

Announcement: Companhia de Bebidas das Americas (AmBev)

Moody's affirms AmBev's Baa1 rating and positive outlook

Sao Paulo, June 16, 2008 -- Moody's affirmed Companhia de Bebidas das Americas's ("AmBev") Baa1 local currency issuer rating following the announcement that its parent company, InBev N. V. ("InBev" - not rated), made an unsolicited bid for all outstanding shares of Anheuser-Busch Cos. Inc. ("Bud" - A2/P-1 On Review for Downgrade) for a total consideration of approximately USD 57 billion, including assumed debt.

"The affirmation is based on InBev management's statements that AmBev is not part of their bid for Bud and that it will not be affected", said Moody's Vice-President Senior Analyst Soummo Mukherjee. "The affirmation and positive outlook continue to be based on our expectation that AmBev will be able to offset higher commodity prices and continue to improve operating and EBITDA margins going forward", added Mukherjee.

We note that currently AmBev is restricted to distribute a maximum level of dividends based on its accumulated profit and reserve accounts (estimated at BRL 2.2 billion), which if distributed would still allow the company to maintain Debt to EBITDA of less than 2 times and be consistent with its current Baa1 rating and positive outlook. We expect that other mechanisms for up-streaming cash from Ambev to Inbev would respect the existence of long term minority shareholders in Ambev's capital structure.

Upward rating momentum for AmBev's Baa1 global local rating would likely develop should AmBev demonstrate that it can successfully manage and integrate its growing geographic network and avoid volatility in its results despite its emerging market focus. In addition, for any upgrade to be considered, EBITA / Interest would have to improve to above 5.5 times on a consistent basis, while FCF / Total Debt be maintained above 20% on a sustainable basis (both using Moody's standard analytic adjustments).

On the other hand, AmBev's rating or outlook would suffer negative pressure if its overall operating performance were to deteriorate due to greater than expected volatility in any of its markets or if the company's leverage were to significantly increase due to a change in debt structure or because of a debt-financed acquisition. A downgrade could be considered should EBITA / Interest fall below 4.0 times or Debt to EBITDA increases above 2 times on a consistent basis (both according to Moody's standard analytic adjustments).

Companhia de Bebidas das Américas (AmBev), based in São Paulo, Brazil, is the largest brewer in Latin América and the fifth largest worldwide in terms of volume. It produces, distributes, and markets beer, soft drinks, and other beverage products in 14 countries across the Americas. At the end of 2007, AmBev posted net revenues of BRL 19.6 bln (USD 11.1 bln) and EBITDA of BRL 8.7 bln (USD 4.9 bln).

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