

Our Views on the Stock and Housing Markets, Our Favorite Short Theme, and a New Long Idea

Presentation at the Value Investing Congress

May 5, 2010

T2 Accredited Fund, LP

Tilson Offshore Fund, Ltd.

T2 Qualified Fund, LP

T2 Partners LLC

T2 Partners Management L.P. Manages Hedge Funds and Mutual Funds and is a Registered Investment Advisor

More information about the advisor can be obtained by visiting www.tilsonmutualfunds.com.
If you would like a copy of T2 Partners Management LP's Form ADV Part II, please call 212-386-7160.

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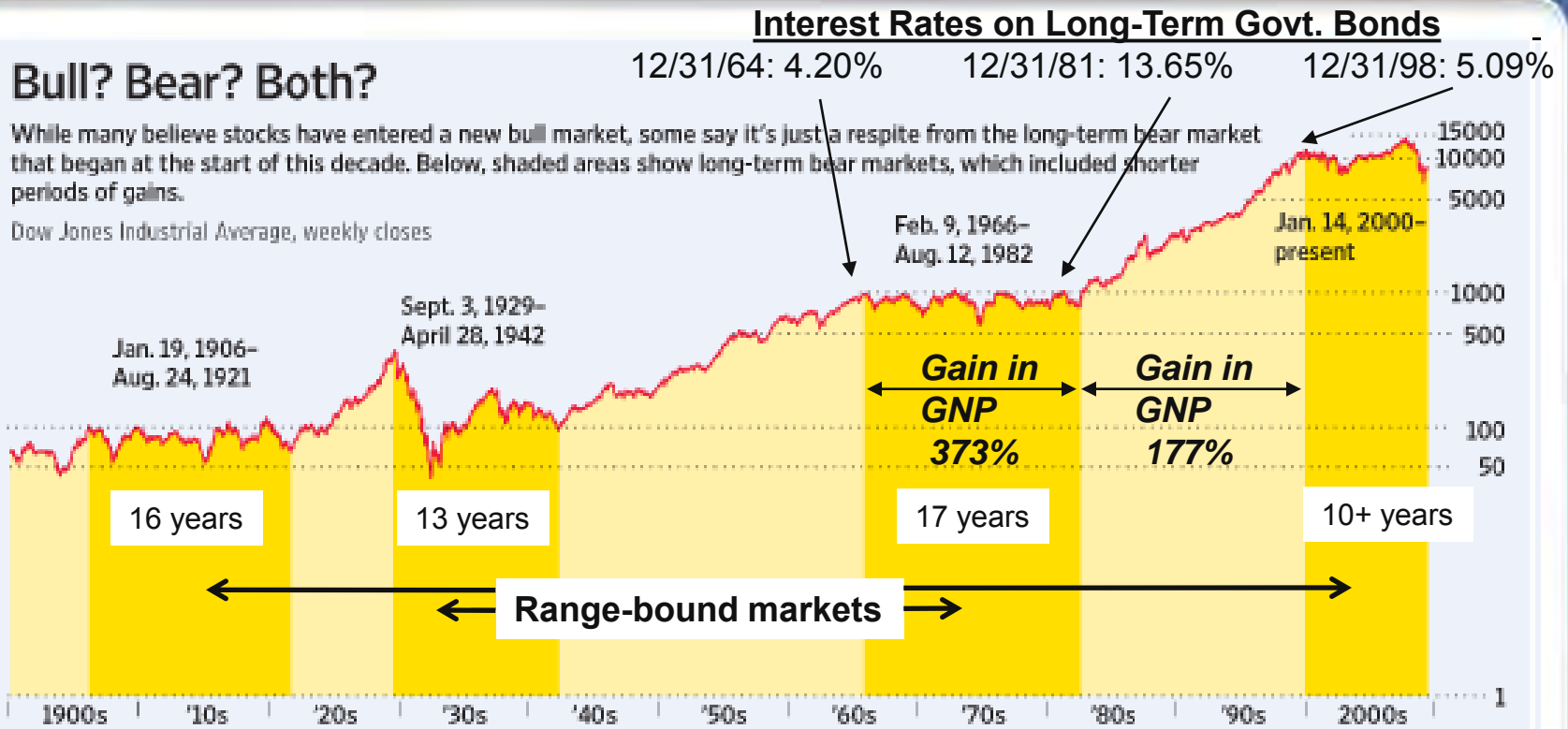
T2 PARTNERS MANAGEMENT LP IS A REGISTERED INVESTMENT ADVISOR. A COPY OF T2'S DISCLOSURE STATEMENT (PART II OF FORM ADV), WHICH CONTAINS MORE INFORMATION ABOUT THE ADVISOR, INCLUDING ITS INVESTMENT STRATEGIES AND OBJECTIVES, CAN BE OBTAINED BY CALLING (212) 386-7160.

We Think We're Likely in A Range-Bound Market – And With Interest Rates Low and P/E Multiples High, It's Hard to See How a Sustained Bull Market Could Occur

Bull? Bear? Both?

While many believe stocks have entered a new bull market, some say it's just a respite from the long-term bear market that began at the start of this decade. Below, shaded areas show long-term bear markets, which included shorter periods of gains.

Dow Jones Industrial Average, weekly closes

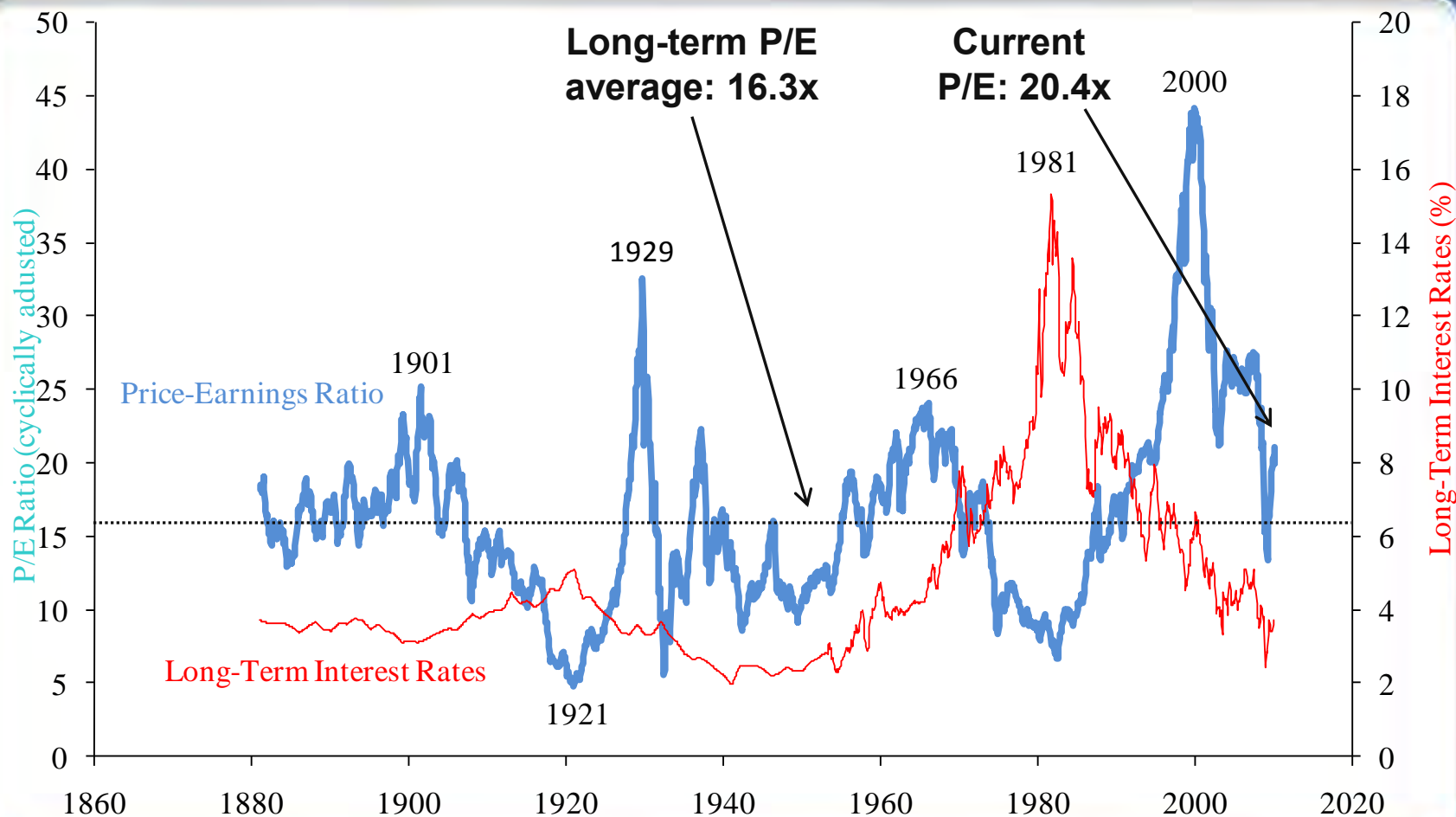


Note: Chart is logarithmic, with vertical scale compressed to show changes in percentage terms. A rise from 100 to 110 takes the same space as a rise from 10000 to 11000, since both are 10% changes.

See: Active Value Investing: Making Money in Range-Bound Markets by Vitaliy Katsenelson

Source: Ned Davis Research; WSJ Market Data Group; appeared in WSJ 6/16/09; GNP and interest rate data: "Warren Buffett on the Stock Market", Fortune, 12/10/01

Based on Inflation-Adjusted 10-Year Trailing Earnings, the S&P 500 at 20.4x Is Trading at a 25% Premium to Its 130-Year Average of 16.3x



**Our Presentation at the Value Investing
Congress Two Years Ago (May 7, 2008):**

**Title: “Why We Are Still in the Early Innings of
the Bursting of the Housing and Credit
Bubbles – And How to Profit From It”**

**Conclusion: “Things Are Terrible And There’s
No Sign of a Bottom”**

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How to Profit From the Upcoming Train Wreck

(In alphabetical order. Do your own work, positions may change at any time, yada, yada, yada.)

Longs

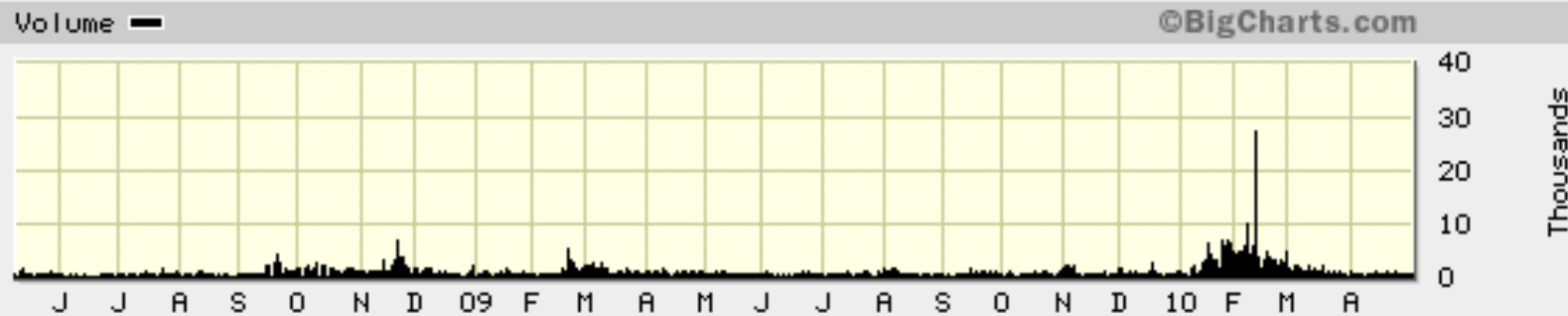
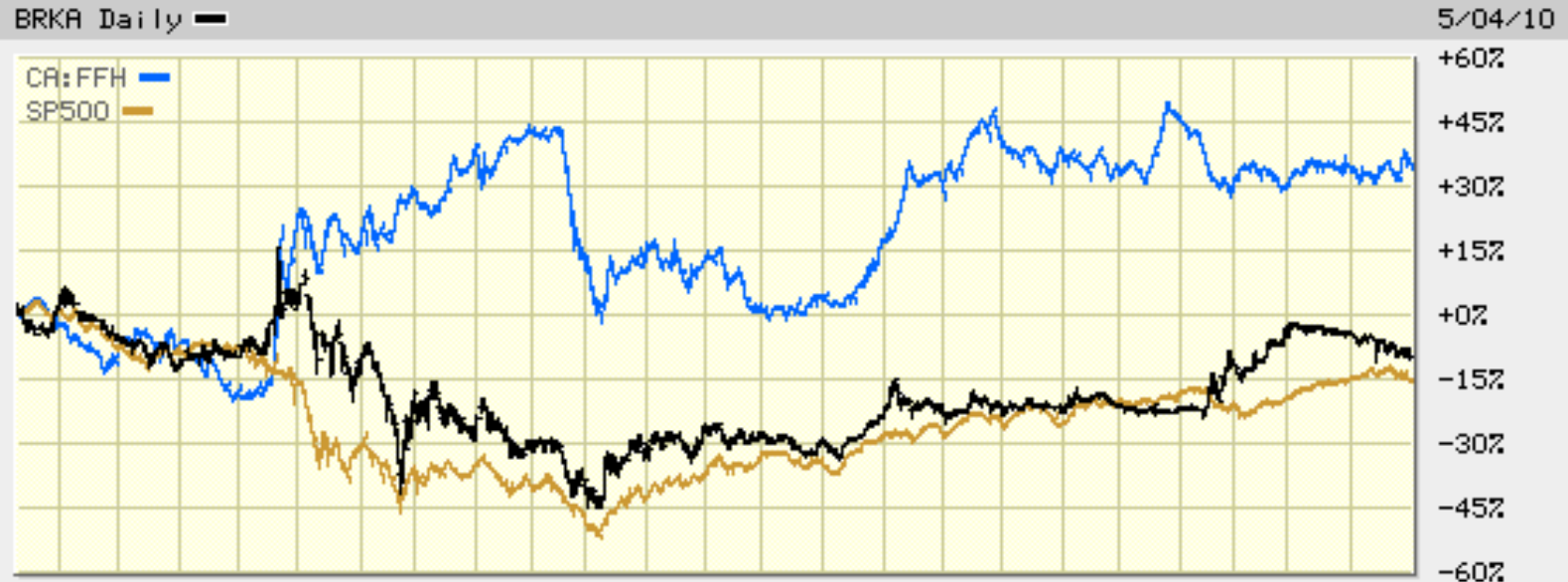
1. Berkshire Hathaway
2. Fairfax Financial

Shorts

1. Allied Capital
2. Ambac
3. Bear Stearns
4. Capital One Financial
5. Farmer Mac
6. General Growth Properties
7. Lehman Brothers
8. MBIA
9. Moody's
10. PMI
11. Simon Property Group
12. Wachovia
13. Washington Mutual

Berkshire Hathaway And Fairfax Financial Since May 7, 2008

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Lehman Brothers, Bear Stearns, Wachovia and WaMu No Longer Exist

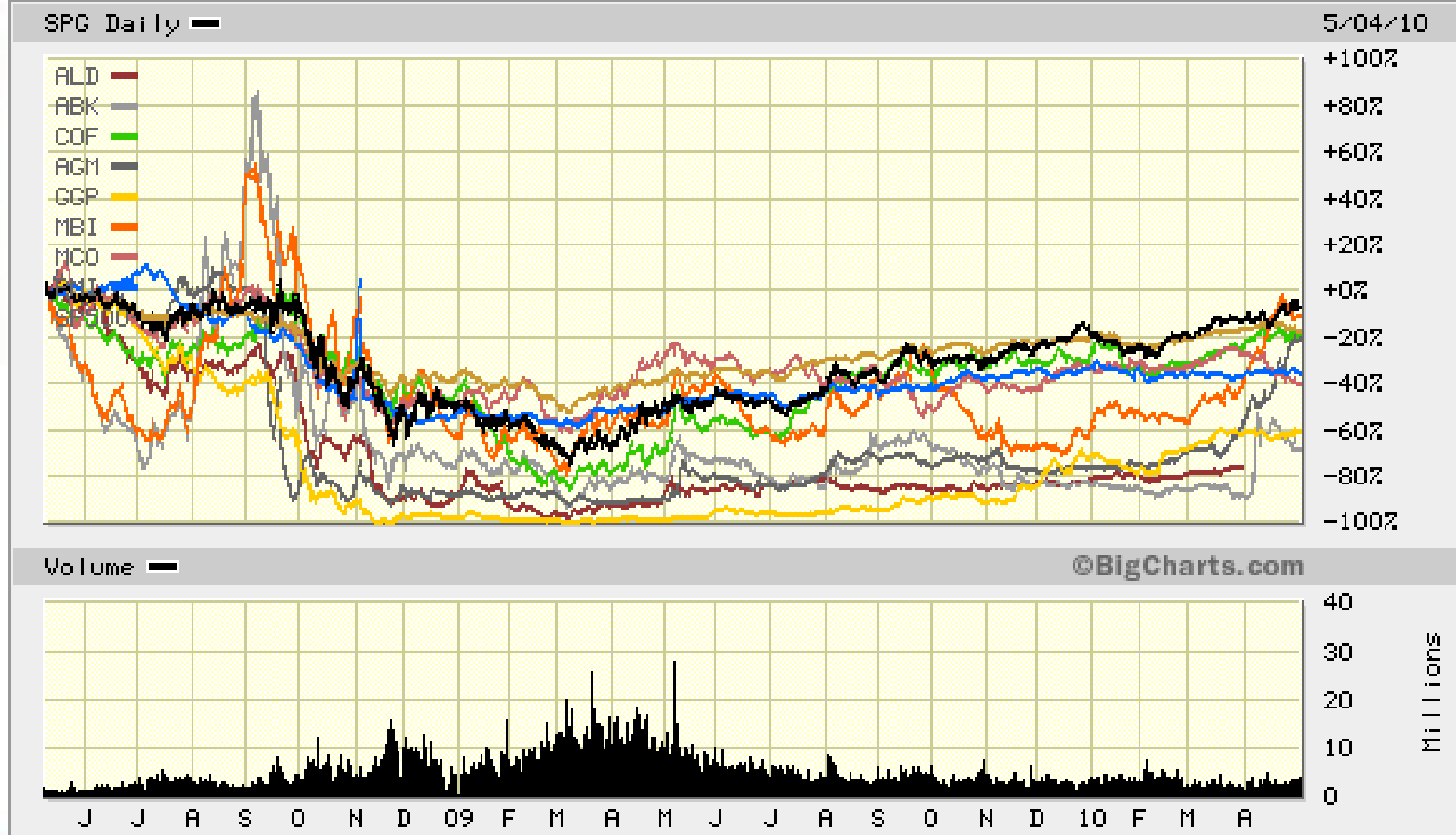
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Source: BigCharts.com.

Of the Other Nine Shorts, All Declined at Least 60% and Are Still Down an Average of 40%

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More Mortgage Meltdown Was Published in May, 2009

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MORE MORTGAGE MELTDOWN

6 Ways to Profit in These Bad Times



WHITNEY TILSON
T2 PARTNERS LLC **GLENN TONGUE**

Praise for

MORE MORTGAGE MELTDOWN

"You couldn't ask for better guides than Whitney and Glenn to take you through the rough times. They saw the mortgage meltdown coming and their new book can help get you through it with timely, useful, and sage advice."

—**Joel Greenblatt, Managing Partner, Gotham Capital; author of *The Little Book That Beats the Market* and *You Can Be a Stock Market Genius***

"Two great students of investing explain the great economic debacle and teach us what to do about it."

—**David Einhorn, founder, Greenlight Capital; author of *Fooling Some of the People All of the Time***

"A cogent guide to current financial events and sourcebook with investment case studies for value investing practitioners and aspirants. I strongly recommend that you give it a thorough and careful read."

—**William Ackman, founder, Pershing Square Capital Management, LP**

"With clarity and their typical attention to detail, Whitney and Glenn deftly illustrate key plot lines for our economic horror show. They thankfully offer some hope that all won't be lost when the house lights go up."

—**Steven Romick, Partner, First Pacific Advisors, LLC**

"Whitney and Glenn have done an extraordinary job alerting all who would listen of deep, and in many instances irreversible, perils confronting financial industry investors with exposure to U.S. mortgage industry securities. While most bank analysts busied themselves rearranging deck chairs on our financial *Titanic*, Whitney and Glenn fixed their vision on mortgage industry icebergs. While there is surely enough blame to be spread around as a result of the financial industry's shameful conduct, they deserve credit for speaking out with their early and accurate warnings."

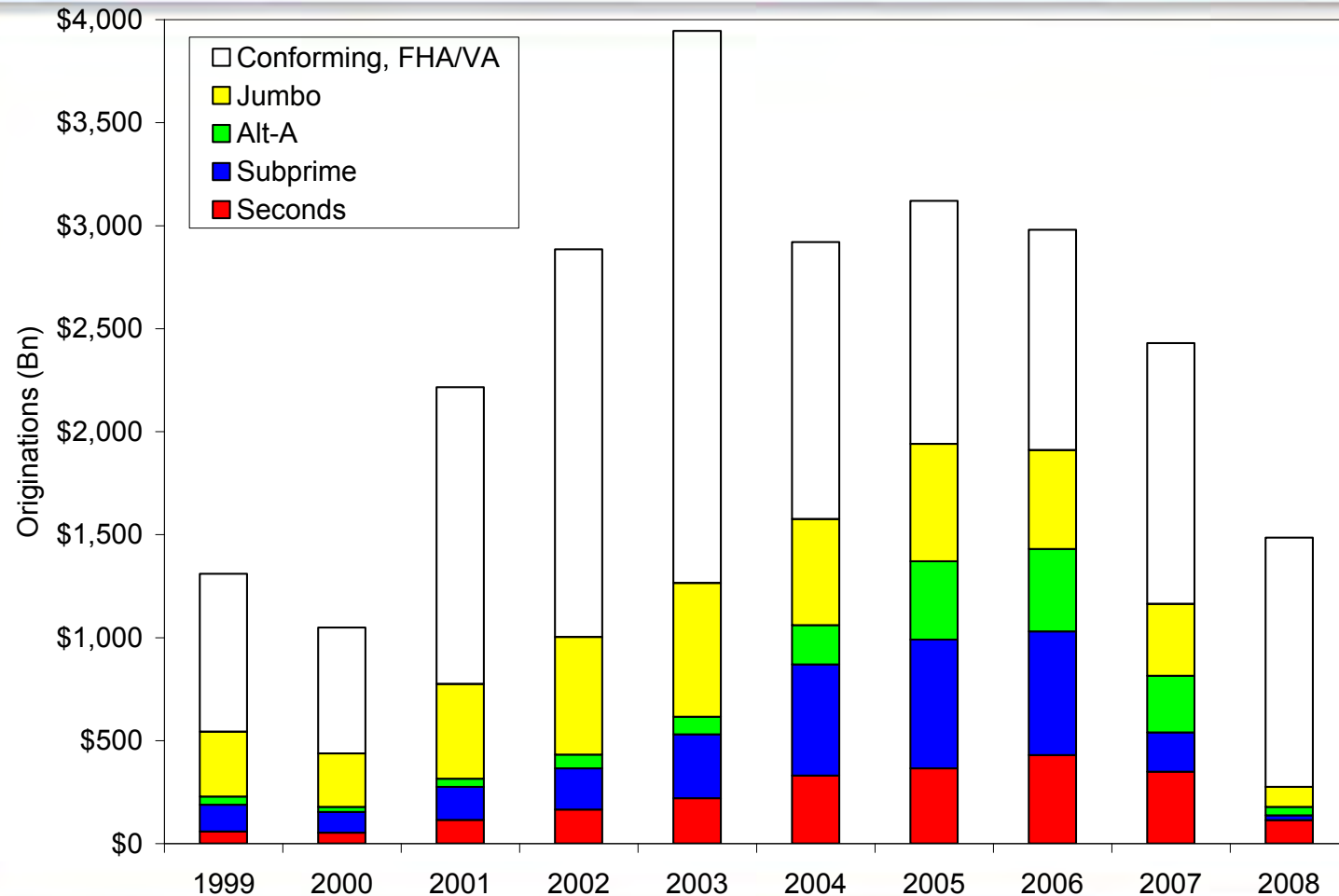
—**Thomas A. Russo, Partner, Gardner Russo & Gardner**



Background on the U.S. Housing Market

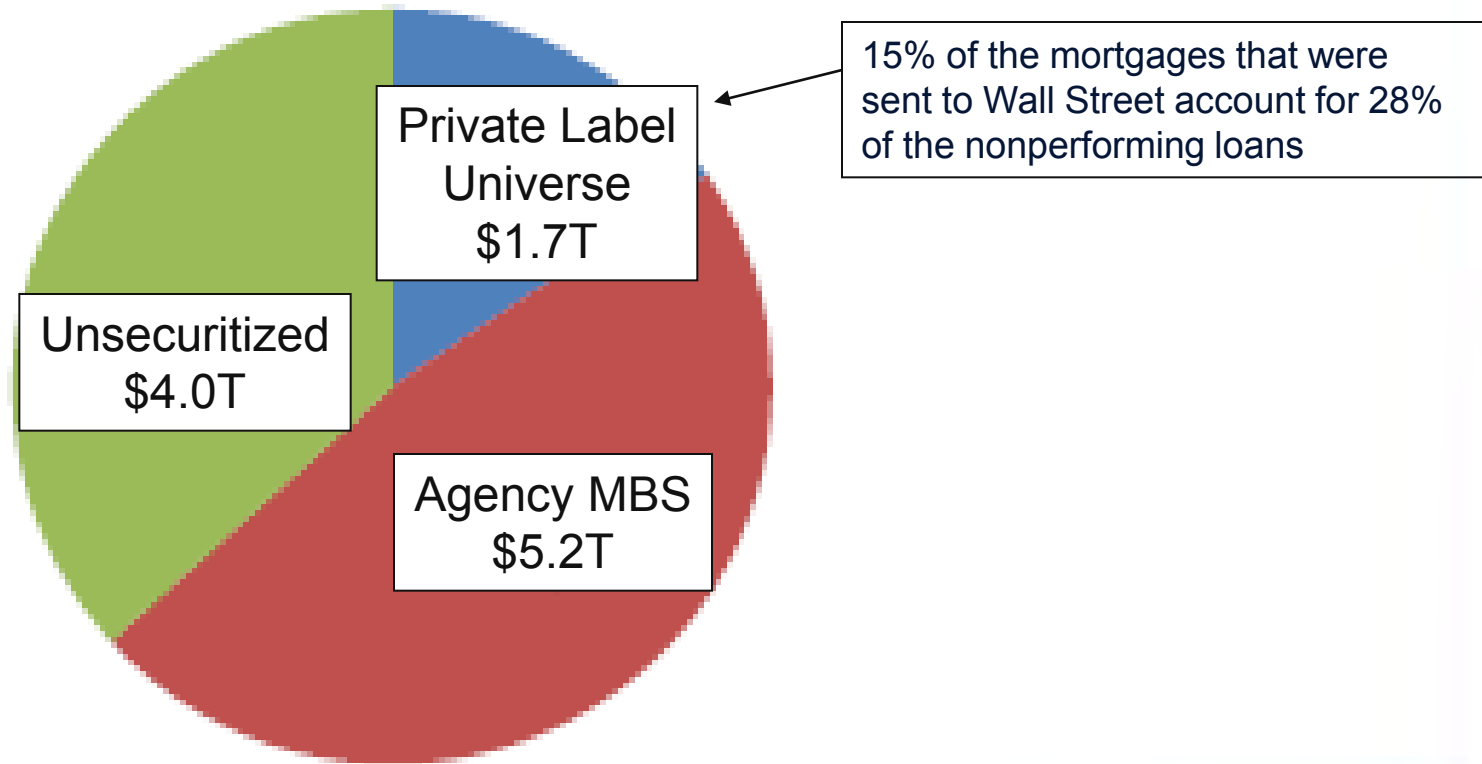
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There Was a Surge of Toxic Mortgages From 2000 to Mid-2007



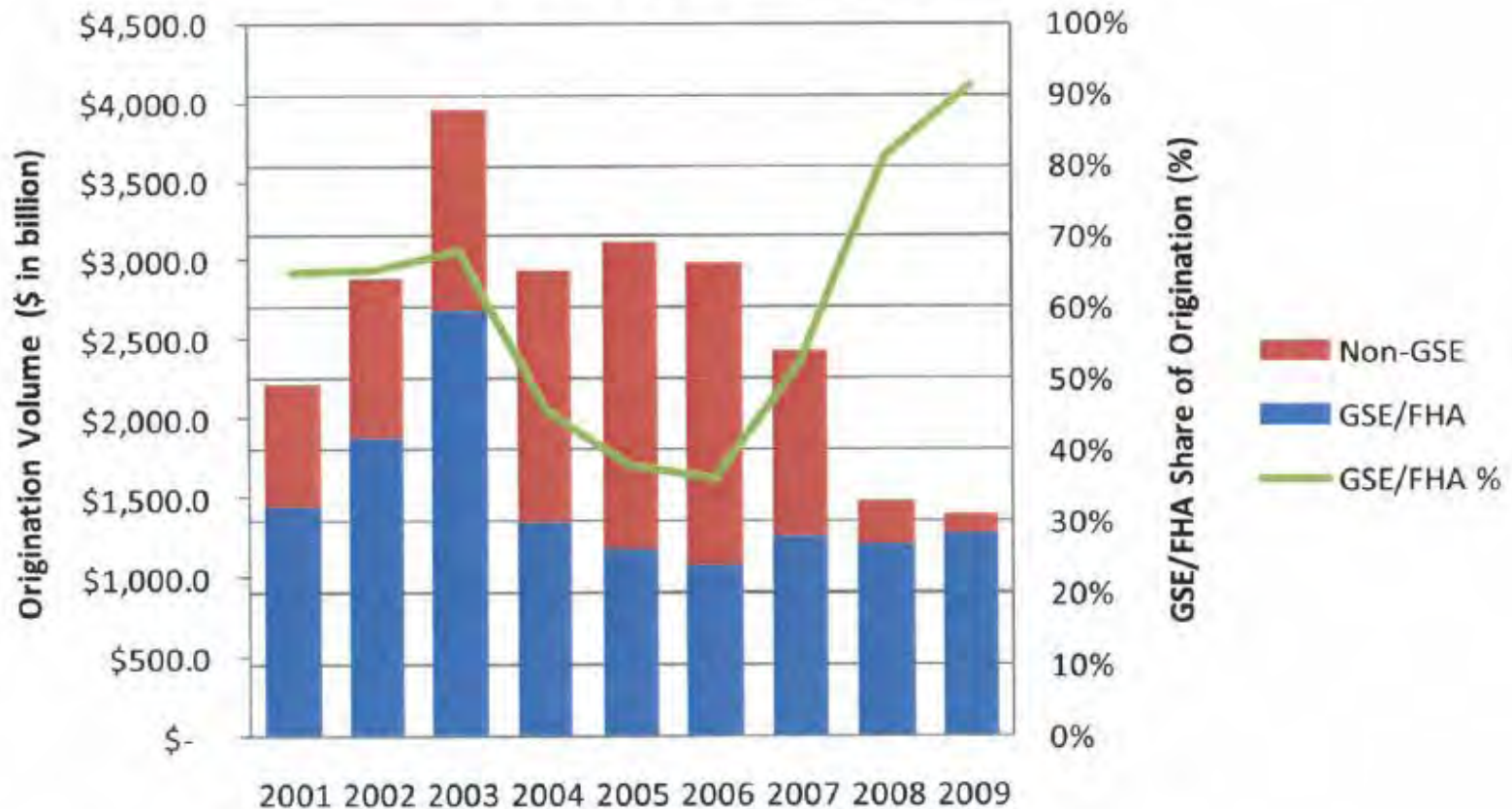
Private Label Mortgages (Those Securitized by Wall St.) Are 15% of All Mortgages, But Account for 28% of Nonperforming Mortgages

Approximately two-thirds of homes – 56 million – have mortgages, worth a total of \$11 trillion



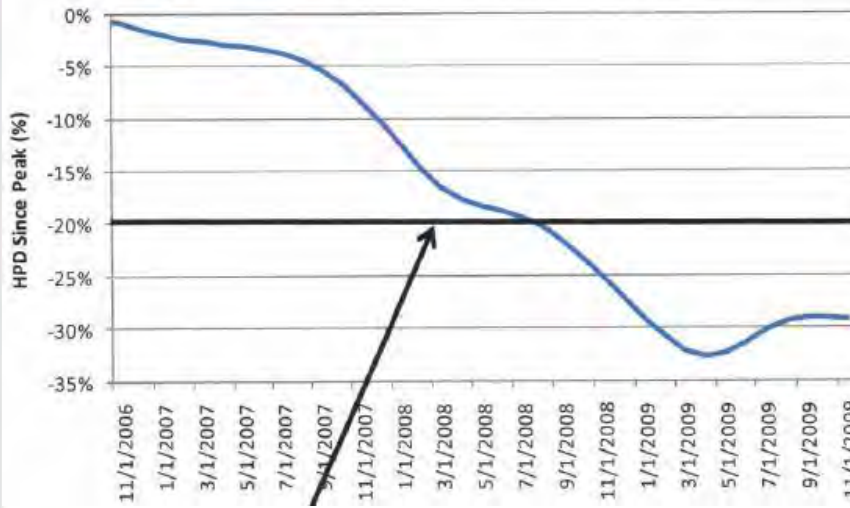
The Mortgage Market Has Effectively Been Nationalized

Mortgage Origination

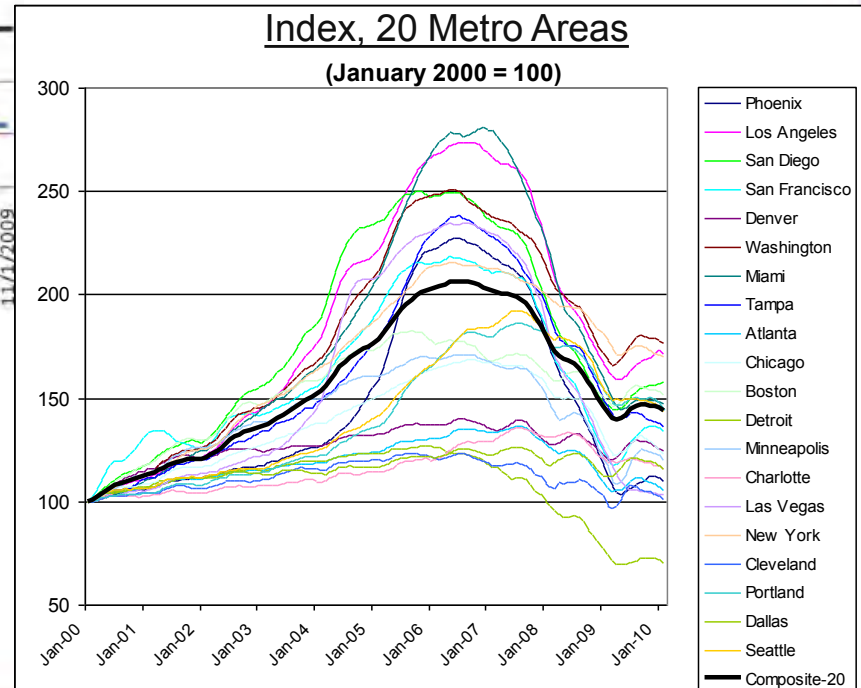


Housing Prices Have Fallen Sharply

S&P/CS Cumulative HPD Since 2006 Peak

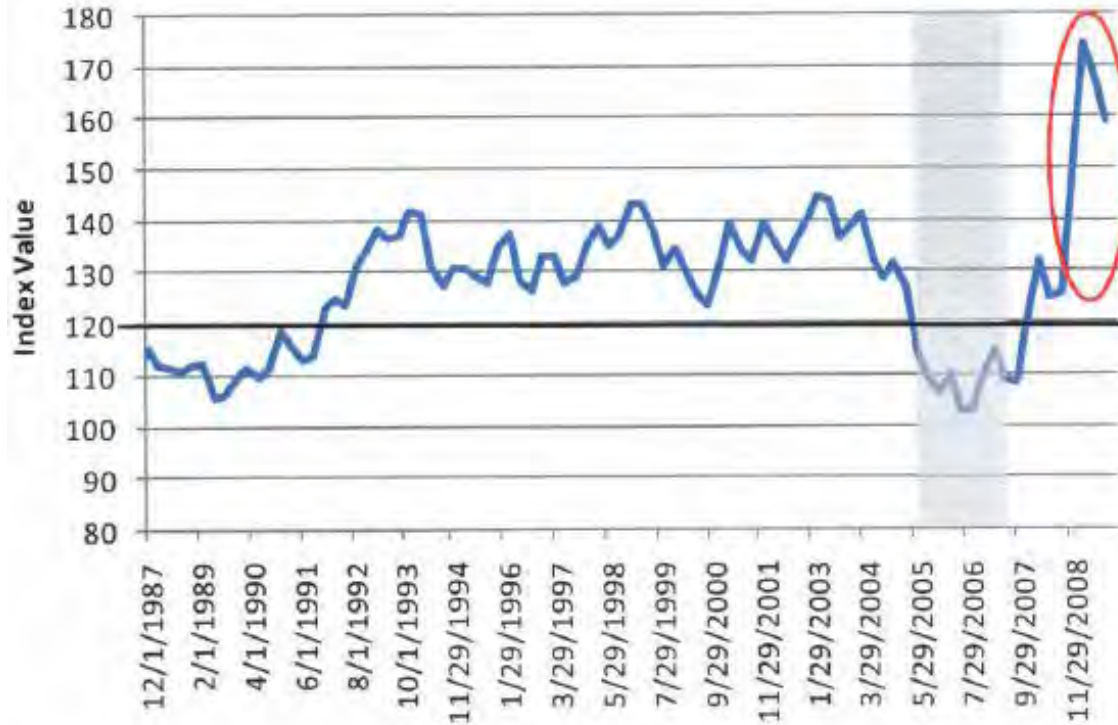


S&P/Case-Shiller Home Price Index, 20 Metro Areas (January 2000 = 100)



The Sharp Drop in Housing Prices, Combined with Low Interest Rates, Has Made Housing Very Affordable

Housing Affordability Composite Index

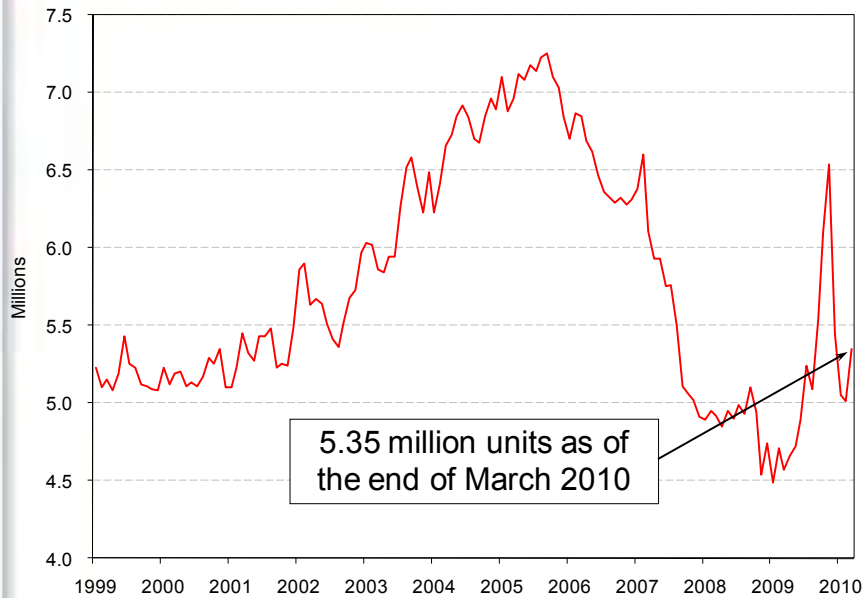


In Addition to Affordability, Two Primary Factors Have Been Driving Home Sales

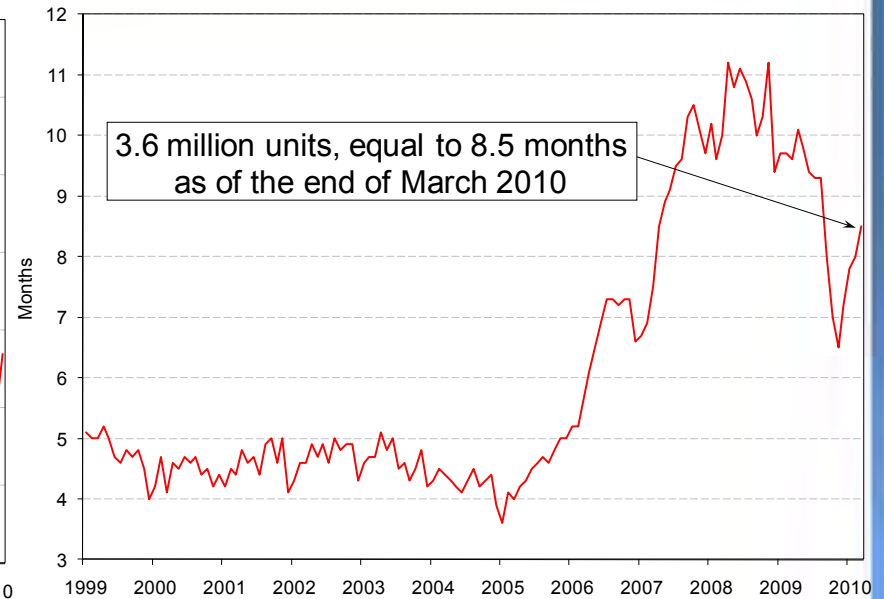
- The \$8,000 First-Time Buyer and the \$6,500 Repeat Buyer Federal Tax Credits (expired last Friday)
- Every loan officer and realtor has recently been telling buyers that rates will soar when the Fed ceases the MBS purchase program so “you’d better buy now!”

Existing Homes Sales and Inventory Have Gyrate Wildly in Recent Months, But Inventory Is Still Well Above Historical Levels – And Shadow Inventory Lurks

Annualized Rate of Existing Home Sales



Months Supply

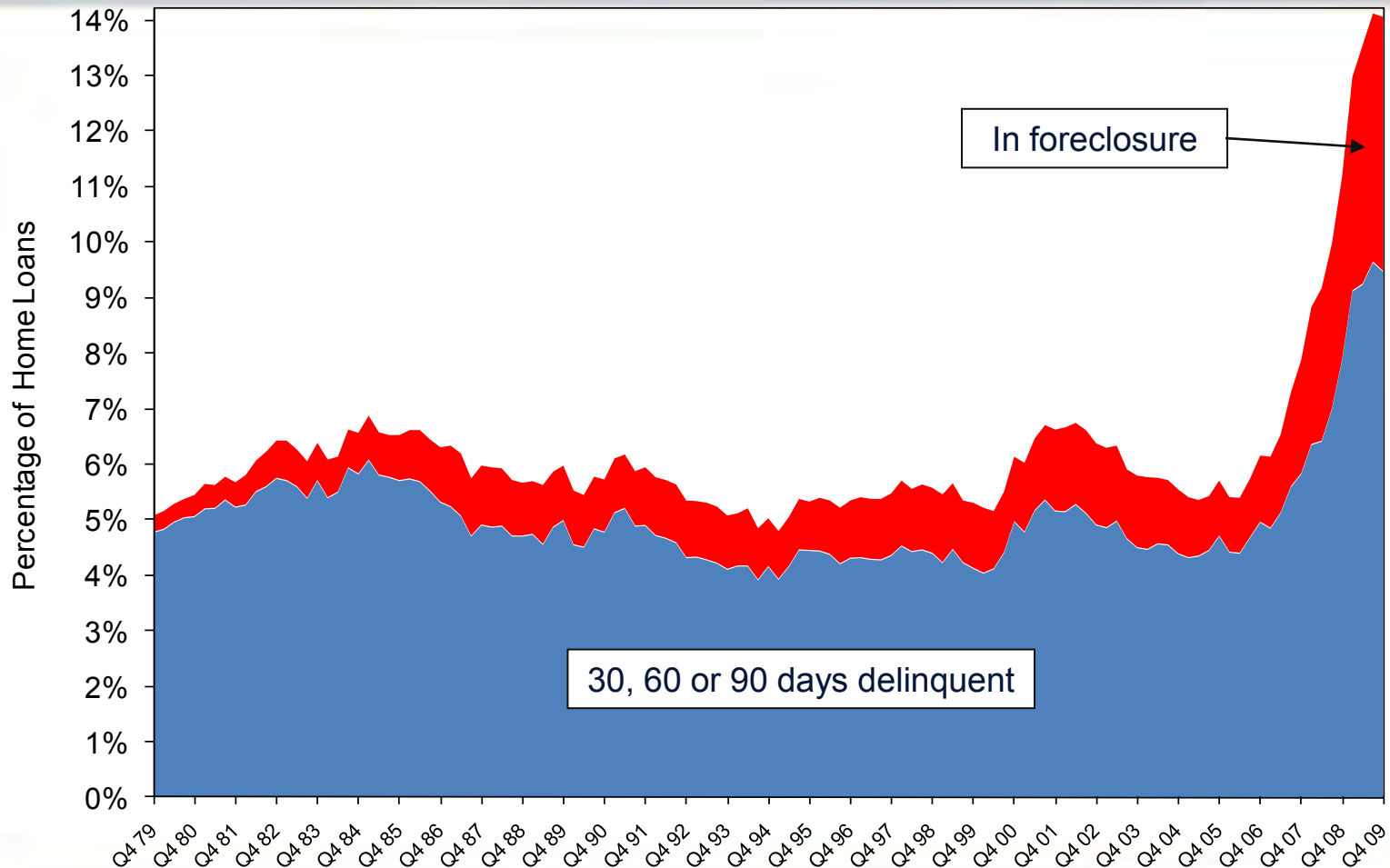


Delinquencies and Inventory Overhang

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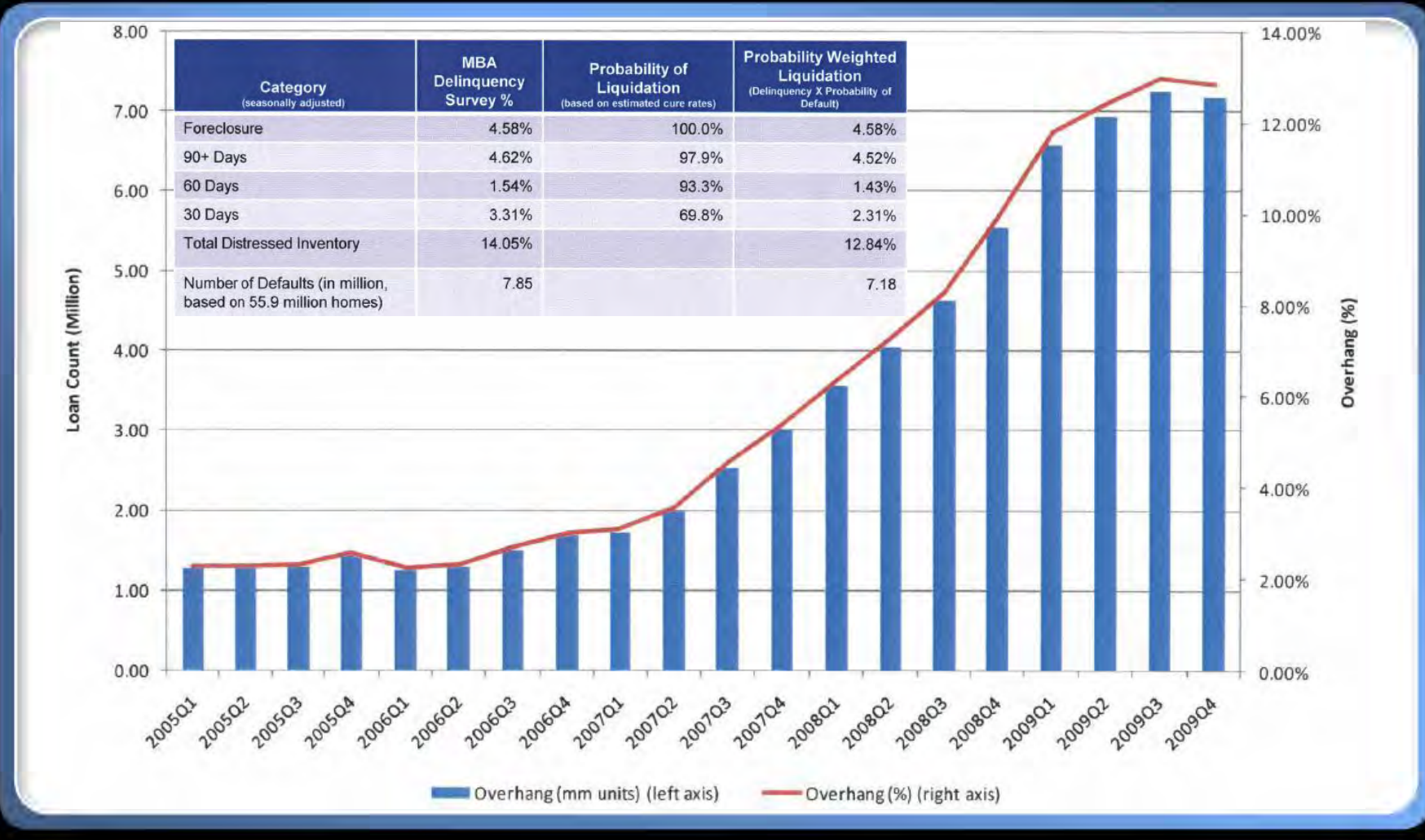
More Than 14% of Mortgages on 1-to-4 Family Homes Were Delinquent or in Foreclosure as of Q4 2009

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Source: National Delinquency Survey, Mortgage Bankers Association; T2 Partners estimates. Note: Delinquencies (30+ days) are seasonally adjusted.

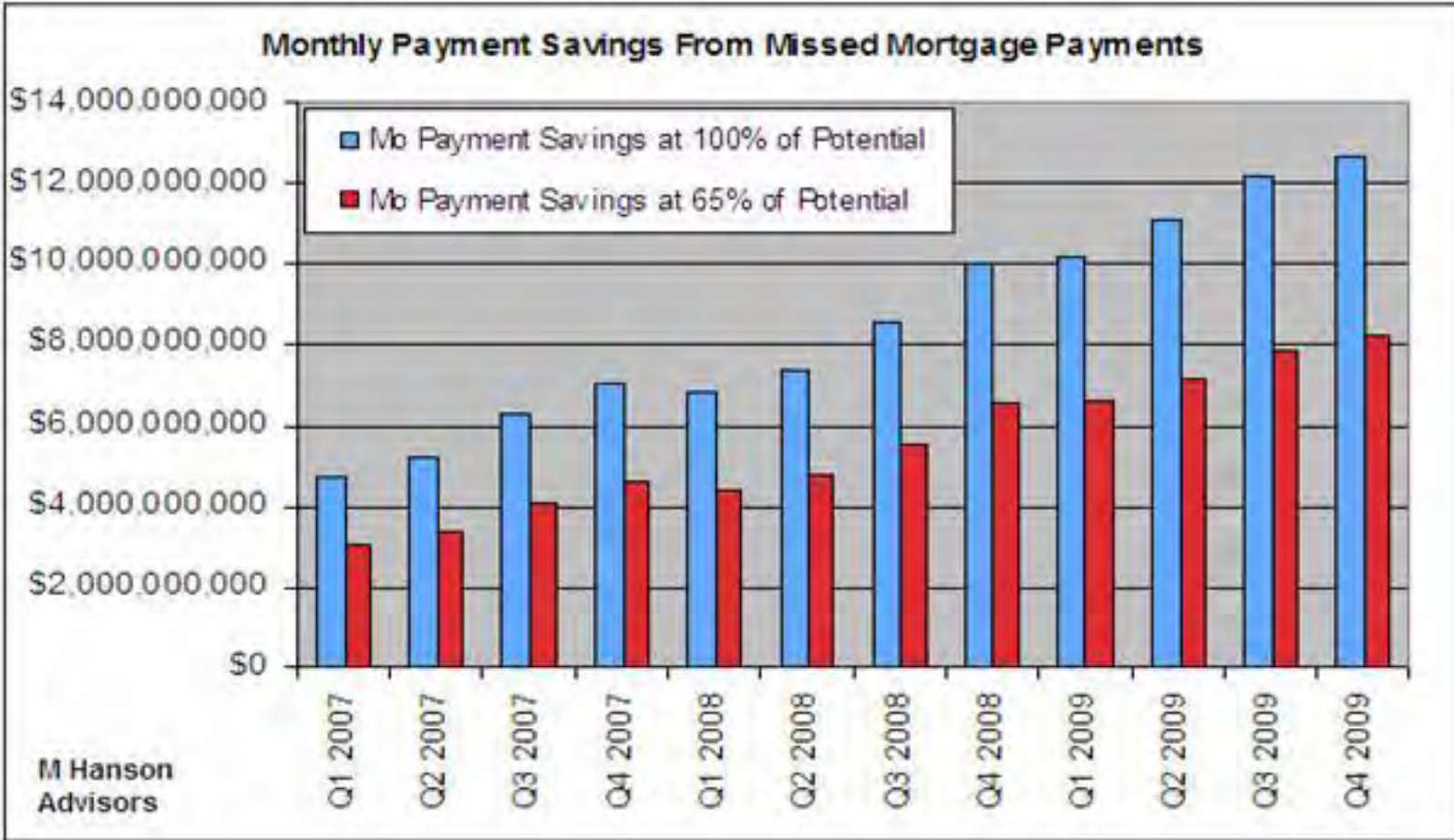
The Current “Housing Overhang” Is More Than 7 Million Homes – Which Doesn’t Include Any New Defaults, Which Are Running at Approximately 300,000/Month!



Source: Mortgage Bankers Association, Loan Performance, Amherst Securities.

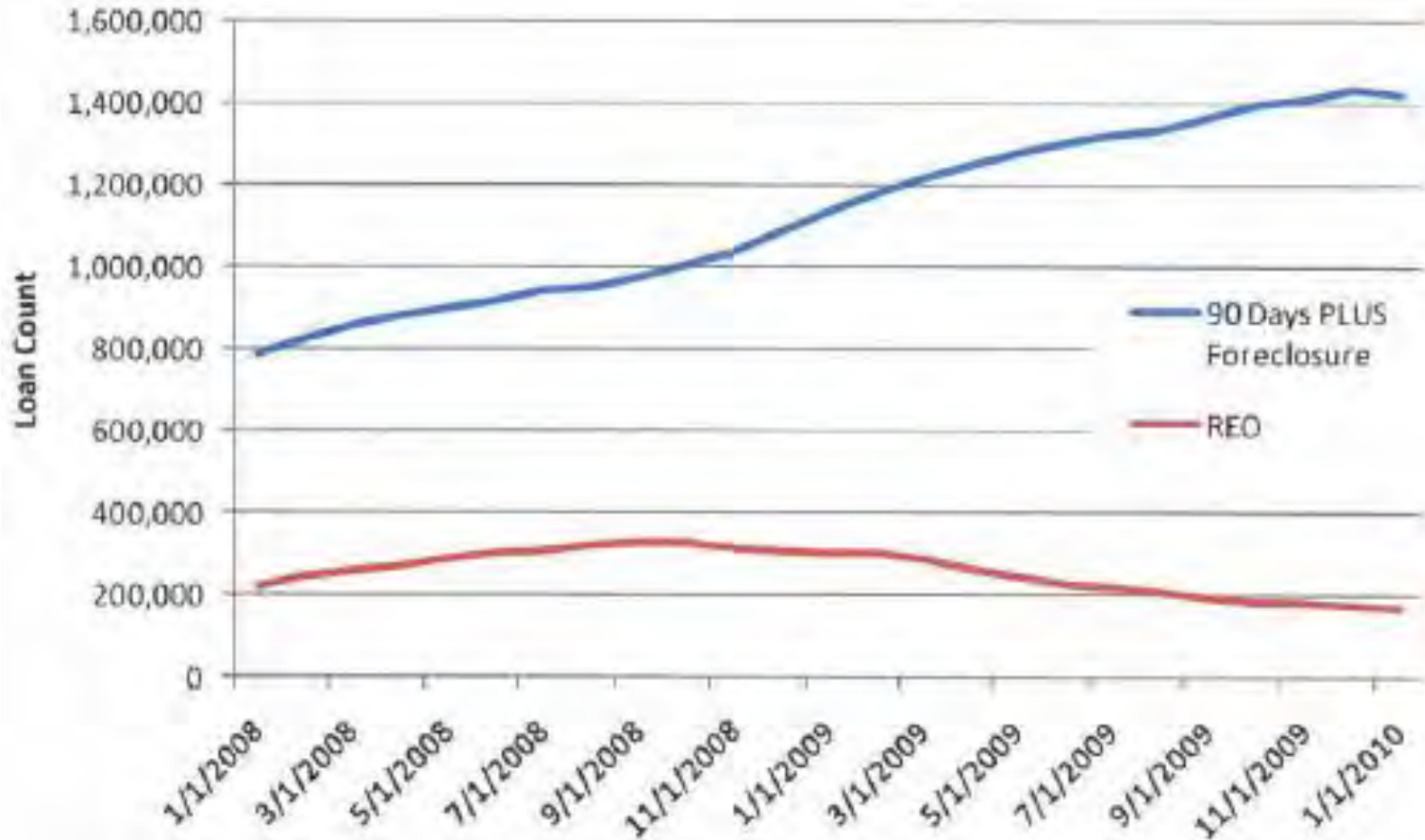
The 7+ Million Homeowners in Default Are Saving \$8-\$12 Billion Per Month, or \$100-\$150 Billion Annually

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Banks and Servicers Have Sold Down Their REO, But the Number of Seriously Delinquent and Foreclosed Loans Continues to Grow

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Source: Loan Performance, Amherst Securities.

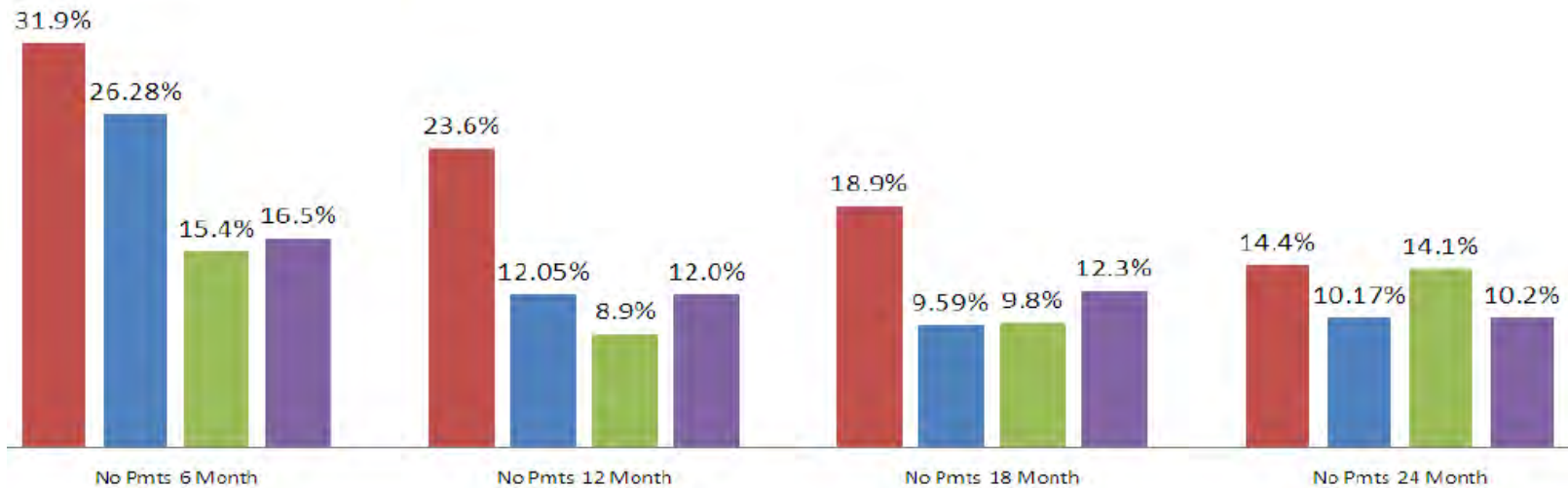
Banks and Servicers Have Dramatically Slowed the Foreclosure and REO Process



Of Homeowners Who Haven't Made a Payment in a Full Year, 23.6% Haven't Been Foreclosed Upon

Number of Loans not in Foreclosure as a % of Loans with 6, 12, 18, or 24 missed payments

■ February 2010 Non-Foreclosure ■ February 2009 Non-Foreclosure ■ February 2008 Non-Foreclosure ■ February 2007 Non-Foreclosure

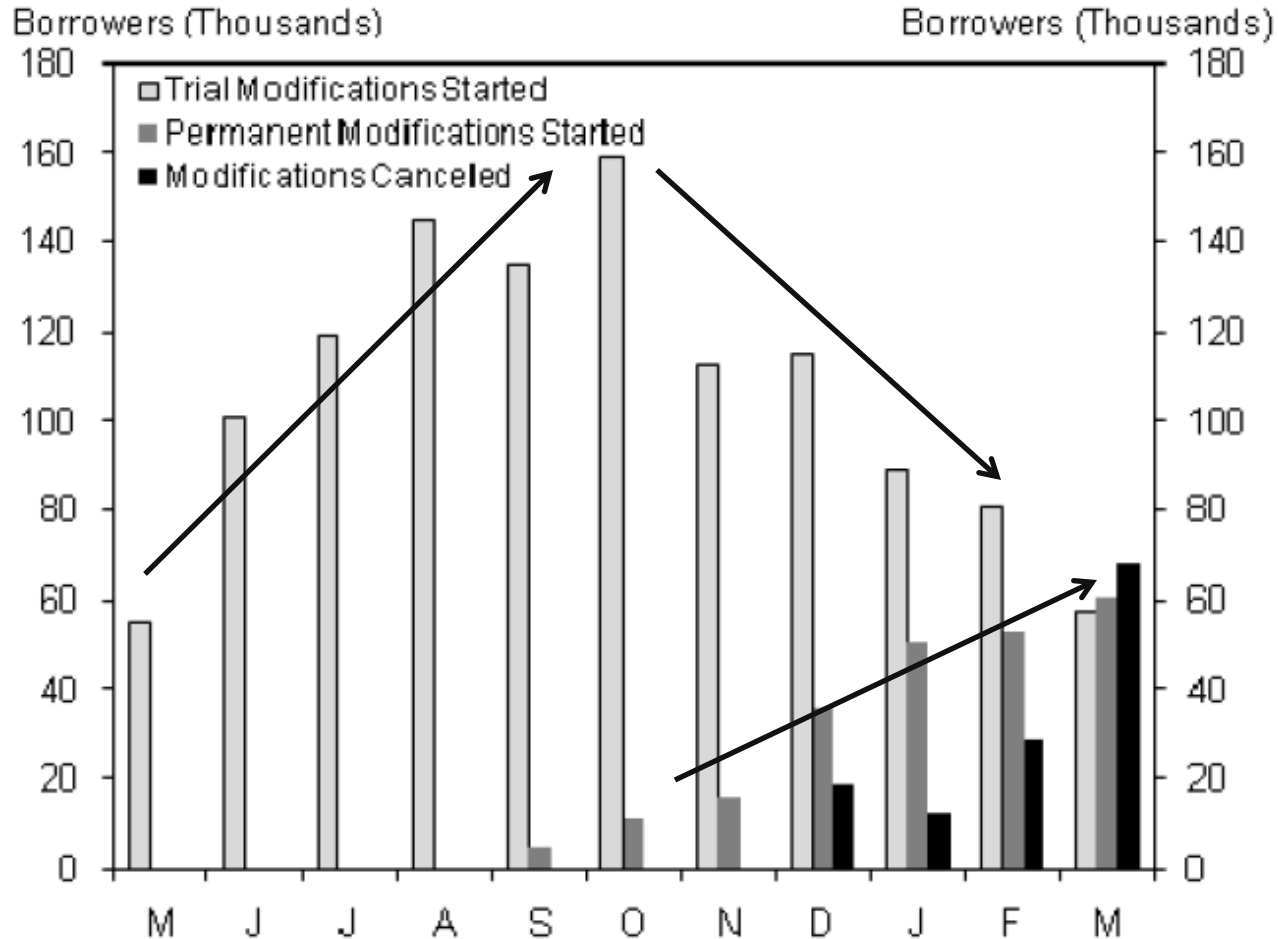


	No Payments 6 Months	No Payments 12 Months	No Payments 18 Months	No Payments 24 Months
Loans Not in Foreclosure	722,496	318,760	126,007	39,527
Total Loans with Missed Payments	2,268,249	1,352,586	665,489	275,321
% of Loans not in foreclosure	31.9%	23.6%	18.9%	14.4%

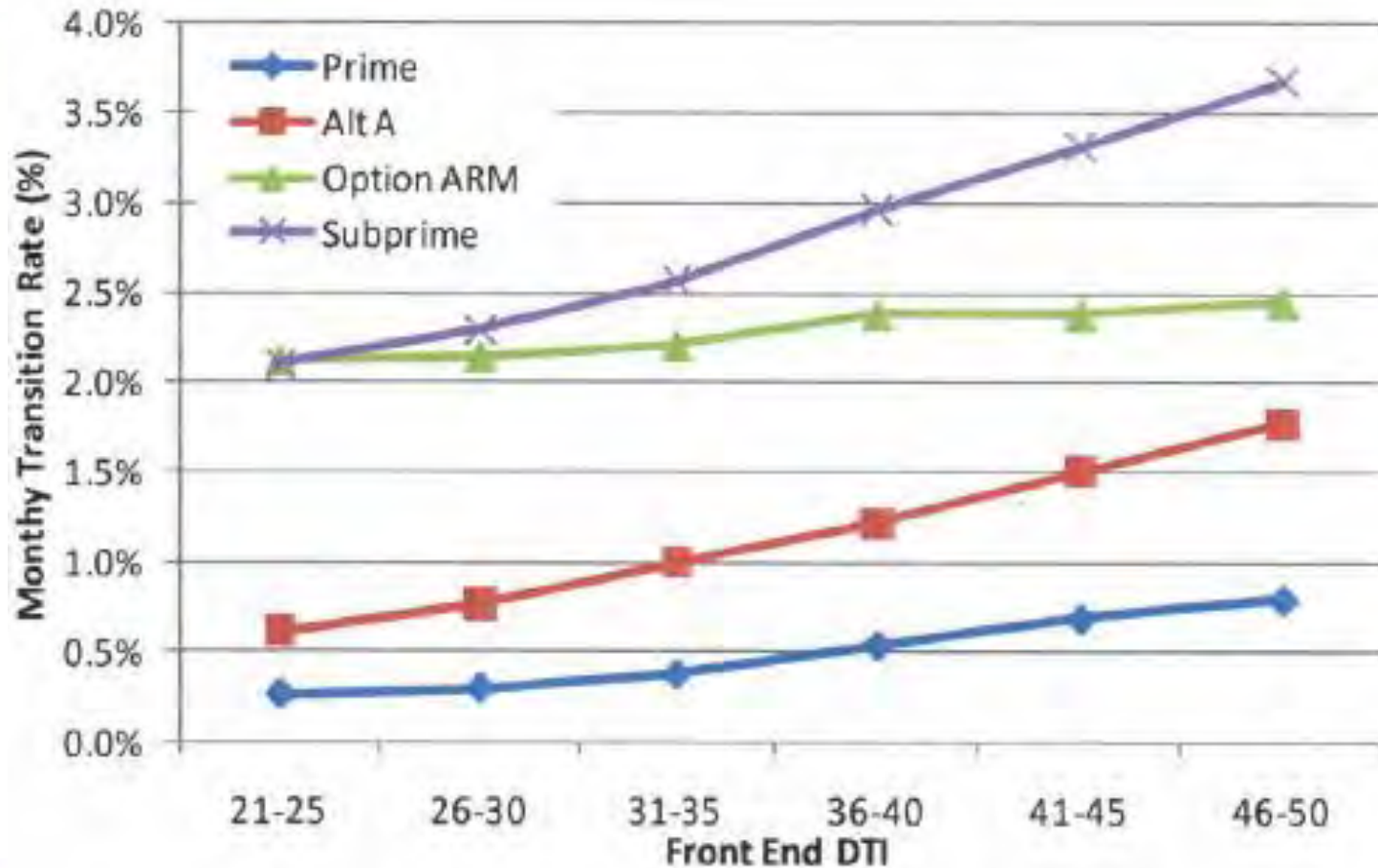
Modifications and Underwater Homeowners

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Trial Modifications Surged and Are Now Declining, and Both Permanent and Cancelled Ones Are Up



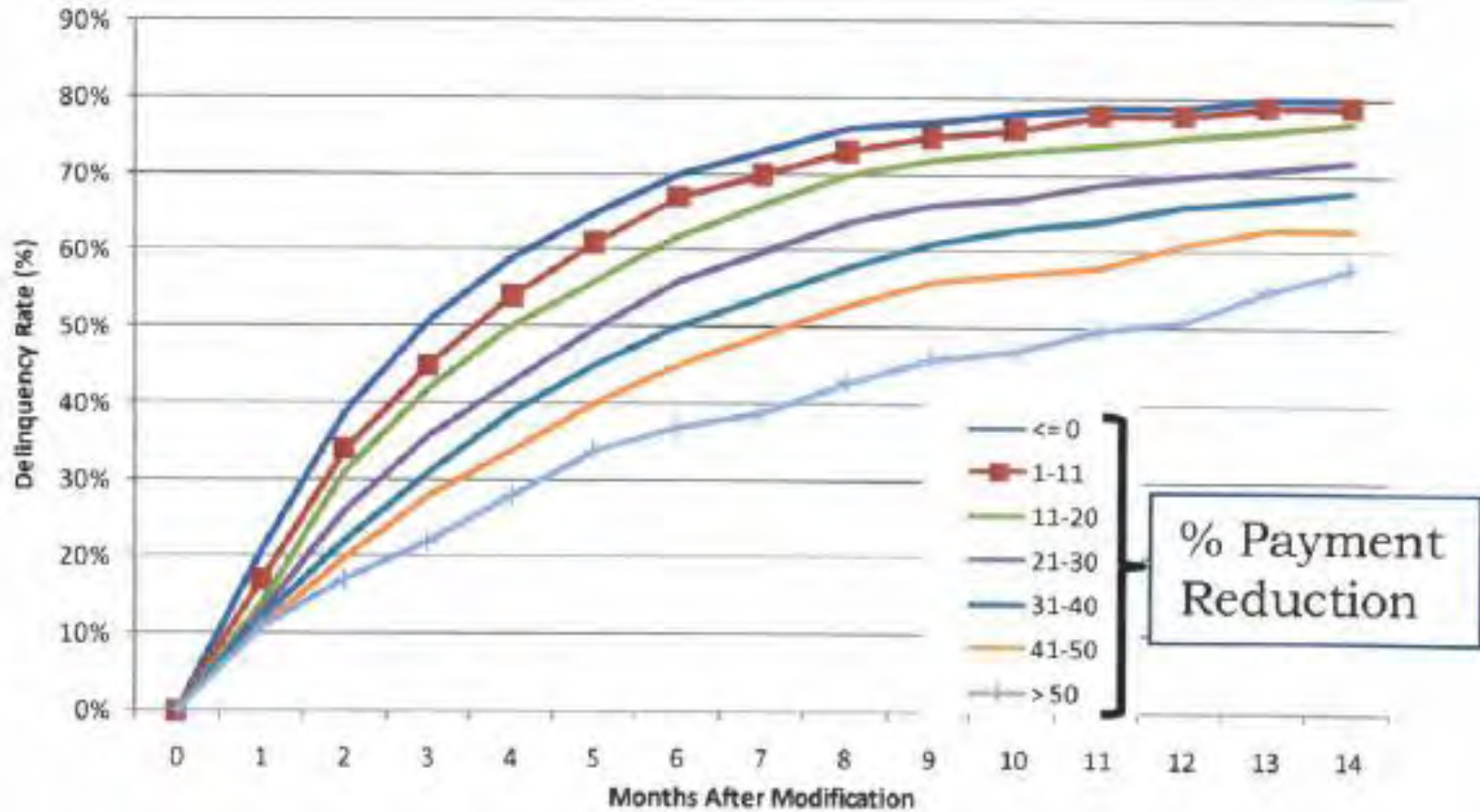
Lower Debt-to-Income (DTI) Loans Perform Much Better



Note: Monthly Transition Rate (sTr): % of loans becoming 60+ days delinquent for the first time, quoted on a monthly basis.

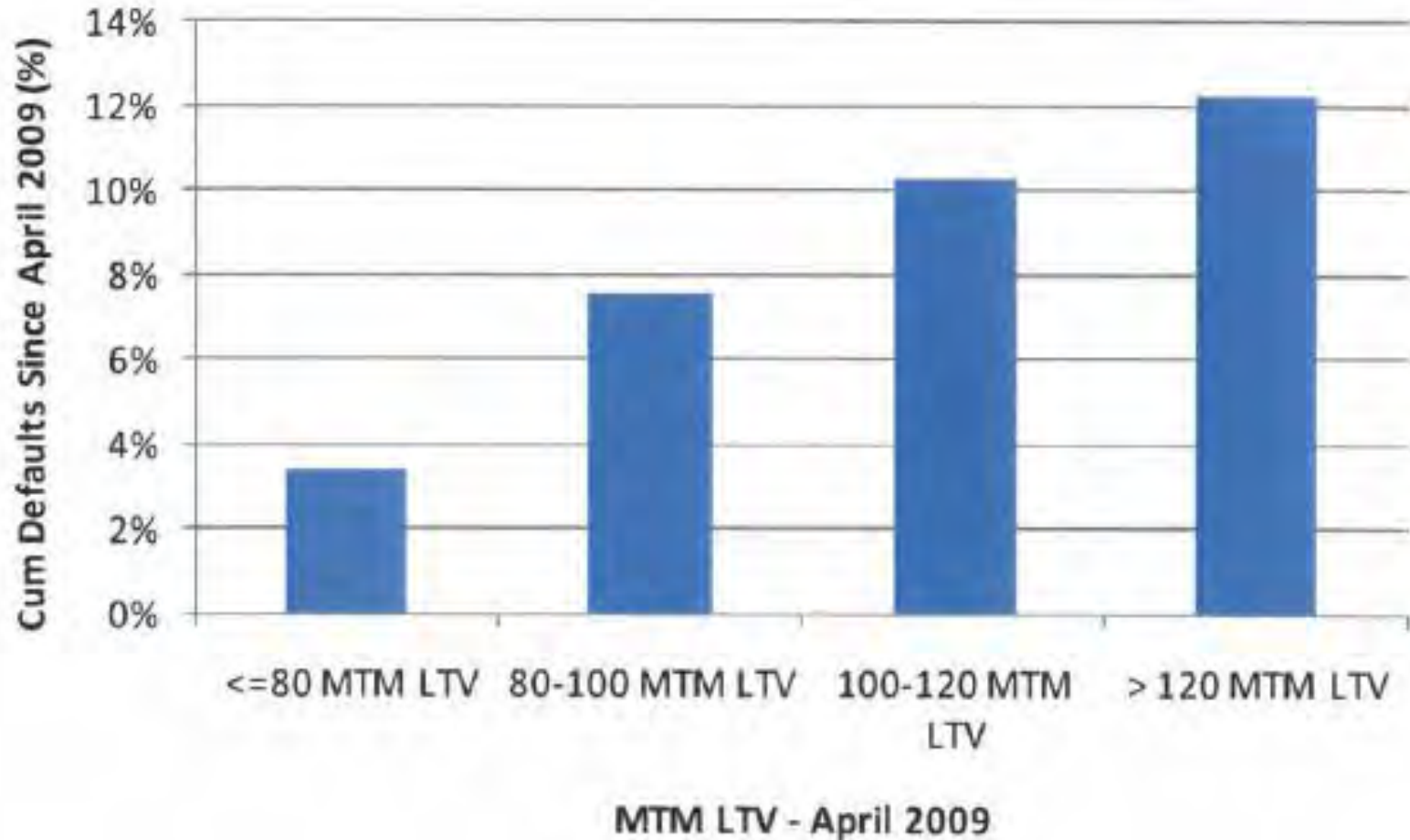
Source: Loan Performance, Amherst Securities.

But Re-Default Rates for Modified Loans Are Very High, Even When Monthly Payments Are Reduced Sharply



Homeowners With Equity In Their Homes Are Unlikely To Default

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Being Underwater Is a Much Bigger Driver of Defaults Than Unemployment

Prime Loans

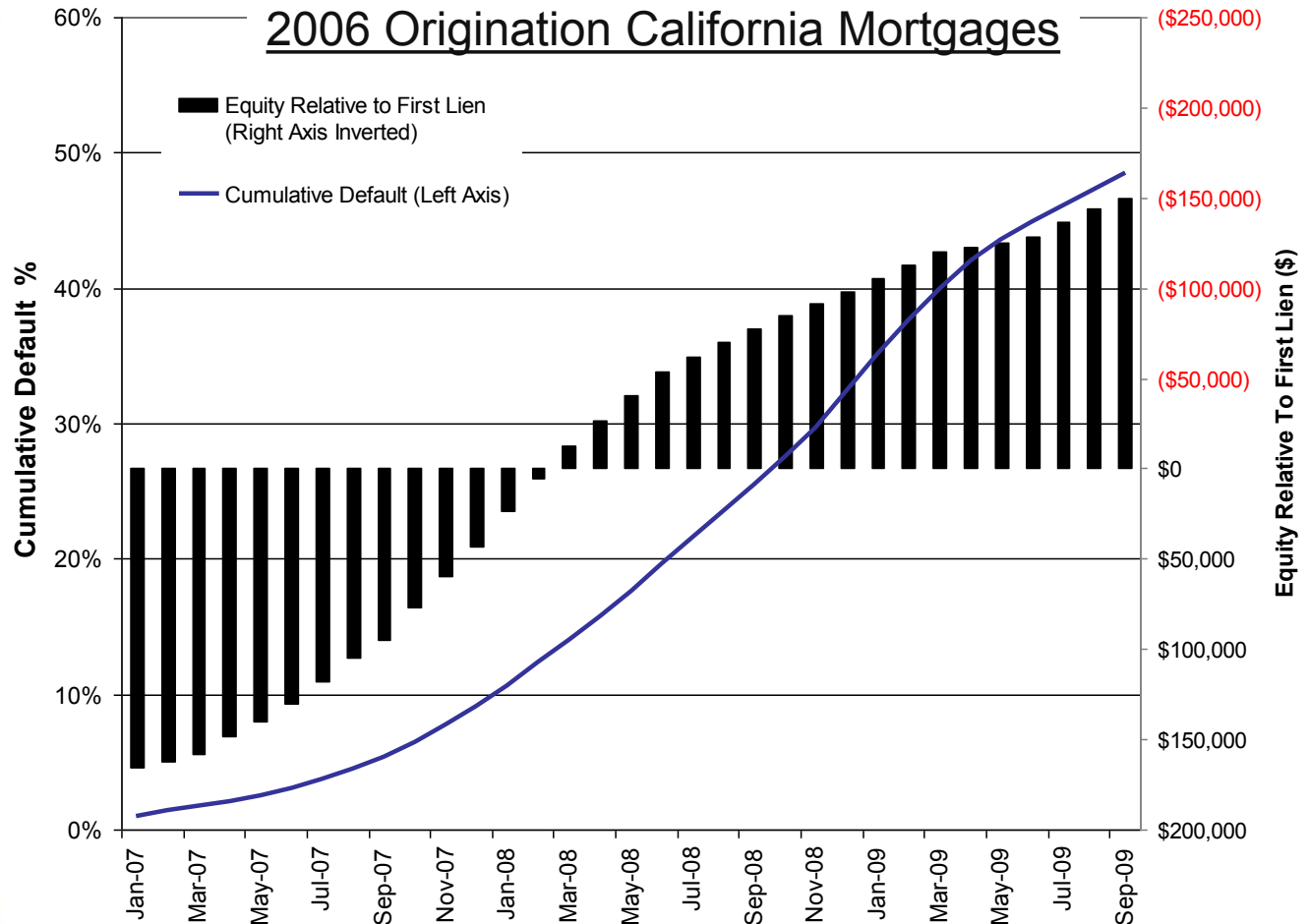
Unemployment Rate 3Mo Ago (%)	Monthly Transition Rates (%)			
	CLTV <= 80	CLTV 81- 100	CLTV 101- 120	CLTV > 120
<= 8.0	0.23	0.50	0.64	0.85
8.1-10.0	0.21	0.55	0.82	1.69
10.1-12.0	0.18	0.54	0.91	1.74
> 12.0	0.18	0.51	0.97	2.05

The Mortgage Crisis is Shifting From One in Which Defaults Are Driven by Resets to Underwater Borrowers Being the Primary Driver

Example:

First-lien mortgages in California that were originated in 2006 went from \$165,000 of equity to an average *negative* equity of \$149,000 by Sept. 2009.

The cumulative default rate tracked this loss of equity, rising from 1.0% to 48.5%.

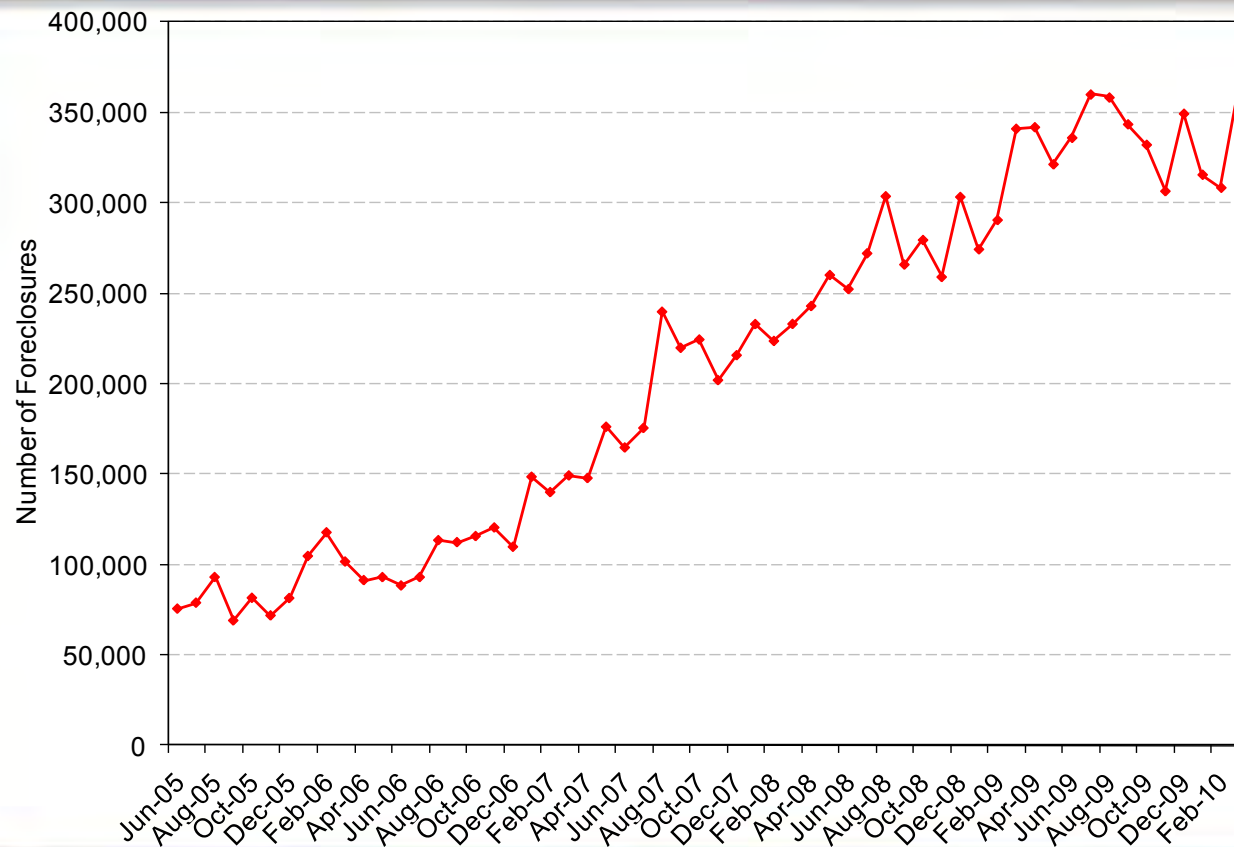


What the Future Holds

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Foreclosure Filings Have Increased Dramatically

- 367,056 foreclosure filings during March were up 19% sequentially and up 8% year-over-year.
- 2.2% of all U.S. housing units (one in 45) received at least one foreclosure filing in 2009.

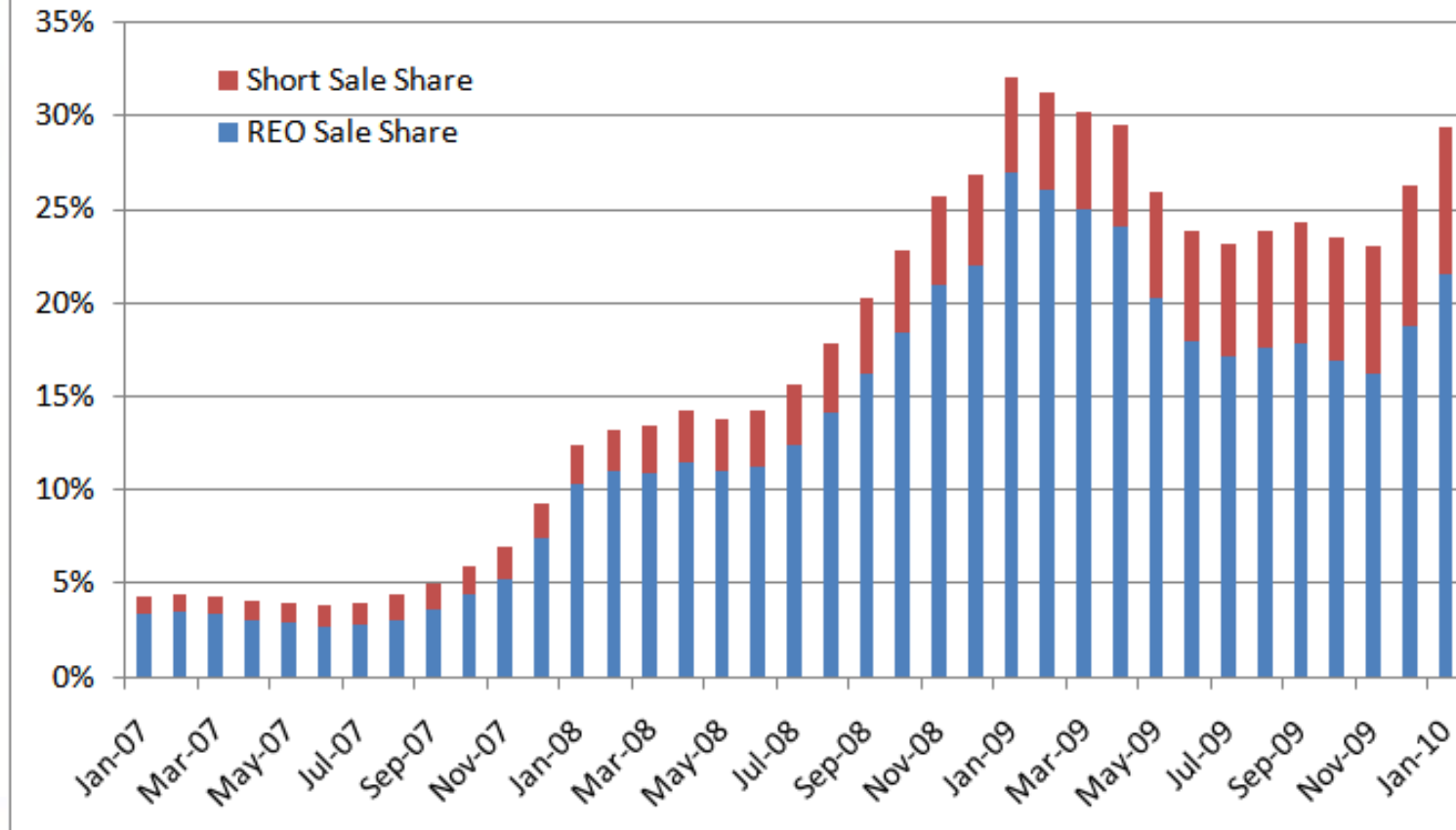


Note: Foreclosure filings are defined as default notices, auction sale notices and bank repossessions.

Source: RealtyTrac.com U.S. Foreclosure Market Report.

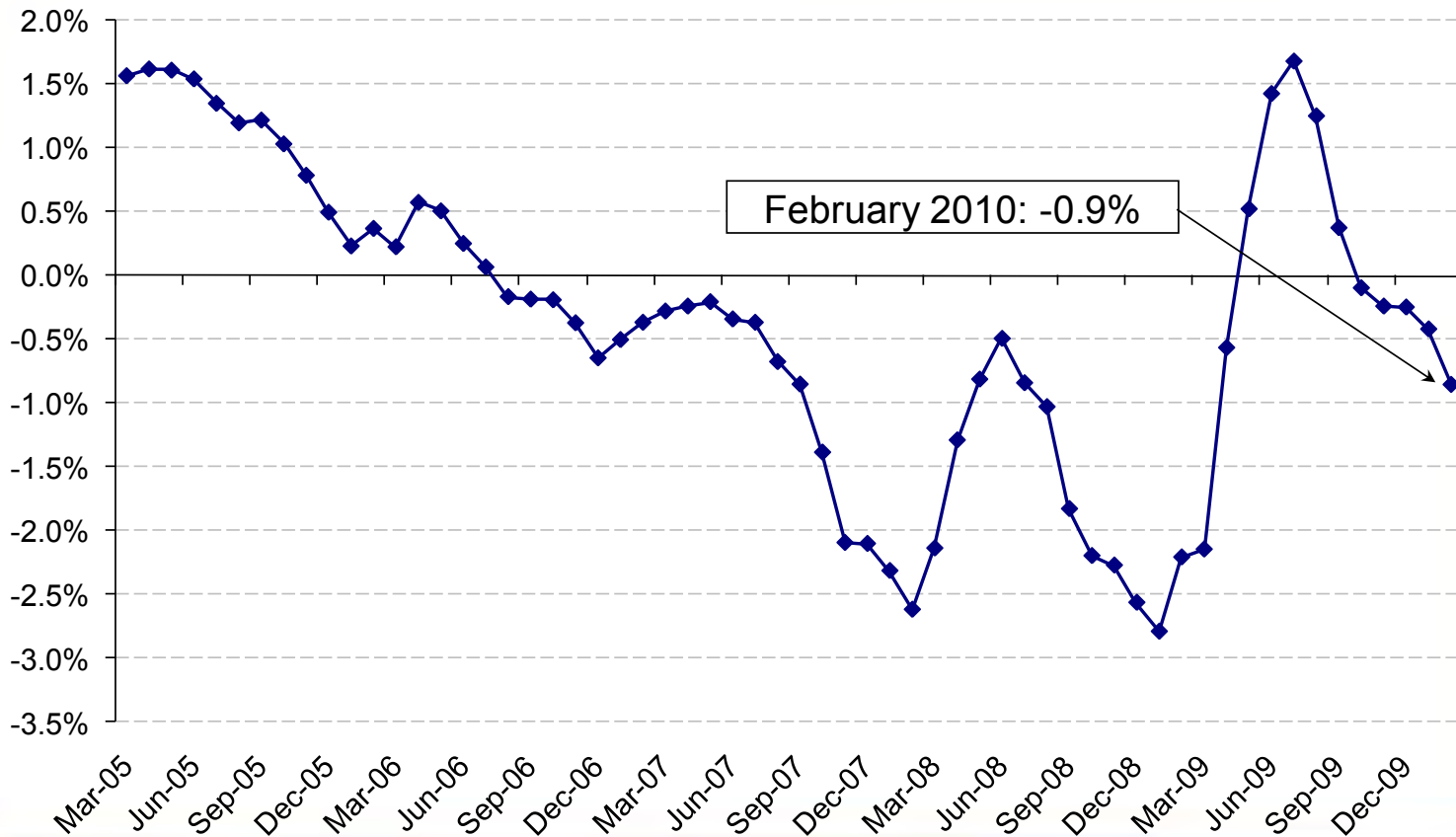
Distressed Sales Have Started to Rise Again

Figure 1: Distressed Sale Share of Total Resales



Home Prices Increased Every Month From May-September, then Fell October-February

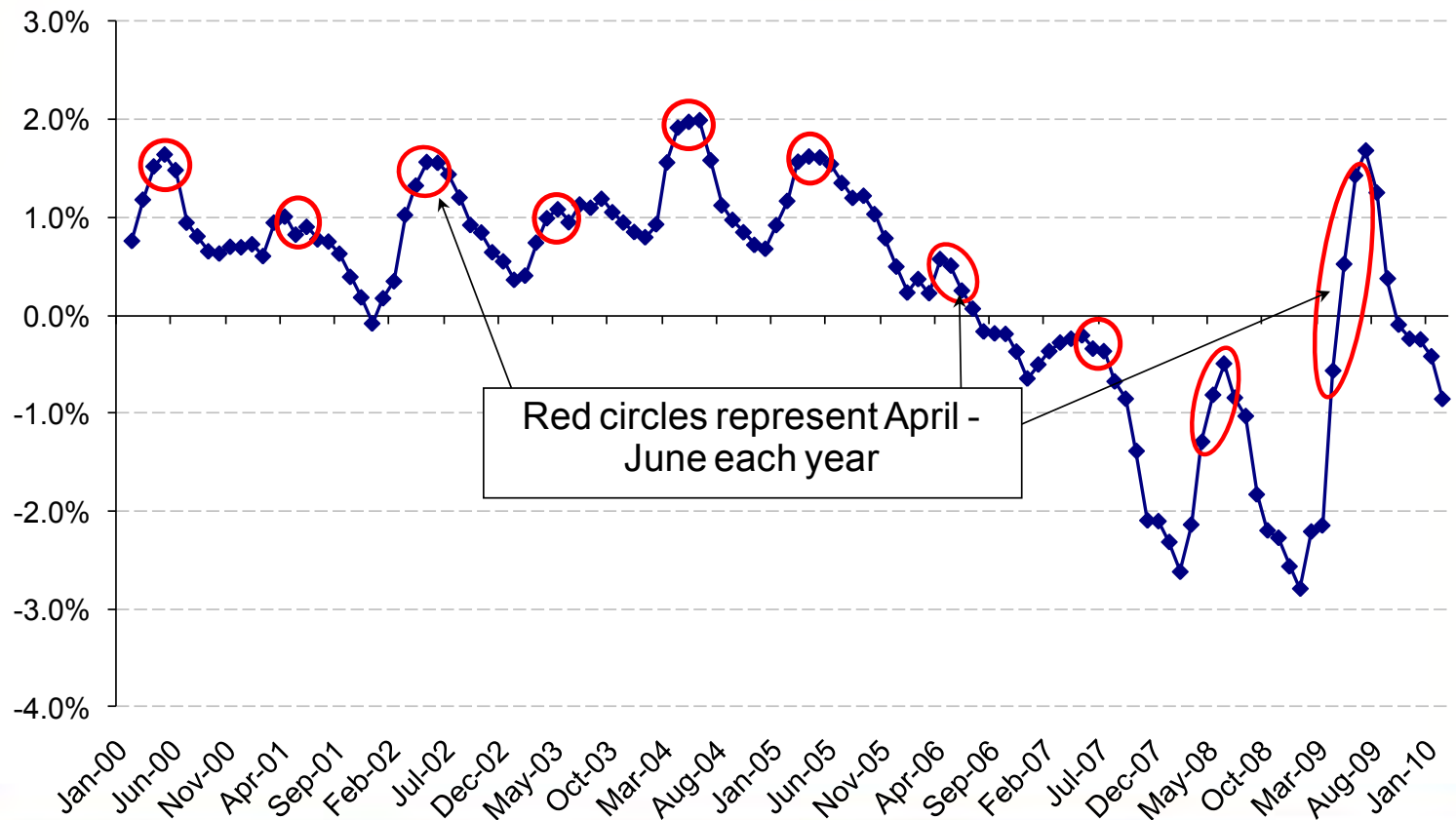
Sequential Home Prices March 2005-February 2010



Source: S&P Case-Shiller 20-city index, non-seasonally adjusted.

Home Prices Are Always Strong in the Spring and Early Summer

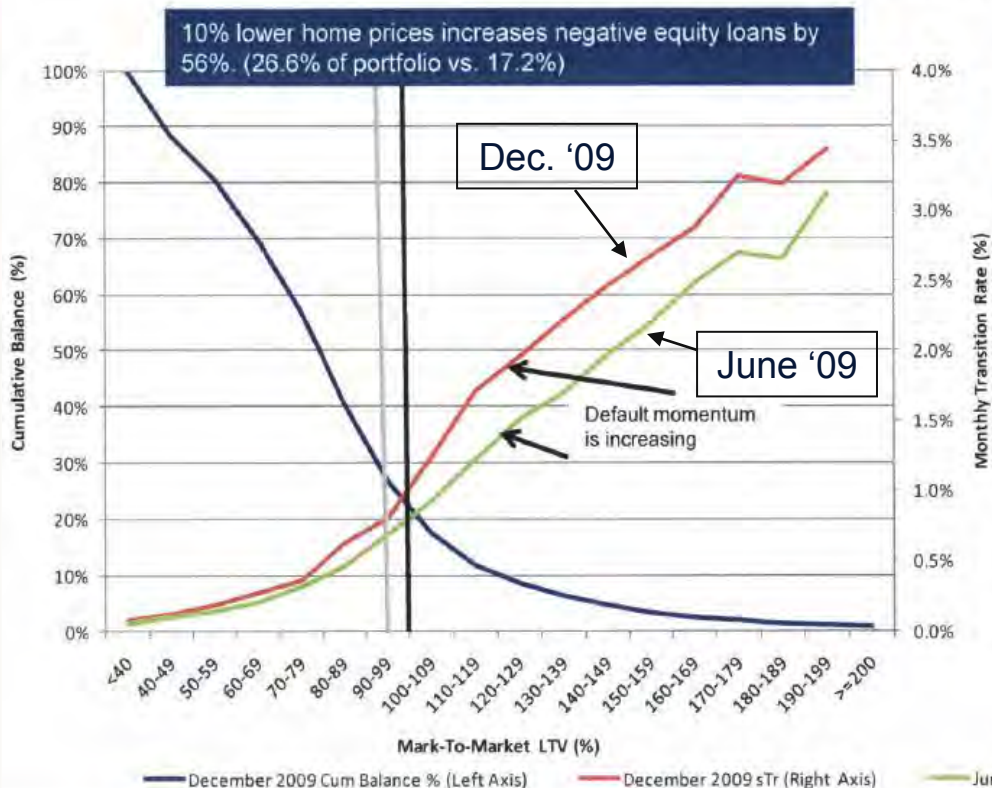
Sequential Home Prices February 2000-January 2010



Source: S&P Case-Shiller 20-city index, non-seasonally adjusted.

If Home Prices Drop 10%, the Percentage of Underwater Homeowners Would Increase by 56%

Aggregate Conventional Non-PLS Universe Data (Proxy GSE)



December 2009 Balance Distribution:				
Implied HPD	MTM LTV Buckets	Balance	Balance %	Cum Balance %
70%	<40	328,049,083,388	11.4%	100.0%
60%	40-49	231,589,573,887	8.1%	88.1%
50%	50-59	307,214,884,139	10.7%	79.7%
40%	60-69	369,797,142,007	12.9%	68.7%
30%	70-79	457,664,909,963	16.0%	55.8%
20%	80-89	403,123,505,307	14.1%	39.7%
10%	90-99	271,132,264,738	9.5%	26.6%
-10%	100-109	161,257,820,538	5.6%	17.2%
-20%	110-119	94,673,237,606	3.3%	11.7%
-30%	120-129	64,371,470,240	2.2%	8.4%
-40%	130-139	45,700,527,042	1.6%	6.1%
-50%	140-149	32,821,022,764	1.1%	4.4%
-60%	150-159	24,393,947,740	0.9%	3.2%
-70%	160-169	18,513,001,094	0.6%	2.4%
-80%	170-179	14,776,621,787	0.5%	1.7%
-90%	180-189	11,432,173,090	0.4%	1.2%
-100%	190-199	8,054,273,216	0.3%	0.8%
-110%	>=200	22,083,704,492	0.8%	0.6%

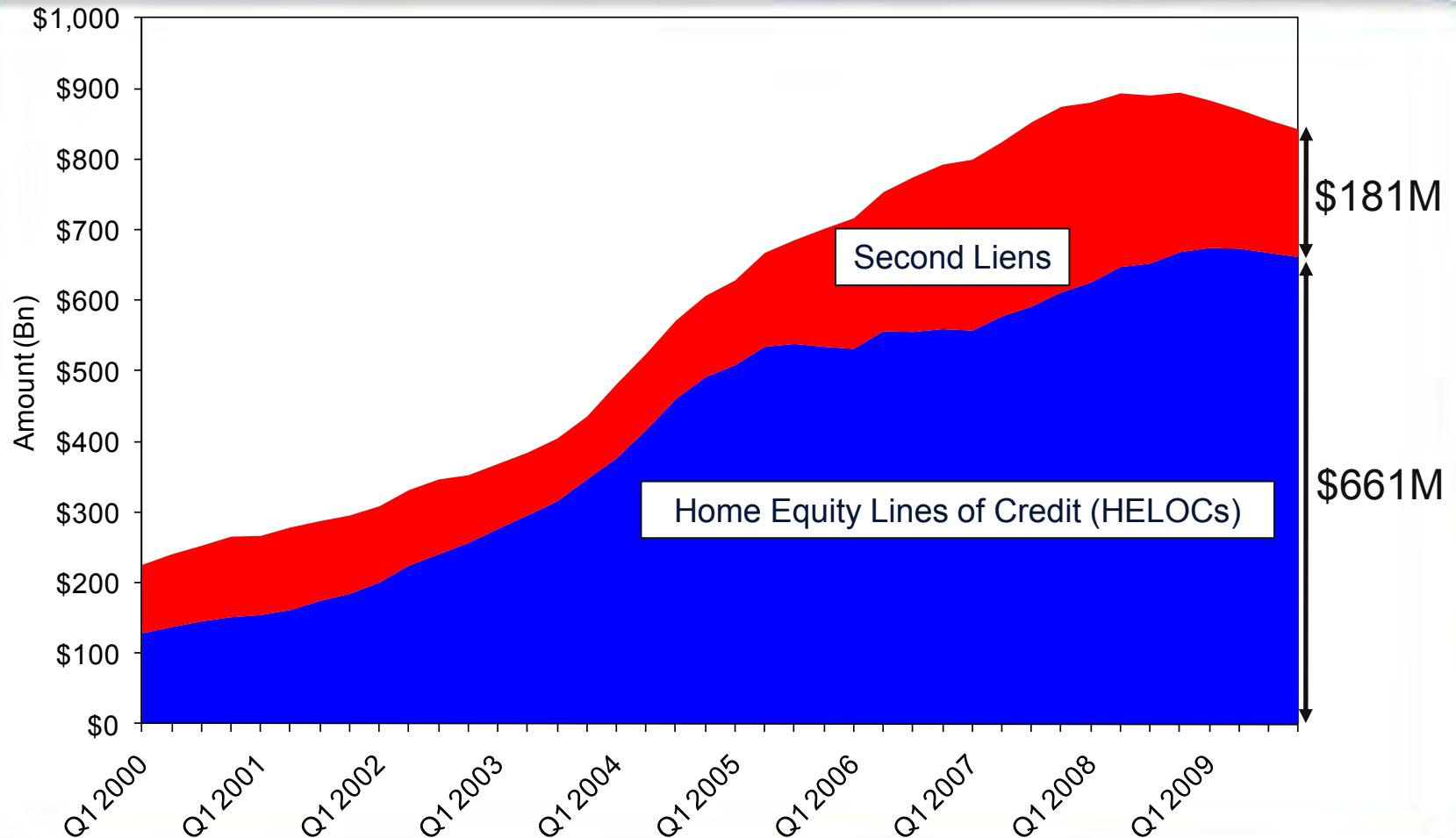
Monthly Transition Rate (sTr):

% of loans becoming 60+ days delinquent for the first time, quoted on a monthly basis

HELOCs and Home Equity Loans Soared in Popularity During the Bubble

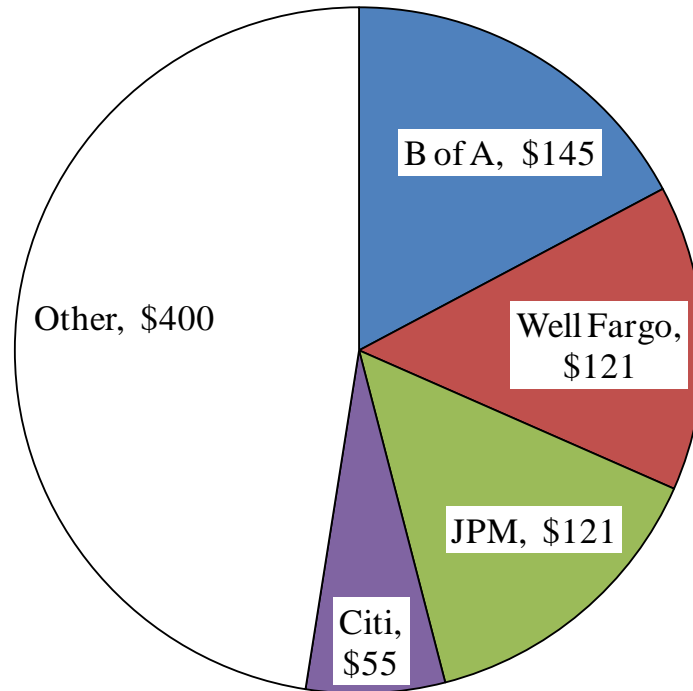
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\$842 Billion Outstanding as of Q4 ,,09



Note: Does not include approximately \$200 billion of securitized HELOCs and junior liens. Source: FDIC Quarterly Banking Profile.

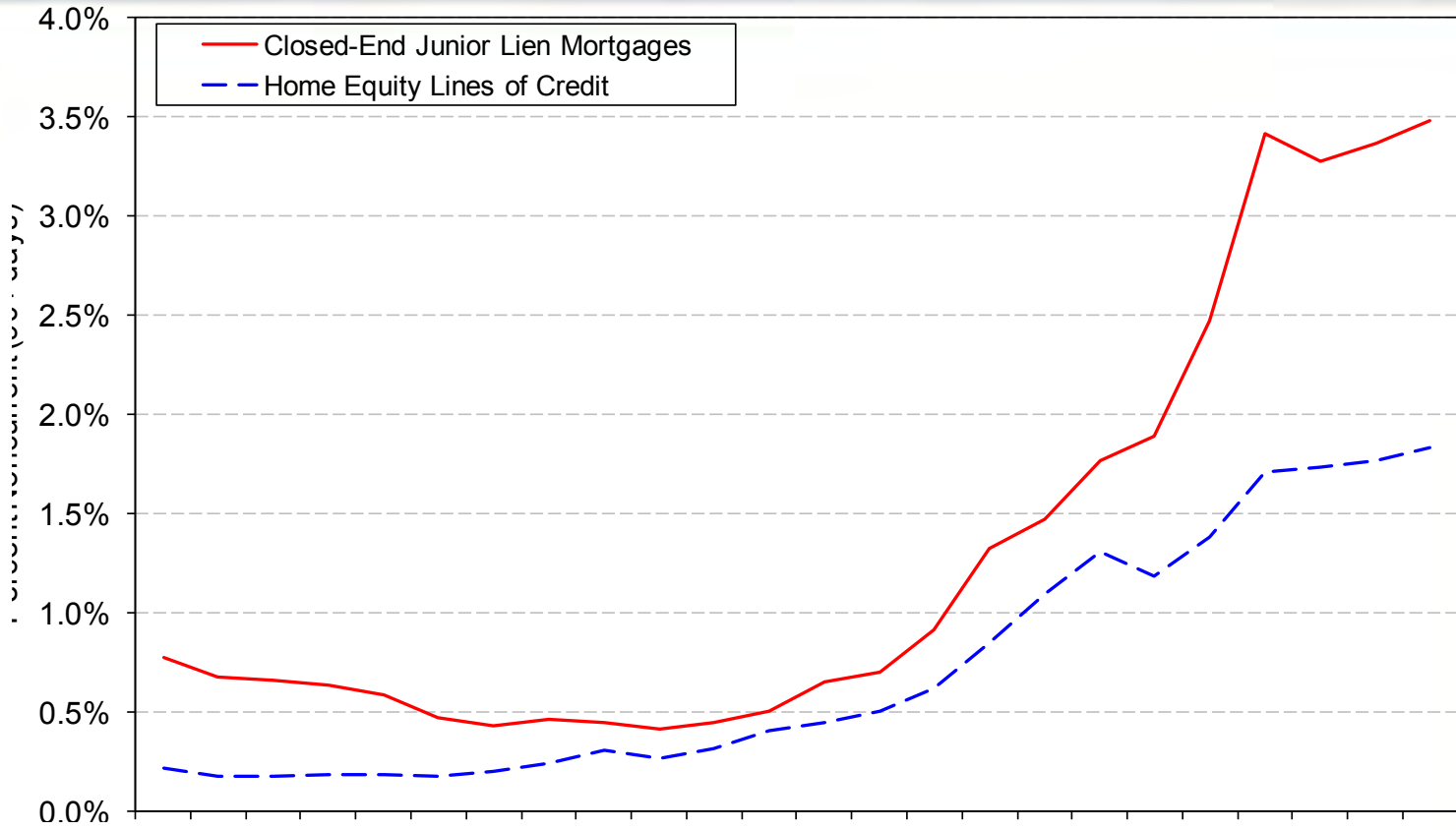
More Than Half of HELOCs and Second Liens (\$442B) Are Owned by the Big 4 Banks



Originator	Total Revolving and 2nd Liens
Bank of America	\$ 144.72
Wells Fargo / Wachovia	\$ 120.89
JP Morgan Chase	\$ 121.28
Citibank, NA	\$ 55.17
Total Top 4	\$ 442.06
Total	\$ 672.90

* - Total refers to total revolving lines of credit at FDIC insured institutions. Overall market size is \$1074.1 billion.

Delinquencies of HELOCs and CESs Are Soaring

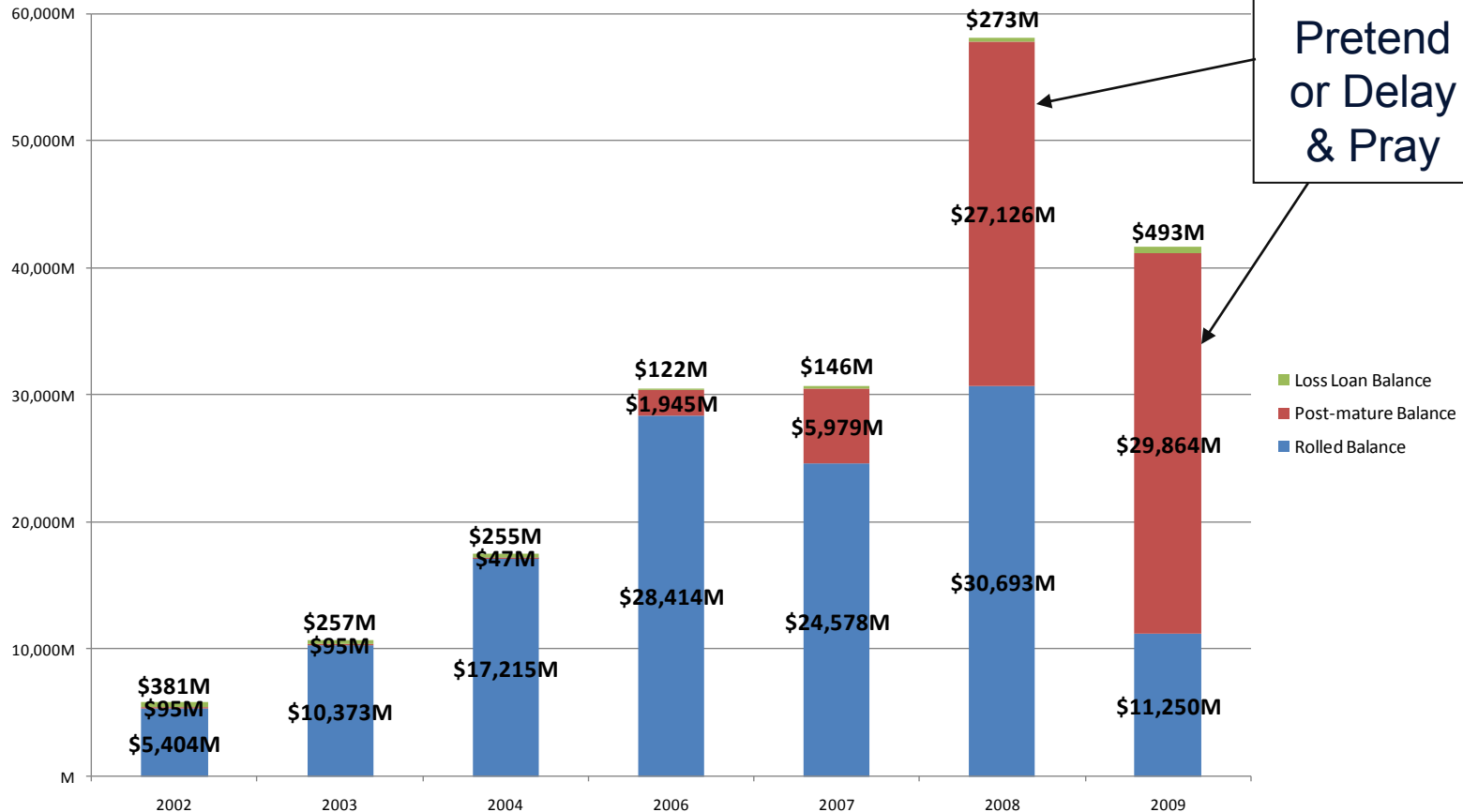


Source: FDIC Quarterly Banking Profile.

When They Mature, Most CMBS Loans Today Are Simply Being Extended, With No Loss Taken

Source: LoanPerformance, Amherst Securities

Matured Loans By Outcome



Extend & Pretend or Delay & Pray

**Investment: Short Homebuilders Via iShares Dow
Jones U.S. Home Construction Index (ITB)**

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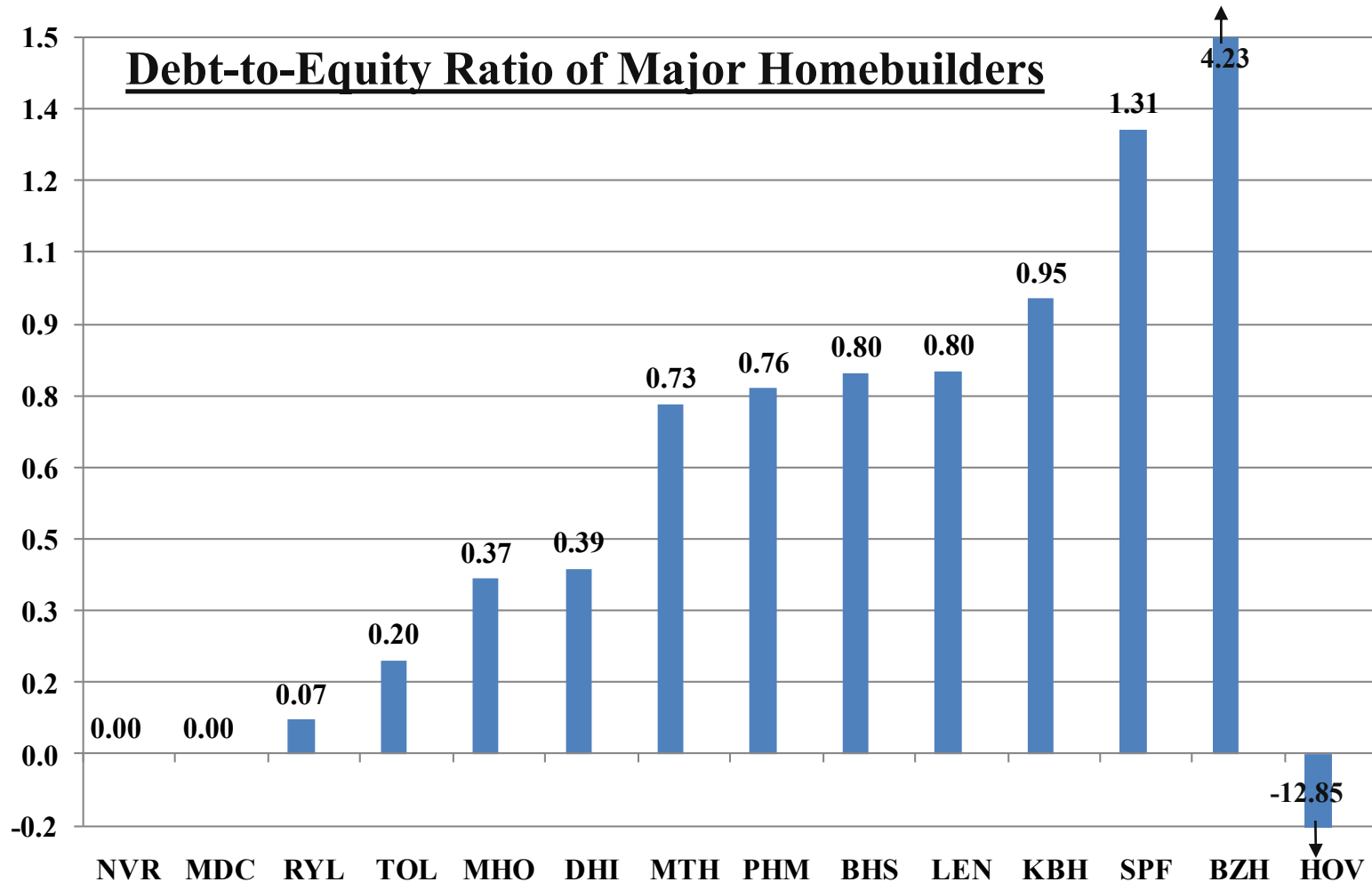
ITB Is Down from Its Peak, but Up 133% From Its March 2009 Lows

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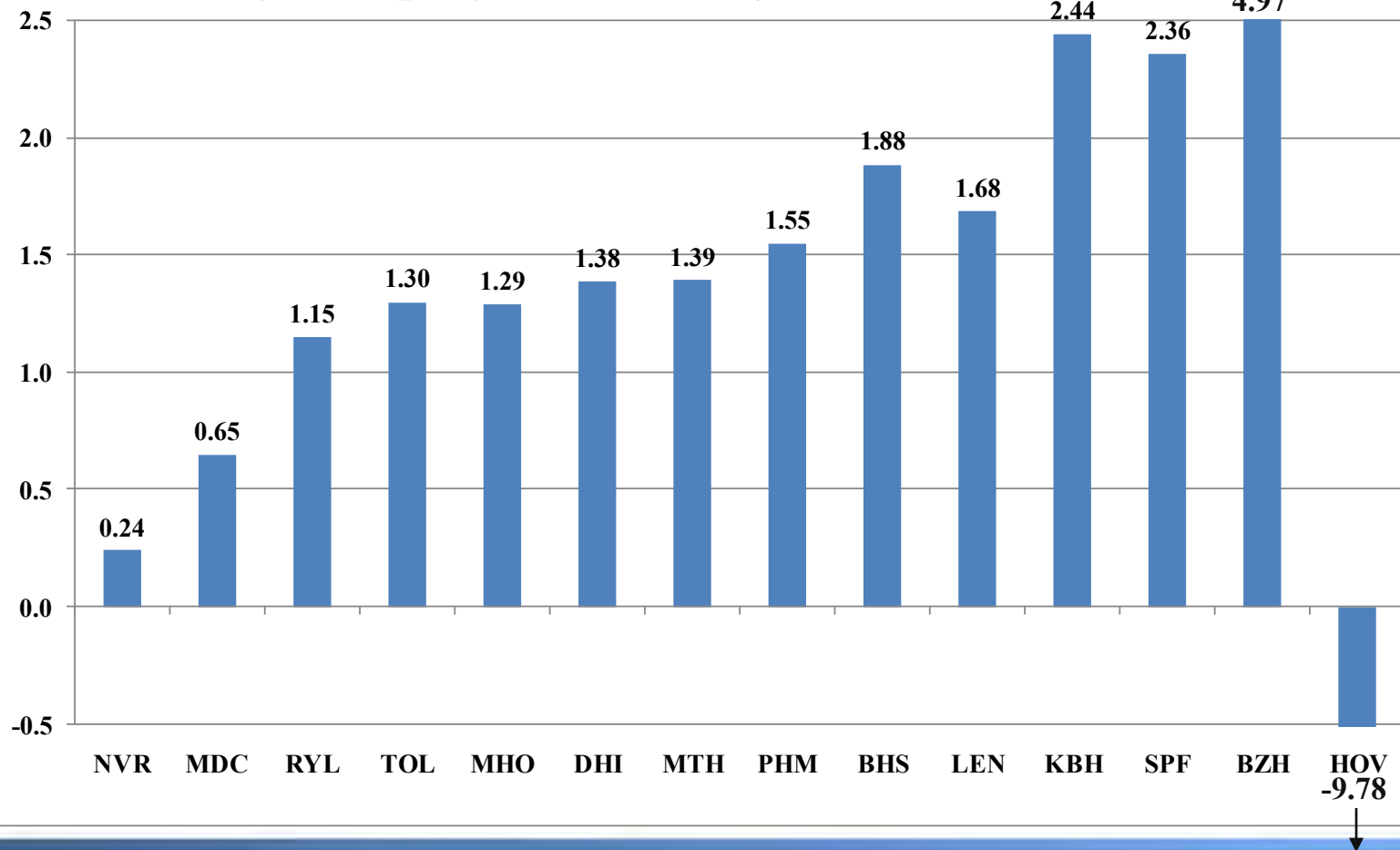
Source: BigCharts.com.

Many Homebuilders Are Quite Leveraged



Many Homebuilders Have Too Much Inventory

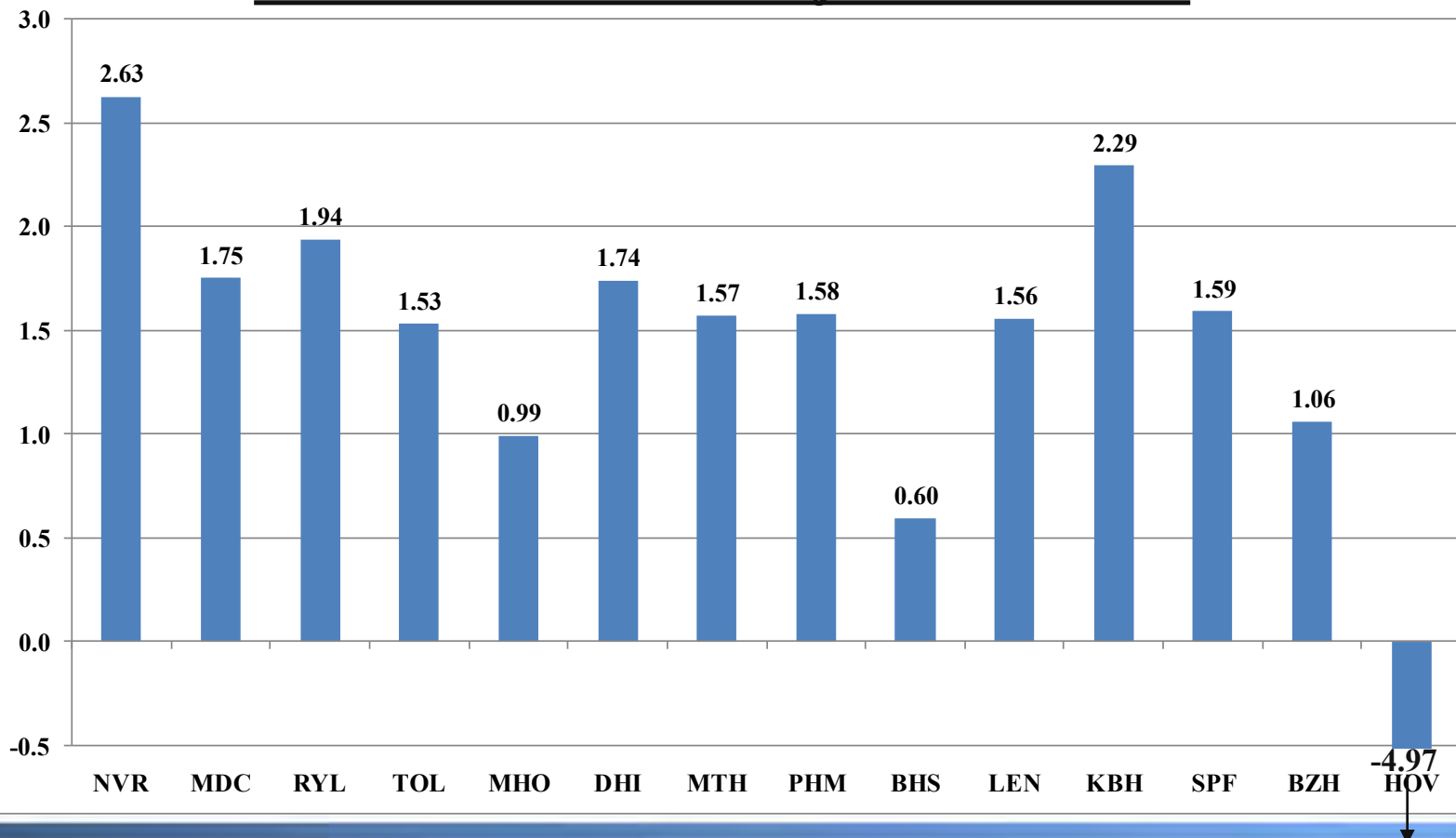
Inventory-to-Equity Ratio of Major Homebuilders



Many Homebuilders Are Trading at Substantial Premiums to Book Value

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Price-to-Book Ratio of Major Homebuilders



Source: Company filings.

The Return of the King





Anheuser-Busch InBev

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- ▶ One of the world's leading consumer products companies
- ▶ A result of the merger of Anheuser-Busch and InBev
- ▶ Transaction transformed company
 - Leapfrogged competition in beer volumes, revenues and EBITDA
 - Largest global brewer across all metrics
- ▶ Investment thesis
 - Stable, high-quality business with pricing power
 - Best of breed, owner-oriented management
 - Density in major markets creates high margins, returns
 - Pro forma for deleveraging and synergies, trades for 8.5x 2012 free cash flow



Tickers:

NYSE: BUD

Euronext: ABI

Recent stock price:

\$48 / €36

Market cap:

\$80bn

Beer: A Very High Quality Business

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- ▶ **Stable:** All top brewers grew revenues over the last two years on an organic basis; affordable luxury
- ▶ **Profitable:** Margins expand with scale and revenues
 - Regional economies of scale are key for high EBITDA margins
- ▶ **Wide moat:** Attractive returns on capital
 - Profitability requires scale and distribution penetration
 - Investment in marketing and advertising to build the brand franchise
- ▶ **Timeless:** Beer is one of the world's oldest prepared beverages. Earliest known chemical evidence dates from 3,000 BC. By the 7th century AD, monasteries were selling beer commercially. This is not a business that will disappear.



The Genesis of AB-InBev: AmBev

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- ▶ It all began with Brahma in Brazil
- ▶ In 1989, three Brazilian investors – Jorge Paulo Lemann, Carlos Alberto Sicupira and Marcel Telles – bought the brewer Companhia Cervejaria Brahma for \$50 million
- ▶ Ten years later, the trio merged Brahma with its main Brazilian rival, Companhia Antártica Paulista in exchange for \$1 billion in stock



***Brahma,**
formed in 1888*



***Antártica,**
formed in 1885*



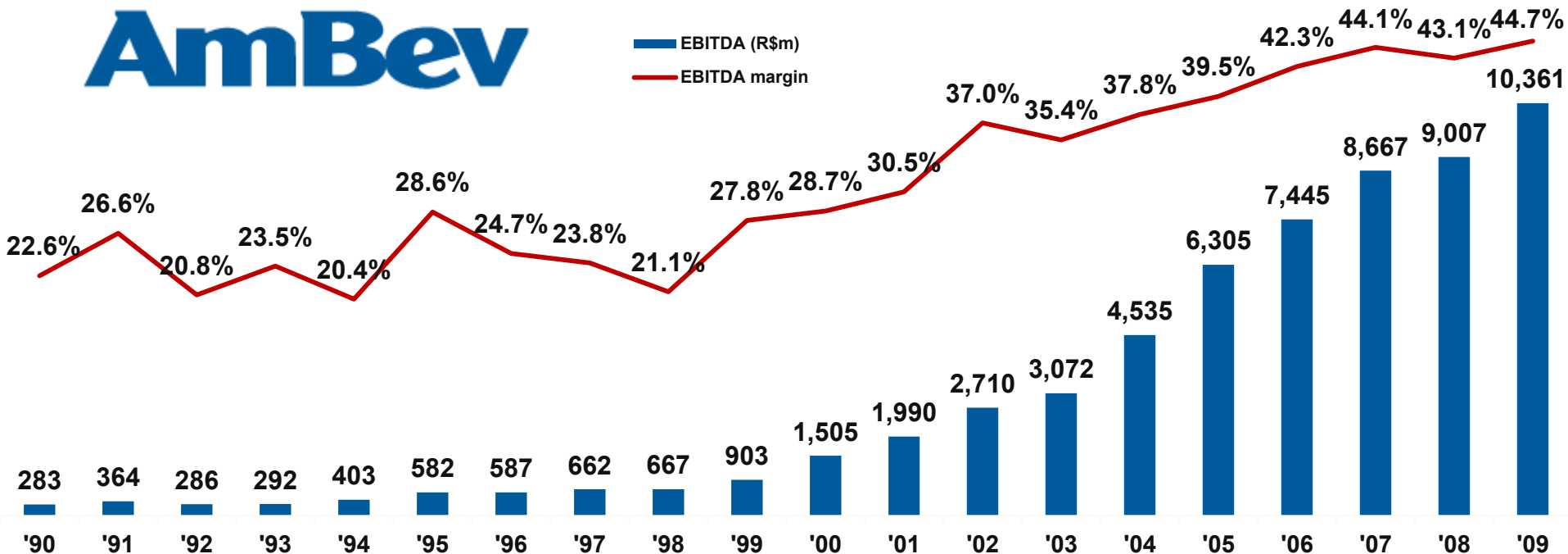
AmBev

***AmBev,**
formed in 1999*

AmBev: A South American Powerhouse

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- ▶ In 1989 Brahma was the #2 brewer in Brazil, and losing ground rapidly
- ▶ After acquiring Brahma, the trio cut workforce in half and raised EBITDA eightfold to \$500m (R\$903m) on \$1.8bn in sales in 1999 (28% EBITDA margin)
- ▶ By 2000, AmBev was the world's third largest brewer by volume sold, after Anheuser Busch and Heineken; largest brewer in Latin America today and 4th in the world.



Source: Company financials. 1990-1999 numbers refer to Brahma only.

AmBev: A South American Powerhouse

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- ▶ Brazil is the world's 4th largest beer market in the world, and growing
- ▶ AmBev has 68% of the Brazilian beer market and 18% of the carbonated and non-carbonated soft drinks market
- ▶ Opportunity in premium beer segment: from 2% of total market in 1998 to 5% in 2008
- ▶ Exclusive bottler and distributor of Pepsico's products in Brazil; Pepsico's largest bottler outside of the United States



- ▶ Market leader in Argentina, Bolivia, Paraguay and Uruguay

Meanwhile in Belgium...



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- ▶ Interbrew was a collection of brands dating back to 1366; by 1993, it was still focused on its home market of Belgium
- ▶ With the saturation of the beer market in Western Europe, Interbrew began an aggressive expansion plan
- ▶ Through acquisition of Labatt, Interbrew obtained a market share of 43% in Canada
- ▶ Other acquisitions followed; in the 10 years to 2004, Interbrew had the industry's fastest growth in EBITDA per share
- ▶ That year, it was the third largest global brewer by volume, with Anheuser-Busch in first place and SABMiller in second
- ▶ By then it had well-known global brands such as Stella Artois, Beck's, Bass, Leffe, Labatt and Hoegaarden

The Merger: Interbrew + AmBev

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- ▶ Finally, in August 2004 Interbrew merged with the world's fifth largest brewer (and world's most profitable), AmBev, creating InBev
- ▶ The transaction was in the form of a stock swap; the three original investors in Brahma – who got in for \$50m in 1989 – now owned a 25% economic interest in the combined company and, together with the founders of Interbrew, control over 54% of the company



Marcel Telles

- ▶ Interbrew had grown dramatically and had become bloated
- ▶ AmBev's management quickly took over the Belgium headquarters and implemented their signature cost cutting measures, Zero Based Budgeting, and other efficiency programs

The New York Times

Brazil sets new tempo at InBev

By Paul Meller

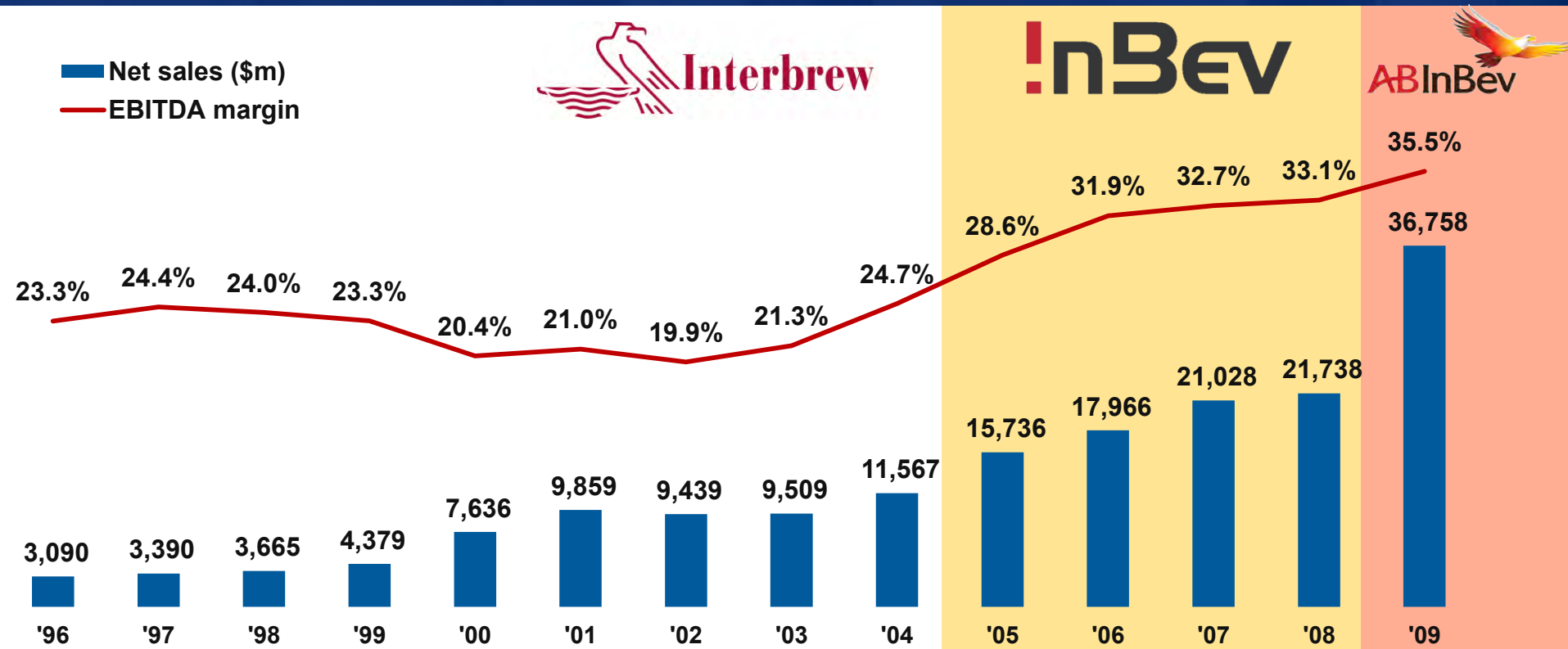
Published: Wednesday, September 28, 2005

"The sales force there all drive gray cars because it is the cheapest color," said Concepción Moreno, an analyst at the Belgian stock broker Petercam who visited AmBev's headquarters in Brazil last week. "The chief executive and the chief financial officer share the same desk; paper and phone calls are rationed. Cost-cutting is a way of life, not a one-off activity."

InBev's New Goal: Biggest to Best

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- ▶ Through merger synergies, management was able to beat its 30% EBITDA margin by 2007 goal
- ▶ Rolled out the same compensation incentive programs first used at Brahma



Source: Company financials, T2 Partners estimates. Historical euro numbers converted to USD at EUR/USD = 1.35.

Next: Anheuser-Busch

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- ▶ In 2006, InBev gave Anheuser-Busch exclusivity as the importer of its premium brands (Stella Artois, Beck's, Bass Pale Ale, Hoegaarden, Leffe and others)
- ▶ Stella Artois alone grew 60% in the U.S. compared with 2005 volumes
- ▶ With a stagnant stock price, no controlling shareholder, and increasing competition, Anheuser-Busch became vulnerable to a large acquirer
- ▶ In 2008 the opportunity arose for InBev to acquire Anheuser-Busch for around \$52bn, or about 10x EBITDA, ending 148 years of leadership by the Anheuser and Busch families



- ▶ InBev's management wasted no time: the transaction closed on Nov. 18 and by Dec. 31 there were \$250m of realized merger synergies, with 1,000 jobs slashed before the deal even closed
- ▶ Synergy guidance was raised from \$1.5bn to \$2.25bn in early 2009, with \$1.0bn to be realized that year; the goal was beat, with \$1.1bn in 2009
- ▶ With diminishing gains in market share, new era for beer makers: cutting the fat

Monday, July 14, 2008

THE WALL STREET JOURNAL. | EUROPE

Anheuser, InBev Reach A Deal for \$52 Billion

By [DAVID KESMODEL](#), [DENNIS K. BERMAN](#) and [DANA CIMILLUCA](#)

The U.S. brewing industry will enter an era "where gaining market share is not going to be nearly as important as running costs out of the system," said Harry Schuhmacher, editor of industry newsletter Beer Business Daily. "It's been a pretty fat industry. Everybody has enjoyed a lot of perks, and there are a lot of people in the industry, probably too many."

What Happened in 2009

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- ▶ 2009 was the first full year of Anheuser-Busch integration
- ▶ \$787m in working capital efficiencies in 2009; more to come in 2010
- ▶ Capex reduced by \$1bn
- ▶ Deleveraged balance sheet from 4.7x to 3.7x net debt to EBITDA
- ▶ Refinanced acquisition debt facilities and extended avg maturity from 4 years to 7
- ▶ Aggressive disposal program (sold Busch Gardens, Tsingtao, can lid manufacturer, Central European beer operations and others) with \$6.2bn in cash proceeds
- ▶ Launched ADR program, bringing “BUD” ticker back to the NYSE



AB-InBev Today: A Snapshot

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- ▶ \$12bn in EBITDA, over 200 brands, and 13 brands with over \$1bn in sales
- ▶ Growth of 16.6% in EBITDA during 2009, margin up to 35.5% (415 bps sequentially)
- ▶ In its top 31 markets, AB-InBev is #1 or #2 in 25 of them
- ▶ Dominant brewer in 7 of top 10 markets:

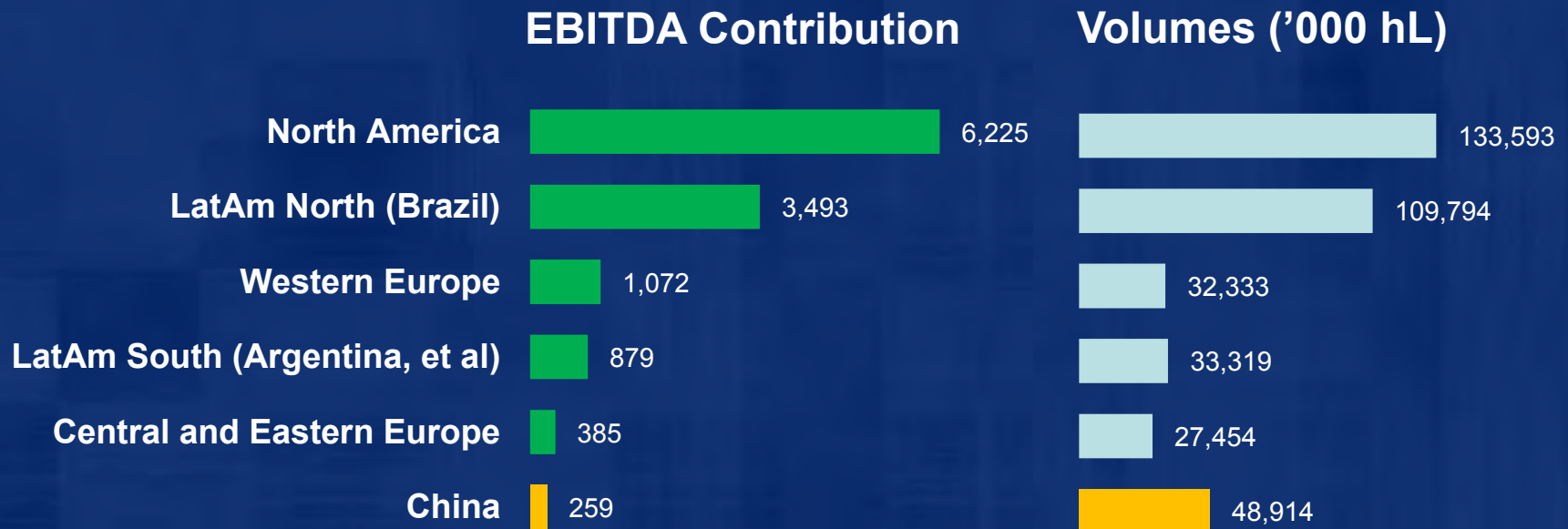
Market	Volumes (’000 hL)	Market Position	Market Share
USA	122,356	1	49%
Brazil Beer	76,276	1	69%
China	48,914	3	11%
Russia	16,563	2	16%
Argentina Beer	12,863	1	74%
UK (including LBS & Ireland)	12,696	1	22%
Canada	11,238	1	42%
Ukraine	10,436	1	40%
Germany, Switzerland, and Austria	9,244	2	9%
Belgium	5,627	1	58%



AB-InBev Today: A Snapshot

T2 Partners LLC

- ▶ Top two markets are most profitable per hectoliter: North America & Brazil
- ▶ Tremendous opportunity for volume growth and margin expansion in China



Source: Company financials, T2 Partners estimates. EBITDA does not include -204m of consolidation not attributable to any particular segment.

Why AB-InBev is Cheap

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- ▶ Modelo, brewer of Corona in Mexico, is 50.2% owned by AB-InBev; free cash flow not consolidated in financial statements
- ▶ No credit for remaining synergies of \$890m
- ▶ Achievement of target net debt / EBITDA of 2x will release another \$800m in cash
- ▶ Assuming no growth or additional margin improvements, goal is very achievable by early to mid 2012

	2010	2011	2012
Cash from operations	9,200	9,700	10,090
Cash from deleveraging		163	358
Synergies	500	390	-
Dividend & capex	(2,580)	(2,580)	(2,580)
Cash for debt paydown	7,120	7,673	7,868
Gross debt	41,944	34,271	26,402
Cash & equivalents	(3,890)	(3,890)	(3,890)
Net debt	38,054	30,381	22,512
EBITDA	12,609	13,162	13,521
Net debt / EBITDA	3.0 x	2.3 x	1.7 x

Even assuming no growth, margin expansion or further working capital release, we think the goal of 2.0x net debt / EBITDA is very achievable by 2012.

Adding Up the Cash

- ▶ Because AmBev is 62% owned by AB-InBev and has higher margins, we must do a “look-through” FCF analysis to arrive at FCF attributable to AB-InBev:

AB-InBev FY09 (in US\$ '000)		
	Consolidated cash from operations	9,124
	Capex	1,713
A	Consolidated FCF	7,411
AmBev FY09 (in R\$ '000)		
	Cash from operations	8,697
	Capex	1,306
B	FCF	7,391
C	Ownership of AB-InBev	61.87%
D = (1 - C) * B	AmBev FCF not attributable to AB-Inbev, in R\$	2,818
E	BRL/USD (at period end)	0.56
F = D * E	FCF not attributable, in US\$	1,588
A - F	FCF attributable to AB-InBev	5,823

Pro Forma 2012 Free Cash Flow

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- ▶ Given management's tremendous track record over the past two decades integrating acquisitions and growing the business, we believe synergies and growth are very achievable:



	<u>USD '000</u>
FCF attributable to AB-InBev (2009)	5,823
(+) Organic growth	1,000
(+) Remaining synergies	890
(+) FCF improvement from deleverage, fully taxed	800
(+) FCF from Modelo (look-thru, 2009E)	500
Pro forma FCF	9,013
Diluted shares outstanding	1,593
FCF / share	5.66
Recent price	\$48.30
Price / FCF multiple	8.5 x

Source: Company financials, T2 Partners estimates. Assumes tax rate at 27%, high end of guidance.

Potential Upside

- ▶ We believe a company of this quality, dominance, and growth potential deserves an above-average multiple:

Multiple	14x	15x	16x
Stock price	\$79	\$85	\$91
2-yr IRR	28%	33%	37%

- ▶ Or, to look at it another way, you can currently buy BUD with an entry FCF yield of 10% for a business that can probably grow at GDP + inflation for a long time, giving you a long term IRR of at least 15% without any multiple expansion.
- ▶ Future opportunities include:
 - ▶ Acquisition of remaining 49.8% of Modelo that AB-InBev doesn't yet own, creating further synergies
 - ▶ New product launches
 - ▶ Acquisitions

Questions?

T2 Partners LLC