	(35)	(572)	167	2 345	6.1%
Distribution expenses	(477)	(2)	107	(35)	(407)	(7.4)%
Sales and marketing expenses	(1 067)	(1)	238	(58)	(888)	(5.4)%
Administrative expenses	(362)	–	85	(44)	(321)	(12.1)%
Other operating income/(expenses)	28	–	(1)	(8)	19	(27.5)%
Normalized EBIT	906	(38)	(143)	22	748	2.5%
Normalized EBITDA	1 343	(37)	(239)	23	1 090	1.8%
Normalized EBITDA margin	27.6%				27.2%	(74) bps

ASIA PACIFIC	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	82 529	5 750	–	(62)	88 218	(0.1)%
Revenue	5 040	305	(145)	355	5 555	7.1%
Cost of sales	(2 552)	(172)	67	(100)	(2 758)	(3.9)%
Gross profit	2 489	133	(79)	255	2 797	10.5%
Distribution expenses	(434)	(33)	13	(10)	(464)	(2.3)%
Sales and marketing expenses	(1 227)	(109)	33	(95)	(1 399)	(7.8)%
Administrative expenses	(400)	52	7	9	(332)	2.7%
Other operating income/(expenses)	90	4	(2)	48	140	53.4%
Normalized EBIT	517	47	(28)	207	742	39.6%
Normalized EBITDA	1 067	77	(40)	244	1 349	22.8%
Normalized EBITDA margin	21.2%				24.3%	315 bps

GLOBAL EXPORT AND HOLDING COMPANIES	2014	Scope	Currency translation	Organic growth	2015	Organic growth %
Volumes	9 800	(3 224)	–	335	6 911	5.1%
Revenue	2 216	(146)	(212)	72	1 929	3.5%
Cost of sales	(1 538)	64	158	22	(1 294)	1.5%
Gross profit	678	(82)	(55)	94	635	15.7%
Distribution expenses	(175)	9	(18)	(17)	(202)	(10.3)%
Sales and marketing expenses	(230)	3	39	(51)	(238)	(22.4)%
Administrative expenses	(440)	-	42	(48)	(445)	(10.9)%
Other operating income/(expenses)	39	(6)	(3)	(3)	27	(7.7)%
Normalized EBIT	(128)	(75)	5	(25)	(223)	(12.1)%
Normalized EBITDA	33	(75)	(10)	(23)	(75)	(52.6)%

Revenue

Consolidated revenue grew 6.3% to 43 604m US dollar with revenue per hectoliter increasing 7.0%. On a constant geographic basis (i.e. eliminating the impact of faster growth in countries with lower revenue per hectoliter), revenue per hectoliter increased 7.7%, driven by revenue management initiatives and brand mix, as the company continues to implement its premiumization strategies. Revenues of the company's three global brands grew by 12.6% in 2015. 2015 global revenues for Budweiser grew by 7.6%, while Stella Artois revenues grew by 12.5%, and Corona revenues increased by 23.0%.

Cost of Sales

Cost of Sales (CoS) increased 3.9% or 4.5% on a per hectoliter basis. The increase was driven primarily by unfavorable foreign exchange transactional impacts, higher depreciation from recent investments and product mix. These increases were partly offset by procurement savings and the synergies delivered in Mexico. On a constant geographic basis, cost of sales per hectoliter increased by 5.2%.

Operating Expenses

Total operating expenses increased 8.1% in 2015:

- **Distribution expenses** increased 8.3% in 2015, driven mainly by increased own distribution in Brazil, which is more than offset by the increase in net revenues; the growth of the company's premium and near beer brands; and inflationary increases in Latin America South.
- **Sales and marketing expenses** increased 9.4% in 2015 with increased support behind the long term growth of the company's brands, innovations and sales activations.
- **Administrative expenses** increased by 8.3% mainly due to variable compensation accruals.
- **Other operating income** was 1 032m US dollar in 2015 compared to 1 386m US dollar in 2014, or 17.4% increase on an organic basis. In 2014, other operating income included a one-time positive accounting adjustment of 223m US dollar, following an actuarial reassessment of future liabilities under the company's post-retirement healthcare benefit plans in the United States. This adjustment was reported in the results of North America in 2014, as a positive scope change in other operating income, and therefore excluded from organic growth. Accordingly, a negative scope change of the same amount has been reported in 2015.

Normalized Profit from Operations before Depreciation and Amortization (Normalized EBITDA)

Normalized EBITDA decreased by 9.2% in nominal terms and increased 7.8% organically to 16 839 US dollar, with an EBITDA margin of 38.6%, and an organic growth of 55 bps.

- North America EBITDA decreased 3.3% to 6 172m US dollar, with a margin contraction of 132 bps to 39.6%, as the company continues to invest behind its brands and proven market programs for the long term.
- Mexico EBITDA grew by 18.2% to 2 007m US dollar, with an EBITDA margin enhancement of 308 bps to 50.8%, driven by the strong top-line growth and the delivery of cost synergies. This was partly offset by increased sales and marketing investments to drive the company's brands, higher cost of sales related to the import of Bud Light from the United States in order to meet increased demand, and unfavorable foreign exchange transactional impacts.
- Latin America North EBITDA grew by 11.5% to 4 709m US dollar, with margin expansion of 127 bps to 51.8%, driven by solid top-line growth in Brazil, productivity improvements and favorable commodity hedges benefitting cost of sales, and efficiencies in sales and marketing investments, partially offset by inflation, unfavorable foreign exchange transactional impacts and higher distribution costs mainly due to an increase in own distribution.
- Latin America South EBITDA grew 25.6% to 1 588m US dollar, with margin contraction of 101 bps to 45.9%, driven by revenue growth partially offset by high cost inflation.
- Europe EBITDA increased 1.8% to 1 090m US dollar with margin contraction of 74 bps to 27.2%, due to top-line growth in Western Europe, partially offset by a weak beer industry in Ukraine and Russia.
- Asia Pacific EBITDA grew 22.8% to 1 349m US dollar with margin growth of 315 bps to 24.3%. This result was driven by strong top-line growth and operational efficiencies in China, as well as a one-time gain reported in the fourth quarter 2015.
- Global Export and Holding Companies reported EBITDA of (75)m US dollar in 2015 (2014: 33m US dollar).

Reconciliation between Normalized EBITDA and Profit Attributable to Equity Holders

Normalized EBITDA and EBIT are measures utilized by AB InBev to demonstrate the company's underlying performance.

Normalized EBITDA is calculated excluding the following effects from profit attributable to equity holders of AB InBev: (i) Non-controlling interest, (ii) Income tax expense, (iii) Share of results of associates, (iv) Net finance cost, (v) Non-recurring net finance cost, (vi) Non-recurring items above EBIT (including non-recurring impairment) and (vii) Depreciation, amortization and impairment.

Normalized EBITDA and EBIT are not accounting measures under IFRS accounting and should not be considered as an alternative to Profit attributable to equity holders as a measure of operational performance or as an alternative to cash flow as a measure of liquidity. Normalized EBITDA and EBIT do not have a standard calculation method and AB InBev's definition of normalized EBITDA and EBIT may not be comparable to that of other companies.

Million US dollar	Notes	2015	2014
Profit attributable to equity holders of AB InBev		**8 273**	**9 216**
Non-controlling interest		1 594	2 086
Profit		**9 867**	**11 302**
Income tax expense	12	2 594	2 499
Share of result of associates		(10)	(9)
Non-recurring net finance cost/(income)	11	214	(509)
Net finance cost	11	1 239	1 828
Non-recurring items above EBIT (including non-recurring impairment)	8	(136)	197
Normalized EBIT		**13 768**	**15 308**
Depreciation, amortization and impairment		3 071	3 234
Normalized EBITDA		**16 839**	**18 542**

Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature. Details on the nature of the non-recurring items are disclosed in Note 8 *Non-recurring items*.

Impact of Foreign Currencies

Foreign currency exchange rates have a significant impact on AB InBev's financial statements. The following table sets forth the percentage of its revenue realized by currency for the years ended 31 December 2015 and 2014:

	2015	2014
US dollar	34.0%	32.4%
Brazilian real	18.5%	22.1%
Mexican peso	11.1%	11.9%
Chinese yuan	9.6%	8.2%
Euro	6.0%	6.6%
Argentinean peso	4.8%	3.6%
Canadian dollar	4.1%	4.2%
South Korean won	3.0%	2.4%
Russian ruble	1.2%	1.7%
Other	7.7%	6.9%

The following table sets forth the percentage of its normalized EBITDA realized by currency for the periods ended 31 December 2015 and 2014:

	2015	2014
US dollar	32.2%	33.0%
Brazilian real	25.8%	29.5%
Mexican peso	13.4%	13.6%
Chinese yuan	5.7%	3.9%
Argentinean peso	5.5%	4.1%
Canadian dollar	4.2%	4.3%
Euro	3.2%	3.2%
South Korean won	2.6%	2.0%
Russian ruble	0.5%	0.5%
Other	6.9%	5.9%

In 2015, the fluctuation of the foreign currency rates had a negative translation impact of (5 957)m US dollar on AB InBev's revenue (2014: negative impact of (2 307)m US dollar), of (2 639)m US dollar on its normalized EBITDA (2014: negative impact of (1 039)m US dollar) and of (2 190)m US dollar on its normalized EBIT (2014: negative impact of (882)m US dollar).

AB InBev's profit (after tax) has been negatively affected by the fluctuation of foreign currencies for (1 492)m US dollar (2014: negative impact of (534)m US dollar), while the negative translation impact on its EPS base (profit attributable to equity holders of AB InBev) was (1 109)m US dollar or (0.68) US dollar per share (2014: negative impact of (316)m US dollar or (0.19) US dollar per share).

The impact of the fluctuation of the foreign currencies on AB InBev's net debt amounted to (1 100)m US dollar (decrease of net debt) in 2015, as compared to an impact of (447)m US dollar (decrease of net debt) in 2014. The impact of the fluctuation of the foreign currencies on the equity attributable to the equity holders of AB InBev amounted to (6 157)m US dollar (decrease of equity), as compared to an impact of (4 374)m US dollar (decrease of equity) in 2014 on a reported basis.

Profit

Normalized profit attributable to equity holders of AB InBev was 8 513m US dollar (normalized EPS 5.20 US dollar) in 2015, compared to 8 865m US dollar (normalized EPS 5.43 US dollar) in 2014 (see Note 21 *Changes in equity and earnings per share* for more details). Profit attributable to equity holders of AB InBev for 2015 was 8 273m US dollar, compared to 9 216m US dollar for 2014 and includes the following impacts:

- *Net finance costs (excluding non-recurring net finance items):* 1 239m US dollar in 2015 compared to 1 828m US dollar in 2014. The decrease is driven primarily by lower net interest expenses and positive other financial results, mainly due to net foreign exchange gains on US dollar cash held in Mexico and a positive mark-to-market adjustment of 844m US dollar linked to the hedging of the company's share-based payment programs. Net finance cost in 2014 includes a positive mark-to-market adjustment of 711m US dollar.
- *Non-recurring net finance income/(cost):* (214)m US dollar in 2015 compared to 509m US dollar in 2014. Non-recurring net finance cost in 2015 includes a negative mark-to-market adjustment of 688m US dollar related to the portion of the hedging of the purchase price of the proposed combination with SABMiller that does not qualify for hedge accounting under IFRS rules. This is partly offset by a favorable mark-to-market adjustment of 511m US dollar on derivative instruments entered into to hedge the deferred share instrument issued in a transaction related to the combination with Grupo Modelo.

- *Income tax expense:* 2 594m US dollar with an effective tax rate of 20.8% for 2015 compares with 2 499m US dollar with an effective tax rate of 18.1% in 2014. The increase in the effective tax mainly results from losses from certain derivatives entered into in relation to the proposed combination with SABMiller that could not qualify for hedge accounting under IFRS rules - see Note 27 *Risks arising from financial instruments,* as well as unfavorable outcome of tax claims and uncertain tax positions. Changes in country profit mix are also impacting the effective tax rate.
- *Profit attributable to non-controlling interest:* 1 594m US dollar in 2015, a decrease from 2 086m US dollar in 2014, with an improved operating performance of Ambev being offset by currency translation effects.

Liquidity Position and Capital Resources

Cash Flows

Million US dollar	2015	2014
Cash flow from operating activities	14 121	14 144
Cash flow from investing activities	(4 930)	(11 060)
Cash flow from financing activities	(9 281)	(3 947)
Net increase/(decrease) in cash and cash equivalents	**(90)**	**(863)**

Cash flows from operating activities

Million US dollar	2015	2014
Profit	9 867	11 302
Interest, taxes and non-cash items included in profit	6 859	7 029
Cash flow from operating activities before changes in working capital and use of provisions	**16 726**	**18 331**
Change in working capital	1 786	815
Pension contributions and use of provisions	(449)	(458)
Interest and taxes (paid)/received	(3 964)	(4 574)
Dividends received	22	30
Cash flow from operating activities	**14 121**	**14 144**

AB InBev's cash flow from operating activities reached 14 121m US dollar in 2015 compared to 14 144m US dollar in 2014, manly explained by unfavorable foreign exchange translational impacts, partly offset by strong working capital management and increases of trade payables at year end, related to the timing of the company's capital expenditures, these payables having on average longer payment terms.

Cash flow from investing activities

Million US dollar	2015	2014[1]
Net capex	(4 337)	(4 122)
Acquisition and sale of subsidiaries, net of cash acquired/disposed of	(918)	(6 700)
Proceeds from the sale of/(investments in) short-term debt securities	169	(187)
Net of tax proceeds from the sale of assets held for sale	397	(65)
Other	(241)	14
Cash flow from investing activities	**(4 930)**	**(11 060)**

Net cash used in investing activities was 4 930m US dollar in 2015 as compared to 11 060m US dollar in 2014. In 2014, cash outflow from investing activities mainly reflects the acquisition of OB.

AB InBev's net capital expenditures amounted to 4 337m US dollar in 2015 and 4 122m US dollar in 2014. Out of the total capital expenditures of 2015 approximately 52% was used to improve the company's production facilities while 36% was used for logistics and commercial investments. Approximately 12% was used for improving administrative capabilities and purchase of hardware and software.

[1] Reclassified to conform to the 2015 presentation.

Cash flow from financing activities

Million US dollar	2015	2014[1]
Dividends paid	(7 966)	(7 400)
Net (payments on)/proceeds from borrowings	457	3 223
Net proceeds from the issue of share capital	5	83
Share buyback	(1 000)	–
Other (including net finance (cost)/income other than interest)	(777)	147
Cash flow from financing activities	**(9 281)**	**(3 947)**

The cash outflow from AB InBev's financing activities amounted to 9 281m US dollar in 2015, as compared to a cash outflow of 3 947m US dollar in 2014. The cash outflow from financing activities in 2015 reflects the 1.0 billion US dollar share buyback program completed on 22 June 2015, and higher dividends paid.

In connection with the proposed combination with SABMiller, AB InBev entered into a 75.0 billion US dollar Committed Senior Facilities agreement dated 28 October 2015. The new financing consists of a 10.0 billion US dollar Disposal Bridge Facility, a 15.0 billion US dollar Cash/DCM Bridge Facility A, a 15.0 billion US dollar Cash/DCM Bridge Facility B, a 25.0 billion US dollar Term Facility A, and a 10.0 billion US dollar Term Facility B, ("2015 Committed Senior Acquisition Facilities Agreement"). As of 31 December 2015, all facilities remain undrawn. On 27 January 2016, AB InBev announced that it had cancelled 42.5 billion US dollar of its 75.0 billion US dollar Committed Senior Acquisition Facilities following approximately 47 billion US dollar of capital markets issuances in January 2016. See also Note 22 *Interest-bearing loans and borrowings*.

AB InBev's cash, cash equivalents and short-term investments in debt securities less bank overdrafts as of 31 December 2015 amounted to 6 965m US dollar. As of 31 December 2015, the company had total liquidity of 15 965m US dollar, which consisted of 9.0 billion US dollar available under committed long-term credit facilities and 6 965m US dollar of cash, cash equivalents and short-term investments in debt securities less bank overdrafts. Although the company may borrow such amounts to meet its liquidity needs, the company principally relies on cash flows from operating activities to fund the company's continuing operation.

Capital Resources and Equity

AB InBev's net debt increased to 42.2 billion US dollar as of 31 December 2015, from 42.1 billion US dollar as of 31 December 2014.

Net debt is defined as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by AB InBev's management to highlight changes in the company's overall liquidity position. The company believes that net debt is meaningful for investors as it is one of the primary measures AB InBev's management uses when evaluating its progress towards deleveraging.

Apart from operating results net of capital expenditures, the net debt is mainly impacted by share buyback (1.0 billion US dollar), dividend payments to shareholders of AB InBev and Ambev (8.0 billion US dollar), the payment of interests and taxes (4.0 billion US dollar) and the impact of changes in foreign exchange rates (1.1 billion US dollar decrease of net debt).

Net debt to normalized EBITDA increased from 2.27x for the 12-month period ending 31 December 2014 to 2.51x on a reported basis for the 12-month period ending 31 December 2015.

Consolidated equity attributable to equity holders of AB InBev as at 31 December 2015 was 42 137m US dollar, compared to 49 972m US dollar as at 31 December 2014. The combined effect of the weakening of mainly the closing rates of the Argentinean peso, the Brazilian real, the Canadian dollar, the Chinese yuan, the euro, the Mexican peso, the pound sterling, the Russian ruble and the South Korean won resulted in a foreign exchange translation adjustment of (6 157)m US dollar. Further details on equity movements can be found in the consolidated statement of changes in equity.

Further details on interest-bearing loans and borrowings, repayment schedules and liquidity risk, are disclosed in Note 22 *Interest-bearing loans and borrowings* and Note 27 *Risks arising from financial instruments*.

As of 31 December 2015, the company's credit rating from Standard & Poor's was A- for long-term obligations and A-2 for short-term obligations, with a stable outlook, and the company's credit rating from Moody's Investors Service was A2 for long-term obligations and P-1 for short-term obligations, and was under review for downgrade.

[1] Reclassified to conform to the 2015 presentation.

Research and Development

Given its focus on innovation, AB InBev places a high value on research and development. In 2015, AB InBev spent 207m US dollar in research and development (2014: 217m US dollar). Part of this was spent in the area of market research, but the majority is related to innovation in the areas of process optimization and product development.

Research and development in product innovation covers liquid, packaging and draft innovation. Product innovation consists of breakthrough innovation, incremental innovation and renovation. The main goal for the innovation process is to provide consumers with better products and experiences. This implies launching new liquid, new packaging and new draught products that deliver better performance both for the consumer and in terms of top-line results, by increasing AB InBev's competitiveness in the relevant markets. With consumers comparing products and experiences offered across very different drink categories and the offering of beverages increasing, AB InBev's research and development efforts also require an understanding of the strengths and weaknesses of other beverage categories, spotting opportunities for beer and developing consumer solutions (products) that better address consumer need and deliver better experience. This requires understanding consumer emotions and expectations. Sensory experience, premiumization, convenience, sustainability and design are all central to AB InBev's research and development efforts.

Research and development in process optimization is primarily aimed at quality improvement, capacity increase (plant debottlenecking and addressing volume issues, while minimizing capital expenditure) and improving efficiency. Newly developed processes, materials and/or equipment are documented in best practices and shared across business zones. Current projects range from malting to bottling of finished products.

Knowledge management and learning is also an integral part of research and development. AB InBev seeks to continuously increase its knowledge through collaborations with universities and other industries.

AB InBev's research and development team is briefed annually on the company's and the business zones' priorities and approves concepts which are subsequently prioritized for development. The research & development teams invest in both short and long-term strategic projects for future growth, with the launch time depending on complexity and prioritization. Launch time usually falls within the next calendar year.

The Global Innovation and Technology Center ("GITeC"), located in Leuven, accommodates the Packaging, Product, Process Development teams and facilities such as Labs, Experimental Brewery and the European Central Lab, which also includes Sensory Analysis. In addition to GITeC, AB InBev also has Product, Packaging and Process development teams located in each of the six AB InBev geographic regions focusing on the short-term needs of such regions.

Risks and Uncertainties

Under the explicit understanding that this is not an exhaustive list, AB InBev's major risk factors and uncertainties are listed below. There may be additional risks which AB InBev is unaware of. There may also be risks AB InBev now believes to be immaterial, but which could turn out to have a material adverse effect. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks which would compound the adverse effect of such risks. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or of the potential magnitude of their financial consequence.

Risks relating to AB InBev and the Beer and Beverage Industry

AB InBev relies on the reputation of its brands and its success depends on its ability to maintain and enhance the image and reputation of its existing products and to develop a favorable image and reputation for new products. An event, or series of events, that materially damages the reputation of one or more of AB InBev's brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Further, any restrictions on the permissible advertising style, media and messages used may constrain AB InBev's brand building potential and thus reduce the value of its brands and related revenues.

AB InBev may not be able to protect its current and future brands and products and defend its intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how, which could have a material adverse effect on its business, results of operations, cash flows or financial condition, and in particular, on AB InBev's ability to develop its business.

Certain of AB InBev's operations depend on independent distributors' or wholesalers' efforts to sell AB InBev's products and there can be no assurance that such distributors will not give priority to AB InBev's competitors. Further, any inability of AB InBev to replace unproductive or inefficient distributors or any limitations imposed on AB InBev to purchase or own any interest in distributors or wholesalers as a result of contractual restrictions, regulatory changes, changes in legislation or the interpretations of legislation by regulators or courts could adversely impact AB InBev's business, results of operations and financial condition.

Changes in the availability or price of raw materials, commodities, energy and water could have an adverse effect on AB InBev's results of operations to the extent that AB InBev fails to adequately manage the risks inherent in such volatility, including if AB InBev's hedging and derivative arrangements do not effectively or completely hedge changes in commodity prices.

AB InBev relies on key third parties, including key suppliers, for a range of raw materials for beer, alcoholic beverages and soft drinks, and for packaging material. The termination of or material change to arrangements with certain key suppliers or the failure of a key supplier to meet its contractual obligations could have a material impact on AB InBev's production, distribution and sale of beer, alcoholic beverages and soft drinks and have a material adverse effect on AB InBev's business, results of operations, cash flows or financial condition. In addition, a number of key brand names are both licensed to third-party brewers and used by companies over which AB InBev does not have control. Although AB InBev monitors brewing quality to ensure its high standards, to the extent that one of these key brand names or joint ventures, investments in companies in which AB InBev does not own a controlling interest and AB InBev's licensees are subject to negative publicity, it could have a material adverse effect on AB InBev's business, results of operations, cash flows or financial condition.

Competition in its various markets and increased purchasing power of players in AB InBev's distribution channels could cause AB InBev to reduce prices of its products, increase capital investment, increase marketing and other expenditures or prevent AB InBev from increasing prices to recover higher cost and thereby cause AB InBev to reduce margins or lose market share. Any dilution of AB InBev's brands as a result of competitive trends could also lead to a significant erosion of AB InBev's profitability. Any of the foregoing could have a material adverse effect on AB InBev's business, financial condition and results of operations. Also, innovation faces inherent risks, and the new products AB InBev introduces may not be successful, while competitors may be able to respond more quickly to the emerging trends, such as the increasing consumer preference for "craft beers" produced by smaller microbreweries.

The continued consolidation of retailers in markets in which AB InBev operates could result in reduced profitability for the beer industry as a whole and indirectly adversely affect AB InBev's financial results.

AB InBev could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern AB InBev's operations or the operations of its licensed third parties. Also, public concern about beer, alcoholic beverages and soft drink consumption and any resulting restrictions may cause the social acceptability of beer, alcoholic beverages and soft drinks to decline significantly and consumption trends to shift away from these products, which would have a material adverse effect on AB InBev's business, financial condition and results of operations.

AB InBev's operations are subject to environmental regulations, which could expose it to significant compliance costs and litigation relating to environmental issues.

Antitrust and competition laws and changes in such laws or in the interpretation and enforcement thereof, as well as being subject to regulatory scrutiny, could affect AB InBev's business or the businesses of its subsidiaries.

In recent years, there has been increased public and political attention directed at the alcoholic beverage and food and soft drinks industries, as a result of health care concerns related to the harmful use of alcohol (including drunk driving, drinking while pregnant and excessive, abusive and underage drinking) and to health concerns such as diabetes and obesity related to the overconsumption of food and soft drinks. Negative publicity regarding AB InBev's products and brands, publication of studies indicating a significant risk in using AB InBev's products or changes in consumer perceptions in relation to AB InBev's products generally could adversely affect the sale and consumption of AB InBev's products and could harm its business, results of operations, cash flows or financial condition.

Demand for AB InBev's products may be adversely affected by changes in consumer preferences and tastes. Consumer preferences and tastes can change in unpredictable ways. Failure by AB InBev to anticipate or respond adequately to changes in consumer preferences and tastes or to developments in new forms of media and marketing could adversely impact AB InBev's business, results of operations and financial condition.

The beer and beverage industry may be subject to adverse changes in taxation, which makes up a large proportion of the cost of beer charged to consumers in many jurisdictions. Increases in excise and other indirect taxes applicable to AB InBev's products tend to adversely affect AB InBev's revenue or margins, both by reducing overall consumption and by encouraging consumers to switch to other categories of beverages. Minimum pricing is another form of fiscal regulation that can affect AB InBev's profitability. Furthermore, AB InBev may be subject to increased taxation on its operations by national, local or foreign authorities, to higher corporate income tax rates or to new or modified taxation regulations and requirements. For example, the work being carried out by the Organisation for Economic Co-operation and Development on base erosion and profit shifting or ongoing initiatives at the European Union level as a response to increasing globalization of trade and business operations could result in changes in tax treaties, the introduction of new legislation, updates to existing legislation, or changes to regulatory interpretations of existing legislation, any of which could impose additional taxes on businesses . An increase in excise taxes or other taxes could adversely affect the financial results of AB InBev as well as its results of operations.

Seasonal consumption cycles and adverse weather conditions in the markets in which AB InBev operates may result in fluctuations in demand for AB InBev's products and therefore may have an adverse impact on AB InBev's business, results of operations and financial condition.

Climate change, or legal, regulatory or market measures to address climate change, could have a long-term, material adverse impact on AB InBev's business and results of operations. Further, water scarcity or poor water quality may affect AB InBev by increasing production costs and capacity constraints, which could adversely affect AB InBev's business and results of operations. Additionally, AB InBev's inability to meet its compliance obligations under EU emissions trading regulations may also have an adverse impact on AB InBev's business and results of operations.

A substantial portion of AB InBev's operations are carried out in developing European, Asian and Latin American markets. AB InBev's operations and equity investments in these markets are subject to the customary risks of operating in developing countries, which include, amongst others, political instability or insurrection, external interference, changes in government policy, political and economic changes, changes in the relations between the countries, actions of governmental authorities affecting trade and foreign investment, regulations on repatriation of funds, interpretation and application of local laws and regulations, enforceability of intellectual property and contract rights, local labor conditions and regulations, potential political and economic uncertainty, application of exchange controls, nationalization or expropriation, crime and lack of law enforcement as well as financial risks, which include risk of liquidity, inflation, devaluation, price volatility, currency convertibility and country default. Such developing market risks could adversely impact AB InBev's business, results of operations and financial condition.

Economic and political events in Argentina may adversely affect the company's Argentinean operations. The political instability, fluctuations in the economy, governmental actions concerning the economy of Argentina, the devaluation of the Argentine peso, inflation and deteriorating macroeconomic conditions in Argentina could have, and may continue to have, a material adverse effect on AB InBev's Latin America South operations, financial condition and results. During recent years, the Argentine government has increased its direct intervention in the Argentinean economy, including its establishment of currency controls in an effort to strengthen the value of the Argentine peso. However, on 16 December 2015, the Argentine government announced that it is lifting these currency controls, which may lead to unpredictable consequences for the value of the Argentine peso, including its possible devaluation. If the economic or political situation in Argentina shifts, AB InBev Latin America South operations may be subject to additional restrictions under new Argentinean foreign exchange, export repatriation or expropriation regimes that could adversely affect AB InBev's liquidity and operations, and its ability to access funds from Argentina.

Political events in Ukraine and related sanctions adopted by the European Union and the United States targeting Russia and Crimea may adversely affect AB InBev's operations in Ukraine, Russia and elsewhere in the region. AB InBev owns and operates beer production facilities in Ukraine and Russia. Continued political instability, civil strife, deteriorating macroeconomic conditions, the devaluation of the Russian ruble, the devaluation of the Ukrainian hryvnia and actual or threatened military action in the region could have a material adverse effect on AB InBev's operations in the region and on the results of operations of AB InBev's Europe segment, and may result in impairment charges on goodwill or other intangible assets.

If any of AB InBev's products is defective or found to contain contaminants, AB InBev may be subject to product recalls or other liabilities. Although AB InBev maintains insurance policies against certain product liability (but not product recall) risks, it may not be able to enforce its rights in respect of these policies and any amounts it recovers may not be sufficient to offset any damage it may suffer, which could adversely impact its business, reputation, prospects, results of operations and financial condition.

AB InBev may not be able to obtain the necessary funding for its future capital or refinancing needs and may face financial risks due to its level of debt and uncertain market conditions. AB InBev may be required to raise additional funds for AB InBev's future capital needs or refinance its current indebtedness through public or private financing, strategic relationships or other arrangements and there can be no assurance that the funding, if needed, will be available on attractive terms, or at all. AB InBev has incurred substantial indebtedness by entering into several senior credit facilities and accessing the bond markets from time to time based on its financial needs. The portion of AB InBev's consolidated balance sheet represented by debt will remain significantly higher as compared to its historical position. AB InBev's increased level of debt could have significant adverse consequences on AB InBev, including (i) increasing its vulnerability to general adverse economic and industry conditions, (ii) limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which AB InBev operates; (iii) impairing its ability to obtain additional financing in the future, (iv) requiring AB InBev to issue additional equity (potentially under unfavorable market conditions), and (v) placing AB InBev at a competitive disadvantage compared to its competitors that have less debt. AB InBev's ability to repay and renegotiate its outstanding indebtedness will be dependent upon market conditions. Unfavorable conditions, including recent significant price volatility and liquidity disruptions in the global credit markets, as well as downward pressure on credit capacity for certain issuers without regard to those issuers' underlying financial strength, could increase costs beyond what is currently anticipated. Such costs could have a material adverse impact on AB InBev's cash flows, results of operations or both. Further, AB InBev may restrict the amount of dividends it will pay as a result of AB InBev's level of debt and its strategy to give priority to deleveraging. Also, a credit rating downgrade could have a material adverse effect on AB InBev's ability to finance its ongoing operations or to refinance its existing indebtedness. In addition, a failure of AB InBev to refinance all or a substantial amount of its debt obligations when they become due, or more generally a failure to raise additional equity capital or debt financing or to realize proceeds from asset sales when needed, would have a material adverse effect on its financial condition and results of operations.

AB InBev's results could be negatively affected by increasing interest rates. Although AB InBev enters into interest rate swap agreements to manage its interest rate risk and also enters into cross-currency interest rate swap agreements to manage both its foreign currency risk and interest-rate risk on interest-bearing financial liabilities, there can be no assurance that such instruments will be successful in reducing the risks inherent in exposures to interest rate fluctuations.

AB InBev's results of operations are affected by fluctuations in exchange rates. Any change in exchange rates between AB InBev's operating companies' functional currencies and the US dollar will affect its consolidated income statement and balance sheet when the results of those operating companies are translated into US dollar for reporting purposes as translational exposures are not hedged. Also, there can be no assurance that the policies in place to manage commodity price and transactional foreign currency risks to protect AB InBev's exposure will be able to successfully hedge against the effects of such foreign exchange exposure, especially over the long-term. Further, the use of financial instruments to mitigate currency risk and any other efforts taken to better match the effective currencies of AB InBev's liabilities to its cash flows could result in increased costs.

AB InBev's ordinary shares currently trade on Euronext Brussels in euros, the Johannesburg Stock Exchange in South African rand, the Mexican Stock Exchange in Mexican pesos and its ordinary shares represented by American Depositary Shares (the "ADSs") trade on the New York Stock Exchange in U.S. dollars. Fluctuations in the exchange rates between the euro, the South African rand, the Mexican peso and the U.S. dollar may result in temporary differences between the value of AB InBev's ordinary shares trading in different currencies, and between its ordinary shares and its ADSs, which may result in heavy trading by investors seeking to exploit such differences.

The ability of AB InBev's subsidiaries to distribute cash upstream may be subject to various conditions and limitations. The inability to obtain sufficient cash flows from its domestic and foreign subsidiaries and affiliated companies could adversely impact AB InBev's ability to pay dividends and otherwise negatively impact its business, results of operations and financial condition.

Failure to generate significant cost savings and margin improvement through initiatives for improving operational efficiencies could adversely affect AB InBev's profitability and AB InBev's ability to achieve its financial goals.

AB InBev may not be able to successfully carry out further acquisitions and business integrations or restructuring. AB InBev cannot make further acquisitions unless it can identify suitable candidates and agree on terms with them. AB InBev may not be able to successfully complete such transactions. In addition, such transactions may involve the assumption of certain liabilities, which may have a potential impact on AB InBev's financial risk profile. Further, the price AB InBev may pay in any future acquisition may prove to be too high as a result of various factors.

The combination with Grupo Modelo has exposed AB InBev to risks related to significant costs and potential difficulties in the integration of Grupo Modelo into AB InBev's existing operations and the extraction of synergies from the transaction. Although the anticipated business growth opportunities, cost savings, increased profits, synergies and other benefits contemplated by the Modelo combination are significant, there can be no assurance that the Modelo combination will fully realize these benefits in the time expected. Any failures, material delays or unexpected costs of the integration process could therefore have a material adverse effect on AB InBev's business, results of operations and financial condition.

AB InBev reached a settlement with the U.S. Department of Justice in relation to the combination with Grupo Modelo, which included a three-year transition services agreement to ensure the smooth transition of the operation of the Piedras Negras brewery as well as certain distribution guarantees for Constellation Brands, Inc. in the fifty states of the United States, the District of Columbia and Guam. AB InBev's compliance with its obligations under the settlement agreement is monitored by the U.S. Department of Justice and the Monitoring Trustee appointed by them. Were AB InBev to fail to fulfill its obligations under the settlement, whether intentionally or inadvertently, AB InBev could be subject to monetary fines.

If the business of AB InBev does not develop as expected, impairment charges on goodwill or other intangible assets may be incurred in the future which could be significant and which could have an adverse effect on AB InBev's results of operations and financial condition.

Although AB InBev's operations in Cuba are quantitatively immaterial, its overall business reputation may suffer or it may face additional regulatory scrutiny as a result of Cuba being a target of US economic and trade sanctions. If investors decide to liquidate or otherwise divest their investments in companies that have operations of any magnitude in Cuba, the market in and value of AB InBev's securities could be adversely impacted. In addition, US legislation known as the "Helms-Burton Act" authorizes private lawsuits for damages against anyone who traffics in property confiscated without compensation by the Government of Cuba from persons who at the time were, or have since become, nationals of the United States. Although this section of the Helms-Burton Act is currently suspended, claims accrue notwithstanding the suspension and may be asserted if the suspension is discontinued. AB InBev has received notice of a claim purporting to be made under the Helms-Burton Act. AB InBev is currently unable to express a view as to the validity of such claims, or as to the standing of the claimants to pursue them.

AB InBev may not be able to recruit or retain key personnel and successfully manage them, which could disrupt AB InBev's business and have an unfavorable material effect on AB InBev's financial position, its income from operations and its competitive position.

Further, AB InBev may be exposed to labor strikes, disputes and work stoppages or slowdowns, within its operations or those of its suppliers, or an interruption or shortage of raw materials for any other reason that could lead to a negative impact on AB InBev's costs, earnings, financial condition, production level and ability to operate its business. AB InBev's production may also be affected by work stoppages or slowdowns that affect its suppliers, distributors and retail delivery/logistics providers as a result of disputes under existing collective labor agreements with labor unions, in connection with negotiations of new collective labor agreements, as a result of supplier financial distress or for other reasons. A work stoppage or slowdown at AB InBev's facilities could interrupt the transport of raw materials from its suppliers or the transport of its products to its customers. Such disruptions could put a strain on AB InBev's relationships with suppliers and clients and may have lasting effects on its business even after the disputes with its labor force have been resolved, including as a result of negative publicity.

AB InBev relies on information technology systems to process, transmit, and store electronic information. Although AB InBev takes various actions to prevent cyber-attacks and to minimize potential technology disruptions, such disruptions could impact AB InBev's business. For example, if outside parties gained access to AB InBev's confidential data or strategic information and appropriated such information or made such information public, this could harm AB InBev's reputation or its competitive advantage. More generally, technology disruptions could have a material adverse effect on AB InBev's business, results of operations, cash flows or financial condition.

AB InBev's business and operating results could be negatively impacted by social, technical, natural, physical or other disasters.

Although AB InBev maintains insurance policies to cover various risks, it also uses self-insurance for most of its insurable risks. Should an uninsured loss or a loss in excess of insured limits occur, this could adversely impact AB InBev's business, results of operations and financial condition.

AB InBev is exposed to the risk of a global recession or a recession in one or more of its key markets, and to credit and capital market volatility and economic financial crisis, which could result in lower revenue and reduced profit, as beer consumption in many of the jurisdictions in which AB InBev operates is closely linked to general economic conditions and changes in disposable income. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on AB InBev's ability to access capital, on its business, results of operations and financial condition, and on the market price of its shares and American Depositary Shares.

AB InBev operates its business and markets its products in certain countries that are less developed, have less stability in legal systems and financial markets, and are potentially more corrupt business environments than Europe and the United States, and therefore present greater political, economic and operational risks. Although AB InBev is committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to its business, there is a risk that the employees or representatives of AB InBev's subsidiaries, affiliates, associates, joint ventures/operations or other business interests may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to foreign government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

The audit report included in AB InBev's annual report is prepared by an auditor who is not inspected by the US Public Company Accounting Oversight Board (PCAOB). This lack of PCAOB inspections in Belgium prevents the PCAOB from regularly evaluating audits and quality control procedures of any auditors operating in Belgium, including AB InBev's auditors. As a result, US and other investors may be deprived of the benefits of PCAOB inspections.

AB InBev is now, and may in the future be, a party to legal proceedings and claims, including collective suits (class actions), and significant damages may be asserted against it. Given the inherent uncertainty of litigation, it is possible that AB InBev might incur liabilities as a consequence of the proceedings and claims brought against it, including those that are not currently believed by it to be reasonably possible, which could have a material adverse effect on AB InBev's business, results of operations, cash flows or financial position. Important contingencies are disclosed in Note 30 *Contingencies* of the consolidated financial statements.

Risks Arising from the Proposed Combination with SABMiller PLC

The Combination remains subject to the review and authorization of various regulatory authorities which could impose pre-conditions and conditions that could have an unfavorable impact on the Combined Group, including the receipt of regulatory clearances in the European Union, the United States, South Africa, China, Colombia, Ecuador, Australia, India and Canada and certain other jurisdictions. AB InBev may be required to agree to divestitures and other commitments in order to obtain regulatory approvals, and such commitments may have an adverse effect on its business, results of operations, financial condition and prospects. These or any conditions, remedies or changes also could have the effect of delaying completion of the Combination, reducing the anticipated benefits of the acquisition of SABMiller, reducing the price AB InBev is able to obtain for such disposals or imposing additional costs on or limiting the Combined Group's revenues following the completion of the acquisition of SABMiller, any of which might have a material adverse effect on the Combined Group following the acquisition of SABMiller. In addition, the acquisition of SABMiller is subject to the satisfaction (or waiver, where applicable) of a number of other conditions, including the scheme of arrangement in the UK becoming effective; the Belgian voluntary takeover offer closing and the merger of AB InBev into Newco completing; necessary shareholder resolutions of AB InBev and Newco being passed by the relevant shareholders; the shares of Newco having been approved for admission to listing and trading in Belgium, South Africa and Mexico; and the approval for the admission to trading of Newco's American Depositary Shares on the New York Stock Exchange. Failure to satisfy any of the pre-conditions or conditions may result in the acquisition of SABMiller not being completed, and, in certain circumstances, AB InBev may be required to pay or procure the payment to SABMiller of a break payment of 3 billion US dollar.

Change of control, prohibition on merger or similar provisions in agreements and instruments to which AB InBev is a party or SABMiller is a party may be triggered upon the completion of the Combination and may lead to adverse consequences for the Combined Group, including: the loss of significant contractual rights and benefits; the possible termination of material agreements; the requirement to repay outstanding indebtedness; the vesting of stock options and other share-based awards; accelerated payouts under certain pension and bonus plans; and tax gross-ups for those SABMiller senior management members, directors, and employees with change of control provisions in their various compensation and benefit programs.

AB InBev intends for the acquisition of SABMiller to be implemented through a complex cross-border structure and failure to implement in this manner may result in significant costs to the Combined Group. This complex structure will involve a series of steps, in multiple legal jurisdictions. It may eventually not be possible, whether as a result of a change in law or otherwise, to implement the acquisition of SABMiller as currently intended, but AB InBev may be required to complete the Combination. AB InBev has entered into a Tax Matters Agreement with Altria Group Inc. in relation to certain matters that are relevant to Altria under US tax rules, including the structure and implementation of the acquisition of SABMiller. If certain of the representations or undertakings in this agreement are breached, the Combined Group may be required to indemnify Altria Group Inc. for certain tax costs it may incur in relation to the acquisition of SABMiller.

AB InBev faces financial and operational risks in refinancing the acquisition of SABMiller, due to its increased level of debt and as a result of the potential downgrading of its credit ratings. Failure to complete anticipated asset divestitures and debt capital markets offerings would constrain AB InBev's ability to refinance this indebtedness and require it to seek alternative refinancing sources, which may be unavailable or result in higher costs. Whether or not AB InBev is able to refinance the indebtedness incurred in connection with the acquisition of SABMiller through asset disposals, the portion of its consolidated balance sheet that will be represented by debt will increase substantially as compared to its historical position. The increased level of debt could have significant consequences, including increasing its vulnerability to general adverse economic and industry conditions, limiting its ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities or to otherwise realize the value of its assets and opportunities fully. The increased level of debt could also limit AB InBev's flexibility in planning for, or reacting to, changes in its business and the industry in which AB InBev operates, impairing its ability to obtain additional financing in the future, and placing it at a competitive disadvantage compared to its competitors who have less debt.

Fluctuations in exchange rates could have a significant impact on the results of operations of the Combined Group and the amount of debt AB InBev incurs upon completion of the acquisition of SABMiller.

The uncertainty regarding the effect of the Combination and any related asset divestitures could cause disruptions to the businesses of AB InBev and SABMiller. These uncertainties may materially and adversely affect AB InBev's or SABMiller's businesses and their operations and could cause customers, distributors, other business partners and other parties that have business relationships with AB InBev or SABMiller to defer the consummation of other transactions or other decisions concerning AB InBev's or SABMiller's businesses, or to seek to change existing business relationships with these companies. Moreover, the Combined Group will have to address issues inherent in the management of a greater number of employees in some very diverse geographic areas. Therefore, it is not certain that the Combined Group will be able to attract or retain its key employees and successfully manage them, which could disrupt its business and have an unfavorable material effect on its financial position, its income from operations and on the competitive position of the Combined Group.

AB InBev may not be able to successfully integrate SABMiller or realize the anticipated benefits and synergies of the acquisition of SABMiller, including as a result of a delay in completing the Combination or difficulty in integrating the businesses of the companies involved, and any such benefits and synergies will be offset by the significant transaction fees and other costs AB InBev incurs in connection with the Combination. The integration process involves inherent costs and uncertainties. These uncertainties are exacerbated because SABMiller is active in new or developing markets in which AB InBev does not have significant operations, and because AB InBev had little opportunity to perform detailed due diligence on SABMiller prior to the announcement of the proposed transaction. Additionally, the Tax Matters Agreement AB InBev has entered into with Altria Group Inc. imposes some limits on the ability of the Combined Group to effect some group reorganizations which may limit its capacity to integrate SABMiller's operations.

As a result of the Combination, AB InBev will recognize a significant amount of incremental goodwill on its balance sheet. If the combination of the businesses meets with unexpected difficulties, or if the Combined Business does not develop as expected, impairment charges may be incurred in the future that could be significant and that could have an adverse effect on its results of operations and financial condition.

The Combination is, and may in the future be, subject to litigation attempting to enjoin their completion. For example, certain private parties have brought a legal challenge to the acquisition of SABMiller, and the court in this private action could enjoin the parties from completing the acquisition of SABMiller or could delay it. AB InBev believes the claims in the current litigation are without merit and intends to defend against current and any future legal proceedings vigorously.

Risks Arising from Financial Instruments

Note 27 of the 2015 consolidated financial statements on *Risks arising from financial instruments* contains detailed information on the company's exposures to financial risks and its risk management policies.

Events after the Balance Sheet Date

Please refer to Note 32 *Events after the balance sheet date* of the consolidated financial statements.

Corporate Governance

For information with respect to Corporate Governance, please refer to the Corporate Governance section, which forms an integral part of AB InBev's annual report.

Statement of the Board of Directors

The Board of Directors of AB InBev SA/NV certifies, on behalf and for the account of the company, that, to their knowledge, (a) the financial statements which have been prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole and (b) the management report includes a fair review of the development and performance of the business and the position of the company and the entities included in the consolidation as a whole, together with a description of the principal risks and uncertainties they face.

Independent Auditors' Report

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year 2015 then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Anheuser-Busch Inbev NV/SA ("the Company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The total of the consolidated statement of financial position amounts to USD 134.635 million and the consolidated income statement shows a profit for the year 2015 of USD 9.867 million.

Board of directors' responsibility for the preparation of the consolidated financial statements

The Company's board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2015 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the management report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The management report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Sint-Stevens-Woluwe, 24 February 2016

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Koen Hens
Bedrijfsrevisor

Consolidated Financial Statements

Consolidated Income Statement

For the year ended 31 December Million US dollar, except earnings per shares in US dollar	Notes	2015	2014[1]
Revenue		**43 604**	**47 063**
Cost of sales		(17 137)	(18 756)
Gross profit		**26 467**	**28 307**
Distribution expenses		(4 259)	(4 558)
Sales and marketing expenses		(6 913)	(7 036)
Administrative expenses		(2 560)	(2 791)
Other operating income/(expenses)	7	1 032	1 386
Profit from operations before non-recurring items		**13 768**	**15 308**
Restructuring	8	(171)	(158)
Business and asset disposal	8	524	157
Acquisition costs business combinations	8	(55)	(77)
Impairment of assets	8	(82)	(119)
Judicial settlement	8	(80)	–
Profit from operations		**13 904**	**15 111**
Finance cost	11	(2 417)	(2 797)
Finance income	11	1 178	969
Non-recurring net finance income/(cost)	8	(214)	509
Net finance income/(cost)		**(1 453)**	**(1 319)**
Share of result of associates		10	9
Profit before tax		**12 461**	**13 801**
Income tax expense	12	(2 594)	(2 499)
Profit		**9 867**	**11 302**
Attributable to:			
Equity holders of AB InBev		8 273	9 216
Non-controlling interest		1 594	2 086
Basic earnings per share	21	5.05	5.64
Diluted earnings per share	21	4.96	5.54
Basic earnings per share before non-recurring items[2]	21	5.20	5.43
Diluted earnings per share before non-recurring items[2]	21	5.10	5.32

The accompanying notes are an integral part of these consolidated financial statements.

[1] Reclassified to conform to the 2015 presentation.

[2] Basic earnings per share and diluted earnings per share before non-recurring items are not defined metrics in IFRS. Refer to Note 21 *Changes in equity and earnings per share* for more details.

Consolidated Statement of Comprehensive Income

For the year ended 31 December Million US dollar	2015	2014
Profit	**9 867**	**11 302**
Other comprehensive income: Items that will not be reclassified to profit or loss:		
Re-measurements of post-employment benefits	45	(491)
	45	(491)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(6 898)	(4 793)
Foreign exchange contracts recognized in equity in relation to the SABMiller proposed combination	(1 738)	–
Effective portion of changes in fair value of net investment hedges	(201)	33
Cash flow hedges recognized in equity	281	314
Removed from equity and included in profit or loss	(240)	(190)
	(8 796)	(4 636)
Other comprehensive income, net of tax	**(8 751)**	**(5 127)**
Total comprehensive income	**1 116**	**6 175**
Attributable to:		
Equity holders of AB InBev	389	4 465
Non-controlling interest	727	1 710

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at Million US dollar	Notes	31 December 2015	31 December 2014[1]
Assets			
Non-current assets			
Property, plant and equipment	13	18 952	20 263
Goodwill	14	65 061	70 758
Intangible assets	15	29 677	29 923
Investments in associates and joint ventures		212	198
Investment securities	16	48	30
Deferred tax assets	17	1 181	1 058
Employee benefits	23	2	10
Derivatives	27H	295	507
Trade and other receivables	19	913	1 262
		116 341	**124 009**
Current assets			
Investment securities	16	55	301
Inventories	18	2 862	2 974
Income tax receivable		687	359
Derivatives	27H	3 268	1 737
Trade and other receivables	19	4 451	4 712
Cash and cash equivalents	20	6 923	8 357
Assets held for sale		48	101
		18 294	**18 541**
Total assets		**134 635**	**142 550**
Equity and Liabilities			
Equity			
Issued capital	21	1 736	1 736
Share premium		17 620	17 620
Reserves		(13 168)	(4 558)
Retained earnings		35 949	35 174
Equity attributable to equity holders of AB InBev		**42 137**	**49 972**
Non-controlling interest		3 582	4 285
		45 719	**54 257**
Non-current liabilities			
Interest-bearing loans and borrowings	22	43 541	43 630
Employee benefits	23	2 725	3 050
Deferred tax liabilities	17	11 961	12 701
Derivatives	27H	315	64
Trade and other payables	26	1 241	1 006
Provisions	25	677	634
		60 460	**61 085**
Current liabilities			
Bank overdrafts	20	13	41
Interest-bearing loans and borrowings	22	5 912	7 451
Income tax payable		669	629
Derivatives	27H	3 980	1 013
Trade and other payables	26	17 662	17 909
Provisions	25	220	165
		28 456	**27 208**
Total equity and liabilities		**134 635**	**142 550**

The accompanying notes are an integral part of these consolidated financial statements.

[1]Reclassified to conform to the 2015 presentation.

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Consolidated Statement of Changes in Equity

Million US dollar	Issued capital	Share premium	Treasury shares	Share-based payment reserves
As per 1 January 2014	**1 735**	**17 608**	**(874)**	**885**
Profit	**–**	**–**	**–**	**–**
Other comprehensive income				
Exchange differences on translation of foreign operations (gains/(losses))	–	–	–	–
Cash flow hedges	–	–	–	–
Re-measurements of post-employment benefits	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**–**
Shares issued	1	12	–	–
Dividends	–	–	–	–
Treasury shares	–	–	55	–
Share-based payments	–	–	–	195
Scope and other changes	–	–	–	–
As per 31 December 2014	**1 736**	**17 620**	**(819)**	**1 080**

Million US dollar	Issued capital	Share premium	Treasury shares	Share-based payment reserves
As per 1 January 2015	**1 736**	**17 620**	**(819)**	**1 080**
Profit	**–**	**–**	**–**	**–**
Other comprehensive income				
Exchange differences on translation of foreign operations (gains/(losses))	–	–	–	–
Foreign exchange contracts recognized in equity in relation to the SABMiller proposed combination	–	–	–	–
Cash flow hedges	–	–	–	–
Re-measurements of post-employment benefits	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**–**
Dividends	–	–	–	–
Treasury shares	–	–	(807)	–
Share-based payments	–	–	–	184
Scope and other changes	–	–	–	–
As per 31 December 2015	**1 736**	**17 620**	**(1 626)**	**1 264**

The accompanying notes are an integral part of these consolidated financial statements.

Attributable to equity holders of AB InBev							
Translation reserves	Hedging reserves	Post-employment benefits	Deferred share instrument	Retained earnings	Total	Non-controlling interest	Total equity
(962)	**455**	**(968)**	**1 482**	**31 004**	**50 365**	**4 943**	**55 308**
–	**–**	**–**	**–**	**9 216**	**9 216**	**2 086**	**11 302**
(4 374)	–	–	–	–	(4 374)	(386)	(4 760)
–	102	–	–	–	102	22	124
–	–	(479)	–	–	(479)	(12)	(491)
(4 374)	**102**	**(479)**	**–**	**9 216**	**4 465**	**1 710**	**6 175**
–	–	–	–	–	13	–	13
–	–	–	(75)	(5 244)	(5 319)	(2 296)	(7 615)
–	–	–	–	–	55	–	55
–	–	–	–	–	195	18	213
–	–	–	–	198	198	(90)	108
(5 336)	**557**	**(1 447)**	**1 407**	**35 174**	**49 972**	**4 285**	**54 257**

Attributable to equity holders of AB InBev							
Translation reserves	Hedging reserves	Post-employment benefits	Deferred share instrument	Retained earnings	Total	Non-controlling interest	Total equity
(5 336)	**557**	**(1 447)**	**1 407**	**35 174**	**49 972**	**4 285**	**54 257**
–	**–**	**–**	**–**	**8 273**	**8 273**	**1 594**	**9 867**
(6 157)	–	–	–	–	(6 157)	(942)	(7 099)
–	(1 738)	–	–	–	(1 738)	–	(1 738)
–	(36)	–	–	–	(36)	77	41
–	–	47	–	–	47	(2)	45
(6 157)	**(1 774)**	**47**	**–**	**8 273**	**389**	**727**	**1 116**
–	–	–	(103)	(7 191)	(7 294)	(1 305)	(8 599)
–	–	–	–	–	(807)	–	(807)
–	–	–	–	–	184	20	204
–	–	–	–	(307)	(307)	(145)	(452)
(11 493)	**(1 217)**	**(1 400)**	**1 304**	**35 949**	**42 137**	**3 582**	**45 719**

Consolidated Cash Flow Statement

For the year ended 31 December Million US dollar	Notes	2015	2014[1]
Operating Activities			
Profit		9 867	11 302
Depreciation, amortization and impairment	10	3 153	3 353
Impairment losses on receivables, inventories and other assets		64	108
Additions/(reversals) in provisions and employee benefits		324	(85)
Net finance cost	11	1 453	1 319
Loss/(gain) on sale of property, plant and equipment and intangible assets		(189)	4
Loss/(gain) on sale of subsidiaries, associates and assets held for sale		(362)	(219)
Equity-settled share-based payment expense	24	221	249
Income tax expense	12	2 594	2 499
Other non-cash items included in the profit		(389)	(190)
Share of result of associates		(10)	(9)
Cash flow from operating activities before changes in working capital and use of provisions		**16 726**	**18 331**
Decrease/(increase) in trade and other receivables		(138)	(371)
Decrease/(increase) in inventories		(424)	(354)
Increase/(decrease) in trade and other payables		2 348	1 540
Pension contributions and use of provisions		(449)	(458)
Cash generated from operations		**18 063**	**18 688**
Interest paid		(1 943)	(2 476)
Interest received		334	273
Dividends received		22	30
Income tax paid		(2 355)	(2 371)
Cash flow from operating activities		**14 121**	**14 144**
Investing Activities			
Proceeds from sale of property, plant and equipment and of intangible assets		412	273
Sale of subsidiaries, net of cash disposed of	6	72	426
Acquisition of subsidiaries, net of cash acquired	6	(990)	(7 126)
Acquisition of property, plant and equipment and of intangible assets	13/15	(4 749)	(4 395)
Net of tax proceeds from the sale of assets held for sale		397	(65)
Net proceeds from sale/(acquisition) of investment in short-term debt securities	16	169	(187)
Net proceeds from sale/(acquisition) of other assets		(195)	15
Net repayments/(payments) of loans granted		(46)	(1)
Cash flow from investing activities		**(4 930)**	**(11 060)**
Financing Activities			
Purchase of non-controlling interest	21	(296)	(92)
Net proceeds from the issue of share capital	21	5	83
Proceeds from borrowings		16 237	18 382
Payments on borrowings		(15 780)	(15 159)
Cash net finance (cost)/income other than interests		(481)	239
Share buyback		(1 000)	–
Dividends paid		(7 966)	(7 400)
Cash flow from financing activities		**(9 281)**	**(3 947)**
Net increase/(decrease) in cash and cash equivalents		**(90)**	**(863)**
Cash and cash equivalents less bank overdrafts at beginning of year		8 316	9 833
Effect of exchange rate fluctuations		(1 316)	(654)
Cash and cash equivalents less bank overdrafts at end of period	**20**	**6 910**	**8 316**

The accompanying notes are an integral part of these consolidated financial statements.

[1]Reclassified to conform to the 2015 presentation.

Notes to the Consolidated Financial Statements

1. Corporate Information

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with a secondary listing on the Mexico (MEXBOL: ABI) and South Africa (JSE: ANB) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. Beer, the original social network, has been bringing people together for thousands of years and the company's portfolio of well over 200 beer brands continues to forge strong connections with consumers. This includes global brands Budweiser®, Corona® and Stella Artois®; international brands Beck's®, Leffe® and Hoegaarden®; and local champions Bud Light®, Skol®, Brahma®, Antarctica®, Quilmes®, Victoria®, Modelo Especial®, Michelob Ultra®, Harbin®, Sedrin®, Klinskoye®, Sibirskaya Korona®, Chernigivske®, Cass® and Jupiler®. Anheuser-Busch InBev's dedication to quality goes back to a brewing tradition of more than 600 years and the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co brewery, with origins in St. Louis, USA since 1852. Geographically diversified with a balanced exposure to developed and developing markets, Anheuser Busch InBev leverages the collective strengths of more than 150 000 employees based in 26 countries worldwide. In 2015, AB InBev realized 43.6 billion US dollar revenue. The company strives to be the Best Beer Company Bringing People Together For a Better World.

The consolidated financial statements of the company for the year ended 31 December 2015 comprise the company and its subsidiaries (together referred to as "AB InBev" or the "company") and the company's interest in associates and joint ventures and operations.

The financial statements were authorized for issue by the Board of Directors on 24 February 2016.

2. Statement of Compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB") and in conformity with IFRS as adopted by the European Union up to 31 December 2015 (collectively "IFRS"). AB InBev did not early apply any new IFRS requirements that were not yet effective in 2015 and did not apply any European carve-outs from IFRS.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by the company and its subsidiaries.

(A) Basis of preparation and measurement

Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic re-measurement), the cost approach is applied.

(B) Functional and presentation currency

Unless otherwise specified, all financial information included in these financial statements have been stated in US dollar and has been rounded to the nearest million. The functional currency of the parent company is the euro.

(C) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(D) Principles of consolidation

Subsidiaries are those entities controlled by AB InBev. AB InBev controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are taken into account. Control is presumed to exist where AB InBev owns, directly or indirectly, more than one half of the voting rights (which does not always equate to economic ownership), unless it can be demonstrated that such ownership does not constitute control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Associates are undertakings in which AB InBev has significant influence over the financial and operating policies, but which it does not control. This is generally evidenced by ownership of between 20% and 50% of the voting rights. A joint venture is an arrangement in which AB InBev has joint control, whereby AB InBev has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for by the equity method of accounting, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When AB InBev's share of losses exceeds the carrying amount of the associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that AB InBev has incurred legal or constructive obligations on behalf of the associate or joint venture.

Joint operations arise when AB InBev has rights to the assets and obligations to the liabilities of a joint arrangement. AB InBev accounts for its share of the assets, liabilities, revenues and expenses as from the moment joint operation commences until the date that joint operation ceases.

The financial statements of the company's subsidiaries, joint ventures, joint operations and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. In exceptional cases when the financial statements of a subsidiary, joint venture, joint operation or associate are prepared as of a different date from that of AB InBev (e.g. Modelo prior to the AB InBev and Grupo Modelo combination), adjustments are made for the effects of significant transactions or events that occur between that date and the date of AB InBev's financial statements. In such cases, the difference between the end of the reporting period of these subsidiaries, joint ventures, joint operations or associates from AB InBev's reporting period is no more than three months.

All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated. Unrealized gains arising from transactions with joint ventures, joint operations and associates are eliminated to the extent of AB InBev's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A listing of the company's most important subsidiaries, joint ventures, joint operations and associates is set out in Note 33 *AB InBev companies*.

(E) Summary of changes in accounting policies

A number of new standards, amendment to standards and new interpretations became mandatory for the first time for the financial year beginning 1 January 2015, and have not been listed in these consolidated financial statements because of either their non-applicability to or their immateriality to AB InBev's consolidated financial statements.

(F) Foreign currencies

Foreign currency transactions Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollar at foreign exchange rates ruling at the dates the fair value was determined.

Translation of the results and financial position of foreign operations Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflationary economies, are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at period-end exchange rates are taken to other comprehensive income (translation reserves).

In hyperinflationary economies, re-measurement of the local currency denominated non-monetary assets, liabilities, income statement accounts as well as equity accounts is made by applying a general price index. These re-measured accounts are used for conversion into US dollar at the closing exchange rate. AB InBev did not operate in hyperinflationary economies in 2014 and 2015.

Exchange rates The most important exchange rates that have been used in preparing the financial statements are:

1 US dollar equals:	Closing rate 2015	Closing rate 2014	Average rate 2015	Average rate 2014
Argentinean peso	13.004955	8.552034	9.101728	8.119265
Brazilian real	3.904803	2.656197	3.259601	2.348760
Canadian dollar	1.388446	1.158305	1.270237	1.099011
Chinese yuan	6.485535	6.206895	6.256495	6.165793
Euro	0.918527	0.823655	0.899096	0.747695
South Korean won	1 176.09	1 090.93	1 129.52	1 045.73
Mexican peso	17.206357	14.718112	15.730837	13.224411
Pound sterling	0.674152	0.641544	0.653179	0.605515
Russian ruble	72.881615	56.256744	59.186097	36.741769
Ukrainian hryvnia	24.000600	15.768560	21.493019	11.426006

(G) Intangible assets

Research and development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (refer to accounting policy P).

Amortization related to research and development intangible assets is included within the cost of sales if production related and in sales and marketing if related to commercial activities.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

Supply and distribution rights A supply right is the right for AB InBev to supply a customer and the commitment by the customer to purchase from AB InBev. A distribution right is the right to sell specified products in a certain territory.

Acquired distribution rights are measured initially at cost or fair value when obtained through a business combination.

Amortization related to supply and distribution rights is included within sales and marketing expenses.

Brands If part of the consideration paid in a business combination relates to trademarks, trade names, formulas, recipes or technological expertise these intangible assets are considered as a group of complementary assets that is referred to as a brand for which one fair value is determined. Expenditure on internally generated brands is expensed as incurred.

Software Purchased software is measured at cost less accumulated amortization. Expenditure on internally developed software is capitalized when the expenditure qualifies as development activities; otherwise, it is recognized in the income statement when incurred.

Amortization related to software is included in cost of sales, distribution expenses, sales and marketing expenses or administrative expenses based on the activity the software supports.

Other intangible assets Other intangible assets, acquired by the company, are recognized at cost less accumulated amortization and impairment losses.

Other intangible assets also include multi-year sponsorship rights acquired by the company. These are initially recognized at the present value of the future payments and subsequently measured at cost less accumulated amortization and impairment losses.

Subsequent expenditure Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization Intangible assets with a finite life are amortized using the straight-line method over their estimated useful lives. Licenses, brewing, supply and distribution rights are amortized over the period in which the rights exist. Brands are considered to have an indefinite life unless plans exist to discontinue the brand. Discontinuance of a brand can be either through sale or termination of marketing support. When AB InBev purchases distribution rights for its own products the life of these rights is considered indefinite, unless the company has a plan to discontinue the related brand or distribution. Software and capitalized development costs related to technology are amortized over 3 to 5 years.

Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment on an annual basis (refer to accounting policy P).

Gains and losses on sale Net gains on sale of intangible assets are presented in the income statement as other operating income. Net losses on sale are included as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the intangible assets.

(H) Business combinations

The company applies the acquisition method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over the company's interest in the fair value of the identifiable net assets acquired is recorded as goodwill.

The allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions requiring management judgment.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of AB InBev's previously held interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

(I) Goodwill

Goodwill is determined as the excess of the consideration paid over AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognized at the date of acquisition. All business combinations are accounted for by applying the purchase method.

In conformity with IFRS 3 *Business Combinations*, goodwill is stated at cost and not amortized but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated, may be impaired (refer to accounting policy P).

Goodwill is expressed in the currency of the subsidiary or jointly controlled entity to which it relates and is translated to US dollar using the year-end exchange rate.

In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

If AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination such excess is recognized immediately in the income statement as required by IFRS 3 *Business Combinations*.

Expenditure on internally generated goodwill is expensed as incurred.

(J) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer to accounting policy P). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. nonrefundable tax and transport cost). The cost of a self-constructed asset is determined using the same principles as for an acquired asset. The depreciation methods, residual value, as well as the useful lives are reassessed and adjusted if appropriate, annually.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

Subsequent expenditure The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are defined in terms of the asset's expected utility to the company and can vary from one geographical area to another. On average the estimated useful lives are as follows:

Industrial buildings – other real estate properties	20 - 33 years
Production plant and equipment:	
Production equipment	10 - 15 years
Storage, packaging and handling equipment	5 - 7 years
Returnable packaging:	
Kegs	2 - 10 years
Crates	2 - 10 years
Bottles	2 - 5 years
Point of sale furniture and equipment	5 years
Vehicles	5 years
Information processing equipment	3 - 5 years

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated as it is deemed to have an indefinite life.

Gains and losses on sale Net gains on sale of items of property, plant and equipment are presented in the income statement as other operating income. Net losses on sale are presented as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

(K) Accounting for leases

Leases of property, plant and equipment where the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized as assets and liabilities (interest-bearing loans and borrowings) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Amortization and impairment testing for depreciable leased assets is the same as for depreciable assets that are owned (refer to accounting policies J and P).

Lease payments are apportioned between the outstanding liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

(L) Investments

All investments are accounted for at trade date.

Investments in equity securities Investments in equity securities are undertakings in which AB InBev does not have significant influence or control. This is generally evidenced by ownership of less than 20% of the voting rights. Such investments are designated as available-for-sale financial assets which are at initial recognition measured at fair value unless the fair value cannot be reliably determined in which case they are measured at cost. Subsequent changes in fair value, except those related to impairment losses which are recognized in the income statement, are recognized directly in other comprehensive income.

On disposal of an investment, the cumulative gain or loss previously recognized directly in other comprehensive income is recognized in profit or loss.

Investments in debt securities Investments in debt securities classified as trading or as being available-for-sale are carried at fair value, with any resulting gain or loss respectively recognized in the income statement or directly in other comprehensive income. Fair value of these investments is determined as the quoted bid price at the balance sheet date. Impairment charges and foreign exchange gains and losses are recognized in the income statement.

Investments in debt securities classified as held to maturity are measured at amortized cost.

In general, investments in debt securities with maturities of more than three months when acquired and remaining maturities of less than one year are classified as short-term investments. Investments with maturities beyond one year may be classified as short-term based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations.

Other investments Other investments held by the company are classified as available-for-sale and are carried at fair value, with any resulting gain or loss recognized directly in other comprehensive income. Impairment charges are recognized in the income statement.

(M) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labor, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. The calculation of the net realizable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, slow-moving indicators, amongst others.

(N) Trade and other receivables

Trade and other receivables are carried at amortized cost less impairment losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date.

An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful. Such receivable becomes doubtful when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. An impairment loss is recognized in the income statement, as are subsequent recoveries of previous impairments.

(O) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(P) Impairment

The carrying amounts of financial assets, property, plant and equipment, goodwill and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill, intangible assets that are not yet available for use and intangibles with an indefinite useful life are tested for impairment annually at the business unit level (that is one level below a reporting segment). An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Calculation of recoverable amount The recoverable amount of the company's investments in unquoted debt securities is calculated as the present value of expected future cash flows, discounted at the debt securities' original effective interest rate. For equity investments classified as available for sale and quoted debt securities the recoverable amount is their fair value.

The recoverable amount of other assets is determined as the higher of their fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the cash generating units to which the goodwill and the intangible assets with indefinite useful life belong is based on discounted future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Reversal of impairment losses Non-financial assets other than goodwill and equity investments classified as held for sale that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Q) Share capital

Repurchase of share capital When AB InBev buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity under treasury shares.

Dividends Dividends are recognized in the consolidated financial statements on the date that the dividends are declared unless minimum statutory dividends are required by local legislation or the bylaws of the company's subsidiaries. In such instances, statutory minimum dividends are recognized as a liability.

Share issuance costs Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(R) Provisions

Provisions are recognized when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Restructuring A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

Onerous contracts A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Disputes and litigations A provision for disputes and litigation is recognized when it is more likely than not that the company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions both initiated by third parties and initiated by AB InBev relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities, and alcohol industry litigation matters.

(S) Employee benefits

Post-employment benefits Post-employment benefits include pensions, post-employment life insurance and post-employment medical benefits. The company operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-managed funds. The pension plans are generally funded by payments from employees and the company, and, for defined benefit plans taking account of the recommendations of independent actuaries. AB InBev maintains funded and unfunded pension plans.

a) Defined contribution plans Contributions to defined contribution plans are recognized as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which AB InBev pays fixed contributions into a fund. AB InBev has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

b) Defined benefit plans A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the income statement include current service cost, net interest cost (income), past service costs and the effect of any curtailments or settlements. Past service costs are recognized at the earlier of when the amendment / curtailment occurs or when the company recognizes related restructuring or termination costs. The pension obligations recognized in the balance sheet are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less the fair value of any plan assets. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognized in full in the period in which they occur in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Where the calculated amount of a defined benefit liability is negative (an asset), AB InBev recognizes such pension asset to the extent that economic benefits are available to AB InBev either from refunds or reductions in future contributions.

Other Post-Employment Obligations Some AB InBev companies provide post-employment medical benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

Termination benefits Termination benefits are recognized as an expense at the earlier when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date and when the company recognizes costs for a restructuring. Termination benefits for voluntary redundancies are recognized if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Bonuses Bonuses received by company employees and management are based on pre-defined company and individual target achievement. The estimated amount of the bonus is recognized as an expense in the period the bonus is earned. To the extent that bonuses are settled in shares of the company, they are accounted for as share-based payments.

(T) Share-based payments

Different share and share option programs allow company senior management and members of the board to acquire shares of the company and some of its affiliates. The fair value of the share options is estimated at grant date, using an option pricing model that is most appropriate for the respective option. Based on the expected number of options that will vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the amount of the proceeds received.

(U) Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis.

(V) Trade and Other Payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(W) Income Tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS 12 *Income Taxes* deferred taxes are provided using the so-called balance sheet liability method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet a deferred tax liability or asset is recognized. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognized i) on initial recognition of goodwill, ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The company recognizes deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax claims are recorded within provisions on the balance sheet (refer to accounting policy R).

(X) Income recognition

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the income can be measured reliably.

Goods sold In relation to the sale of beverages and packaging, revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, discounts for cash payments and excise taxes.

Rental and royalty income Rental income is recognized under other operating income on a straight-line basis over the term of the lease. Royalties arising from the use by others of the company's resources are recognized in other operating income on an accrual basis in accordance with the substance of the relevant agreement.

Government grants A government grant is recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are recognized as other operating income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

Finance income Finance income comprises interest received or receivable on funds invested, dividend income, foreign exchange gains, losses on currency hedging instruments offsetting currency gains, gains on hedging instruments that are not part of a hedge accounting relationship, gains on financial assets classified as trading as well as any gains from hedge ineffectiveness (refer to accounting policy Z).

Interest income is recognized as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividend income Dividend income is recognized in the income statement on the date that the dividend is declared.

(Y) Expenses

Finance costs Finance costs comprise interest payable on borrowings, calculated using the effective interest rate method, foreign exchange losses, gains on currency hedging instruments offsetting currency losses, results on interest rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as trading, impairment losses on available-for-sale financial assets as well as any losses from hedge ineffectiveness (refer to accounting policy Z).

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs. Any difference between the initial amount and the maturity amount of interest bearing loans and borrowings, such as transaction costs and fair value adjustments, are recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis (refer to accounting policy U). The interest expense component of finance lease payments is also recognized in the income statement using the effective interest rate method.

Research and development, advertising and promotional costs and systems development costs Research, advertising and promotional costs are expensed in the year in which these costs are incurred. Development costs and systems development costs are expensed in the year in which these costs are incurred if they do not meet the criteria for capitalization (refer to accounting policy G).

Purchasing, receiving and warehousing costs Purchasing and receiving costs are included in the cost of sales, as well as the costs of storing and moving raw materials and packaging materials. The costs of storing finished products at the brewery as well as costs incurred for subsequent storage in distribution centers are included within distribution expenses.

(Z) Derivative financial instruments

AB InBev uses derivative financial instruments to mitigate the transactional impact of foreign currencies, interest rates, equity prices and commodity prices on the company's performance. AB InBev's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the company does therefore not hold or issue any such instruments for such purposes. Derivative financial instruments that are economic hedges but that do not meet the strict IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules, however, are accounted for as financial assets or liabilities at fair value through profit or loss.

Derivative financial instruments are recognized initially at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. These pricing models also take into account the current creditworthiness of the counterparties.

Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at balance sheet date. Depending on whether cash flow or net investment hedge accounting is applied or not, any gain or loss is either recognized directly in other comprehensive income or in the income statement.

Cash flow, fair value or net investment hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective.

Cash flow hedge accounting When a derivative financial instrument hedges the variability in cash flows of a recognized asset or liability, the foreign currency risk of a firm commitment or a highly probable forecasted transaction, the effective part of any resulting gain or loss on the derivative financial instrument is recognized directly in other comprehensive income (hedging reserves). When the firm commitment in foreign currency or the forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the asset or liability. When the hedge relates to financial assets or liabilities, the cumulative gain or loss on the hedging instrument is reclassified from other comprehensive income into the income statement in the same period during which the hedged risk affects the income statement (e.g. when the variable interest expense is recognized). The ineffective part of any gain or loss is recognized immediately in the income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss (at that point) remains in equity and is reclassified in accordance with the above policy when the hedged transaction occurs. If the hedged transaction is no longer probable, the cumulative gain or loss recognized in other comprehensive income is reclassified into the income statement immediately.

Fair value hedge accounting When a derivative financial instrument hedges the variability in fair value of a recognized asset or liability, any resulting gain or loss on the hedging instrument is recognized in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in the income statement.

Net investment hedge accounting When a foreign currency liability hedges a net investment in a foreign operation, exchange differences arising on the translation of the liability to the functional currency are recognized directly in other comprehensive income (translation reserves).

When a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income (translation reserves), while the ineffective portion is reported in the income statement.

Investments in equity instruments or derivatives linked to and to be settled by delivery of an equity instrument are stated at cost when such equity instrument does not have a quoted market price in an active market and for which other methods of reasonably estimating fair value are clearly inappropriate or unworkable.

Offsetting derivative assets with derivative liabilities A derivative asset and a derivative liability shall be offset and the net amount presented in the statement of financial position when, and only when, the company has a currently legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(AA) Segment reporting

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by management.

AB InBev's operating segment reporting format is geographical because the company's risks and rates of return are affected predominantly by the fact that AB InBev operates in different geographical areas. The company's management structure and internal reporting system to the Board of Directors is set up accordingly. A geographical segment is a distinguishable component of the company that is engaged in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. In accordance with IFRS 8 *Operating segments* AB InBev's reportable geographical segments were determined as North America, Mexico, Latin America North, Latin America South, Europe, Asia Pacific and Global Export and Holding Companies. The company's assets are predominantly located in the same geographical areas as its customers.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets comprise interest bearing loans granted, investment securities, deferred tax assets, income taxes receivable, cash and cash equivalent and derivative assets. Unallocated liabilities comprise equity and non-controlling interest, interest bearing loans, deferred tax liabilities, bank overdrafts, income taxes payable and derivative liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(BB) Non-recurring items

Non-recurring items are those that in management's judgment need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring activities, impairments, gains or losses on disposal of investments and the effect of the accelerated repayment of certain debt facilities.

(CC) Discontinued operations and non-current assets held for sale

A discontinued operation is a component of the company that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose of or is a subsidiary acquired exclusively with a view to resale.

AB InBev classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

(DD) Recently issued IFRS

To the extent that new IFRS requirements are expected to be applicable in the future, they have been listed hereafter. For the year ended 31 December 2015 they have not been applied in preparing these consolidated financial statements.

IFRS 9 Financial Instruments, effective for annual periods beginning on or after 1 January 2018. Early application is permitted.

IFRS 15 Revenue from Contracts with Customers, effective for annual periods beginning on or after 1 January 2018. Early application is permitted.

IFRS 16 Leases, effective for annual periods beginning on or after 1 January 2019. Early application is permitted for companies that also apply IFRS 15.

Other standards, interpretations and amendments to standards A number of other amendments to standards are effective for annual periods beginning after 1 January 2015, and have not been listed above because of either their non-applicability to or their immateriality to AB InBev's consolidated financial statements.

4. Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Although each of its significant accounting policies reflects judgments, assessments or estimates, AB InBev believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results: business combinations, intangible assets, goodwill, impairment, provisions, share-based payments, employee benefits and accounting for current and deferred tax.

The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows.

The company uses its judgment to select a variety of methods including the discounted cash flow method and option valuation models and makes assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other long-term employee benefit expense and liability. These factors include assumptions with respect to interest rates, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

The company is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries within the group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period such determination is made.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are further discussed in the relevant notes hereafter.

In preparing these consolidated financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

5. Segment Reporting

Segment information is presented by geographical segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker. AB InBev operates its business through seven business segments. Regional and operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, AB InBev's management uses performance indicators such as normalized profit from operations (normalized EBIT) and normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled for the company, to profit in the table presented (figures may not add due to rounding).

All figures in the tables below are stated in million US dollar, except volume (million hls) and Normalized EBITDA margin (in %).

	North America		Mexico		Latin America North	
	2015	2014	2015	2014	2015	2014
Volume	**118**	**121**	**42**	**39**	**123**	**125**
Revenue	**15 603**	**16 093**	**3 951**	**4 619**	**9 096**	**11 269**
Normalized EBITDA	**6 172**	**6 820**	**2 007**	**2 186**	**4 709**	**5 742**
Normalized EBITDA margin %	39.6%	42.4%	50.8%	47.3%	51.8%	51.0%
Depreciation, amortization and impairment	(754)	(752)	(337)	(395)	(689)	(764)
Normalized profit from operations (EBIT)	**5 418**	**6 068**	**1 670**	**1 791**	**4 020**	**4 979**
Non-recurring items (refer to Note 8)	102	(5)	30	(105)	(84)	(21)
Profit from operations (EBIT)	**5 520**	**6 063**	**1 700**	**1 685**	**3 937**	**4 957**
Net finance income/(cost)						
Share of results of associates						
Income tax expense						
Profit/(loss)						
Segment assets (non-current)	61 870	61 693	21 615	25 129	11 357	14 553
Gross capex	1 112	542	496	439	1 056	1 464

	Latin America South		Europe		Asia Pacific		Global Export and Holding Companies		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	36	37	43	44	88	83	7	10	457	459
	3 458	2 961	4 012	4 865	5 555	5 040	1 929	2 216	43 604	47 063
	1 588	1 352	1 090	1 343	1 349	1 067	(75)	33	16 839	18 542
	45.9%	45.6%	27.2%	27.6%	24.3%	21.2%	–	–	38.6%	39.4%
	(196)	(177)	(343)	(437)	(606)	(550)	(148)	(161)	(3 071)	(3 234)
	1 392	1 175	748	906	742	517	(223)	(128)	13 768	15 308
	(12)	(12)	70	(132)	90	(85)	(61)	165	136	(197)
	1 380	1 163	818	774	833	432	(283)	37	13 904	15 111
									(1 453)	(1 319)
									10	9
									(2 594)	(2 499)
									9 867	11 302
	2 435	2 645	4 316	4 875	12 761	13 053	1 987	2 062	116 341	124 009
	507	385	466	445	1 166	987	225	80	5 028	4 342

For the period ended 31 December 2015, net revenue from the beer business amounted to 40 595m US dollar while the net revenue from the non-beer business (soft drinks and other business) accounted for 3 009m US dollar. On the same basis, net revenue from external customers attributable to AB InBev's country of domicile (Belgium) and non-current assets located in the country of domicile represented 690m US dollar and 1 169m US dollar, respectively.

6. Acquisitions and Disposals of Subsidiaries

The table below summarizes the impact of acquisitions on the Statement of financial position and cash flows of AB InBev for 31 December 2015 and 2014:

Million US dollar	2015 Acquisitions	2014 Acquisitions	2015 Disposal	2014 Disposal
Non-current assets				
Property, plant and equipment	121	947	(51)	–
Intangible assets	270	1 255	(19)	–
Trade and other receivables	–	47	–	–
Deferred tax assets	–	56	–	–
Current assets				
Inventories	20	113	(1)	–
Trade and other receivables	40	323	–	–
Cash and cash equivalents	14	257	–	–
Assets held for sale	–	–	1	(365)
Non-controlling interest	–	–	–	–
Non-current liabilities				
Interest-bearing loans and borrowings	(7)	(513)	–	–
Trade and other payables	(45)	(187)	–	–
Employee benefits	–	(31)	1	–
Deferred tax liabilities	(7)	(306)	–	–
Provisions	–	–	(3)	–
Current liabilities				
Bank overdraft	–	(3)	–	–
Interest-bearing loans and borrowings	(3)	(96)	–	–
Income tax payable	–	(107)	–	–
Trade and other payables	(12)	(853)	–	–
Net identifiable assets and liabilities	**391**	**902**	**(72)**	**(365)**
Goodwill on acquisitions	288	5 307	–	–
Loss/(gain) on disposal	–	–	(21)	(196)
Consideration to be paid	(25)	–	–	52
Net cash paid on prior years acquisitions	485	1 021	–	–
Consideration paid/(received), satisfied in cash	**1 139**	**7 226**	**(93)**	**(509)**
Cash (acquired)/ disposed of	(14)	(254)	–	24
Net cash outflow / (inflow)	**1 125**	**6 976**	**(93)**	**(485)**

2015 Acquisitions and Disposals

During 2015, the company undertook a series of acquisitions and disposals with no significant impact in the company's consolidated income statement.

During 2015, AB InBev performed a mandatory tender offer and purchased all outstanding Grupo Modelo's shares held by third parties for a total consideration of 483m US dollar. Following the tender offer, Modelo became a wholly owned subsidiary of AB InBev and Modelo was delisted. An amount of 2m US dollar was recognized as restricted cash for the outstanding consideration payable to former Modelo's shareholders who did not yet claim their proceeds.

2014 Acquisitions

The following transactions took place in 2014:

Oriental Brewery acquisition

On 1 April 2014, AB InBev completed the acquisition of Oriental Brewery ("OB"), the leading brewer in South Korea. The acquisition returned OB to the AB InBev portfolio, after AB InBev sold the company in July 2009, following the combination of InBev and Anheuser-Busch, in support of the company's deleveraging commitment.

The enterprise value for the transaction was 5.8 billion US dollar, and as a result of an agreement entered into in 2009, AB InBev also received approximately 320m US dollar in cash at closing from this transaction, subjected to closing adjustments according to the terms of the transaction.

The transaction resulted in 4.3 billion US dollar of goodwill allocated primarily to the Korean business. The majority of the intangible asset valuation related to brands with indefinite life. These mainly include the Cass brand family and have been fair valued for a total amount of 1.1 billion US dollar.

A deferred tax liability has been accrued on most fair value adjustments considering a tax rate of 24.2%.

2014 Other acquisitions

In 2014, AB InBev completed the acquisition of the Siping Ginsber Draft Beer Co., Ltd. ("Ginsber"), which owns the Ginsber brand in China, as well as the acquisition of three breweries in China. The aggregate purchase price of such transactions was approximately 868m US dollar.

2014 Disposals

During 2014, AB InBev collected 197m US dollar proceeds from prior years' sale of the Central European operations to CVC Capital Partners.

During 2014, AB InBev sold its investment in the company Comercio y Distribución Modelo ("Extra") and AB InBev completed the sale of its glass production plant and other assets located in Piedras Negras, Coahuila, Mexico, to affiliates of Constellation Brands Inc. The result of such sales was recorded as a non-recurring item – see Note 8 *Non-recurring items*.

7. Other Operating Income/(Expenses)

Million US dollar	2015	2014
Government grants	668	697
License income	73	123
Net (additions to)/reversals of provisions	(31)	(10)
Net gain on disposal of property, plant and equipment, intangible assets and assets held for sale	20	5
Net rental and other operating income	302	573
	1 032	**1 387**
Research expenses as incurred	207	217

The government grants relate primarily to fiscal incentives given by certain Brazilian states and Chinese provinces, based on the company's operations and developments in those regions.

Net rental and other operating income decreased from 573m US dollar in 2014 to 302m US dollar in 2015. This decrease results mainly from a 2014 one-time positive accounting adjustment of 223m US dollar, following an actuarial reassessment of future liabilities under the company's post-retirement healthcare benefit plans in the US.

In 2015, the company expensed 207m US dollar in research, compared to 217m US dollar in 2014. Part of this was expensed in the area of market research, but the majority is related to innovation in the areas of process optimization especially as it pertains to capacity, new product developments and packaging initiatives.

8. Non-Recurring Items

IAS 1 *Presentation of financial statements* requires material items of income and expense to be disclosed separately. Non-recurring items are items, which in management's judgment, need to be disclosed by virtue of their size or incidence in order for the user to obtain a proper understanding of the financial information. The company considers these items to be of significance in nature, and accordingly, management has excluded these from their segment measure of performance as noted in Note 5 *Segment Reporting*.

The non-recurring items included in the income statement are as follows:

Million US dollar	2015	2014[1]
Restructuring	(171)	(158)
Acquisition costs business combinations	(55)	(77)
Business and asset disposal	524	157
Impairment of assets	(82)	(119)
Judicial settlement	(80)	–
Impact on profit from operations	**136**	**(197)**
Non-recurring net finance income/(cost)	(214)	509
Non-recurring taxes	(201)	25
Non-recurring non-controlling interest	39	14
Net impact on profit attributable to equity holders of AB InBev	**(240)**	**351**

The non-recurring restructuring charges for 2015 total (171)m US dollar. These charges primarily relate to the integration of Grupo Modelo and to organizational alignments in North America and Europe. These changes aim to eliminate overlap or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of the series of decisions, provide the company with a lower cost base in addition to a stronger focus on AB InBev's core activities, quicker decision making and improvements to efficiency, service and quality.

Business and asset disposals resulted in a net gain of 524m US dollar as per 31 December 2015. This gain consists primarily of gains on property sales, and compensation for the termination agreements with Crown imports for the distribution of Grupo Modelo products thought the company's wholly owned distributors in the US, and with Monster for the distribution of its brands through the Anheuser-Busch distribution system.

During 2015, the group incurred 50m US dollar impairment losses related to goodwill and other assets in respect of its operations in Ukraine and impaired a non-core brand for an amount of 32m US dollar.

Acquisition costs of business combinations amount to (55)m US dollar by the end of December 2015, primarily related to costs incurred in relation to the proposed combination with SABMiller.

The judicial settlement relates to the agreement reached between CADE, the Brazilian Antitrust Authority and Ambev, regarding the "Tô Contigo" customer loyalty program - see Note 30 *Contingencies*.

The non-recurring restructuring charges for the period ended 31 December 2014 total 158m US dollar. These charges primarily relate to the integration of Grupo Modelo and to organizational alignments in Asia Pacific and Europe.

Acquisition costs of business combinations amount to (77)m US dollar by the end of December 2014 primarily relating to cost incurred for the acquisition of OB that closed on 1 April 2014 – see also Note 6 *Acquisitions and disposals of subsidiaries*.

The business and asset disposals resulted in a net gain of 157m US dollar as per 31 December 2014 mainly attributable to the additional proceeds from the sale of the Central European operations to CVC Capital Partners and the disposal of Extra and the glass production plant located in Piedras Negras, Coahuila, Mexico – see also Note 6 *Acquisitions and disposals of subsidiaries*.

Impairment of assets for the period ended 31 December 2014 mainly relate to the closure of the Angarsk and Perm breweries in Russia.

The company also incurred non-recurring finance cost of (214)m US dollar for the period ended 31 December 2015 (31 December 2014: 509m US dollar) - see Note 11 *Finance cost and income*.

[1]Reclassified to conform to the 2015 presentation.

All the above amounts are before income taxes. The non-recurring income taxes as of 31 December 2015 increased income taxes by (201)m US dollar (31 December 2014: 25m US dollar decrease of income taxes). Non-recurring income taxes include (105)m US dollar related to unfavorable tax claims in Korea related to the period prior to OB acquisition.

Non-controlling interest on the non-recurring items amounts to 39m US dollar for the period ended 31 December 2015 (31 December 2014: 14m US dollar).

9. Payroll and Related Benefits

Million US dollar	2015	2014
Wages and salaries	(3 706)	(3 844)
Social security contributions	(633)	(663)
Other personnel cost	(648)	(682)
Pension expense for defined benefit plans	(212)	206
Share-based payment expense	(225)	(251)
Contributions to defined contribution plans	(90)	(145)
	(5 514)	**(5 379)**
Number of full time equivalents (FTE)	152 321	154 029

The number of full time equivalents can be split as follows:

	2015	2014
AB InBev NV (parent company)	191	185
Other subsidiaries	152 130	153 844
	152 321	**154 029**

10. Additional Information on Operating Expenses by Nature

Depreciation, amortization and impairment charges are included in the following line items of the 2015 income statement:

Million US dollar	Depreciation and impairment of property, plant and equipment	Amortization and impairment of intangible assets	Impairment of goodwill
Cost of sales	2 122	17	–
Distribution expenses	122	1	–
Sales and marketing expenses	285	173	–
Administrative expenses	170	177	–
Other operating expenses	4	–	–
Non-recurring items	12	32	38
	2 715	**400**	**38**

Depreciation, amortization and impairment charges were included in the following line items of the 2014 income statement:

Million US dollar	Depreciation and impairment of property, plant and equipment	Amortization and impairment of intangible assets	Impairment of goodwill
Cost of sales	2 258	12	–
Distribution expenses	127	1	–
Sales and marketing expenses	292	189	–
Administrative expenses	170	180	–
Other operating expenses	–	5	–
Non-recurring items	119	–	–
	2 967	**388**	**–**

The depreciation, amortization and impairment of property, plant and equipment included a full-cost reallocation of 3m US dollar in 2015 from the aggregate depreciation, amortization and impairment expense to cost of goods sold (2014: 4m US dollar).

11. Finance Cost and Income

Recognized in profit or loss

Finance costs

Million US dollar	2015	2014
Interest expense	(1 833)	(2 008)
Capitalization of borrowing costs	28	39
Net interest on net defined benefit liabilities	(118)	(124)
Accretion expense	(326)	(364)
Tax on financial transactions	(61)	(36)
Other financial costs, including bank fees	(107)	(304)
	(2 417)	**(2 797)**
Non-recurring finance cost	(725)	–
	(3 142)	**(2 797)**

Finance costs, excluding non-recurring items, decreased by 380m US dollar from prior year mainly driven by lower interest expenses and other financial costs.

Borrowing costs capitalized relate to the capitalization of interest expenses directly attributable to the acquisition and construction of qualifying assets mainly in Brazil and China. Interests are capitalized at a borrowing rate ranging from 4% to 8%.

In the light of the announced proposed combination with SABMiller, AB InBev recognized non-recurring expenses of 725m US dollar, of which:

- 688m US dollar as a result of derivative foreign exchange forward contracts entered into with respect to 45 billion pound sterling purchase price, for which a portion of the hedges could not qualify for hedge accounting– see also Note 27 *Risks arising from financial instruments*;
- 19m US dollar related to commitment fees for the 2015 Committed Senior Acquisition Facilities Agreement and other expenses. Such commitment fees accrue and are payable periodically on any undrawn but available funds under these facilities. See also Note 22 *Interest-bearing loans and borrowings* and
- 18m US dollar non-recurring finance costs resulting from mark-to market adjustments on derivative instruments entered into to hedge the shares to be issued in relation to the proposed combination– see also Note *27 Risks arising from financial instruments*.

Interest expense is presented net of the effect of interest rate derivative instruments hedging AB InBev's interest rate risk – see also Note 27 *Risks arising from financial instruments*.

Finance income

Million US dollar	2015	2014
Interest income	339	335
Net foreign exchange gains (net of the effect of foreign exchange derivative instruments)	378	319
Net gains on hedging instruments that are not part of a hedge accounting relationship	399	275
Other financial income	62	40
	1 178	**969**
Non-recurring finance income	511	509
	1 689	**1 478**

Finance income, excluding non-recurring items, increased by 209m US dollar mainly as a result of net foreign exchange gains on US dollar cash held in Mexico and the mark-to-market result on certain derivatives related to the hedging of share-based payment programs which reached net gains of 844m US dollar in 2015 (31 December 2014: 711m US dollar income).

Non-recurring finance income for the period ended 31 December 2015 was 511m US dollar resulting from mark-to market adjustments on derivative instruments entered into to hedge the deferred share instrument issued in a transaction related to the combination with Grupo Modelo (31 December 2014: 509m US dollar income). By 31 December 2015, 100% of the deferred share instrument had been hedged at an average price of approximately 68 euro per share. See also Note 21 *Changes in equity and earnings per share*.

No interest income was recognized on impaired financial assets.

The interest income stems from the following financial assets:

Million US dollar	2015	2014
Cash and cash equivalents	254	227
Investment debt securities held for trading	37	33
Other loans and receivables	48	75
	339	**335**

The interest income on other loans and receivables includes the interest accrued on cash deposits given as guarantees for certain legal proceedings pending resolution.

For further information on instruments hedging AB InBev's foreign exchange risk see Note 27 *Risks arising from financial instruments*.

12. Income Taxes

Income taxes recognized in the income statement can be detailed as follows:

Million US dollar	2015	2014
Current tax expense		
Current year	(2 300)	(2 332)
(Underprovided)/overprovided in prior years	(95)	18
	(2 395)	**(2 314)**
Deferred tax (expense)/income		
Origination and reversal of temporary differences	(242)	(293)
(Utilization)/recognition of deferred tax assets on tax losses	3	96
Recognition of previously unrecognized tax losses	40	12
	(199)	**(185)**
Total income tax expense in the income statement	**(2 594)**	**(2 499)**

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarized as follows:

Million US dollar	2015	2014
Profit before tax	12 461	13 801
Deduct share of result of associates	10	9
Profit before tax and before share of result of associates	**12 451**	**13 792**
Adjustments on taxable basis		
Foreign source income	(969)	(523)
Government incentives	(948)	(701)
Taxable intercompany dividends	173	331
Expenses not deductible for tax purposes	1 559	1 186
Other non-taxable income	(165)	(530)
	12 101	**13 555**
Aggregated weighted nominal tax rate	**30.5%**	**31.6%**
Tax at aggregated weighted nominal tax rate	(3 687)	(4 288)
Adjustments on tax expense		
Utilization of tax losses not previously recognized	32	93
Recognition of deferred tax assets on previous years' tax losses	40	12
Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized	(195)	(151)
(Underprovided)/overprovided in prior years	(95)	18
Deductions from interest on equity	643	971
Deductions from goodwill	66	113
Other tax deductions	1 033	1 006
Change in tax rate	12	46
Withholding taxes	(450)	(436)
Other tax adjustments	7	117
	(2 594)	**(2 499)**
Effective tax rate	**20.8%**	**18.1%**

The total income tax expense amounts to 2 594m US dollar in 2015 compared to 2 499m US dollar in 2014. The effective tax rate increase from 18.1% to 20.8% from 2014 to 2015, mainly resulting from non-deducible foreign exchange losses from certain derivatives entered into in relation to the proposed combination with SABMiller that could not qualify for hedge accounting under IFRS rules, as well as unfavorable outcome of tax claims and uncertain tax positions. Changes in country profit mix are also impacting the effective tax rate. Please refer to Note 27 *Risks arising from financial instruments* and Note 8 *Non-recurring items*.

The Company benefits from tax exempted income and tax credits which are expected to continue in the future, except for the tax deductibility of existing goodwill in Brazil, which will expire in 2017. The Company does not have significant benefits coming from low tax rates in any particular jurisdiction.

The normalized effective tax rate in 2015 is 19.1% (2014: 18.8%). Normalized effective tax rate is not an accounting measure under IFRS accounting and should not be considered as an alternative to the effective tax rate. Normalized effective tax rate method does not have a standard calculation method and AB InBev's definition of normalized effective rate may not be comparable to other companies.

Income taxes were directly recognized in other comprehensive income as follows:

Million US dollar	2015	2014
Income tax (losses)/gains		
Re-measurements of post-employment benefits	(37)	308
Cash flow and net investment hedges	930	24
	893	**332**

13. Property, Plant and Equipment

Million US dollar	2015					2014
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total	Total
Acquisition cost						
Balance at end of previous year	**9 988**	**22 471**	**3 338**	**1 688**	**37 485**	**38 107**
Effect of movements in foreign exchange	(1 111)	(3 024)	(608)	(304)	(5 047)	(3 620)
Acquisitions	255	1 410	287	2 324	4 276	3 810
Acquisitions through business combinations	47	49	11	14	121	950
Disposals	(116)	(914)	(173)	(3)	(1 206)	(1 188)
Disposals through the sale of subsidiaries	(63)	(105)	(16)	–	(184)	(419)
Transfer (to)/from other asset categories and other movements[1]	239	1 088	343	(1 786)	(116)	(156)
Balance at end of the period	**9 239**	**20 975**	**3 182**	**1 933**	**35 329**	**37 485**
Depreciation and impairment losses						
Balance at end of previous year	**(2 826)**	**(12 240)**	**(2 156)**	**–**	**(17 222)**	**(17 218)**
Effect of movements in foreign exchange	336	1 666	384	–	2 386	1 915
Disposals	69	784	158	–	1 011	918
Disposals through the sale of subsidiaries	36	87	10	–	133	119
Depreciation	(375)	(1 897)	(398)	–	(2 670)	(2 808)
Impairment losses	–	(45)	(3)	–	(48)	(163)
Transfer to/(from) other asset categories and other movements[1]	15	32	(14)	–	33	16
Balance at end of the period	**(2 745)**	**(11 613)**	**(2 019)**	**–**	**(16 377)**	**(17 222)**
Carrying amount						
at 31 December 2014	**7 162**	**10 231**	**1 182**	**1 688**	**20 263**	**20 263**
at 31 December 2015	**6 494**	**9 362**	**1 163**	**1 933**	**18 952**	**–**

The carrying amount of property, plant and equipment subject to restrictions on title amounts to 21m US dollar.

Contractual commitments to purchase property, plant and equipment amounted to 750m US dollar as at 31 December 2015 (2014: 647m US dollar). The increase results from projects mainly in Mexico and North America.

Leased Assets

The company leases land and buildings as well as equipment under a number of finance lease agreements. The carrying amount as at 31 December 2015 of leased land and buildings was 141m US dollar (2014: 151m US dollar).

[1] The transfer (to)/from other asset categories and other movements mainly relates to transfers from assets under construction to their respective asset categories, to contributions of assets to pension plans and to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*.

14. Goodwill

Million US dollar	2015	2014
Acquisition cost		
Balance at end of previous year	**70 765**	**69 933**
Effect of movements in foreign exchange	(5 956)	(4 410)
Purchases of non-controlling interest	2	(5)
Disposals through the sale of subsidiaries	–	(60)
Acquisitions through business combinations	288	5 307
Balance at end of year	**65 099**	**70 765**
Impairment losses		
Balance at end of previous year	**(7)**	**(7)**
Impairment losses	(38)	–
Effect of movements in foreign exchange and other movements	7	–
Balance at end of year	**(38)**	**(7)**
Carrying amount		
at 31 December 2014	**70 758**	**70 758**
at 31 December 2015	**65 061**	**–**

During 2015, the group incurred 38m US dollar goodwill impairment loss in respect of its operations in Ukraine as a result of the country's continued political instability and deteriorating macroeconomic conditions – see Note 8 *Non-recurring items*.

In 2014, acquisitions through business combinations primarily reflect the OB acquisition in South Korea and the acquisition of Ginsber and three breweries in China. The 2014 disposals relate to the sale of the glass production plant in Mexico.

The carrying amount of goodwill was allocated to the different business unit levels as follows:

Million US dollar Business unit	2015	2014
USA	32 831	32 718
Mexico	14 630	17 100
Brazil	4 613	6 764
South Korea	3 739	4 031
China	2 901	3 031
Canada	1 583	1 786
Germany/Italy/Switzerland/Austria	1 212	1 352
Dominican Republic	1 024	1 040
Argentina and other Hispanic Latin America countries	899	1 031
Global Export/Spain/Czech Republic	603	679
UK/Ireland	559	588
Russia/Ukraine	385	547
Belgium/Netherlands/France/Luxemburg	82	91
	65 061	**70 758**

AB InBev completed its annual impairment test for goodwill and concluded, based on the assumptions described below, that exception made for its operations in Ukraine, no impairment charge was warranted.

The company cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the asset values reported. AB InBev believes that all of its estimates are reasonable: they are consistent with the internal reporting and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control. During its valuation, the company ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate, in particular for the valuations of the US, Brazil and Mexico, countries that show the highest goodwill, as well as for Russia and Ukraine due to continued political instability and deteriorating macroeconomic conditions. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company, based on the sensitivity analysis performed is not aware of any reasonably possible change in a key assumption used that would cause a business unit's carrying amount to materially exceed its recoverable amount.

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. Goodwill, which accounted for approximately 48% of AB InBev's total assets as at 31 December 2015, is tested for impairment at the business unit level (that is one level below the reporting segments). The business unit level is the lowest level at which goodwill is monitored for internal management purposes. Whenever a business combination occurs, goodwill is allocated as from the acquisition date, to each of AB InBev's business units that are expected to benefit from the synergies of the combination.

AB InBev's impairment testing methodology is in accordance with IAS 36, in which fair-value-less-cost-to-sell and value in use approaches are taken into consideration. This consists in applying a discounted free cash flow approach based on acquisition valuation models for its major business units and the business units showing a high invested capital to EBITDA multiple, and valuation multiples for its other business units.

The key judgments, estimates and assumptions used in the discounted free cash flow calculations are generally as follows:

- The first year of the model is based on management's best estimate of the free cash flow outlook for the current year;
- In the second to fourth year of the model, free cash flows are based on AB InBev's strategic plan as approved by key management. AB InBev's strategic plan is prepared per business unit and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions;
- For the subsequent six years of the model, data from the strategic plan is extrapolated generally using simplified assumptions such as constant volumes and variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;
- Cash flows after the first ten-year period are extrapolated generally using expected annual long-term consumer price indices (CPI), based on external sources, in order to calculate the terminal value, considering sensitivities on this metric. For the three main cash generating units, the terminal growth rate applied ranged between 0.0% and 2.4% for the US; 0.0% and 3.4% for Brazil and 0.0% and 2.6% for Mexico;
- Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital (WACC), considering sensitivities on this metric. The WACC ranged primarily between 7% and 17% in US dollar nominal terms for goodwill impairment testing conducted for 2015. For the three main cash generating units, the WACC applied in US dollar nominal terms ranged between 7% and 9% for the US, 9% and 11% for Brazil, and 8% and 10% for Mexico.
- Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

The above calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators (i.e. recent market transactions from peers).

Although AB InBev believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or market or macro-economic conditions.

15. Intangible Assets

	2015					2014
Million US dollar	**Brands**	**Commercial intangibles**	**Software**	**Other**	**Total**	**Total**
Acquisition cost						
Balance at end of previous year	**28 070**	**1 803**	**1 425**	**582**	**31 880**	**31 131**
Effect of movements in foreign exchange	(888)	(128)	(197)	(54)	(1 267)	(1 026)
Acquisitions through business combinations	29	210	–	31	270	1 256
Acquisitions and expenditures	308	424	144	142	1 018	532
Disposals through the sales of subsidiaries	(17)	(3)	–	–	(20)	(10)
Disposals	–	(82)	(9)	(17)	(108)	(37)
Transfer (to)/from other asset categories and other movements	(76)	3	36	(17)	(54)	34
Balance at end of period	**27 426**	**2 227**	**1 399**	**667**	**31 719**	**31 880**
Amortization and impairment losses						
Balance at end of previous year	**–**	**(932)**	**(955)**	**(70)**	**(1 957)**	**(1 793)**
Effect of movements in foreign exchange	–	100	133	5	238	194
Amortization	–	(176)	(177)	(15)	(368)	(384)
Impairment losses	(32)	–	–	–	(32)	(4)
Disposals through the sales of subsidiaries	–	2	–	–	2	1
Disposals	–	59	9	9	77	29
Transfer to/(from) other asset categories and other movements	–	(7)	3	2	(2)	–
Balance at end of period	**(32)**	**(954)**	**(987)**	**(69)**	**(2 042)**	**(1 957)**
Carrying value						
at 31 December 2014[1]	**28 070**	**871**	**470**	**512**	**29 923**	**29 923**
at 31 December 2015	**27 394**	**1 273**	**412**	**598**	**29 677**	**–**

[1]Reclassified to conform to the 2015 presentation.

AB InBev is the owner of some of the world's most valuable brands in the beer industry. As a result, brands and certain distribution rights are expected to generate positive cash flows for as long as the company owns the brands and distribution rights. Given AB InBev's more than 600-year history, brands and certain distribution rights have been assigned indefinite lives.

Acquisitions and expenditures of commercial intangibles mainly represent supply and distribution rights, exclusive multi-year sponsorship rights and other commercial intangibles.

Intangible assets with indefinite useful lives are comprised primarily of brands and certain distribution rights that AB InBev purchases for its own products, and are tested for impairment during the fourth quarter of the year or whenever a triggering event has occurred. As of 31 December 2015, the carrying amount of the intangible assets amounted to 29 677m US dollar (31 December 2014: 29 923m US dollar) of which 27 722m US dollar was assigned an indefinite useful life (31 December 2014: 28 159m US dollar) and 1 955m US dollar a finite life (31 December 2014: 1 764m US dollar).

The carrying amount of intangible assets with indefinite useful lives was allocated to the different countries as follows:

Million US dollar Country	2015	2014
USA	21 484	21 468
Mexico	3 503	4 091
South Korea	960	1 035
Dominican Republic	598	386
China	399	417
Paraguay	153	186
Bolivia	171	171
Argentina	111	169
UK	102	107
Other countries	241	129
	27 722	**28 159**

Intangible assets with indefinite useful lives have been tested for impairment using the same methodology and assumptions as disclosed in Note 14 *Goodwill*. Based on the assumptions described in that note, AB InBev concluded that no impairment charge is warranted. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company is not aware of any reasonable possible change in a key assumption used that would cause a business unit's carrying amount to materially exceed its recoverable amount.

16. Investment Securities

Million US dollar	2015	2014[1]
Non-current investments		
Investments in unquoted companies – available for sale	31	9
Debt securities held to maturity	17	21
	48	**30**
Current investments		
Debt securities held for trading	55	301
	55	**301**

As of 31 December 2015, current debt securities of 55m US dollar mainly represented investments in Brazilian real denominated government debt securities. The company's investments in such short-term debt securities are primarily to facilitate liquidity and for capital preservation.

The securities available for sale consist mainly of investments in unquoted companies and are measured at cost as their fair value cannot be reliably determined.

[1] Reclassified to conform to the 2015 presentation.

17. Deferred Tax Assets and Liabilities

The amount of deferred tax assets and liabilities by type of temporary difference can be detailed as follows:

	2015		
Million US dollar	Assets	Liabilities	Net
Property, plant and equipment	514	(2 482)	(1 968)
Intangible assets	221	(9 709)	(9 488)
Inventories	103	(97)	6
Trade and other receivables	91	(59)	32
Interest-bearing loans and borrowings	569	(403)	166
Employee benefits	751	(28)	723
Provisions	337	(36)	301
Derivatives	92	(47)	45
Other items	151	(997)	(846)
Loss carry forwards	249	–	249
Gross deferred tax assets/(liabilities)	**3 078**	**(13 858)**	**(10 780)**
Netting by taxable entity	**(1 897)**	**1 897**	**–**
Net deferred tax assets/(liabilities)	**1 181**	**(11 961)**	**(10 780)**

	2014[1]		
Million US dollar	Assets	Liabilities	Net
Property, plant and equipment	457	(2 765)	(2 308)
Intangible assets	264	(9 891)	(9 627)
Inventories	140	(102)	38
Trade and other receivables	51	(98)	(47)
Interest-bearing loans and borrowings	163	(585)	(422)
Employee benefits	899	(51)	848
Provisions	368	(40)	328
Derivatives	50	(6)	44
Other items	614	(1 501)	(887)
Loss carry forwards	390	–	390
Gross deferred tax assets/(liabilities)	**3 396**	**(15 039)**	**(11 643)**
Netting by taxable entity	(2 338)	2 338	–
Net deferred tax assets/(liabilities)	**1 058**	**(12 701)**	**(11 643)**

The change in net deferred taxes recorded in the consolidated statement of financial position can be detailed as follows:

Million US dollar	2015	2014[1]
Balance at 1 January	**(11 643)**	**(11 661)**
Recognized in profit or loss	(199)	(185)
Recognized in other comprehensive income	893	332
Acquisitions through business combinations	(7)	(250)
Other movements and effect of changes in foreign exchange rates	176	121
Balance at 31 December	**(10 780)**	**(11 643)**

Most of the temporary differences are related to the fair value adjustment on intangible assets with indefinite useful lives and property, plant and equipment acquired in a business combination. The realization of such temporary differences is unlikely to revert within 12 months.

[1] Reclassified to conform to the 2015 presentation.

On 31 December 2015, a deferred tax liability of 235m US dollar (2014: 283m US dollar) relating to investment in subsidiaries has not been recognized because management believes that this liability will not be incurred in the foreseeable future.

Tax losses carried forward and deductible temporary differences on which no deferred tax asset is recognized amount to 2 766m US dollar (2014: 2 397m US dollar). 812m US dollar of these tax losses and deductible temporary differences do not have an expiration date, 66m US dollar, 60m US dollar and 164m US dollar expire within respectively 1, 2 and 3 years, while 1 664m US dollar have an expiration date of more than 3 years. Deferred tax assets have not been recognized on these items because it is not probable that future taxable profits will be available against which these tax losses and deductible temporary differences can be utilized and the company has no tax planning strategy currently in place to utilize these tax losses and deductible temporary differences.

18. Inventories

Million US dollar	2015	2014
Prepayments	103	86
Raw materials and consumables	1 539	1 723
Work in progress	294	315
Finished goods	819	795
Goods purchased for resale	107	55
	2 862	**2 974**
Inventories other than work in progress		
Inventories stated at net realizable value	46	107
Carrying amount of inventories subject to collateral	–	–

The cost of inventories recognized as an expense in 2015 amounts to 17 137m US dollar, included in cost of sales (2014: 18 756m US dollar).

Impairment losses on inventories recognized in 2015 amount to 21m US dollar (2014: 70m US dollar).

19. Trade and Other Receivables

Non-current trade and other receivables

Million US dollar	2015	2014[1]
Cash deposits for guarantees	187	229
Loans to customers	37	40
Deferred collection on disposals	25	26
Tax receivable, other than income tax	86	167
Trade and other receivables	578	800
	913	**1 262**

For the nature of cash deposits for guarantees see Note 29 *Collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other.*

Current trade and other receivables

Million US dollar	2015	2014[1]
Trade receivables and accrued income	3 241	3 363
Interest receivable	21	63
Tax receivable, other than income tax	353	505
Loans to customers	57	52
Prepaid expenses	465	554
Other receivables	314	175
	4 451	**4 712**

The fair value of trade and other receivables equals their carrying amounts as the impact of discounting is not significant.

[1] Reclassified to conform to the 2015 presentation.

The ageing of the current trade receivables and accrued income, interest receivable, other receivables and current and non-current loans to customers can be detailed as follows for 2015 and 2014 respectively:

			Of which not impaired as of the reporting date and past due			
	Net carrying amount as of December 31, 2015	Of which: neither impaired nor past due on the reporting date	Less than 30 days	Between 30 and 59 days	Between 60 and 89 days	More than 90 days
Trade receivables and accrued income	3 241	3 105	110	13	13	–
Loans to customers	94	88	3	2	1	–
Interest receivable	21	21	–	–	–	–
Other receivables	314	314	–	–	–	–
	3 670	**3 528**	**113**	**15**	**14**	**–**

			Of which not impaired as of the reporting date and past due			
	Net carrying amount as of December 31, 2014	Of which: neither impaired nor past due on the reporting date	Less than 30 days	Between 30 and 59 days	Between 60 and 89 days	More than 90 days
Trade receivables and accrued income	3 363	3 164	152	28	19	–
Loans to customers	92	89	1	1	1	–
Interest receivable	63	63	–	–	–	–
Other receivables	175	175	–	–	–	–
	3 694	**3 492**	**153**	**29**	**20**	**–**

In accordance with IFRS 7 *Financial Instruments: Disclosures*, the above analysis of the age of financial assets that are past due as at the reporting date but not impaired also includes the non-current part of loans to customers. Past due amounts were not impaired when collection is still considered likely, for instance because the amounts can be recovered from the tax authorities or AB InBev has sufficient collateral. Impairment losses on trade and other receivables recognized in 2015 amount to 44m US dollar (2014: 39m US dollar).

AB InBev's exposure to credit, currency and interest rate risks is disclosed in Note 27 *Risks arising from financial instruments*.

20. Cash and Cash Equivalents

Million US dollar	2015	2014
Short-term bank deposits	4 462	5 804
US Treasury Bills	–	800
Cash and bank accounts	2 461	1 753
Cash and cash equivalents	**6 923**	**8 357**
Bank overdrafts	**(13)**	**(41)**
	6 910	**8 316**

The cash outstanding per 31 December 2015 includes restricted cash for an amount of 5m US dollar. This restricted cash refers to outstanding consideration payable to former Anheuser-Busch and Grupo Modelo shareholders who did not yet claim the proceeds from the 2008 and 2013 combinations, respectively.

21. Changes in Equity and Earnings per Share

Statement of capital
The tables below summarize the changes in issued capital and treasury shares during the year:

	Issued capital	
Issued capital	**Million shares**	**Million US dollar**
At the end of the previous year	1 608	1 736
Changes during the year	–	–
	1 608	**1 736**

	Treasury shares		Result on the use of treasury shares
Treasury shares	**Million shares**	**Million US dollar**	**Million US dollar**
At the end of the previous year	0.9	(63)	(756)
Changes during the year	1.0	(139)	(668)
	1.9	**(202)**	**(1 424)**

As at 31 December 2015, the total issued capital of 1 736m US dollar is represented by 1 608 242 156 shares without face value, of which 471 374 576 registered shares, and 1 136 867 580 dematerialized shares.

The total of authorized, un-issued capital amounts to 40m US dollar (37m euro).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. In respect of the company's shares that are held by AB InBev, rights are suspended.

The shareholders' structure based on the notifications made to the company pursuant to the Belgian Law of 02 May 2007 on the disclosure of significant shareholdings in listed companies is included in the *Corporate Governance* section of AB InBev's annual report.

Changes in ownership interests
In compliance with IFRS 10, the acquisition of additional shares in a subsidiary is accounted for as an equity transaction with owners.

During 2015, AB InBev purchased non-controlling interests in subsidiaries for a total consideration of 296m US dollar. As the related subsidiaries were already fully consolidated, the purchases did not impact AB InBev's profit, but reduced the non-controlling interests and thus impacted the profit attributable to equity holders of AB InBev.

Report according to article 624 of the belgian companies code – purchase of own shares
Using the powers granted at the shareholders meeting of 30 April 2014, the Board of Directors approved a share buyback program for an amount of 1 billion US dollar. As of 31 December 2015, AB InBev bought back 8 200 090 shares for a total amount of 1 billion US dollar, corresponding to 0.51% of the total shares outstanding. The shares acquired were mainly used to fulfill the company's various share delivery commitments under the stock ownership plan.

During 2015, the company proceeded with the following sale transactions:
- 119 067 shares were granted to executives of the group according to the company's executive remuneration policy;
- 1 103 228 shares were sold, as a result of the exercise of options granted to employees of the group;
- Finally, 6 000 400 shares were used to fulfill share delivery commitments.

At the end of the period, the group owned 1 859 625 own shares of which 1 333 731 were held directly by AB InBev.

The par value of the shares is 0.77 euro. As a consequence, the shares that were sold during the year 2015 represent 6 054 778 US dollar (5 561 475 euro) of the subscribed capital and the shares that the company still owned at the end of 2015 represent 1 558 922 US dollar (1 431 911 euro) of the subscribed capital.

Dividends
On 29 October 2015, an interim dividend of 1.60 euro per share or approximately 2 570m euro was approved by the Board of Directors. This interim dividend was paid out on 16 November 2015. On 24 February 2016, in addition to the interim dividend paid on 16 November 2015, a dividend of 2.00 euro per share or approximately 3 206m euro was proposed by the Board of Directors, reflecting a total dividend payment for 2015 fiscal year of 3.60 euro per share or approximately 5 776m euro.

In accordance with IAS 10 *Events after the balance sheet date*, the February 2016 dividend has not been recorded in the 2015 financial statements.

On 30 October 2014, an interim dividend of 1.00 euro per share or approximately 1 636m euro was approved by the Board of Directors. This interim dividend was paid out on 14 November 2014. On 29 April 2015, in addition to the interim dividend paid on 14 November 2014, a dividend of 2.00 euro per share or approximately 3 276m euro was approved at the shareholders meeting, reflecting a total dividend payment for 2014 fiscal year of 3.00 euro per share or approximately 4 912m euro. This dividend was paid out on 6 May 2015.

Translation reserves
The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements of foreign operations. The translation reserves also comprise the portion of the gain or loss on the foreign currency liabilities and on the derivative financial instruments determined to be effective net investment hedges in conformity with IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules.

Hedging reserves
The hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent the hedged risk has not yet impacted profit or loss – see also Note 27 *Risks arising from financial instruments*.

Transfers from subsidiaries
The amount of dividends payable to AB InBev by its operating subsidiaries is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. Capital transfer restrictions are also common in certain emerging market countries, and may affect AB InBev's flexibility in implementing a capital structure it believes to be efficient. Dividends paid to AB InBev by certain of its subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 15%.

Deferred share instrument
In a transaction related to the combination with Grupo Modelo, select Grupo Modelo shareholders committed, upon tender of their Grupo Modelo shares, to acquire 23 076 923 AB InBev shares to be delivered within 5 years for a consideration of approximately 1.5 billion US dollar. The consideration was paid on 5 June 2013. Pending the delivery of the AB InBev shares, AB InBev will pay a coupon on each undelivered AB InBev share, so that the Deferred Share Instrument holders are compensated on an after tax basis, for dividends they would have received had the AB InBev shares been delivered to them prior to the record date for such dividend.

The deferred share instrument is classified as an equity instrument, in line with IAS 32, as the number of shares and consideration received are fixed. The coupon to compensate for the dividend equivalent is reported through equity. On 6 May 2015, the company paid a coupon of 2.00 euro per share or approximately 62m US dollar. On 16 November 2015, the company paid a coupon of 1.60 euro per share or approximately 41m US dollar.

Stock lending
In order to fulfil AB InBev's commitments under various outstanding stock option plans, AB InBev entered into stock lending arrangements for up to 15 million of its own ordinary shares. AB InBev shall pay any dividend equivalent, after tax in respect of the loaned securities. This payment will be reported through equity as dividend.

As of 31 December 2015, 10.6 million loaned securities were used to fulfil stock option plan commitments.

Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of AB InBev of 8 273m US dollar (2014: 9 216m US dollar) and a weighted average number of ordinary shares (including deferred share instruments and stock lending) outstanding during the year, calculated as follows:

Million shares	2015	2014
Issued ordinary shares at 1 January, net of treasury shares	1 607	1 607
Effect of shares issued and share buyback programs	(2)	–
Effect of stock lending	10	4
Effect of undelivered shares under the deferred share instrument	23	23
Weighted average number of ordinary shares at 31 December	**1 638**	**1 634**

The calculation of diluted earnings per share is based on the profit attributable to equity holders of AB InBev of 8 273m US dollar (2014: 9 216m US dollar) and a weighted average number of ordinary shares (diluted) outstanding (including deferred share instruments and stock lending) during the year, calculated as follows:

Million shares	2015	2014
Weighted average number of ordinary shares at 31 December	1 605	1 607
Effect of stock lending	10	4
Effect of undelivered shares under the deferred share instrument	23	23
Effect of share options, warrants and restricted stock units	30	31
Weighted average number of ordinary shares (diluted) at 31 December	**1 668**	**1 665**

The calculation of earnings per share before non-recurring items is based on the profit after tax and before non-recurring items, attributable to equity holders of AB InBev. A reconciliation of profit before non-recurring items, attributable to equity holders of AB InBev to profit attributable to equity holders of AB InBev is calculated as follows:

Million US dollar	2015	2014
Profit before non-recurring items, attributable to equity holders of AB InBev	8 513	8 865
Non-recurring items, after taxes, attributable to equity holders of AB InBev (refer Note 8)	(26)	(158)
Non-recurring finance cost, after taxes, attributable to equity holders of AB InBev (refer Note 8)	(214)	509
Profit attributable to equity holders of AB InBev	**8 273**	**9 216**

The table below sets out the EPS calculation:

Million US dollar	2015	2014
Profit attributable to equity holders of AB InBev	8 273	9 216
Weighted average number of ordinary shares	1 638	1 634
Basic EPS	**5.05**	**5.64**
Profit before non-recurring items, attributable to equity holders of AB InBev	8 513	8 865
Weighted average number of ordinary shares	1 638	1 634
EPS before non-recurring items	**5.20**	**5.43**
Profit attributable to equity holders of AB InBev	8 273	9 216
Weighted average number of ordinary shares (diluted)	1 668	1 665
Diluted EPS	**4.96**	**5.54**
Profit before non-recurring items, attributable to equity holders of AB InBev	8 513	8 865
Weighted average number of ordinary shares (diluted)	1 668	1 665
Diluted EPS before non-recurring items	**5.10**	**5.32**

The average market value of the company's shares for purposes of calculating the dilutive effect of share options and restricted stock units was based on quoted market prices for the period that the options and restricted stock units were outstanding. 0.2m share options were anti-dilutive and not included in the calculation of the dilutive effect as at 31 December 2015.

22. Interest-Bearing Loans and Borrowings

This note provides information about the company's interest-bearing loans and borrowings. For more information about the company's exposure to interest rate and foreign exposure currency risk - refer to Note 27 *Risks arising from financial instruments*.

Non-current liabilities

Million US dollar	2015	2014
Secured bank loans	175	169
Unsecured bank loans	89	260
Unsecured bond issues	43 112	43 014
Unsecured other loans	43	57
Finance lease liabilities	122	130
	43 541	**43 630**

Current liabilities

Million US dollar	2015	2014
Secured bank loans	102	117
Commercial papers	2 087	2 211
Unsecured bank loans	1 380	560
Unsecured bond issues	2 330	4 535
Unsecured other loans	9	25
Finance lease liabilities	4	3
	5 912	**7 451**

The current and non-current interest-bearing loans and borrowings amount to 49.5 billion US dollar as of 31 December 2015, compared to 51.1 billion US dollar as of 31 December 2014.

On 20 April 2015, AB InBev issued 3.0 billion euro aggregate principal amount of notes, consisting of 0.75 billion euro aggregate principal amount of floating rate notes due 2018 bearing interest at an annual rate of 25 basis points above three-month EURIBOR; 1.0 billion euro aggregate principal amount of fixed rate notes due 2023 bearing interest at an annual rate of 0.80% and 1.25 billion euro aggregate principal amount of fixed rate notes due 2030 bearing interest at an annual rate of 1.50%. The use of the proceeds of such issuance was for general corporate purposes.

On 23 July 2015, Anheuser-Busch InBev Finance Inc., a subsidiary of AB InBev, issued 565 million US dollar aggregated principal amount of fixed rate notes due 2045. The notes will bear interest at an annual rate of 4.60%.

Commercial papers amount to 2.1 billion US dollar as of 31 December 2015 and include programs in US dollar and euro with a total authorized issuance up to 3.0 billion US dollar and 1.0 billion euro, respectively.

Effective 28 August 2015, AB InBev amended the terms of the 8.0 billion US dollar 5-year 2010 Senior Facilities Agreement, originally entered into in February 2010 and subsequently amended to a 7.2 billion US dollar facility with a revised maturity of July 2018. The August 2015 amendments increased the total amount of the facilities to 9.0 billion US dollar and extended the maturity to August 2020. As of 31 December 2015, there are no amounts drawn under the 9.0 billion US dollar 2010 amended Senior Facilities Agreement.

In connection with the proposed combination with SABMiller, AB InBev entered into a 75.0 billion US dollar Committed Senior Acquisition Facilities agreement dated 28 October 2015 to fund the cash consideration of the transaction. The new financing consists of a 10.0 billion US dollar Disposal Bridge Facility, a 15.0 billion US dollar Cash/DCM Bridge Facility A, a 15.0 billion US dollar Cash/DCM Bridge Facility B, a 25.0 billion US dollar Term Facility A, and a 10.0 billion US dollar Term Facility B, ("2015 Committed Senior Acquisition Facilities Agreement").

The margins on each facility will be determined based on ratings assigned by rating agencies to AB InBev long-term debt. For the Disposal Bridge Facility, the Cash/DCM Bridge Facility A and the Cash/DCM Bridge Facility B, the margin ranges between 0.85% per annum and 1.30% per annum. For Term Facility A, the margin ranges between 0.90% per annum and 1.35% per annum and for Term Facility B, the margin ranges between 1.00% per annum and 1.45% per annum.

For the purposes of calculating the commitment fees, until such time as S&P and Moody's have assigned (or indicated on a pro-forma basis assuming completion of the Acquisition) to AB InBev a credit rating taking into account the Acquisition, the margin applicable to each facility shall be calculated on the basis that AB InBev's credit rating is not higher than A-/A3. At AB InBev's rating as of 31 December 2015 of A-/A2, the initial margins would have been 1.00%, 1.00%, 1.00%, 1.10%, and 1.25% respectively.

All proceeds from the drawdown under the 2015 Committed Senior Acquisition Facilities Agreement must be applied, directly or indirectly, towards the acquisition of SABMiller, refinancing of existing indebtedness of SABMiller or any costs in connection therewith. As of 31 December 2015, all facilities remain undrawn. Each facility is available to be drawn until 28 October 2016, subject to an extension up to 28 April 2017 at AB InBev's option. The maximum tenor for Term Facility A and Term Facility B is determined by reference to the date of the 2015 Committed Senior Acquisition Facilities Agreement and will not be affected by an extension of the availability period. Customary commitment fees are payable on any undrawn but available funds under the 2015 Committed Senior Acquisition Facilities Agreement. These fees are recorded as non-recurring finance cost.

On 27 January 2016, AB InBev announced that it had cancelled the Bridge to Cash / DCM Facilities A & B totaling 30 billion US dollar and had chosen to make a voluntary cancellation of 12.5 billion US dollar of the Term Facility A of the 75.0 billion US dollar Committed Senior Acquisition Facilities following approximately 47 billion US dollar capital markets issuances in January 2016– see also Note 32: *Events after the balance sheet date.*

AB InBev is in compliance with all its debt covenants as of 31 December 2015. The 2010 Senior Facilities and the 2015 Committed Senior Acquisition Facilities Agreement do not include restrictive financial covenants.

Terms and debt repayment schedule at 31 december 2015 Million US dollar	**Total**	**1 year or less**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**
Secured bank loans	277	102	72	20	28	55
Commercial papers	2 087	2 087	–	–	–	–
Unsecured bank loans	1 469	1 380	84	–	5	–
Unsecured bond issues	45 442	2 330	6 415	4 613	10 163	21 921
Unsecured other loans	52	9	10	8	9	16
Finance lease liabilities	126	4	4	5	15	98
	49 453	**5 912**	**6 585**	**4 646**	**10 220**	**22 090**

Terms and debt repayment schedule at 31 december 2014 Million US dollar	**Total**	**1 year or less**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**
Secured bank loans	286	117	72	28	41	28
Commercial papers	2 211	2 211	–	–	–	–
Unsecured bank loans	820	560	138	63	59	–
Unsecured bond issues	47 549	4 535	2 383	6 682	10 240	23 709
Unsecured other loans	82	25	14	10	13	20
Finance lease liabilities	133	3	4	4	14	108
	51 081	**7 451**	**2 611**	**6 787**	**10 367**	**23 865**

Finance lease liabilities Million US dollar	**2015 Payments**	**2015 Interests**	**2015 Principal**	**2014 Payments**	**2014 Interests**	**2014 Principal**
Less than one year	14	10	4	14	11	3
Between one and two years	14	10	4	13	10	3
Between two and three years	14	9	5	14	10	4
Between three and five years	32	17	15	33	19	14
More than 5 years	145	47	98	168	59	109
	219	**93**	**126**	**242**	**109**	**133**

Net debt is defined as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by AB InBev's management to highlight changes in the company's overall liquidity position. The company believes that net debt is meaningful for investors as it is one of the primary measures AB InBev's management uses when evaluating its progress towards deleveraging.

AB InBev's net debt increased to 42.2 billion US dollar as of 31 December 2015, from 42.1 billion US dollar as of 31 December 2014. Apart from operating results net of capital expenditures, the net debt is mainly impacted by share buyback (1.0 billion US dollar), dividend payments to shareholders of AB InBev and Ambev (8.0 billion US dollar), the payment of interests and taxes (4.0 billion US dollar) and the impact of changes in foreign exchange rates (1.1 billion US dollar decrease of net debt).

The following table provides a reconciliation of AB InBev's net debt as of the dates indicated:

Million US dollar	2015	2014
Non-current interest-bearing loans and borrowings	43 541	43 630
Current interest-bearing loans and borrowings	5 912	7 451
	49 453	**51 081**
Bank overdrafts	13	41
Cash and cash equivalents	(6 923)	(8 357)
Interest bearing loans granted (included within Trade and other receivables)	(286)	(308)
Debt securities (included within Investment securities)	(72)	(322)
Net debt	**42 185**	**42 135**

23. Employee Benefits

AB InBev sponsors various post-employment benefit plans worldwide. These include pension plans, both defined contribution plans, and defined benefit plans, and other post-employment benefits. In accordance with IAS 19 *Employee Benefits* post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

Defined Contribution Plans

For defined contribution plans, AB InBev pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the group has no further payment obligation. The regular contribution expenses constitute an expense for the year in which they are due. For 2015, contributions paid into defined contribution plans for the company amounted to 90m US dollar compared to 145m US dollar for 2014.

Defined Benefit Plans

During 2015, the company contributed to 62 defined benefit plans, of which 50 are retirement plans and 12 are medical cost plans. Most plans provide retirement and leaving service benefits related to pay and years of service. The Belgian, Brazilian, Dominican Republic, Dutch, Canadian, South Korean, Mexican, UK and US plans are partially funded. When plan assets are funded, the assets are held in legally separate funds set up in accordance with applicable legal requirements and common practice in each country. The medical cost plans in Canada, US, and Brazil provide medical benefits to employees and their families after retirement. Many of the defined benefit plans are closed to new entrants.

The present value of funded obligations includes a 126m US dollar liability related to two medical plans in Brazil, for which the benefits are provided through the Fundação Antonio Helena Zerrenner ("FAHZ"). The FAHZ is a legally distinct entity which provides medical, dental, educational and social assistance to current and retired employees of Ambev. On 31 December 2015, the actuarial liabilities related to the benefits provided by the FAHZ are fully offset by an equivalent amount of assets existing in the fund. The net liability recognized in the balance sheet is nil.

The employee benefit net liability amounts to 2 722m US dollar as of 31 December 2015 compared to 3 039m US dollar as of 31 December 2014. In 2015, the fair value of the plan assets value decreased by 698m US dollar and the defined benefit obligations decreased by 991m US dollar. The decrease in the employee benefit net liability is mainly driven by changes in discount rates and currency translation, partially offset by negative asset returns.

The company's net liability for post-employment and long-term employee benefit plans comprises the following at 31 December:

Million US dollar	2015	2014
Present value of funded obligations	(6 905)	(7 776)
Fair value of plan assets	5 075	5 773
Present value of net obligations for funded plans	**(1 830)**	**(2 003)**
Present value of unfunded obligations	(689)	(809)
Present value of net obligations	**(2 519)**	**(2 812)**
Unrecognized asset	(137)	(171)
Net liability	**(2 656)**	**(2 983)**
Other long term employee benefits	(67)	(57)
Total employee benefits	**(2 723)**	**(3 039)**
Employee benefits amounts in the balance sheet:		
Liabilities	(2 725)	(3 049)
Assets	2	10
Net liability	**(2 723)**	**(3 039)**

The changes in the present value of the defined benefit obligations are as follows:

Million US dollar	2015	2014
Defined benefit obligation at 1 January	**(8 585)**	**(9 073)**
Current service costs	(81)	(74)
Interest cost	(354)	(438)
Past service gain/(cost)	8	334
Settlements	3	176
Benefits paid	517	896
Contribution by plan participants	(4)	(4)
Acquisition and disposal through business combination	–	(78)
Actuarial gains/(losses) – demographic assumptions	4	(210)
Actuarial gains/(losses) – financial assumptions	283	(962)
Experience adjustments	14	(40)
Exchange differences	606	445
Transfers and other movements	(5)	443
Defined benefit obligation at 31 December	**(7 594)**	**(8 585)**

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately 1.8 billion US dollar relating to active employees, 1.5 billion US dollar relating to deferred members and 4.3 billion US dollar relating to members in retirement.

The changes in the fair value of plan assets are as follows:

Million US dollar	2015	2014
Fair value of plan assets at 1 January	**5 773**	**6 376**
Interest income	253	328
Administration costs	(20)	(24)
Return on plan assets exceeding interest income	(211)	418
Contributions by AB InBev	275	326
Contributions by plan participants	4	4
Benefits paid net of administration costs	(517)	(896)
Acquisition through business combination	–	51
Assets distributed on settlements	–	(82)
Exchange differences	(482)	(338)
Transfers and other movements	–	(392)
Fair value of plan assets at 31 December	**5 075**	**5 773**

Actual return on plans assets amounted to a gain of 42m US dollar in 2015 compared to a gain of 746m US dollar in 2014. The decrease is mainly driven by lower market returns particularly in United States, United Kingdom and Brazil.

The acquisition through business combinations in 2014 stems from the OB combination.

The changes in the irrecoverable surplus are as follows:

Million US dollar	2015	2014
Irrecoverable surplus impact at 1 January	**(171)**	**(136)**
Interest expense	(15)	(12)
Change in asset ceiling excluding amounts included in interest expense	49	(22)
Irrecoverable surplus impact at 31 December	**(137)**	**(171)**

The expense recognized in the income statement with regard to defined benefit plans can be detailed as follows:

Million US dollar	2015	2014
Current service costs	(81)	(74)
Administration costs	(20)	(24)
Past service cost	8	334
(Losses)/gains on settlements or curtailments	(2)	94
Profit from operations	**(95)**	**330**
Net finance cost	(116)	(124)
Total employee benefit expense	**(211)**	**206**

The employee benefit expense is included in the following line items of the income statement:

Million US dollar	2015	2014[1]
Cost of sales	(64)	(1)
Distribution expenses	(8)	(9)
Sales and marketing expenses	(14)	(14)
Administrative expenses	(17)	(15)
Other operating (expense)/income	6	284
Non-recurring items	2	85
Net finance cost	(116)	(124)
	(211)	**206**

During 2014, the company amended certain post-retirement pension and healthcare benefits, mainly in the US.

Weighted average assumptions used in computing the benefit obligations at the balance sheet date are as follows:

	2015					
	United States	Canada	Mexico	Brazil	United Kingdom	AB InBev
Discount rate	4.4%	4.1%	7.0%	12.1%	4.0%	4.6%
Price inflation	–	2.0%	3.5%	4.5%	3.2%	2.7%
Future salary increases	2.0%	1.0%	4.8%	5.8%	–	3.6%
Future pension increases	–	–	3.5%	–	2.9%	2.7%
Medical cost trend rate	6.2%–5.0%	4.5%	–	8.2%	–	6.6%–5.9%
Life expectation for a 65 year old male	85	86	82	85	87	85
Life expectation for a 65 year old female	88	89	85	88	89	88

	2014					
	United States	Canada	Mexico	Brazil	United Kingdom	AB InBev
Discount rate	4.1%	4.1%	6.5%	10.8%	3.8%	4.4%
Price inflation	–	2.0%	3.5%	4.5%	3.0%	2.7%
Future salary increases	2.0%	1.0%	4.7%	5.8%	–	3.6%
Future pension increases	–	–	3.5%	–	2.8%	2.7%
Medical cost trend rate	6.9%-5.0%	4.5%	–	8.2%	–	7.7%-5.8%
Life expectation for a 65 year old male	85	86	82	85	87	85
Life expectation for a 65 year old female	88	89	85	88	89	88

[1] Reclassified to conform to the 2015 presentation.

Through its defined benefit pension plans and post-employment medical plans, the company is exposed to a number of risks, the most significant are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to high quality corporate yields; if plan assets underperform this yield, the company's net defined benefit obligation may increase. Most of the company's funded plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, the company usually reduces the level of investment risk by investing more in assets that better match the liabilities.

Changes In Bond Yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation Risk

Some of the company's pension obligations, mainly in the UK, are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation could potentially increase the company's net benefit obligation.

Life Expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Investment Strategy

In case of funded plans, the company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligation. In 2015, the company has started the implementation of a new pension de-risking strategy to reduce the risk profile of certain plans by reducing gradually the current exposure to equities and shifting those assets to fixed income securities.

The weighted average duration of the defined benefit obligation is 14.4 years (2014: 14.3 years).

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2015		
Million US dollar	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.5%	(477)	523
Future salary increase	0.5%	26	(24)
Medical cost trend rate	1%	34	(30)
Longevity	One year	201	(197)

Sensitivities are what is reasonably possible changes in assumptions and they are calculated using the same approach as was used to determine the defined benefit obligation. Therefore, the above information is not necessarily a reasonable representation of future results.

The above are purely hypothetical changes in individual assumptions holding all other assumptions constant: economic conditions and changes therein will often affect multiple assumptions at the same time and the effects of changes in key assumptions are not linear.

The fair value of plan assets at 31 December consists of the following:

	2015			2014		
	Quoted	**Unquoted**	**Total**	**Quoted**	**Unquoted**	**Total**
Government bonds	26%	–	26%	29%	–	29%
Corporate bonds	31%	–	31%	26%	–	26%
Equity instruments	29%	–	29%	36%	–	36%
Property	–	3%	3%	–	3%	3%
Insurance contracts and others	10%	1%	11%	5%	1%	6%
	96%	**4%**	**100%**	**96%**	**4%**	**100%**

AB InBev expects to contribute approximately 242m US dollar for its funded defined benefit plans and 61m US dollar in benefit payments to its unfunded defined benefit plans and post-retirement medical plans in 2016.

24. Share-Based Payments[1]

Different share and share option programs allow company senior management and members of the board of directors to receive or acquire shares of AB InBev or Ambev. AB InBev has three primary share-based compensation plans, the share-based compensation plan ("Share-Based Compensation Plan"), established in 2006 and amended as from 2010, the long-term incentive warrant plan ("LTI Warrant Plan"), established in 1999 and replaced by a long-term incentive stock option plan for directors ("LTI Stock Option Plan Directors") in 2014, and the long-term incentive stock-option plan for executives ("LTI Stock Option Plan Executives"), established in 2009. For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a binomial Hull model, modified to reflect the IFRS 2 *Share-based Payment* requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

Share-based payment transactions resulted in a total expense of 225m US dollar for the year 2015 (including the variable compensation expense settled in shares), as compared to 251m US dollar for the year 2014.

AB InBev Share-Based Payment Programs

Share-Based Compensation Plan

As from 1 January 2010, the structure of the Share-Based Compensation Plan for certain executives, including the executive board of management and other senior management in the general headquarters, has been modified. From 1 January 2011, the new plan structure applies to all other senior management. Under this plan, the executive board of management and other senior employees will receive their bonus in cash but have the choice to invest some or all of the value of their bonus in AB InBev shares with a five-year vesting period, referred to as bonus shares. Such voluntary investment leads to a 10% discount to the market price of the shares. The company will also match such voluntary investment by granting three matching shares for each bonus share voluntarily invested in, up to a limited total percentage of each participant's bonus. The percentage of the variable compensation that is entitled to get matching shares varies depending on the position of the executive. The matching is based on the gross amount of the variable compensation invested. The discount shares and matching shares are granted in the form of restricted stock units which have a five-year vesting period. Additionally, the holders of the restricted stock units may be entitled to receive from AB InBev additional restricted stock units equal to the dividends declared since the restricted stock units were granted.

During 2015, AB InBev issued 0.4m of matching restricted stock units in relation to the 2014 bonus and 0.1m matching restricted stock units in relation to a 2015 bonus granted to company employees and management. These matching restricted stock units are valued at the share price at the day of grant, representing a fair value of approximately 54m US dollar, and cliff vest after five years. During 2014, AB InBev issued 0.9m of matching restricted stock units according to the Share-Based Compensation Plan, with an estimated fair value of approximately 90m US dollar, in relation to the 2013 bonus.

LTI Stock Option Plan for Directors

Before 2014, the company issued regularly warrants, or rights to subscribe for newly issued shares under the LTI Warrant Plan for the benefit of directors and, until 2006, for the benefit of members of the executive board of management and other senior employees. LTI warrants were subject to a vesting period ranging from one to three years. Forfeiture of a warrant occurs in certain circumstances when the holder leaves the company's employment.

Since 2007, members of the executive board of management and other employees are no longer eligible to receive warrants under the LTI Warrant Plan, but instead receive a portion of their compensation in the form of shares and options granted under the Share-Based Compensation Plan and the LTI Stock Option Plan Executives.

Since 2014, directors are no longer eligible to receive warrants under the LTI Warrant Plan. Instead, on 30 April 2014, the annual shareholders meeting decided to replace the LTI Warrant Plan by a LTI Stock Option plan for directors. As a result, grants for directors now consist of LTI stock options instead of LTI warrants (i.e. the right to purchase existing shares instead of the right to subscribe to newly issued shares). Grants are made annually at the company's shareholders meeting on a discretionary basis upon recommendation of the Remuneration Committee. The LTI stock options have an exercise price that is set equal to the market price at the time of the granting, a maximum lifetime of 10 years and an exercise period that starts after 5 years. The LTI stock options cliff vest after 5 years. Unvested options are subject to specific forfeiture provisions in the event that the directorship is not renewed upon the expiry of its term or is terminated in the course of its term, both due to a breach of duty by the director.

AB InBev granted 0.2m stock options to members of the board of directors during 2015 representing a fair value of approximately 5m US dollar (2014: 0.2m stock options with a fair value of approximately 4m US dollar).

[1] Amounts have been converted to US dollar at the average rate of the period, unless otherwise indicated.

Furthermore, at the annual shareholders meeting of 30 April 2014, all outstanding LTI warrants granted under the company's LTI Warrant Plan were converted into LTI stock options, i.e. the right to purchase existing ordinary shares of Anheuser-Busch InBev SA/NV instead of the right to subscribe to newly issued shares. All other terms and conditions of the existing grants under the LTI Warrant Plan remain unchanged.

LTI Stock Option Plan Executives

As from 1 July 2009, senior employees are eligible for an annual long-term incentive to be paid out in LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential.

In December 2015 AB InBev issued 4.7m LTI stock options with an estimated fair value of 117m US dollar, whereby 1.1m options relate to American Depositary Shares (ADSs) and 3.6m options to AB InBev shares. In December 2014 AB InBev issued 4.4m LTI stock options with an estimated fair value of 101m US dollar, whereby 1.3m options relate to American Depositary Shares (ADSs) and 3.1m options to AB InBev shares.

Exceptional Incentive Stock Options

On 22 December 2015, approximately 4.8 million options were granted to a selected group of 65 members of the company's senior management who are not members of the executive board of management and are considered to be instrumental to help the company to achieve its ambitious growth target. Each option gives the grantee the right to purchase one existing share. The exercise price of the options is 113.00 Euro which corresponds to the closing share price on the day preceding the grant date.

The options have a duration of 10 years from granting and vest after 5 years. They only become exercisable provided a performance test is met by AB InBev.

No exceptional incentive stock options were granted to members of the executive board of management.

Other Grants

AB InBev has in place three specific long-term restricted stock unit programs.

One program allows for the offer of restricted stock units to certain employees in certain specific circumstances, whereby grants are made at the discretion of the CEO, e.g. to compensate for assignments of expatriates in countries with difficult living conditions. The restricted stock units vest after five years and in case of termination of service before the vesting date, special forfeiture rules apply. In 2015, 0.1m restricted stock units with an estimated fair value of 15m US dollar were granted under this program to a selected number of employees (2014: 0.1m restricted stock units with an estimated fair value of 2m US dollar).

A second program allows for the exceptional offer of restricted stock units to certain employees at the discretion of the Remuneration Committee of AB InBev as a long-term retention incentive for key employees of the company. Employees eligible to receive a grant under this program receive two series of restricted stock units, the first half of the restricted stock units vesting after five years, the second half after ten years. In case of termination of service before the vesting date, special forfeiture rules apply. In 2015 0.2m restricted stock units with an estimated fair value of 26m US dollar were granted under this program to a selected number of employees (2014: 0.2m restricted stock units with an estimated fair value of 21m US dollar).

A third program allows certain employees to purchase company shares at a discount aimed as a long-term retention incentive for (i) high-potential employees of the company, who are at a mid-manager level ("People bet share purchase program") or (ii) for newly hired employees. The voluntary investment in company shares leads to the grant of 3 matching shares for each share invested. The discount and matching shares are granted in the form of restricted stock units which vest after 5 years. In case of termination before the vesting date, special forfeiture rules apply. In 2015, employees purchased shares under this program for the equivalent of 0.8m US dollar (2014: equivalent of 0.5m US dollar).

In order to maintain consistency of benefits granted to executives and to encourage international mobility of executives, an options exchange program has been executed whereby unvested options are exchanged against restricted shares that remain locked-up until 31 December 2023. In 2015, no unvested options were exchanged against restricted shares (2014: 0.5m unvested options were exchanged against 0.5m restricted shares). As a variant to this program, the Remuneration Committee has also approved the early release of the vesting conditions of 1.0m unvested options. The shares that result from the exercise of the options must remain locked-up until 31 December 2023. As the vesting period for these stock options was changed, an accelerated expense was recorded as a result of the modification. Furthermore, certain options granted have been modified whereby the dividend protected feature of these options have been cancelled and compensated by the issuance of new additional options. As there was no change between the fair value of the original award immediately before the modification and the fair value of the modified award immediately after the modification, no additional expense was recorded as a result of the modification. In 2015 no new options related to the dividend protection feature were issued (2014: 0.1m new options).

For further information on share-based payment grants of previous years, please refer to Note 24 *Share-based payments* of the 2014 consolidated financial statements.

The weighted average fair value of the options and assumptions used in applying the AB InBev option pricing model for the 2015 grants of awards described above are as follows:

Amounts in US dollar unless otherwise indicated[1]	2015	2014	2013
Fair value of options and warrants granted	21.78	20.70	21.74
Share price	125.29	113.29	103.06
Exercise price	125.29	113.29	103.05
Expected volatility	24%	24%	24%
Expected dividends	3.00%	3.00%	2.92%
Risk-free interest rate	0.82%	1.23%	2.06%

Expected volatility is based on historical volatility calculated using 2785 days of historical data. In the determination of the expected volatility, AB InBev is excluding the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

The total number of outstanding AB InBev options and warrants developed as follows:

Million options and warrants	2015	2014	2013
Options and warrants outstanding at 1 January	45.6	52.5	53.3
Options and warrants issued during the year	9.7	4.5	4.8
Options and warrants exercised during the year	(6.6)	(10.0)	(4.2)
Options and warrants forfeited during the year	(1.1)	(1.4)	(1.4)
Options and warrants outstanding at the end of December	**47.6**	**45.6**	**52.5**

The range of exercise prices of the outstanding options and warrants is between 10.32 euro (11.24 US dollar)[1] and 121.95 euro (132.77 US dollar)[1] while the weighted average remaining contractual life is 7.22 years.

Of the 47.6m outstanding options and warrants 8.8m are vested at 31 December 2015.

The weighted average exercise price of the AB InBev options and warrants is as follows:

Amounts in US dollar[1]	2015	2014	2013
Options and warrants outstanding at 1 January	51.35	45.38	38.31
Granted during the year	126.67	113.29	103.05
Exercised during the year	32.47	24.40	41.07
Forfeited during the year	54.88	45.75	45.18
Outstanding at the end of December	64.50	51.35	45.38
Exercisable at the end of December	37.15	36.21	57.28

For share options and warrants exercised during 2015, the weighted average share price at the date of exercise was 111.56 euro (121.45 US dollar)[1].

The total number of outstanding AB InBev restricted stock units developed as follows:

Million restricted stock units	2015	2014	2013
Restricted stock units outstanding at 1 January	5.8	4.7	3.3
Restricted stock units issued during the year	1.0	1.3	1.6
Restricted stock units exercised during the year	(1.0)	–	–
Restricted stock units forfeited during the year	(0.2)	(0.2)	(0.2)
Restricted stock units outstanding at the end of December	**5.6**	**5.8**	**4.7**

Ambev Share-Based Payment Programs

Since 2005, Ambev has had a plan which is substantially similar to the Share-based compensation plan under which bonuses granted to company employees and management are partially settled in shares. Under the Share-based compensation plan as modified as of 2010 Ambev issued in March 2015, 2.7m restricted stock units with an estimated fair value of 15m US dollar (2014: 5.2m restricted stock units with an estimated fair value of 38m US dollar).

[1] Amounts have been converted to US dollar at the closing rate of the respective period.

As from 2010, senior employees are eligible for an annual long-term incentive to be paid out in Ambev LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential. In 2015, Ambev granted 16.5m LTI stock options with an estimated fair value of 40m US dollar (2014: 16.8m LTI stock options with an estimated fair value of 37m US dollar).

In order to encourage the mobility of managers, the features of certain Ambev options granted in previous years have been modified whereby the dividend protection of these options was cancelled and replaced by the issuance of 0.1m options in 2015 representing the economic value of the dividend protection feature (2014: 0.2m options). Since there was no change between the fair value of the original award before the modification and the fair value of the modified award after the modification, no additional expense was recorded as a result of this modification.

The weighted fair value of the options and assumptions used in applying a binomial option pricing model for the 2015 Ambev grants are as follows:

Amounts in US dollar unless otherwise indicated[1]	2015	2014	2013
Fair value of options granted	2.01	1.96	2.61
Share price	4.72	6.00	7.30
Exercise price	4.72	6.00	7.30
Expected volatility	27%	32%	33%
Expected dividends	0.00% - 5.00%	0.00% - 5.00%	0.00% - 5.00%
Risk-free interest rate	15.90%[2]	2.20% - 12.40%[2]	1.90% - 12.60%[2]

The total number of outstanding Ambev options developed as follows:

Million options	2015	2014	2013
Options outstanding at 1 January	126.1	147.7	143.9
Options issued during the year	16.6	17.0	13.1
Options exercised during the year	(20.0)	(34.8)	(7.2)
Options forfeited during the year	(1.0)	(3.8)	(2.1)
Options outstanding at the end of December	**121.7**	**126.1**	**147.7**

Following the decision of the shareholders meeting of 30 July 2013 effective on 11 November 2013, each common share issued by Ambev was split into 5 shares, without any modification to the amount of the capital stock of Ambev. As a consequence of the split of the Ambev shares with a factor 5, the exercise price and the number of options were adjusted with the intention of preserving the rights of the existing option holders.

The range of exercise prices of the outstanding options is between 0.35 Brazilian real (0.09 US dollar)[1] and 26.57 Brazilian real (6.80 US dollar)[1] while the weighted average remaining contractual life is 6.30 years.

Of the 121.8m outstanding options 48.7m options are vested at 31 December 2015.

The weighted average exercise price of the Ambev options is as follows:

Amounts in US dollar[1]	2015	2014	2013
Options outstanding at 1 January	3.79	2.69	3.54
Granted during the year	4.72	6.03	7.27
Exercised during the year	1.29	1.45	1.15
Forfeited during the year	5.21	4.25	3.46
Outstanding at the end of December	3.17	3.79	2.69
Exercisable at the end of December	0.84	1.11	1.42

For share options exercised during 2015, the weighted average share price at the date of exercise was 18.95 Brazilian real (4.85 US dollar)[1].

The total number of outstanding Ambev restricted stock units developed as follows:

Million restricted stock units	2015	2014	2013
Restricted stock units outstanding at 1 January	17.5	15.6	11.5
Restricted stock units issued during the year	2.7	5.2	4.3
Restricted stock units exercised during the year	(0.8)	(2.3)	–
Restricted stock units forfeited during the year	(0.3)	(1.0)	(0.2)
Restricted stock units outstanding at the end of December	**19.1**	**17.5**	**15.6**

During 2015, a limited number of Ambev shareholders who are part of the senior management of AB InBev were given the opportunity to exchange Ambev shares against a total of 0.3m AB InBev shares (0.6m AB InBev shares in 2014) at a discount of 16.7% provided that they stay in service for

[1] Amounts have been converted to US dollar at the closing rate of the respective period.

[2] The weighted average risk-free interest rates refer to granted ADRs and stock options respectively.

another five years. The fair value of this transaction amounts to approximately 6m US dollar (12m US dollar in 2014) and is expensed over the five years' service period. The fair values of the Ambev and AB InBev shares were determined based on the market price.

25. Provisions

Million US dollar	Restructuring	Disputes	Other	Total
Balance at 1 January 2015	**166**	**623**	**10**	**799**
Effect of changes in foreign exchange rates	(11)	(84)	(1)	(96)
Provisions made	77	380	–	457
Provisions used	(66)	(222)	(1)	(289)
Provisions reversed	(8)	(109)	(1)	(118)
Other movements	(1)	143	–	142
Balance at 31 December 2015	**157**	**733**	**7**	**897**

The restructuring provisions are primarily explained by the organizational alignments - see also Note 8 *Non-recurring items*. Provisions for disputes mainly relate to various disputed direct and indirect taxes and to claims from former employees.

The provisions are expected to be settled within the following time windows:

Million US dollar	Total	< 1 year	1-2 years	2-5 years	> 5 years
Restructuring	**157**	**63**	**8**	**83**	**3**
Disputes					
Income and indirect taxes	477	124	211	100	42
Labor	97	16	16	54	11
Commercial	25	6	15	2	2
Other disputes	134	9	95	29	1
	733	**155**	**337**	**185**	**56**
Other contingencies	**7**	**2**	**1**	**4**	**-**
Total provisions	**897**	**220**	**346**	**272**	**59**

AB InBev is subject to the greenhouse gas emission allowance trading scheme in force in the European Union and a similar scheme in Korea. Acquired emission allowances are recognized at cost as intangible assets. To the extent that it is expected that the number of allowances needed to settle the CO_2 emissions exceeds the number of emission allowances owned, a provision is recognized. Such provision is measured at the estimated amount of the expenditure required to settle the obligation. At 31 December 2015, the emission allowances owned fully covered the expected CO_2 emissions. As such no provision needed to be recognized.

26. Trade and Other Payables

Non-current trade and other payables

Million US dollar	2015	2014[1]
Indirect taxes payable	186	230
Trade payables	484	305
Deferred consideration on acquisitions	329	138
Other payables	242	333
	1 241	**1 006**

Current trade and other payables

Million US dollar	2015	2014[1]
Trade payables and accrued expenses	11 616	10 913
Payroll and social security payables	924	1 030
Indirect taxes payable	1 610	1 849
Interest payable	817	850
Consigned packaging	680	715
Dividends payable	239	518
Deferred income	49	53
Deferred consideration on acquisitions	1 474	1 640
Other payables	253	341
	17 662	**17 909**

[1]Reclassified to conform to the 2015 presentation.

Deferred consideration on acquisitions is mainly comprised of 1.424 billion US dollar for the put option included in the 2012 shareholders' agreement between Ambev and E. León Jimenes S.A. ("ELJ"), which may result in Ambev acquiring additional Class B shares of Cervecería Nacional Dominicana S.A. ("CND"). The put option granted to ELJ is exercisable as of the first year following the 2012 transaction. The valuation of this option is based on the EBITDA of the consolidated operations in Dominican Republic.

27. Risks Arising from Financial Instruments

AB InBev's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk, commodity risk and equity risk), credit risk and liquidity risk. The company analyses each of these risks individually as well as on an interconnected basis, and defines strategies to manage the economic impact on the company's performance in line with its financial risk management policy.

Some of the company's risk management strategies include the usage of derivatives. The main derivative instruments used are foreign currency rate agreements, exchange traded foreign currency futures and options, interest rate swaps and forwards, cross currency interest rate swaps ("CCIRS"), exchange traded interest rate futures, commodity swaps, exchange traded commodity futures and equity swaps. AB InBev's policy prohibits the use of derivatives in the context of speculative trading.

The following table provides an overview of the derivative financial instruments outstanding at year-end by maturity bucket. The amounts included in this table are the notional amounts.

	2015					2014				
Million US dollar	**< 1 year**	**1–2 years**	**2–3 years**	**3–5 years**	**> 5 years**	**< 1 year**	**1–2 years**	**2–3 years**	**3–5 years**	**> 5 years**
Foreign currency										
Forward exchange contracts SABMiller proposed combination	68 860	–	–	–	–	–	–	–	–	–
Other forward exchange contracts	10 481	–	508	803	–	7 554	47	–	–	–
Foreign currency futures	1 568	100	–	–	–	1 822	–	–	–	–
Interest rate										
Interest rate swaps	–	77	–	3 000	74	350	–	113	2 250	787
Cross currency interest rate swaps	–	1 604	777	1 803	1 560	1 023	–	1 789	2 373	1 197
Interest rate futures	–	13	–	109	–	–	139	113	151	–
Other interest rate derivatives	–	–	–	–	565	–	–	–	–	–
Commodities										
Aluminum swaps	1 509	172	–	–	–	1 422	48	–	–	–
Other commodity derivatives	1 227	82	–	–	–	1 374	194	–	–	–
Equity										
Equity derivatives	5 985	–	–	–	–	4 854	838	–	–	–

A. Foreign currency risk

AB InBev incurs foreign currency risk on borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income whenever they are denominated in a currency other than the functional currency of the subsidiary. The main derivative financial instruments used to manage foreign currency risk are foreign currency rate agreements, exchange traded foreign currency futures and cross currency interest rate swaps.

Foreign exchange risk on the proposed combination with SABMiller

Following the proposed combination with SABMiller, AB InBev entered into derivative foreign exchange forward contracts with respect to 45 billion pound sterling of the purchase price, to hedge against exposure changes in the US dollar exchange rate for the cash component of the purchase consideration in pound sterling. The 45 billion pound sterling has been hedged at an average rate of 1.5295 US dollar per pound sterling. Although these derivatives are considered to be economic hedges, only a portion of such derivatives could qualify for hedge accounting under IFRS rules, as AB InBev NV, the acquiring company, has a euro functional currency.

The mark-to market of the financial instruments that qualify for a hedge relationship will be reported in equity until the closing of the combination, whereas the mark-to market of the financial instruments that do not qualify for hedge accounting will be reported in the profit and loss account until the closing of the transaction.

As of 31 December 2015, financial instruments for approximately 45.0 billion US dollar equivalent qualified for hedge accounting and a mark-to market of 1 738m US dollar loss was reported in equity and financial instruments for approximately 23.9 billion US dollar did not qualify for hedge accounting and a mark-to market of 688m US dollar loss was reported as a non-recurring finance cost in the profit and loss account- see Note 8 *Non-recurring items* and Note 11 *Finance cost and income*.

Foreign exchange risk on operating activities

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, AB InBev's policy is to hedge operational transactions which are reasonably expected to occur (e.g. cost of goods sold and selling, general & administrative expenses) within the forecast period determined in the financial risk management policy. Operational transactions that are certain are hedged without any limitation in time. Non-operational transactions (such as acquisitions and disposals of subsidiaries) are hedged as soon as they are certain.

The table below provides an indication of the company's main net foreign currency positions as regards firm commitments and forecasted transactions for the most important currency pairs. The open positions are the result of the application of AB InBev's risk management policy. Positive amounts indicate that the company is long (net future cash inflows) in the first currency of the currency pair while negative amounts indicate that the company is short (net future cash outflows) in the first currency of the currency pair. The second currency of the currency pairs listed is the functional currency of the related subsidiary.

	31 December 2015			31 December 2014		
Million US dollar	**Total exposure**	**Total hedges**	**Open position**	**Total exposure**	**Total hedges**	**Open position**
Euro/Brazilian real	(97)	97	–	(64)	64	–
Euro/Canadian dollar	(56)	56	–	(51)	51	–
Euro/Czech koruna	(2)	(8)	(10)	(3)	(9)	(12)
Euro/Hungarian forint	(3)	–	(3)	(4)	(13)	(17)
Euro/Mexican peso	–	–	–	(104)	104	–
Euro/South Korean won	(57)	27	(30)	–	–	–
Euro/Pound sterling	(52)	184	132	(45)	214	169
Euro/Russian ruble	(74)	109	35	(102)	127	25
Euro/Ukrainian hryvnia	(68)	–	(68)	(72)	–	(72)
Euro/US dollar	(420)	152	(268)	–	127	127
Japanese yen/South Korean won	(10)	10	–	–	–	–
Mexican peso/Colombian peso	(33)	33	–	–	–	–
Mexican peso/South Korean won	(5)	5	–	–	–	–
US dollar/Argentinean peso	(459)	459	–	(345)	345	–
US dollar/Bolivian boliviano	(62)	62	–	(72)	72	–
US dollar/Brazilian real	(1 419)	1 419	–	(1 389)	1 389	–
US dollar/Canadian dollar	(321)	321	–	(271)	271	–
US dollar/Chilean peso	(152)	152	–	(140)	140	–
US dollar/Chinese yuan	(135)	121	(14)	–	–	–
US dollar/Colombian peso	(10)	10	–	–	–	–
US dollar/Euro	(197)	301	104	(145)	120	(25)
US dollar/Mexican peso	(1 234)	1 933	699	(1 182)	5 795	4 613
US dollar/Paraguayan guarani	(96)	96	–	(84)	84	–
US dollar/Peruvian nuevo sol	(5)	5	–	(46)	46	–
US dollar/Pound sterling	(23)	23	–	(25)	14	(11)
US dollar/Russian ruble	(78)	115	37	(135)	81	(54)
US dollar/South Korean won	(35)	84	49	–	–	–
US dollar/Ukrainian hryvnia	(46)	–	(46)	(44)	–	(44)
US dollar/Uruguayan peso	(52)	52	–	(37)	37	–

The US dollar/Mexican peso open long position is mainly related to US dollar cash held in Mexico.

Further analysis on the impact of open currency exposures is performed in the *Currency Sensitivity Analysis* below.

In conformity with IAS 39 hedge accounting rules, these hedges of firm commitments and highly probable forecasted transactions denominated in foreign currency are designated as cash flow hedges.

Foreign exchange risk on net investments in foreign operations

AB InBev enters into hedging activities to mitigate exposures related to its investments in foreign operations. These strategies are designated as net investment hedges and include both derivative and non-derivative financial instruments.

As of 31 December 2015, designated derivative and non-derivative financial instruments in a net investment hedge relationship amount to 11 193m US dollar equivalent (7 012m US dollar in 2014) in Holding companies and approximately 1 460m US dollar equivalent (2 889m US dollar in 2014) at Ambev level. Those derivatives and non-derivatives are used to hedge foreign operations with functional currencies mainly denominated in Argentinean peso, Brazilian real, Bolivian boliviano, Canadian dollar, Chilean peso, Dominican peso, euro, Mexican peso, pound sterling, South Korean won and US dollar.

Foreign exchange risk on foreign currency denominated debt

It is AB InBev's policy to have the debt in the subsidiaries as much as possible in the functional currency of the subsidiary. To the extent this is not the case, hedging is put in place unless the cost to hedge outweighs the benefits. Interest rate decisions and currency mix of debt and cash are decided on a global basis and take into consideration the holistic risk management approach.

A description of the foreign currency risk hedging related to the debt instruments issued in a currency other than the functional currency of the subsidiary is further detailed in the *Interest Rate Risk* section below.

Currency sensitivity analysis

Currency transactional risk Most of AB InBev's non-derivative monetary financial instruments are either denominated in the functional currency of the subsidiary or are converted into the functional currency through the use of derivatives. However, the company can have open positions in certain countries for which hedging can be limited as the illiquidity of the local foreign exchange market prevents the company from hedging at a reasonable cost. The transactional foreign currency risk mainly arises from open positions in Czech koruna, Mexican peso, pound sterling, Russian ruble, South Korean won and Ukrainian hryvnia against the US dollar and the euro. AB InBev estimated the reasonably possible change of exchange rate, on the basis of the average volatility on the open currency pairs, as follows:

	2015		
	Closing rate 31 December 2015	Possible closing rate[1]	Volatility of rates in%
Pound sterling/Euro	1.36	1.23 – 1.50	9.73%
Euro/Czech koruna	27.02	26.21 – 27.83	2.99%
Euro/Russian ruble	79.35	58.04 – 100.66	26.86%
Euro/Ukrainian hryvnia	26.13	10.51 – 41.75	59.79%
US dollar/Euro	0.92	0.81 – 1.03	12.13%
US dollar/Mexican peso	17.21	15.38 – 19.04	10.63%
US dollar/Pound sterling	0.67	0.62 – 0.73	8.34%
US dollar/Russian ruble	72.88	54.75 – 91.01	24.88%
US dollar/Ukrainian hryvnia	24.00	8.88 – 39.12	63.01%

	2014		
	Closing rate 31 December 2014	Possible closing rate[2]	Volatility of rates in%
Pound sterling/Euro	1.28	1.21 – 1.36	5.76%
Euro/Czech koruna	27.73	27.11 – 28.36	2.26%
Euro/Hungarian forint	315.56	294.18 – 336.93	6.77%
Euro/Russian ruble	68.30	49.11 – 87.5	28.10%
Euro/Ukrainian hryvnia	19.14	13.61 – 24.68	28.90%
US dollar/Euro	0.82	0.77 – 0.87	6.14%
US dollar/Mexican peso	14.72	13.69 – 15.75	7.00%
US dollar/Pound sterling	0.64	0.61 – 0.68	5.59%
US dollar/Russian ruble	56.26	41.27 – 71.25	26.65%
US dollar/Ukrainian hryvnia	15.77	11.27 – 20.27	28.54%

Had the Czech koruna, the Mexican peso, the pound sterling, the Russian ruble, South Korean won and the Ukrainian hryvnia weakened/strengthened during 2015 by the above estimated changes against the euro or the US dollar, with all other variables held constant, the 2015 impact on consolidated profit before taxes would have been approximately 71m US dollar (103m US dollar in 2014) higher/lower.

Additionally, the AB InBev sensitivity analysis[1] to the foreign exchange rates on its total derivatives positions as of 31 December 2015, shows a positive/negative pre-tax impact on equity reserves of 895m US dollar (446m US dollar in 2014).

[1] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2015.
[2] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2014.

Net foreign exchange results

Foreign exchange results recognized on unhedged and hedged exposures and from the related hedging derivative instruments can be summarized per type of hedging relationship as follows:

Million US dollar	2015	2014
Cash flow hedges – hedged items	61	(60)
Cash flow hedges – hedging instruments (reclassified from equity)	(11)	53
Economic hedges – hedged items not part of a hedge accounting relationship	(347)	–
Economic hedges – hedging instruments not part of a hedge accounting relationship	352	11
Other results – not hedged	323	315
	378	**319**

B. Interest rate risk

The company applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. The purpose of AB InBev's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as AB InBev's overall business strategy.

Fair value hedge

Pound sterling bond hedges (foreign currency risk + interest rate risk on borrowings in pound sterling) In June 2009, the company issued a pound sterling bond for an equivalent of 750m pound sterling. This bond bears interest at 6.50% with maturity in June 2017.

The company entered into several pound sterling fixed/euro floating cross currency interest rate swaps to manage and reduce the impact of changes in the pound sterling exchange rate and interest rate on this bond.

These derivative instruments have been designated in a fair value hedge accounting relationship.

US dollar fixed rate bond hedges (interest rate risk on borrowings in US dollar) The company entered into several US dollar fixed/floating interest rate swaps to manage and reduce the impact of changes in the US dollar interest rates on the fair value of certain fixed rate bonds with an aggregate principal amount of 3.8 billion US dollar.

These derivative instruments have been designated in a fair value hedge accounting relationship.

Ambev bond hedges (interest rate risk on borrowings in Brazilian real) In July 2007 Ambev issued a Brazilian real bond ("Bond 17"), which bears interest at 9.5% and is repayable semi-annually with final maturity date in July 2017.

Ambev entered into a fixed/floating interest rate swap to hedge the interest rate risk on such bond. These derivative instruments have been designated in a fair value hedge accounting relationship.

Cash flow hedge

Canadian dollar bond hedges (foreign currency risk + interest rate risk on borrowings in Canadian dollar) In January 2013, the company issued a series of notes in an aggregated principal amount of 1.2 billion Canadian dollar. These bonds bear interest at 2.375% with maturity in January 2018 and 3.375% with maturity in January 2023.

The company entered into several Canadian dollar fixed/US dollar fixed cross currency interest rate swaps to manage and reduce the impact of changes in the Canadian dollar exchange rate and interest rate on these bonds.

These derivative instruments have been designated in a cash flow hedge accounting relationship.

Pound sterling bond hedges (foreign currency risk + interest rate risk on borrowings in pound sterling) In September 2013, the company issued a pound sterling bond for an equivalent of 500m pound sterling. This bond bears interest at 4.00% per year with maturity in September 2025.

The company entered into several pound sterling fixed/euro fixed cross currency interest rate swaps to manage and reduce the impact of changes in the pound sterling exchange rate and interest rate on this bond.

These derivative instruments have been designated in a cash flow hedge accounting relationship.

Economic hedge

Marketable debt security hedges (interest rate risk on Brazilian real) During 2015, Ambev invested in highly liquid Brazilian real denominated government debt securities.

The company also entered into interest rate future contacts in order to offset the Brazilian real interest rate exposure of such government bonds. Since both instruments are measured at fair value with changes recorded into profit or loss, no hedge accounting designation was done.

Interest rate sensitivity analysis

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at balance sheet date as well as the split per currency in which the debt is denominated.

31 December 2015	**Before hedging**		**After hedging**	
Interest-bearing financial liabilities Million US dollar	**Effective interest rate**	**Amount**	**Effective interest rate**	**Amount**
Floating rate				
Brazilian real	9.41%	270	11.19%	355
Euro	0.09%	2 934	1.41%	3 975
US dollar	1.12%	584	1.20%	1 787
Other	6.10%	6	6.10%	6
		3 795		**6 124**
Fixed rate				
Brazilian real	7.13%	282	8.22%	237
Canadian dollar	3.14%	1 290	3.22%	968
Dominican peso	9.52%	101	9.52%	101
Euro	2.47%	11 363	2.31%	13 893
Pound sterling	6.54%	2 686	8.67%	912
South Korean won	–	–	2.44%	1 000
US dollar	4.21%	29 935	4.37%	26 216
Other	3.60%	14	3.60%	14
		45 671		**43 342**

31 December 2014	**Before hedging**		**After hedging**	
Interest-bearing financial liabilities Million US dollar	**Effective interest rate**	**Amount**	**Effective interest rate**	**Amount**
Floating rate				
Brazilian real	7.24%	438	8.74%	668
Euro	0.36%	1 328	2.70%	2 844
Russian ruble	–	–	8.96%	94
US dollar	0.98%	745	2.62%	3 539
Other	11.12%	26	11.12%	26
		2 537		**7 171**
Fixed rate				
Argentinean peso	23.69%	37	23.69%	37
Brazilian real	7.99%	595	7.96%	457
Canadian dollar	3.14%	1 548	3.22%	1 161
Dominican peso	10.38%	23	10.38%	23
Euro	3.02%	10 246	2.90%	12 822
Pound sterling	6.71%	2 816	9.34%	888
South Korean won	–	–	2.26%	500
US dollar	4.02%	33 312	4.13%	28 055
Other	7.18%	8	7.18%	8
		48 585		**43 951**

At 31 December 2015, the total carrying amount of the floating and fixed rate interest-bearing financial liabilities before hedging listed above includes bank overdrafts of 13m US dollar.

As disclosed in the above table, 6 124m US dollar or 12.38% of the company's interest bearing financial liabilities bear a variable interest rate. The company estimated that the reasonably possible change of the market interest rates applicable to its floating rate debt after hedging is as follows:

	2015		
	Interest rate 31 December 2015[1]	Possible interest rate[2]	Volatility of rates in%
Brazilian real	13.64%	12.48% – 14.8%	8.52%
Euro	0%	0.15% –0%	211.93%
US dollar	0.61%	0.5% – 0.73%	18.83%

	2014		
	Interest rate 31 December 2014[1]	Possible interest rate[2]	Volatility of rates in%
Brazilian real	11.11%	10.25% – 11.97%	7.72%
Euro	0.08%	0.04% – 0.11%	43.74%
Russian ruble	23.77%	11.93% – 35.61%	49.79%
US dollar	0.26%	0.23% – 0.28%	9.16%

When AB InBev applies the reasonably possible increase/decrease in the market interest rates mentioned above on its floating rate debt at 31 December 2015, with all other variables held constant, 2015 interest expense would have been 5m US dollar higher/lower (2014: 19m US dollar). This effect would be more than offset by 50m US dollar higher/lower interest income on AB InBev's interest-bearing financial assets (2014: 70m US dollar).

Interest expense

Interest expense recognized on unhedged and hedged financial liabilities and the net interest expense from the related hedging derivative instruments can be summarized per type of hedging relationship as follows:

Million US dollar	2015	2014
Financial liabilities measured at amortized cost – not hedged	(2 005)	(2 236)
Fair value hedges – hedged items	(87)	(97)
Fair value hedges – hedging instruments	50	42
Cash flow hedges – hedged items	(31)	(35)
Cash flow hedges – hedging instruments (reclassified from equity)	24	10
Net investment hedges - hedging instruments (interest component)	152	192
Economic hedges - hedged items not part of a hedge accounting relationship	8	(9)
Economic hedges - hedging instruments not part of a hedge accounting relationship	56	125
	(1 833)	**(2 008)**

C. Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. AB InBev therefore uses both fixed price purchasing contracts and commodity derivatives to minimize exposure to commodity price volatility. The company has important exposures to the following commodities: aluminum, barley, coal, corn grits, corn syrup, corrugated board, diesel, fuel oil, glass, hops, labels, malt, natural gas, orange juice, plastics, rice, steel and wheat. As of 31 December 2015, the company has the following commodity derivatives outstanding (in notional amounts): aluminum swaps for 1 681m US dollar (2014: 1 470m US dollar), natural gas and energy derivatives for 216m US dollar (2014: 330m US dollar), exchange traded sugar futures for 92m US dollar (2014: 83m US dollar), corn swaps for 272m US dollar (2014: 285m US dollar), exchange traded wheat futures for 484m US dollar (2014: 648m US dollar), rice swaps for 138m US dollar (2014: 76m US dollar) and plastic derivatives for 107m US dollar (2014: 146m US dollar). These hedges are designated in a cash flow hedge accounting relationship.

[1] Applicable 3-month InterBank Offered Rates as of 31 December 2015 and as of 31 December 2014.

[2] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2015 and at December 2014. For the Brazilian real floating rate debt, the estimated market interest rate is composed of the InterBank Deposit Certificate ('CDI') and the Long-Term Interest Rate ('TJLP'). With regard to other market interest rates, the company's analysis is based on the 3-month InterBank Offered Rates applicable for the currencies concerned (e.g. EURIBOR 3M, LIBOR 3M).

Commodity price sensitivity analysis

The impact of changes in the commodity prices for AB InBev's derivative exposures would have caused an immaterial impact on 2015 profits as most of the company's commodity derivatives are designated in a hedge accounting relationship.

The table below shows the estimated impact that changes in the price of the commodities, for which AB InBev held material derivative exposures at 31 December 2015, would have on the equity reserves.

	2015		
		Pre-tax impact on equity	
Million US dollar	Volatility of prices in%[1]	Prices increase	Prices decrease
Aluminum	18.06%	203	(203)
Sugar	31.20%	30	(30)
Wheat	34.65%	(7)	7
Energy	30.28%	59	(59)
Rice	23.52%	22	(22)
Corn	13.45%	53	(53)
Plastic	18.43%	23	(23)

	2014		
		Pre-tax impact on equity	
Million US dollar	Volatility of prices in%[2]	Prices increase	Prices decrease
Aluminum	15.81%	197	(197)
Sugar	26.74%	53	(53)
Wheat	26.57%	57	(57)
Energy	22.48%	67	(67)
Rice	16.72%	13	(13)
Corn	22.30%	59	(59)

D. Equity price risk

AB InBev entered into a series of derivative contracts to hedge the risk arising from the different share-based payment programs. The purpose of these derivatives is mainly to effectively hedge the risk that a price increase in the AB InBev shares will negatively impact future cash flows related to the share-based payments. Furthermore, AB InBev entered into a series of derivative contracts to hedge the deferred share instrument related to the Modelo combination (see also Note 11 *Finance cost and income and* Note *21 Changes in equity and earnings per share*) and some share-based payments in connection with the combination with SABMiller. Most of these derivative instruments could not qualify for hedge accounting therefore they have not been designated in any hedging relationships.

As of 31 December 2015, an exposure for an equivalent of 64.5m of AB InBev shares was hedged, resulting in a total gain of 1 337m US dollar recognized in the profit or loss account for the period, of which 844m US dollar related to the company's share-based payment programs, 493m US dollar and 18m US dollar related to the Modelo and SABMiller transactions, respectively.

Between 2012 and 2015, AB InBev reset with counterparties certain derivative contracts to market price. This resulted in a cash inflow of 1.3 billion US dollar between 2012 and 2014 and 21m US dollar in 2015 and, accordingly, a decrease of counterparty risk.

Equity price sensitivity analysis

The sensitivity analysis on the share-based payments hedging program, calculated based on a 25.12% (2014: 18.29%) reasonable possible volatility[1] of the AB InBev share price and with all the other variables held constant, would show 2 017m US dollar positive/negative impact on the 2015 profit before tax (2014: 1 183m US dollar).

E. Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to AB InBev in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

[1] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2015.
[2] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2014.

AB InBev mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties, working within agreed counterparty limits and through setting limits on the maturity of financial assets. The company has furthermore master netting agreements with all of the financial institutions that are counterparties to the over the counter (OTC) derivative financial instruments. These agreements allow for the net settlement of assets and liabilities arising from different transactions with the same counterparty. Based on these factors, AB InBev considers the risk of counterparty default per 31 December 2015 to be limited.

AB InBev has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately. To mitigate pre-settlement risk, minimum counterparty credit standards become more stringent as the duration of the derivative financial instruments increases. To minimize the concentration of counterparty credit risk, the company enters into derivative transactions with different financial institutions.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure of the company. The carrying amount is presented net of the impairment losses recognized. The maximum exposure to credit risk at the reporting date was:

	2015			2014		
Million US dollar	**Gross**	**Impairment**	**Net carrying amount**	**Gross[1]**	**Impairment**	**Net carrying amount[1]**
Debt securities held for trading	55	–	55	301	–	301
Available for sale	40	(9)	31	20	(11)	9
Held to maturity	17	–	17	21	–	21
Trade receivables	3 244	(230)	3 014	3 488	(260)	3 228
Cash deposits for guarantees	187	–	187	229	–	229
Loans to customers	94	–	94	121	(30)	91
Other receivables	1 975	(99)	1 876	2 281	(128)	2 153
Derivatives	3 563	–	3 563	2 244	–	2 244
Cash and cash equivalents	6 923	–	6 923	8 357	–	8 357
	16 098	**(338)**	**15 760**	**17 062**	**(429)**	**16 633**

There was no significant concentration of credit risks with any single counterparty per 31 December 2015 and no single customer represented more than 10% of the total revenue of the group in 2015.

Impairment losses

The allowance for impairment recognized during the period per classes of financial assets was as follows:

	2015					
Million US dollar	**Available for sale**	**Trade receivables**	**Loans to customers**	**Other receivables**	**Cash and cash equivalents**	**Total**
Balance at 1 January	(11)	(260)	(30)	(128)	–	(429)
Impairment losses	–	(41)	–	(16)	–	(57)
Derecognition	–	20	30	22	–	72
Currency translation and other	2	51	–	23	–	76
Balance at 31 December	**(9)**	**(230)**	**–**	**(99)**	**–**	**(338)**

	2014					
Million US dollar	**Available for sale**	**Trade receivables**	**Loans to customers**	**Other receivables**	**Cash and cash equivalents**	**Total**
Balance at 1 January	(13)	(249)	(84)	(162)	–	(508)
Impairment losses	(1)	(37)	(1)	–	–	(39)
Derecognition	2	28	38	15	–	83
Currency translation	1	(2)	17	19	–	35
Balance at 31 December	**(11)**	**(260)**	**(30)**	**(128)**	**–**	**(429)**

[1] Reclassified to conform to the 2015 presentation.

F. Liquidity risk

AB InBev's primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities. AB InBev's material cash requirements have included the following:

- Debt service;
- Capital expenditures;
- Investments in companies;
- Increases in ownership of AB InBev's subsidiaries or companies in which it holds equity investments;
- Share buyback programs; and
- Payments of dividends and interest on shareholders' equity.

The company believes that cash flows from operating activities, available cash and cash equivalent and short term investments, along with the derivative instruments and access to borrowing facilities, will be sufficient to fund capital expenditures, financial instrument liabilities and dividend payments going forward. It is the intention of the company to continue to reduce its financial indebtedness through a combination of strong operating cash flow generation and continued refinancing.

The following are the nominal contractual maturities of non-derivative financial liabilities including interest payments and derivative financial assets and liabilities:

	2015						
Million US dollar	**Carrying amount[1]**	**Contractual cash flows**	**Less than 1 year**	**1–2 years**	**2–3 years**	**3–5 years**	**More than 5 years**
Non-derivative financial liabilities							
Secured bank loans	(277)	(340)	(115)	(81)	(27)	(39)	(78)
Commercial papers	(2 087)	(2 089)	(2 089)	–	–	–	–
Unsecured bank loans	(1 469)	(1 740)	(1 446)	(216)	(56)	(22)	–
Unsecured bond issues	(45 442)	(63 694)	(3 434)	(8 036)	(6 209)	(12 546)	(33 469)
Unsecured other loans	(52)	(114)	(15)	(16)	(14)	(15)	(54)
Finance lease liabilities	(126)	(218)	(13)	(14)	(14)	(32)	(145)
Bank overdraft	(13)	(13)	(13)	–	–	–	–
Trade and other payables	(18 816)	(19 082)	(17 616)	(454)	(184)	(392)	(436)
	(68 282)	**(87 290)**	**(24 741)**	**(8 817)**	**(6 504)**	**(13 046)**	**(34 182)**
Derivative financial assets/(liabilities)							
Interest rate derivatives	(99)	(100)	18	(8)	(15)	(13)	(82)
Foreign exchange derivatives	(3 022)	(3 088)	(3 072)	2	(12)	(6)	–
Cross currency interest rate swaps	167	175	57	182	(73)	(81)	90
Commodity derivatives	(246)	(247)	(250)	3	–	–	–
Equity derivatives	2 468	2 469	2 469	–	–	–	–
	(732)	**(791)**	**(778)**	**179**	**(100)**	**(100)**	**8**
Of which: directly related to cash flow hedges	(1 187)	(1 269)	(1 238)	45	(105)	13	16

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

Million US dollar	2014 Carrying amount[1]	Contractual cash flows	Less than 1 year	1–2 years	2-3 years	3–5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	(286)	(313)	(124)	(82)	(32)	(46)	(29)
Commercial papers	(2 211)	(2 214)	(2 214)	–	–	–	–
Unsecured bank loans	(820)	(889)	(590)	(168)	(69)	(62)	–
Unsecured bond issues	(47 549)	(66 851)	(5 715)	(4 212)	(8 339)	(13 154)	(35 431)
Unsecured other loans	(82)	(175)	(35)	(21)	(18)	(22)	(79)
Finance lease liabilities	(133)	(244)	(14)	(14)	(14)	(34)	(168)
Bank overdraft	(41)	(41)	(41)	–	–	–	–
Trade and other payables	(18 909)	(19 151)	(17 908)	(356)	(215)	(163)	(509)
	(70 031)	**(89 878)**	**(26 641)**	**(4 853)**	**(8 687)**	**(13 481)**	**(36 216)**
Derivative financial assets/(liabilities)							
Interest rate derivatives	33	33	47	21	(11)	(24)	–
Foreign exchange derivatives	(277)	(281)	(281)	–	–	–	–
Cross currency interest rate swaps	319	384	83	41	103	116	41
Commodity derivatives	(166)	(169)	(171)	2	–	–	–
Equity derivatives	1 258	1 246	1 028	218	–	–	–
	1 167	**1 213**	**706**	**282**	**92**	**92**	**41**
Of which: directly related to cash flow hedges	(45)	(47)	(46)	2	41	(43)	(1)

G. Capital Management

AB InBev is continuously optimizing its capital structure targeting to maximize shareholder value while keeping the desired financial flexibility to execute the strategic projects. AB InBev's capital structure policy and framework aims to optimize shareholder value through cash flow distribution to the company from its subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below AB InBev's weighted average cost of capital. Besides the statutory minimum equity funding requirements that apply to the company's subsidiaries in the different countries, AB InBev is not subject to any externally imposed capital requirements. When analyzing AB InBev's capital structure the company uses the same debt/equity classifications as applied in the company's IFRS reporting.

H. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In conformity with IAS 39 all derivatives are recognized at fair value in the balance sheet.

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates.

The fair value of these instruments generally reflects the estimated amount that AB InBev would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the balance sheet date, and thereby takes into account any unrealized gains or losses on open contracts.

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

The following table summarizes for each type of derivative the fair values recognized as assets or liabilities in the balance sheet:

	Assets		Liabilities		Net	
Million US dollar	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Foreign currency						
Forward exchange contracts	574	420	(3 625)	(652)	(3 051)	(232)
Foreign currency futures	94	72	(65)	(117)	29	(45)
Interest rate						
Interest rate swaps	–	41	(19)	(8)	(19)	33
Cross currency interest rate swaps	307	379	(140)	(60)	167	319
Other interest rate derivatives	–	–	(80)	–	(80)	–
Commodities						
Aluminum swaps	28	17	(211)	(53)	(183)	(36)
Sugar futures	7	2	(11)	(27)	(4)	(25)
Wheat futures	62	47	(24)	(16)	38	31
Other commodity derivatives	5	8	(102)	(144)	(97)	(136)
Equity						
Equity derivatives	2 486	1 258	(18)	–	2 468	1 258
	3 563	**2 244**	**(4 295)**	**(1 077)**	**(732)**	**1 167**
Of which:						
Non-current	295	507	(315)	(64)	(20)	443
Current	3 268	1 737	(3 980)	(1 013)	(712)	724

The following table summarizes the carrying amounts of the fixed rate interest-bearing financial liabilities and their fair value. The fair value was assessed using common discounted cash-flow method based on market conditions existing at the balance sheet date. Therefore, the fair value of the fixed interest-bearing liabilities is within level 2 of the fair value hierarchy as set forth by IFRS 13 – *Fair value measurement.* Floating rate interest-bearing financial liabilities and all trade and other receivables and payables, including derivatives financial instruments, have been excluded from the analysis as their carrying amounts are a reasonable approximation of their fair values:

Interest-bearing financial liabilities **Million US dollar**	**2015** **Carrying amount[1]**	**2015** **Fair value**	**2014** **Carrying amount[1]**	**2014** **Fair value**
Fixed rate				
Argentinean peso	(1)	(1)	(37)	(37)
Brazilian real	(282)	(281)	(595)	(591)
Canadian dollar	(1 290)	(1 416)	(1 548)	(1 580)
Dominican peso	(101)	(101)	(23)	(23)
Euro	(11 363)	(12 669)	(10 246)	(11 373)
Pound sterling	(2 686)	(3 242)	(2 816)	(3 534)
US dollar	(29 935)	(32 959)	(33 312)	(37 646)
Other	(13)	(14)	(8)	(8)
	(45 671)	**(50 683)**	**(48 585)**	**(54 792)**

As required by IFRS 13 *Fair value measurement*, the following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

Fair value hierarchy 2015 Million US dollar	Quoted (unadjusted) prices - level 1	Observable market inputs - level 2	Unobservable market inputs - level 3
Financial Assets			
Held for trading (non-derivatives)	55	–	–
Derivatives at fair value through profit and loss	41	2 712	–
Derivatives in a cash flow hedge relationship	47	404	–
Derivatives in a fair value hedge relationship	–	180	–
Derivatives in a net investment hedge relationship	16	163	–
	159	**3 459**	**–**
Financial Liabilities			
Deferred consideration on acquisitions at fair value	–	–	1 449
Derivatives at fair value through profit and loss	36	1 819	–
Derivatives in a cash flow hedge relationship	35	1 603	–
Derivatives in a fair value hedge relationship	–	117	–
Derivatives in a net investment hedge relationship	19	666	–
	90	**4 205**	**1 449**

Fair value hierarchy 2014 Million US dollar	Quoted (unadjusted) prices - level 1	Observable market inputs - level 2	Unobservable market inputs - level 3
Financial Assets			
Held for trading (non-derivatives)	301	–	–
Derivatives at fair value through profit and loss	37	1 352	–
Derivatives in a cash flow hedge relationship	11	369	–
Derivatives in a fair value hedge relationship	–	140	–
Derivatives in a net investment hedge relationship	34	301	–
	383	**2 162**	**–**
Financial Liabilities			
Deferred consideration on acquisitions at fair value	–	–	1 268
Derivatives at fair value through profit and loss	65	459	–
Derivatives in a cash flow hedge relationship	89	336	–
Derivatives in a fair value hedge relationship	–	18	–
Derivatives in a net investment hedge relationship	19	91	–
	173	**904**	**1 268**

Derivative instruments

The fair value of exchange traded derivatives (e.g. exchange traded foreign currency futures) is determined by reference to the official prices published by the respective exchanges (e.g. the New York Board of Trade). The fair value of over-the-counter derivatives is determined by commonly used valuation techniques. These are based on market inputs from reliable financial information providers.

Non–derivative financial liabilities

As part of the 2012 shareholders agreement between Ambev and E. León Jimenes S.A., following the acquisition of Cervecería Nacional Dominicana S.A. ("CND"), a put and call option is in place which may result in Ambev acquiring additional shares in CND. As of 31 December 2015, the put option was valued 1 424m US dollar (2014: 1 239m US dollar) and recognized as a deferred consideration on acquisitions at fair value in "level 3" category above. The variance is mainly explained by accretion and foreign exchange expenses as well as fair value gains. No value was allocated to the call option. The fair value of such deferred consideration is calculated based on commonly-used valuation techniques (i.e. net present value of future principal and interest cash flows discounted at market rate). These are based on market inputs from reliable financial information providers. As the put option may be exercised in the short-term, a portion of the liability is presented as a current liability.

Fair values determined by reference to prices provided by reliable financial information providers are periodically checked for consistency against other pricing sources.

I. Offsetting financial assets & financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting agreements and similar agreements:

Million US dollar	2015 Gross amount	2015 Net amount recognized in the statement of financial position[1]	2015 Other offsetting agreements[2]	2015 Total net amount
Derivative assets	3 563	3 563	(4 633)	(1 070)
Derivative liabilities	(4 295)	(4 295)	3 475	(820)

Million US dollar	2014 Gross amount	2014 Net amount recognized in the statement of financial position[1]	2014 Other offsetting agreements[2]	2014 Total net amount
Derivative assets	2 244	2 244	(1 215)	1 029
Derivative liabilities	(1 077)	(1 077)	941	(136)

28. Operating Leases

Non-cancelable operating leases are payable and receivable as follows:

	2015					
	Pub leases		Other operational leases			Net lease
Million US dollar	Lessee	Sublease	Lessee	Sublease	Lessor	obligations
Less than one year	(108)	73	(95)	31	2	(97)
Between one and two years	(105)	70	(80)	24	2	(89)
Between two and three years	(103)	66	(69)	18	2	(86)
Between three and five years	(190)	123	(87)	26	2	(126)
More than five years	(593)	163	(157)	15	2	(570)
	(1 099)	**495**	**(488)**	**114**	**10**	**(968)**

	2014					
	Pub leases		Other operational leases			Net lease
Million US dollar	Lessee	Sublease	Lessee	Sublease	Lessor	obligations
Less than one year	(121)	83	(107)	36	3	(106)
Between one and two years	(118)	79	(89)	28	2	(98)
Between two and three years	(115)	75	(70)	24	3	(83)
Between three and five years	(214)	140	(90)	34	4	(126)
More than five years	(704)	186	(118)	21	15	(600)
	(1 272)	**563**	**(474)**	**143**	**27**	**(1 013)**

Following the sale of Dutch and Belgian pub real estate to Cofinimmo in October 2007, AB InBev entered into lease agreements of 27 years. These operating leases maturing in November 2034 represent an undiscounted obligation of 1 099m US dollar. The pubs leased from Cofinimmo are subleased for an average outstanding period of 6 to 8 years and represent an undiscounted right to receive 495m US dollar. These leases are subject to renewal after their expiration date. The impact of such renewal is not reported in the table above.

Furthermore, the company leases a number of warehouses, factory facilities and other commercial buildings under operating leases. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. This represents an undiscounted obligation of 488m US dollar. Lease payments are increased annually to reflect market rentals. None of the leases include contingent rentals. Also in this category AB InBev has sublet some of the leased properties, representing an undiscounted right of 114m US dollar.

At 31 December 2015, 233m US dollar was recognized as an expense in the income statement in respect of operating leases as lessee (2014: 276m US dollar), while 121m US dollar was recognized as income in the income statement in respect of subleases (2014: 148m US dollar).

[1] Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the offsetting criteria as per IFRS rules.
[2] Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the offsetting criteria as per IFRS rules.

The company also leases out part of its own property under operating leases. At 31 December 2015, 20m US dollar was recognized as income in the income statement in respect of operating leases as lessor (2014: 23m US dollar).

29. Collateral and Contractual Commitments for the Acquisition of Property, Plant and Equipment, Loans to Customers and other

Million US dollar	2015	2014
Collateral given for own liabilities	562	641
Collateral and financial guarantees received for own receivables and loans to customers	194	193
Contractual commitments to purchase property, plant and equipment	750	647
Contractual commitments to acquire loans to customers	14	13
Other commitments	1 713	1 801

The collateral given for own liabilities of 562m US dollar at 31 December 2015 contains 157m US dollar cash guarantees. Such cash deposits are a customary feature associated with litigations in Brazil: in accordance with Brazilian laws and regulations a company may or must (depending on the circumstances) place a deposit with a bank designated by the court or provide other security such as collateral on property, plant and equipment. With regard to judicial cases, AB InBev has made the appropriate provisions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – see also Note 25 *Provisions*. In the company's balance sheet the cash guarantees are presented as part of other receivables – see Note 19 *Trade and other receivables*. The remaining part of collateral given for own liabilities (405m US dollar) contains collateral on AB InBev's property in favor of the excise tax authorities, the amount of which is determined by the level of the monthly excise taxes due, inventory levels and transportation risk, and collateral on its property, plant and equipment with regard to outstanding loans. To the extent that AB InBev would not respect its obligations under the related outstanding contracts or would lose the pending judicial cases, the collateralized assets would be used to settle AB InBev's obligations.

To keep AB InBev's credit risk with regard to receivables and loans to customers as low as possible collateral and other credit enhancements were obtained for a total amount of 194m US dollar at 31 December 2015. Collateral is held on both real estate and debt securities while financial guarantees are obtained from banks and other third parties.

AB InBev has entered into commitments to purchase property, plant and equipment for an amount of 750m US dollar at 31 December 2015.

In a limited number of countries AB InBev has committed itself to acquire loans to customers from banks at their notional amount if the customers do not respect their reimbursement commitments towards the banks. The total outstanding amount of such loans is 14m US dollar at 31 December 2015.

On 23 July 2015 AB InBev entered into a subscription agreement for private placement of shares of Guangzhou Zhujiang Brewery Co., Ltd ("Zhujiang Brewery"), investing no less than 1.6 billion RMB (approximately 258m US dollar) to increase its holdings in Zhujiang Brewery to 29.99%, subject to various regulatory approvals. This additional investment allows the company to further deepen the strategic partnership with Zhujiang Brewery which started in the early 1980s.

On 11 November 2015, AB Inbev's indirect subsidiaries entered into an agreement to acquire the Canadian rights to a range of primarily spirit-based beers and ciders from Mark Anthony Group. In a separate transaction, Mark Anthony Group agreed to sell certain non-U.S. and non-Canadian trademark rights and other intellectual property to a subsidiary of AB InBev. Mark Anthony Group retains full ownership of its U.S. business, as well as the Canadian wine, spirits and beer import and distribution business. The transaction closed on January 20, 2016.

As at 31 December 2015, the following M&A related commitments existed with respect to the combination with Grupo Modelo and the proposed combination with SABMiller:

- In a transaction related to the combination of AB InBev and Grupo Modelo select Grupo Modelo shareholders committed, upon tender of their Grupo Modelo shares, to acquire 23 076 923 AB InBev shares to be delivered within 5 years for consideration of approximately 1.5 billion US dollar. The consideration was paid on 5 June 2013. Pending the delivery of the AB InBev shares, AB InBev will pay a coupon on each undelivered AB InBev share, so that the Deferred Share Instrument holders are compensated on an after tax basis, for dividends they would have received had the AB InBev shares been delivered to them prior to the record date for such dividend.
- On 7 June 2013, in a transaction related to the combination of AB InBev and Grupo Modelo, AB InBev and Constellation have entered into a three-year transition services agreement by virtue of which Grupo Modelo or its affiliates agreed to provide certain transition services to Constellation to ensure a smooth operational transition of the Piedras Negras brewery. AB InBev and Constellation have also entered into a temporary supply agreement for an initial three-year term, whereby Constellation can purchase inventory from Grupo Modelo or its affiliates under a specified pricing until the Piedras Negras brewery business acquires the necessary capacity to fulfill 100 percent of the US demand.

- On 11 November 2015, the boards of AB InBev and SABMiller announced that they had reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of SABMiller by AB InBev (the "Combination"). Under the terms of the Combination, each SABMiller shareholder will be entitled to receive 44.00 pounds sterling in cash for each SABMiller share, with a partial share alternative available for approximately 41.6% of the SABMiller shares. The board of SABMiller has unanimously recommended the cash offer of 44.00 pounds sterling per SABMiller share to SABMiller shareholders. The Combination is subject to regulatory and shareholder approvals and closing is expected to occur during the second half of 2016.
- On 11 November 2015, AB InBev also announced an agreement with Molson Coors Brewing Company, conditional on completion of the Combination, regarding a complete divestiture of SABMiller's interest in MillerCoors LLC (a joint venture in the U.S. and Puerto Rico between Molson Coors Brewing Company and SABMiller) and in the Miller Global Brand Business to Molson Coors Brewing Company. The total transaction is valued at 12 billion US dollar and is conditional on completion of the Combination.
- On 10 February 2016, AB InBev announced that it had received a binding offer from Asahi Group Holdings, Ltd ("Asahi") to acquire certain of SABMiller's European premium brands and related business. The offer values the Peroni, Grolsch, and Meantime brand families and associated businesses in Italy, the Netherlands, UK and internationally at 2 550m euro on a debt free/cash free basis. The parties will now commence the relevant employee information and consultation processes, during which time AB InBev has agreed to a period of exclusivity with Asahi in respect of these brands and businesses. Asahi's offer is conditional on the successful closing of the recommended acquisition of SABMiller by AB InBev, as announced on 11 November 2015.
- There is no guarantee that the regulatory pre-conditions and conditions will be satisfied (or waived, if applicable). Failure to satisfy any of the conditions may result in the Combination not being completed and, in certain circumstances, including if any regulatory pre-condition or condition is not satisfied by the specified long stop date of 11 May 2017 (unless extended), AB InBev may be required to pay or procure the payment to SABMiller of a break payment of 3 billion US dollar.

Other commitments amount to 1 713m US dollar at 31 December 2015 and mainly cover guarantees given to pension funds, rental and other guarantees.

In order to fulfil AB InBev's commitments under various outstanding stock option plans, AB InBev entered into stock lending arrangements for up to 15 million of its own ordinary shares. AB InBev shall pay any dividend equivalent, after tax in respect of the loaned securities. This payment will be reported through equity as dividend. As of 31 December 2015, 10.6 million loaned securities were used to fulfil stock option plan commitments.

30. Contingencies[1]

The company has contingencies for which, in the opinion of management and its legal counsel, the risk of loss is possible but not probable and therefore no provisions have been recorded. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions, and as a consequence AB InBev management cannot at this stage estimate the likely timing of resolution of these matters. The most significant contingencies are discussed below.

Ambev tax matters

As of 31 December 2015, AB InBev's material tax proceedings related to Ambev and its subsidiaries. Estimates of amounts of possible loss are as follows:

Million US dollar	31 December 2015	31 December 2014
Income tax and social contribution	4 189	4 874
Value-added and excise taxes	2 658	2 127
Other taxes	220	115
	7 067	**7 116**

The most significant tax proceedings of Ambev are discussed below.

Income tax and social contribution

During 2005, certain subsidiaries of Ambev received a number of assessments from Brazilian federal tax authorities relating to profits of its foreign subsidiaries. In December 2008, the Administrative Court decided on one of the tax assessments relating to earnings of Ambev's foreign subsidiaries. This decision was partially favorable to Ambev, and in connection with the remaining part, Ambev filed an appeal to the Upper House of the Administrative Court and is awaiting its decision. With respect to another tax assessment relating to foreign profits, the Administrative Court rendered a decision favorable to Ambev in September 2011. In December 2013, Ambev received another tax assessment related to profits of its foreign subsidiaries. As of 31 December 2015, Ambev management estimates the exposure of approximately 4.5 billion Brazilian real (1.2 billion US dollar) as a possible risk, and accordingly has not recorded a provision for such amount, and approximately 38 million Brazilian real (10m US dollar) as a probable loss.

[1] Amounts have been converted to US dollar at the closing rate of the respective period.

In December 2011, Ambev received a tax assessment related to the goodwill amortization resulting from the Inbev Holding Brasil S.A. merger with Ambev. In November 2014 the Lower Administrative Court concluded the judgment. The decision was partly favorable, Ambev was notified in August 2015 and presented an appeal to the Upper Administrative Court. Now Ambev awaits the respective judgement of the appeal. Ambev has not recorded any provisions for this matter, and management estimates possible losses in relation to this assessment to be approximately 4.6 billion Brazilian real (1.2 billion US dollar) as of 31 December 2015. In the event we are required to pay these amounts, the company will reimburse the amount proportional to the benefit received by the company pursuant to the merger protocol, as well as the related costs.

In October 2013, Ambev also received a tax assessment related to the goodwill amortization resulting from the merger of Beverage Associates Holding Limited ("BAH") into Ambev. Ambev filed a defense in November 2013. In December 2014, Ambev filed an appeal against the unfavorable first level administrative decision published in November 2014. Ambev management estimates the amount of possible losses in relation to this assessment to be approximately 1.3 billion Brazilian real (0.3 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

Ambev and certain of its subsidiaries received a number of assessments from Brazilian federal tax authorities relating to the consumption of income tax losses in relation to company mergers. Ambev management estimates the total exposures of possible losses in relation to these assessments to be approximately 455 million Brazilian real (117 m US dollar) as of 31 December 2015.

In December 2014, Ambev received a tax assessment from the Brazilian Federal Tax Authorities related to the disallowance of alleged non-deductible expenses and the deduction of certain losses mainly associated to financial investments and loans. The defense was presented on 28 January 2015. Ambev management estimates the amount of possible losses in relation to this assessment to be approximately 1.3 billion Brazilian real (0.3 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

In December 2015, Ambev also received a new tax assessment related to the same matter. Ambev management estimates the amount of possible losses in relation to this assessment to be approximately 332 million Brazilian real (85m US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection with this assessment.

During 2014 and the first quarter of 2015, Ambev received tax assessments from the Brazilian Federal Tax Authorities related to the disallowance of deductions associated with alleged unproven taxes paid abroad, for which the decision from the Upper House of the Administrative Court is still pending. Ambev management estimates the possible losses related to these assessments to be approximately 1.9 billion Brazilian real (0.5 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

ICMS value added tax, IPI excise tax and taxes on net sales

In Brazil, goods manufactured within the Manaus Free Trade Zone intended for remittance elsewhere in Brazil are exempt from IPI excise tax. Ambev's subsidiaries have been registering IPI excise tax presumed credits upon the acquisition of exempted inputs manufactured therein. Since 2009, Ambev has been receiving a number of tax assessments from the Brazilian Federal Tax Authorities relating to the disallowance of such presumed credits and other IPI credits, which are under discussion. Ambev management estimates the possible losses related to these assessments to be approximately 1.8 billion Brazilian real (0.5 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

In 2014 and 2015, Ambev received tax assessments from the Brazilian Federal Tax Authorities relating to IPI excise tax, supposedly due over remittances of manufactured goods to other related factories, for which the decision from the Upper House of the Administrative Court is still pending. Ambev management estimates the possible losses related to these assessments to be approximately 1.3 billion Brazilian real (0.3 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

Ambev is currently challenging tax assessments from the States of São Paulo, Rio de Janeiro, Minas Gerais and other States, which question the legality of tax credits arising from existing tax incentives received by Ambev in other States. Ambev management estimates the possible losses related to these assessments to be approximately 1.7 billion Brazilian real (0.4 billion US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

Ambev has been party to legal proceedings with the State of Rio de Janeiro where it is challenging such State's attempt to assess ICMS with respect to unconditional discounts granted by Ambev from January 1996 to February 1998. In 2015, these proceedings were before the Superior Court of Justice and the Brazilian Supreme Court. In 2013, 2014 and 2015, Ambev received similar tax assessments issued by the State of Pará and Piauí, relating to the same issue, which are currently under discussion. In October 2015 and January 2016, Ambev paid the debts related to the State of Rio de Janeiro under the incentive tax payment program with discounts promoted by the State, in the total amount of approximately 271 million Brazilian real (69m US dollar). After the above mentioned payments, Ambev management estimates the amount involved in these proceedings to be approximately 492 million Brazilian real (126m US dollar) as of 31 December 2015, classified as possible loss and, therefore with no related provision.

Over the years, Ambev has received tax assessments relating to ICMS differences that some States consider due in the tax substitution system, in cases where the price of the products sold by the factory reaches levels above the price table basis established by such States. Ambev is currently challenging those charges before Courts. In 2015, Ambev received new tax assessments related to the same issue, in the amount of approximately 332 million Brazilian real (85m US dollar), increasing possible losses related to this issue to approximately 796 million Brazilian real (195m US dollar) as of 31 December 2015. Ambev has not recorded any provision in connection therewith.

Other tax matters

During 2014, Anheuser-Busch InBev Worldwide Inc. received a net proposed tax assessment from the United States federal tax authorities (IRS) of 0.3 billion US dollar predominantly involving certain inter-company transactions, related to tax returns for the years 2008 and 2009. In November 2015, the IRS issued an additional proposed tax assessment of 0.1 billion US dollar for tax years 2010 and 2011. Anheuser-Busch InBev Worldwide Inc. has filed protests with the IRS for the 2008 to 2011 tax years and intends to vigorously defend its position.

In February 2015, the European Commission opened an in-depth State Aid investigation into the Belgian excess profit ruling system. On 11 January 2016, the European Commission adopted a negative decision finding that the Belgian excess profit ruling system constitutes an aid scheme incompatible with the internal market and ordering Belgium to recover the incompatible aid from a number of aid beneficiaries. The Belgian authorities must now determine which companies have benefitted from the system and the precise amounts of incompatible aid to be recovered from each company. AB InBev has a Belgian excess profit ruling. AB InBev has not yet received any formal communication from Belgium on recovery. In addition, Belgium has announced that it will appeal the Commission decision to the EU's General Court. The appeal does not suspend the recovery process, and the company cannot at this stage estimate the outcome of such legal proceedings. Based on the estimated exposure related to the excess profit ruling applicable to AB InBev, and the different elements referred to above, the company has not recorded any provisions in connection therewith as of 31 December 2015.

Warrants

Certain holders of warrants issued by Ambev in 1996 for exercise in 2003 proposed lawsuits to subscribe correspondent shares for an amount lower than Ambev considers as established upon the warrant issuance. In case Ambev loses the totality of these lawsuits, the issuance of 172,831,575 shares would be necessary. Ambev would receive in consideration funds that are materially lower than the current market value. This could result in a dilution of about 1% to all Ambev shareholders. Furthermore, the holders of these warrants are claiming that they should receive the dividends relative to these shares since 2003, approximately 648 million Brazilian real (166m US dollar) in addition to legal fees. Ambev disputes these claims and intends to continue to vigorously defend its case.

Antitrust matters

On 22 July 2009, CADE, the Brazilian antitrust authority issued its ruling in Administrative Proceeding No. 08012.003805/2004-10. This proceeding was initiated in 2004 as a result of a complaint filed by Schincariol (a South American brewery and beverage maker based in Brazil) and had, as its main purpose, the investigation of Ambev's conduct in the market, in particular its customer loyalty program known as "Tô Contigo," which is similar to airline frequent flyer and other mileage programs. After the administrative investigation, CADE issued a ruling that, among other things, imposed a fine in the amount of 353 million Brazilian real (114m US dollar). Ambev challenged the decision before the federal courts, which ordered the suspension of the fine and other parts of the decision upon its posting of a guarantee. According to the opinion of Ambev's management, a loss was possible (but not probable), and therefore Ambev had not established a provision in its financial statements. This possible loss was expected to be limited to the aforementioned fine (which reached 620 million Brazilian Real (200m US dollar) as of 30 June 2015, reflecting adjustment for inflation and accrued interests) and additional legal fees in connection with this matter. On 14 July 2015, CADE and Ambev reached a judicial settlement to definitely close the lawsuit relating to the decision issued by CADE in the Administrative Proceeding No. 08012.003805/2004-10. With this settlement, Ambev agreed to pay a fine in the amount of 229 million Brazilian real (77m US dollar). The final amount agreed upon by the parties is the result of the correction of some mistakes in the original decision, as well as an approximate 20% discount granted by CADE.

In August 2011, the German Federal Cartel Office (Bundeskartellamt) launched an investigation against several breweries and retailers in Germany in connection with an allegation of anticompetitive vertical price maintenance by breweries vis-à-vis their trading partners in Germany. On 18 June 2015, the Bundeskartellamt announced that it partially concluded these proceedings and issued fines. Due to AB InBev's cooperation with the Bundeskartellamt, AB InBev received immunity from fines. Although the investigation of the Bundeskartellamt is partially continuing, AB InBev has reason to believe that it will not receive a fine and that it will have full immunity from fines at the end of the proceedings.

On 12 December 2014 a lawsuit was commenced in the Ontario Superior Court of Justice against the Liquor Control Board of Ontario, Brewers Retail Inc. (The Beer Store) and the owners of Brewers Retail Inc. (Molson Coors Canada, Sleeman Breweries Ltd. and Labatt Breweries of Canada LP). The lawsuit was amended by the claimants on 20 May 2015. The lawsuit, brought pursuant to the Ontario Class Proceedings Act, seeks, among other things: a declaration that the defendants conspired and agreed with each other to allocate sales, territories, customers or markets for the supply of beer sold in Ontario since June 1, 2000, a declaration that Brewers Retail Inc. and the owners of Brewers Retail Inc. conspired and agreed to fix, increase and/or maintain the fees charged by The Beer Store to other competitive brewers who wished to sell their products through The Beer Store, a declaration that the parties conspired to impose higher/differential prices to Ontario licensees (on-trade) for beer, which the claimants allege is illegal under the Liquor Control Act and a declaration that The Beer Store was not permitted by law to charge "licensee" prices that are in excess of retail prices for beer. The claimants are seeking damages not exceeding 1.4 billion Canadian dollar (1.0 billion US dollar), punitive, exemplary and aggravated damages of 5 million Canadian dollar (4m US dollar) and disgorgement of certain revenues. The company believes that there are strong defenses and, accordingly, has not recorded any provision in connection therewith.

2009 Dispositions pension litigation

On 1 December 2009, AB InBev and several of its related companies were sued in Federal Court in the Eastern District of Missouri in a lawsuit styled Richard F. Angevine v. AB InBev, et al. The plaintiff sought to represent a class of certain employees of Busch Entertainment Corporation, which was divested on 1 December 2009, and the four Metal Container Corporation plants which were divested on 1 October 2009. He also sought to represent certain employees of any other subsidiary of Anheuser-Busch Companies, Inc. (ABC) which were divested on 1 October 2009. The lawsuit contained claims that the class was entitled to enhanced retirement benefits under sections 4.3 and 19.11(f) of the Anheuser-Busch Companies' Salaried Employees' Pension Plan (the "Plan"). Specifically, plaintiff alleged that the divestitures resulted in his "involuntary termination" from "ABC and its operating division and subsidiaries" within three years after the 18 November 2008 ABC/InBev merger, which allegedly triggered the enhanced benefits under the Plan. The lawsuit claimed that by failing to provide the class members with these enhanced benefits, AB InBev, et al. breached their fiduciary duties under ERISA. The complaint sought punitive damages and attorneys' fees. On 16 July 2010, the Court ruled that the claims for breach of fiduciary duty and punitive damages were not proper. The Court also found that Angevine did not exhaust his administrative remedies, which was required before filing a lawsuit. Angevine filed an appeal of this ruling with the Eighth Circuit Court of Appeals. On 22 July 2011, the Court of Appeals affirmed the decision of the lower court. No further appeals were filed.

On 15 September 2010, AB InBev and several of its related companies were sued in Federal Court for the Southern District of Ohio in a lawsuit entitled Rusby Adams et al. v. AB InBev et al. This lawsuit was filed by four employees of Metal Container Corporation's facilities ("MCC") in Columbus, Ohio, Gainesville, Florida, and Ft. Atkinson, Wisconsin that were divested on 1 October 2009. Similar to the Angevine lawsuit, these plaintiffs sought to represent a class of participants of the Anheuser-Busch Companies' Inc. Salaried Employees' Pension Plan (the "Plan") who had been employed by subsidiaries of Anheuser-Busch Companies, Inc. that had been divested during the period of 18 November 2008 and 17 November 2011. The plaintiffs also alleged claims similar to the Angevine lawsuit: (1) that they were entitled to benefits under section 19.11(f) of the Plan; and (2) that the denial of benefits was a breach of fiduciary duty. AB InBev believed that it had defenses to these claims, and filed a motion to dismiss. On 25 April 2011, the Court dismissed the breach of fiduciary duty claims, and the only remaining claim was for benefits under section 19.11(f). On 28 March 2012, the Court certified that the case could proceed as a class action comprised of former employees of the divested MCC operations. On 9 January 2013, the Court granted AB InBev's motion for Judgment on the Administrative Record. The plaintiffs appealed this decision on 5 February 2013. On 11 July 2014, the Court of Appeals for the 6th Circuit reversed the lower court and remanded the case for judgment against AB InBev. On 16 September 2014, AB InBev's Motion for Rehearing En Banc was denied. A Final Order and Judgment was then entered by the District Court on 24 December 2014, which ordered the Plan to provide the enhanced pension benefit under Section 19.11(f) to members of the certified class. The company believes that the total amount of the enhanced pension benefit is approximately 7 million US dollar. Plaintiffs' counsel has received approximately 0.8 million US dollar in legal fees.

On 10 January 2012, a class action complaint asserting claims very similar to those asserted in the Angevine lawsuit was filed in Federal Court for the Eastern District of Missouri, styled Nancy Anderson et al. v. Anheuser-Busch Companies Pension Plan et al. Unlike the Angevine case, however, the plaintiff in this matter alleges complete exhaustion of all administrative remedies. The company filed a motion to dismiss on 9 October 2012. This was still pending when the Court allowed the complaint to be amended on 19 November 2012 to name four new plaintiffs. AB InBev filed a motion to dismiss on 17 December 2012. While this motion was pending, on 11 March 2013 the Court consolidated the case with the Knowlton case (see below) which had been transferred from California to Missouri.

On 10 October 2012, another class action complaint was filed against Anheuser-Busch Companies, LLC, Anheuser-Busch Companies Pension Plan, Anheuser-Busch Companies Pension Plan Appeals Committee and the Anheuser-Busch Companies Pension Plans Administrative Committee by Brian Knowlton, an employee of the divested Busch Entertainment Corporation ("BEC"). This complaint, filed in Federal Court in the Southern District of California, was amended on 12 October 2012. Like the other lawsuits, it claims that the employees of any divested assets were entitled to enhanced retirement benefits under section 19.11(f) of the Plan. However, it specifically excludes the divested Metal Container Corporation facilities that have been included in the Adams class action. On 6 November 2012, the plaintiffs filed a motion asking the court to move the Anderson case to California to join it with the Knowlton case for discovery. The company filed a motion to dismiss/motion to transfer the case to Missouri on 12 November 2012, which was granted on 30 January 2013. As outlined above, on 11 March 2013, the Knowlton case was then consolidated in Missouri with the Anderson case. On 19 April 2013 a consolidated complaint was filed, and a Motion to Dismiss was filed by the company on 10 May 2013. On 30 October 2013, the court dismissed the breach of fiduciary claims, and an answer was filed on 13 November 2013. On 19 November 2013, plaintiffs amended one count of the consolidated complaint. On 16 May 2014, the Court granted class certification. The class consists of divested BEC employees. On 10 November 2014, Plaintiffs filed a Motion for Judgment on the Pleadings based on the decision by the Sixth Circuit Court of Appeals in the Adams case. On 8 July 2015, the Court issued an order of partial judgment on the pleadings, holding that the employees of BEC were entitled to enhanced retirement benefits under the Plan. The 8 July 2015 Order, however, was not a final, appealable order. On 21 August 2015, the company filed a motion seeking entry of a final, appealable order, as well as, a stay pending appeal and that motion was granted on 9 October 2015. The company subsequently appealed. That appeal remains pending. The company believes that the total amount of the enhanced pension benefit at issue in this case is approximately 66 million US dollar.

31. Related Parties

Transactions with directors and Executive Board Management Members (KEY MANAGEMENT PERSONNEL)

In addition to short-term employee benefits (primarily salaries) AB InBev's executive board management members are entitled to post-employment benefits. More particular, members of the executive board of management participate in the pension plan of their respective country – see also Note 23 *Employee Benefits*. Finally, key management personnel are eligible for the company's share option; restricted stock and/or share swap program (refer Note 24 *Share-based Payments*). Total directors and executive board management compensation included in the income statement can be detailed as follows:

	2015		2014	
Million US dollar	**Directors**	**Executive board management**	**Directors**	**Executive board management**
Short-term employee benefits	3	25	2	21
Post-employment benefits	–	2	–	2
Other long-term employee benefits	–	–	–	1
Share-based payments	2	65	3	73
	5	**91**	**5**	**97**

Directors' compensation consists mainly of directors' fees.

During 2015, AB InBev entered into the following transactions through Grupo Modelo and its subsidiaries:

- The acquisition of information technology and infrastructure services for a consideration of approximately 4m US dollar from a company in which one of the company's Board Member had significant influence as of 31 December 2015;
- The acquisition of sponsorship rights, lease and other agreements for an aggregated consideration of 5m US dollar from companies owned by one of the company's Board Member as of 31 December 2015.

With the exception of the abovementioned transactions, key management personnel were not engaged in any transactions with AB InBev and did not have any significant outstanding balances with the company.

Jointly controlled entities

Significant interests in joint ventures include three entities in Brazil, one in Mexico and two in Canada. None of these joint ventures are material to the company. Aggregate amounts of AB InBev's interest are as follows:

Million US dollar	2015	2014
Non-current assets	2	2
Current assets	5	4
Non-current liabilities	2	–
Current liabilities	5	5
Result from operations	(1)	6
Profit attributable to equity holders of AB InBev	–	3

Transactions with associates

AB InBev's transactions with associates were as follows:

Million US dollar	2015	2014
Gross profit	(77)	(92)
Current assets	2	2
Current liabilities	25	11

Transactions with pension plans

AB InBev's transactions with pension plans mainly comprise 12m US dollar other income from pension plans in US and 1m US dollar other income from pension plans in Brazil.

Transactions with government-related entities

AB InBev has no material transactions with government-related entities.

32. Events after the Balance Sheet Date

Bond issuance

On 25 January 2016 Anheuser-Busch InBev Finance Inc., a subsidiary of Anheuser-Busch InBev SA/NV, issued 46 billion US dollar aggregate principal amount of bonds. The bonds comprise the following series: 4.0 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2019 bearing interest at an annual rate of 1.900%; 7.5 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2021 bearing interest at an annual rate of 2.650%; 6.0 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2023 bearing interest at an annual rate of 3.300%; 11.0 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2026 bearing interest at an annual rate of 3.650%; 6.0 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2036 bearing interest at an annual rate of 4.700%; 11.0 billion US dollar aggregate principal amount of fixed rate Notes due 1 February 2046 bearing interest at an annual rate of 4.900%; and 0.5 billion US dollar aggregate principal amount of floating rate Notes due 1 February 2021 bearing interest at an annual rate of 126 basis points above three-month LIBOR.

Substantially all of the net proceeds of the offering will be used to fund a portion of the purchase price for the Combination with SABMiller and related transactions. The remainder of the net proceeds will be used for general corporate purposes.

The 2019 notes, the 2021 fixed and floating rate notes, the 2023 notes and the 2026 notes will be subject to a special mandatory redemption at a redemption price equal to 101% of the initial price of such notes, plus accrued and unpaid interest to, but not including the special mandatory redemption date if the Combination is not consummated on or prior to 11 November 2016 (which date is extendable at the option of the Issuer to 11 May 2017) or if, prior to such date, AB InBev announces the withdrawal or lapse of the Combination and that it is no longer pursuing the Combination.

On 29 January 2016 Anheuser-Busch InBev Finance Inc., a subsidiary of Anheuser-Busch InBev SA/NV, issued 1.47 billion US dollar aggregate principal amount of fixed rate Notes due 2046. The Notes will bear interest at an annual rate of 4.915%.

Partial cancelation of the 75.0 billion us dollar committed senior acquisition facilities

On 27 January 2016, AB InBev announced that it had cancelled 42.5 billion US dollar of the 75.0 billion US dollar Committed Senior Acquisition Facilities following the bond issuances described above. Upon receipt of the net proceeds of the 46 billion US dollar offering, the company was required to cancel the Bridge to Cash / DCM Facilities A & B totaling 30 billion US dollar. Additionally, the company chose to make a voluntary cancellation of 12.5 billion US dollar of the Term Facility A as permitted under the terms of the Committed Senior Acquisition Facilities. It is intended that the net proceeds from the announced sale of both SABMiller's interests in MillerCoors and the global Miller brand, and certain other future disposals, will be used to pay down and cancel the Disposal Bridge Facility in due course.

Argentina peso devaluation

In December 2015, the Argentinean peso underwent a severe devaluation. In 2015, the Argentinean operations represented 4.8% of the company's consolidated revenue and 5.5% of the company's consolidated normalized EBITDA. The 2015 Argentinean full year results were translated at an average rate of 9.1017 Argentinean pesos per US dollar. The 2015 devaluation, and further devaluations in the future, if any, is expected to decrease the company's net assets in Argentina, with a balancing entry in the equity of the company. The translation of results and cash flows of the company's Argentinean operations are also expected to be impacted.

SABMiller's European business

On 3 December 2015, in line with its commitment to proactively address potential regulatory considerations, Anheuser-Busch InBev SA/NV announced that it was exploring the sale of certain of SABMiller's European premium brands and related businesses.

On 10 February 2016, AB InBev announced that it had received a binding offer from Asahi Group Holdings, Ltd ("Asahi") to acquire certain of SABMiller's European premium brands and related business. The offer values the Peroni, Grolsch, and Meantime brand families and associated businesses in Italy, the Netherlands, UK and internationally at 2 550m euro on a debt free/cash free basis. The parties have now commenced the relevant employee information and consultation processes, during which time AB InBev has agreed to a period of exclusivity with Asahi in respect of these brands and businesses.

Asahi's offer is conditional on the successful closing of the recommended acquisition of SABMiller by AB InBev, as announced on 11 November 2015.

33. AB InBev Companies

Listed below are the most important AB InBev companies. A complete list of the company's investments is available at AB InBev NV, Brouwerijplein 1, B-3000 Leuven, Belgium. The total number of companies consolidated (fully, proportional and equity method) is 485.

List of most important fully consolidated companies

Name and registered office of fully consolidated companies	% of economic interest as at 31 December 2015
Argentina	
CERVECERIA Y MALTERIA QUILMES SAICA y G - Charcas 5160 - C1425BOF - Buenos Aires	61.83
Belgium	
AB INBEV NV – Grote Markt 1 – 1000 – Brussel	Consolidating Company
BRASSERIE DE L'ABBAYE DE LEFFE S.A. - Place de l'Abbaye 1 - 5500 - Dinant	98.54
BROUWERIJ VAN HOEGAARDEN N.V. - Stoopkensstraat 46 - 3320 - Hoegaarden	100.00
COBREW N.V. - Brouwerijplein 1 - 3000 - Leuven	100.00
INBEV BELGIUM N.V. - Industrielaan 21 -1070 Brussel	100.00
Bolivia	
CERVECERIA BOLIVIANA NACIONAL S.A. - Av. Montes 400 and Chuquisaca No. 121, Zona Challapampa - La Paz	53.63
Brazil	
AMBEV S.A. - Rua Dr Renato Paes de Barros, 1017, 3° andar, Itaim Bibi - CEP 04530-001 - São Paulo	61.98
Canada	
LABATT BREWING COMPANY LIMITED - 207 Queen's Quay West, Suite 299 - M5J 1A7 - Toronto	61.98
Chile	
CERVECERIA CHILE S.A. - Av. Presidente Eduardo Frei Montalva 9600 - 8700000 - Quilicura	61.98
China	
ANHEUSER-BUSCH INBEV (WUHAN) BREWING COMPANY LIMITED - Shangshou, Qin Duan Kou, Hanyang Area - 430051 - Wuhan, Hubei Province	97.06
ANHEUSER-BUSCH INBEV (HARBIN) SALES COMPANY LTD. - 20 Youfang Street, Xiangfang District - 150030 - Harbin City, Heilongjiang Province	100.00
ANHEUSER-BUSCH INBEV (ZHOUSHAN) BREWERY CO. LTD. - 1 Linggang Yi Road - Zhou Shan City, Zhejiang Province	100.00
INBEV BAISHA (HUNAN) BREWERY CO. LTD. - 304 Shaozhong Middle Road - 410000 - Changsha City, Hunan Province	100.00
INBEV DOUBLE DEER BREWING GROUP CO. LTD. - 419 Wu Tian Street - Wenzhou City, Zhejiang Province	55.00
INBEV JINLONGQUAN (HUBEI) BREWERY CO. LTD. - 89 Jin Long Quan Avenue - Jingmen City, Hubei Province	60.00
INBEV JINLONGQUAN (XIAOGAN) BREWERY CO. LTD. - 198 Chengzhan Road - Xiaogan City, Hubei Province	60.00
INBEV KK (NINGBO) BREWERY CO LTD. - YinJiang Town, Yin Zhou District - 315000 - Ningbo City, Zhejiang Province	100.00
ANHEUSER-BUSCH INBEV SEDRIN BREWERY CO. LTD. - 660 Gong Ye Road, Hanjiang District - 351111 - Putian City, Fujian Province	100.00
ANHEUSER-BUSCH INBEV (TAIZHOU) BREWERY CO. LTD. - 159 Qi Xia East Road, Chengguan Town, Tiantai County - 317200 - Taizhou Cithy, Zhejiang Province	100.00
ANHEUSER-BUSCH INBEV (NINGBO) BREWERY CO. LTD. - YinJiang Town, Yin Zhou District - 315000 - Ningbo City, Zhejiang Province	100.00

Name and registered office of fully consolidated companies	% of economic interest as at 31 December 2015
ANHEUSER-BUSCH INBEV (NANJING) BREWERY CO. LTD. - Qiliqiao Pukou District - 211800 - Nanjing City, Jiangsu Province	100.00
Siping Ginsber Draft Beer Co Ltd-XianMaQuan area,TieDong district,ShiPing city, JiLin province,Hebei, China	100.00
ANHEUSER-BUSCH INBEV BIG BOSS (JIANGSU) BREWERY CO. LTD. - 666 Zhaoxia Road - Nantong City, Jiangsu Province	100.00
ANHEUSER-BUSCH INBEV BIG BOSS (YANCHENG) BREWERY CO. LTD. - West of Nanhuan Road, Industry District, Dazhong Town - Dafeng City, Jiangsu Province	100.00
ANHEUSER-BUSCH INBEV BIG BOSS (SUZHOU) BREWERY CO. LTD. - 12, East Traffic Road, Lili Town, Wujiang District - Suzhou City, Jiangsu Province	100.00
Colombia	
BOGOTA BEER COMPANY BBC S.A.S. - Avenida Carrera 24 85A-47 - Bogota	61.98
Czech Republic	
Pivovar Samson a.s. - V parku 2326/18, Chodov, 148 00 Praha 4, Česká republika	100.00
Dominican Republic	
CERVECERIA NACIONAL DOMINICANA S.A. - Autopista 30 de Mayo Km 61/2, Distrito Nacional - A.P. 1086 - Santo Domingo	34.09
Ecuador	
COMPAÑIA CERVECERA AMBEV ECUADOR S.A. - Km 14.5 Via a Daule S/N y Av. Las Iguanas, Guayaquil	61.98
France	
AB INBEV FRANCE S.A.S. - Immeuble Crystal, 38, Place Vauban - C.P. 59110 - La Madeleine	100.00
Germany	
BRAUEREI BECK GmbH & CO. KG - Am Deich 18/19 - 28199 - Bremen	100.00
BRAUEREI DIEBELS GmbH & CO.KG - Brauerei-Diebels-Strasse 1 - 47661 - Issum	100.00
BRAUERGILDE HANNOVER AG - Hildesheimer Strasse 132 - 30173 - Hannover	100.00
HAAKE-BECK BRAUEREI GmbH & Co. KG - Am Deich 18/19 - 28199 - Bremen	99.96
HASSERÖDER BRAUEREI GmbH - Auerhahnring 1 - 38855 - Wernigerode	100.00
ANHEUSER-BUSCH INBEV GERMANY HOLDING GmbH - Am Deich 18/19 - 28199 - Bremen	100.00
SPATEN - FRANZISKANER - BRÄU GmbH - Marsstrasse 46 + 48 - 80335 - München	100.00
Grand Duchy Of Luxembourg	
BRASSERIE DE LUXEMBOURG MOUSEL - DIEKIRCH - 1, Rue de la Brasserie - L-9214 - Diekirch	95.82
India	
CROWN BEERS INDIA LIMITED - #8-2-684/A, ROAD NO. 12 - BANJARA HILLS, HYDERABAD 500034 - ANDHRA PRADESH	100.00
South Korea	
ORIENTAL BREWERY CO., LTD - 151, Hyeondogongdan-ro, Seowon-gu Cheongju-si, Chungcheongbuk-do, South Korea	100.00
Mexico	
GRUPO MODELO S.A.B. DE C.V. - JAVIER BARROS SIERRA N° 555 - PISO 6, TORRE ACUARIO, COLONIA ZEDEC SANTA FE - C.P. 01210 - MEXICO CITY, DISTRITO FEDERAL - ALVARO OBREGON	100.00
Paraguay	
CERVECERIA PARAGUAYA S.A. - Ruta Villeta km 30 N 3045 - 2660 - Ypané	54.15
Peru	
COMPANIA CERVECERA AMBEV PERU S.A.C. - Av. Los Laureles Mza. A Lt. 4 del Centro Poblado Menor Santa Maria de Huachipa - Lurigancho (Chosica) - Lima 15	61.98
Russia	
OAO SUN INBEV - 28 Moscovskaya Street, Moscow region - 141600 - Klin	99.95

Name and registered office of fully consolidated companies	% of economic interest as at 31 December 2015
The Netherlands	
INBEV NEDERLAND N.V. - Ceresstraat 1 - 4811 CA - Breda	100.00
INTERBREW INTERNATIONAL B.V. - Ceresstraat 1 - 4811 CA - Breda	100.00
Ukraine	
SUN INBEV UKRAINE PJSC - 30-V Fizkultury Str., BC "Faringeit" 4th floor - 3068 - Kiev	98.29
US	
ANHEUSER-BUSCH COMPANIES, LLC. - One Busch Place - St. Louis, MO 63118	100.00
ANHEUSER-BUSCH INTERNATIONAL, INC. - One Busch Place - St. Louis, MO 63118	100.00
ANHEUSER-BUSCH PACKAGING GROUP, INC. - One Busch Place - St. Louis, MO 63118	100.00
United Kingdom	
BASS BEERS WORLDWIDE LIMITED - Porter Tun House, 500 Capability Green - LU1 3LS - Luton	100.00
INBEV UK LTD - Porter Tun House, 500 Capability Green - LU1 3LS - Luton	100.00
Uruguay	
CERVECERIA Y MALTERIA PAYSANDU S.A. - Cesar Cortinas, 2037 - C.P. 11500 - Montevideo	61.94
Vietnam	
ANHEUSER-BUSCH INBEV VIETNAM BREWERY COMPANY LIMITED/No.2 VSIP II-A, Street no. 28, Vietnam - Singapore II-A Industrial Park, Tan Uyen District, Binh Duong Province, Vietnam	100.00

Information to our Shareholders

Earnings, dividends, share and share price

	2015	2014	2013	2012	2011
Cash flow from operating activities (US dollar per share)	8.62	8.66	8.53	8.29	7.83
Normalized earnings per share (US dollar per share)	5.20	5.43	4.91	4.50	4.04
Dividend (euro per share)	3.60	3.00	2.05	1.70	1.20
Share price high (euro per share)	124.20	94.89	79.60	71.05	47.35
Share price low (euro per share)	87.73	69.14	63.44	46.10	33.85
Year-end share price (euro per share)	114.40	93.86	77.26	65.74	47.31
Weighted average number of ordinary shares (million shares)	1 638	1 634	1 617	1 600	1 595
Diluted weighted average number of ordinary shares (million shares)	1 668	1 665	1 650	1 628	1 614
Volume of shares traded (million shares)	449	397	423	486	652

Information on the Auditors' Assignments and Related Fees

AB InBev's Statutory auditor is PricewaterhouseCoopers Bedrijfsrevisoren cvba, represented by Koen Hens, engagement partner.

Base fees for auditing the annual financial statements of AB InBev and its subsidiaries are determined by the shareholders meeting after review and approval by the company's Audit Committee and Board of Directors.

Fees for 2015 in relation to services provided by PricewaterhouseCoopers Bedrijfsrevisoren amounted to 3 133k US dollar (2014: 2 551k US dollar), which was composed of audit services for the annual financial statements of 1 522k US dollar (2014: 1 786k US dollar), tax services of 41k US dollar (2014: 171k US dollar), audit related services of 1 567k US dollar (2014: 397k US dollar) and other services of 3k US dollar (2014: 197k US dollar). Audit related services mainly relate to services incurred in connection with rights and bonds issuance, interim dividends, responsible drinking certification and capital increases. Tax services mainly relate to services incurred in connection with expat services, all of which have been pre-approved by the company's Audit Committee.

Fees for 2015 in relation to services provided by other offices in the PricewaterhouseCoopers network amounted to 8 838k US dollar (2014: 17 935k US dollar), which was composed of audit services for the annual financial statements of 5 417k US dollar (2014: 12 912k US dollar), tax services of 2 623k US dollar (2014: 3 754k US dollar), audit related services of 597k US dollar (2014: 167k US dollar) and other services of 201k US dollar (2014: 1 102k US dollar).

Financial Calendar

Publication of 2015 results	25 February 2016
Annual report 2015 available on www.ab-inbev.com	25 February 2016
General shareholders meeting	27 April 2016
Dividend: ex-coupon date	29 April 2016
Publication of first quarter results	4 May 2016
Publication of half year results	29 July 2016
Publication of third quarter results	28 October 2016

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Excerpt from the AB InBev NV Separate (Non-Consolidated) Financial Statements Prepared in Accordance with Belgian GAAP

The following information is extracted from the separate Belgian GAAP financial statements of AB InBev NV. These separate financial statements, together with the management report of the Board of Directors to the general assembly of shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legally foreseen time limits. These documents are also available on request from: AB InBev NV, Brouwerijplein 1, 3000 Leuven.

It should be noted that only the consolidated financial statements as set forth above present a true and fair view of the financial position and performance of the AB InBev group.

Since AB InBev NV is essentially a holding company, which recognizes its investments at cost in its non-consolidated financial statements, these separate financial statements present no more than a limited view of the financial position of AB InBev NV. For this reason, the Board of Directors deemed it appropriate to publish only an abbreviated version of the non-consolidated balance sheet and income statement prepared in accordance with Belgian GAAP as at and for the year ended 31 December 2015.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of AB InBev NV prepared in accordance with Belgian GAAP for the year ended 31 December 2015 give a true and fair view of the financial position and results of AB InBev NV in accordance with all legal and regulatory dispositions.

Abbreviated Non-Consolidated Balance Sheet

Million euro	2015	2014
Assets		
Non-current assets		
Intangible assets	419	195
Property, plant and equipment	110	87
Financial assets	66 567	55 805
	67 096	**56 087**
Current assets	**12 147**	**10 905**
Total assets	**79 243**	**66 992**
Equity and liabilities		
Equity		
Issued capital	1 239	1 239
Share premium	13 186	13 186
Legal reserve	124	124
Reserves not available for distribution	668	279
Reserves available for distribution	–	242
Profit carried forward	15 950	20 941
	31 167	**36 011**
Provisions and deferred taxes	**252**	**325**
Non-current liabilities	**32 868**	**20 242**
Current liabilities	**14 956**	**10 414**
Total equity and liabilities	**79 243**	**66 992**

Abbreviated Non-Consolidated Income Statement

Million euro	2015	2014
Operating income	976	850
Operating expenses	(897)	(634)
Operating result	**79**	**216**
Financial result	889	2 086
Impairment financial assets	(44)	(628)
Result for the year available for appropriation	**924**	**1 674**

Glossary

Aggregated weighted nominal tax rate
The aggregated weighted nominal tax rate is based on the statutory corporate income tax rates applicable in the various countries.

Diluted EPS
Profit attributable to equity holders of AB InBev divided by the fully diluted weighted average number of ordinary shares.

Diluted weighted average number of ordinary shares
Weighted average number of ordinary shares, adjusted by the effect of share options on issue.

EBIT
Profit from operations.

EBITDA
Profit from operations plus depreciation, amortization and impairment.

EPS
Profit attributable to equity holders of AB InBev divided by the weighted average number of ordinary shares.

Invested capital
Includes property, plant and equipment, goodwill and intangible assets, investments in associates and equity securities, working capital, provisions, employee benefits and deferred taxes.

Marketing expenses
Include all costs relating to the support and promotion of the brands. They include among others operating costs (payroll, office costs, etc.) of the marketing department, advertising costs (agency costs, media costs, etc.), sponsoring and events, and surveys and market research.

Net capex
Acquisitions of property, plant and equipment and of intangible assets, minus proceeds from sale.

Net debt
Non-current and current interest-bearing loans and borrowings and bank overdrafts, minus debt securities and cash.

Non-recurring items
Items of income or expense which do not occur regularly as part of the normal activities of the company.

Normalized
The term “normalized” refers to performance measures (EBITDA, EBIT, Profit, EPS, effective tax rate) before non-recurring items. Non-recurring items are items of income or expense which do not occur regularly as part of the normal activities of the company and which warrant separate disclosure because they are important for the understanding of the underlying results of the company due to their size or nature. AB InBev believes that the communication and explanation of normalized measures is essential for readers of its financial statements to understand fully the sustainable performance of the company. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of the company’s performance.

Normalized diluted EPS
Diluted EPS adjusted for non-recurring items.

Normalized EBIT
Profit from operations adjusted for non-recurring items.

Normalized EBITDA
Profit from operations adjusted for non-recurring items, plus depreciation, amortization and impairment.

Normalized effective tax rate
Effective tax rate adjusted for non-recurring items.

Normalized EPS
EPS adjusted for non-recurring items.

Normalized profit
Profit adjusted for non-recurring items.

Normalized profit from operations
Profit from operations adjusted for non-recurring items.

Pay out ratio
Gross dividend per share multiplied by the estimated number of ordinary shares outstanding at the dividend record date, divided by normalized profit attributable to equity holders of AB InBev.

Re-measurements of post-employee benefits
Comprised of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest).

Revenue
Gross revenue less excise taxes and discounts.

Sales expenses
Include all costs relating to the selling of the products. They include among others the operating costs (payroll, office costs, etc.) of the sales department and the sales force.

Scope
Financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scopes. A scope represents the impact of acquisitions and divestitures, the start-up or termination of activities or the transfer of activities between segments, curtailment gains and losses and year-over-year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business.

Weighted average number of ordinary shares
Number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighing factor.

Working capital
Includes inventories, trade and other receivables and trade and other payables, both current and non-current.

CORPORATE GOVERNANCE STATEMENT

Contents

On 11 November 2015 an announcement was made that an agreement had been reached on the terms of a recommended acquisition of the entire issued and to be issued share capital of SABMiller by Anheuser-Busch InBev. This transaction is expected to complete in the second half of 2016 subject to the satisfaction or waiver of the conditions and pre-conditions set out in the announcement. The full text of the announcement is available on www.ab-inbev.com.

The completion of the transaction will have a significant impact on the Corporate Governance structure of Anheuser-Busch InBev a.o. on the shareholders' structure of the company, its capital structure as well as the composition and structure of its Board of directors. Reference is made to the full text of the announcement for more details on these changes, none of which have been included in the report below.

1. Introduction

1.1. The 2009 Belgian Code on Corporate Governance
The corporate governance practices of Anheuser-Busch InBev are reflected in its Corporate Governance Charter, which is available on www.ab-inbev.com/Corporate-governance. The Charter is regularly updated.

Anheuser-Busch InBev is a company incorporated under Belgian law with a primary listing on Euronext Brussels (Euronext: ABI) and with secondary listings on the Mexico Stock Exchange (MEXBOL: ABI) and the Johannesburg Stock Exchange (JSE: ANB) (ISIN: BE0003793107). As a Belgian company with primary listing on Euronext Brussels, Anheuser-Busch InBev adheres to the principles and provisions of the Belgian Corporate Governance Code, published in March 2009 (www.corporategovernancecommittee.be).

However, in order to reflect Anheuser-Busch InBev's specific shareholding structure and the global nature of its operations, the Board of directors has adopted certain rules which depart from the Belgian Corporate Governance Code. In summary, these rules are the following:

Principle 5.3./1 (Appendix D) of the Code: "the Board should set up a nomination committee composed of a majority of independent non-executive directors": The Board of directors appoints the chairman and members of the Nomination Committee from among the directors, including at least one member from among the independent directors. As the committee is composed exclusively of non-executive directors who are independent of management and free from any business relationship that could materially interfere with the exercise of their independent judgment, the Board considers that the composition of this committee achieves the Code's aim.

Principle 7.7. of the Code: "Non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock-related, long-term incentive schemes, fringe benefits or pension benefits": The remuneration of the Board members is composed of a fixed fee and a fixed number of stock-options, which makes it simple, transparent and easy for shareholders to understand.

The company's long-term incentive option plan deviates from the Belgian Code on Corporate Governance as it provides for share-based payments to non-executive directors. The Board is of the opinion that the company's share-based incentive compensation is in line with compensation practices of directors at peer companies globally. The successful strategy and sustainable development of the company over the past 10 years demonstrates that the compensation of directors, which includes a fixed number of stock-options, does ensure that the independence of the Board members in their role of guidance and control of the company is preserved, and that the directors' interests remain fully aligned with the long-term interests of the shareholders. In particular, the extension of the vesting period of the options from 3 to 5 years which is applicable as of 2014 should foster a sustainable and long-term commitment to pursue the company's best interests.

It should also be noted that options may only be granted upon the recommendation of the Remuneration Committee. Any such recommendation must be subsequently approved by the Board and then by the shareholders in a general meeting.

1.2. New York Stock Exchange Listing
Further to the New York Stock Exchange listing of American depositary shares ("ADS's") representing ordinary shares of Anheuser-Busch InBev, the New York Stock Exchange Corporate Governance rules for Foreign Private Issuers are applicable to the company. Anheuser-Busch InBev has also registered under the US Securities and Exchange Act of 1934, as amended. As a result, it is also subject to the U.S. Sarbanes-Oxley Act of 2002 and to certain US Securities laws and regulations relating to corporate governance.

1.3. Specific Corporate Governance initiatives
1.3.1. Fostering ethical conduct The Board of directors of Anheuser-Busch InBev encourages management to promote, adhere to and maintain the highest standards of ethical behavior and transparency. Therefore, ethical rules have been established and are reinforced by Anheuser-Busch InBev's internal codes and policies. This fosters responsible business conduct by all employees.

Anheuser-Busch InBev's Code of Business Conduct sets out the ethical standards to which all employees are expected to adhere. It requires employees to comply with all laws, to disclose any relevant conflicts of interests, to act at all times in the best interests of the company and to conduct all their dealings in an honest and ethical manner. The Code of Business Conduct also covers the confidentiality of information, limits on the acceptance of gifts or entertainment, and the appropriate use of the company's property. The Code of Business Conduct is supplemented by the Global Anti-Corruption Policy, which defines employees' responsibilities and expected behavior. It states clearly that

Anheuser-Busch InBev's employees are strictly prohibited from, either directly or indirectly, offering, promising, authorizing or giving anything of value to any individual with the aim of obtaining or retaining business or influencing business or governmental decision-making in connection with Anheuser-Busch InBev's commercial activities.

In line with this commitment to integrity, Anheuser-Busch InBev has implemented a whistle-blowing system by means of a Compliance Helpline that provides employees with simple and secure ways to confidentially and, if so desired, anonymously, report activities in violation of the Code of Business Conduct based on a clear policy and applicable legislation.

1.3.2. Demonstrating Anheuser-Busch InBev's commitment to shareholder communication Anheuser-Busch InBev is committed to creating value for its shareholders. The company encourages its shareholders to take an active interest in the company. In support of this objective, it provides quality information, in a timely fashion, through a variety of communication tools. These include annual reports, half-yearly reports, quarterly statements, the Global Citizenship Report, financial results announcements, briefings, and a section that is dedicated to investors on the Anheuser-Busch InBev website.

Anheuser-Busch InBev recognizes that a commitment to disclosure builds trust and confidence with shareholders and the public in general. The company adopted a Disclosure Manual to demonstrate its commitment to best practices in transparency. This manual is designed to ensure that there is full, consistent and timely disclosure of company activities.

1.3.3. Upholding shareholder rights Prior to the annual shareholders' meeting, shareholders are invited to submit any questions they have for the Chairman or the CEO for discussion during the meeting.

The agenda for the shareholders' meeting and all related documents are also posted on the Anheuser-Busch InBev website at least 30 days in advance of any shareholders' meeting. Shareholders have the right to vote on various resolutions related to company matters. If they are unable to attend a meeting, they can submit their votes by mail or appoint a proxy. Minutes of the meetings and results of the votes are posted on the Anheuser-Busch InBev website immediately after the meeting.

1.3.4. Preventing the abuse of inside information The company's Code of Dealing is applicable to all members of the Board of directors of the company and to all employees. The Code of Dealing aims to prevent the abuse of inside information, especially in periods leading up to an announcement of financial results or leading up to price-sensitive events or decisions.

The Code of Dealing prohibits dealing in any shares during a closed period, i.e., a period of 15 days preceding any results announcement of the company. In addition, before dealing in any shares of the company, the members of the Board of directors of the company and the members of its Executive Board of Management must obtain clearance from a Clearance Committee and report back to the committee once the transaction has taken place.

Compliance with the Code of Dealing is reinforced and monitored through the company's Compliance Program.

In accordance with the Belgian regulation on the prevention of market abuse, the company establishes lists of insiders. In addition, pursuant to the same regulation, members of the Executive Board of Management and of the Board of directors notify all their trades to the Belgian Financial Services and Markets Authority, which publishes these notifications on its website.

1.3.5. Corporate Social Responsibility Anheuser-Busch InBev's dream is to be the *Best Beer Company Bringing People Together For a Better World*. In pursuing this dream, the company strives to strike a balance between generating great business results and managing its environmental and social responsibilities. Sustainability is central to the company's culture and embedded in the way the company does business.

Since 2005, Anheuser-Busch InBev has published its annual Global Citizenship Report that outlines its targets and progress made in the following areas:
- responsible drinking;
- environment; and
- community.

The Global Citizenship Report is available on the Anheuser-Busch InBev website, www.ab-inbev.com/social-responsibility/global-citizenship-report, which is a section of the website specifically dedicated to the company's initiatives and achievements related to corporate social responsibility.

2. The Board of Directors

2.1. Structure and composition
The Board of directors currently consists of 14 members, all of whom are non-executives.

The roles and responsibilities of the Board, its composition, structure and organization are described in detail in Anheuser-Busch InBev's Corporate Governance Charter. This Corporate Governance Charter includes the criteria that directors must satisfy to qualify as independent directors.

Directors are appointed for a maximum term of four years, which is renewable. The upper age limit for directors is 70, although exceptions can be made in special circumstances.

The Nomination Committee identifies persons qualified to become Board members and recommends director candidates for nomination by the Board and appointment by the shareholders' meeting. According to the Belgian Companies Code, as amended by the Law of 28 July 2011 on gender diversity on the Board, at least one third of the directors will have to be women as of 1 January 2019. When recommending a candidate for appointment as member of the Board, the Nomination Committee will conduct the search and propose nominations based on merit against objective criteria with due regard for the benefits of diversity on the board, including background, experience, skill sets and gender. Anheuser-Busch InBev will continue its efforts towards fostering gender diversity on its Board in the coming years.

At the annual shareholders' meeting held on 29 April 2015, the mandate of Mr. Kees Storm, Chairman of the Board, and Mr. Mark Winkelman ended. The mandates of Mr. Olivier Goudet, Mr. Paul Cornet de Ways Ruart and Mr. Stéfan Descheemaeker were renewed for a term of 4 years. In addition, Mrs. Michele Burns and Mr. Kasper Rorsted were appointed as new independent directors for a term of 4 years. Mr. Olivier Goudet succeeded to Mr. Storm as Chairman of the Board.

No mandates come to an end at the annual shareholders' meeting to be held on 27 April 2016.

The composition of Anheuser-Busch InBev's Board of directors is currently as follows:

Name	Date of birth Nationality	Function	Term started	Term expires
Maria Asuncion Aramburuzabala	°1963, Mexican	Non Executive, Non-Independent director	2014	2018
Alexandre Behring	°1967, Brazilian	Non-Executive director, nominated by the holders of class B Stichting InBev certificates	2014	2018
Michele Burns	°1958, American	Non-Executive Independent director	2015	2019
Paul Cornet de Ways Ruart	°1968, Belgian	Non-Executive director, nominated by the holders of class A Stichting InBev certificates	2011	2019
Stéfan Descheemaeker	°1960, Belgian	Non-Executive director, nominated by the holders of class A Stichting InBev certificates	2008	2019
Grégoire de Spoelberch	°1966, Belgian	Non-Executive director, nominated by the holders of class A Stichting InBev certificates	2007	2018
Valentin Diez Morodo	°1940, Mexican	Non-Executive, Non-Independent director	2014	2018
Olivier Goudet	°1964, French	Non-Executive Independent director	2011	2019
Paulo Lemann	°1968, Brazilian	Non-Executive director, nominated by the holders of class B Stichting InBev certificates	2014	2018
Kasper Rorsted	°1962, Danish	Non-Executive Independent director	2015	2019
Elio Leoni Sceti	°1966, Italian	Non-Executive Independent director	2014	2018
Carlos Alberto da Veiga Sicupira	°1948, Brazilian	Non-Executive director, nominated by the holders of class B Stichting InBev certificates	2004	2018
Marcel Herrmann Telles	°1950, Brazilian	Non-Executive director, nominated by the holders of class B Stichting InBev certificates	2004	2018
Alexandre Van Damme	°1962, Belgian	Non-Executive director, nominated by the holders of class A Stichting InBev certificates	1992	2018

2.2. Functioning

In 2015, the Board held eight regular meetings and five extraordinary telephonic meetings. Several of the regular meetings were held in the geographical Zones in which the company has operations. On these occasions, the Board was provided with a comprehensive briefing of the relevant geographical Zone and market. These briefings included an overview of performance, key challenges facing the market and the steps being taken to address the challenges. Several of these visits also provided the Board members with the opportunity to meet with employees, trainees, customers and other stakeholders.

Major Board agenda items in 2015 included the long-range plan; achievement of targets; sales figures and brand health; reporting and budget; consolidated results; strategic direction; culture and people, including management succession planning; new and ongoing investment; capital market transactions; external growth and acquisitions; corporate social responsibility and sustainability as well as discussions on governance and Board succession planning.

The average attendance rate at Board meetings in 2015 was 96%.

In 2015, the Board has been assisted by four Committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee. In addition, a Strategy Committee was created in 2015.

The composition of the five Committees is currently as follows:

	Audit Committee	Nomination Committee	Finance Committee	Remuneration Committee	Strategy Committee
Maria Asuncion Aramburuzabala					
Alex Behring			Member		
Michele Burns	**Chair**		Member		
Paul Cornet de Ways Ruart					
Stéfan Descheemaeker			Member		
Grégoire de Spoelberch		Member			
Valentin Diez					
Olivier Goudet	Member	Member		Member	Member
Paulo Lemann			Member		
Kasper Rorsted	Member				
Elio Leoni Sceti				Member	
Carlos Alberto da Veiga Sicupira		Member			
Marcel Herrmann Telles		**Chairman**		**Chairman**	Member
Alexandre Van Damme		Member	**Chairman**		**Chairman**

Audit Committee

In accordance with the requirements of the Belgian Companies Code, the Audit Committee is composed exclusively of non-executive Board members and at least one of its members, i.e. Mr. Olivier Goudet, qualifies as an independent director within the meaning of article 526ter of the Belgian Companies Code. Mr. Goudet holds a degree in engineering from l'Ecole Centrale de Paris and graduated from the ESSEC Business School in Paris with a major in finance. He has extensive experience in accounting and audit which he has obtained, among others, as Executive Vice President and Chief Financial Officer of Mars, Incorporated.

Each member of the Audit Committee also qualifies as an independent director under Rule 10A of the US Securities Exchange Act of 1934, as amended.

In 2015, the Audit Committee met ten times. During its meetings, the Committee reviewed the financial statements of the company, the annual report, half-yearly and quarterly statements, as well as related results announcements. The Committee also considered issues arising from internal audits conducted by the group's Internal Audit department and the implementation of the company's Compliance Program. The group's obligations under Sarbanes Oxley, the review of the independence and appointment of the external auditor and a quarterly status of significant litigation were some of the other important topics on the agenda of the Committee. The members of the Committee attended all meetings except for Mr Rorsted who did not attend one meeting.

Finance Committee

The Finance Committee met four times in 2015. Committee discussions included treasury updates and overall risk management strategy including but not limited to risks related to commodities, interest rates, currencies and liquidity, hedging policies, the debt profile and capital structure of the group, pensions, dividends and the disclosure policy of the company. The members of the Committee attended all meetings except for Mrs. Burns who did not attend one meeting.

Nomination Committee

The Nomination Committee's principal role is to guide the Board succession process. The Committee identifies persons qualified to become Board members and recommends director candidates for nomination by the Board and appointment by the shareholders' meeting.

The Committee met four times in 2015 and discussions included the nomination of directors for appointment or renewal by the annual shareholders' meeting, management targets, the evaluation of the Board and its committees, the global management trainee program and succession planning for key executive functions. The members of the Committee attended all meetings.

Remuneration Committee
In accordance with the requirements of the Belgian Companies Code, the Remuneration Committee is composed exclusively of non-executive Board members and a majority of its members, i.e. Mr. Olivier Goudet and Mr. Elio Leoni Sceti, qualify as independent directors within the meaning of article 526ter of the Belgian Companies Code.

The Remuneration Committee's principal role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the CEO and the Executive Board of Management and on individual remuneration packages of directors, the CEO and members of the Executive Board of Management.

The Committee met four times in 2015 and discussions included achievement of targets, Executive and Board compensation, Executive shares and options schemes, Long Term Incentive grants to directors, new compensation models and special incentives. The members of the Committee attended all meetings.

Strategy Committee
The Committee's principal role is to assist the Board in providing strategic direction in the areas of corporate strategy, external growth, organic growth, divestments and new business opportunities.

The Strategy Committee met two times in 2015. Discussions included mainly external growth opportunities. The members of the Committee attended all meetings.

Convergence Committee
Further to the agreement that has been reached on the terms of a recommended acquisition of the entire issued and to be issued share capital of SABMiller by Anheuser-Busch InBev, the Board also set up a Convergence Committee in November 2015. The Committee is not a formal Board Committee and should be considered as a temporary mixed (Board + Management) taskforce which will monitor the progress of the completion of the proposed acquisition and the subsequent integration of Anheuser-Busch InBev and SABMiller and which is to be dissolved once the integration of both companies will be deemed completed.

The Committee met once in December 2015 and is composed of Alexandre Van Damme, Marcel Telles, Carlos Brito, Sabine Chalmers and David Almeida.

2.3. Evaluation of the Board and its committees
Annually the Board and its committees perform an evaluation of their performance, at the initiative of the Chairman of the Board with respect to the performance of the Board as a whole and at the initiative of the Chairman of each respective committee with respect to the performance of the Board committees.

The evaluation constitutes a separate agenda item for a physical meeting of the Board or its committee. Discussions take place in executive session in the absence of management. A third party may act as facilitator.

During such meeting, each director is requested to comment on and evaluate the following topics:

- effectiveness of Board and committee operations (e.g. checking that important issues are suitably prepared and discussed, time available for discussion of important policy matters, checking availability and adequacy of pre-read, etc.);
- the qualifications and responsibilities of individual directors (e.g. actual contribution of each director, the director's presence at the meetings and his/her involvement in discussions, impact of changes to the director's other relevant commitments outside the company).
- effectiveness of oversight of management and interaction with management;
- composition and size of the Board and committees. Evaluation will at least take into account the following criteria:
    - director independence: an affirmative determination as to the independence will be made in accordance with the independence criteria published in the Corporate Governance Charter.
    - other commitments of directors: the outside Board commitments of each director enhance experience and perspective of directors, but will be reviewed on a case-by-case basis to ensure that each director can devote proper attention to the fulfillment of his oversight responsibilities.
    - disqualifying circumstances: certain circumstances may constitute a disqualification for membership on the Board (e.g. Board membership of a major supplier, customer or competitor of the company, membership of a federal or regional government). Circumstances will be evaluated on a case-by-case basis to ensure that directors are not conflicted.
    - skills and previous contributions: the company expects that all directors prepare for, attend and participate actively and constructively in all meetings; exercise their business judgment in good faith; focus their efforts on ensuring that the company's business is conducted so as to further the interests of the shareholders; and become and remain well informed about the company, business and economic trends that affect the company and about the principles and practices of sound Corporate Governance.

Following review and discussion of the responses, the Chairman of the Board or the Chairman of the respective committee may table proposals to enhance the performance or effectiveness of the functioning of the Board or of the respective committee. Advice can be requested from a third-party expert.

The evaluation of the Audit Committee is performed at least once a year and is achieved by means of a written process, each member of the committee being requested to comment and provide a numerical rating on a number of questions included in a written questionnaire. Questions in the questionnaire address the composition of the committee, the understanding of the business and its risks, the oversight of financial reporting processes, including internal controls and the oversight of the internal and external audit functions. For significant questions that have obtained a low score on the proposed efficiency scale, an action plan is discussed during a meeting of the committee. The analysis of the questionnaire and the agreed action plan are subsequently presented to the entire Board.

2.4. Certain transactions and other contractual relationships
There are no transactions or other contractual relationships to be reported between the company and its Board members that gave rise to conflicting interests as defined in the Belgian Companies code.

The company is prohibited from making loans to directors, whether for the purpose of exercising options or for any other purpose.

3. Chief Executive Officer and Executive Board of Management

The Chief Executive Officer (CEO) is entrusted by the Board with responsibility for the day-to-day management of the company. The CEO has direct operational responsibility for the entire company. The CEO leads an Executive Board of Management (EBM) which comprises nine global functional heads and six Zone presidents including the Chief Executive Officer of Ambev (Bernardo Pinto Paiva), who reports to the Board of directors of Ambev.

As of 1 January 2015, João Castro Neves, Zone President Latin America North and CEO of Ambev, has been appointed Zone President North America. He has been succeeded by Bernardo Pinto Paiva, AB InBev's Chief Sales Officer. Luiz Fernando Edmond, Zone President North America, has moved to a global role, becoming AB InBev's Chief Sales Officer. As of 10 February 2015, Pedro Earp joined the EBM as Chief Disruptive Growth Officer, a newly created role within the EBM dedicated to accelerating new business development opportunities. In this new role Pedro Earp will lead initiatives in e-commerce, mobile, craft and branded experiences such as brew pubs.

Effective 1 September 2015, Jo Van Biesbroeck, Chief Strategy Officer and leader of AB InBev International, retired. Effective 1 December 2015, David Almeida was appointed as Chief Integration Officer in light of the proposed acquisition of SABMiller. The role was created to lead the integration planning and to follow up on the integration during the first years of the SABMiller business integration once the transaction closes. Prior to closing, the role will ensure that any integration planning activities are conducted fully in compliance will all antitrust laws and clean team protocols.

Our Executive Board of Management currently consists of the following members:

Name	Function
Carlos Brito	Chief Executive Officer
Felipe Dutra	Chief Financial and Technology Officer
Pedro Earp	Chief Disruptive Growth Officer
David Almeida	Chief Integration Officer
Claudio Braz Ferro	Chief Supply Officer
Miguel Patricio	Chief Marketing Officer
Sabine Chalmers	Chief Legal and Corporate Affairs Officer
Claudio Garcia	Chief People Officer
Luiz Fernando Edmond	Chief Sales Officer
Tony Milikin	Chief Procurement Officer
Michel Doukeris	Zone President Asia Pacific
Stuart MacFarlane	Zone President Europe
Ricardo Tadeu	Zone President Mexico
Marcio Froes	Zone President Latin America South
João Castro Neves	Zone President North America
Bernardo Pinto Paiva	Zone President Latin America North

4. Internal Control and Risk Management Systems

The Board of directors and the Executive Board of Management are responsible for establishing and maintaining adequate internal controls and risk management systems. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Risk management is the process designed to identify potential events that may affect the company and to manage risks to be within its risk appetite.

Without prejudice to the responsibilities of the Board as a whole, the Audit Committee oversees financial and business risk management and discusses the process by which management assesses and manages the company's exposure to those risks and the steps taken to monitor and control such exposure.

The company's major risk factors and uncertainties are described in the Risks and Uncertainties section of the Management report in AB InBev's annual report.

The company has established and operates its internal control and risk management systems based on guidelines issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The internal control system is based upon COSO's Internal Control– Integrated Framework of 2013 and its risk management system is based on COSO's Enterprise Risk Management Framework of 2004.

Financial reporting
The Executive Board of Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Internal controls over financial reporting include those written policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards;
- provide reasonable assurance that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting includes the assessment of the relevant risks, the identification and monitoring of key controls and actions taken to correct deficiencies as identified. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Executive Board of Management assessed the effectiveness of the company's internal control over financial reporting as of 31 December 2015. As indicated above, management based this assessment on criteria for effective internal control over financial reporting described in *"Internal Control — Integrated Framework"* issued by COSO in May 2013. The assessment included an evaluation of the design of the company's internal control over financial reporting and testing of its operational effectiveness. Based on this assessment, the Executive Board of Management determined that, as of 31 December 2015, the company maintained effective internal control over financial reporting.

The Board of directors and the Audit Committee reviewed the Executive Board of Management's assessment. The review related among other things to ensuring that there are no significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information, and to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

In addition, as a result of the listing of Anheuser-Busch InBev on the New York Stock Exchange, the company must adhere to Section 404 of the U.S. Sarbanes-Oxley Act of 2002. As a consequence, the company is required to provide on a yearly basis a management report on the effectiveness of the company's internal control over financial reporting, as described in the Section and the rules implementing such act. Management's report and the Statutory Auditor's related opinion regarding the company's relevant financial year, will be included in the company's Annual Report on Form 20-F for such year, which is required to be filed with the U.S. Securities and Exchange Commission.

Internal Audit
The company has a professional and independent internal audit department. The appointment of the Head of internal audit is reviewed by the Audit Committee. The Audit Committee reviews internal audit's risk assessment and annual audit plan and regularly receives internal audit reports for review and discussion.

Internal control deficiencies identified by internal audit are communicated in a timely manner to management and periodic follow-up is performed to ensure corrective action has been taken.

Compliance

Anheuser-Busch InBev has a Compliance Program which fosters a culture of ethics, integrity and lawful behavior in the company. This program is based upon the Code of Business Conduct and the Anti-Corruption Policy, which are available on the company's website and intranet. The Compliance Program further ensures compliance with applicable laws and regulations and the obtaining of an annual certification by management of compliance with the Code of Business Conduct.

A set of internal controls has been implemented and is periodically assessed at the Global and Local Compliance Committees, the Audit Committee and within the framework of internal audit.

The Global Compliance Committee, chaired by the Chief Legal & Corporate Affairs Officer, assesses regulatory and ethical compliance risks for the company from a global perspective and provides strategic direction for the activities of the compliance function. On a quarterly basis, the Global Compliance Committee reviews the operation of the Compliance Program and follows-up on the reports submitted through the company's Compliance Helpline (whistle-blowing platform). In addition to the Global Compliance Committee, each Zone has its own Local Compliance Committee, which addresses local compliance matters.

The Audit Committee reviews the operation of the Compliance Program and the results of any compliance reviews or reports submitted through the company's global Compliance Helpline. On a regular basis, the Audit Committee also reviews the significant legal, compliance and regulatory matters that may have a material effect on the financial statements or the company's business, including material notices to or inquiries received from governmental agencies.

5. Shareholders Structure

5.1. Shareholders' structure

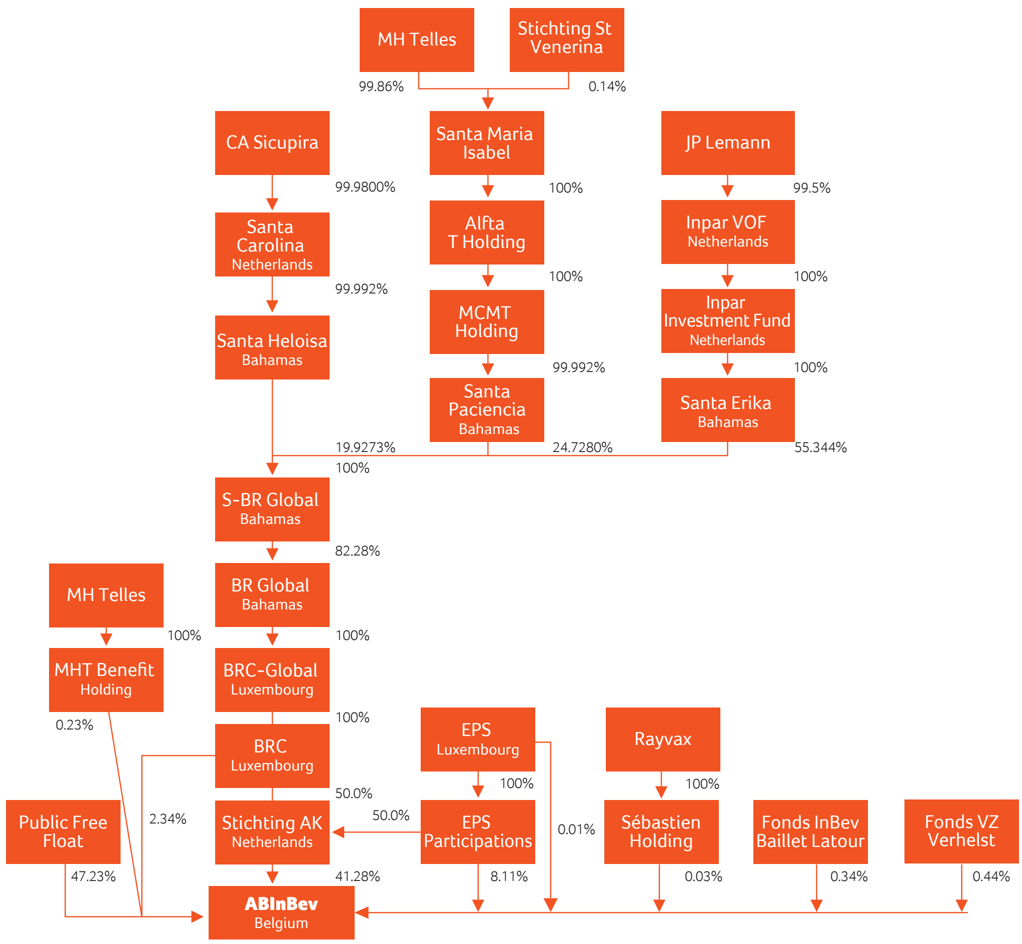
The following table shows the shareholders' structure on the date specified below based on the notifications made to the company and to the Belgian Financial Services and Markets Authority ("FSMA") by the shareholders specified below according to article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings and according to article 74 of the Belgian law of 1 April 2007 on public take-over bids or based on information included in public filings with the US Securities and Exchange Commission. The first twelve entities mentioned in the table act in concert[1] and hold 847,648,483 ordinary shares of the company, representing 52.77% of the voting rights based on the outstanding number of shares as of 31 December 2015 excluding the 1,859,625 treasury shares held by Anheuser-Busch InBev SA/NV and its subsidiaries Brandbrew SA, Brandbev Sàrl and Mexbrew Sàrl.

Shareholder	Number of shares	Percentage of voting rights[2]	Date last notification
1. Stichting Anheuser-Busch InBev, stichting administratiekantoor under Dutch law	663,074,832	41.28%	31 December 2015
2. Eugénie Patri Sébastien (EPS) SA under Luxembourg law, affiliated to Stichting Anheuser-Busch InBev that it jointly controls with BRC Sàrl under Luxembourg law	99,999	0.01%	31 December 2015
3. EPS Participations Sàrl under Luxembourg law, affiliated to EPS, its parent company	130,257,459	8.11%	31 December 2015
4. Rayvax Société d'Investissements SA under Belgian law	484,794	0.03%	31 December 2015
5. Sébastien Holding SA under Belgian law, affiliated to Rayvax Société d'Investissements, its parent company	10	< 0.01%	31 December 2015
6. BRC Sàrl under Luxembourg law, affiliated to Stichting Anheuser-Busch InBev that it jointly controls with EPS SA under Luxembourg law	37,598,236	2.34%	31 December 2015
7. Stichting Fonds InBev - Baillet Latour	0	0.00%	31 December 2015
8. Fonds Baillet Latour sprl with a social purpose under Belgian law affiliated to Stichting Fonds InBev-Baillet Latour under Dutch law, that controls it	5,485,415	0.34%	31 December 2015
9. Fonds Verhelst sprl with a social purpose	0	0.00%	31 December 2015
10. Fonds Voorzitter Verhelst sprl with a social purpose under Belgian law affiliated to Fonds Verhelst sprl with a social purpose under Belgian law, that controls it	6,997,665	0.44%	31 December 2015
11. MHT Benefit Holding Company Ltd under the law of the Bahamas	3,645,605	0.23%	31 December 2015
12. LTS Trading Company LLC under Delaware law	4,468	< 0.01%	31 December 2015
13. Fidelity Management & Research LLC, Massachusetts, USA	48,561,873	3.02%	16 September 2009

[1] The first ten entities act in concert within the meaning of article 3, 13° of the Belgian Law of 2 May 2007 on the notification of significant shareholdings and the eleventh and twelfth entities act in concert with the first ten entities within the meaning of article 3, §2 of the Belgian Law of 1 April 2007 on public take-over bids

[2] Percentage calculated on the total number of outstanding ordinary shares as at 31 December 2015 (1,608,242,156) minus the number of outstanding ordinary shares held in treasury by Anheuser-Busch InBev SA/NV and its subsidiaries Brandbrew SA, Brandbev Sàrl and Mexbrew Sàrl as at 31 December 2015 (1,859,625).

The following chart shows the structure of the controlling shareholders of Anheuser-Busch InBev SA/NV acting in concert within the meaning of the Belgian Law of 1 April 2007 on public take-over bids (situation as at 31 December 2015).



1. Shareholders' structure as at 31 December 2015 based on information provided to Anheuser-Busch InBev by those shareholders who are compelled to disclose their shareholdings pursuant to the Belgian law of 2 May 2007 on the notification of significant shareholdings, article 74 of the Belgian law of 1 April 2007 on public take-over bids and the Articles of Association of the Company or based on information included in public filings with the US Securities and Exchange Commission.
2. A Shareholders Agreement between EPS, EPS Participations, BRC and Stichting Anheuser-Busch InBev provides for equal voting and control rights of BRC and EPS over Stichting Anheuser-Busch InBev and, indirectly, over Anheuser-Busch InBev shares held by it.
3. The Stichting Anheuser-Busch InBev, BRC, EPS, EPS Participations, Rayvax, Sébastien Holding, Fonds Baillet Latour and Fonds Voorzitter Verhelst act in concert within the meaning of article 3, 13° of the Belgian Law of 2 May 2007 on the notification of significant shareholdings. MHT Benefit Holding Company and LTS Trading Company act in concert with the aforementioned entities within the meaning of article 3, §2 of the Belgian Law of 1 April 2007 on public take-over bids.
4. Anheuser-Busch InBev and its subsidiary, Brandbrew, together hold 0.11% of the company's shares as at 31 December 2015.

5.2. Shareholders' arrangements

In connection with the combination of Interbrew with Ambev, BRC, EPS, Rayvax Société d'investissements SA ("Rayvax") and the Stichting Anheuser-Busch InBev ("Stichting") entered into a shareholders' agreement on 2 March 2004 which provides for BRC and EPS to hold their interests in Anheuser-Busch InBev through the Stichting (except for approximately 130 million shares that are held directly or indirectly by EPS and except for approximately 37 million shares that are held by BRC as of 31 December 2015). The shareholders agreement was amended and restated on 9 September 2009. On 18 December 2013, EPS contributed its shares in Anheuser-Busch InBev and its certificates in Stichting Anheuser-Busch InBev to EPS Participations Sàrl ("EPS Participations"), under Luxemburg law, with the exception of 100,000 Anheuser-Busch InBev shares. Subsequently, EPS Participations joined the concert constituted by EPS, Rayvax, BRC and the Stichting and adhered to the shareholders' agreement. On 18 December 2014, the Stichting, BRC, EPS, EPS Participations and Rayvax entered into a new shareholders' agreement that replaced the previous shareholders' agreement of 2009. On 16 January 2015, EPS transferred one Anheuser-Busch InBev share to the Stichting for certification by the latter, so that on 16 January 2015, the Stichting held 663,074,832 Anheuser-Busch InBev shares and EPS held 99,999 Anheuser-Busch InBev shares.

The shareholders' agreement addresses, among other things, certain matters relating to the governance and management of the Stichting and Anheuser-Busch InBev as well as (i) the transfer of the Stichting certificates and (ii) the decertification and re-certification process of the Anheuser-Busch InBev shares and the circumstances in which the Anheuser-Busch InBev shares held by the Stichting may be de-certified and/or pledged at the request of BRC, EPS or EPS Participations. As of 31 December 2015, BRC held 331,537,416 class B Stichting certificates (indirectly representing 331,537,416 shares), EPS held 1 class A Stichting certificate (indirectly representing 1 share) and EPS Participations held 331,537,415 class A Stichting certificates (indirectly representing 331,537,415 shares).

Pursuant to the terms of the shareholders' agreement, BRC and EPS jointly and equally exercise control over the Stichting and the Anheuser-Busch InBev shares held by it. Among other things, BRC and EPS have agreed that the Stichting will be managed by an eight-member Board of directors and that each of BRC and EPS will have the right to appoint four directors to the Stichting Board. At least seven of the eight Stichting directors must be present or represented in order to constitute a quorum, and any action to be taken by the Stichting Board will, subject to certain qualified majority conditions, require the approval of a majority of the directors present or represented, including at least two directors appointed by BRC and two directors appointed by EPS. Subject to certain exceptions, all decisions of the Stichting with respect to the Anheuser-Busch InBev shares it holds, including how its Anheuser-Busch InBev shares will be voted at all shareholders' meetings of Anheuser-Busch InBev will be made by the Stichting Board.

The shareholders' agreement requires the Stichting Board to meet prior to each shareholders' meeting of Anheuser-Busch InBev to determine how the shares held by the Stichting will be voted.

The shareholders' agreement provides for restrictions on the ability of BRC and EPS Participations to transfer their Stichting certificates (and consequently the Anheuser-Busch InBev shares held by the Stichting).

In addition, the shareholders' agreement also requires EPS, EPS Participations, BRC and Rayvax, as well as any other potential holder of certificates issued by the Stichting, to vote their Anheuser-Busch InBev shares in the same manner as the Anheuser-Busch InBev shares held by the Stichting. The abovementioned persons are also required to use their best efforts so that their permitted transferees under the shareholders' agreement, whose shares are not held through the Stichting and who have decided to attend a shareholders' meeting of Anheuser-Busch InBev, vote their Anheuser-Busch InBev shares in the same manner as the Anheuser-Busch InBev shares held by the Stichting and to effect any free transfers of their Anheuser-Busch InBev shares in an orderly manner of disposal that does not disrupt the market for the Anheuser-Busch InBev shares and in accordance with any conditions established by Anheuser-Busch InBev to ensure such orderly disposal. In addition, under the shareholders' agreement, EPS, EPS Participations and BRC agree not to acquire any shares of capital stock of Ambev, subject to limited exceptions.

Pursuant to the shareholders' agreement, the Stichting Board proposes to Anheuser-Busch InBev's shareholders' meeting for approval the nomination of eight directors, among which each of BRC and EPS have the right to nominate four directors. In addition, the Stichting Board proposes the nomination of three to six directors to Anheuser-Busch InBev's board who are independent of Anheuser-Busch InBev's shareholders.

The shareholders' agreement will remain in effect for an initial term until 27 August 2024. Thereafter, it will be automatically renewed for successive terms of 10 years each unless, not later than two years prior to the expiration of the initial or any successive 10-year term, either party notifies the other of its intention to terminate the shareholders' agreement.

In addition, the Stichting has entered into a voting agreement with Fonds Baillet Latour SPRL with social purpose and Fonds Voorzitter Verhelst BVBA with social purpose. This agreement provides for consultations between the three bodies before any shareholders' meeting to decide how they will exercise the voting rights attached to the shares. This agreement which was to expire in October 2016, has been extended until 1 November 2034.

6. Items to be disclosed pursuant to article 34 of the Belgian Royal Decree of 14 November 2007

According to article 34 of the Belgian Royal Decree of 14 November 2007, Anheuser-Busch InBev hereby discloses the following items:

6.1. Capital structure and authorizations granted to the Board
The share capital of the company is represented by ordinary shares.

Anheuser-Busch InBev may increase or decrease its share capital with the specific approval of a shareholders' meeting. The shareholders may also authorize the Board of directors to increase the share capital. Such authorization must be limited in time and amount. In either case, the shareholders' approval or authorization must satisfy the quorum and majority requirements applicable to amendments to the articles of association. On 30 April 2014, the shareholders authorized the Board of directors to increase the share capital of Anheuser-Busch InBev to an amount not to exceed 3% of the total number of shares issued and outstanding on 30 April 2014 (i.e. 1,608,242,156). This authorization has been granted for a period of 5 years. It can be used for several purposes, including when sound management of the company's business would call for a restructuring, an acquisition of shares or assets in one or more companies, or generally, an increase in Anheuser-Busch InBev's equity.

Anheuser-Busch InBev's Board of directors has been authorized by the shareholders' meeting to acquire, on or outside the stock exchange, Anheuser-Busch InBev shares up to maximum 20% of the issued shares for a unitary price which will not be lower than 1 Euro and not higher than 20% above the highest closing price in the last 20 trading days preceding the transaction. This authorization is valid for 5 years from 30 April 2014.

6.2. Transfer of shares and shareholders' arrangements

Each share entitles the holder to one vote. The articles of association of the company do not contain any restriction on the transfer of the shares. Please refer to the sections above on the Shareholders' structure and arrangements.

6.3. Significant agreements or securities that may be impacted by a change of control on the company

1. **Warrants under the long-term incentive plan.** Until 2013, Anheuser-Busch InBev has issued, on a regular basis, warrants/subscription rights under its long-term incentive plan for the benefit of its Board members and, until 2007, for the benefit of the members of its Executive Board of Management and other senior employees (the "LTI"). Pursuant to the terms and conditions of the LTI, in the event of a modification, as a result of a public bid or otherwise, of the (direct or indirect) control (as defined under Belgian law) exercised over Anheuser-Busch InBev, the holders of warrants shall have the right to exercise them within one month of the date of change of control, irrespective of exercise periods/limitations provided by the plan. Subscription rights not exercised within such time period shall again be fully governed by the normal exercise periods/limitations provided by the plan.

   On 30 April 2014, the annual shareholders meeting decided that all the outstanding LTI warrants were automatically converted into LTI stock options, i.e. the right to purchase existing shares instead of the right to subscribe to newly-issued shares, with effect on 1 May 2014. Accordingly, all subscription rights outstanding on 1 May 2014 have become without object, with effect on the same date. The terms and conditions of the replacement LTI stock options are identical to those of the subscription rights, including regarding the exercise price, the exercise conditions and periods and the change of control provisions, except to the extent strictly needed to take into account that existing shares instead of new shares will be delivered. Currently in aggregate, there are 0.54 million LTI stock options outstanding under the plan, entitling holders to purchase the same number of existing ordinary shares of Anheuser-Busch InBev.

2. **USD 9,000,000,000 (originally USD 13,000,000,000) Senior Facilities Agreement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders meeting of Anheuser-Busch InBev SA/NV (the "Company") approved on 27 April 2010, (i) Clause 17 (*Mandatory Prepayment*) of the USD 13,000,000,000 Senior Facilities Agreement dated 26 February 2010 entered into by, amongst others, the Company and Anheuser-Busch InBev Worldwide Inc. as original borrowers, the original guarantors and original lenders listed therein, Bank of America Securities Limited, Banco Santander, S.A., Barclays Capital, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank NV, Intesa Sanpaolo S.P.A., J.P. Morgan PLC, Mizuho Corporate Bank, Ltd, The Royal Bank of Scotland plc, Société Générale Corporate and Investment Banking, and The Bank of Tokyo-Mitsubishi UFJ, LTD. as mandated lead arrangers and bookrunners and Fortis Bank SA/NV as agent and issuing bank (as amended and/or amended and restated from time to time) (the "2010 Senior Facilities Agreement") and (ii) any other provision of the 2010 Senior Facilities Agreement granting rights to third parties which could affect the Company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the Company or on a "Change of Control" (as defined in the 2010 Senior Facilities Agreement). Pursuant to the 2010 Senior Facilities Agreement (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting InBev or any existing direct or indirect certificate holder or certificate holders of Stichting InBev or any person or group of persons acting in concert with any such persons) gaining Control of the Company*, (b) *"acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain Control of the Company"* and (c) *"Control"* means, in respect of the Company, the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the Company or the power to direct the management and the policies of the Company whether through the ownership of share capital, contract or otherwise"*.

   Clause 17 of the 2010 Senior Facilities Agreement grants, in essence, to any lender under the 2010 Senior Facilities Agreement, upon a Change of Control over the Company, the right (i) not to fund any loan or letter of credit (other than a rollover loan meeting certain conditions) and (ii) (by not less than 30 days written notice) to cancel its undrawn commitments and require repayment of its participations in the loans or letters of credit, together with accrued interest thereon, and all other amounts owed to such lender under the 2010 Senior Facilities Agreement (and certain related documents).

   The 2010 Senior Facilities Agreement was amended on 25 July 2011 and extended on 20 August 2013. It has been amended and restated on 28 August 2015 (the 2010 Senior Facilities Agreement as amended and restated being the "Amended and Restated 2010 Senior Facilities Agreement") so as to increase the total commitments from USD 8,000,000,000 to USD 9,000,000,000 and to extend its term with 5 years from the date of its restatement with the possibility to extend the term by a further two years at the option of the Company.

As a result of the amendment and restatement of the 2010 Senior Facilities Agreement, the shareholders' meeting of Anheuser-Busch InBev to be held on 27 April 2016 will be requested to approve, in accordance with Article 556 of the Belgian Companies Code, (i) Clause 17 (*Mandatory Prepayment*) of the Amended and Restated 2010 Senior Facilities Agreement and (ii) any other provision of the Amended and Restated 2010 Senior Facilities Agreement granting rights to third parties which could affect the company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control". The definition of the terms "Change of Control", "acting in concert" and "control" remained unchanged in the Amended and Restated 2010 Senior Facilities Agreement.

As of 31 December 2015, the company had not made any drawdowns under the Amended and Restated 2010 Senior Facilities Agreement.

3. **USD 75,000,000,000 Senior Facilities Agreement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders meeting of Anheuser-Busch InBev to be held on 27 April 2016, will be requested to approve (i) Clause 8.1 (*Change of control*) of the USD 75,000,000,000 Senior Facilities Agreement dated 28 October 2015 entered into by, among others, the Company as original borrower, the original guarantors and original lenders listed therein, Barclays Bank PLC, BNP Paribas Fortis SA/NV, Citigroup Global Markets Inc., Deutsche Bank AG, London Branch, HSBC Bank Plc, ING Bank N.V., Intesa Sanpaolo Banking Group (represented by Intesa Sanpaolo S.p.A & Banca IMI S.p.A), Merrill Lynch, Pierce, Fenner & Smith Inc., Mizuho Bank, Ltd., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank Nederland", New York Branch, The Royal Bank of Scotland plc, Banco Santander, S.A., Société Générale, London Branch, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Toronto-Dominion Bank, Unicredit Bank AG and Wells Fargo Securities, LLC as mandated lead arrangers and bookrunners and BNP Paribas Fortis SA/NV as agent (as amended and/or amended and restated from time to time) (the **"2015 Senior Facilities Agreement"**) and (ii) any other provision of the 2015 Senior Facilities Agreement granting rights to third parties which could affect the Company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the Company or on a "Change of Control" (as defined in the 2015 Senior Facilities Agreement). Pursuant to the 2015 Senior Facilities Agreement (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting InBev or any existing direct or indirect certificate holder or certificate holders of Stichting InBev or any person or group of persons acting in concert with any such persons) gaining Control of the Company*, (b) *"acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain Control of the Company"* and (c) *"Control"* means, in respect of the Company, the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the Company or the power to direct the management and the policies of the Company whether through the ownership of share capital, contract or otherwise"*.

   Clause 8.1 of the 2015 Senior Facilities Agreement grants, in essence, to any lender under the 2015 Senior Facilities Agreement, upon a Change of Control over the Company, the right (i) not to fund any loan and (ii) (by not less than 30 days written notice) to cancel its undrawn commitments and require repayment of its participations in any loans, together with accrued interest thereon, and all other amounts owed to such lender under the 2015 Senior Facilities Agreement (and certain related documents).

   As of 31 December 2015, the company had not made any drawdowns under the 2015 Senior Facilities Agreement. On 27 January 2016, USD 42.5 billion of the 2015 Senior Facilities Agreement was cancelled following bond issuances that took place in January 2016.

4. **EMTN Programme.** In accordance with article 556 of the Belgian Companies Code, the shareholders' meeting of Anheuser-Busch InBev approved on 24 April 2013 (i) Condition 7.5. of the Terms & Conditions (Redemption at the Option of the Noteholders (Change of Control Put)) of the 15,000,000,000 Euro updated Euro Medium Term Note Programme dated 16 May 2012 of Anheuser-Busch InBev SA/NV and Brandbrew SA (the "Issuers") and Deutsche Bank AG, London Branch, acting as Arranger, which may be applicable in the case of Notes issued under the Programme (the "EMTN Programme"), (ii) any other provision in the EMTN Programme granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the occurrence of a "Change of Control" (as defined in the Terms & Conditions of the EMTN Programme). Pursuant to the EMTN Programme, (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company"*, (b) *"acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company"*, and (c) *"Control"* means the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise"*.

   If a Change of Control Put is specified in the applicable Final Terms of the concerned notes, Condition 7.5. of the Terms & Conditions of the EMTN Programme grants, to any holder of such notes, in essence, the right to request the redemption of his notes at the redemption amount specified in the Final Terms of the notes, together, if appropriate, with interest accrued, upon the occurrence of a Change of Control and a related downgrade of the notes to sub-investment grade.

The change of control provision above is included in the Final Terms of:

- the 750,000,000 Euro 7.375% Notes due 2013 (*Redeemed on 30 January 2013*), the 600,000,000 Euro 8.625% Notes due 2017 and the 550,000,000 GBP 9.75% Notes due 2024, each issued by the company in January 2009;
- the 750,000,000 Euro 6.57% Notes due 2014, issued by the company in February 2009 (*Redeemed on 27 February 2014*);
- the 50,000,000 Euro FRN Notes that bear an interest at a floating rate of 3 month EURIBOR plus 3.90%, issued by the company in April 2009 (*Redeemed on 9 April 2014*);
- the 600,000,000 CHF 4.50% Notes due 2014 (*Redeemed on 11 June 2014*), issued by Brandbrew SA in June 2009 (with a guarantee by the company);
- the 250,000,000 Euro 5.75% Notes due 2015 (*Redeemed on 22 June 2015*) and the 750,000,000 GBP 6.50% Notes due 2017, each issued by the company in June 2009; and
- the 750,000,000 Euro 4% Notes due 2018, issued by the company in April 2010.

The series of Notes referred to in the above paragraph were issued pursuant to the 10,000,000,000 Euro initial Euro Medium Term Note Programme dated 16 January 2009 or the 15,000,000,000 Euro updated Euro Medium Term Note Programme dated 24 February 2010 (as applicable). The relevant change of control provisions contained in the Final Terms of such series of Notes were submitted to, and approved by, the shareholders meetings of Anheuser-Busch InBev held on 28 April 2009 and 27 April 2010, respectively.

There is no change of control clause included in the Final Terms of any series of Notes issued pursuant to the EMTN Programme by the company and/or Brandbrew SA after April 2010.

As a result of the update of the EMTN Programme on 22 August 2013 the Terms & Conditions of the updated EMTN Programme no longer provide for a Redemption at the option of the Noteholders (Change of Control Put).

5. **US Dollar Notes.** In accordance with article 556 of the Belgian Companies Code, the shareholders meeting of Anheuser-Busch InBev approved on 26 April 2011 (i) the Change of Control Clause of the USD 3,250,000,000 Notes issued on 29 and 26 March 2010, consisting of USD 1,000,000,000 2.50% Notes due 2013, USD 750,000,000 3.625% Notes due 2015, USD 1,000,000,000 5.00% Notes due 2020 and USD 500,000,000 Floating Rate Notes due 2013 (the *"Unregistered Notes issued in March 2010"*), (ii) the Change of Control Clause of the USD 3,250,000,000 Registered Notes issued in September 2010, consisting of USD 1,000,000,000 2.50% Notes due 2013 (*Redeemed on 26 March 2013*), USD 750,000,000 3.625% Notes due 2015 (*Redeemed on 15 April 2015*), USD 1,000,000,000 5.00% Notes due 2020 and USD 500,000,000 Floating Rate Notes due 2013 (*Redeemed on 26 March 2013*) and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in March 2010, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the U.S. on 5 August 2010 and expired on 2 September 2010 (the *"Registered Notes issued in September 2010"*), (iii) the Change of Control Clause of the USD 8,000,000,000 Registered Notes issued in March 2011, consisting of USD 1,250,000,000 7.20% Notes due 2014 (*Redeemed on 20 June 2011*), USD 2,500,000,000 7.75% Notes due 2019 and USD 1,250,000,000 8.20% Notes due 2039, USD 1,550,000,000 5.375% Notes due 2014 (*Redeemed on 15 November 2014*), USD 1,000,000,000 6.875% Notes due 2019 and USD 450,000,000 8.00% Notes due 2039 and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in January 2009 and of the corresponding Unregistered Notes issued in May 2009, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the U.S. on 11 February 2011 and expired on 14 March 2011 (the *"Registered Notes issued in March 2011"*), whereby each of the Unregistered Notes issued in March 2010, the Registered Notes issued in September 2010 and the Registered Notes issued in March 2011 were issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV, and (iv) any other provision applicable to the Unregistered Notes issued in March 2010, the Registered Notes issued in September 2010 and the Registered Notes issued in March 2011 granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control" (as defined in the Offering Memorandum with respect to the Unregistered Notes, as the case may be, and in the Registration Statement with respect to the Registered Notes). Pursuant to the Offering Memorandum and Registration Statement (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company"*, (b) *"Acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company"*, and (c) *"Control"* means the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise"*.

The Change of Control clause grants to any Noteholder, in essence, the right to request the redemption of his Notes at a repurchase price in cash of 101% of their principal amount (plus interest accrued) upon the occurrence of a Change of Control and a related downgrade in the Notes to sub-investment grade.

A similar change of control provision was approved by the shareholders' meeting of Anheuser-Busch InBev on 28 April 2009 with respect to:

- the USD 5,000,000,000 Notes, consisting of USD 1,250,000,000 7.20% Notes due 2014 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011 and redeemed on 20 June 2011*), USD 2,500,000,000 7.75% Notes due 2019 and USD 1,250,000,000 8.20% Notes due 2039, each issued in January 2009 by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV (the *"Unregistered Notes issued in January 2009"*).

A similar change of control provision was approved by the shareholders' meeting of Anheuser-Busch InBev on 27 April 2010 with respect to:

- the USD 3,000,000,000 Notes issued in May 2009, consisting of USD 1,550,000,000 5.375% Notes due 2014 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011 and redeemed on 15 November 2014*), USD 1,000,000,000 6.875% Notes due 2019 and USD 450,000,000 8.00% Notes due 2039 (the *"Unregistered Notes issued in May 2009"*) each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV.
- the USD 5,500,000,000 Notes issued in October 2009, consisting of USD 1,500,000,000 3.00% Notes due 2012 (*Exchanged for Registered Notes in an exchange offer that closed on 05 February 2010 and redeemed on 15 October 2012*), USD 1,250,000,000 4.125% Notes due 2015 (*Exchanged for Registered Notes in an exchange offer that closed on 05 February 2010 and redeemed on 15 January 2015*), USD 2,250,000,000 5.375% Notes due 2020 and USD 500,000,000 6.375% Notes due 2040 (the *"Unregistered Notes issued in October 2009"*) each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV.
- the USD 5,500,000,000 Registered Notes issued in February 2010, consisting of USD 1,500,000,000 3% Notes due 2012 (*Redeemed on 15 October 2012*), USD 1,250,000,000 4.125% Notes due 2015 (*Redeemed on 15 January 2015*), USD 2,250,000,000 5.375% Notes due 2020 and USD 500,000,000 6.375% Notes due 2040 and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in October 2009, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the US on 8 January 2010 and expired on 5 February 2010 (the *"Registered Notes issued in February 2010"*) each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV.

6. **Notes issued under Anheuser-Busch InBev's Shelf Registration Statement filed on Form F-3.** In accordance with article 556 of the Belgian Companies Code, the shareholders' meeting of Anheuser-Busch InBev has approved on 26 April 2011 (i) the Change of Control Clause of the Brazilian real ("BRL") 750,000,000 9.750% Registered Notes due 2015 issued on 17 November 2010 by Anheuser-Busch InBev Worldwide Inc. under Anheuser-Busch InBev's Shelf Registration Statement filed on Form F-3 on 21 September 2010 (with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV) and (ii) any other provision applicable to the Registered Notes granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control" (as defined in the Prospectus Supplement dated 9 November 2010 to the Prospectus dated 21 September 2010). Pursuant to the Prospectus Supplement (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company"*, (b) *"Acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company"*, and (c) *"Control"* means the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise"*. The Change of Control clause grants to any Noteholder, in essence, the right to request the redemption of his Notes at a repurchase price in cash of 101% of their principal amount (plus interest accrued) upon the occurrence of a Change of Control and a related downgrade in the Notes to sub-investment grade.

   The above the Brazilian real ("BRL") 750,000,000 9.750% Registered Notes were redeemed on 17 November 2015.

   For the sake of completeness, there is no Change of Control Clause applicable to Notes issued under Anheuser-Busch InBev's Shelf Registration Statement filed on Form F-3 (with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV) as from January 2011.

7. **CAD Dollar Notes issued via a Canadian Private Placement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders' meeting of Anheuser-Busch InBev approved on 26 April 2011 (i) the Change of Control Clause of the CAD 600,000,000 3.65% Notes due 2016 issued on 08 December 2010 via a Canadian Private Placement by Anheuser-Busch InBev Worldwide Inc. (with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV) and (ii) any other provision applicable to the Notes granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control" (as defined in the Offering Memorandum dated 08 December 2010). Pursuant to the Offering Memorandum (a) *"Change of Control"* means *"any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing*

direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company", (b) *"Acting in concert"* means *"a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company"*, and (c) *"Control"* means the *"direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise"*. The Change of Control clause grants to any Noteholder, in essence, the right to request the redemption of his Notes at a repurchase price in cash of 101% of their principal amount (plus interest accrued) upon the occurrence of a Change of Control and a related downgrade in the Notes to sub-investment grade.

8. Anheuser-Busch InBev's soft drinks business consists of both own production and agreements with PepsiCo related to bottling and distribution arrangements between various Anheuser-Busch InBev subsidiaries and PepsiCo. Ambev, which is a subsidiary of Anheuser-Busch InBev, is one of PepsiCo's largest bottlers in the world. Major brands that are distributed under these agreements are Pepsi, 7UP and Gatorade. Ambev has long-term agreements with PepsiCo whereby Ambev was granted the exclusive right to bottle, sell and distribute certain brands of PepsiCo's portfolio of CSDs in Brazil. The agreements will expire on 31 December 2017 and are automatically extended for additional ten-year terms, unless terminated prior to the expiration date by written notice by either party at least two years prior to the expiration of their term or on account of other events, such as a change of control or insolvency of, or failure to comply with material terms or meet material commitments by, the relevant AB InBev subsidiary.

7. Remuneration Report

This report was approved by the Remuneration Committee during its meeting of 23 February 2016.

7.1. Remuneration of directors

7.1.1. Approval Procedure The Remuneration Committee recommends the level of remuneration for directors, including the Chairman of the Board. These recommendations are subject to approval by the Board and, subsequently, by the shareholders at the annual general meeting.

The Remuneration Committee benchmarks directors' compensation against peer companies. In addition, the Board sets and revises, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one or more of the Board committees and the rules for reimbursement of directors' business-related out-of-pocket expenses.

The Remuneration Committee consists of three members appointed by the Board, all of whom are non-executive directors. Currently, the Chairman of the Committee is a representative of the controlling shareholders and the two other members meet the requirements of independence as established in our Corporate Governance Charter and by the Belgian Companies Code. The CEO and the Chief People Officer are invited to the meetings of the Committee.

The Remuneration Committee's principal role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the CEO and the Executive Board of Management and on their individual remuneration packages. The Committee ensures that the CEO and members of the Executive Board of Management are incentivized to achieve, and are compensated for, exceptional performance. The Committee also ensures the maintenance and continuous improvement of the company's compensation policy which will be based on meritocracy and a sense of ownership with a view to aligning the interests of its employees with the interests of all shareholders.

The Committee meets four times a year and more often if required and is convoked by its Chairman or at the request of at least 2 of its members. The Committee holds the majority of its physical meetings in Belgium.

The composition, functioning and specific responsibilities of the Remuneration Committee are set forth in the terms of reference of the Committee, which are part of our Corporate Governance Charter.

7.1.2. Remuneration policy applied in 2015

a. Cash remuneration Remuneration is linked to the time committed to the Board and its various committees. The base annual fee amounted to 75,000 Euro in 2015 based on attendance at ten Board meetings. The fee is supplemented with an amount of 1,500 Euro for each additional physical Board or committee meeting. The Chairman's fee is double that of other directors. For the Chairman of the Audit Committee the shareholders' meeting of 29 April 2015 decided to increase the fixed annual fee to an amount which is 70% - instead of 30% before - higher than the fixed annual fee of the other directors. In practice, this means that the fixed annual remuneration of the Chairman of the Audit Committee increased from 97,500 Euro to 127,500 Euro as of 1 May 2015.

The increase was motivated in light of the importance of the role, its risk exposure and the increasing responsibilities entrusted to the Chair of the Audit Committee.

b. Share based remuneration Before 2014, Board members were granted a limited, pre-determined number of warrants under the company's 1999 long-term incentive warrant plan ("LTI Warrant Plan"). The number of warrants granted annually amounted to 15,000 since 2009. Each LTI warrant gives its holder the right to subscribe for one newly issued share. Shares subscribed for upon the exercise of LTI warrants are ordinary Anheuser-Busch InBev SA/NV shares. Holders of such shares have the same rights as any other shareholder. The exercise price of LTI warrants is equal to the average price of our shares on Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 (except for 2003) have a duration of 10 years. From 2007 onwards (and in 2003) LTI warrants have a duration of 5 years. LTI warrants are subject to a vesting period ranging from one to three years. Forfeiture of a warrant occurs in certain circumstances when the mandate of the holder is terminated.

At the annual shareholders' meeting of 30 April 2014, all outstanding LTI warrants have been converted into LTI stock options, i.e. the right to purchase existing shares instead of the right to subscribe to newly issued shares. All other terms and conditions of the outstanding LTI warrants remain unchanged.

The shareholders' meeting of 30 April 2014 has also decided to replace the LTI Warrant Plan by a long-term incentive stock option plan for directors and confirmed that all LTI grants to directors will be in the form of stock options on existing shares with the following features:

- an exercise price that is set equal to the market price of the share at the time of granting;
- a maximum lifetime of 10 years and an exercise period that starts after 5 years; and
- the LTI stock options cliff vest after 5 years. Unvested options are subject to specific forfeiture provisions in the event that the directorship is not renewed upon the expiry of its term or is terminated in the course of its term, both due to a breach of duty by the director.

In line with this decision, the shareholders' meeting of 29 April 2015 granted each Board member 15,000 LTI stock options. The Chairman of the Board was granted 30,000 LTI stock options and the Chairman of the Audit Committee was granted 25,500 LTI stock options. The LTI stock options have an exercise price of 113.10 Euro per share which is the closing price of the Anheuser-Busch InBev share on the day preceding the grant date, i.e. on 28 April 2015. The LTI stock options have a lifetime of 10 years and cliff vest after 5 years, i.e. on 29 April 2020.

The company's long-term incentive plan deviates from the Belgian Code on Corporate Governance as it provides for share-based payments to non-executive directors. The Board is of the opinion that the company's share-based incentive compensation is in line with compensation practices of directors at peer companies. The successful strategy and sustainable development of the company over the past 10 years demonstrates that the compensation of directors, which includes a fixed number of stock options, does ensure that the independence of the Board members in their role of guidance and control of the company is preserved, and that the directors' interests remain fully aligned with the long-term interests of the shareholders. In particular, the extension of the vesting period of the options from 3 to 5 years which is applicable as of 2014 should foster a sustainable and long-term commitment to shareholder value creation.

In accordance with article 554 of the Belgian Companies Code, any grant made under the company's long-term incentive plan is submitted to the shareholders' meeting for prior approval.

The company is prohibited from making loans to directors and members of the Executive Board of Management, whether for the purpose of exercising options or for any other purpose (except for routine advances for business-related expenses in accordance with the company's rules for reimbursement of expenses).

The company does not provide pensions, medical benefits or other benefit programs to directors.

7.1.3. Remuneration in 2015 Individual director remuneration is presented in the table below. All amounts presented are gross amounts expressed in Euro before deduction of withholding tax.

	Number of Board meetings attended	Annual fee for Board meetings	Fees for Committee meetings	Total fee	Number of LTI stock options granted[1]
Maria Asuncion Aramburuzabala	10	75,000	0	75,000	15,000
Alexandre Behring	13	75,000	6,000	81,000	15,000
Michele Burns *(as of 29 April 2015)*[2]	9	85,000	22,500	107,500	0
Paul Cornet de Ways Ruart	13	75,000	0	75,000	15,000
Stéfan Descheemaeker	13	75,000	6,000	81,000	15,000
Grégoire de Spoelberch	13	75,000	6,000	81,000	15,000
Valentin Diez	12	75,000	0	75,000	15,000
Olivier Goudet	13	132,500	33,000	165,500	25,500
Paulo Lemann	13	75,000	6,000	81,000	15,000
Kasper Rorsted *(as of 29 April 2015)*[2]	7	50,000	9,000	59,000	0
Elio Leoni Sceti	13	75,000	6,000	81,000	15,000
Carlos Alberto da Veiga Sicupira	13	75,000	6,000	81,000	15,000
Kees J. Storm *(until 29 April 2015)*	3	50,000	6,000	56,000	30,000
Marcel Herrmann Telles	13	75,000	27,000	102,000	15,000
Alexandre Van Damme	13	75,000	24,000	99,000	15,000
Mark Winkelman *(until 29 April 2015)*	3	25,000	9,000	34,000	15,000
All directors as a group		**1,167,500**	**166,500**	**1,334,000**	**235,500**

[1] LTI stock options were granted on 29 April 2015. They have an exercise price of 113.10 Euro per share, have a term of 10 years and cliff vest after 5 years.

[2] In 2015 Mrs Burns and Mr Rorsted each also earned respectively 9,375 Euro and 28,125 Euro for attending the Board meetings in February and in April 2015 in an advisory and non-voting capacity, but already contributing their experience and knowledge to the deliberations of the Board.

7.1.4. Options owned by directors The table below sets forth, for each of our current directors, the number of LTI stock options they owned as of 31 December 2015 [1] [2]:

	LTI 23	LTI 22	LTI 21	LTI 20	LTI 19	LTI 18	LTI 14	LTI 13	
Grant date	29 April 2015	30 April 2014	24 April 2013	25 April 2012	26 April 2011	27 April 2010	25 April 2006	26 April 2005	
Expiry date	28 April 2025	29 April 2024	23 April 2018	24 April 2017	25 April 2016	26 April 2015	24 April 2016	25 April 2015	
Maria Asuncion Aramburuzabala	15,000	0	0	0	0	0	0	0	**15,000**
Alex Behring	15,000	0	0	0	0	0	0	0	**15,000**
Michele Burns	0	0	0	0	0	0	0	0	**0**
Paul Cornet de Ways Ruart	15,000	15,000	15,000	15,000	0	0	0	0	**60,000**
Stéfan Descheemaeker	15,000	15,000	15,000	15,000	0	0	0	0	**60,000**
Grégoire de Spoelberch	15,000	15,000	15,000	15,000	0	0	0	0	**60,000**
Valentin Diez	15,000	0	0	0	0	0	0	0	**15,000**
Olivier Goudet	25,500	20,000	20,000	15,000	0	0	0	0	**80,500**
Paulo Lemann	15,000	0	0	0	0	0	0	0	**15,000**
Kasper Rorsted	0	0	0	0	0	0	0	0	**0**
Elio Leoni Sceti	15,000	0	0	0	0	0	0	0	**15,000**
Carlos Sicupira	15,000	15,000	15,000	15,000	15,000	0	8,269	0	**83,269**
Marcel Telles	15,000	15,000	15,000	15,000	15,000	0	8,269	0	**83,269**
Alexandre Van Damme	15,000	15,000	15,000	15,000	0	0	0	0	**60,000**
Strike price (Euro)	**113.10**	**80.83**	**76.20**	**54.71**	**40.92**	**37.51**	**38.70**	**27.08**	

[1] At the annual shareholders' meeting of 30 April 2014, all outstanding LTI warrants were converted into LTI stock options, i.e. the right to purchase existing ordinary shares instead of the right to subscribe to newly issued shares. All other terms and conditions of the outstanding LTI warrants remained unchanged.

[2] In January 2015, Stéfan Descheemaeker exercised 15,000 options of the LTI 19 Series. In April 2015, Carlos Sicupira and Marcel Telles each exercised 15,000 options of the LTI 18 Series and 9,364 options of the LTI 13 Series that both expired in April 2015. In April 2015, Grégoire de Spoelberch exercised 15,000 options of the LTI 19 Series. In December 2015, Alexandre Van Damme exercised 8,269 options of the LTI 14 Series and 15,000 options of the LTI 19 Series.

7.2. Remuneration of Executive Board of Management

7.2.1. Procedure for developing the remuneration policy and determining the individual remuneration The compensation and reward programs for the Executive Board of Management are overseen by the Remuneration Committee which is exclusively composed of non-executive directors. It submits to the Board for approval recommendations on the compensation of the CEO and, upon recommendation of the CEO, of the Executive Board of Management.

The Nomination Committee approves the company and individual annual targets and the Remuneration Committee approves the target achievement and corresponding annual and long term incentives of members of the Executive Board of Management.

The remuneration policy and hence any schemes falling within its scope which grant shares or rights to acquire shares, are submitted to the shareholders' meeting for approval.

The composition, functioning and specific responsibilities of the Remuneration Committee and of the Nomination Committee are set forth in the terms of reference of the respective Committee, which are part of our Corporate Governance Charter.

7.2.2. Remuneration policy Our compensation system is designed to support our high-performance culture and the creation of long-term sustainable value for our shareholders. The goal of the system is to reward executives with market-leading compensation, which is conditional upon both the overall success of the company and individual performance. It ensures alignment with shareholders' interests by strongly encouraging executive ownership of shares in the company and enables to attract and retain the industry's best talent at global levels.

Base salaries are aligned to mid-market levels. Additional short- and long-term incentives are linked to challenging short- and long-term performance targets and the investment of part or all of any variable compensation earned in company shares is encouraged.

With effect from 2010 and as a result of the combination with Anheuser-Busch Companies, Inc., some modifications have been made to the annual incentive scheme, in order to bring together the incentive plans of Anheuser-Busch and InBev.

No significant change has been made to the above remuneration policy since the end of the reported financial year. The Board may revise the level of remuneration and approve a revised remuneration policy upon recommendation of the Remuneration Committee. At the time of publication of this report, no changes to the remuneration policies for executives are planned except for a new performance related incentive plan for the Disruptive Growth Function (see below 7.2.3. h).

7.2.3. Components of executive remuneration Executive remuneration generally consists of (a) a fixed base salary, (b) variable performance-related compensation, (c) long-term incentive stock options, (d) retirement plan contributions and (e) other components. All amounts shown below are gross amounts before deduction of withholding taxes and social security.

a. Base Salary In order to ensure alignment with market practice, executives' base salaries are reviewed overall against benchmarks on an annual basis. These benchmarks are collected by internationally recognized compensation consultants, in relevant industries and geographies. For benchmarking, a custom sample of Fast Moving Consumer Goods peer companies (Peer Group) is used when available. The Peer Group consists a.o. of Apple, Coca Cola Enterprises, Procter and Gamble, Pepsico International and Unilever.

If Peer Group data are not available for a given level in certain geographies, Fortune 100 companies' data are used.

Executives' base salaries are intended to be aligned to mid-market levels for the appropriate market. Mid-market means that for a similar job in the market, 50% of companies in that market pay more and 50% of companies pay less. Executives' total compensation is intended to be 10% above the 3rd quartile.

In 2015, based on his employment contract, the CEO earned a fixed salary of 1.47 million Euro (USD 1.64 million), while the other members of the Executive Board of Management earned an aggregate base salary of 9.92 million Euro (USD 11.04 million).

b. Variable performance-related compensation – Share-based compensation plan Variable performance-related compensation is key to the company's compensation system and is aimed at rewarding executives' short- and long-term performance of the organization.

The target variable compensation is expressed as a percentage of the Market Reference Salary applicable to the executive. The on-target bonus percentage theoretically amounts to maximum 200% of the Market Reference Salary for members of the Executive Board of Management and 300% for the CEO.

The effective pay-out of variable compensation is directly correlated with performance, i.e. linked to the achievement of total company, business unit and individual targets, all of which are based on performance metrics.

Total company and business unit targets are based on four key performance metrics which focus on top-line growth, profitability and value creation. For 2015 these four key performance metrics are:
- market share,
- total revenue growth,
- EBITDA and
- cash flow.

Below a hurdle of achievement for total company and business unit targets, no variable compensation is earned irrespective of personal target achievement.

In addition, the final individual bonus pay-out percentage also depends on each executive's personal achievement of their individual performance targets. Individual performance targets of the CEO and the Executive Board of Management may consist of financial and non-financial targets such as sustainability and other elements of corporate social responsibility as well as compliance/ethics related targets. Typical performance measures in this area can relate to employee engagement, talent pipeline, better world goals, compliance dashboards etc that are also important for the sustainability of the financial performance.

Targets achievement is assessed by the Remuneration Committee on the basis of accounting and financial data.

For 2015, based on the company's target achievement during the year 2015 and the executives' individual target achievement, the total variable compensation for the Executive Board of Management, including the CEO, effectively amounted to approximately 142% of their 2015 base salary.

Executives receive their variable compensation in cash[2] but are encouraged to invest some or all of its value in company shares to be held for a 5-year period (the "Voluntary Shares"). Such voluntary investment leads to a 10% discount and a company shares match of 3 matching shares for each share voluntarily invested (the "Matching Shares") up to a limited total percentage of each executive's variable compensation. The percentage of the variable compensation that can be invested in voluntary shares is 60% for the CEO and for members of the Executive Board of Management.

Voluntary Shares are:

- existing ordinary shares;
- entitled to dividends paid as from the date of grant;
- subject to a lock-up period of five years; and
- granted at market price. The discount is at discretion of the Board. Currently, the discount is 10% which is delivered as restricted stock units, subject to specific restrictions or forfeiture provisions in case of termination of service.

Both the Matching Shares and the discounted shares are delivered in the form of restricted stock units (RSU) and vest after five years. In case of termination of service before the vesting date, special forfeiture rules apply.

No performance conditions apply to the vesting of the restricted stock units. However, restricted stock units will only be granted under the double condition that the executive:

- has earned a variable compensation, which is subject to the successful achievement of total company, business unit and individual performance targets (performance condition); and
- has agreed to reinvest all or part of his/her variable compensation in company shares that are locked for a 5-year period (ownership condition).

The variable compensation is usually paid annually in arrears after the publication of the full year results of Anheuser-Busch InBev. Exceptionally, the variable compensation may be paid out semi-annually at the discretion of the Board based on the achievement of semi-annual targets. In such case, the first half of the variable compensation is paid immediately after publication of the half year results and the second half of the variable compensation is paid after publication of the full year results of Anheuser-Busch InBev. In 2015, in order to align the US organization against the delivery of specific targets for this market, the Board decided to apply semi-annual targets which resulted in a semi-annual payment of 50% of the annual incentive, respectively in August 2015 and in March 2016. The variable compensation for the remainder of the company will be paid in arrears in or around March 2016.

In accordance with the authorization granted in the company's bylaws, as amended by the shareholders' meeting of 26 April 2011, the variable compensation system partly deviates from article 520ter of the Belgian Companies Code, as it allows:

1. for the variable remuneration to be paid out based on the achievement of annual targets without staggering its grant or payment over a 3-year period. However, executives are encouraged to invest some or all of their variable compensation in company shares which are blocked for 5 years (the "Voluntary Shares"). Such voluntary investment also leads to a grant of Matching Shares in the form of restricted stock units which only vest after 5 years, ensuring sustainable long-term performance.

2. for the Voluntary Shares granted under the share based compensation plan to vest at their grant, instead of applying a vesting period of minimum 3 years. Nonetheless, as indicated above, the Voluntary Shares remain blocked for 5 years. On the other hand, any Matching Shares that are granted, will only vest after 5 years.

[2] Depending on local regulations, the cash element in the variable compensation may be replaced by options which are linked to an index or a fund of listed European blue chip companies.

Variable compensation for performance in 2014 – Paid in March 2015

For the full year 2014, the CEO earned variable compensation of 1.00 million Euro (USD 1.34 million). The other members of the Executive Board of Management earned aggregate variable compensation of 4.86 million Euro (USD 6.53 million).

The amount of variable compensation was based on the company's performance during the year 2014 and the executives' individual target achievement.

The following table sets forth information regarding the number of our shares voluntarily acquired and Matching Shares granted in March 2015 (variable compensation awarded for performance in 2014) to our CEO and the other members of our Executive Board of Management under the Share-based compensation plan. The Matching Shares were granted in the form of restricted stock units and vest after five years, on 4 March 2020.

Name	Voluntary Shares acquired	Matching Shares granted
Carlos Brito – CEO	5,250	23,279
Sabine Chalmers	801	6,283
Felipe Dutra	2,792	12,379
Miguel Patricio	1,139	7,916
Claudio Braz Ferro	1,150	5,524
Tony Milikin	649	4,883
Claudio Garcia	1,048	5,042
Luiz Fernando Edmond	495	2,120
David Almeida	0	0
Pedro Earp	0	0
Stuart Mc Farlane	1,985	8,783
Marcio Froes [1]	0	0
João Castro Neves	2,084	15,044
Bernardo Pinto Paiva [1]	0	0
Michel Doukeris	4,382	20,210
Ricardo Tadeu	1,142	8,245

[1] Bernardo Pinto Paiva, Zone President Latin America North, reported to the Board of Directors of Ambev. He and Marcio Froes, Zone President Latin America South, participated in 2015 in the incentive plans of Ambev S.A. that are disclosed separately by Ambev.

Variable compensation for performance in 2015

For the full year 2015, the CEO earned variable compensation of 2.96 million Euro (USD 3.29 million). The other members of the Executive Board of Management earned aggregate variable compensation of 13.19 million Euro (USD 14.67 million). No variable compensation was paid to members of the Executive Board of Management in August 2015 for performance in the first half year of 2015.

The amount of variable compensation is based on the company's performance during the year 2015 and the executives' individual target achievement. The variable compensation will be paid in or around March 2016.

c. Long-term incentive stock options Since 1 July 2009, members of our senior management may be eligible for an annual long-term incentive paid out in stock options (or similar share related instrument), depending on management's assessment of the beneficiary's performance and future potential.

Long-term incentive stock options have the following features:
- an exercise price that is set equal to the market price of the share at the time of grant;
- a maximum lifetime of 10 years and an exercise period that starts after 5 years;
- upon exercise, each option entitles the option holder to purchase one share;
- the options cliff vest after 5 years. In the case of termination of service before the vesting date, special forfeiture rules will apply.

The following table sets forth information regarding the number of options granted in 2015 to the CEO and the other members of the Executive Board of Management. The options were granted on 22 December 2015, have an exercise price of 113.00 Euro and become exercisable after five years.

Name	Long Term Incentive stock options granted
Carlos Brito – CEO	487,804
Sabine Chalmers	68,756
Felipe Dutra	123,761
Miguel Patricio	55,005
Claudio Braz Ferro	45,837
Tony Milikin	22,918
Claudio Garcia	32,086
David Almeida [2]	12,977
Pedro Earp	18,335
Marcio Froes [1]	0
João Castro Neves	82,507
Luiz Fernando Edmond	82,507
Bernardo Pinto Paiva [1]	0
Stuart Mc Farlane	36,670
Michel Doukeris	45,837
Ricardo Tadeu	34,378

[1] Bernardo Pinto Paiva, Zone President Latin America North, reported to the Board of Directors of Ambev. He and Marcio Froes, Zone President Latin America South, participated in 2015 in the incentive plans of Ambev S.A. that are disclosed separately by Ambev.
[2] The options were granted on 01 December 2015, have an exercise price of 121.95 Euro and become exercisable after five years.

d. Long-term restricted stock unit programs Since 2010, Anheuser-Busch InBev has in place three specific long-term restricted stock unit programs:

1. A program allowing for the offer of restricted stock units to certain members of our senior management in certain specific circumstances. Such hardship grants are made at the discretion of the CEO, e.g. to compensate for assignments of expatriates in certain limited countries.

   The characteristics of the restricted stock units are identical to the characteristics of the Matching Shares that are granted as part of the Share-based compensation plan (see 7.2.3.b). The restricted stock units vest after five years and in case of termination of service before the vesting date, special forfeiture rules apply.

   In 2015, 122,024 restricted stock units were granted under the program to our senior management. No restricted stock units were granted under the program to members of the Executive Board of Management.

2. A program allowing for the exceptional offer of restricted stock units to certain members of senior management at the discretion of the Remuneration Committee of Anheuser-Busch InBev as a long-term retention incentive for key managers of the company.

   Members of senior management eligible to receive a grant under the program receive 2 series of restricted stock units. The first half of the restricted stock units vest after five years. The second half of the restricted stock units vest after 10 years. In case of termination of service before the vesting date, special forfeiture rules apply.

   In 2015, 212,080 restricted stock units were granted under the program to our management. No restricted stock units were granted under the program to members of the Executive Board of Management.

3. A program allowing certain employees to purchase company shares at a discount aimed as a long-term retention incentive for (i) high-potential employees of the company, who are at a mid-manager level ("People bet share purchase program") or (ii) for newly hired employees. The voluntary investment in company shares leads to the grant of 3 matching shares for each share invested. The discount and matching shares are granted in the form of restricted stock units which vest after 5 years. In case of termination before the vesting date, special forfeiture rules apply.

   In 2015, our employees purchased 6,223 shares under the program. No member of the Executive Board of Management participated in the program.

e. Exchange of share-ownership program From time to time certain members of Ambev's senior management are transferred to Anheuser-Busch InBev and vice-versa. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with Anheuser-Busch InBev's interests, the Board has approved a program that aims at facilitating the exchange by these managers of their Ambev shares into Anheuser-Busch InBev shares.

Under the program, the Ambev shares can be exchanged into Anheuser-Busch InBev shares based on the average share price of both the Ambev and the Anheuser-Busch InBev shares on the date the exchange is requested. A discount of 16.66% is granted in exchange for a 5 year lock-up period for the shares and provided that the manager remains in service during this period. The discounted shares are forfeited in case of termination of service before the end of the 5 year lock-up period.

Under the program, members of our senior management have exchanged 5.3 million Ambev shares for a total of 0.28 million Anheuser-Busch InBev shares (0.62 million in 2014, 0.13 million in 2013, 0.11 million in 2012).

f. Programs for maintaining consistency of benefits granted and for encouraging global mobility of executives The shareholders' meeting of 27 April 2010 has approved two programs which are aimed at maintaining consistency of benefits granted to executives and at encouraging the international mobility of executives while complying with all legal and tax obligations:

1. The Exchange program: under this program the vesting and transferability restrictions of the Series A options granted under the November 2008 Exceptional Option Grant and of the options granted under the April 2009 Exceptional Option Grant, could be released e.g. for executives who moved to the United States. These executives were then offered the possibility to exchange their options for ordinary Anheuser-Busch InBev shares that remain locked-up until 31 December 2018 (5 years longer than the original lock-up period).

   Since the Series A options granted under the November 2008 Exceptional Option Grant and the options granted under the April 2009 Exceptional Option Grant have vested on 1 January 2014, the Exchange program is no longer relevant for these options. Instead, the Exchange program has now become applicable to the Series B options granted under the November 2008 Exceptional Option Grant. Under the extended program, executives who are relocated e.g. to the United States, can be offered the possibility to exchange their Series B options for ordinary Anheuser-Busch shares that remain locked-up until 31 December 2023 (5 years longer than the original lock-up period).

   In 2015, no exchanges were executed under this program.

   As a variant to this program, the Board also approved the recommendation of the Remuneration Committee to allow the early release of the vesting conditions of the Series B options granted under the November 2008 Exceptional Option Grant for executives who are relocated, e.g. to the United States. The shares that result from the exercise of the options must remain blocked until 31 December 2023.

   Under this variant to the program, Pedro Earp, member of the Executive Board of Management, has exercised 0.30 million options. Other members of the senior management have exercised approximately 0.66 million options.

2. The Dividend waiver program: where applicable, the dividend protection feature of the outstanding options owned by executives who move to the United States is being cancelled. In order to compensate for the economic loss which results from this cancellation, a number of new options is granted to these executives with a value equal to this economic loss. The new options have a strike price equal to the share price on the day preceding the grant date of the options. All other terms and conditions, in particular with respect to vesting, exercise limitations and forfeiture rules of the new options are identical to the outstanding options for which the dividend protection feature is cancelled. As a consequence, the grant of these new options does not result in the grant of any additional economic benefit to the executives concerned.

   In 2015, no new options were granted under this program.

g. Exceptional incentive stock options On 22 December 2015, 4.8 million options were granted to a selected group of approximately 65 members of the senior management of the company, who are considered to be instrumental to help the company to achieve its ambitious growth target.

Each option gives the grantee the right to purchase one existing share. The exercise price of the options is 113.00 Euro which corresponds to the closing share price on the day preceding the grant date.

The options have a duration of 10 years as from granting and vest after 5 years. The options only become exercisable provided a performance test is met by Anheuser-Busch InBev. This performance test is based on an absolute net revenue amount which must be achieved by 2022 at the latest.

No stock options were granted to members of the Executive Board of Management.

h. New performance related incentive plan for Disruptive Growth Function In 2016 the company will implement a new performance related incentive plan which will substitute the long-term incentive stock option plan for executives of the Disruptive Growth Function. This function was created in 2015 to accelerate new business development opportunities, focusing on initiatives in e-commerce, mobile, craft and branded experiences such as brew pubs and is headed by Pedro Earp, Chief Disruptive Growth Officer.

The new incentive plan, which is inspired from compensation models in technology and start-up businesses, aims at specifically linking the compensation to the value creation and success of the disruptive growth business within the company.

Executives will be granted performance share units whose value will depend on the internal rate of return (IRR) of their business area. The units will vest after 5 years provided a performance test is met, based on a minimal growth rate of the IRR. At vesting, the performance share units may be settled in cash or in ordinary shares of the company. Specific forfeiture rules apply in case the executive leaves the company.

i. Pension schemes Our executives participate in Anheuser-Busch InBev's pension schemes in either the US, Belgium or their home country. These schemes are in line with predominant market practices in the respective geographic environments. They may be defined benefit plans or defined contribution plans.

The CEO participates in a defined contribution plan. The annual contribution that is paid to his plan amounted to approximately USD 0.21 million in 2015. The contributions for the other members of the Executive Board of Management amounted to approximately USD 0.57 million in 2015.

j. Other benefits Executives are also entitled to life and medical insurance and perquisites and other benefits that are competitive with market practices. In addition to life and medical insurance, the CEO enjoys a schooling allowance in accordance with local market practice for a limited period of time.

7.2.4. Main contractual terms and conditions of employment of members of the Executive Board of Management The terms and conditions of employment of the members of the Executive Board of Management are included in individual employment agreements. Executives are also required to comply with the company's policies and codes such as the Code of Business Conduct and Code of Dealing and are subject to exclusivity, confidentiality and non-compete obligations.

The agreement typically provides that the executive's eligibility for payment of variable compensation is determined exclusively on the basis of the achievement of corporate and individual targets to be set by the company. The specific conditions and modalities of the variable compensation are fixed separately by the company and approved by the Remuneration Committee.

Termination arrangements are in line with legal requirements and/or jurisprudential practice. The termination arrangements for the Executive Board of Management provide for a termination indemnity of 12 months of remuneration including variable compensation in case of termination without cause. The variable compensation for purposes of the termination indemnity shall be calculated as the average of the variable compensation paid to the executive for the last two years of employment prior to the year of termination. In addition, if the company decides to impose upon the executive a non-compete restriction of 12 months, the executive shall be entitled to receive an additional indemnity of six months.

During the year 2015, Jo Van Biesbroeck, former Chief Strategy Officer, retired from the company. No termination indemnity was granted.

Carlos Brito was appointed to serve as the CEO starting as of 1 March 2006. In the event of termination of his employment other than on the grounds of serious cause, the CEO is entitled to a termination indemnity of 12 months of remuneration including variable compensation as described above.

There is no "claw-back" provision in case of misstated financial statements.

7.2.5. Options owned by members of the Executive Board of Management The tables below set forth the number of Matching options owned by the members of our Executive Board of Management as of 31 December 2015 under the Share-based compensation plan that was applicable until 2010[1].

	Matching options 2010	Matching options 2009	Matching options 2009	Matching options 2008	Matching options 2007	Matching options 2006
Grant date	05 March 2010	14 August 2009	6 March 2009	3 March 2008	2 April 2007	27 April 2006
Expiry date	04 March 2020	13 August 2019	5 March 2019	2 March 2018	1 April 2017	26 April 2016
EBM[3]	15,296	414,431	80,765	61,974	0	0
Strike price (Euro)	36.52	27.06	20.49	34.34	33.59	24.78

	Matching options 2009 - Dividend Waiver 13[2]	Matching options 2009 - Dividend Waiver 13[2]	Matching options 2008 - Dividend Waiver 13[2]	Matching options 2008 - Dividend Waiver 09[2]	Matching options 2007– Dividend Waiver 09[2]	Matching options 2006 – Dividend Waiver 09[2]
Grant date	15 May 2013	15 May 2013	15 May 2013	1 December 2009	1 December 2009	1 December 2009
Expiry date	13 August 2019	5 March 2019	2 March 2018	2 March 2018	1 April 2017	26 April 2016
EBM[3]	74,869	37,131	49,468	0	0	0
Strike price (Euro)	75.82	75.82	75.82	33.24	33.24	33.24

1. Matching options have the following features:
   a. an exercise price that is set equal to the market price of the share at the time of grant;
   b. a maximum life of 10 years and an exercise period that starts after five years, subject to financial performance conditions to be met at the end of the second, third or fourth year following the grant;
   c. upon exercise, each option entitles the option holder to subscribe one share;
   d. specific restrictions or forfeiture provisions apply in case of termination of service.
2. Options granted under the Dividend waiver program (see 7.2.3.f)
3. The following options were exercised in 2015 :
   a. In January 2015:
      i. Carlos Brito exercised 229,219 Matching options 2008 with a strike price of 34.34 Euro and 128,927 Matching options 2008 Dividend Waiver 09 with a strike price of 33.24 Euro;
   b. In March 2015:
      i. Pedro Earp exercised 7,681 Matching options 2007 with a strike price of 33.59 Euro, 15,766 Matching options 2008 with a strike price of 34.34 Euro, 30,442 Matching options August 2009 with a strike price of 27.06 Euro, 4,755 Matching options 2007 Dividend Waiver 09 with a strike price of 33.24 Euro and 8,868 Matching options 2008 Dividend Waiver 09 with a strike price of 33.24 Euro;
   c. In November 2015 :
      i. Felipe Dutra exercised 88,031 Matching options 2008 with a strike price of 34.34 Euro, 126,139 Matching options August 2009 with a strike price of 27.06 Euro and 49,514 Matching options 2008 Dividend Waiver 09 with a strike price of 33.24 Euro;
      ii. Claudio Garcia exercised 81,590 Matching options 2008 with a strike price of 34.34 Euro, 156,502 Matching options August 2009 with a strike price of 27.06 Euro and 45,891 Matching options 2008 Dividend Waiver 09 with a strike price of 33.24 Euro;
      iii. Carlos Brito exercised 368,827 Matching options August 2009 with a strike price of 27.06 Euro;
   d. In December 2015 :
      i. Claudio Ferro exercised 23,652 Matching options 2007 with a strike price of 33.59 Euro, 73,002 Matching options 2008 with a strike price of 34.34 Euro, 181,235 Matching options August 2009 with a strike price of 27.06 Euro, 14,641 Matching options 2007 Dividend Waiver 09 with a strike price of 33.24 Euro and 41,061 Matching options 2008 Dividend Waiver 09 with a strike price of 33.24 Euro.

The table below sets forth the number of LTI stock options owned by the members of our Executive Board of Management as of 31 December 2015 under the 2009 Long term incentive stock option plan (see 7.2.3.c).

	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options
Grant date	18 Dec 2009	30 Nov 2010	30 Nov 2011	30 Nov 2012	02 Dec 2013	01 Dec 2014	01 Dec 2015	22 Dec 2015
Expiry date	17 Dec 2019	29 Nov 2020	29 Nov 2021	29 Nov 2022	01 Dec 2023	30 Nov 2024	30 Nov 2025	21 Dec 2025
EBM	457,467	838,215	897,430	1,129,639	903,782	717,679	12,977	1,136,401
Strike price (Euro)	35.90	42.41	44.00	66.56	75.15	94.46	121.95	113.00

1. The following options were exercised in 2015 :
   a. In March 2015 :
      i. Sabine Chalmers exercised 26,648 LTI options of 18 December 2009 with a strike price of 35.90 Euro;
      ii. Pedro Earp exercised 10,011 LTI options of 18 December 2009 with a strike price of 35.90 Euro.

The table below sets forth the number of options granted under the November 2008 Exceptional Option Grant owned by the members of our Executive Board of Management as of 31 December 2015[(1)].

	November 2008 Exceptional Grant options Series A	November 2008 Exceptional Grant options Series B	November 2008 Exceptional Grant options Series A – Dividend Waiver 09	November 2008 Exceptional Grant options Series B – Dividend Waiver 09	November 2008 Exceptional Grant options Series B – Dividend Waiver 11	November 2008 Exceptional Grant options Series B – Dividend Waiver 13
Grant date	25 November 2008	25 November 2008	1 December 2009	1 December 2009	11 July 2011	31 May 2013
Expiry date	24 November 2018	24 November 2023	24 November 2018	24 November 2023	24 November 2023	24 November 2023
EBM[(2)(3)]	361,484	4,337,809	0	1,834,049	243,901	286,977
Strike price (Euro)	10.32	10.32		33.24	40.35	75.82
EBM	542,226	1,265,194	0	801,300	0	0
Strike price (Euro)	10.50	10.50		33.24		

(1) The Series A stock options have a duration of 10 years as from granting and have vested on 1 January 2014. The Series B stock options have a duration of 15 years as from granting and vest on 1 January 2019. The exercise of the stock options is subject, among other things, to the condition that the company meets a performance test. This performance test, which was met, required the net debt/EBITDA, as defined (adjusted for exceptional items) ratio to fall below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment.

(2) Under the Exchange program (see 7.2.3.f), in 2015 Pedro Earp exercised 180,742 Series B options with a strike price of 10.32 Euro and 114,628 Series B options Dividend Waiver 2009 with a strike price of 33.24 Euro. The shares that result from the exercise must remain blocked until 31 December 2023.

(3) The following options were exercised in 2015 :

a. In April 2015:
   i. Luiz Edmond exercised 213,168 Exceptional Grant options Series A Dividend Waiver 09 with a strike price of 33.24 Euro;

b. In June 2015:
   i. David Almeida exercised 311,484 Exceptional Grant options Series A with a strike price of 10.50 Euro.

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Global Smart Drinking Goals 2015-2025

Our vision is to foster a culture of smart drinking globally to reduce the harmful use of alcohol.

CHANGING BEHAVIORS THROUGH SOCIAL NORMS

10%↓

Reduce the harmful use of alcohol by at least 10% in six cities by end of 2020

Implement the best practices globally by end of 2025

$1B

Influence social norms and individual behaviors to reduce harmful alcohol use by investing at least **1 billion USD** across our markets in dedicated social marketing campaigns and related programs by end of 2025

EMPOWERING CONSUMERS THROUGH CHOICE

20%

Ensure **No- or Lower-Alcohol beer products** represent at least 20% of AB InBev's global beer volume by the end of 2025

2020

Place a **Guidance Label** on all of our beer products in all of our markets by the end of 2020

Increase **alcohol health literacy** by the end of 2025 ab-inbev.com