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Table of Contents

As filed with the Securities and Exchange Commission on June 28, 2013

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

AMBEV S.A.

(Exact Name of Registrant as Specified in Its Charter)

AMBEV INC.

(Translation of Registrant's name into English)

The Federative Republic of Brazil
(State or Other Jurisdiction of Incorporation or Organization)

2080
(Primary Standard Industrial Classification Code Number)

Not Applicable
(I.R.S. Employer Identification Number)

Rua Dr. Renato Paes de Barros, 1017, 3rd floor
04530-001, São Paulo, SP, Brazil
+55 (11) 2122-1200
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Puglisi & Associates
850 Library Avenue Suite
P.O. Box 885
Newark, Delaware 19715
+1 (302) 738-6680
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
Kevin W. Kelley, Esq.
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
+1 (212) 351-4000

Approximate date of commencement of proposed offer to the public: As soon as practicable after this registration statement becomes effective.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933 ("Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price per Share(3)	Proposed Maximum Aggregate Offering Price(4)	Amount of Registration Fee(5)
common shares, no par value	1,897,708,220	US$36.04	US$13,678,302,618.19	US$1,865,720.48

(1) Securities being offered hereby will consist of common shares, no par value, of Ambev S.A., or Newbev (each, a "Newbev common share"), including in the form of American Depositary Shares, or ADSs, of the registrant (each, a "Newbev ADS"). Each Newbev ADS represents the right to receive one Newbev common share. A separate registration statement on Form F-6 will be filed to register the Newbev ADSs.

(2) Calculated based on the maximum number of Newbev common shares issuable upon completion of the stock swap merger described in the accompanying prospectus to: (a) U.S. residents who are holders of common shares and preferred shares of Companhia de Bebidas das Américas – Ambev, or Ambev (each, an "Ambev common share" and an "Ambev preferred share," respectively), and (b) holders of Ambev common shares in the form of ADSs of Ambev (each, an "Ambev common ADS") and of Ambev preferred shares in the form of ADSs of Ambev (each, an "Ambev preferred ADS"), in all cases based on the exchange ratio of five new Newbev common shares to be issued for each and every Ambev common share or preferred share and assuming that no eligible holders exercise their appraisal rights in connection with the transaction. The Newbev common shares to be issued in connection with the proposed stock swap merger outside the United States to non-U.S. persons are not registered under this registration statement.

(3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(f) and Rule 457(c) of the Securities Act as the weighted average price per share calculated based on (a) R$76.72, the average of the high and low prices of the Ambev common shares, and R$77.36, the average of the high and low prices of the Ambev preferred shares, in each case as reported on the São Paulo Stock, Commodities and Futures Exchange ("BM&FBOVESPA") on June 12, 2013, and converted into U.S. dollars based on an exchange rate of R$2.142 = US$1.00, as reported by the Central Bank of Brazil (PTAX rate) on June 12, 2013, and (b) US$35.67, the average of the high and low prices of the Ambev common ADSs, and US$36.05, the average of the high and low prices of the Ambev preferred ADSs, in each case as reported on the New York Stock Exchange on June 12, 2013.

(4) The proposed maximum aggregate offering price is equal to the proposed maximum offering price per share multiplied by 379,541,644, the total number of Ambev shares that are either directly held by U.S. residents on the BM&FBOVESPA or that underlie ADSs of Ambev.

(5) Computed in accordance with Rule 457(f) of the Securities Act by multiplying the proposed maximum aggregate offering price by 0.0001364.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

Ambev S.A.

Stock Swap Merger of Companhia de Bebidas das Américas – Ambev with Ambev S.A.

The management of Companhia de Bebidas das Américas – Ambev, or Ambev, has proposed a corporate restructuring under Brazilian Law No. 6.404/76, as amended, or the Brazilian Corporation Law, comprised of a stock swap merger (*incorporação de ações*), or the Stock Swap Merger, of Ambev with Ambev S.A., or Newbev, the overall objective of which is to promote a recapitalization of Ambev, so that it may have a single-class share structure comprised exclusively of voting common shares. Pursuant to the Stock Swap Merger, all issued and outstanding common and preferred shares of Ambev not held by Newbev will be exchanged for new common shares, no par value, of Newbev. Upon completion of the Stock Swap Merger, Ambev will be a wholly-owned subsidiary of Newbev.

Pursuant to the Stock Swap Merger:

- in exchange for their Ambev common or preferred shares, Ambev shareholders will receive, without any further action on their part, five new Newbev common shares for each Ambev common or preferred share they hold; and
- in exchange for their American Depositary Shares, or ADSs, of Ambev, each representing one Ambev common or preferred share, Ambev ADS holders will receive five new Newbev ADSs, each representing one Newbev common share, for each Ambev common or preferred ADS they hold.

The Stock Swap Merger will require the approval of Ambev's shareholders at a shareholders' meeting of Ambev currently scheduled to be held on July 30, 2013, at 10:00 a.m. local time, or the Ambev EGM, at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil. **Special voting procedures for minority shareholder protection will be adopted for the Ambev EGM to ensure that the transaction will be implemented only if a majority of the minority-held Ambev common and preferred shares present at the Ambev EGM, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction.**

Persons who were holders of record of Ambev common shares continuously since December 7, 2012, the date of publication of the first press release on the Stock Swap Merger, until the relevant appraisal rights exercise date and who do not vote in favor of the Stock Swap Merger are entitled to appraisal rights as described in this prospectus. Holders of Ambev ADSs representing Ambev common shares must surrender their ADSs and withdraw the underlying common shares in Brazil if they intend to exercise appraisal rights. Holders of Ambev preferred shares (including those represented by ADSs) do not have appraisal rights under the Brazilian Corporation Law.

Based on the Stock Swap Merger's exchange ratio and the number of Ambev common and preferred shares subject to exchange in the transaction on June 12, 2013, and assuming no exercise of appraisal rights, Newbev will issue 5,967,838,305 new common shares (including in the form of ADSs), of which 1,897,708,220 or 31.8%, have been registered pursuant to the registration statement of which this prospectus forms a part, as they will be issued in respect of Ambev shares underlying Ambev ADSs or held directly on the BM&FBOVESPA by U.S. residents, in each case as of that date.

The Ambev common and preferred shares are listed on the São Paulo Stock, Commodities and Futures Exchange (*BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros*), or the BM&FBOVESPA, and are also listed in the form of ADSs on the New York Stock Exchange, or the NYSE, and both Ambev and Newbev are foreign private issuers under U.S. securities laws. If the Stock Swap Merger is approved, the Newbev common shares and ADSs to be distributed in this transaction are expected to be approved for listing on the BM&FBOVESPA and the NYSE, respectively, on or about the date the transaction is consummated.

This prospectus has been prepared for holders of Ambev common and preferred shares who are residents of the United States or U.S. persons and for holders of Ambev ADSs to provide information about the Stock Swap Merger and the securities to be offered pursuant thereto. This information is available without charge to security holders upon written or oral request. See "Part Seven: Additional Information for Shareholders—Where You Can Find More Information."

You should read this prospectus carefully. In particular, please read the section entitled "Risk Factors" beginning on page 50 for a discussion of risks that you should consider when evaluating the Stock Swap Merger.

Neither the U.S. Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of the securities to be issued in connection with the Stock Swap Merger or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

IF YOU HOLD COMMON OR PREFERRED SHARES OF AMBEV YOU ARE ENTITLED TO VOTE OR OTHERWISE HAVE A SAY ON THE STOCK SWAP MERGER. WHILE WE HAVE DESCRIBED IN THIS PROSPECTUS THE GENERAL PROCEDURES FOR VOTING YOUR AMBEV SHARES, YOU SHOULD CONSULT YOUR BRAZILIAN COUNSEL ON HOW TO COMPLY WITH THOSE PROCEDURES, AND WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US ONE. IF YOU ARE A HOLDER OF AMBEV ADSs, YOU WILL RECEIVE INSTRUCTIONS FROM THE DEPOSITARY FOR THE AMBEV ADS PROGRAMS ON HOW TO SUBMIT VOTING INSTRUCTIONS FOR YOUR SECURITIES.

This prospectus is dated June 28, 2013 and is expected to be first made available to holders of Ambev shares and ADSs on or about that date.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

We have filed with the SEC a registration statement on Form F-4 with respect to the securities Newbev is offering pursuant to the Stock Swap Merger. This prospectus, which forms a part of the registration statement, does not contain all the information included in the registration statement, including its exhibits and schedules. For further information about us and the securities described in this prospectus, you should refer to the registration statement and its exhibits and schedules. Statements made in this prospectus about certain contracts or other documents are not necessarily complete. When those statements are made, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement, because those statements are qualified in all respects by reference to those exhibits. The registration statement, including the exhibits and schedules thereto, is on file at the office of the SEC and may be inspected without charge. Our SEC filings are also available to the public at the SEC website at www.sec.gov.

You may also obtain this information without charge by writing or telephoning us, care of Ambev, at the following address and telephone number: Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, +55 (11) 2122-1200. To obtain timely delivery, you must request this information no later than five business days before the date of the Ambev EGM. Therefore, you must request this information no later than July 23, 2013.

You should rely only on the information contained in this prospectus. Neither Ambev nor Newbev has authorized any person to provide you with any information or to make any representations in connection with the Stock Swap Merger, other than the information contained in this prospectus. If any person provides you with other information or makes a representation in connection with the Stock Swap Merger, that information or representation must not be relied on as having been authorized by us.

This prospectus does not constitute an offer to any person in any jurisdiction in which an offer is unlawful. Offers are not being made to holders of Ambev shares in any jurisdiction in which the making or acceptance of the offer would not be in compliance with the laws of that jurisdiction. However, Newbev may, in its sole discretion, take any action it may deem necessary to make offers in any such jurisdiction and extend those offers to holders of Ambev shares in any jurisdiction. In any jurisdiction where the securities, blue sky or other laws require that offers be made by a licensed broker or dealer, offers to holders of Ambev shares will be deemed to be made on Newbev's behalf by one or more registered brokers or dealers licensed under the laws of the relevant jurisdiction.

The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. The delivery of this prospectus will not, under any circumstance, create an implication that the affairs of Ambev or Newbev have not changed since the date as of which information is furnished or since the date of this prospectus.

We are not incorporating the contents of the websites of Ambev or the SEC or of any other entity into this document. References to websites are made in this document for your convenience only to provide you with information on how you can obtain at those websites copies of the documents that are included as exhibits to the registration statement of which this prospectus forms a part.

Table of Contents

CERTAIN DEFINED TERMS AND CONVENTIONS USED IN THIS PROSPECTUS

In this prospectus, references to "we," "us" and "our" are collectively to Newbev, Ambev and Ambev's consolidated subsidiaries, unless the context requires that those terms be interpreted as references to Newbev only. All references to the "*real*," "*reais*" or "R$" are to the Brazilian *real*, the official currency of Brazil. All references to "U.S. dollars," "dollars" or "US$" are to the official currency of the United States. All references to "Canadian dollars" or "C$" are to the official currency of Canada. All references to "Brazil" are to the Federative Republic of Brazil. All references to percent ownership interests in Ambev do not take into account treasury shares.

Trademarks

This prospectus includes the names of our products which constitute trademarks or trade names which we own or which are owned by others and are licensed to us for our use. This prospectus also contains other brand names, trade names, trademarks or service marks of other companies, and these brand names, trade names, trademarks or service marks are the property of those other companies.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information contained in this prospectus may constitute forward-looking statements. Forward-looking statements about Ambev included in this prospectus (including in Ambev's Annual Report on Form 20-F for the year ended December 31, 2012, or the 2012 Ambev 20-F, included as Annex A to this prospectus) have been made based on information furnished by Ambev, and only those forward-looking statements come within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. We have based all forward-looking statements contained in this prospectus largely on our current expectations and projections about future events, industry and financial trends affecting our business.

Many of these forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "project," "may," "believe," "could," "expect," "should," "plan," "intend," "estimate," "potential," among others. These statements appear in a number of places in this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are subject to certain risks and uncertainties that are outside our control and are difficult to predict. These risks and uncertainties could cause actual results to differ materially from those suggested by forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by forward-looking statements include, among others:

- greater than expected costs (including taxes) and expenses;
- the risk of unexpected consequences resulting from acquisitions, joint ventures, strategic alliances or divestiture plans, and our ability to successfully integrate the operations of businesses or other assets that we acquire;
- the risk of unexpected consequences resulting from corporate restructurings, including the Stock Swap Merger, and our ability to successfully and cost-effectively implement them and capture their intended benefits;
- our expectations with respect to expansion, projected asset divestitures, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections;
- lower than expected revenue;
- greater than expected customer losses and business disruptions;
- limitations on our ability to contain costs and expenses;
- local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact;
- the monetary and interest rate policies of central banks;
- continued availability of financing;
- market risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, inflation or deflation;

Table of Contents

- our ability to continue to introduce competitive new products and services on a timely, cost-effective basis;
- the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies;
- changes in pricing environments and volatility in commodity prices;
- regional or general changes in asset valuations;
- changes in consumer spending;
- the outcome of pending and future litigation and governmental proceedings;
- changes in government policies;
- changes in applicable laws, regulations and taxes in jurisdictions in which we operate including the laws and regulations governing our operations, as well as actions or decisions of courts and regulators;
- natural and other disasters;
- any inability to economically hedge certain risks;
- inadequate impairment provisions and loss reserves;
- technological changes;
- our success in managing the risks involved in the foregoing;
- governmental intervention, resulting in changes to the economic, tax or regulatory environment in Brazil or other countries in which we operate;
- the declaration or payment of dividends;
- the utilization of Ambev's subsidiaries' income tax loss carry forwards; and
- other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed under "Risk Factors," including the risk factors contained in the 2012 Ambev 20-F.

We caution you that forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Forward-looking statements reflect only our current expectations and are based on our management's beliefs and assumptions and on information currently available to our management. Actual results may differ materially from those in forward-looking statements as a result of various factors, including, without limitation, those identified in the section entitled "Risk Factors" in this prospectus. As a result, investors are cautioned not to place undue reliance on forward-looking statements contained in this prospectus when making an investment decision.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Investors should consider these cautionary statements together with any written or oral forward-looking statements that we may issue in the future.

Table of Contents

PART ONE: QUESTIONS AND ANSWERS ABOUT THE STOCK SWAP MERGER

The following are some questions that you may have regarding the Stock Swap Merger and brief answers to those questions. We urge you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the Stock Swap Merger.

Q: Why am I receiving this prospectus?

A: The management of Ambev has proposed a corporate restructuring comprised of a stock swap merger (*incorporação de ações*) under the Brazilian Corporation Law of Ambev with Newbev. This document is a prospectus of Newbev relating to the new common shares of Newbev that will be issued (in some cases in the form of American Depositary Shares, or ADSs, each of which will represent one Newbev common share) in connection with the Stock Swap Merger, if approved by the required vote of Ambev's shareholders gathered at the Ambev EGM.

If you hold any Ambev common or preferred shares (including in the form of ADSs), you are receiving this prospectus because Newbev may be deemed to be offering you securities (*i.e.*, the Newbev common shares and ADSs) for purposes of the Securities Act. In addition, you are receiving this prospectus to provide you with information about the Stock Swap Merger and the matters that will be considered at the Ambev EGM, as well as with instructions on how you may exercise your voting and other shareholder rights relating to the Stock Swap Merger and the Ambev EGM.

Q: What is the Stock Swap Merger?

A: The Stock Swap Merger is a business combination of Ambev with Newbev under the Brazilian Corporation Law, the overall objective of which is to promote a recapitalization of Ambev, so that we may have a single-class share structure comprised exclusively of voting common shares. The Stock Swap Merger will be accomplished through an exchange of newly issued Newbev common shares (in some cases in the form of ADSs) for all the issued and outstanding Ambev shares (in some cases in the form of ADSs) not held by Newbev, provided the transaction is approved by the required shareholder vote.

If the Stock Swap Merger is approved, (1) Ambev shareholders will receive five new Newbev common shares in exchange for each Ambev common or preferred share they hold and (2) holders of Ambev ADSs will receive five new Newbev ADSs, each representing one Newbev common share, in exchange for each Ambev common or preferred ADS they hold.

Upon completion of the Stock Swap Merger, Ambev will be a wholly -owned subsidiary of Newbev.

Q: What are the reasons for the Stock Swap Merger?

A: We believe that the Stock Swap Merger may promote several benefits for us and our shareholders, including a resulting company with improved trading liquidity, enhanced corporate governance standards and increased flexibility for management of our capital structure (for a

Table of Contents

description of how the Stock Swap Merger may help achieve these benefits, see "Part Five: The Stock Swap Merger—Purpose of and Reasons for the Stock Swap Merger"). We believe that these potential benefits will be derived as a result of a number of factors, including:

- the conversion of Ambev's dual-class share structure into a single-class share structure;
- the availability to all our shareholders of certain shareholder rights under the Brazilian Corporation Law that are only provided by common shares; and
- certain corporate governance advances that will be present in Newbev's bylaws and that are not contemplated in Ambev's bylaws.

Q: Are there any other planned corporate transactions involving Ambev or Newbev that are intended to take place proximately with the Stock Swap Merger?

A: Yes. As a preliminary step to the Stock Swap Merger, on June 17, 2013 our ultimate controlling shareholder, Anheuser-Busch InBev N.V./S.A., or ABI, contributed to Newbev all the Ambev shares that ABI previously held indirectly in Ambev through two other holding companies, or the Contribution. As a result of the Contribution, Newbev became the direct holder of 74.0% and 46.3% of the Ambev common shares and preferred shares, respectively, and accordingly Ambev's direct controlling shareholder. This transaction has no dilutive effect to Ambev's shareholders, including its noncontrolling shareholders.

After the Stock Swap Merger is consummated, at which time Ambev will have become a wholly-owned subsidiary of Newbev, it is expected that an upstream merger of Ambev and certain of its wholly-owned subsidiaries with and into Newbev will be executed at some point in the second half of 2013 or the first quarter of 2014. This transaction will have no impact on the shareholdings that Newbev's then shareholders will hold in this company. As a consequence of this upstream merger, our corporate structure will be simplified, resulting in expected reductions to our administrative expenses, and it will be possible to use goodwill currently existing at the Newbev level to be applied against any taxable income generated by our operating activities.

Q: How will my shareholder rights as a holder of Ambev common shares or Ambev common ADSs change after the Stock Swap Merger?

A: As a holder of Ambev common shares or Ambev common ADSs, the shareholder rights conferred to you by the Newbev common shares (including in the form of ADSs) to be issued to you upon consummation of the Stock Swap Merger will be substantially identical to the shareholder rights that the Ambev common shares (including in the form of Ambev common ADSs) currently confer to you. See "Will the bylaws of Newbev following the Stock Swap Merger be substantially identical to Ambev's current bylaws?" below.

Q: How will my shareholder rights as a holder of Ambev preferred shares or Ambev preferred ADSs change after the Stock Swap Merger?

A: As a holder of Ambev preferred shares (including in the form of ADSs), the Newbev common shares (including in the form of ADSs) to be issued to you upon consummation of the Stock Swap Merger will provide you with certain rights that are currently unavailable to you as a holder

Table of Contents

of Ambev preferred shares or Ambev preferred ADSs, including (1) full voting rights, (2) the right to be included in a mandatory change of control tender offer under the Brazilian Corporation Law that ensures that holders of common shares be offered 80% of the price per share paid to a selling controlling shareholder in the event of a disposition of Newbev's control, and (3) the right to participate in a voting block representing at least 10% of the Newbev common shares to elect one member and respective alternate to our Fiscal Council without the participation of the controlling shareholders.

However, as a holder of Ambev preferred shares (including in the form of ADSs), you will lose the following shareholder rights conferred to you by those shares when you surrender them in the Stock Swap Merger in exchange for new Newbev common shares (including in the form of ADSs): (1) enhanced dividend distribution rights requiring that dividends paid in respect of the Ambev preferred shares be 10% greater than those payable in respect of the Ambev common shares, (2) priority in capital reimbursement relative to the Ambev common shares upon a liquidation of Ambev, and (3) the right to elect one member and respective alternate to our Fiscal Council by means of a separate class vote of preferred shareholders.

Q: Will the bylaws of Newbev following the Stock Swap Merger be substantially identical to Ambev's current bylaws?

A: Yes, except for the following corporate governance enhancements that are not available to the Ambev shareholders under Ambev's bylaws: (1) Newbev's minimum mandatory dividend according to the bylaws of this company will be 40% of adjusted net income, as compared to 35% for Ambev, and (2) Newbev's bylaws will require that the Board of Directors of this company include two independent members, as compared to no similar bylaw requirement for Ambev's Board of Directors.

Q: After the consummation of the Contribution and the Stock Swap Merger, will I own the same equity ownership in Newbev that I own in Ambev prior to the approval of these transactions?

A: Yes. Your equity ownership in Newbev following the consummation of all the corporate transactions described in this prospectus will be the same as your equity ownership in Ambev prior to any of those transactions. *Therefore, no premium was ascribed to the Ambev shares indirectly held by ABI and representing a direct controlling interest in us that were contributed to Newbev in the Contribution.*

Q: How was the ratio to exchange five new Newbev common shares for each and every Ambev common or preferred share in the Stock Swap Merger calculated?

A: The exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share is being proposed to reduce the nominal trading price of Ambev's equity securities, as if Ambev had implemented a stock-split, with a view to helping increase their trading liquidity. This exchange ratio will be applied uniformly to both the Ambev common and preferred shares to ensure that the equity ownership held in us by our shareholders be the same immediately after the transactions described in this prospectus as they were immediately prior to those transactions.

Table of Contents

Q: How was the ratio to exchange Ambev ADSs for Newbev ADSs in the Stock Swap Merger calculated?

A: Because a same ratio is being adopted uniformly for the exchange of both the Ambev common and preferred shares for new Newbev common shares, and because the ADSs of both Ambev and Newbev each represent one underlying share, the ratio to exchange Ambev ADSs for new Newbev ADSs will be also five new Newbev ADSs for each and every Ambev common or preferred ADS.

Q: Is any Ambev shareholder entitled to exchange their Ambev shares for Newbev common shares pursuant to a different exchange ratio than the exchange ratio approved for the Stock Swap Merger?

A: No. The same exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share will be applicable to all Ambev shareholders pursuant to the terms of the Stock Swap Merger, if approved.

Q: Is any Ambev shareholder entitled to receive merger consideration other than Newbev common shares in connection with the Stock Swap Merger?

A: No. All Ambev shareholders will receive the same form of merger consideration (*i.e.*, Newbev common shares) in the Stock Swap Merger, if approved.

Q: Have ABI's holding companies received any consideration other than Newbev common shares in connection with the Contribution?

A: No. ABI's holding companies received only Newbev common shares in consideration for their contribution of Ambev shares to Newbev pursuant to the Contribution.

Q: Will shareholders of Ambev having some affiliation with Newbev receive different treatment in the Stock Swap Merger than unaffiliated holders?

A: No.

Q: Have any management or other corporate bodies of Ambev recommended or voted in favor of the Stock Swap Merger?

A: Yes. At a Board meeting held on May 10, 2013, two of the ten members of Ambev's Board of Directors voted unanimously and without reservation to approve its terms and conditions, as set forth in a Protocol and Justification of Stock Swap Merger under the Brazilian Corporation Law (*Protocolo e Justificação de Incorporação de Ações*), or the Stock Swap Merger Agreement, which outlines the main terms and conditions of, and reasons for, the transaction pursuant to an itemized list of requirements under the Brazilian Corporation Law. The remaining directors abstained from voting on the order of the day regarding the terms and conditions of the Stock Swap Merger, as it was determined that their interests with respect to the transaction could potentially conflict with those of the company.

In addition, at a meeting held on May 10, 2013, Ambev's Fiscal Council opined unanimously and without reservation that the Stock Swap Merger, pursuant to the terms set forth in the Stock Swap Merger Agreement, be approved by Ambev's shareholders at the Ambev EGM.

Table of Contents

Q: Has any financial or legal advisor retained in connection with the Stock Swap Merger submitted any reports or made any recommendation on the merits of the transaction?

A: No.

Q: Under the Brazilian Corporation Law, what corporate approvals of Ambev are required for the Stock Swap Merger to be approved?

A: Under the Brazilian Corporation Law, an affirmative vote of holders representing at least half of the issued and outstanding Ambev common shares is required to approve the Stock Swap Merger.

As a result of the Contribution, Newbev became the direct holder of 74.0% of the Ambev common shares, which at the time of the Ambev EGM will form a 91.1% aggregate interest in the Ambev common shares when considered together with the 17.1% interest in those shares that are currently held by Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência, or FAHZ, the other party to the shareholders' agreement that governs the control power over Ambev's corporate affairs, or the Ambev Shareholders' Agreement. However, neither Newbev nor FAHZ will vote their Ambev common shares to approve the Stock Swap Merger, unless a majority of the minority-held Ambev common and preferred shares present at the Ambev EGM, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction pursuant to the special voting procedures for minority shareholder protection that will be adopted for that shareholders' meeting. If the majority of those minority-held Ambev common and preferred shares, as separate classes and without the participation of our controlling shareholders, are each in favor of the Stock Swap Merger, Newbev and FAHZ will vote their Ambev common shares in favor of the transaction only so that the deliberation to approve it complies with applicable minimum quorum requirements under the Brazilian Corporation Law. If the majority of the minority-held shares in either of those share classes are not in favor of the transaction, Newbev and FAHZ will either vote their Ambev common shares against it or abstain from voting, in order to uphold the opinion on the Stock Swap Merger that the majority of the minority-held Ambev common and preferred shares shall express, as separate classes and without the participation of our controlling shareholders, at the Ambev EGM.

See "Will special voting procedures for minority shareholder protection be adopted for the Ambev EGM to ensure that the Stock Swap Merger will be implemented only if both the minority holders of the Ambev common and preferred shares, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction?" below.

Q: Are there any approvals, whether corporate, governmental or from other third parties, required for the consummation of the Stock Swap Merger other than the Ambev corporate approvals?

A: Other than the approval of the transaction by Newbev's shareholders at a shareholders' meeting of Newbev (which approval is expected to be obtained since ABI beneficially owns all of Newbev's shares), there are no other approvals, corporate, governmental or otherwise, required for the consummation of the Stock Swap Merger.

Table of Contents

Q: Will special voting procedures for minority shareholder protection be adopted for the Ambev EGM to ensure that the Stock Swap Merger will be implemented only if both the minority holders of the Ambev common and preferred shares, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction?

A: Yes. Under the Brazilian Corporation Law, preferred shares do not have voting rights in connection with mergers and corporate restructurings in general. However, at the Ambev EGM minority holders of Ambev preferred shares will be asked in an exclusive poll of preferred shareholders if they are against the Stock Swap Merger. If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is against the Stock Swap Merger, then Newbev and FAHZ will vote their Ambev common shares against the transaction and, consequently, it will not be approved.

If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is not against the Stock Swap Merger, then the transaction will be submitted to a vote of minority holders of Ambev common shares (including in the form of ADSs). At that point, if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes against the Stock Swap Merger, then the transaction will not be approved.

None of ABI, FAHZ or their respective affiliates, including members of their respective management bodies or of any of their respective affiliates, or the Affiliated Holders, will use the Ambev preferred or common shares beneficially owned by them to vote in favor or against the Stock Swap Merger in the preferred shareholders' poll or the minority common shareholder vote on the transaction. In addition, none of their Ambev shares will be included in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Further, abstentions will not be counted as votes for or against the Stock Swap Merger at the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger or on any other matter subject to deliberation at the Ambev EGM. They will also not be counted in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Therefore, the Stock Swap Merger will only be approved if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes in favor of the transaction, provided that it has not been rejected by a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll. Only in such a case will Newbev and FAHZ vote their Ambev common shares to approve the Stock Swap Merger, and they will do so only to ensure that the deliberation to approve the transaction complies with applicable minimum quorum requirements under the Brazilian Corporation Law.

Q: Will Ambev use the discretionary proxy under the deposit agreements of its ADS programs to vote at the Ambev EGM any shares underlying Ambev ADSs as to which ADS holders have not provided voting instructions to the depositaries of those programs?

A: No.

Table of Contents

Q: When and where will the Ambev EGM be held?

A: The Ambev EGM will be held on July 30, 2013, at 10:00 a.m. local time, at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Q: What is the record date for the Ambev EGM?

A: Only the Ambev ADS holders of record as of the close of business, local time, on July 1, 2013 will be entitled to instruct The Bank of New York Mellon, as depositary for the ADS programs of Ambev and Newbev, or the Depositary, as to how to vote the Ambev shares underlying their Ambev ADSs at the Ambev EGM. In accordance with the Brazilian Corporation Law, there is no record date for Ambev shareholders who hold their Ambev shares directly. Those Ambev shareholders who are listed on the share registry of Ambev on the date of the meeting will be entitled to attend and vote at the Ambev EGM (see "As a holder of Ambev common or preferred shares, how do I vote?" below).

Q: How will a quorum be established to open the Ambev EGM?

A: A quorum comprised of at least two -thirds of the issued and outstanding common shares of Ambev is necessary to open the Ambev EGM. Because as a result of the Contribution Newbev became the direct holder of 74.0% of the Ambev common shares, the presence of Newbev at the Ambev EGM will be sufficient to establish a quorum to open the meeting. For corporate approval requirements under the Brazilian Corporation Law, see "Under the Brazilian Corporation Law, what corporate approvals of Ambev are required for the Stock Swap Merger to be approved?" above.

Q: As a holder of Ambev common or preferred shares, do I have to attend the Ambev EGM to vote?

A: Yes. In order to vote, Ambev's shareholders must attend the Ambev EGM in person or by proxy.

Q: As a holder of Ambev common or preferred shares, how do I vote?

A: If you hold Ambev common or preferred shares, you may attend the Ambev EGM and vote your Ambev common shares or use your Ambev preferred shares to participate in the preferred shareholder' poll concerning the Stock Swap Merger. Under the Brazilian Corporation Law, to vote shares at any shareholders' meeting of a Brazilian corporation, you must either appear at the meeting in person and vote your shares or grant an appropriate power of attorney either to another shareholder of the company or a Brazilian attorney, each of whom will appear at the meeting and vote your shares on your behalf. Any such powers of attorney must have been issued, at most, one year prior to the shareholders' meeting and must be certified by a notary public and, if executed outside Brazil, consularized by the Brazilian consulate located in the domicile of the grantor. A shareholder that is a legal entity shall be represented at a shareholders' meeting by its duly appointed legal representatives. **Powers of attorney granted by Ambev shareholders for their representation at the Ambev EGM must be deposited at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, preferably at least three business days prior to the Ambev EGM. Powers of attorney observing the same formalities described above will also be required for**

Table of Contents

any proxies that Ambev's preferred shareholders may wish to appoint to attend and participate on their behalf at the Ambev EGM and in the preferred shareholders' poll concerning the Stock Swap Merger.

We urge Ambev shareholders to consult Brazilian counsel when preparing any such powers of attorney (or related revocation instruments) to ensure that they comply with basic Brazilian legal requirements, as Ambev cannot, and will not, accept any forms that do not comply with those requirements.

Holders of Ambev shares wishing to attend the Ambev EGM and who hold shares through the Fungible Custody of Registered Shares of Brazilian Stock Exchanges must provide a statement containing their corresponding equity interest in Ambev dated within 48 hours of the Ambev EGM.

If you are a direct holder of Ambev shares, none of Newbev, Ambev, any of their affiliates or any members of their respective boards of directors or the boards of directors of those affiliates is soliciting any proxy from you or requesting that you send a proxy or its equivalent to any of them. The foregoing discussion of the procedures for voting your Ambev shares at the Ambev EGM has been provided for your convenience only. We urge you to consult Brazilian counsel with any questions on your voting rights and related procedures for the Ambev EGM.

Q: As a holder of Ambev common or preferred shares, what will be the consequences if I do not attend the Ambev EGM in person or by proxy or do not submit a proper power of attorney or documentation evidencing my equity interest in Ambev?

A: If you do not attend the Ambev EGM in person or by proxy or submit a proper power of attorney or documentation evidencing your equity interest in Ambev, your Ambev shares will neither be voted nor counted to establish a quorum to open the Ambev EGM.

Q: May holders of Ambev ADSs attend the Ambev EGM to vote?

A: No. Ambev ADS holders are not entitled to attend the Ambev EGM. Instead, those Ambev ADS holders that provide clear and timely instructions to the Depositary as to how to vote the Ambev shares underlying their Ambev ADSs will be represented at the Ambev EGM by the Depositary, which will vote those shares as instructed by those holders. See "As a holder of Ambev ADSs, how do I vote?" below.

Q: As a holder of Ambev ADSs, how do I vote?

A: As a holder of Ambev ADSs, you will receive in the mail information from the Depositary relating to your vote. In accordance with such information, you should provide the Depositary with clear voting instructions by no later than the applicable cut-off date for receipt of voting instructions by the Depositary to allow the Depositary sufficient time to record your instructions and vote the Ambev shares underlying your Ambev ADSs in accordance with your instructions.

Q: As a holder of Ambev ADSs, what will be the consequences if I do not provide the Depositary with voting instructions?

A: If you do not provide the Depositary with voting instructions, the Ambev shares underlying your Ambev ADS will neither be voted nor counted to establish a quorum to open the Ambev EGM.

Table of Contents

Q. What will happen to Ambev and Newbev if the Stock Swap Merger is approved?

A: After the Stock Swap Merger, the common and preferred shares of Ambev are expected to be deregistered under the Exchange Act, and Ambev will no longer file annual reports on Form 20-F or furnish reports on Form 6-K to the SEC. In addition, the Ambev common and preferred ADSs will be delisted from the NYSE, the Ambev common and preferred shares will be delisted from the BM&FBOVESPA and Ambev will be deregistered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM.

As part of this corporate restructuring, Newbev will become subject to the reporting requirements of the Exchange Act, the Brazilian Corporation Law and the rules of the CVM and, consequently, it shall file annual reports on Form 20-F and furnish to the SEC on Form 6-K the reports that it may file in Brazil with the CVM or the BM&FBOVESPA. In addition, Newbev will (1) elect new executive officers in lieu of its current executive officers, (2) elect a new Board of Directors, and (3) adopt a stock option plan and code of ethics that are expected to be substantially similar to those of Ambev.

Q: What will happen to my Ambev shares if the Stock Swap Merger is approved?

A: As a holder of Ambev shares, for each Ambev common or preferred share that you hold, you will receive in exchange five new Newbev common shares.

Q: What will happen to my Ambev ADSs if the Stock Swap Merger is approved?

A: As a holder of Ambev ADSs, for each Ambev common or preferred ADS that you hold, you will receive in exchange five new Newbev ADSs, each of which will represent one Newbev common share, and your Ambev ADSs will be cancelled.

Q: When will the Stock Swap Merger be completed?

A: Following its approval by Ambev's shareholders at the Ambev EGM and by Newbev's shareholders at a shareholders' meeting of Newbev, both of which are scheduled to take place on July 30, 2013, the Stock Swap Merger will be legally effective upon the release by Ambev of an announcement that its management will not propose a new extraordinary general shareholders' meeting of the company to consider unwinding the transaction due to an excessive exercise of appraisal rights. See "Could the Stock Swap Merger be unwound?" below.

Q: When will I receive my Newbev common shares?

A: Assuming the Stock Swap Merger is approved, Newbev common shares to be issued in the Stock Swap Merger in respect of the Ambev shares will be delivered as soon as practicable after the end of the period for exercise of appraisal rights. Such period will end 30 days after the publication of the minutes of the Ambev EGM. Until the new Newbev common shares are distributed, the common and preferred shares of Ambev are expected to continue to trade on the BM&FBOVESPA under their existing ticker symbols.

Q: When will I receive my Newbev ADSs?

A: The Newbev ADSs to be issued in the Stock Swap Merger in respect of the Ambev ADSs will be made available as soon as practicable after the related Newbev common shares are deposited

Table of Contents

with Banco Bradesco S.A., the custodian in Brazil for the Depositary. This deposit is expected to occur as promptly as practicable after the expiration of the 30-day appraisal rights exercise period. Upon receipt of your Newbev ADSs, you will be able, if you so desire, to surrender your new Newbev ADSs for cancellation and withdraw in Brazil the respective Newbev common shares underlying those ADSs in the same manner as you are currently able to do so in connection with your Ambev ADSs. Until the new Newbev ADS are distributed, the Ambev common and preferred ADSs are expected to continue to trade on the NYSE under their existing ticker symbols.

Q: As a holder of Ambev common or preferred shares, what should I do to receive the Newbev common shares that will be distributed in respect of my Ambev shares if the Stock Swap Merger is approved?

A: As a holder of Ambev common or preferred shares, you will not need to do anything to receive your Newbev common shares to be distributed as a result of the Stock Swap Merger, if approved. Upon consummation of the Stock Swap Merger, all of the Ambev common and preferred shares not held by Newbev will automatically be exchanged for new Newbev common shares.

Q: As a holder of Ambev ADSs, what should I do to receive the Newbev ADSs that will be distributed in respect of my Ambev ADSs if the Stock Swap Merger is approved?

A: If you hold Ambev ADSs through a broker or other financial intermediary, no further action by you is required if the Stock Swap Merger is approved. The Newbev ADSs will automatically be credited to your account as promptly as practicable after the end of the appraisal rights exercise period that ends 30 days after the publication of the minutes of the Ambev EGM.

However, if you are a registered holder of Ambev ADSs, to receive your Newbev ADSs you must sign and return to the Depositary a letter of transmittal, in accordance with instructions that will be provided to you by the Depositary, together with your American Depositary Receipts, or ADRs, of Ambev, if any, that evidence your Ambev ADSs. Upon receipt by the Depositary of the signed letter of transmittal and your ADRs, if any, and your compliance with the procedures described in the letter of transmittal, the Depositary will register in your name the Newbev ADSs in uncertificated form and send you a confirmation of that registration.

Q: What if I do not surrender my Ambev ADSs or do nothing?

A: The Depositary will hold the Newbev ADSs (or sale proceeds of those ADSs, as applicable) that you are entitled to receive until (1) you duly surrender your Ambev ADSs to the Depositary or (2) the escheatment of your Newbev ADSs (or sale proceeds of those ADSs, as applicable), whichever occurs first. In the event of termination of the Ambev ADS programs, the Depositary will, after notice to holders of any outstanding Ambev ADSs and upon expiration of the applicable post-termination holding period, sell the Newbev ADSs held in respect of any such outstanding Ambev ADSs. If you surrender your Ambev ADSs to the Depositary after such sale, the Depositary will remit to you the cash proceeds from the sale of the Newbev ADSs in respect of your Ambev ADSs (after deduction of applicable fees, taxes and expenses). Upon escheatment, the Depositary will deliver to the applicable state governments any property held at that time in respect of Ambev ADSs not previously surrendered.

Table of Contents

Q: If I hold Ambev ADSs, will I have to pay ADS cancellation or issuance fees?

A: If you hold Ambev ADSs, you will not have to pay fees for the cancellation of the Ambev ADSs that you will surrender as a result of the Stock Swap Merger. However, you will have to pay the Depositary an ADS issuance fee of US$0.025 for each new Newbev ADS issued to you in exchange for your cancelled Ambev ADSs.

Q: If I hold Ambev shares, will I have to pay brokerage commissions?

A: If your Ambev shares are registered in your name, you will not have to pay brokerage commissions. If your Ambev shares are held through a bank, broker or a custodian linked to a stock exchange, you should consult with them as to whether it will charge any transaction fees or service charges in connection with the Stock Swap Merger.

Q: Will the Newbev common shares and ADSs be listed?

A: Newbev will apply to list its common shares on the BM&FBOVESPA and its ADSs on the NYSE, and expects that those securities will be listed and admitted to trading on those stock exchanges on or about the date the Stock Swap Merger is consummated.

Q: Do I have appraisal rights?

A: Under the Brazilian Corporation Law, holders of Ambev preferred shares (including in the form of ADSs) are not entitled to appraisal rights in connection with the Stock Swap Merger, because those shares meet certain liquidity and dispersion criteria under the Brazilian Corporation Law that exempts Ambev from extending appraisal rights to dissenting preferred shareholders of the transaction.

Persons who were holders of record of Ambev common shares continuously since December 7, 2012, the date of publication of the first press release on the Stock Swap Merger, until the relevant appraisal rights exercise date and who do not vote in favor of the Stock Swap Merger are entitled to exercise appraisal rights in connection with this transaction until the expiration of a period that ends 30 days after the publication of the minutes of the Ambev EGM. If holders of Ambev common shares exercise this right, they will receive from Ambev a cash amount for their Ambev common shares equal to R$9.231 per Ambev common share, calculated in accordance with the Brazilian Corporation Law as the book value per share of Ambev's shareholders' equity as set forth in Ambev's balance sheet as of December 31, 2012. *You may not exercise appraisal rights if you vote in favor of the Stock Swap Merger.*

Q: As a holder of Ambev common shares, how do I exercise appraisal rights?

A: As a holder of Ambev common shares, if you meet the requirements to exercise appraisal rights, you may submit your request to any of Banco Bradesco S.A., in its capacity as registrar of the share registry of Ambev, the custodian of your Ambev common shares or Ambev. Your request to exercise appraisal rights must be submitted within 30 days of the publication of the minutes of the Ambev EGM or otherwise your rights will lapse.

Table of Contents

Q: As a holder of Ambev common ADSs, how do I exercise appraisal rights?

A: The Depositary will not exercise appraisal rights on behalf of holders of Ambev common ADSs. However, persons who have been continuously holding their Ambev common ADSs since December 7, 2012 and who do not vote in favor of the Stock Swap Merger will be able to exercise appraisal rights if they surrender their Ambev common ADSs and withdraw in Brazil the respective Ambev common shares underlying those ADSs prior to the expiration of the 30-day period for exercise of appraisal rights. Those holders will also be required to provide certain representations to Ambev to confirm that they have been continuously holding the surrendered Ambev common ADSs since December 7, 2012 until the applicable date of surrender and that they have not submitted instructions to the Depositary to vote in favor of the Stock Swap Merger. After completing these procedures, those former Ambev common ADS holders may exercise their appraisal rights as any other direct holder of Ambev common shares (see "As a holder of Ambev common shares, how do I exercise appraisal rights?" above).

Q: Could the Stock Swap Merger be unwound?

A: Yes. Under the Brazilian Corporation Law, if the Board of Directors of Ambev believes that the total value of the appraisal rights exercised by holders of Ambev common shares may put at risk the financial stability of the company, it may, within ten days after the expiration of the appraisal rights period, call an extraordinary shareholders' meeting to either ratify or unwind the Stock Swap Merger. Payment relating to the exercise of appraisal rights will not be due if the Stock Swap Merger is unwound.

If approved, we do not at this time expect that the Stock Swap Merger would be unwound, since the trading price of the Ambev free float common shares (R$76.21 as of June 12, 2013), which are the shares eligible for appraisal rights, is, and is expected to continue to be until the expiration of the appraisal rights exercise period, substantially higher than the cash sum of R$9.231 per Ambev common share payable by Ambev in connection with the exercise of those rights.

Q: What was the accounting treatment of the Contribution and what will be the accounting treatment of the Stock Swap Merger?

A: Under International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or the IASB, the Contribution has been accounted for as a combination of entities under common control using the predecessor value method. Under the predecessor value method, the book values used to record assets and liabilities are those in the consolidated financial statements of ABI, the ultimate parent or the highest level of common control where consolidated financial statements are prepared (*i.e.*, ABI accounting basis). As a result of the completion of the Contribution, the consolidated financial position and results of operations of Newbev include the historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent company, upon its acquisition of Ambev in 2004 and subsequent additional investments. Such purchase accounting adjustments relate to goodwill, fair value adjustments on property, plant and equipment and related deferred tax effect. The combined financial statements of Newbev and the Ambev equity interests held by ABI -controlled entities reflecting such predecessor value method accounting, or the Newbev Predecessor combined financial statements, are included elsewhere in this prospectus. These Newbev Predecessor combined financial statements are the historical consolidated financial statements of Newbev after the Contribution, after giving retroactive effect in earnings per share to the number of Newbev common shares outstanding immediately after the Contribution.

Table of Contents

The Newbev Predecessor combined financial statements reflect the consolidation of Ambev, with the equity interest in Ambev not owned by ABI being shown as a noncontrolling interest. The exchange of shares in the Stock Swap Merger will be considered a transaction with noncontrolling interests that does not result in the loss of control, and will be accounted for as an equity transaction. The value of the Newbev common shares issued in the Stock Swap Merger will be recorded on Newbev's capital stock and capital reserve accounts in equity, thus increasing flexibility for management of our capital structure. An offsetting amount equal to the difference between the value of the new Newbev common shares issued by Newbev and the carrying value of the Ambev shares acquired by Newbev will be recorded in an equity reserve account on Newbev's balance sheet, in which case Newbev's shareholders' equity value will be equivalent to Ambev's shareholders' equity value immediately prior to the Stock Swap Merger. Also, upon completion of the Stock Swap Merger, Newbev's financial statements will not reflect any noncontrolling interest accounts.

Q: What are the U.S. federal income tax consequences of the Stock Swap Merger?

A: The exchange of Ambev common shares, preferred shares or ADSs solely for new Newbev common shares or ADSs should qualify as a tax-free exchange of Ambev ADSs or shares of Ambev common or preferred stock for Newbev ADSs or shares of Newbev common stock for U.S. federal income tax purposes, and Newbev intends to treat it as such. However, this conclusion is not free from doubt.

In addition, the tax consequences of the Stock Swap Merger to you will depend on your specific situation. **You should consult your tax advisor for a full understanding of the U.S. federal, state, local, Brazilian and other foreign tax consequences to you of the Stock Swap Merger and of the ongoing ownership and disposition of the Newbev common shares and ADSs that you will receive in this transaction, if approved.** See "Part Five: The Stock Swap Merger—Tax Considerations," for a description of the material U.S. federal income and Brazilian tax consequences of the Stock Swap Merger. In addition, see "Part Three: Risk Factors—Risks Relating to the Stock Swap Merger—We have not obtained a ruling under U.S. federal income tax law regarding the U.S. income tax consequences to U.S. holders of the new Newbev common shares and ADSs resulting from the Stock Swap Merger."

Q: Are there risks associated with the Stock Swap Merger that I should consider when deciding on how to exercise my shareholder rights in connection with the transaction?

A: Yes. There are a number of risks related to the Stock Swap Merger that are discussed in this prospectus. In particular, please read the detailed description of risks associated with the Stock Swap Merger in "Part Three: Risk Factors—Risks Relating to the Stock Swap Merger."

Q: Where can I find more information about Ambev, Newbev and the Stock Swap Merger?

A: You can find more information about Ambev, Newbev and the Stock Swap Merger from the various sources described under "Part Seven: Additional Information for Shareholders—Where You Can Find More Information."

Table of Contents

Q: Who can help answer my questions?

A: If you have any questions about the Stock Swap Merger, you can contact us at the following address:

Companhia de Bebidas das Américas – Ambev
Attention: IR Department
Rua Dr. Renato Paes de Barros, 1017, 4º andar
04530-001 São Paulo, SP, Brazil
e-mail: ir@ambev.com.br
Telephone: +55 (11) 2122-1200
Facsimile: +55 (11) 2122-1526
www.ambev-ir.com

In addition, if you are a holder of Ambev ADSs, you may also contact the Depositary or the information agent for the Stock Swap Merger at the addresses listed below:

The Bank of New York Mellon
c/o: Computershare Shareowner Services
480 Washington Blvd. – 27th Floor
Jersey City, NJ 07310
Calls within the United States: +1 (866) 300-4353 (toll free)
Calls outside the United States: +1 (201) 680-6921 (collect)
www.computershare.com

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
Calls within the United States and Canada: +1 (877) 456-3510 (toll free)
Calls outside the United States and Canada: +1 (412) 232-3651
For banks and brokers: +1 (212) 750-5833 (collect)

Table of Contents

PART TWO: SUMMARY

The following summary highlights selected information from this prospectus and may not contain all the information that may be important to you. To understand the Stock Swap Merger more fully, you should read carefully this entire prospectus.

The Companies

Overview of Newbev

Newbev is a closely held, non-reporting Brazilian corporation indirectly controlled by ABI that holds Ambev shares. Newbev does not have any operating revenues. In addition, relative to Ambev's much greater assets and liabilities, Newbev does not have any material assets or liabilities. The most relevant asset in Newbev's balance sheet as of December 31, 2012 was a 0.5% ownership interest in Ambev's capital stock, equal to 1.1% of the Ambev preferred shares, with a book value of R$1,274.7 million as of that date. As a result of the Contribution, which occurred on June 17, 2013, Newbev became the direct holder of 74.0% and 46.3% of the Ambev common shares and preferred shares, respectively, and accordingly Ambev's direct controlling shareholder.

At a combined annual and extraordinary general shareholders' meeting held on March 1, 2013, Newbev's legal name was changed from InBev Participações Societárias S.A. to Ambev S.A. Newbev's legal and corporate headquarters is located at Rua Dr. Renato Paes de Barros, 1017, 3rd floor, 04530-001, São Paulo, SP, Brazil, and its telephone number is +55 (11) 2122-1200.

Overview of Ambev

We are the largest brewer in Latin America in terms of sales volumes and one of the largest beer producers in the world, according to our estimates. We produce, distribute and sell beer, carbonated soft drinks, or CSD, and non-alcoholic and non-carbonated, or NANC, products in 16 countries across the Americas. We are one of the largest PepsiCo independent bottlers in the world.

We conduct our operations through three principal business segments:

- Latin America North, which includes our operations in Brazil, where we operate two divisions (the beer sales division and the CSD & NANC sales division), and our Hispanic Latin America, or HILA-Ex, operations, which includes our operations in the Dominican Republic, Saint Vincent, Antigua, Dominica, Guatemala (which also serves El Salvador and Nicaragua) and Peru and Ecuador (both of which became part of our Latin America South business segment starting in 2013);
- Latin America South, which includes our operations in Argentina, Bolivia, Paraguay, Uruguay, Chile and, starting in 2013, Peru and Ecuador; and
- Canada, represented by the operations of Labatt Brewing Company Limited, or Labatt, which includes domestic sales in Canada and some exports to the U.S. market.

Table of Contents

The following map illustrates our three business segments as of March 31, 2013.

Business Strategy

We aim to continuously create value for our shareholders. The main components of our strategy to achieve this goal include:

- our people and culture;
- top line growth;
- building strong brands;
- excellence in route to market;
- permanent cost efficiency; and
- financial discipline.

Table of Contents

Our People and Culture

We believe highly qualified, motivated and committed employees are critical to our long-term success. We carefully manage our hiring and training process with a view to recruiting and retaining outstanding professionals. In addition, we believe that through our compensation program, which is based both on variable pay and stock ownership, we have created financial incentives for high performance and results. Another core element of our culture is our distinguished managerial capability, which is characterized by (1) a hardworking ethos, (2) results-focused evaluations, (3) the encouragement of our executives to act as owners and not only as managers, (4) leadership by personal example, and (5) appreciation of field experience.

Top Line Growth

We are constantly seeking sustainable growth of our net revenues. For instance, in Brazil we have focused our efforts behind four main commercial strategies:

- *innovation*: we seek to expand the beer category and maintain a healthy pipeline of products through innovation in liquids, packaging and route to market to continue connecting with consumers in different consumption occasions;
- *premium*: we believe the weight of premium brands volume can grow in the Brazilian beer industry and we are working towards leading this growth through our portfolio of domestic and international premium brands;
- *regional expansion*: we have been investing to expand our presence in the North and Northeast regions of Brazil mainly due to the per capita consumption and market share growth opportunities. We focus on expanding our production capacity and executing our strong brands and route to market capabilities in those faster growing regions of Brazil; and
- *returnable glass bottles*: our commercial initiatives are focused on strengthening the on-premise channel (*e.g.*, *Nosso Bar* franchise, micro events) and reintroducing returnable bottles into the off-premise channel (*e.g.*, *Pit Stop* formats in supermarkets, 300 ml returnable glass bottle).

Building Strong Brands

We believe that building strong brands that connect and create enduring bonds with our consumers is a fundamental prerequisite to assure the sustainability of our business in the future. Our consumers are the reason for everything we do and we need to understand them, be close to them and connect them to our brands in order to build enduring ties with them. We bring together tradition and modernity in our product portfolio in a clear strategy to create value and insert our brands into the lives of our consumers.

Excellence in Route to Market

Delivering our brands to almost one million points of sale in Brazil is a very complex feature of our business. For several years, one of our main areas of focus has been to increase direct distribution

Table of Contents

in major cities while still strengthening our third-party distribution system. In Brazil, for instance, instead of operating three legacy, parallel, single-brand systems (each dedicated to one of our major brands: Skol, Brahma and Antarctica), we have been shifting towards a multi-brand network of distributors committed to handling all of our brands. In addition, we are constantly seeking to improve our point of sale execution through new and creative measures. One of our key marketing initiatives was the introduction into the Brazilian market of our custom-made beverage refrigerators designed and built to chill beer and soft drinks to the optimal temperature for on-premise consumption. These refrigerators also work as effective marketing tools, as they are decorated with images related to our core brands.

Permanent Cost Efficiency

Cost control is one of the top priorities of our employees. Each of our departments must comply with its respective annual budget for fixed and variable costs. As a means of avoiding unnecessary expenses, we have designed a management control system inspired on "zero-base budgeting" concepts that requires every manager to build from scratch an annual budget for his/her respective department.

Financial Discipline

Our focus is not only on volumes and operating performance, but also on the disciplined management of our working capital and cash flow generation. Our objective is to maximize the return to our shareholders through a combination of payments of dividends and interest on shareholders' equity, while at the same time keeping our investment plans and holding an adequate level of liquidity to accommodate the seasonality of our business and cope with often volatile and uncertain financial market conditions.

Ambev's legal and corporate headquarters is located at Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, and its telephone number is +55 (11) 2122-1200.

The Contribution

As a preliminary step to the Stock Swap Merger, on June 17, 2013 ABI caused two of its subsidiaries, Interbrew International B.V., or IIBV, and AmBrew S.A., or AmBrew, to contribute to Newbev, or the Contribution, all of the Ambev shares that were previously held directly in Ambev by those two subsidiaries - equivalent to a total of 1,301,666,481 Ambev common shares and 622,078,314 Ambev preferred shares - in consideration for new Newbev common shares that were issued by Newbev as part of a capital increase of this company. The Contribution was made for an amount of R$16,413,757,376.00, of which half was allocated to capital stock and the other half to capital reserves.

The equity ownership that all Ambev's shareholders, including its minority shareholders, hold in Ambev immediately prior to the approval of both the Contribution and the Stock Swap Merger will be exactly the same as the total equity ownership that those shareholders will hold in Newbev immediately following the consummation of both those transactions. **This means that no premium was ascribed to the Ambev shares representing a direct controlling interest in us that were contributed to Newbev by IIBV and AmBrew in the Contribution.** Consequently, the Contribution has no dilutive effect to Ambev's shareholders, including its noncontrolling shareholders.

Table of Contents

Similarly, in order to ensure that shareholders' equity ownership in Ambev remains unchanged after the transactions described in this prospectus, a reverse stock-split of Newbev was approved at a subsequent order of the day during the same Newbev shareholders' meeting that approved the Contribution, so that the number of shares in Newbev's capital stock can be proportional to the number of shares in Ambev's capital stock after the Contribution. This proportionality between the capital stocks of both companies following the Contribution is important to allow the total number of Newbev common shares outstanding immediately after the Stock Swap Merger to match the total number of Ambev shares outstanding immediately prior to that transaction, taking into account the Stock Swap Merger's exchange ratio of five newly issued Newbev common shares for each Ambev common or preferred share exchanged.

As a result of the Contribution and the referred reverse stock-split, and until the Stock Swap Merger is approved:

- Newbev's capital stock is equal to R$8,455,939,990.00 divided into 9,693,597,815 Newbev common shares, without par value;
- Newbev is the direct controlling shareholder of Ambev with 74.0% and 46.3% of the Ambev common shares and preferred shares, respectively; and
- IIBV and AmBrew are the direct holders of all of Newbev's common shares.

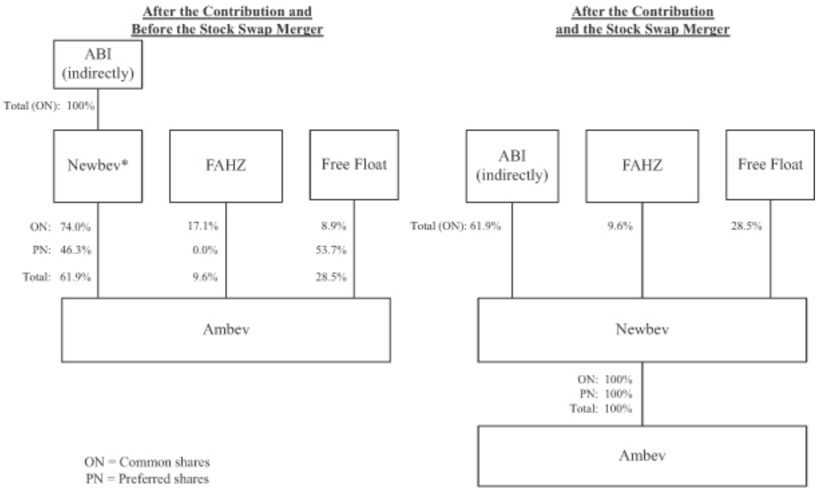
Terms of the Stock Swap Merger

Pursuant to the terms of the Stock Swap Merger:

- holders of common shares or preferred shares of Ambev will receive five new common shares, no par value, of Newbev in exchange for each Ambev common or preferred share they hold; and
- holders of common or preferred ADSs of Ambev will receive five new ADSs of Newbev, each representing the right to receive one Newbev common share, in exchange for each Ambev common or preferred ADS they hold.

Table of Contents

The following diagram sets forth the corporate structure of Ambev and Newbev after the recently completed Contribution but before the Stock Swap Merger, and after both those transactions.



Effects of the Stock Swap Merger

As a result of the Stock Swap Merger:

- we will become a company with a single-class share structure comprised exclusively of voting common stock;
- your equity ownership in Newbev following the consummation of the Stock Swap Merger will be the same as the total equity ownership you held in Ambev immediately before the transaction is consummated;
- based on the number of Ambev common and preferred shares subject to the Stock Swap Merger on June 12, 2013 and the Stock Swap Merger's exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share surrendered, Newbev will issue 5,967,838,305 new Newbev common shares, assuming no exercise of appraisal rights;

Table of Contents

- based on the number of Ambev common and preferred shares subject to the Stock Swap Merger on June 12 , 2013 and the Stock Swap Merger's exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share surrendered, Newbev's new capital stock following the Contribution and the Stock Swap Merger will be equal to R$56,983,340,778.38 divided into 15,661,436,120 Newbev common shares, without par value, assuming no exercise of appraisal rights and no additional stock issuances by Newbev until the Ambev EGM;

- Ambev will become a wholly-owned subsidiary of Newbev, and Newbev's interest in the net book value and net income (loss) of Ambev will therefore increase to 100%;

- as the Stock Swap Merger will not cause Ambev to merge with and into Newbev, Newbev will not be the legal successor to the rights and obligations of Ambev unless and until the subsequent upstream merger of Ambev with and into Newbev is effected (see "Part Five: The Stock Swap Merger—Plans and Proposals");

- a greater number of Newbev common shares and ADSs will be listed on the BM&FBOVESPA and the NYSE, respectively, as compared to the number of Ambev shares and ADSs currently listed on those stock exchanges;

- the Ambev common and preferred shares are expected to be deregistered under the Exchange Act and Ambev will no longer file annual reports on Form 20-F or furnish reports on Form 6-K to the SEC;

- the Ambev common and preferred ADSs will be delisted from the NYSE, the Ambev common and preferred shares will be delisted from the BM&FBOVESPA and Ambev will be deregistered with the CVM; and

- Newbev will become subject to the reporting requirements of the Exchange Act, the Brazilian Corporation Law and the rules of the CVM and, consequently, shall file annual reports on Form 20-F and furnish to the SEC on Form 6-K the reports that it may file in Brazil with the CVM or the BM&FBOVESPA.

Purpose of and Reasons for the Stock Swap Merger

Due to the following factors, we believe that the Stock Swap Merger may promote several benefits for us and our shareholders, including a resulting company with improved trading liquidity, enhanced corporate governance standards and increased flexibility for management of our capital structure:

- by having a single-class share structure comprised exclusively of common shares:
  - our corporate governance will become more aligned with that of our principal global peers that also have a single-class share structure, including, among others, The Coca-Cola Company, PepsiCo Inc., Diageo plc and Anheuser-Busch InBev N.V./S.A.;
  - we expect that the liquidity of the Newbev common shares and ADSs will be greater than the liquidity of Ambev's two separate share classes and respective ADSs;

Table of Contents

- ◦ we expect that Newbev's shareholder base will be larger than that of Ambev, as Newbev will become eligible for investment by certain institutional investors who are restricted from investing in non-voting shares, such as the Ambev preferred shares, or in companies having more than one share class, such as Ambev;
- ◦ we expect that our shares will have a greater participation in certain stock indices, such as the IBOVESPA Index (the BM&FBOVESPA's most known stock index), due to the fact that the weight of a given stock on most stock indices is a function of its trading volume and, with the consolidation of our two share classes into a single share class, all our free float shares will belong to the same share class, as a result of which it is expected that their trading volume should increase; this contrasts with the current scenario where Ambev's free float is split into two share classes, with the preferred shares being more liquid than the common shares (currently Ambev's largest share class) because of greater ownership concentration in the latter with our controlling shareholders (*i.e.*, as of March 31, 2013, Ambev's common shares accounted for 56.1% of the company's share capital and only 8.9% of those common shares were free float shares);
- ◦ with the expected increase in the participation of our shares on the IBOVESPA Index, investment funds that track those indices would be required to purchase additional shares in us to adjust their portfolio to reflect our expected increased participation on that stock index, thereby increasing demand for our shares; and
- ◦ we expect that it will be possible to increase the flexibility for management of our capital structure, including by potentially increasing our payout capacity;

- by having all of the Ambev preferred shares converted into Newbev common shares, our shareholders will benefit from enhanced corporate governance standards resulting from the widespread availability to all our shareholders of certain shareholder rights under the Brazilian Corporation Law that are only available to common shareholders, such as full voting rights and the right to be included in a mandatory change of control tender offer under the Brazilian Corporation Law that ensures that holders of common shares are offered 80% of the price per share paid to a selling controlling shareholder in the event of a disposition of Newbev's control; and
- because Newbev's bylaws will provide for certain corporate governance enhancements not currently provided for under Ambev's bylaws, such as a higher minimum mandatory dividend and the required presence of two independent members on the Board of Directors, our shareholders will enjoy enhanced corporate governance standards once they become shareholders of Newbev following the Stock Swap Merger, as their investment in us will then be governed by Newbev's improved bylaws.

Considerations for Noncontrolling Shareholders

Despite the benefits of, and reasons for, the Stock Swap Merger, noncontrolling shareholders should consider the following factors when analyzing the transaction:

- after the Stock Swap Merger, our ultimate controlling shareholders, ABI and FAHZ, will continue to have voting control over us and our Board of Directors;

Table of Contents

- because the exchange of Ambev preferred shares for new Newbev common shares resulting from the Stock Swap Merger will cause Ambev's dual-class share structure to be converted into a single-class share structure comprised exclusively of voting common shares, holders of Ambev common shares, including our controlling shareholders, will experience a dilution of their voting power in us as compared to the voting power they have in Ambev prior to the Stock Swap Merger;
- holders of Ambev preferred shares (including in the form of ADSs) are not entitled to appraisal rights in connection with the Stock Swap Merger;
- because the Depositary will not exercise appraisal rights on behalf of Ambev common ADS holders, those holders will have to surrender their Ambev common ADSs and withdraw in Brazil the respective Ambev common shares underlying such ADSs prior to the expiration of the 30-day appraisal rights exercise period if they intend to exercise appraisal rights; and
- while the exchange of Ambev preferred shares for Newbev common shares will provide Ambev preferred shareholders with certain rights under the Brazilian Corporation Law that are inherent to common shares and that they currently do not enjoy, including (1) full voting rights, (2) the right to be included in a statutory change of control tender offer in the event of a disposition of Newbev's control, and (3) the right to participate in a voting block representing at least 10% of the Newbev common shares to elect one member and respective alternate to our Fiscal Council without the participation of the controlling shareholders, they will lose certain special rights that their Ambev preferred shares currently confer to them, including:
    - enhanced dividend distribution rights requiring that dividends paid in respect of the Ambev preferred shares be 10% greater than those payable in respect of the Ambev common shares;
    - priority in capital reimbursement relative to the Ambev common shares upon a liquidation of Ambev; and
    - the right to elect one member and respective alternate to our Fiscal Council by means of a separate class vote of preferred shareholders.

Approval of the Stock Swap Merger

Under the Brazilian Corporation Law, an affirmative vote of holders representing at least half of the issued and outstanding Ambev common shares is required to approve the Stock Swap Merger.

As a result of the Contribution, Newbev became the direct holder of 74.0% of the Ambev common shares, which at the time of the Ambev EGM will form a 91.1% aggregate interest in the Ambev common shares when considered together with the 17.1% interest in those shares that are currently held by FAHZ. However, neither Newbev nor FAHZ will vote their Ambev common shares to approve the Stock Swap Merger, unless a majority of the minority-held Ambev common and preferred shares present at the Ambev EGM, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction pursuant to the special voting procedures

Table of Contents

for minority shareholder protection that will be adopted for that shareholders' meeting. If the majority of those minority-held Ambev common and preferred shares, as separate classes and without the participation of our controlling shareholders, are each in favor of the Stock Swap Merger, Newbev and FAHZ will vote their Ambev common shares in favor of the transaction only so that the deliberation to approve it complies with applicable minimum quorum requirements under the Brazilian Corporation Law. If the majority of the minority-held shares in either of those share classes are not in favor of the transaction, Newbev and FAHZ will either vote their Ambev common shares against it or abstain from voting, in order to uphold the opinion on the Stock Swap Merger that the majority of the minority-held Ambev common and preferred shares shall express, as separate classes and without the participation of our controlling shareholders, at the Ambev EGM.

In addition, an affirmative vote of holders representing at least a majority of the Newbev common shares present at a duly convened extraordinary general shareholders' meeting of Newbev to vote on the Stock Swap Merger is required to approve the transaction. However, all of the issued and outstanding Newbev common shares are beneficially owned by ABI, which has advised us that it will vote all its Newbev common shares in favor of the transaction, provided that it is approved by the required vote of Ambev's shareholders at the Ambev EGM. The shareholders' meeting of Newbev to vote on the Stock Swap Merger is scheduled to be held on July 30, 2013, the same day of the Ambev EGM.

In addition, the approval by the BM&FBOVESPA and the NYSE for the listing of the Newbev common shares and ADSs, respectively, to be delivered in the Stock Swap Merger must be obtained for those securities to be traded by their holders on those stock exchanges. Although this approval is important for holders of our shares and ADSs to be able to freely trade the Newbev securities they will receive in the Stock Swap Merger and is expected to be obtained on or about the date the transaction is consummated, it is not a condition to the completion of the transaction.

Special Voting Procedures for Minority Shareholder Protection

Although under the Brazilian Corporation Law preferred shares do not have voting rights in connection with mergers and corporate restructurings in general, at the Ambev EGM minority holders of Ambev preferred shares (including in the form of ADSs) will be asked in an exclusive poll of preferred shareholders if they are against the Stock Swap Merger. If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is against the Stock Swap Merger, then Newbev and FAHZ will vote their Ambev common shares against the transaction and, consequently, it will not be approved.

If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is not against the Stock Swap Merger, then the transaction will be submitted to a vote of minority holders of Ambev common shares (including in the form of ADSs). At that point, if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes against the Stock Swap Merger, then the transaction will not be approved.

None of ABI, FAHZ or the Affiliated Holders will use the Ambev preferred or common shares beneficially owned by them to vote in favor or against the Stock Swap Merger in the preferred shareholders' poll or the minority common shareholder vote on the transaction. In addition, none of their Ambev shares will be included in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Table of Contents

Further, abstentions will not be counted as votes for or against the Stock Swap Merger at the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger or on any other matter subject to deliberation at the Ambev EGM. They will also not be counted in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Therefore, the Stock Swap Merger will only be approved if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes in favor of the transaction, provided that it has not been rejected by a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll. Only in such a case will Newbev and FAHZ vote their Ambev common shares to approve the Stock Swap Merger, and they will do so only to ensure that the deliberation to approve the transaction complies with applicable minimum quorum requirements under the Brazilian Corporation Law.

The Ambev EGM

The Ambev EGM will be held on July 30, 2013, at 10:00 a.m. local time, at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

A quorum comprised of at least two -thirds of the issued and outstanding common shares of Ambev is necessary to open the Ambev EGM. Because as a result of the Contribution Newbev became the direct holder of 74.0% of the Ambev common shares, the presence of Newbev at the Ambev EGM will be sufficient to establish a quorum to open the meeting.

To participate in the Ambev EGM, direct holders of Ambev common and preferred shares must either appear at the meeting in person or grant an appropriate power of attorney to another Ambev shareholder or a Brazilian attorney. Any such powers of attorney must have been issued, at most, one year prior to the Ambev EGM and must be certified by a notary public and, if executed outside Brazil, consularized by the Brazilian consulate located in the domicile of the grantor. A shareholder that is a legal entity shall be represented by its duly appointed legal representatives.

Powers of attorney granted by Ambev shareholders for their representation at the Ambev EGM must be deposited at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, preferably at least three business days prior to the Ambev EGM. Powers of attorney observing the same formalities described above will also be required for any proxies that Ambev's preferred shareholders may wish to appoint to attend and participate on their behalf at the Ambev EGM and in the preferred shareholders' poll concerning the Stock Swap Merger.

We urge Ambev shareholders to consult Brazilian counsel when preparing any such powers of attorney (or related revocation instruments) to ensure that they comply with basic Brazilian legal requirements, as Ambev cannot, and will not, accept any forms that do not comply with those requirements.

Holders of Ambev shares wishing to attend the Ambev EGM and who hold shares through the Fungible Custody of Registered Shares of Brazilian Stock Exchanges must provide a statement containing their corresponding equity interest in Ambev dated within 48 hours of the Ambev EGM.

Table of Contents

In accordance with the Brazilian Corporation Law, there is no record date for Ambev shareholders who hold their Ambev shares directly to attend and vote at the Ambev EGM. Those Ambev shareholders who are listed on the share registry of Ambev on the date of the meeting will be entitled to participate in and vote at the Ambev EGM.

If you are a direct holder of Ambev shares, none of Newbev, Ambev, any of their affiliates or any members of their respective boards of directors or the boards of directors of those affiliates is soliciting any proxy from you or requesting that you send a proxy or its equivalent to any of them. The foregoing discussion of the procedures for voting your Ambev shares at the Ambev EGM has been provided for your convenience only. We urge you to consult Brazilian counsel with any questions on your voting rights and related procedures for the Ambev EGM.

Ambev ADS holders are not entitled to attend the Ambev EGM. Instead, Ambev ADS will be represented at the Ambev EGM by the Depositary, which will vote the Ambev shares underlying the Ambev ADSs held by those holders as instructed by them. Ambev ADS holders of record as of the close of business, local time, on July 1, 2013 will be entitled to instruct the Depositary as to how to vote the Ambev shares underlying their Ambev ADSs at the Ambev EGM. Those holders will receive in the mail information from the Depositary explaining what they have to do in order to provide the Depositary with instructions on how to vote the Ambev shares underlying their Ambev ADSs at the Ambev EGM. Those Ambev ADS holders of record should provide the Depositary with clear voting instructions by no later than the applicable cut-off date for receipt of voting instructions by the Depositary to allow the Depositary sufficient time to record the instructions provided and vote the Ambev shares underlying the relevant Ambev ADSs in accordance with those instructions.

Appraisal Rights

Holders of Ambev preferred shares (including in the form of Ambev ADSs) are not entitled to appraisal rights in connection with the Stock Swap Merger, because those shares meet certain liquidity and dispersion criteria under the Brazilian Corporation Law that exempts Ambev from extending appraisal rights to dissenting preferred shareholders of the transaction.

According to Section 137 of the Brazilian Corporation Law, persons who were holders of record of Ambev common shares continuously since December 7, 2012, the date of publication of the first press release on the Stock Swap Merger, until the relevant appraisal rights exercise date are entitled to appraisal rights in connection with the Stock Swap Merger until the expiration of a period that ends 30 days after the publication of the minutes of the Ambev EGM, as long as they submit their requests by this date and do not vote in favor of the Stock Swap Merger at the Ambev EGM. Holders of Ambev common shares who exercise this right will receive from Ambev a cash amount for their Ambev common shares equal to R$9.231 per Ambev common share, calculated in accordance with the Brazilian Corporation Law as the book value per share of Ambev's shareholders' equity as set forth in Ambev's balance sheet as of December 31, 2012.

The Depositary will not exercise appraisal rights on behalf of holders of Ambev common ADSs. However, persons who held Ambev common ADSs continuously since December 7, 2012 will be able to exercise appraisal rights if they surrender their Ambev common ADSs and withdraw in Brazil the respective Ambev common shares underlying those ADSs prior to the Ambev EGM. After completing this procedure, those former Ambev common ADS holders may participate in the Ambev

Table of Contents

EGM and exercise their appraisal rights as any other direct holder of Ambev common shares. Holders of Ambev common ADSs who surrender their ADSs to withdraw the underlying Ambev common shares in order to participate in the Ambev EGM and exercise appraisal rights in Brazil must obtain a statement from their broker to confirm that they held their Ambev common ADSs continuously since December 7, 2012 until the date of surrender of those securities to the Depositary. In addition, if the surrender of those ADSs occurs after the Ambev EGM and prior to the expiration of the 30-day appraisal rights exercise period, all former holders of the surrendered Ambev common ADSs and ADRs must provide an affidavit confirming that they have not submitted instructions to the Depositary to vote in favor of the Stock Swap Merger. In addition, registered holders of Ambev ADSs who exercise appraisal rights in accordance with the procedures outlined above must provide an affidavit confirming that they held their Ambev common ADRs continuously since December 7, 2012 until the date of surrender of those securities.

Valuation Reports

Valuation of the Ambev Common and Preferred Shares

In compliance with Sections 8 and 252 of the Brazilian Corporation Law, Newbev retained the specialized firm Apsis Consultoria Empresarial Ltda., or Apsis, to prepare a valuation report to appraise the value, based on stock exchange trading prices, of the Ambev common and preferred shares that will be surrendered to Newbev by Ambev's shareholders (and therefore merged into Newbev's asset base) as a result of the Stock Swap Merger, or the Ambev Shares Valuation Report. The purpose of the Ambev Shares Valuation Report is to verify whether the value of the Ambev shares to be surrendered to Newbev in the Stock Swap Merger supports the amount of the capital increase that Newbev will experience as a result of this transaction. When calculating the value of the Ambev shares subject to the Stock Swap Merger, Apsis took into account their trading prices on the BM&FBOVESPA during 30 consecutive trading sessions starting on March 15, 2013 and ending on April 26, 2013 (inclusive), which is the effective date (*data base*) of the valuation report. Pursuant to the Ambev Shares Valuation Report, the weighted average price of the Ambev shares that will be surrendered to Newbev as a result of the Stock Swap Merger is equal to R$81.314872 per Ambev common or preferred share, and supports a capital increase of Newbev as of April 26, 2013 of R$97,041,737,123.64. An English-language translation of the full text of the Ambev Shares Valuation Report has been included as Annex C to this prospectus and is also included in the Stock Swap Merger Agreement that has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Market Value of Ambev's and Newbev's Net Equity

In compliance with Section 264 of the Brazilian Corporation Law, Ambev and Newbev retained Apsis to prepare a valuation report of the market value of Ambev's and Newbev's net equity under the same criteria and as of a same date, or the Net Equity Valuation Report. The market value of a company's net equity, as provided under Section 264 of the Brazilian Corporation Law, may be viewed as a proxy for its liquidation value as if all its assets and liabilities were liquidated at their fair market value on a same given date. Based on the market value of the net equity of Ambev and Newbev, as appraised by the Net Equity Valuation Report of Apsis, an exchange ratio of Ambev shares for Newbev common shares was calculated. The purpose of calculating such exchange ratio is to provide Ambev's noncontrolling shareholders with a parameter against which to evaluate the Stock Swap

Table of Contents

Merger's exchange ratio and to determine whether to dissent from the shareholder vote and, in the case of the Ambev common shareholders, whether to exercise appraisal rights. According to the Net Equity Valuation Report of Apsis, as of December 31, 2012: (1) the market value of Ambev's net equity is R$29,176.5 million, or R$9.330767 per Ambev common or preferred share, and (2) the market value of Newbev's net equity is R$18,097.8 million, or R$1.866991 per Newbev common share. As a result, based on the market value of Ambev's and Newbev's net equity, as determined in the Net Equity Valuation Report of Apsis under the same criteria and as of a same date (*i.e.*, December 31, 2012), the ratio to exchange Ambev common or preferred shares for Newbev common shares would be 4.997757 Newbev common shares for each Ambev common or preferred share. An English-language translation of the full text of the Net Equity Valuation Report has been included as Annex D to this prospectus.

The valuation reports of Apsis are not intended to be, and do not constitute, a recommendation or opinion to Newbev, Ambev or any shareholder of those companies as to any matters relating to the Stock Swap Merger, including as to how shareholders should vote on the transaction. We urge you to read carefully the summary of these reports that are set forth in "Part Five: The Stock Swap Merger—Principal Transaction Documents—The Apsis Valuation Reports," as well as the full text of the reports included as Annex C and Annex D to this prospectus.

Financial Advisors

N M Rothschild & Sons (Brasil) Limitada has acted as a financial advisor to Ambev for the main purpose of assisting Ambev's management with the analysis of potential deal structures, and their related impacts to Ambev and its shareholders, in connection with a proposed recapitalization of Ambev aimed at converting its current dual-class share structure into a single-class share structure comprised exclusively of voting common shares.

Banco Itaú BBA S.A. has acted as a financial advisor to Ambev for the main purpose of providing Ambev's management with intelligence on the market's view of the proposed Stock Swap Merger and related corporate transactions, including by monitoring significant fluctuations in Ambev's shareholder base throughout the process of implementing those transactions.

Both financial advisors assisted Ambev with the review and discussion of the principal transaction documents from a financial advisor's perspective and provided the company with other customary financial- and market-related advice for restructurings such as the one being contemplated at the time.

Table of Contents

Timetable for the Stock Swap Merger

Meeting of the Board of Directors of Ambev to analyze the Stock Swap Merger Agreement	May 10, 2013
Meeting of the Fiscal Council of Ambev to analyze the Stock Swap Merger	May 10, 2013
Announcement of the complete terms of the Stock Swap Merger pursuant to CVM Instruction No. 319/99	May 10, 2013
Record date of Ambev ADS holders eligible to receive voting cards	July 1, 2013
Notice of the Ambev EGM published in *Valor Econômico and Diário Oficial do Estado de São Paulo*	June 28, 2013
Mailing of prospectus to holders of Ambev ADSs	on or about July 8, 2013
Cut-off date for receipt of voting cards by the Depositary	July 25, 2013
Ambev EGM held	July 30, 2013
Beginning of appraisal rights exercise period	August 1, 2013
End of appraisal rights exercise period	August 30, 2013
Expected last day of trading of Ambev shares on the BM&FBOVESPA and of Ambev ADSs on the NYSE	on or about August 30, 2013
Expected first day of trading of new Newbev common shares on the BM&FBOVESPA and of new Newbev ADSs on the NYSE	on or about September 2, 2013
Credit of new Newbev common shares with the Brazilian custodian	on or about September 5, 2013
Depositary begins to deliver Newbev ADSs upon surrender of Ambev ADSs	on or about September 6, 2013

Management

Newbev's Board of Directors is currently composed of three members, with Mr. Jean-Louis Julien Van de Perre as Chairman, and Ms. Isabela Gerjoi Bezerra de Souza and Ms. Ann Malcy Christine Randon as directors. These directors are employees and/or affiliates of ABI.

Following the Ambev EGM, a shareholders' meeting of Newbev will be held to elect its new Board, which will be composed of a total of ten members, who are the current ten members of Ambev's Board of Directors. Approximately 30 days after the Newbev common shares and ADS start trading on the BM&FBOVESPA and the NYSE, respectively, an extraordinary general shareholders' meeting of Newbev will be called to elect a new Board of Directors for this company. This new Board will include the two new independent directors in addition to nine other directors, who are expected to be appointed from Ambev's current Board of Directors. This second election of directors for Newbev will be conducted to ensure that all the new members of the full Board of Directors of Newbev who will manage the company following the Stock Swap Merger, if approved, are not appointed by IIBV and AmBrew before that transaction is consummated and, therefore, while those two entities are Newbev's sole shareholders. It is expected that the term of office of the new members to be elected to Newbev's Board of Directors after the consummation of the Stock Swap Merger will expire with Newbev's 2016 Annual General Shareholders' Meeting.

Table of Contents

Newbev currently has two executive officers, with Mr. Ricardo Gonçalves Melo as investor relations officer and Ms. Daniela Rodrigues Lopes as a general executive officer. These executive officers are employees of Ambev.

As soon as reasonably practicable following the Ambev EGM, a meeting of Newbev's ten-member Board of Directors to be elected at a shareholders' meeting of Newbev following the Ambev EGM will be held to replace Newbev's two current executive officers with eleven new executive officers, all of whom are the current executive officers of Ambev and have their mandates as Ambev executive officers expiring on December 31, 2013. It is expected that the term of office of the new executive officers of Newbev to be elected after the Ambev EGM will expire in 2016.

Stock Exchange Matters

If the Stock Swap Merger is approved, we expect that the Newbev common shares and ADSs issued in connection with the Stock Swap Merger will be listed and admitted to trading on the BM&FBOVESPA and NYSE, respectively, on or about the date the transaction is consummated. The Newbev common shares and ADSs are expected to trade on the BM&FBOVESPA and NYSE under the ticker symbols "ABEV3" and "ABEV," respectively.

After the consummation of the Stock Swap Merger, the Ambev common and preferred shares will be delisted from the BM&FBOVESPA and the Ambev ADSs will be delisted from the NYSE.

Accounting Treatment of the Contribution and the Stock Swap Merger

Under IFRS, as issued by the IASB, the Contribution has been accounted for as a combination of entities under common control using the predecessor value method. Under the predecessor value method, the book values used to record assets and liabilities are those in the consolidated financial statements of ABI, the ultimate parent or the highest level of common control where consolidated financial statements are prepared (*i.e.*, ABI accounting basis). As a result of the completion of the Contribution, the consolidated financial position and results of operations of Newbev include the historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent company, upon its acquisition of Ambev in 2004 and subsequent additional investments. Such purchase accounting adjustments relate to goodwill, fair value adjustments on property, plant and equipment and related deferred tax effect. The Newbev Predecessor combined financial statements reflect such predecessor value method accounting and have been included elsewhere in this prospectus. These Newbev Predecessor combined financial statements are the historical consolidated financial statements of Newbev after the Contribution, after giving retroactive effect in earnings per share to the number of Newbev common shares outstanding immediately after the Contribution.

The Newbev Predecessor combined financial statements reflect the consolidation of Ambev, with the equity interest in Ambev not owned by ABI being shown as a noncontrolling interest. The exchange of shares in the Stock Swap Merger will be considered a transaction with noncontrolling interests that does not result in the loss of control, and will be accounted for as an equity transaction. The value of the Newbev common shares issued in the Stock Swap Merger will be recorded on Newbev's capital stock and capital reserve accounts in equity, thus increasing flexibility for management of our capital structure. An offsetting amount equal to the difference between the value of

Table of Contents

the new Newbev common shares issued by Newbev and the carrying value of the Ambev shares acquired by Newbev will be recorded in an equity reserve account on Newbev's balance sheet, in which case Newbev's shareholders' equity value will be equivalent to Ambev's shareholders' equity value immediately prior to the Stock Swap Merger. Also, upon completion of the Stock Swap Merger, Newbev's financial statements will not reflect any noncontrolling interest accounts.

Material Tax Considerations

The proposed Stock Swap Merger should qualify as a tax-free exchange of Ambev ADSs or shares of Ambev common or preferred stock for Newbev ADSs or shares of Newbev common stock for U.S. federal income tax purposes, and Newbev intends to treat it as such. If the Stock Swap Merger so qualifies as a tax-free exchange, generally no gain or loss will be recognized by a holder of Ambev common shares, preferred shares or ADSs upon such holder's receipt solely of Newbev common shares or ADSs in exchange for Ambev common shares, preferred shares or ADSs for U.S. federal income tax purposes pursuant to the proposed Stock Swap Merger. However, this conclusion is not free from doubt.

In addition, the tax consequences of the Stock Swap Merger to you will depend on your specific situation. **We urge you to consult your tax advisor for a full understanding of the U.S. federal, state, local, Brazilian and other foreign tax consequences to you arising from the Stock Swap Merger and of the ongoing ownership and disposition of the Newbev common shares and ADSs that you will receive in this transaction, if approved.**

The foregoing is a brief summary of the material U.S. federal income tax consequences of the Stock Swap Merger and is qualified in its entirety by the more detailed general summary of the material U.S. federal income tax consequences of the transaction contained in "Part Five: The Stock Swap Merger—Tax Considerations."

Selected Historical and Pro Forma Financial Data

Presentation of Financial Information

The following financial statements are included in this prospectus:

- Newbev's audited financial statements prepared in accordance with IFRS as of and for the years ended December 31, 2012 and 2011;
- the audited combined financial statements of Newbev and all Ambev equity interests held by ABI -controlled entities, or the Newbev Predecessor combined financial statements, prepared in accordance with IFRS as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010. The Newbev Predecessor combined financial statements include the results of operations of Ambev and Newbev, using ABI's accounting basis for its investment in Ambev. These financial statements will become the historical financial statements of Newbev after the Contribution, after giving retroactive effect in earnings per share to the number of Newbev common shares outstanding immediately after the Contribution. As such, the accompanying audited Newbev Predecessor combined financial statements include historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent, upon its acquisition of Ambev in 2004 and subsequent additional investments;

Table of Contents

- Ambev's audited consolidated financial statements prepared in accordance with IFRS as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010, which have been included in "Item 17. Financial Statements" of Ambev's Annual Report on Form 20-F for the year ended December 31, 2012, or the 2012 Ambev 20-F, included as Annex A to this prospectus; and
- Ambev's unaudited consolidated interim financial statements prepared in accordance with IFRS as of March 31, 2013 and for the quarters ended March 31, 2013 and 2012.

As required under the Brazilian Corporation Law, following the Stock Swap Merger Newbev will also prepare parent company (individual) financial statements with accounting practices adopted in Brazil, or Brazilian GAAP, which are based on:

- Brazilian Law No. 6,404/76, as amended by Brazilian Law No. 9,457/97, Brazilian Law No. 10,303/01, and Brazilian Law No. 11,638/07, which in this prospectus is also referred to collectively as the Brazilian Corporation Law;
- the rules and regulations of the CVM, the accounting standards issued by the Brazilian Institute of Independent Accountants (*Instituto dos Auditores Independentes do Brasil*) and the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*); and
- the accounting standards issued by the Brazilian Accounting Standards Committee (*Comitê de Pronunciamentos Contábeis*).

Parent company (individual) financial statements for Newbev are statutorily required for certain purposes, the most relevant of which is the calculation of dividends. Newbev's parent company (individual) financial statements in accordance with Brazilian GAAP will not be prepared for purposes of disseminating additional financial information on Newbev to investors. Brazilian GAAP, as will be applied in the preparation of Newbev's parent company (individual) financial statements, differs from IFRS as issued by the IASB in that (1) Brazilian GAAP require presentation of a value added statement and (2) Brazilian GAAP require the application of the equity method of accounting in investments in associates and subsidiaries, while under IFRS as issued by the IASB these are recorded either at their cost or fair value.

Newbev maintain its books and records in *reais*. However, solely for the convenience of the reader, Newbev has translated certain amounts included in this section and elsewhere in this prospectus from *reais* into U.S. dollars using the selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*), or the Central Bank, as of March 31, 2013 of R$2.014 to US$1.00 (or, where indicated, at an average exchange rate prevailing during a certain period). These translations should not be considered representations that any such amounts represent, or could have been or could be converted into, U.S. dollars at that or at any other exchange rate.

On June 12, 2013, the exchange rate for *reais* into U.S. dollars was R$2.142 to US$1.00, based on the selling rate as reported by the Central Bank. The selling rate was R$1.822 to US$1.00 as of March 31, 2012, R$2.044 to US$1.00 as of December 31, 2012, R$1.876 to US$1.00 as of December 31, 2011, and R$1.666 to US$1.00 as of December 31, 2010, in each case, as reported by the Central Bank. The *real*/U.S. dollar exchange rate fluctuates widely, and the selling rate as of June 12, 2013 may not be indicative of future exchange rates.

Table of Contents

Percentages and some amounts in this prospectus have been rounded for ease of presentation. As a result, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them.

Newbev Selected Historical Financial Data

The selected historical financial data below is only a summary derived from Newbev's audited financial statements as of and for the years ended December 31, 2012 and 2011. Newbev first adopted IFRS for the audited financial statements for the year ended December 31, 2012. Therefore, selected historical financial data is only presented for the fiscal years for which IFRS financial information is available. You should read the following selected historical financial data together with the audited financial statements of Newbev, related notes and other related financial information included herein.

Income Statement

	Year Ended December 31,		
	2012	2012	2011
	(in US$ million)(1)	(in R$ million)	
Dividend income	16.3	32.9	37.3
Administrative expenses	(0.4)	(0.8)	(0.7)
Other operating expenses	(0.3)	(0.6)	(1.2)
Operating results	**15.6**	**31.5**	**35.4**
Financial costs	-	-	(186.4)
Financial income	2.6	5.1	193.2
Net financial cost	**2.6**	**5.1**	**6.8**
Income before tax	**18.2**	**36.7**	**42.3**
Income and social contribution income (expense)	4.9	9.8	(3.6)
Net income	**23.1**	**46.5**	**38.7**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from *reais* to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Table of Contents

Balance Sheet

	As of December 31,			As of January 1,
	2012	**2012**	**2011**	**2011**
	(in US$ million)(1)		**(in R$ million)**	
ASSETS				
Non-current assets:				
Investments securities	633.0	1,274.7	1,002.4	2,897.3
Total	**633.0**	**1,274.7**	**1,002.4**	**2,897.3**
Current assets:				
Taxes receivables	1.0	2.0	2.6	3.4
Trade and other receivables	10.7	21.5	9.9	-
Cash and cash equivalents	23.9	48.2	69.5	7.3
Total	**35.6**	**71.7**	**82.0**	**10.6**
Total assets	**668.6**	**1,346.4**	**1,084.4**	**2,907.9**
EQUITY AND LIABILITIES				
Equity:				
Share capital	123.7	249.1	249.1	249.1
Reserves	25.6	51.6	40.2	-
Other results	335.9	676.5	496.8	380.9
Accumulated earnings	-	-	14.1	26.3
Total equity	**485.2**	**977.2**	**800.2**	**656.3**
Liabilities:				
Current liabilities:				
Accounts payable	15.0	30.3	27.9	76.2
Income and social contribution taxes	-	-	0.3	1.6
Total current liabilities	**15.0**	**30.3**	**28.3**	**77.8**
Non-current liabilities:				
Interest-bearing loans and borrowings		-	-	1,977.8
Deferred tax liabilities	168.4	338.8	255.9	196.0
Total non-current liabilities	**168.4**	**338.8**	**255.9**	**2,173.8**
Total liabilities and shareholders' equity	**168.4**	**1,346.4**	**1,084.4**	**2,907.9**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from *reais* to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Predecessor Historical Selected Financial Data

The Newbev Predecessor historical combined selected financial data below is derived from the combined financial statements of ABI's interest in Newbev and Ambev as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010. The Newbev Predecessor combined financial statements are the historical financial statements of Newbev after the Contribution, after giving retroactive effect in earnings per share to the number of Newbev common shares outstanding immediately after the Contribution. The Newbev Predecessor combined financial statements include the

Table of Contents

historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent company, upon its acquisition of Ambev in 2004 and subsequent additional investments. Accordingly, the Ambev selected financial data for 2009 and 2008 is the same information that is reflected in the Newbev Predecessor selected financial data for such years, except that it does not include the effects of purchase accounting recorded by ABI that is reflected in the Newbev Predecessor combined financial statements. Such purchase accounting adjustments had an immaterial effect on the Newbev Predecessor combined income statements. For further information on these purchase accounting adjustments, see Note 1 to the Newbev Predecessor combined financial statements included elsewhere in this prospectus. For selected financial data and more financial information on Ambev generally, see 2012 Ambev 20-F included as Annex A to this prospectus.

The Newbev Predecessor historical selected financial data for the years ended December 31, 2009 and 2008 has been omitted as information prepared comparable to the Newbev Predecessor combined financial statements is not readily available and cannot be provided without unreasonable effort or expense due to significant changes in the accounting department personnel, as well as system changes in subsequent periods. We believe that the omission of Newbev Predecessor financial information for the years ended December 31, 2009 and 2008 would not have a material impact on an investor's understanding of our financial results and condition, cash flows and related trends. You should read the following selected historical financial data together with the audited Newbev Predecessor combined financial statements, related notes and other related financial information included herein.

Income Statement

	Year Ended December 31,			
	2012	2012	2011	2010
	(in US$ million)(1)		(in R$ million)	
Net sales	**16,005.1**	**32,231.0**	**27,126.7**	**25,233.3**
Cost of sales	(5,195.0)	(10,461.6)	(8,999.6)	(8,682.2)
Gross profit	**10,810.1**	**21,769.4**	**18,127.1**	**16,551.1**
Sales and marketing expenses	(3,648.0)	(7,346.4)	(6,250.6)	(6,038.3)
Administrative expenses	(769.1)	(1,548.9)	(1,182.8)	(1,204.5)
Other operating (expenses) income	428.7	863.4	783.2	624.7
Income from operations before special items	**6,821.7**	**13,737.5**	**11,476.9**	**9,933.0**
Special items	(25.0)	(50.4)	23.1	(150.8)
Income from operations	**6,796.7**	**13,687.1**	**11,500.0**	**9,782.2**
Financial costs	(732.1)	(1,474.4)	(1,420.1)	(1,336.2)
Financial income	331.1	666.8	958.8	1,018.4
Financial results	**(401.0)**	**(807.6)**	**(461.3)**	**(317.8)**
Share of results of associates	0.2	0.5	0.5	0.2
Income before income tax	**6,395.9**	**12,880.0**	**11,039.2**	**9,464.6**
Income tax expense	(1,160.5)	(2,337.1)	(2,445.1)	(2,004.4)
Net income	**5,235.4**	**10,542.9**	**8,584.1**	**7,460.2**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from *reais* to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Table of Contents

Balance Sheet

	As of December 31,		
	2012	2012	2011
	(in US$ million)(1)	(in R$ million)	
ASSETS			
Current assets:			
Investment securities	236.7	476.6	193.4
Inventories	1,224.7	2,466.3	2,238.5
Taxes receivable	57.9	116.5	293.9
Trade and other receivables	2,119.4	4,268.1	3,875.3
Cash and cash equivalents	4,456.4	8,974.3	8,145.7
Assets held for sale	2.0	4.1	0.4
Total current assets	**8,097.1**	**16,305.9**	**14,747.2**
Non-current assets:			
Property, plant and equipment	6,133.3	12,351.3	10,375.5
Goodwill	13,231.3	26,645.2	23,814.2
Intangible assets	1,458.0	2,936.1	1,912.8
Investment in associates	11.9	24.0	21.7
Investment securities	123.8	249.4	242.1
Deferred tax assets	709.2	1,428.2	1,447.1
Employee benefits	12.7	25.5	18.5
Taxes receivable	6.1	12.3	16.3
Trade and other receivables	921.1	1,855.0	1,232.0
Total non-current assets	**22,607.4**	**45,527.0**	**39,080.2**
Total assets	**30,704.5**	**61,832.9**	**53,827.4**
NET INVESTMENT AND LIABILITIES			
Current liabilities:			
Bank overdrafts	-	0.1	12.3
Interest-bearing loans and borrowings	416.0	837.8	2,212.1
Income tax and social contribution payable	483.0	972.6	793.9
Trade and other payables	6,743.1	13,579.3	11,302.1
Provisions	68.3	137.5	101.6
Total current liabilities	**7,710.4**	**15,527.3**	**14,422.0**
Non-current liabilities:			
Interest-bearing loans and borrowings	1,145.1	2,306.0	1,890.2
Employee benefits	884.3	1,780.9	1,602.9
Deferred tax liabilities	679.2	1,367.7	1,112.0
Trade and other payables	1,521.4	3,063.9	1,196.6
Provisions	257.3	518.1	478.4
Total non-current liabilities	**4,487.3**	**9,036.6**	**6,280.1**
Shareholders' net investment:			
Majority owner net investment	12,512.0	25,198.6	23,089.6
Noncontrolling interests	5,993.0	12,070.4	10,035.7
Total shareholders' net investment	**18,506.8**	**37,269.0**	**33,125.3**
Total liabilities and shareholders' net investment	**30,704.5**	**61,832.9**	**53,827.4**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from *reais* to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Table of Contents

Ambev Selected Historical Interim Financial Data

The selected historical interim financial data below is only a summary derived from Ambev's unaudited consolidated interim financial statements as of March 31, 2013 and for the quarters ended March 31, 2013 and 2012. You should read the following selected historical financial data together with the consolidated interim financial statements and other related financial information included herein.

Income Statement

	Quarter Ended March 31,		
	2013	2013	2012
	(in US$ million)(1)	(in R$ million)	
Net sales	**3,859.8**	**7,772.8**	**7,235.7**
Cost of sales	(1,302.4)	(2,622.8)	(2,312.4)
Gross profit	**2,557.4**	**5,150.0**	**4,923.3**
Sales and marketing expenses	(987.6)	(1,988.9)	(1,748.4)
Administrative expenses	(174.7)	(351.7)	(317.2)
Other operating (expenses) income	155.7	313.5	139.2
Income from operations before special items	**1,550.8**	**3,122.9**	**2,996.9**
Special items	(0.5)	(1.0)	-
Income from operations	**1,550.3**	**3,121.9**	**2,996.9**
Financial costs	(199.3)	(401.4)	(290.6)
Financial income	79.8	160.7	207.9
Financial results	**(119.5)**	**(240.7)**	**(82.7)**
Share of results of associates	0.8	1.7	0.4
Income before income tax	**1,431.6**	**2,882.9**	**2,914.6**
Income tax expense	(251.4)	(506.4)	(580.1)
Net income	**1,180.2**	**2,376.5**	**2,334.5**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from *reais* to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Table of Contents

Balance Sheet

	As of March 31,		As of December 31,
	2013	2013	2012 (audited)
	(in US$ million)(1)	(in R$ million)	
ASSETS			
Non-current assets:			
Property, plant and equipment	5,621.9	11,321.3	11,412.3
Goodwill	9,771.7	19,678.7	19,971.5
Intangible assets	1,440.3	2,900.5	2,935.4
Investment in associates	12.2	24.5	24.0
Investment securities	118.9	239.5	249.4
Deferred tax assets	889.3	1,790.8	1,418.5
Employee benefits	12.7	25.5	25.5
Taxes receivable	5.4	10.8	12.3
Trade and other receivables	918.8	1,850.6	1,855.0
Total non-current assets	**18,791.4**	**37,842.2**	**37,903.9**
Current assets:			
Investment securities	178.6	359.6	476.6
Inventories	1,425.8	2,871.2	2,466.3
Taxes receivable	96.9	195.2	114.5
Trade and other receivables	1,882.6	3,791.0	4,268.3
Cash and cash equivalents	1,820.1	3,665.3	8,926.2
Assets held for sale	2.0	4.0	4.1
Total current assets	**5,406.0**	**10,886.3**	**16,256.0**
Total assets	**24,197.4**	**48,728.5**	**54,159.9**
EQUITY AND LIABILITIES			
Equity:			
Issued capital	6,321.6	12,730.5	12,187.3
Reserves	6,950.6	13,997.1	16,676.4
Retained earnings	973.3	1,959.9	-
Equity attributable to equity holders of Ambev	**14,245.5**	**28,687.5**	**28,863.7**
Noncontrolling interests	526.2	1,059.7	1,060.1
Total equity	**14,771.7**	**29,747.2**	**29,923.8**
Non-current liabilities:			
Interest-bearing loans and borrowings	1,065.3	2,145.4	2,306.0
Employee benefits	864.9	1,741.7	1,780.9
Deferred tax liabilities	538.8	1,085.0	1,048.3
Trade and other payables	1,450.4	2,920.5	3,064.0
Provisions	247.4	498.3	518.1
Total non-current liabilities	**4,166.8**	**8,390.9**	**8,717.3**
Current liabilities:			
Bank overdrafts	-	-	0.1
Interest-bearing loans and borrowings	423.5	852.8	837.8
Income tax and social contribution payable	591.0	1,190.2	972.6
Trade and other payables	4,176.9	8,411.5	13,570.8
Provisions	67.5	135.9	137.5
Total current liabilities	**5,258.9**	**10,590.4**	**15,518.8**
Total liabilities	**9,425.7**	**18,981.3**	**24,236.1**
Total equity and liabilities	**24,197.4**	**48,728.5**	**54,159.9**

(1) Translated for the convenience of the reader only. See "—Presentation of Financial Information." The exchange rate used for the translation from reais to U.S. dollars was R$2.014 per US$1.00 as of March 31, 2013.

Table of Contents

Newbev Unaudited Pro Forma Condensed Consolidated Financial Information under IFRS

The following unaudited pro forma condensed consolidated financial information of Newbev give pro forma effect to: (1) the Contribution, pursuant to which on June 17, 2013 ABI caused its subsidiaries IIBV and AmBrew to contribute to Newbev all the Ambev shares that those entities held in Ambev (for further information, see "—The Contribution"), and (2) the Stock Swap Merger, pursuant to which each Ambev common or preferred share not held by Newbev will be exchanged for five newly issued Newbev common shares, if the transaction is approved by the required shareholder vote (for further information, see "—Terms of the Stock Swap Merger" appearing elsewhere in this prospectus).

The unaudited pro forma condensed consolidated balance sheet as of December 31, 2012 is based on the individual IFRS historical balance sheets of Newbev and Ambev, appearing elsewhere in this prospectus, and give effect on a pro forma basis to the Contribution and the Stock Swap Merger as if both transactions had been consummated on December 31, 2012. The unaudited pro forma condensed consolidated income statement for the years ended December 31, 2012 and 2011 are based on the individual IFRS historical statements of operations of Newbev and Ambev, appearing elsewhere in this prospectus, and include the results of operations of Newbev and Ambev giving effect to the Contribution as if it had occurred on January 1, 2011. Pro forma effect for two years is given to the Contribution as it represents a transfer between entities under common control that will be accounted for retroactively using the predecessor value method. Additionally, the unaudited pro forma condensed income statement for the year ended December 31, 2012 gives further pro forma effect to the Stock Swap Merger, as if it had occurred on January 1, 2012. The historical financial information has been adjusted to give effect to events: (1) that are directly attributable to the Contribution and Stock Swap Merger, (2) that are factually supportable, and (3) with respect to the pro forma income statements, that are expected to have a continuing impact on the consolidated results.

This information should be read in conjunction with the historical financial statements and accompanying notes of Newbev and the historical consolidated financial statements and accompanying notes of Ambev included elsewhere in this document.

The unaudited pro forma condensed consolidated financial information is based on the estimates and assumptions set forth in the notes to such information. The unaudited pro forma condensed consolidated financial information is being furnished solely for informational purposes. Although we believe that the unaudited pro forma condensed consolidated financial information is presented based on reasonable assumptions of our management, you should not interpret them as our actual results of operations, as an indication of our future consolidated results, as a basis for the calculation of dividends or for any other purposes. The unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of Newbev would have been if the Contribution or the Stock Swap Merger had occurred on the dates assumed. The unaudited pro forma financial information, for example, does not reflect any integration costs that may be incurred as a result of the Contribution or the Stock Swap Merger.

Table of Contents

Unaudited Pro Forma Condensed Consolidated Balance Sheet

	As of December 31, 2012						
			Pro Forma Adjustments				
	Newbev Historical	Ambev Historical	Consolidation Adjustments	ABI Predecessor Basis of Accounting Adjustments	Predecessor Basis of Accounting	Stock Swap Merger	Consolidated Pro Forma
ASSETS				(in R$ million)			
Non-current assets:							
Property, plant and equipment	-	11,412.3	-	939.0[2(ii)(a)]	12,351.3	-	**12,351.3**
Goodwill	-	19,971.4	-	6,674.5[2(ii)(b)]	26,645.9	-	**26,645.9**
Intangible assets	-	2,935.4	-	-	2,935.4	-	**2,935.4**
Investments in associates	1,274.7	24.0	(1,274.7)[2(i)(a)]	-	24.0	-	**24.0**
Investment securities	-	249.4	-	-	249.4	-	**249.4**
Deferred tax assets	9.7	1,418.5	-	-	1,428.2	-	**1,428.2**
Employee benefits	-	25.5	-	-	25.5	-	**25.5**
Taxes receivable	-	12.3	-	-	12.3	-	**12.3**
Trade and other receivables	-	1,855.0	-	-	1,855.0	-	**1,855.0**
Total non-current assets	**1,284.4**	**37,903.8**	**(1,274.7)**	**7,613.5**	**45,527.0**	**-**	**45,527.0**
Current assets:							
Investment securities	-	476.6	-	-	476.6	-	**476.6**
Inventories	-	2,466.3	-	-	2,466.3	-	**2,466.3**
Taxes receivable	2.0	114.5	-	-	116.5	-	**116.5**
Trade and other receivables	21.5	4,268.3	(21.7)[2(i)(b)]	-	4,268.1	-	**4,268.1**
Cash and cash equivalents	48.2	8,926.1	-	-	8,974.3	-	**8,974.3**
Assets held for sale	-	4.1	-	-	4.1	-	**4.1**
Total current assets	**71.7**	**16,255.9**	**(21.7)**	**-**	**16,305.9**	**-**	**16,305.9**
Total assets	**1,356.1**	**54,159.7**	**(1,296.4)**	**7,613.5**	**61,832.9**	**-**	**61,832.9**
EQUITY AND LIABILITIES							
Equity:							
Equity attributable to equity holders of Newbev	977.2	28,863.9	(11,936.6)[2(i)(c)]	7,294.1[2(ii)(c)]	25,198.6	11,010.4 [2(iii)(a)]	**36,209.0**
Noncontrolling interests	-	1,060.0	11,010.4 [2(i)(d)]	-	12,070.4	(11,010.4)[2(iii)(b)]	**1,060.0**
Total equity	**977.2**	**29,923.9**	**(926.2)**	**7,294.1**	**37,269.0**	**-**	**37,269.0**
Liabilities:							
Non-current liabilities:							
Interest-bearing loans and borrowings	-	2,306.0	-	-	2,306.0	-	**2,306.0**
Employee benefits	-	1,780.9	-	-	1,780.9	-	**1,780.9**
Deferred tax liabilities	348.5	1,048.3	(348.5)[2(i)(e)]	319.4[2(ii)(d)]	1,367.7	-	**1,367.7**
Trade and other payables	-	3,063.9	-	-	3,063.9	-	**3,063.9**
Provisions	-	518.1	-	-	518.1	-	**518.1**
Total non-current liabilities	**348.5**	**8,717.2**	**(348.5)**	**319.4**	**9,036.6**	**-**	**9,036.6**
Current liabilities:							
Bank overdrafts	-	0.1	-	-	0.1	-	**0.1**
Interest-bearing loans	-	837.8	-	-	837.8	-	**837.8**
Income tax and social contribution payable	-	972.6	-	-	972.6	-	**972.6**
Trade and other payables	30.4	13,570.6	(21.7)[2(i)(b)]	-	13,579.3	-	**13,579.3**
Provisions	-	137.5	-	-	137.5	-	**137.5**
Total current liabilities	**30.4**	**15,518.6**	**(21.7)**	**-**	**15,527.3**	**-**	**15,527.3**
Total liabilities	**378.9**	**24,235.8**	**(370.2)**	**319.4**	**24,563.9**	**-**	**24,563.9**
Total liabilities and shareholders' equity	**1,356.1**	**54,159.7**	**(1,296.4)**	**7,613.5**	**61,832.9**	**-**	**61,832.9**

Table of Contents

Unaudited Pro Forma Condensed Consolidated Income Statement

	Year Ended December 31, 2012						
			Pro Forma Adjustments				
	Newbev Historical	Ambev Historical	Consolidation Adjustments	ABI Predecessor Basis of Accounting Adjustments	Predecessor Basis of Accounting	Stock Swap Merger	Consolidated Pro Forma
	(in R$ million, except as indicated otherwise)						
Net sales	**-**	**32,231.0**	**-**	**-**	**32,231.0**	**-**	**32,231.0**
Cost of sales	-	(10,291.6)	-	(170.0)[3(ii)(a)]	(10,461.6)	-	**(10,461.6)**
Gross profit	**-**	**21,939.4**	**-**	**(170.0)**	**21,769.4**	**-**	**21,769.4**
Sales and marketing expenses	-	(7,346.6)	-	0.2 [3(ii)(a)]	(7,346.4)	-	**(7,346.4)**
Administrative expenses	(0.8)	(1,546.6)	-	(1.5)[3(ii)(a)]	(1,548.9)	-	**(1,548.9)**
Other operating (expenses) income	32.4	863.9	(32.9)[3(i)(a)]	-	863.4	-	**863.4**
Income from operations before special items	**31.6**	**13,910.1**	**(32.9)**	**(171.3)**	**13,737.5**	**-**	**13,737.5**
Special items	-	(50.4)	-	-	(50.4)	-	**(50.4)**
Income from operations	**31.6**	**13,859.7**	**(32.9)**	**(171.3)**	**13,687.1**	**-**	**13,687.1**
Financial costs	-	(1,474.4)	-	-	(1,474.4)	-	**(1,474.4)**
Financial income	5.1	661.7	-	-	666.8	-	**666.8**
Financial results	**5.1**	**(812.7)**	**-**	**-**	**(807.6)**	**-**	**(807.6)**
Share of results of associates	-	0.5	-	-	0.5	-	**0.5**
Income before income tax	**36.7**	**13,047.5**	**(32.9)**	**(171.3)**	**12,880.0**	**-**	**12,880.0**
Income tax expense	9.8	(2,405.1)	-	58.2 [3(ii)(b)]	(2,337.1)	-	**(2,337.1)**
Net income	**46.5**	**10,642.4**	**(32.9)**	**(113.1)**	**10,542.9**	**-**	**10,542.9**
Attributable to:							
Equity holders of Newbev	46.5	10,508.1	(4,041.5)[3(i)(b)]	(113.1)	6,400.0	4,008.4 [3(iii)(a)]	10,408.4
Noncontrolling interest	-	134.5	4,008.4 [3(i)(b)]	-	4,142.9	(4,008.4)[3(iii)(a)]	134.5
Earnings per share:[3(iv)]							
Basic (common shares)	0.19				0.66		0.66
Diluted (common shares)	0.19				0.66		0.66
Weighted average number of shares (thousand shares):[3(iv)]							
Basic (common shares)	249,061			9,444,537 [3(iv)]	9,693,598	5,967,838 [3(iv)]	15,661,436
Diluted (common shares)	249,061			9,444,537 [3(iv)]	9,693,598	5,967,838 [3(iv)]	15,661,436

Table of Contents

	Year Ended December 31, 2011				
			Pro Forma Adjustments		
	Newbev Historical	Ambev Historical	Consolidation Adjustments	ABI Predecessor Basis of Accounting Adjustments	Consolidated Pro Forma
	(in R$ million, except as indicated otherwise)				
Net sales	-	**27,126.7**	-	-	**27,126.7**
Cost of sales	-	(8,793.3)	-	(206.3)3(ii)(a)	(8,999.6)
Gross profit	-	**18,333.4**	-	**(206.3)**	**18,127.1**
Sales and marketing expenses	-	(6,250.9)	-	0.3 3(ii)(a)	(6,250.6)
Administrative expenses	(0.7)	(1,180.6)	-	(1.5)3(ii)(a)	(1,182.8)
Other operating (expenses) income	36.1	784.4	(37.3)3(i)(a)	-	783.2
Income from operations before special items	**35.4**	**11,686.3**	**(37.3)**	**(207.5)**	**11,476.9**
Special items	-	23.1	-	-	23.1
Income from operations	**35.4**	**11,709.4**	**(37.3)**	**(207.5)**	**11,500.0**
Financial costs	(186.4)	(1,233.7)	-	-	(1,420.1)
Financial income	193.2	765.6	-	-	958.8
Financial results	**6.8**	**(468.1)**	-	-	**(461.3)**
Share of results of associates	-	0.5	-	-	0.5
Income before income tax	**42.2**	**11,241.8**	**(37.3)**	**(207.5)**	**11,039.2**
Income tax expense	(3.6)	(2,522.0)	-	70.5 (3ii)(b)	(2,455.1)
Net income	**38.6**	**8,719.8**	**(37.3)**	**(137.0)**	**8,584.1**
Attributable to:					
Equity holders of Newbev	38.7	8,641.0	(3,330.6)3(i)(b)	(137.0)	5,212.1
Noncontrolling interest	-	78.8	3,293.3 3(i)(b)	-	3,3721.1
Earnings per share:3(iv)					
Basic (common shares)	0.16				0.54
Diluted (common shares)	0.16				0.54
Weighted average number of shares (thousand shares):3(iv)					
Basic (common shares)	249,061			9,444,5373(iv)	9,693,598
Diluted (common shares)	249,061			9,444,5373(iv)	9,693,598

1. Description of the Contribution and Stock Swap Merger and Basis of Presentation

(i) The Contribution

On June 17, 2013, IIBV and AmBrew, two wholly-owned subsidiaries of ABI, contributed to Newbev the Ambev shares owned by them. As a consequence, Newbev became Ambev's direct controlling shareholder, holding a 74.0% and 46.3% interest in the Ambev common shares and preferred shares, respectively. The Contribution has been accounted for as a combination of entities under common control using the predecessor value method. Under the predecessor value method, the book values used to record assets and liabilities are those in the consolidated financial statements of ABI, the ultimate parent or the highest level of common control where consolidated financial statements are prepared (*i.e.*, ABI accounting basis). As a result of the completion of the Contribution, the consolidated financial position and results of operations of Newbev include the historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent company, upon its acquisition of Ambev in 2004 and subsequent additional investments.

Table of Contents

(ii) The Stock Swap Merger

Pursuant to the Stock Swap Merger, all issued and outstanding common and preferred shares of Ambev not held by Newbev will be exchanged for five new common shares, no par value, of Newbev, if the transaction is approved by the required shareholder vote. This exchange of shares will be considered a transaction with noncontrolling interests that does not result in the loss of control, and will be accounted for as an equity transaction.

2. Unaudited Pro Forma Balance Sheet Adjustments

(i) Consolidation Adjustments

(a) Investment

The purpose of this adjustment is to eliminate the 0.5% ownership interest in Ambev originally owned by Newbev, which had been accounted for as an investment in Newbev's historical financial statements.

(b) Intercompany Balances

The purpose of this adjustment is to eliminate intercompany receivables and payables between Newbev and Ambev as of December 31, 2012.

(c) Equity

The purpose of this adjustment is: (1) to eliminate R$1,274.7 million of Ambev's equity related to the investment recorded in Newbev's historical financial statements as referred to in (2)(i)(a) above, (2) to eliminate R$348.5 million in deferred taxes recognized in historical retained earnings of Newbev as referred to in (2)(i)(e) below, and (3) to recognize R$11,010.4 million in noncontrolling interests in Ambev after the Contribution, representing the interest in Ambev that is not owned by Newbev.

(d) Noncontrolling Interests

The purpose of this adjustment is to recognize R$11,010.4 million, equivalent to the 38.2% noncontrolling interest in Ambev after the Contribution, representing the interest in Ambev that is not owned by Newbev, as referred to in (2)(i)(c) above.

(e) Deferred Tax Liabilities

The purpose of this adjustment is to eliminate deferred tax liabilities recognized as a result of the changes in the fair value of the investment in Ambev held by Newbev referred in 2(i)(a) above.

(ii) ABI Predecessor Basis of Accounting Adjustments

The purpose of these adjustments is to reflect certain business combination adjustments recognized by ABI, the ultimate parent, upon its business acquisition of Ambev in 2004 and subsequent additional investments, due to the application of the predecessor value method of accounting, as follows:

(a) Property, Plant and Equipment

The purpose of these adjustments is to recognize R$939.0 million from the difference between the book value and fair value of property, plant and equipment recognized in ABI's consolidated financial statements.

Table of Contents

(b) Goodwill

The purpose of these adjustments is to recognize R$6,674.5 million in goodwill recorded in ABI's consolidated financial statements.

(c) Equity

The purpose of these adjustments is to recognize R$7,294.1 million related to the total effect of the purchase accounting adjustments, as referred in (2)(ii)(a) and (2)(ii)(b) above, recognized as a result of the application of the predecessor value method of accounting.

(d) Deferred Tax Liabilities

The purpose of these adjustments is to recognize the deferred tax effect on the adjustments above.

(iii) Stock Swap Merger Adjustments

(a) Equity

The purpose of this adjustment is to recognize the net amount of R$11,010.4 million related to the issuance of new Newbev common shares that will be exchanged for the Ambev common and preferred shares not owned by Newbev that will be surrendered to Newbev by Ambev's other shareholders.

(b) Noncontrolling Interests

The purpose of this adjustment is to eliminate the noncontrolling interests in Ambev, as it will become a wholly-owned subsidiary of Newbev as a result of the Stock Swap Merger. The remaining balance of noncontrolling interests is related to subsidiaries not wholly-owned by Ambev.

3. Unaudited Pro Forma Income Statement Adjustments

(i) Consolidation Adjustments

(a) Other Operating (Expenses) Income

The purpose of this adjustment is to eliminate dividend income recognized by Newbev derived from its investment in Ambev in the amount of R$32.9 million and R$37.3 million for the years ended December 31, 2012 and 2011, respectively.

(b) Net Income Attributable to Equity Holders of Newbev and to Noncontrolling Interest

The purpose of this adjustment is to record net income attributable to noncontrolling shareholders of Ambev.

(ii) ABI Predecessor Basis of Accounting Adjustments

The purpose of these adjustments is to reflect the impact in the pro forma income statements the purchase accounting adjustments detailed above in the preamble of 2(ii) above.

Table of Contents

(a) Cost of Sales; Sales and Marketing Expenses; Administrative Expenses

The purpose of this adjustment is to adjust depreciation expense of property, plant and equipment resulting from the adjustment to fair value referred to in 2(ii)(a) above

(b) Income Tax Expense

The purpose of this adjustment is to recognize the deferred tax effect on the adjustment referred to in (3)(ii)(a) above.

(iii) *Stock Swap Merger Adjustments*

(a) Net Income Attributable to Equity Holders of Newbev and to Noncontrolling Interest

The purpose of this adjustment is to eliminate the noncontrolling interests in Ambev, as it will become a wholly-owned subsidiary of Newbev as a result of the Stock Swap Merger. The remaining balance of noncontrolling interests is related to subsidiaries not wholly-owned by Ambev.

(iv) *Earnings Per Share*

Predecessor Basis of Accounting

The pro forma number of shares is adjusted to reflect the number of Newbev common shares that Newbev had outstanding after the Contribution, at which point in time Newbev was indirectly wholly-owned by ABI through ABI's direct subsidiaries IIBV and AmBrew. Such shares have no par value and have been issued for a total amount equivalent to the foreign capital investment amount that IIBV and AmBrew held in Ambev at the date of the Contribution, as registered with the Central Bank. The Contribution and concurrent reverse stock-split undertaken by Newbev resulted in a total number of 9,693,597,815 shares of Newbev common stock being outstanding. This represents an increase of 9,444,536,513 in the weighted average number of Newbev common shares compared to the historical number of shares of Newbev during the years ended December 31, 2012 and 2011.

Consolidated Pro Forma

The pro forma number of shares is adjusted to reflect the estimated number of Newbev common shares that Newbev will have outstanding after the Stock Swap Merger. The number of Newbev common shares following the consummation of the Stock Swap Merger was considered to be equal to five times the total number of shares of Ambev not taking into account any Ambev treasury shares. The Stock Swap Merger would then result in a total number of 15,661,436,120 shares of Newbev common stock being outstanding. This represents an increase of 5,967,838,305 in the weighted average number of shares compared to the predecessor basis of accounting number of shares for the year ended December 31, 2012.

Historical and Pro Forma Share Information

Historical Share Information

Newbev is an unlisted company and its common shares have never been listed on the BM&FBOVESPA or on any other securities exchange. Therefore, there is no reported trading price of its shares.

The Ambev common ADSs and Ambev preferred ADSs are listed on the NYSE under the symbols "ABV.c" and "ABV," respectively. In addition, the Ambev common shares and Ambev preferred shares are listed on the BM&FBOVESPA under the symbols "AMBV3" and "AMBV4," respectively.

Table of Contents

The table below sets forth the high and low sale prices of Ambev common and preferred ADSs, as reported on the NYSE, and of the Ambev common and preferred shares, as reported on the BM&FBOVESPA, in each case on a historical basis, on December 6, 2012, the last trading day prior to the first public announcement of the transaction with the Material Fact Notice issued by Ambev on December 7, 2012, and on June 12, 2013, the last practicable trading day before the date of this prospectus.

	December 6, 2012		June 12, 2013	
	High	Low	High	Low
Ambev common shares (R$)	78.27	77.05	77.32	76.11
Ambev preferred shares (R$)	88.25	86.92	78.01	76.70
Ambev common ADSs (US$)	37.63	37.17	35.93	35.40
Ambev preferred ADSs (US$)	42.43	41.69	36.36	35.73

Source: BM&FBOVESPA (shares); Bloomberg (ADSs).

We urge you to check current market quotations.

Unaudited Pro Forma Share Information

After the transfer of ABI's equity interests in Ambev to Newbev in the Contribution in exchange for newly issued Newbev common shares, the Newbev Predecessor combined financial statements became the historical consolidated financial statements of Newbev, except that the number of shares that ABI will hold in Newbev immediately after the Contribution will be retroactively reflected in historical earnings per share. The following table sets forth certain unaudited pro forma earnings per share for each of the years ended December 31, 2012, 2011 and 2010 for Newbev on a predecessor basis. These pro forma earnings per share amounts are the historical earnings per share amounts of Newbev after the Contribution.

The pro forma number of Newbev common shares is the number of common shares that Newbev had outstanding after the Contribution, at which point in time Newbev was indirectly wholly-owned by ABI through ABI's direct subsidiaries IIBV and AmBrew. Such shares have no par value and have been issued for a total amount equivalent to the foreign capital investment amount that IIBV and AmBrew held in Ambev at the date of the Contribution, as registered with the Central Bank. The Contribution and concurrent reverse stock-split undertaken by Newbev resulted in a total number of 9,693,597,815 shares of Newbev common stock being outstanding (for further information on the reverse stock-split, see "—The Contribution").

Table of Contents

The historical financial information for Newbev on a predecessor basis and Ambev has been prepared under IFRS. The information that follows should be read together with the audited Newbev Predecessor combined financial statements included elsewhere in this prospectus.

Pro Forma Earnings Per Share

	Year Ended December 31,		
	2012	2011	2010
	(in R$ million, except as indicated otherwise)		
Net income attributable to equity holders of Newbev	6,400.2	5,212.2	4,516.2
Number of common shares of Newbev outstanding after the Contribution (thousand shares)	9,693,598	9,693,598	9,693,598
Basic earnings per share (in R$)	0.66	0.54	0.47
Diluted earnings per share (in R$)	0.66	0.54	0.47

In addition, we have disclosed in the tables set forth below Newbev's pro forma net income per share, book value per share and dividends per share for the year ended December 31, 2012, which gives pro forma effect to the Stock Swap Merger.

Pro Forma Net Income Per Share Giving Effect to the Stock Swap Merger for the Year Ended December 31, 2012

	Pro Forma Net Income Per Share After the Contribution	Pro Forma Adjustments for the Stock Swap Merger(1)	Pro Forma Net Income Per Share After the Stock Swap Merger
	(in R$ million, except as indicated otherwise)		
Predecessor Newbev net income attributable to equity holders of Newbev	6,400.2	4,008.4	10,408.6
Estimated number of common shares of Newbev as a result of the Contribution and the Stock Swap Merger (thousand shares)	9,693,598	5,967,838	15,661,436
Pro forma net income per common share (in R$)	0.66	-	0.66

(1) Majority owners' net income is adjusted to include the noncontrolling interest net income in relation to Ambev.

Pro Forma Book Value Per Share Giving Effect to the Stock Swap Merger as of December 31, 2012

	Pro Forma Book Value Per Share After the Contribution	Pro Forma Adjustments for the Stock Swap Merger(1)	Pro Forma Book Value Per Share After the Stock Swap Merger
	(in R$ million, except as indicated otherwise)		
Book value attributable to equity holders of Newbev	25,198.6	11,010.3	36,208.9
Estimated number of common shares of Newbev as a result of the Contribution and the Stock Swap Merger (thousand shares)	9,693,598	5,967,838	15,661,436
Pro forma book value per share (in R$)	2.60	(0.29)	2.31

(1) Majority owners' book value is adjusted to include the noncontrolling interest book value in relation to Ambev.

Table of Contents

Pro Forma Cash Dividends Per Share Giving Effect to the Stock Swap Merger for the Year Ended December 31, 2012

	Pro Forma Cash Dividends Per Share After the Contribution(1)	Pro Forma Adjustments for the Stock Swap Merger(2)	Pro Forma Cash Dividends Per Share After the Stock Swap Merger
	(in R$ million, except as indicated otherwise)		
Cash dividends attributable to equity holders of Newbev	4,945.1	3,073.2	8,018.3
Estimated number of common shares of Newbev as a result of the Contribution and the Stock Swap Merger (thousand shares)	9,693,598	5,967,838	15,661,436
Pro forma cash dividends per share (in R$)	0.51	-	0.51

(1) Pro forma cash dividends per share after the Contribution have been determined by considering the total cash dividends paid by Newbev and Ambev to ABI, which are considered to be the dividends received by ABI from the Newbev Predecessor, divided by the number of Newbev common shares held by ABI immediately after the Contribution.

(2) Majority owners' cash dividends are adjusted to include the noncontrolling interest cash dividends in relation to Ambev.

In addition, we have disclosed in the table set forth below (1) the pro forma net income and book value per share of the Newbev Predecessor common stock after the Contribution in comparison to the pro forma net income and book value per share after giving effect to the proposed Stock Swap Merger, (2) the historical net income and book value per share of Ambev's common stock and preferred stock in comparison to the equivalent pro forma net income and book value per share attributable to five shares of Newbev common stock that will be issued in exchange for each Ambev common or preferred share surrendered, (3) the pro forma cash dividends per share of the Newbev Predecessor common stock after the Contribution in comparison to the pro forma Newbev Predecessor dividends per share after giving effect to the proposed Stock Swap Merger, and (4) the actual cash dividends per share of Ambev common stock and preferred stock in comparison to the equivalent pro forma cash dividends paid on each share of Newbev Predecessor common stock after giving effect to the proposed Stock Swap Merger.

	Newbev		Ambev	
	Pro Forma Newbev After the Contribution(1)	Pro Forma Newbev After the Stock Swap Merger(2)	Historical	Equivalent Pro Forma(2)
	(in R$)			
Net Income:				
Net income per common share	0.66	0.66	3.22	3.32
Net income per preferred share	-	-	3.55	3.32
Book Value:				
Book value per common share	2.60	2.31	9.24	11.56
Book value per preferred share	-	-	9.24	11.56
Dividends:				
Cash dividends per common share	0.51	0.51	2.44	2.56
Cash dividends per preferred share	-	-	2.69	2.56

(1) Amounts will become the historical per share data of Newbev after the Contribution.

(2) Pro forma amounts of Newbev after the Contribution multiplied by the Stock Swap Merger's exchange ratio of five new Newbev common shares issued in exchange for each Ambev common or preferred share surrendered.

Table of Contents

Exchange Rates

Since March 2005, with the issuance of Resolution No. 3,265 by the National Monetary Council (*Conselho Monetário Nacional*), or the CMN, all foreign exchange transactions in Brazil are carried out through institutions authorized to operate in the consolidated market and are subject to registration with the electronic registration system of the Central Bank. Foreign exchange rates continue to be freely negotiated, but may be influenced by Central Bank intervention.

Since 1999, the Central Bank has allowed the *real*/U.S. dollar exchange rate to float freely, and during that period the *real*/U.S. dollar exchange rate has fluctuated considerably. In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian federal government will continue to let the *real* float freely or will intervene in the foreign exchange rate market through a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar substantially in the future. See "Item 3D. Risk Factors—Risks Relating to Brazil" of the 2012 Ambev 20-F included as Annex A to this prospectus.

The following table sets forth the selling exchange rate, expressed in *reais* per U.S. dollar, for the periods indicated. The information in the "Average" column represents the average of the exchange rates on the last day of each month during the periods presented.

	***Reais* per U.S. Dollar**			
Year	**High**	**Low**	**Average**	**Period End**
2008	2.500	1.559	1.834	2.337
2009	2.422	1.702	1.994	1.741
2010	1.881	1.655	1.756	1.666
2011	1.902	1.535	1.677	1.876
2012	2.112	1.702	1.955	2.044

Source: Central Bank.

	***Reais* per U.S. Dollar**	
Month	**High**	**Low**
December 2012	2.112	2.044
January 2013	2.047	1.988
February 2013	1.989	1.957
March 2013	2.019	1.953
April 2013	2.024	1.974
May 2013	2.132	2.003
June 2013 (through June 12)	2.152	2.124

Source: Central Bank.

Newbev will pay cash dividends and make other cash distributions to its shareholders in *reais*. Accordingly, exchange rate fluctuations may affect the U.S. dollar amounts received by holders of Newbev ADSs on conversion by the Depositary of those distributions into U.S. dollars for payment to those holders. Fluctuations in the exchange rate between the *real* and the U.S. dollar may also affect the U.S. dollar equivalent of the trading price of the Newbev common shares in *reais* on the BM&FBOVESPA.

Table of Contents

PART THREE: RISK FACTORS

In addition to the other information contained in this document, including the matters described in the caption "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following factors to understand the risks associated with the Stock Swap Merger and an investment in the Newbev common shares and ADSs that you will receive in connection with this transaction.

Risks Relating to the Stock Swap Merger

The implementation of the Stock Swap Merger may face significant challenges and the ultimate advantages expected to be derived from this transaction will continue to be subject to a number of factors that are beyond our control.

The implementation of the Stock Swap Merger may present significant challenges, including unanticipated costs and delays, shareholder or creditor opposition, regulatory interference and excessive diversion of our management's attention from the day-to-day management of our operating activities. If our senior management is unable to efficiently implement the Stock Swap Merger, our business could suffer. We cannot guarantee that our management will successfully or cost-effectively implement the Stock Swap Merger.

In addition, even if our management is able to successfully and cost-effectively implement the Stock Swap Merger, the ultimate advantages that we expect to derive from the Stock Swap Merger, such as improved share trading liquidity, enhanced corporate governance standards and increased flexibility for management of our capital structure, will continue to depend upon, among other factors, our future performance, market conditions, investor interest in our securities and general economic, political and business conditions both in Brazil and abroad.

The Stock Swap Merger may not result in the benefits that we seek to achieve, including, among other things, a potential increase in our share trading liquidity.

We are undertaking the Stock Swap Merger because this transaction will simplify our share structure, which we believe will provide advantages both for us and our shareholders, such as an expected increase in the liquidity of our shares (including those represented by ADSs). However, the Stock Swap Merger may not accomplish these objectives. For example, we cannot predict whether a liquid market for the new Newbev common shares and ADSs will materialize or be more liquid than the current market for the Ambev shares and ADSs and, if so, whether that increased trading liquidity for Newbev's securities will be maintained going forward. The Stock Swap Merger may decrease, or have no impact on, your ability to sell the new Newbev common shares or ADSs you will receive in this transaction, if approved, as compared to your ability to sell the Ambev shares and ADSs that you currently hold.

If the Stock Swap Merger is approved, holders of Ambev preferred shares (including in the form of ADSs) will have to give up these securities, which provide certain rights that are not conferred by the Newbev common shares that they will receive in return.

To compensate for not providing certain rights inherent to common shares, such as (1) full voting rights, (2) the right to be included in a statutory change of control tender offer, and (3) the right

Table of Contents

to participate in a voting block representing at least 10% of a company's common stock to elect one member and respective alternate to its fiscal council without the participation of controlling shareholders, preferred shares provide their holders with certain other rights mandated by the Brazilian Corporation Law for this share class that are not conferred by common shares. In the case of the Ambev preferred shares, these special preferred shareholder rights include: (1) enhanced dividend distribution rights, which require that dividends paid to this share class be 10% greater than those payable in respect of the Ambev common shares, (2) priority in capital reimbursement relative to the Ambev common shares upon a liquidation of Ambev, and (3) the right to elect one member and respective alternate to our Fiscal Council by means of a separate class vote of preferred shareholders. Although the Stock Swap Merger, if approved, will allow Ambev's preferred shareholders to acquire rights under the Brazilian Corporation Law inherent to common shares as a result of their receipt of Newbev common shares bearing those rights, they will lose the special rights conferred to them by the Ambev preferred shares as a result of their surrender of those shares pursuant to the terms of the transaction.

Our controlling shareholders may have actual or potential conflicts of interest relating to the Stock Swap Merger.

Our controlling shareholders may have actual or potential conflicts of interest relating to the Stock Swap Merger. With a view to addressing this aspect of the Stock Swap Merger, the transaction will only be implemented only if a majority of the minority held Ambev common and preferred shares present at the Ambev EGM, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction. Nevertheless, conflicts of interest may still permeate the proposed transaction because, in connection with corporate restructurings generally (including the Stock Swap Merger), the Brazilian Corporation Law does not: (1) establish any specific minimum or maximum exchange ratio for the transaction, (2) require that the board of directors of the companies involved formally make a determination that the terms of the transaction are "fair," either procedurally or financially, to noncontrolling shareholders, or (3) require the establishment of any special independent committee or otherwise provide for a review and, if necessary, alteration of the proposed voting or other corporate governance procedures applicable to the transaction.

We will continue to have a distinct controlling shareholder following the Stock Swap Merger.

The equity stake to be held by each Ambev shareholder in Newbev after the Stock Swap Merger will be the same as the total equity stake held by those shareholders in Ambev prior to the consummation of the transaction. However, because the Ambev preferred shares will be converted into Newbev common shares and Newbev's capital stock will be comprised exclusively of common shares as a result of the Stock Swap Merger, the voting power that all of Ambev's common shareholders, including our controlling shareholders, have in us before the Stock Swap Merger will be diluted after the transaction. Nevertheless, given the significant 74.0% stake that ABI beneficially owns in the Ambev common shares, ABI will continue to beneficially own a relevant stake of 61.9% both in Newbev's total and voting capital stock after the Stock Swap Merger and, therefore, be able to continue to control our corporate affairs subject to a shareholders' agreement that two of its subsidiaries have with FAHZ to govern the control power over Newbev's corporate affairs, or the Newbev Shareholders' Agreement. See "—Risks Relating to the Newbev Common Shares and ADSs—Our current controlling shareholders will continue to be able to determine the outcome of our most significant corporate actions."

Table of Contents

The CVM may suspend the Ambev EGM for up to 15 days.

The CVM may suspend the Ambev EGM for up to 15 days in order to analyze the Stock Swap Merger and verify that it does not breach applicable Brazilian laws or regulations. Although we believe that the proposed Stock Swap Merger and its terms do not breach those laws or regulations, we cannot predict the outcome of any such analysis of the Stock Swap Merger by the CVM.

We have not obtained a ruling under U.S. federal income tax law regarding the U.S. income tax consequences to U.S. holders of the new Newbev common shares and ADSs resulting from the Stock Swap Merger.

We have not requested a ruling from the Internal Revenue Service, or the IRS, as to the U.S. federal income tax consequences of the Stock Swap Merger. It is intended that the Stock Swap Merger qualify as a tax-free exchange for U.S. federal income tax purposes. In that event, the exchange of Ambev common shares, preferred shares and ADSs for new Newbev common shares and ADSs pursuant to the Stock Swap Merger generally will be tax-free for U.S. federal income tax purposes to exchanging U.S. holders (for the definition of "U.S. holders," see "Part Five: The Stock Swap Merger—Tax Considerations—Material U.S. Federal Income Tax Considerations"). If, however, contrary to our intention, the Stock Swap Merger does not qualify for tax-free exchange treatment, then the Stock Swap Merger will be taxable to U.S. holders, and certain Non-U.S. holders, of Ambev shares and ADSs on the exchange of their Ambev shares or ADSs for Newbev common shares or ADSs pursuant to the Stock Swap Merger.

For a discussion of certain other U.S. tax matters that may be relevant to U.S. holders and Non-U.S. holders, see "Part Five: The Stock Swap Merger—Tax Considerations—Material U.S. Federal Income Tax Considerations."

There is no clear guidance under Brazilian law regarding the income tax consequences to non-residents of Brazil resulting from a transaction such as the Stock Swap Merger.

There is no specific legislation or rule nor judicial precedent regarding the Brazilian income tax consequences to non-residents of Brazil resulting from a transaction such as the Stock Swap Merger. Based on the advice of our external tax advisors, we believe that there are reasonable legal grounds to sustain that the receipt by non-residents of Brazil, as a result of the Stock Swap Merger, of Newbev common shares or ADSs would not be subject to income tax on capital gains pursuant to Brazilian income tax laws. However, this position may not prevail, in which case Newbev could be held liable before the Brazilian tax authorities for not having withheld the applicable withholding income tax on the taxable capital gains of non-residents of Brazil, including any applicable late penalties and interest. While those holders would not be directly liable to the Brazilian tax authorities in such a case, Newbev reserves the right to seek a reimbursement from them for any such subsequently paid withholding income taxes, except for any applicable late penalties and interest, though no assurance can be given that in such a case Newbev would be successful in obtaining the referred reimbursements.

Risks Relating to the Newbev Common Shares and ADSs

The relative volatility and illiquidity of securities of Brazilian companies may substantially limit your ability to sell the Newbev common shares and ADSs at the price and time you desire.

Investing in securities of companies in emerging markets, such as Brazil, involves greater risk than investing in securities of companies from more developed countries and those investments are

Table of Contents

generally considered speculative in nature. Brazilian investments, such as investments in Newbev common shares and ADSs, are subject to economic and political risks, involving, among other factors:

- changes in the Brazilian regulatory, tax, economic and political environment that may affect the ability of investors to receive payment, in whole or in part, in respect of their investments; and
- restrictions on foreign investment and on the repatriation of capital invested.

The Brazilian securities markets are substantially smaller, less liquid and more concentrated and volatile than major U.S. and European securities markets. They are also not as highly regulated or supervised as those other markets. The relative illiquidity and smaller market capitalization of Brazilian securities markets may substantially limit your ability to sell the Newbev common shares and ADSs at the price and time you desire.

Deterioration in economic and market conditions in other emerging market countries as well as in developed economies may adversely affect the market price of the Newbev common shares and ADSs.

Economic and market conditions in other emerging market countries, especially those in Latin America, influence the market for securities issued by Brazilian companies as well as investors' perception of economic conditions in Brazil. Past economic crises in emerging markets, such as in Southeast Asia, Russia and Argentina, triggered securities market volatility in other emerging market countries, including Brazil. In addition, global financial crises originating in developed economies, including the subprime debt crisis and the failure of Lehman Brothers in the United States and the sovereign debt crisis in Europe, has had an impact on many economies and capital markets around the world, including Brazil, which may adversely affect investors' interest in the securities of Brazilian issuers such as Newbev. Therefore, the market value of the Newbev common shares and ADSs may be adversely affected by events occurring outside of Brazil.

Our current controlling shareholders will continue to be able to determine the outcome of our most significant corporate actions.

Upon consummation of the Stock Swap Merger, ABI will beneficially own Newbev common shares representing approximately 61.9% of the total voting power in Newbev. Therefore, ABI will have control power over Newbev even though that power will remain subject to the Newbev Shareholders' Agreement. For further information, see "Part Five: The Stock Swap Merger—Principal Transaction Documents—Newbev Shareholders' Agreement."

After the consummation of the Stock Swap Merger, ABI and FAHZ will continue to be able to elect the majority of the members of our Board of Directors and Fiscal Council and determine the outcome of most other actions requiring shareholder approval, including dividend distributions, the consummation of corporate restructurings, issuances of new shares, sales of material assets and bylaw amendments. Under the Brazilian Corporation Law, the protections afforded to noncontrolling security holders may differ from the corresponding protections and fiduciary duties applicable to public companies of the United States or other jurisdictions. See "—As a Brazilian company, Newbev is subject to different corporate laws and regulations than those typically applicable to U.S. listed companies, which may result in Newbev's shareholders having fewer or less well-defined shareholder rights than the shareholder rights of those companies."

Table of Contents

Newbev's shareholders may not receive any dividends.

According to Newbev's bylaws, the company must generally pay its shareholders 40% of its annual adjusted net income as presented in Newbev's parent company (individual) financial statements prepared under Brazilian GAAP, which differ from net income as presented in parent company (individual) or consolidated financial statements prepared under IFRS. The main sources for these dividends will be cash flows from the operations of Ambev and its operating subsidiaries and the distribution of those cash flows to Newbev in the form of dividends or interest on shareholders' equity. The net income of Newbev and its Brazilian operating subsidiaries, including Ambev, may be capitalized, used to absorb losses or otherwise appropriated as allowed under Brazilian GAAP and the Brazilian Corporation Law. Therefore, that net income may not be available to be paid out to Newbev's shareholders in a given year. In addition, Newbev might not pay dividends to its shareholders in any particular fiscal year upon the determination of its Board of Directors that any such distribution would be inadvisable in view of the company's financial condition. While the law does not establish the circumstances rendering the payment of dividends inadvisable, it is generally agreed that a Brazilian company does not need to pay dividends if such payment threatens its existence as a going concern or harms its normal course of operations. Any dividends not distributed would be allocated to a special reserve account for future payment to shareholders, unless used to offset subsequent losses or as otherwise provided for in Newbev's bylaws.

Brazilian foreign exchange controls and regulations could restrict conversions and remittances abroad of the dividend payments and other shareholder distributions paid in Brazil in *reais* in respect of the Newbev common shares (including shares underlying the Newbev ADSs).

Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reasons to foresee such a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil. For example, for approximately six months in 1989 and early 1990, the Brazilian government froze all dividend and capital repatriations that were owed to foreign equity investors, which were held by the Central Bank in order to conserve Brazil's foreign currency reserves at the time. These amounts were subsequently released in accordance with Brazilian government directives. Similar measures could be taken by the Brazilian government in the future.

As a result, the Brazilian government may in the future restrict the conversion and remittance abroad, to holders of Newbev ADSs or holders of Newbev common shares residing outside Brazil, of dividend payments and other shareholder distributions paid in Brazil in *reais* in respect of the Newbev common shares (including shares underlying the Newbev ADSs). The likelihood that the Brazilian government would impose such restrictions may be affected by the extent of Brazil's foreign currency reserves, the availability of foreign currency in the foreign exchange markets on the date a payment is due, the size of Brazil's debt service burden relative to the economy as a whole and other factors. We cannot assure you that the Central Bank will not modify its policies or that the Brazilian government will not institute restrictions or delays on cross-border remittances in respect of securities issued in the international capital markets. For further information on this matter, see "Part Two: Summary—Exchange Rates."

Table of Contents

If Newbev were a passive foreign investment company, or PFIC, for the 2012 taxable year, or is a PFIC for future taxable years, U.S. holders would generally be subject to potentially adverse U.S. federal income tax rules.

If, during any taxable year of a non-U.S. corporation, 75% or more of the corporation's gross income consists of certain types of "passive" income, or the average value during a taxable year of the "passive assets" of the corporation (generally assets that generate passive income) is 50% or more of the average value of all the corporation's assets, the corporation will be treated as a PFIC under U.S. federal income tax law.

Newbev believes that it was not a PFIC during the 2012 taxable year, and does not expect to become a PFIC in subsequent taxable years. Newbev has not obtained a ruling from the IRS, and there is no assurance that the IRS will agree with Newbev's position. The determination of PFIC status is a factual determination and cannot be made until the close of the applicable tax year and the PFIC rules are complex. If Newbev were a PFIC in 2012, or were to become a PFIC in future years, U.S. holders would generally be subject to potentially adverse U.S. federal income tax rules. See "Part Five: The Stock Swap Merger—Tax Considerations—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company, or PFIC, Rules" for more information with respect to the PFIC rules.

U.S. holders are urged to consult their own tax advisors regarding the potential application of the PFIC rules to the Newbev common shares or ADSs.

If you exchange your Newbev ADSs for the respective Newbev common shares underlying those ADSs, you risk losing some Brazilian tax and foreign currency remittance advantages.

The Newbev ADSs benefit from the foreign capital registration that The Bank of New York Mellon (as depositary of Newbev's ADS program, or the Depositary) has in Brazil, which permits it to convert dividends and other shareholder distributions that will be made in respect of the Newbev common shares underlying the Newbev ADSs into foreign currency and remit the proceeds of such conversion abroad. If you exchange your Newbev ADSs for the respective Newbev common shares underlying those ADSs, you will be entitled to rely on the Depositary's foreign capital registration for only five business days from the date of such exchange. After this five-day period, you will not be able to remit abroad non-Brazilian currency unless you obtain your own foreign capital registration. In addition, gains with respect to the Newbev common shares will be subject to a less favorable tax treatment unless you obtain your own certificate of foreign capital registration or register your investment in the Newbev common shares with the Central Bank pursuant to CMN Resolution No. 2,689/00, or Resolution 2,689. For a more complete description of Brazilian restrictions on foreign investments and Brazilian foreign investment regulations, see "Part Two: Summary—Exchange Rates" and "Part Six: Shareholder Rights—Exchange Controls." For a more complete description of Brazilian tax regulations, see "Part Five: The Stock Swap Merger—Tax Considerations—Material Brazilian Tax Considerations—Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADSs—Income Tax on Gains Arising from the Subsequent Disposition of Newbev Common Shares and ADSs."

Table of Contents

As a Brazilian company, Newbev is subject to different corporate laws and regulations than those typically applicable to U.S. listed companies, which may result in Newbev's shareholders having fewer or less well-defined shareholder rights than the shareholder rights of those companies.

Newbev's corporate affairs are governed by its bylaws and the Brazilian Corporation Law, which may differ from the legal principles that would apply to Newbev if the company were incorporated in a jurisdiction in the United States, such as Delaware or New York, or in other jurisdictions outside of Brazil. In addition, shareholder rights under the Brazilian Corporation Law to protect them from actions taken by the board of directors or controlling shareholders may be fewer and less well-defined than under the laws of jurisdictions outside of Brazil.

Although insider trading and price manipulation are restricted under applicable Brazilian capital markets regulations and treated as crimes under Brazilian law, the Brazilian securities markets may not be as highly regulated and supervised as the securities markets of the United States or other jurisdictions outside Brazil. In addition, rules and policies against self-dealing and for the preservation of shareholder interests may be less well-defined and enforced in Brazil than in the United States or other jurisdictions outside Brazil, potentially causing disadvantages to a holder of Newbev ADSs as compared to a holder of shares in a U.S. public company. Further, corporate disclosures may be less complete or informative than required of public companies in the United States or other jurisdictions outside Brazil.

Certain shareholder entitlements may not be available to U.S. holders of Newbev ADSs.

Due to certain United States laws and regulations, U.S. holders of Newbev ADSs may not be entitled to all of the rights possessed by holders of Newbev common shares. For instance, U.S. holders of Newbev ADSs may not be able to exercise preemptive, subscription or other rights in respect of the Newbev common shares underlying their Newbev ADSs, unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available.

Holders of Newbev ADSs may be unable to fully exercise voting rights with respect to the Newbev common shares underlying their ADSs.

Under Brazilian law, only shareholders registered as such in the corporate books of Brazilian companies may attend shareholders' meetings. Because all the Newbev common shares underlying the Newbev ADSs are registered in the name of the Depositary, the Depositary (and not ADS holders) is entitled to attend shareholders' meetings of Newbev. A holder of Newbev ADSs is entitled to instruct the Depositary as to how to vote the respective Newbev common shares underlying their ADSs only pursuant to the procedures set forth in the deposit agreement for Newbev's ADS program. Accordingly, holders of Newbev ADSs will not be allowed to vote the corresponding Newbev common shares underlying their ADSs directly at a shareholders' meeting of Newbev (or to appoint a proxy other than the Depositary to do so), unless they surrender their Newbev ADSs for cancellation in exchange for the respective Newbev common shares underlying their ADSs. We cannot ensure that such ADS cancellation and exchange process will be completed in time to allow Newbev ADS holders to attend a shareholders' meeting of Newbev.

Further, the Depositary has no obligation to notify Newbev ADS holders of an upcoming vote or to distribute voting cards and related materials to those holders, unless Newbev specifically instructs

Table of Contents

the Depositary to do so. If Newbev provides such instruction to the Depositary, it will then notify Newbev's ADS holders of the upcoming vote and arrange for the delivery of voting cards to those holders. We cannot ensure that Newbev's ADS holders will receive proxy cards in time to allow them to instruct the Depositary as to how to vote the Newbev common shares underlying their Newbev ADSs. In addition, the Depositary and its agents are not responsible for a failure to carry out voting instructions or for an untimely solicitation of those instructions.

As a result, holders of Newbev ADSs may be unable to fully exercise their voting rights.

Future equity issuances may dilute the holdings of holders of Newbev common shares and ADSs and could materially affect the market price for those securities.

Newbev may in the future decide to offer additional equity to raise capital or for other purposes. Any such future equity offerings could reduce the proportionate ownership and voting interests of holders of Newbev common shares and ADSs, as well as the earnings and net equity value per Newbev common share or ADS. Any offering of shares and ADSs by Newbev or its main shareholders, or a perception that any such offering is imminent, could have an adverse effect on the market price of these securities.

Newbev's status as a foreign private issuer allows it to follow local corporate governance practices and exempts it from a number of rules under the U.S. securities laws and listing standards, which may limit the amount of public disclosures available to investors and the shareholder protections afforded to them.

Newbev is a foreign private issuer, as defined by the SEC for purposes of the Exchange Act. As a result, it is exempt from rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. For example, Newbev's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, Newbev is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Accordingly, there may be less publicly available information concerning Newbev than there is for U.S. public companies.

In addition, for so long as Newbev remains as a foreign private issuer, it will be exempt from most of the corporate governance requirements of stock exchanges located in the United States. Accordingly, you will not be provided with some of the benefits or have the same protections afforded to shareholders of U.S. public companies. The corporate governance standards applicable to Newbev are considerably different than the standards applied to U.S. domestic issuers. For example, although Rule 10A-3 under the Exchange Act generally requires that a company listed in the United States have an audit committee of its board of directors composed solely of independent directors, as a foreign private issuer Newbev is relying on an exemption from this requirement under Rule 10A-3(c)(3) of the Sarbanes-Oxley Act of 2002 that is available to it as a result of features of the Brazilian Corporation Law applicable to its Fiscal Council. In addition, Newbev is not required under the Brazilian Corporation Law to, among other things:

- have a majority of its Board of Directors be independent;

Table of Contents

- have a compensation committee, a nominating committee, or corporate governance committee of its Board of Directors (though Newbev will have a non-permanent Operations, Finance and Compensation Committee that will be responsible for evaluating its compensation policies applicable to management);
- have regularly scheduled executive sessions with only non-management directors (though none of Newbev's current directors hold management positions nor is it expected that management positions will be held by any of the directors that are intended to be appointed to the new Board of Directors of Newbev following the consummation of the Stock Swap Merger); or
- have at least one executive session of solely independent directors each year.

Foreign holders of Newbev ADSs may face difficulties in serving process on or enforcing judgments against it and other persons.

Newbev is organized under the laws of Brazil and most of its directors and executive officers, as well as its independent registered public accounting firm, reside or are based in Brazil. In addition, substantially all of Newbev's assets and those of these other persons are located in Brazil. As a result, it may not be possible for foreign holders of Newbev ADSs to expediently effect service of process upon Newbev or these other persons within the United States or other jurisdictions outside Brazil or to effectively enforce against Newbev or these other persons judgments obtained in the United States or other jurisdictions outside Brazil. Because judgments of U.S. courts for civil liabilities based upon the U.S. federal securities laws may only be enforced in Brazil if certain conditions are met, holders of Newbev ADSs may face greater difficulties in pursuing their interests in legal actions against Newbev and its directors and executive officers than would shareholders of a U.S. corporation. In addition, Brazil does not have a treaty with the United States to facilitate or expedite the enforcement in Brazil of decisions issued by a court in the United States.

For a discussion of the conditions that need to be met for foreign awards to be enforced in Brazil, see "Part Seven: Additional Information for Shareholders—Enforceability of Civil Liabilities Under U.S. Securities Laws."

Judgments of Brazilian courts with respect to the Newbev common shares will be payable only in *reais*.

If proceedings are brought in the courts of Brazil seeking to enforce Newbev's obligations in respect of the Newbev common shares, Newbev will not be required to discharge any such obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation in Brazil to pay amounts denominated in a currency other than *reais* may only be satisfied in Brazilian currency at the exchange rate, as determined by the Central Bank, in effect on the date the judgment is obtained, and any such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then prevailing exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of, or related to, Newbev's obligations under the Newbev common shares.

Table of Contents

Risks Relating to Our Operations, Risks Relating to Brazil and Other Countries Where We Operate and Risks Relating to the Ambev Shares and ADSs

Because Newbev has no operating activities, the Stock Swap Merger will produce no change to the business operations of Ambev or the places where it conducts those operations. As a result, for a discussion of the risk factors relating to (1) Ambev and the countries where it operates (and accordingly relating to Newbev and the countries where it will operate after the Stock Swap Merger) and (2) the Ambev shares and ADSs, see the 2012 Ambev 20-F included as Annex A to this prospectus.

Table of Contents

PART FOUR: INFORMATION ON THE COMPANIES

Information on Newbev

Overview

Newbev is a closely held, non-reporting Brazilian corporation (*sociedade anônima fechada*) indirectly controlled by ABI that holds Ambev shares.

Newbev was incorporated on July 8, 2005 as a non-reporting corporation under the Brazilian Corporation Law with the name Gimba Suprimentos de Escritório S.A. On October 26, 2005, Newbev was acquired by IIBV and converted into a Brazilian limited liability company (*sociedade limitada*). At that time, Newbev had its name changed to InBev Participações Societárias Ltda. and its corporate purpose amended to allow it, among other things, to invest directly and indirectly in other companies. On April 22, 2009, Newbev was converted into a corporation under the Brazilian Corporation Law with the name of InBev Participações Societárias S.A., having kept the same corporate purpose of when it was a limited liability company.

Newbev does not have any operating revenues. In addition, relative to Ambev's much greater assets and liabilities, Newbev does not have any material assets or liabilities. The most relevant asset in Newbev's balance sheet as of December 31, 2012 was a 0.5% ownership interest in Ambev's capital stock, equal to 1.1% of the Ambev preferred shares, with a book value of R$1,274.7 million as of that date.

As a result of the Contribution, which occurred on June 17, 2013, Newbev became the direct holder of 74.0% and 46.3% of the Ambev common shares and preferred shares, respectively, and accordingly Ambev's direct controlling shareholder.

Newbev's legal and corporate headquarters is located at Rua Dr. Renato Paes de Barros, 1017, 3rd floor, 04530-001, São Paulo, SP, Brazil, and its telephone number is +55 (11) 2122-1200.

Recent Developments

At a combined annual and extraordinary general shareholders' meeting of Newbev held on March 1, 2013, the following resolutions were approved, among others:

- the change of its legal name from InBev Participações Societárias S.A. to Ambev S.A.;
- the distribution of dividend and interest on shareholders' equity in the amount of R$11.0 million and R$11.1 million (after applicable withholding taxes), respectively, payable starting on April 11, 2013;
- the amendment and restatement of Newbev's bylaws to incorporate substantially the same provisions as those present in Ambev's bylaws; and
- the appointment of Newbev's current three directors.

In addition, a meeting of Newbev's current Board of Directors was held on that same date to elect its current two executive officers and deliberate on the other matters, including the adoption of a disclosure and securities trading manual.

Table of Contents

On June 17, 2013, and hence prior to the effectiveness of the registration statement of which this prospectus forms a part, an extraordinary general shareholders' meeting of Newbev was held in which a capital increase of Newbev was approved that was entirely subscribed and paid for by IIBV and AmBrew with all of the Ambev shares previously held by them. See "Part Five: The Stock Swap Merger—Past Contracts, Transactions, Negotiations and Agreements—The Contribution."

Management's Discussion and Analysis of Financial Condition and Results of Operation

Because Newbev's historical financial position and results of operation are negligible relative to Ambev's more significant historical financial position and results of operation, the historical financial statements of Newbev immediately following the consummation of the Stock Swap Merger will reflect a financial position and results of operation for Newbev that is similar, in all material respects, to Ambev's financial position and results of operation, as shown in Ambev's historical financial statements prior to the consummation of the transaction. For the same reason, the critical accounting policies of Ambev will be adopted by Newbev in all its material respects. As a result, a management's discussion and analysis of Newbev's financial condition and results of operation, as shown in its audited historical financial statements included elsewhere in this prospectus, would not add any substantive information for the investment decision that Ambev's shareholders will make in connection with the Stock Swap Merger, because any such discussion and analysis would be substantially identical to the management's discussion and analysis of Ambev's financial condition and results of operation for the same periods.

In addition, the operating results in the Newbev Predecessor combined financial statements are mainly driven by the operating results of Ambev, except for the effect of purchase accounting adjustments that have been pushed down to reflect the predecessor cost basis, which are described in Note 1 to the audited Newbev Predecessor combined financial statements, included elsewhere in this prospectus, and which had an immaterial effect on the results of operations.

For more information on Newbev, see "Part Nine: Financial Statements and Related Financial Information."

Information on Ambev

History

Companhia de Bebidas das Américas - Ambev is the successor to Companhia Cervejaria Brahma, or Brahma, and Companhia Antarctica Paulista Indústria Brasileira de Bebidas e Conexos, or Antarctica, two of the oldest brewers in Brazil. Antarctica was founded in 1885. Brahma was founded in 1888 as Villiger & Cia. The Brahma brand was registered on September 6, 1888, and in 1904 Villiger & Cia. changed its name to Companhia Cervejaria Brahma. Ambev was incorporated as Aditus Participações S.A. on September 14, 1998 as a non-reporting Brazilian corporation. The formation of Ambev consisted of the combination of Brahma and Antarctica and was carried out over the course of 1999 and 2000. The combination first resulted in Ambev becoming the owner of 55.1% of Brahma's voting shares and 88.1% of Antarctica's voting shares, while the Braco Group and FAHZ each owned 76% and 24% of Ambev's voting shares, respectively. Subsequently, the minority shareholders of Antarctica (in September 1999) and Brahma (in September 2000) exchanged their shares in Antarctica and Brahma for new Ambev shares, causing both those companies to become wholly-owned subsidiaries of Ambev. Today Ambev is a reporting corporation under the laws of Brazil with its common and preferred shares listed on the BM&FBOVESPA and its common and preferred ADSs listed on the NYSE.

Table of Contents

In 1994, Brahma started its international expansion into Latin America with beer operations in Argentina, Paraguay and Venezuela.

In 1997, Brahma acquired the exclusive rights to produce, sell and distribute Pepsi CSD products in northeastern Brazil, and in 1999 obtained the exclusive rights to produce, sell and distribute Pepsi CSD products throughout Brazil. In October 2000, Ambev entered into a new franchise agreement with PepsiCo which terminated the Brahma franchise agreement and granted it exclusive bottler and distributor rights for Pepsi CSD products in Brazil. In January 2002, Ambev expanded its partnership with PepsiCo to include the production, sale and distribution of Gatorade. Ambev's PepsiCo franchise agreement for Brazil expires in 2017 and, thereafter, will be automatically renewed for additional ten-year terms absent two years' prior notice by either party of its intent not to renew the contract following the expiration of the initial or any subsequent term. In addition, certain of Ambev's subsidiaries have franchise agreements for Pepsi products in Argentina, Bolivia, Uruguay, Peru and the Dominican Republic.

In January 2003, Ambev completed a two-step business combination with Quilmes Industrial Société Anonyme, or Quinsa, through which Ambev acquired an initial 40.5% economic interest and joint control of Quinsa along with Beverages Associates (BAC) Corp., or BAC, the former controlling shareholder of Quinsa, establishing a leading presence in the beer markets of Argentina, Bolivia, Paraguay and Uruguay, while agreeing on the terms for Ambev to acquire full control of Quinsa from BAC in the future. In April 2006, Ambev acquired BAC's shares in Quinsa, increasing its equity interest to approximately 91% of its total share capital and started to fully consolidate Quinsa upon the closing of the transaction in August 2006.

During 2003 and the first quarter of 2004, Ambev expanded its presence in the north of Latin America through a series of acquisitions by which it established a foothold in several beverage markets, such as Central America, Peru, Ecuador and the Dominican Republic.

In August 2004, Ambev and a Belgian brewer called Interbrew N.V./S.A. (as ABI was then named) completed a business combination that involved the merger of an indirect holding company of Labatt Brewing Company Limited, one of the leading brewers in Canada, into Ambev. At the same time, the then controlling shareholders of Ambev completed the contribution of all shares of an indirect holding company which owned a controlling stake in Ambev to Interbrew N.V./S.A. in exchange for newly issued shares of Interbrew N.V./S.A. After this transaction, Interbrew N.V./S.A. changed its company name to InBev S.A./N.V. (and, since 2008, to Anheuser-Busch InBev N.V./S.A.) and became the majority shareholder of Ambev through subsidiaries and holding companies.

Overview

We are the largest brewer in Latin America in terms of sales volumes and one of the largest beer producers in the world, according to our estimates. We produce, distribute and sell beer, CSD and NANC products in 16 countries across the Americas. We are one of the largest PepsiCo independent bottlers in the world.

We conduct our operations through three principal business segments:

- Latin America North, which includes our operations in Brazil, where we operate two divisions (the beer sales division and the CSD & NANC sales division), and our HILA-Ex operations, which includes our operations in the Dominican Republic, Saint Vincent,

Table of Contents

Antigua, Dominica, Guatemala (which also serves El Salvador and Nicaragua) and Peru and Ecuador (both of which became part of our Latin America South business segment starting in 2013);

- Latin America South, which includes our operations in Argentina, Bolivia, Paraguay, Uruguay, Chile and, starting in 2013, Peru and Ecuador; and
- Canada, represented by Labatt's operations, which includes domestic sales in Canada and some exports to the U.S. market.

The following map illustrates our three business segments as of March 31, 2013.

Business Strategy

We aim to continuously create value for our shareholders. The main components of our strategy to achieve this goal include:

- our people and culture;
- top line growth;

Table of Contents

- building strong brands;
- excellence in route to market;
- permanent cost efficiency; and
- financial discipline.

Our People and Culture

We believe highly qualified, motivated and committed employees are critical to our long-term success. We carefully manage our hiring and training process with a view to recruiting and retaining outstanding professionals. In addition, we believe that through our compensation program, which is based both on variable pay and stock ownership, we have created financial incentives for high performance and results. Another core element of our culture is our distinguished managerial capability, which is characterized by (1) a hardworking ethos, (2) results-focused evaluations, (3) the encouragement of our executives to act as owners and not only as managers, (4) leadership by personal example, and (5) appreciation of field experience.

Top Line Growth

We are constantly seeking sustainable growth of our net revenues. For instance, in Brazil we have focused our efforts behind four main commercial strategies:

- *innovation*: we seek to expand the beer category and maintain a healthy pipeline of products through innovation in liquids, packaging and route to market to continue connecting with consumers in different consumption occasions;
- *premium*: we believe the weight of premium brands volume can grow in the Brazilian beer industry and we are working towards leading this growth through our portfolio of domestic and international premium brands;
- *regional expansion*: we have been investing to expand our presence in the North and Northeast regions of Brazil mainly due to the per capita consumption and market share growth opportunities. We focus on expanding our production capacity and executing our strong brands and route to market capabilities in those faster growing regions of Brazil; and
- *returnable glass bottles*: our commercial initiatives are focused on strengthening the on-premise channel (*e.g.*, *Nosso Bar* franchise, micro events) and reintroducing returnable bottles into the off-premise channel (*e.g.*, *Pit Stop* formats in supermarkets, 300 ml returnable glass bottle).

Building Strong Brands

We believe that building strong brands that connect and create enduring bonds with our consumers is a fundamental prerequisite to assure the sustainability of our business in the future. Our consumers are the reason for everything we do and we need to understand them, be close to them and connect them to our brands in order to build enduring ties with them. We bring together tradition and modernity in our product portfolio in a clear strategy to create value and insert our brands into the lives of our consumers.

Table of Contents

Excellence in Route to Market

Delivering our brands to almost one million points of sale in Brazil is a very complex feature of our business. For several years, one of our main areas of focus has been to increase direct distribution in major cities while still strengthening our third-party distribution system. In Brazil, for instance, instead of operating three legacy, parallel, single-brand systems (each dedicated to one of our major brands: Skol, Brahma and Antarctica), we have been shifting towards a multi-brand network of distributors committed to handling all of our brands. In addition, we are constantly seeking to improve our point of sale execution through new and creative measures. One of our key marketing initiatives was the introduction into the Brazilian market of our custom-made beverage refrigerators designed and built to chill beer and soft drinks to the optimal temperature for on-premise consumption. These refrigerators also work as effective marketing tools, as they are decorated with images related to our core brands.

Permanent Cost Efficiency

Cost control is one of the top priorities of our employees. Each of our departments must comply with its respective annual budget for fixed and variable costs. As a means of avoiding unnecessary expenses, we have designed a management control system inspired on "zero-base budgeting" concepts that requires every manager to build from scratch an annual budget for his/her respective department.

Financial Discipline

Our focus is not only on volumes and operating performance, but also on the disciplined management of our working capital and cash flow generation. Our objective is to maximize the return to our shareholders through a combination of payments of dividends and interest on shareholders' equity, while at the same time keeping our investment plans and holding an adequate level of liquidity to accommodate the seasonality of our business and cope with often volatile and uncertain financial market conditions.

Ambev's legal and corporate headquarters is located at Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, and its telephone number is +55 (11) 2122-1200.

Recent Developments

At the combined annual and extraordinary general shareholders' meeting of Ambev held on April 29, 2013, the shareholders ratified a series of capital increases in the total amount of R$1,007,865,312.44 upon the private issuance of 6,850,907 new Ambev common shares and 7,448,064 new Ambev preferred shares that had been approved by the Board from July 2012 through March 2013 within the limit of Ambev's authorized capital.

At a meeting of the Board of Directors of Ambev held on May 10, 2013, the Board approved a capital increase of Ambev, within the limit of its authorized capital, in the amount of R$11,484,176.59 upon the private issuance of 510,799 new Ambev preferred shares. The referred capital increase resulted from the exercise of stock options awarded under Ambev's stock option plan.

Management's Discussion and Analysis of Financial Condition and Results of Operation

The following management's discussion and analysis of financial condition and results of operations should be read in conjunction with Ambev's unaudited consolidated interim financial

Table of Contents

statements included elsewhere in this prospectus and its year-end audited consolidated financial statements and the 2012 Ambev 20-F, included as Annex A to this prospectus. This prospectus contains forward-looking statements that involve risks and uncertainties. Ambev's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors including, without limitation, those set forth in "Cautionary Statement Regarding Forward-Looking Information" and the matters set forth in this prospectus generally.

The financial information and related discussion and analysis contained in this item are in accordance with IFRS as issued by the IASB. The amounts are in million *reais*, unless otherwise stated.

Critical Accounting Policies

The SEC has defined a critical accounting policy as a policy for which there is a choice among alternatives available, and for which choosing a legitimate alternative would yield materially different results. Ambev believes that the following are Ambev's critical accounting policies. Ambev considers an accounting policy to be critical if it is important to its financial condition and results of operations and requires significant or complex judgments and estimates on the part of Ambev's management.

The preparation of financial statements in conformity with IFRS requires Ambev to use estimates and adopt assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and accounting disclosures. Actual results may differ from those estimated under different variables, assumptions or conditions. Note 3 to Ambev's unaudited consolidated interim financial statements includes a summary of the significant accounting policies applied in the preparation of these financial statements. In order to provide an understanding about how management forms its judgments about future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, Ambev has included below a brief discussion of its more significant accounting policies.

Accounting for Business Combinations and Impairment of Goodwill and Intangible Assets

Ambev has made acquisitions that generated a significant amount of goodwill and other intangible assets, including from the acquisition of Labatt, Quinsa and Cerveceria Nacional Dominicana, or CND.

Under IFRS, goodwill is calculated as the difference between the transferred consideration and the fair value of the net assets acquired. IFRS 3 "Business Combinations" does not permit that goodwill and intangible assets with indefinite useful lives be amortized but they should be tested annually for impairment. Ambev's intangible assets with definite useful lives are amortized over the estimated useful lives of these assets.

Ambev exercises significant judgment in the process of identifying tangible and intangible assets and liabilities, valuing such assets and liabilities and in determining their remaining useful lives. Ambev generally engages third-party valuation firms to assist in valuing the acquired assets and liabilities. The valuation of these assets and liabilities is based on the assumptions and criteria which include in some cases estimates of future cash flows discounted at the appropriate rates. The use of different assumptions used for valuation purposes including estimates of future cash flows or discount rates may result in different estimates of value of assets acquired and liabilities assumed.

Table of Contents

Ambev tests its goodwill and other long-lived assets for impairment annually and whenever events and circumstances indicate that the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those items. Ambev's cash flow estimates are based on historical results adjusted to reflect its best estimate of future market and operating conditions. Ambev's estimates of fair values used to determine the resulting impairment loss, if any, represent its best estimate based on forecasted cash flows, industry trends and reference to market rates and transactions. Impairments can also occur when Ambev decides to dispose of assets.

Pension and other Post-Retirement Benefits

Post-employment benefits include pension benefits, dental and health care. Ambev manages defined benefit and defined contribution plans for employees of its plants located in Brazil, the Dominican Republic, Argentina, Bolivia and Canada. Usually, pension plans are funded by payments made both by Ambev and its employees, taking into account the recommendations of independent actuaries. Ambev maintains funded and unfunded plans.

Defined Contribution Plans

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the group 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.

Contributions to these plans are recognized as an employee benefit expense in the period in which they are incurred. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit Plans

Defined benefit plans typically 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, expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method takes into account each period of service as giving rise to an additional unit of benefit to measure each unit separately. Under this method, the cost of providing pensions is charged to the income statement during the period of service of the employee. The amounts charged to the income statement consist of current service cost, interest cost, the expected return of any plan assets, past service costs and the effect of any settlements and curtailments. The obligations of the plan recognized in the balance sheet are measured at the current value of the estimated future cash outflows using a discount rate equivalent to the bond rates with maturity terms similar to those of the obligation, less any past service cost not yet recognized and the fair value of any plan assets. Past service costs result from the introduction of a new plan or changes to an existing plan. These are recognized in the income statement over the period the benefit vests. Actuarial gains and losses consist of the effects of differences between the previous actuarial assumptions compared to the actual results and the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in other comprehensive income.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employee's remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Where the calculated amount of a defined benefit plan liability is negative (an asset), Ambev recognizes such pension asset to the extent of any unrecognized past service costs plus any economic benefits available to Ambev either from refunds or reductions in future contributions.

Other Post-Employment Obligations

Ambev and its subsidiaries provide health care benefits, reimbursement of expenses with certain medications and other benefits to certain retirees who retired in the past. These benefits are not granted to new retirees. The expected costs of these benefits are recognized over the period of employment, using an accounting methodology similar to that for defined benefit plans.

Contingencies

The preparation of Ambev's financial statements requires Ambev's management to make estimates and assumptions regarding contingencies which affect the valuation of assets and liabilities at the date of the financial statements and the revenues and expenses during the reported period.

Ambev discloses material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable. Ambev discusses its material contingencies in Note 30 to its unaudited consolidated interim financial statements.

Under IFRS, Ambev records a provision for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. In particular, given the uncertain nature of Brazilian tax legislation, the assessment of potential tax liabilities requires significant management judgment. By their nature contingencies will only be resolved when one or more future events occur or fail to occur – and typically those events may occur a number of years in the future.

Total provisions including contingencies, restructuring and other provisions related to such matters recorded in Ambev's balance sheet as of March 31, 2013 totaled R$634.1 million. For further details, see Note 10 to Ambev's unaudited consolidated interim financial statements.

Deferred and Current Income Taxes

Ambev recognizes deferred tax effects of tax loss carry forwards and temporary differences between the financial statement carrying amounts and the tax basis of its assets and liabilities. Ambev estimates its income taxes based on regulations in the various jurisdictions where Ambev conducts business. This requires Ambev to estimate its actual current tax exposure and to assess temporary differences that result from different treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which Ambev records on its balance sheet. Ambev regularly reviews the deferred tax assets for recoverability and will only recognize these if it believes that it is probable that there will be sufficient taxable profit against any temporary differences that can be utilized, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences.

Table of Contents

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Ambev reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Accounting for Derivatives

Ambev uses derivative financial instruments in order to mitigate against risks related to foreign currency, interest rates and commodity prices. Ambev's financial risk management policy forbids the use of derivative financial instruments for speculative purposes. Derivative instruments that, although contracted for hedging purposes, do not meet all hedge accounting criteria defined in the International Accounting Standard 39 Financial Instruments: Recognition and Measurement, or the IAS 39, are recognized at fair value in the income statement.

Derivative financial instruments are recognized initially at fair value. Fair value is the amount for which the asset could be realized and the liability settled, between knowledgeable parties, in an arm's-length transaction. The fair value of derivative financial instruments may be obtained from quoted market prices or from pricing models that take into account current market rates.

Subsequent to initial recognition, derivative financial instruments are remeasured taking into account their fair value on the financial statements date. Depending on the type of instrument, whether cash flow hedging or fair value hedging, the changes in their fair value are recognized in the income statement or in equity.

The concepts of cash flow, net investment hedge accounting and fair value hedge accounting are applied to all instruments that meet the hedge accounting requirements defined in IAS 39, *e.g.*, the maintenance of the documentation required and the effectiveness of the hedge.

Cash Flow Hedge Accounting

When a derivative financial instrument hedges the exposure 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 equity (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 equity 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 equity 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 equity is recognized into the income statement immediately.

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).

Table of Contents

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.

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. Ambev will discontinue fair value hedge accounting when the object of coverage expires, is sold, terminated or exercised.

Should these instruments be settled only on their respective maturity dates, any effect between the market value and estimated yield curve of the instruments would be totally eliminated. Had Ambev adopted the same criteria to recognize its financial liabilities at market value, Ambev would have recorded an additional loss, before income taxes, of R$36.1 million on March 31, 2013 (as compared to a loss of R$28.6 million on December 31, 2012), as follows:

Financial Liabilities	**Book Value**	**Market Value**	**Difference**
		(in R$ million)	
International financing (other currencies)	508.0	508.0	-
BNDES/FINEP/EGF	2,000.5	2,000.5	-
Bond 2017	303.2	339.4	(36.1)
Debentures	-	-	-
Tax incentives	167.3	167.3	-
Financial Leasing	19.2	19.2	-
Total	**2,998.2**	**3,034.3**	**(36.1)**

Special Items

Special items are those that in Ambev management's judgment need to be disclosed by virtue of their size or incidence. In deciding whether an event or transaction is special, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence, and the potential for variation of impact on profit or loss. These 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 special items are principally restructuring activities, impairments, and gains or losses on disposal of assets and investments.

Taxes

Income Taxes

Income taxes in Brazil are comprised of federal income tax and social contribution (which is an additional federal income tax). Ambev's aggregated weighted nominal tax rate applicable for the quarters ended March 31, 2013 and 2012 was 32.8% and 32.7%, respectively. For the quarters ended March 31, 2013 and 2012, Ambev's IFRS effective tax rate was 17.6% and 19.9%, respectively.

Table of Contents

The major reasons for the differences between the effective tax rates and the nominal statutory rates have been: (1) benefits arising from tax-deductible payments of interest on shareholders' equity without an interest charge in pre-tax income; (2) goodwill amortization; and (3) other tax adjustments.

Tax Losses Available for Offset

Part of the tax benefit corresponding to the tax losses carry forward of some subsidiaries located abroad was not recorded as an asset, as management cannot determine whether realization is probable. The tax loss carry forward related to these unrecognized deferred tax assets was equivalent to R$0.9 billion on March 31, 2013, with an average expiration period of five years.

Tax losses and negative bases of social contribution in Brazil have no expiration date. However, the annual offset is limited to 30% of pre-tax income.

Quarter Ended March 31, 2013 Compared to Quarter Ended March 31, 2012

In the first quarter of 2013, Ambev conducted its operations through three business segments as follows:

- **Latin America North,** which includes Ambev's operations in Brazil, where Ambev operates two divisions (the beer sales division and the CSD & NANC sales division), and Ambev's HILA-Ex operations, which includes Ambev's operations in the Dominican Republic, Saint Vincent, Antigua, Dominica and Guatemala (which also serves El Salvador and Nicaragua).

- **Latin America South,** which includes Ambev's operations in Argentina, Bolivia, Paraguay, Uruguay, Chile, Peru and Ecuador (the last two of which were part of Ambev's Latin America North business segment until the end of 2012).

- **Canada,** represented by Labatt's operations, which includes domestic sales in Canada and some exports to the U.S. market.

The table below sets forth certain operating highlights of Ambev for the quarters presented.

	Consolidated Financial Highlights		
	March 31,		
	2013	2012	% Change
	(in R$ million, except volume amounts, percentages and per share amounts)		
Sales volume—'000 hectoliters	39,929.5	42,230.4	(5.4)%
Net sales	7,772.8	7,235.7	7.4%
Net revenue per hectoliter—R$/hl	194.7	171.3	13.4%
Cost of sales	(2,622.8)	(2,312.4)	13.4%
Gross profit	5,150.0	4,923.3	4.6%
Gross margin (%)	**66.3%**	**68.0%**	-
Sales and marketing expenses	(1,988.9)	(1,748.4)	13.8%
Administrative expenses	(351.7)	(317.2)	10.9%
Other operating income/(expenses)	313.5	139.2	125.2%
Special items	(1.0)	-	nm
Income from operations	3,121.9	2,996.8	4.2%
Operating margin (%)	**40.2%**	**41.4%**	-
Profit	2,376.5	2,334.5	1.8%
Net margin	**30.6%**	**32.3%**	-

Table of Contents

Margin Analysis

The following table sets forth certain line items in Ambev's income statement expressed as percentages of net sales for the quarters ended March 31, 2013 and 2012.

	Quarter Ended March 31,	
	2013	2012
	(%)	(%)
Net sales	100.0	100.0
Cost of sales	33.7	32.0
Gross profit	66.3	68.0
Sales and marketing expenses	25.6	24.2
Administrative expenses	4.5	4.4
Other operating income/(expenses)	4.0	1.9
Special items	0.0	0.0
Income from operations	40.2	41.4

Selected Financial Data by Business Segment

The following table sets forth selected financial data by business segment, and business operations of Latin America North, for the quarters ended March 31, 2013 and 2012.

	Quarter Ended March 31,									
	2013					2012				
	Brazil(1)	Hila-Ex(1)	LAS	Canada	Total	Brazil(1)	Hila-Ex(1)	LAS	Canada	Total
	(in R$ million)									
Net sales	**4,945.8**	**279.5**	**1,745.3**	**802.2**	**7,772.8**	**4,906.3**	**59.5**	**1,540.8**	**729.0**	**7,235.7**
Cost of sales	(1,617.1)	(132.2)	(636.0)	(237.6)	(2,622.8)	(1,477.6)	(37.2)	(590.7)	(206.9)	(2,312.4)
Gross profit	**3,328.8**	**147.3**	**1,109.3**	**564.6**	**5,150.0**	**3,428.7**	**22.4**	**950.2**	**522.1**	**4,923.3**
Sales and marketing and administrative expenses	(1,474.0)	(106.7)	(408.3)	(351.7)	(2,340.6)	(1,377.2)	(46.8)	(339.7)	(302.0)	(2,065.7)
Other operating income/(expenses)	327.0	(5.3)	(8.6)	0.3	313.5	148.0	(0.9)	(8.0)	0.2	139.2
Special items	-	(1.0)	-	-	(1.0)	-	-	-	-	-
Income from operations	**2,181.8**	**34.4**	**692.4**	**213.3**	**3,121.9**	**2,199.5**	**(25.4)**	**602.4**	**220.3**	**2,996.8**

(1) The Latin America North business segment is comprised of Brazil and Hila-Ex.

Table of Contents

Net Sales

Net sales increased by 7.4%, to R$7,772.8 million for the quarter ended March 31, 2013 from R$7,235.7 million in the same period of 2012, as shown in the tables set forth below.

	Net Sales Quarter Ended March 31,				
	2013		2012		
	Sales	% of Total	Sales	% of Total	% Change
	(in R$ million, except percentages)				
Latin America North	**5,225.3**	**67.2%**	**4,965.9**	**68.6%**	**5.2%**
Brazil	4,945.8	63.6%	4,906.3	67.8%	0.8%
Beer Brazil	4,123.1	53.0%	4,133.6	57.1%	(0.3)%
CSD & NANC	822.7	10.6%	772.7	10.7%	6.5%
HILA-Ex	279.5	3.6%	59.5	0.8%	369.5%
Latin America South	**1,745.3**	**22.5%**	**1,540.8**	**21.3%**	**13.3%**
Canada	**802.2**	**10.3%**	**729.0**	**10.1%**	**10.0%**
Total	**7,772.8**	**100.0%**	**7,235.7**	**100.0%**	**7.4%**

	Sales Volumes Quarter Ended March 31,				
	2013		2012		
	Volume	% of Total	Volume	% of Total	% Change
	(thousand of hectoliters, except percentages)				
Latin America North	**28,285.1**	**70.8%**	**29,410.8**	**69.9%**	**(3.8)%**
Brazil	27,038.6	67.7%	28,845.1	68.3%	(6.3)%
Beer Brazil	19,817.2	49.6%	21,585.0	51.1%	(8.2)%
CSD & NANC	7,221.4	18.1%	7,260.1	17.2%	(0.5)%
HILA-Ex	1,246.5	3.1%	565.7	1.3%	120.3%
Latin America South	**9,825.5**	**24.6%**	**10,945.3**	**25.9%**	**(10.2)%**
Canada	**1,819.0**	**4.6%**	**1,874.4**	**4.4%**	**(3.0)%**
Total	**39,929.5**	**100.0%**	**42,230.4**	**100.0%**	**(5.4)%**

	Net Revenues Per Hectoliter Quarter Ended March 31,		
	2013	2012	% Change
	(in R$ million, except percentages)		
Latin America North	**184.4**	**168.8**	**9.4%**
Brazil	182.9	170.1	7.5%
Beer Brazil	208.1	191.5	8.6%
CSD & NANC	113.9	106.4	7.0%
HILA-Ex	224.2	105.2	113.1%
Latin America South	**177.6**	**140.8**	**26.2%**
Canada	**441.0**	**388.9**	**13.4%**
Total	**194.7**	**171.3**	**13.6%**

Latin America North Operations

Brazilian Operations

Net sales from Ambev's Brazilian operations increased by 0.8%, to R$4,945.8 million for the quarter ended March 31, 2013 from R$4,906.3 million in the same period of 2012.

Table of Contents

Net sales of beer in Brazil decreased by 0.3%, to R$4,123.1 million for the quarter ended March 31, 2013 from R$4,133.6 million in the same period of 2012. The main driver that contributed to this decrease was an 8.2% decrease in beer sales volume driven by industry contraction and by market share loss, which was partially offset by an 8.6% increase in revenue per hectoliter, which reached R$208.1 per hectoliter. This growth in revenue per hectoliter was mainly a result of price increases, higher direct distribution weight and higher participation of premium brands in the mix of products sold, all of which were partially offset by higher taxes.

Net sales of CSD & NANC in Brazil increased by 6.5%, to R$822.7 million for the quarter ended March 31, 2013 from R$772.7 million in the same period of 2012. The main driver that contributed to this growth was a 7.0% increase in revenue per hectoliter, which reached R$113.9 per hectoliter, which was partially offset by a 0.5% decrease in CSD & NANC sales volume. The growth in revenue per hectoliter was mainly a result of price increases and higher direct distribution weight, all of which were partially offset by higher taxes.

HILA-Ex Operations

Ambev's HILA-Ex operations saw its net sales increase by 369.5%, to R$279.5 million for the quarter ended March 31, 2013 from R$59.5 million in the same period of 2012. The main reason for this increase was Ambev's strategic alliance with CND, in the Caribbean, pursuant to which we started consolidating CND's results of operations in May 2012. Revenues from Ambev's HILA-Ex operations grew organically by 27.0% (i.e., without the impact from the consolidation of CND's results of operations) due to volume growth in Guatemala.

Latin America South Operations

Latin America South's net sales grew 13.3%, to R$1,745.3 million for the quarter ended March 31, 2013 from R$1,540.8 million in the same period of 2012. The main reason for this increase was a 26.2% growth in revenue per hectoliter due to Ambev's price increases in the region, also helped by the appreciation of the Argentine Peso against the *real* (based on average annual exchange rates).

Canada Operations

Net sales from Canadian operations increased 10.0%, to R$802.2 million for the quarter ended March 31, 2013 from R$729.0 million in the same period of 2012. This result was mainly driven by the appreciation of the Canadian Dollar against the *real* (based on average annual exchange rates).

Cost of Sales

Total cost of sales increased by 13.4%, to R$2,622.8 million for the quarter ended March 31, 2013 from R$2,312.4 million in the same period of 2012. As a percentage of Ambev's net sales, total cost of sales increased to 33.7% in the quarter ended March 31, 2013 from 32.0% in the quarter ended March 31, 2012.

Table of Contents

The table below sets forth information on cost of sales per hectoliter for the periods presented.

	Cost of Sales Per Hectoliter Quarter Ended March 31,		
	2013	2012	% Change
	(in R$ million, except percentages)		
Latin America North	**61.8**	**51.5**	**20.1%**
Brazil	59.8	51.2	16.7%
Beer Brazil	61.5	52.1	18.2%
CSD & NANC	55.1	48.7	13.0%
HILA-Ex	106.1	65.7	61.5%
Latin America South	**64.7**	**54.0**	**19.9%**
Canada	**130.6**	**110.4**	**18.3%**
Total	**65.7**	**54.8**	**20.0%**

Latin America North Operations

Brazilian Operations

Total cost of sales for Ambev's Brazilian operations increased by 9.4%, to R$1,617.1 million for the quarter ended March 31, 2013 from R$1,477.6 million in the same period of 2012. On a per-hectoliter basis, Ambev's Brazilian operations' cost of sales increased by 16.7%, to R$59.8 for the quarter ended March 31, 2013 from R$51.2 in the same period of 2012.

Cost of sales for Ambev's Brazilian beer operations increased by 8.5% to R$1,219.4 million for the quarter ended March 31, 2013. On a per hectoliter basis, cost of sales for Ambev's Brazilian beer operations increased by 18.2%. The main factors that led to this increase were (1) higher commodity (especially raw materials and packaging) and currency hedging costs, (2) the effect of volume decrease in the dilution of fixed costs, (3) greater industrial depreciation expenses, and (4) higher participation of cans in the total mix of costs.

Cost of sales for the CSD & NANC segment in Brazil increased by 12.4%, reaching R$397.6 million in the quarter ended March 31, 2013. The cost of sales per hectoliter increased 13.0%, totaling R$55.1 million in the first quarter of 2013 compared to R$48.7 million in the same period of 2012, impacted mainly by (1) higher commodity (particularly sugar) and currency hedging costs, and (2) the impact from tax changes effective as from October 2012.

HILA-Ex Operations

The cost of sales in HILA-Ex operations reached R$132.2 million in the first quarter of 2013, a 255.7% increase compared to the same period of 2012. The main reason for this increase was Ambev's strategic alliance with CND in the Caribbean pursuant to which it started consolidating CND's results of operations in May 2012. Cost of sales per hectoliter increased by 61.5% in reported terms, but grew only 5.8% organically (*i.e.*, without the impact of the consolidation of CND's results of operations).

Latin America South Operations

Latin America South's cost of sales was R$636.0 million in the first quarter of 2013, a 7.7% increase from the same period of 2012. On a per hectoliter basis, cost of sales increased by 19.9% in

Table of Contents

the first quarter of 2013 compared to the same period of 2012. The increase in cost of sales was mainly due to (1) higher commodity hedging costs (mostly barley and aluminum), (2) higher labor-related costs, mainly in Argentina, (3) the impact of volume decrease in the dilution of fixed costs, and (4) an appreciation of the Argentine Peso against the *real* (based on average annual exchange rates).

Canada Operations

Cost of sales for Labatt increased by 14.8%, to R$237.6 million for the quarter ended March 31, 2013 from R$206.9 million in the same period of 2012. This increase was mainly due to (1) higher commodity hedging costs, (2) the impact of volume decrease in the dilution of fixed costs, and (3) the appreciation of the Canadian Dollar against the *real* (based on average annual exchange rates).

Gross Profit

Gross profit increased by 4.6%, to R$5,150.0 million for the quarter ended March 31, 2013 from R$4,923.3 million in the same period of 2012. The table below sets forth the contribution of each business segment to Ambev's consolidated gross profit.

	Gross Profit Quarter Ended March 31,					
	2013			2012		
	Amount	% of Total	Margin	Amount	% of Total	Margin
	(in R$ million, except percentages)					
Latin America North	**3,476.1**	**67.5%**	**66.5%**	**3,451.1**	**70.1%**	**69.5%**
Brazil	3,328.8	64.6%	67.3%	3,428.7	69.6%	69.9%
Beer Brazil	2,903.7	56.4%	70.4%	3,009.7	61.1%	72.8%
CSD & NANC	425.0	8.3%	51.7%	419.0	8.5%	54.2%
HILA-Ex	147.3	2.9%	52.7%	22.4	0.5%	37.6%
Latin America South	**1,109.3**	**21.5%**	**63.6%**	**950.2**	**19.3%**	**61.7%**
Canada	**564.6**	**11.0%**	**70.4%**	**522.1**	**10.6%**	**71.6%**
Total	**5,150.0**	**100.0%**	**66.3%**	**4,923.3**	**100.0%**	**68.0%**

Sales and Marketing and Administrative Expenses

Ambev's sales and marketing and administrative expenses increased 13.3%, to R$2,340.6 million for the quarter ended March 31, 2013 from R$2,065.6 million in the same period of 2012. An analysis of sales and marketing and administrative expenses for each business segment is set forth below.

Latin America North Operations

Brazilian Operations

Sales and marketing and administrative expenses in Brazil increased 7.0%, to R$1,474.0 million for the quarter ended March 31, 2013 from R$1,377.2 million in the same period of 2012.

Sales and marketing and administrative expenses for Ambev's Brazilian beer operations reached R$1,284.0 million for the quarter ended March 31, 2013, an increase of 7.2% over the same period of 2012. The main drivers for this increase were higher sales and marketing expenses and distribution costs, due to inflation, enhanced supply chain footprint and commercial investments to implement our initiatives in the marketplace.

Table of Contents

Sales and marketing and administrative expenses for the CSD & NANC segment in Brazil totaled R$190 million for the quarter ended March 31, 2013, an increase of 5.6% over the same period of 2012, due mainly to inflationary pressures on distribution expenses.

HILA-Ex

Sales and marketing and administrative expenses for Ambev's operations in HILA-Ex increased 127.9%, to R$106.7 million for the quarter ended March 31, 2013 from R$46.8 million in the same period of 2012, mainly as a result of Ambev's strategic alliance with CND in the Caribbean, pursuant to which Ambev started consolidating CND's results of operations in May 2012. Organically, sales and marketing and administrative expenses grew 5.3% (*i.e.*, without the impact of the consolidation of CND's results of operations).

Latin America South Operations

Sales and marketing and administrative expenses increased 20.2%, to R$408.3 million for the quarter ended March 31, 2013 from R$339.7 million in the same period of 2012. This increase was mainly due to (1) higher labor costs in Argentina, (2) higher commercial expenses, and (3) the appreciation of the Argentine *peso* against the *real* (based on average annual exchange rate).

Canada Operations

Labatt's sales and marketing and administrative expenses increased 16.5%, to R$351.7 million for the quarter ended March 31, 2013 from R$302.0 million, mainly because of (1) higher sales and marketing expenses connected with our commercial strategy (*e.g.*, product launches and marketing campaigns), and (2) the appreciation of the Canadian Dollar against the *real* (based on average annual exchange rate).

Other Operating Income (Expense)

Other operating income increased by 125.2%, to a net gain of R$313.5 million in the first quarter of 2013 from R$139.2 million in the same period of 2012. The increase in the first quarter of 2013 was mainly due to a higher level of government grants related to long-term incentives for the ICMS state value-added tax.

Special Items

The R$1.0 million special items expense in the first quarter of 2013 relates to restructuring costs.

Income from Operations

Income from operations increased by 4.2%, to R$3,121.9 million for the quarter ended March 31, 2013 from R$2,996.8 million in the same period of 2012, primarily as a result of higher other operating income.

Net Finance Cost

Ambev's financial result was represented by a net financial expense increase of R$240.7 million in the first quarter of 2013 from R$82.7 million in the same period of 2012. This result is

Table of Contents

mainly explained by a non-cash accretion expense in connection with the put option associated with Ambev's investment in CND and higher expenses related to non-derivative instruments.

Income Tax Expense

Ambev's consolidated income tax and social contribution decreased 12.7%, to R$506.4 million for the quarter ended March 31, 2013 from R$580.1 million in the same period of 2012. The effective rate for the first quarter of 2013 was 17.6%. Such change in Ambev's effective rate was primarily due to higher tax benefits relating to goodwill amortization and other income tax adjustments.

Net Income Attributable to Shareholders

Profit increased by 1.3%, to R$2,343.5 million for the quarter ended March 31, 2013 from R$2,314.3 million in the same period of 2012 due to growth in Ambev's income from operations and a lower effective tax rate, both of which were partially offset by higher net financial costs.

Net Income Attributable to Noncontrolling Interest

Noncontrolling interest increased by 63.4%, to R$33.0 million in the first quarter of 2013 from R$20.2 million in the same period of 2012, mostly due to Ambev's strategic alliance with CND in the Caribbean, pursuant to which Ambev started consolidating CND's results of operations in May 2012.

Liquidity and Capital Resources

Liquidity and Capital Resources

The information in this section refers to the quarters ended March 31, 2013 and 2012. Ambev's primary sources of liquidity have historically been cash flows from operating activities and borrowings. Ambev's material cash requirements have included the following:

- debt service;
- capital expenditures;
- share buyback program;
- payments of dividends and interest on shareholders' equity;
- increases in ownership of Ambev's consolidated subsidiaries or companies in which Ambev has equity investments; and
- investments in companies participating in the brewing, CSD and malting industries.

Ambev's cash and cash equivalents and current investment securities net of bank overdrafts at March 31, 2013 and December 31, 2012 were R$4,024.9 million and R$9,402.7 million, respectively.

Ambev believes that cash flows from operating activities, available cash and cash equivalents and current investment securities, along with its derivative instruments and its access to borrowing facilities, will be sufficient to fund its capital expenditures, debt service and dividend payments going forward.

Table of Contents

Cash Flows

Operating Activities

Ambev's cash flows from operating activities increased 3.6%, to R$732.3 million for the quarter ended March 31, 2013 compared to R$707.1 million in the same period of 2012. This increase was due primarily to a R$471.6 million increase in cash generated from operations, which was partially offset by increased payments of income tax.

Investing Activities

Cash flows used in Ambev's investing activities totaled R$520.2 million in the quarter ended March 31, 2013 compared to R$1,634.1 million in the same period of 2012. This decrease was mainly driven by lower investments in securities.

Financing Activities

Cash flows used in financing activities for the quarter ended March 31, 2013 amounted to R$5,340.1 million compared to R$320.0 million for the same period of 2012. This increase was principally due to higher dividend payments concentrated in the first quarter of 2013 compared to the same period in the previous year.

The table below shows the profile of Ambev's debt instruments.

	Maturity Schedule of Debt Portfolio as of March 31, 2013						
Debt Instrument	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
BNDES Currency Basket Debt Floating Rate:	(in R$ million, except percentages)						
Currency Basket Debt Floating Rate	(106.6)	(96.9)	(79.9)	(55.0)	(9.1)	-	(347.6)
UMBNDES + Average Pay Rate	1.78%	1.76%	1.75%	1.74%	1.70%	-	1.76%
International Debt:							
Other Latin America Currency Fixed Rate	-	-	(14.0)	-	-	-	(14.0)
Average Pay Rate	-	-	12.00%	-	-	-	12.00%
Other Latin America Currency Floating Rate	(109.8)	(12.7)	(3.3)	(51.7)	-	-	(177.4)
Average Pay Rate	7.75%	8.05%	8.05%	12.64%	-	-	9.20%
US$ Fixed Rate	(9.0)	(10.1)	(45.8)	-	-	-	(64.8)
Average Pay Rate	4.92%	6.00%	5.50%	-	-	-	5.49%
US$ Floating Rate	(11.8)	(163.4)	(83.9)	(2.5)	(2.3)	(7.0)	(271.0)
Average Pay Rate	4.64%	1.96%	1.94%	6.00%	6.00%	6.00%	2.24%
Reais-Denominated Debt Floating Rate – TJLP:							
Notional Amount	(363.5)	(475.7)	(383.8)	(242.5)	(33.0)	-	(1,498.5)
BNDES + Average Pay Rate	7.06%	7.15%	7.17%	7.18%	7.31%	-	7.14%
Reais Debt - ICMS Fixed Rate:							
Notional Amount	(16.3)	(29.5)	(30.4)	(12.4)	(7.1)	(71.6)	(167.3)
Average Pay Rate	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
Reais Debt - Fixed Rate:							
Notional Amount	(43.3)	(33.0)	(26.0)	(16.6)	(317.0)	(21.8)	(457.6)
Average Pay Rate	5.10%	4.64%	4.42%	3.80%	9.27%	4.50%	7.84%
Total Debt	**(660.2)**	**(821.3)**	**(667.1)**	**(380.8)**	**(368.5)**	**(100.4)**	**(2,998.2)**

Table of Contents

Borrowings

Most of Ambev's borrowings are for general use, based upon strategic capital structure considerations. Although seasonal factors affect the business, they have little effect on Ambev's borrowing requirements. Ambev accrues interest based on different interest rates, the most significant of which are: (1) fixed, for the 2017 bond and (2) the Currency Basket rate, or the UMBNDES rate, the Brazilian long-term interest rate (*Taxa de Juros de Longo Prazo*), or the TJLP rate, both of which apply to loans of the Brazilian Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*), or the BNDES.

The following table sets forth Ambev's net debt consolidated position as of March 31, 2013 and December 31, 2012.

	Net Debt Consolidated Position					
	As of March 31, 2013			As of December 31, 2012		
	LC(1)	FC(2)	Total	LC(1)	FC(2)	Total
	(in R$ million)					
Short-term debt	571.5	281.3	852.8	667.4	170.4	837.8
Long-term debt	1,510.0	635.4	2,145.4	1,756.4	549.6	2,306.0
Total	**2,081.6**	**916.6**	**2,998.2**	**2,423.8**	**720.0**	**3,143.7**
Cash and cash equivalents			3,665.3			8,926.2
Investment securities			359.6			476.6
Bank overdrafts			-			(0.1)
Net cash position			**1,026.7**			**6,258.9**

(1) LC = Local Currency.
(2) FC = Foreign Currency.

Short-term Debt

As of March 31, 2013, Ambev's short-term debt totaled R$852.8 million, 33.0% of which was denominated in foreign currencies. As of December 31, 2012, Ambev's short-term debt totaled R$837.8 million, 20.3% of which was denominated in foreign currencies.

Long-term Debt

As of March 31, 2013, Ambev's long-term debt, excluding the current portion of long-term debt, totaled R$2,145.4 million, of which R$1,510.0 million was denominated in local currency. As of December 31, 2012, Ambev's long-term debt, excluding the current portion of long-term debt, totaled R$2,306.0 million, of which 76.2% was denominated in *reais*. The table below shows a breakdown of our long-term debt by year.

Long-Term Debt Maturing In:	As of March 31, 2013
	(in R$ million)
2014	(628.7)
2015	(667.1)
2016 or later	(849.6)
Total	(2,145.4)

Table of Contents

Sales Tax Deferrals and Other Tax Credits

Many States in Brazil offer tax benefits programs to attract investments to their regions. Ambev participates in ICMS value-added tax credit programs offered by various Brazilian States which provide (1) tax credits to offset ICMS value-added tax payable and (2) ICMS value-added tax deferrals. In return, Ambev is required to meet certain operational requirements including, depending on the State, production volume and employment targets, among others. All of these conditions are included in specific agreements between Ambev and the State governments. In the event that Ambev does not meet the program's targets, future benefits may be withdrawn. The total amount deferred (financing) as of March 31, 2013, was R$167.3 million with a current portion of R$23.3 million, and R$144.0 million as non-current. Percentages deferred typically range from 50% to 90% over the life of the program. Balances deferred generally accrue interest and are partially inflation indexed, with adjustments generally set at 60% to 80% of a general price index. The grants (tax waivers) are received over the lives of the respective programs. In the quarters ended March 31, 2013 and 2012, Ambev recorded R$89.7 million and R$156.5 million, respectively, of tax credits as gains on tax incentive programs.

Capital Investment Program

In the first quarter of 2012, consolidated capital expenditures on property, plant and equipment and intangible assets totaled R$393.9 million consisting of R$304.2 million in Latin America North, R$73.5 million related to investments in the Latin America South operations and R$16.2 million related to investments in Canada. These expenditures primarily included investments in capacity expansion, quality controls, automation, modernization and replacement of packaging lines, innovations, warehousing for direct distribution, coolers, expenditures for the replacement of bottles and crates, market assets from former dealers, and continued investments in information technology.

In the first quarter of 2013, consolidated capital expenditures on property, plant and equipment and intangible assets totaled R$562.5 million consisting of R$498.1 million in Latin America North, R$71.8 million related to investments in the Latin America South operations and R$22.6 million related to investments in Canada. These expenditures primarily included investments in capacity expansion, quality controls, automation, modernization and replacement of packaging lines, innovations, warehousing for direct distribution, coolers, expenditures for the replacement of bottles and crates, market assets from former dealers, and continued investments in information technology.

Off-Balance Sheet Arrangements

Ambev has a number of off-balance sheet items which have been disclosed in the 2012 Ambev 20-F, included as Annex A to this prospectus. Off-balance sheet items include future commitments with suppliers of R$14,632.1 million as of March 31, 2013, as set forth in the table below.

Contractual Obligation	**As of March 31, 2013**
	(in R$ million)
Purchase commitments with respect to property, plant and equipment	592.0
Purchase commitments with respect to raw materials	672.1
Purchase commitments with respect to packaging materials	12,643.0
Other purchase commitments	725.0

Table of Contents

Commitments and Contingencies (Tabular Disclosure of Contractual Obligations)

The following table and discussion provide additional disclosure regarding Ambev's material contractual obligations and commercial commitments as of March 31, 2013.

	Payments Due By Period				
Contractual Obligations	**Total**	**Less Than 1 year**	**1-3 years**	**3-5 years**	**More Than 5 years**
			(in R$ million)		
Short-term and long-term debt(*)	(12,841.2)	(7,427.1)	(4,706.6)	(672.1)	(35.4)
Trade and other payables	(5,788.0)	(5,696.5)	(91.5)	-	-
Sales tax deferrals	(711.5)	(90.5)	(152.3)	(89.7)	(379.0)
Total contractual cash commitments	(19,340.7)	(13,214.1)	(4,950.4)	(761.8)	(414.0)

(*) The long-term debt amounts presented above differ from the amounts presented in the financial statements in that they include Ambev's best estimates on future interest payable (not yet accrued) in order to better reflect Ambev's future cash flow position. Long-term debt amounts presented above also include other unsecured debts.

The above table does not reflect contractual commitments discussed above in "—Off-Balance Sheet Arrangements."

Ambev is subject to numerous commitments and contingencies with respect to tax, labor, distributors and other claims. To the extent that Ambev believes it is probable that these contingencies will be realized, they have been recorded in the balance sheet. Ambev has estimated the total exposures of possible (but not probable) losses, which are not recorded as liabilities, to be R$12,858.2 million as of March 31, 2013. These are not considered commitments. Ambev's estimates are based on reasonable assumptions and management assessments, but should the worst case scenario develop, subjecting Ambev to losses in all cases, Ambev's expected net impact on the income statement would be an expense for this amount.

Quantitative and Qualitative Disclosures About Market Risk

Ambev is exposed to various market risks, including changes in foreign currency exchange rates and interest rates and changes in the prices of certain commodities, including malt, aluminum, sugar and corn. Market risk is the potential loss arising from adverse changes in market rates and prices. Ambev enters into derivatives and other financial instruments, in order to manage and reduce the impact of fluctuations in commodity prices, in foreign currency exchange rates and in interest rates. Ambev has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial activities. Decisions regarding hedging are made according to Ambev's risk management policy, taking into consideration the amount and duration of the exposure, market volatility and economic trends.

These instruments are accounted for based on their characteristics. See Note 19 to Ambev's unaudited consolidated interim financial statements for a discussion of the accounting policies and information on derivative financial instruments.

Ambev has a policy of entering into contracts only with parties that have high credit ratings. The counterparties to these contracts are major financial institutions, and Ambev does not have significant exposure to any single counterparty. Ambev does not anticipate a credit loss from counterparty non-performance. Ambev's short-term investments consist mainly of fixed-term obligations and government securities.

Table of Contents

Enterprise Risk Management ("ERM")

Ambev has implemented a management strategy to promote enterprise-wide risk management (ERM), through an integrated framework that considers the impact on Ambev's business of not only market risks but also of compliance, strategic and operational risks. Ambev believes that such integrated framework, which accounts for different kinds of business risks, enables us to improve management's ability to evaluate risks associated with its business.

The risk management department is responsible for reviewing and following up with management on risk factors and related mitigating initiatives consistent with Ambev's corporate strategy.

Commodity Risk

Ambev uses a large volume of agricultural goods to produce its products, including malt and hops for its beer, and sugar, guaraná and other fruits and sweeteners for its CSDs. Ambev purchase a significant portion of its malt and all of its hops outside of Brazil. Ambev purchases the remainder of its malt and its sugar, guaraná and other fruits and sweeteners locally. Ambev also purchases substantial quantities of aluminum cans.

Ambev produces approximately 80% of its consolidated malt needs. The remainder and all other commodities are purchased from third parties. Ambev believes that adequate supplies of the commodities it uses are available at the present time, but Ambev cannot predict the future availability of these commodities or the prices it will have to pay for such commodities. The commodity markets have experienced and will continue to experience price fluctuations. Ambev believes that the future price and supply of agricultural materials will be determined by, among other factors, the level of crop production, weather conditions, export demand, government regulations and legislation affecting agriculture, and that the price of aluminum and sugar will be largely influenced by international market prices.

All of the hops Ambev purchases in the international markets outside of South America are paid for in U.S. dollars. In addition, although Ambev purchases aluminum cans and sugar in Brazil, their prices are directly influenced by the fluctuation of international commodity prices.

As of March 31, 2013, Ambev's derivative activities consisted of sugar, wheat, aluminum, corn, crude oil and heating oil derivatives. The table below provides information about Ambev's significant commodity risk-sensitive instruments as of March 31, 2013. The contract terms of these instruments have been categorized by expected maturity dates and are measured at market prices.

	Maturity Schedule of Commodities Derivatives as of March 31, 2013							
Derivatives Instrument(1)	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**	**Fair Value**
Sugar Derivatives:	(in R$ million, except price per ton/gallon/barrel/gigajoule)							
Notional Amount	191.9	-	-	-	-	-	191.9	(16.2)
Average Price (R$/ton)	524.9	-	-	-	-	-	524.9	-
Wheat Derivatives:								
Notional Amount	488.9	248.5	-	-	-	-	737.4	(81.9)
Average Price (R$/ton)	3,866.7	3,946.4	-	-	-	-	3,893.6	-

Table of Contents

Derivatives Instrument(1)	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value
	Maturity Schedule of Commodities Derivatives as of March 31, 2013							
Aluminum Derivatives:	(in R$ million, except price per ton/gallon/barrel/gigajoule)							
Notional Amount	23.5	9.8	-	-	-	-	33.3	0.3
Average Price (R$/ton)	6.1	6.0	-	-	-	-	6.1	-
Heating Oil Derivatives:								
Notional Amount	14.0	6.6	-	-	-	-	20.7	1.0
Average Price (R$/gallon)	194.9	189.6	-	-	-	-	193.2	-
Crude Oil Derivatives:								
Notional Amount	4.8	3.3	-	-	-	-	8.0	(0.0)
Average Price (R$/barrel)	7.3	7.8	-	-	-	-	7.5	-
Natural Gas:								
Notional Amount	198.6	63.1	-	-	-	-	261.7	(16.7)
Average Price (R$/GJ)	465.7	435.1	-	-	-	-	458.3	-
Corn Derivatives:								
Notional Amount	191.9	-	-	-	-	-	191.9	(16.2)
Average Price (R$/ton)	524.9	-	-	-	-	-	524.9	-

(1) Negative notional amounts represent an excess of liabilities over assets at any given moment.

Interest Rate Risk

Ambev uses interest rate swap instruments to manage interest risks associated with changing rates. The differential to be paid or received is accrued as interest rates change and is recognized in interest income or expense, respectively, over the life of the particular contracts. Ambev is exposed to interest rate volatility with respect to its cash and cash equivalents, current investment securities and fixed and floating rate debt. Ambev's U.S. dollar-denominated cash equivalents generally bear interest at a floating rate.

Ambev is exposed to interest rate volatility with regard to existing issuances of fixed rate debt, existing issuances of floating rate debt, currency future and forward swaps agreements, cash and cash equivalents and current investment securities. Ambev manages its debt portfolio in response to changes in interest rates and foreign currency rates by periodically retiring, redeeming and repurchasing debt and using derivative financial instruments.

The tables below provide information about Ambev's significant interest rate sensitive instruments. For variable interest rate debt, the rate presented is the weighted average rate calculated as of March 31, 2013. The contract terms of these instruments have been categorized by expected maturity dates.

Debt Instrument	2013	2014	2015	2016	2017	Thereafter	Total
	Maturity Schedule of Debt Portfolio as of March 31, 2013						
BNDES Currency Basket Debt Floating Rate:	(in R$ million, except percentages)						
Currency Basket Debt Floating Rate	(106.6)	(96.9)	(79.9)	(55.0)	(9.1)	-	(347.6)
UMBNDES + Average Pay Rate	1.78%	1.76%	1.75%	1.74%	1.70%	-	1.76%
International Debt:							
Other Latin America Currency Fixed Rate	-	-	(14.0)	-	-	-	(14.0)
Average Pay Rate	-	-	12.00%	-	-	-	12.00%
Other Latin America Currency Floating Rate	(109.8)	(12.7)	(3.3)	(51.7)	-	-	(177.4)
Average Pay Rate	7.75%	8.05%	8.05%	12.64%	-	-	9.20%

Table of Contents

Debt Instrument	Maturity Schedule of Debt Portfolio as of March 31, 2013						
	2013	2014	2015	2016	2017	Thereafter	Total
	(in R$ million, except percentages)						
US$ Fixed Rate	(9.0)	(10.1)	(45.8)	-	-	-	(64.8)
Average Pay Rate	4.92%	6.00%	5.50%	-	-	-	5.49%
US$ Floating Rate	(11.8)	(163.4)	(83.9)	(2.5)	(2.3)	(7.0)	(271.0)
Average Pay Rate	4.64%	1.96%	1.94%	6.00%	6.00%	6.00%	2.24%
***Reais*-Denominated Debt Floating Rate – TJLP:**							
Notional Amount	(363.5)	(475.7)	(383.8)	(242.5)	(33.0)	-	(1,498.5)
BNDES + Average Pay Rate	7.06%	7.15%	7.17%	7.18%	7.31%	-	7.14%
***Reais* Debt - ICMS Fixed Rate:**							
Notional Amount	(16.3)	(29.5)	(30.4)	(12.4)	(7.1)	(71.6)	(167.3)
Average Pay Rate	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
***Reais* Debt - Fixed Rate:**							
Notional Amount	(43.3)	(33.0)	(26.0)	(16.6)	(317.0)	(21.8)	(457.6)
Average Pay Rate	5.10%	4.64%	4.42%	3.80%	9.27%	4.50%	7.84%
Total Debt	**(660.2)**	**(821.3)**	**(667.1)**	**(380.8)**	**(368.5)**	**(100.4)**	**(2,998.2)**

Cash Instrument	Maturity Schedule of Cash Instruments as of March 31, 2013						
	2013	2014	2015	2016	2017	Thereafter	Total
US$-Denominated Cash and Cash Equivalents:	(in R$ million, except percentages)						
Notional	759.6	-	-	-	-	-	759.6
Average Interest Rate	0.31%	-	-	-	-	-	0.31%
***Reais*-Denominated Cash and Cash Equivalents:**							
Notional	863.3	-	-	-	-	-	863.3
Average Interest Rate	6.96%	-	-	-	-	-	6.96%
C$-Denominated Cash and Cash Equivalents:							
Notional Amount	563.1	-	-	-	-	-	563.1
Average Pay Rate	1.10%	-	-	-	-	-	1.10%
Other Latin American Currency investments:							
Notional Amount	1,467.6	-	-	-	-	-	1,467.6
Average Interest Rate	-	-	-	-	-	-	-
Total	**3,665.3**	**-**	**-**	**-**	**-**	**-**	**3,665.3**

Derivatives Instrument(1)	Maturity Schedule of Interest Rate Derivatives as of March 31, 2013							
	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value
BM&F DDI Futures:	(in R$ million, except percentages)							
Notional Amount	-	-	-	-	-	-	-	(0.1)
Average Interest Rate	-	-	-	-	-	-	-	-
BM&F DI Futures:								
Notional Amount	-	-	(70.0)	(30.0)	-	-	(100.0)	0.1
Average Interest Rate	-	-	8.49%	9.03%	-	-	8.65%	
US$ x R$ CCIRS(2):								
Notional Amount	3.5	-	-	-	-	-	3.5	(204.2)
Average Interest Rate	7.01%	-	-	-	-	-	7.01%	-
FIXED x CDIIRS(3):								
Notional Amount	-	-	-	-	300.0	-	300.0	8.5
Average Interest Rate	-	-	-	-	6.84%	-	6.84%	-

(1) Negative notional amounts represent an excess of liabilities over assets at any given moment.
(2) Cross-currency interest rate swap.
(3) Interest rate swap.

Table of Contents

Part of the floating rate debt accrues interest at TJLP. During the first quarter of 2013, the TJLP was 5.0%.

Ambev has not experienced, and does not expect to experience, difficulties in obtaining financing or refinancing existing debt.

Foreign Exchange Risk

Ambev is exposed to fluctuations in foreign exchange rate movements because a significant portion of its operating expenses, in particular those related to hops, malt, sugar, aluminum and corn, are also denominated in or linked to the U.S. dollar. Ambev enters into derivative financial instruments to manage and reduce the impact of changes in foreign currency exchange rates in respect of its U.S. dollar-denominated debt. From January 1, 2003, until December 31, 2009, the *real* appreciated by 33.6% against the U.S. dollar, and, as of December 31, 2009, the commercial market rate for purchasing U.S. dollars was R$2.337 per US$1.00. The *real* depreciated against the U.S. dollar by 24.2% during 2008 and appreciated 34.2% in 2009 and 4.5% in 2010. As at March 31, 2013, the commercial market rate for purchasing U.S. dollars was R$2.014 per US$1.00.

Ambev's foreign currency exposure gives rise to market risks associated with exchange rate movements, mainly against the U.S. dollar. Foreign currency-denominated liabilities at March 31, 2013 included debt of R$335.8 million.

Current Exposure

As of March 31, 2013, derivative activities consisted of foreign currency forward contracts, foreign currency swaps, options and future contracts. The table below provides information about Ambev's significant foreign exchange rate risk-sensitive instruments as of March 31, 2013. The contract terms of these instruments have been categorized by expected maturity dates.

	Maturity Schedule of Interest Rate Derivatives as of March 31, 2013							
Derivatives Instrument	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**	**Fair Value**
BM&F DDI Futures:	(in R$ million, except percentages)							
Notional Amount	-	-	-	-	-	-	-	(0.1)
Average Interest Rate	-	-	-	-	-	-	-	-
BM&F Dollar Futures:								
Notional Amount	736.5	-	-	-	-	-	736.5	4.3
Average Interest Rate	7.02%	-	-	-	-	-	7.02%	-
BM&F Euro Futures:								
Notional Amount	168.7	-	-	-	-	-	168.7	1.5
Average Interest Rate	7.02%	-	-	-	-	-	7.02%	-
US$ x R$ CCIRS:								
Notional Amount	3.5	-	-	-	-	-	3.3	(204.2)
Average Interest Rate	7.01%	-	-	-	-	-	7.01%	-
CLP x R$ Swap:								
Notional Amount	-	-	252.0	-	-	-	252.0	4.8
Average Unit Price	-	-	237.98	-	-	-	237.98	-
NDF US$ x R$:								
Notional Amount	(1,143.8)	-	-	-	-	-	(1,143.8)	(53.1)
Average Unit Price	2.09	-	-	-	-	-	2.09	-

Table of Contents

Derivatives Instrument	Maturity Schedule of Interest Rate Derivatives as of March 31, 2013							
	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value
	(in R$ million, except percentages)							
FDF C$ x US$:								
Notional Amount	293.4	24.0	-	-	-	-	317.5	2.0
Average Unit Price	1.01	1.04	-	-	-	-	1.01	-
FDF C$ x EUR:								
Notional Amount	58.7	5.0	-	-	-	-	63.7	(0.3)
Average Unit Price	1.30	1.36	-	-	-	-	1.31	-
FDF C$ x GBP:								
Notional Amount	19.4	-	-	-	-	-	19.4	1.3
Average Unit Price	1.60	-	-	-	-	-	1.60	-
NDF ARS x US$:								
Notional Amount	565.8	36.7	-	-	-	-	602.5	19.5
Average Unit Price	6.07	6.78	-	-	-	-	6.11	-
NDF CLP x US$:								
Notional Amount	64.4	19.0	-	-	-	-	83.4	(3.2)
Average Unit Price	501.64	492.57	-	-	-	-	499.58	-
NDF UYU x US$:								
Notional Amount	42.9	18.5	-	-	-	-	61.5	(7.7)
Average Unit Price	22.9	21.1	-	-	-	-	22.3	-
NDF BOB x US$:								
Notional Amount	108.3	26.5	-	-	-	-	134.8	(1.3)
Average Unit Price	7.10	7.11	-	-	-	-	7.10	-
NDF PYG x US$:								
Notional Amount	81.1	11.6	-	-	-	-	92.7	(10.9)
Average Unit Price	4,528.33	4,322.09	-	-	-	-	4,502.59	-
NDF PEN x US$:								
Notional Amount	114.9	17.6	-	-	-	-	132.5	(2.7)
Average Unit Price	2.65	2.62	-	-	-	-	2.65	-
NDF DOP x US$:								
Notional Amount	30.2	-	-	-	-	-	30.2	(1.9)
Average Unit Price	43.94	-	-	-	-	-	43.94	-

Table of Contents

PART FIVE: THE STOCK SWAP MERGER

The following is a description of the material terms of the Stock Swap Merger. While we believe the following description covers the material terms of the Stock Swap Merger, this description may not contain all the information that may be important to you. For a complete understanding of the Stock Swap Merger, we encourage you to carefully read this entire document and the exhibits to the registration statement of which this prospectus forms a part.

Background to the Stock Swap Merger

In recent years, Ambev's shareholders had inquired with the company about the possibility of converting its dual-class share structure into a single-class share structure, so that all of the company's shares would have one vote on all relevant corporate matters submitted to a shareholder vote. It had been noted that many of Ambev's global peers already had a single-class share structure and that a series of benefits might ensue if Ambev also adopted such a share structure, including the following:

- it would be easier to track the performance of Ambev's shares against those of its global peers;
- investment in Ambev's shares might be more attractive, including for institutional investors subject to restrictions from investing in non-voting shares or in companies with more than one class of shares;
- the trading liquidity in the company's shares might increase; and
- Ambev's corporate governance standards would be improved as a result of the widespread availability to all its shareholders of certain shareholder rights under the Brazilian Corporation Law that are only available to common shareholders, such as full voting rights and the right to be included in a statutory change of control tender offer in the event of a disposition of Ambev's control.

In October 2012, Ambev presented to ABI a preliminary outline of a proposed corporate reorganization of Ambev with the contours of the transactions described in this prospectus. Based on this proposal, ABI authorized its management to continue to engage in discussions with Ambev with a view to considering the implementation of this project, subject to Ambev's own corporate approval procedures.

At a Board of Directors meeting of Ambev held on December 7, 2012, a proposal was presented to carry out the Stock Swap Merger. As discussed during this Ambev Board meeting, the goal that the proposed transaction sought to achieve was to create value for all Ambev shareholders, as an expected result of a potential increase to the company's market value, due to a series of factors, including:

- capital structure simplification resulting from a new single-class share structure, which had also been a frequent request of Ambev's shareholders;
- improved corporate governance associated with (1) the election of two independent members to Ambev's Board of Directors, (2) the increase of the minimum mandatory dividend from 35% to 40% of adjusted net income, and (3) the widespread availability to all shareholders of the right to being included in a statutory change of control tender offer in the event of a disposition of our control;

Table of Contents

- diversification of our shareholder base by making our shares eligible for investment by institutional investors who are restricted from investing in non-voting shares or in companies with more than one share class;
- increased share trading liquidity; and
- increased flexibility for management of our capital structure.

At that Ambev Board meeting, a copy of the material fact notice and slide presentation to be publicly released later that day, including in the United States by means of a Form 6-K, was made available for review by Ambev's directors. Ambev's Board of Directors noted that it was up to the company's shareholders to make a decision on the transaction, and that the controlling shareholder would defer to the decisions reached by the minority holders of the company's common and preferred shares. Ambev's Board further noted that the proposed transaction should be submitted to the company's shareholders following the completion of the required documentation and compliance with the usual conditions applicable to a transaction such as the Stock Swap Merger. Subsequently, the directors of Ambev present at the meeting moved unanimously and without reservation to authorize Ambev's management to proceed with the necessary studies and additional procedures relating to the Stock Swap Merger.

On December 7, 2012, following the meeting of Ambev's Board of Directors, Ambev publicly released the material fact notice and slide presentation with the basic terms of Ambev's corporate reorganization, including the Stock Swap Merger. On December 10, 2012, ABI publicly released the same material fact notice regarding Ambev's corporate reorganization.

On May 10, 2013, two of the ten members of Ambev's Board of Directors voted unanimously and without reservation to approve the terms and conditions of the Stock Swap Merger, as set forth in the Stock Swap Merger Agreement. The remaining directors abstained from voting on the order of the day regarding the terms and conditions of the Stock Swap Merger, as it was determined that their interests with respect to the transaction could potentially conflict with those of the company. On the same day, Ambev's Fiscal Council met to review and discuss the terms of the Stock Swap Merger, having opined unanimously and without reservation that the Stock Swap Merger, pursuant to the terms set forth in the Stock Swap Merger Agreement, be approved by Ambev's shareholders at the Ambev EGM. See the English-language translations of the minutes of the meeting of Ambev's Board of Directors and the opinion of Ambev's Fiscal Council, each dated May 10, 2013, included as Annex E and Annex F, respectively, to this prospectus.

On June 17, 2013, and hence prior to the effectiveness of the registration statement of which this prospectus forms a part, an extraordinary general shareholders' meeting of Newbev was held in which a capital increase of Newbev was approved that was entirely subscribed and paid for by IIBV and AmBrew with all of the Ambev shares previously held by them. See "—Past Contracts, Transactions, Negotiations and Agreements—The Contribution."

Terms of the Stock Swap Merger

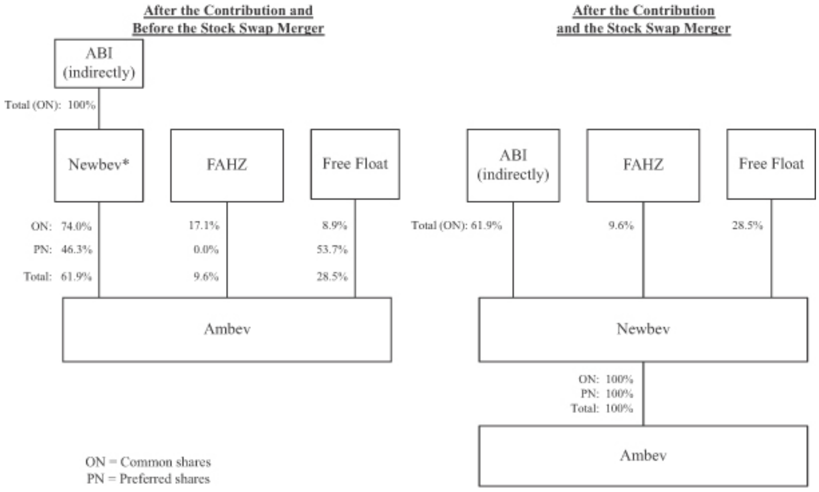
Pursuant to the terms of the Stock Swap Merger:

- holders of common shares or preferred shares of Ambev will receive five new common shares, no par value, of Newbev in exchange for each Ambev common or preferred share they hold; and

Table of Contents

- holders of common or preferred ADSs of Ambev will receive five new ADSs of Newbev, each representing the right to receive one Newbev common share, in exchange for each Ambev common or preferred ADS they hold.

The following diagram sets forth the corporate structure of Ambev and Newbev after the recently completed Contribution but before the Stock Swap Merger, and after both those transactions.



Effects of the Stock Swap Merger

As a result of the Stock Swap Merger:

- we will become a company with a single-class share structure comprised exclusively of voting common stock;
- your equity ownership in Newbev following the consummation of the Stock Swap Merger will be the same as the total equity ownership you held in Ambev immediately before the transaction is consummated;
- based on the number of Ambev common and preferred shares subject to the Stock Swap Merger on June 12, 2013 and the Stock Swap Merger's exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share surrendered, Newbev will issue 5,967,838,305 new Newbev common shares, assuming no exercise of appraisal rights;
- based on the number of Ambev common and preferred shares subject to the Stock Swap Merger on June 12, 2013 and the Stock Swap Merger's exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share surrendered,

Table of Contents

Newbev's new capital stock following the Contribution and the Stock Swap Merger will be equal to R$56,983,340,778.38 divided into 15,661,436,120 Newbev common shares, without par value, assuming no exercise of appraisal rights and no additional stock issuances by Newbev until the Ambev EGM;

- Ambev will become a wholly-owned subsidiary of Newbev, and Newbev's interest in the net book value and net income (loss) of Ambev will therefore increase to 100%;
- as the Stock Swap Merger will not cause Ambev to merge with and into Newbev, Newbev will not be the legal successor to the rights and obligations of Ambev unless and until the subsequent upstream merger of Ambev with and into Newbev is effected (see "—Plans and Proposals");
- a greater number of Newbev common shares and ADSs will be listed on the BM&FBOVESPA and the NYSE, respectively, as compared to the number of Ambev shares and ADSs currently listed on those stock exchanges;
- the Ambev common and preferred shares are expected to be deregistered under the Exchange Act and Ambev will no longer file annual reports on Form 20-F or furnish reports on Form 6-K to the SEC;
- the Ambev common and preferred ADSs will be delisted from the NYSE, the Ambev common and preferred shares will be delisted from the BM&FBOVESPA and Ambev will be deregistered with the CVM; and
- Newbev will become subject to the reporting requirements of the Exchange Act, the Brazilian Corporation Law and the rules of the CVM and, consequently, shall file annual reports on Form 20-F and furnish to the SEC on Form 6-K the reports that it may file in Brazil with the CVM or the BM&FBOVESPA.

Purpose of and Reasons for the Stock Swap Merger

Due to the following factors, we believe that the Stock Swap Merger may promote several benefits for us and our shareholders, including a resulting company with improved trading liquidity, enhanced corporate governance standards and increased flexibility for management of our capital structure:

- by having a single-class share structure comprised exclusively of common shares:
  - our corporate governance will become more aligned with that of our principal global peers that also have a single-class share structure, including, among others, The Coca-Cola Company, PepsiCo Inc., Diageo plc and Anheuser-Busch InBev N.V./S.A.;
  - we expect that the liquidity of the Newbev common shares and ADSs will be greater than the liquidity of Ambev's two separate share classes and respective ADSs;
  - we expect that Newbev's shareholder base will be larger than that of Ambev, as Newbev will become eligible for investment by certain institutional investors who are restricted from investing in non-voting shares, such as the Ambev preferred shares, or in companies having more than one share class, such as Ambev;

Table of Contents

- ○ we expect that our shares will have a greater participation in certain stock indices, such as the IBOVESPA Index (the BM&FBOVESPA's most known stock index), due to the fact that the weight of a given stock on most stock indices is a function of its trading volume and, with the consolidation of our two share classes into a single share class, all our free float shares will belong to the same share class, as a result of which it is expected that their trading volume should increase; this contrasts with the current scenario where Ambev's free float is split into two share classes, with the preferred shares being more liquid than the common shares (currently Ambev's largest share class) because of greater ownership concentration in the latter with our controlling shareholders (*i.e.*, as of March 31, 2013, Ambev's common shares accounted for 56.1% of the company's share capital and only 8.9% of those common shares were free float shares);
- ○ with the expected increase in the participation of our shares on the IBOVESPA Index, investment funds that track those indices would be required to purchase additional shares in us to adjust their portfolio to reflect our expected increased participation on that stock index, thereby increasing demand for our shares; and
- ○ we expect that it will be possible to increase flexibility for management of our capital structure, including by potentially increasing our payout capacity;

- by having all of the Ambev preferred shares converted into Newbev common shares, our shareholders will benefit from enhanced corporate governance standards resulting from the widespread availability to all our shareholders of certain shareholder rights under the Brazilian Corporation Law that are only available to common shareholders, such as full voting rights and the right to be included in a mandatory change of control tender offer under the Brazilian Corporation Law that ensures that holders of common shares are offered 80% of the price per share paid to a selling controlling shareholder in the event of a disposition of Newbev's control; and
- because Newbev's bylaws will provide for certain corporate governance enhancements not currently provided for under Ambev's bylaws, such as a higher minimum mandatory dividend and the required presence of two independent members on the Board of Directors, our shareholders will enjoy enhanced corporate governance standards once they become shareholders of Newbev following the Stock Swap Merger, as their investment in us will then be governed by Newbev's improved bylaws.

The foregoing discussion of factors is not exhaustive, but instead, includes the material factors or reasons causing Newbev to propose the Stock Swap merger. Newbev did not quantify or assign any relative weight to the factors considered. Instead, Newbev considered all of the factors as a whole to decide to propose the Stock Swap Merger.

Considerations for Noncontrolling Shareholders

Despite the benefits of, and reasons for, the Stock Swap Merger, noncontrolling shareholders should consider the following factors when analyzing the transaction:

- after the Stock Swap Merger, our ultimate controlling shareholders, ABI and FAHZ, will continue to have voting control over us and our Board of Directors;
- because the exchange of Ambev preferred shares for new Newbev common shares resulting from the Stock Swap Merger will cause Ambev's dual-class share structure to be converted

Table of Contents

into a single-class share structure comprised exclusively of voting common shares, holders of Ambev common shares, including our controlling shareholders, will experience a dilution of their voting power in us as compared to the voting power they have in Ambev prior to the Stock Swap Merger;

- holders of Ambev preferred shares (including in the form of ADSs) are not entitled to appraisal rights in connection with the Stock Swap Merger;
- because the Depositary will not exercise appraisal rights on behalf of Ambev common ADS holders, those holders will have to surrender their Ambev common ADSs and withdraw in Brazil the respective Ambev common shares underlying such ADSs prior to the expiration of the 30-day appraisal rights exercise period if they intend to exercise appraisal rights; and
- while the exchange of Ambev preferred shares for Newbev common shares will provide Ambev preferred shareholders with certain rights under the Brazilian Corporation Law that are inherent to common shares and that they currently do not enjoy, including (1) full voting rights, (2) the right to be included in a statutory change of control tender offer in the event of a disposition of Newbev's control, and (3) the right to participate in a voting block representing at least 10% of the Newbev common shares to elect one member and respective alternate to our Fiscal Council without the participation of the controlling shareholders, they will lose certain special rights that their Ambev preferred shares currently confer to them, including:
  - enhanced dividend distribution rights requiring that dividends paid in respect of the Ambev preferred shares be 10% greater than those payable in respect of the Ambev common shares;
  - priority in capital reimbursement relative to the Ambev common shares upon a liquidation of Ambev; and
  - the right to elect one member and respective alternate to our Fiscal Council by means of a separate class vote of preferred shareholders.

Determination of the Stock Swap Merger Ratio

The exchange ratio of five new Newbev common shares for each and every Ambev common or preferred share is being proposed to reduce the nominal trading price of Ambev's equity securities, as if Ambev had implemented a stock-split, with a view to helping increase their trading liquidity. This exchange ratio will be applied uniformly to both the Ambev common and preferred shares to ensure that the equity ownership held in us by our shareholders be the same immediately after the transactions described in this prospectus as they were immediately prior to those transactions.

Because a same ratio is being adopted uniformly for the exchange of both the Ambev common and preferred shares for new Newbev common shares, and because the ADSs of both Ambev and Newbev each represent one underlying share, the ratio to exchange Ambev ADSs for new Newbev ADSs will also be five new Newbev ADSs for each and every Ambev common or preferred ADS.

Table of Contents

Principal Transaction Documents

Stock Swap Merger Agreement

The Stock Swap Merger Agreement was entered into on May 10, 2013, by the Board of Directors of Newbev, on the one hand and, on the other, by the executive officers of Ambev along with the two of its directors who voted in favor of the terms and conditions of the Stock Swap Merger. The Stock Swap Merger Agreement contains the basic conditions and terms of the Stock Swap Merger, including its exchange ratio, as well as the reasons for the transaction. The following is a summary of the material terms of the Stock Swap Merger Agreement:

- Ambev shares held by Newbev will not be exchanged for Newbev common shares;
- each Ambev common or preferred share will be exchanged for five new Newbev common shares;
- each Ambev common or preferred ADS will be exchanged for five new Newbev ADSs;
- only holders of Ambev common shares that held those shares continuously since December 7, 2012 until the relevant appraisal rights exercise date will have appraisal rights;
- the appraisal rights' exercise price will be equal to R$9.231 per Ambev common share; and
- assuming no exercise of appraisal rights, Newbev's capital stock will be increased by R$48.5 billion and its capital reserve account will be increased by the same amount (see "—Accounting Treatment of the Contribution and the Stock Swap Merger").

An English-language translation of the Stock Swap Merger Agreement is included as Annex B to this prospectus.

The Apsis Valuation Reports

Valuation of the Ambev Common and Preferred Shares

In compliance with Sections 8 and 252 of the Brazilian Corporation Law, Newbev retained Apsis to prepare a valuation report to appraise the value, based on stock exchange trading prices, of the Ambev common and preferred shares that will be surrendered to Newbev by Ambev's shareholders (and therefore merged into Newbev's asset base) as a result of the Stock Swap Merger, or the Ambev Shares Valuation Report. The purpose of the Ambev Shares Valuation Report is to verify whether the value of the Ambev shares to be surrendered to Newbev in the Stock Swap Merger supports the amount of the capital increase that Newbev will experience as a result of this transaction.

To prepare the Ambev Shares Valuation Report, Apsis made use of certain estimates that were based upon the following sources, among others:

- the trading prices of Ambev's preferred and common shares on the BM&FBOVESPA during a period of 30 consecutive trading sessions on that stock exchange starting on March 15, 2013 and ending on April 26, 2013 (inclusive);
- the audited consolidated financial statements of Ambev for the year ended December 31, 2012; and

Table of Contents

- a notice to shareholders released on February 1, 2013 concerning a capital increase of Ambev arising from the partial capitalization of a tax benefit enjoyed by the company as a result of the partial amortization of its Special Premium Reserve in the 2012 fiscal year, pursuant to CVM Instruction No. 319/99.

To calculate the weighted average price applicable to each Ambev common or preferred share that would be surrendered to Newbev in the Stock Swap Merger if executed on April 26, 2013, Apsis initially considered the value of each of those shares based on their trading price during the BM&FBOVESPA trading sessions in the period from March 15, 2013 to April 26, 2013. Subsequently, Apsis multiplied the total amount of Ambev common and preferred shares outstanding, excluding treasury shares, by their average trading prices, which produced the aggregate value of all those shares. Apsis then divided that aggregate value by the total number of Ambev shares outstanding, excluding treasury shares, thereby arriving at a price per share equally applicable to each Ambev common or preferred share.

Apsis took into account the following criteria while calculating the weighted average price applicable to each Ambev common or preferred share:

- Apsis considered the trading price of the Ambev common and preferred shares during 30 consecutive BM&FBOVESPA trading sessions ending on the April 26, 2013 effective date (*data base*) of the valuation report, which consists of the trading sessions starting on March 15, 2013 and ending on April 26, 2013 (inclusive);

- Apsis considered the number of Ambev shares traded and respective financial volumes on the BM&FBOVESPA (as reported by Bloomberg) through the end of normal trading hours and without taking into account trades effected in the After-Market of that stock exchange; and

- Apsis adjusted the trading price information gathered during the referred 30 trading sessions for all shareholder distributions declared by Ambev during that period.

Based on applicable sections of the Brazilian Corporation Law and a number of treatises on the topic, Apsis concluded that there is no set number of trading sessions that must be considered for purposes of appraising the value of shares to be surrendered to an acquirer in a Brazilian merger or stock swap merger. According to Apsis, the number of trading sessions to be considered in these transactions shall be as decided by management, so long as justifiable. In deciding to consider 30 trading sessions to appraise the value of the Ambev common and preferred shares to be surrendered to Newbev in the Stock Swap Merger, Apsis noted that in four recent similar Brazilian transactions the number of trading sessions considered varied from 22 to 45, with 30 trading sessions having been considered for two of those transactions, as did Apsis in its valuation report for the Stock Swap Merger.

Based on the above, the Ambev Shares Valuation Report of Apsis arrived at a weighted average price of R$81.314872 per each Ambev common or preferred share.

Newbev's capital stock will be increased in the Stock Swap Merger only as a result of those Ambev common and preferred shares that will be surrendered to Newbev upon their exchange for new Newbev common shares issued in the transaction. In that connection, for purposes of calculating Newbev's capital increase resulting from the Stock Swap Merger, Apsis took into account only those

Table of Contents

Ambev common and preferred shares held by Ambev's free float shareholders and FAHZ as of April 26, 2013, which are the Ambev shares that would have been surrendered to Newbev had the transaction occurred on that date. On the other hand, Apsis disregarded (1) the Ambev shares held by IIBV and AmBrew, as they would have been first contributed to Newbev, (2) the Ambev shares held by Newbev, and (3) all Ambev treasury shares, in each case as of April 26, 2013. Consequently, Apsis took into account only 1,193,406,996 Ambev shares for purposes of the Ambev Shares Valuation Report, since those are the shares that were held by FAHZ and Ambev's free float shareholders and that, therefore, would have been surrendered to Newbev in the Stock Swap Merger as of April 26, 2013 had the transaction occurred on that date.

As a result of the foregoing and based on its review of, among other things, (1) all the documentation considered in the preparation of the Ambev Shares Valuation Report, (2) the Brazilian Corporation Law and applicable treatises, (3) Brazilian corporate transactions similar to the Stock Swap Merger, (4) Brazil's current economic environment, and (5) the 30 trading sessions referred to above, Apsis concluded that the Ambev common and preferred shares to be surrendered to Newbev in the Stock Swap Merger supports a capital increase of Newbev as of April 26, 2013 of R$97,041,737,123.64. This amount is the product of 1,193,406,996, the total number of Ambev common and preferred shares as of April 26, 2013 that would be exchanged if the Stock Swap Merger had occurred on that date, multiplied by their weighted average price of R$81.314872 reached by Apsis in the Ambev Shares Valuation Report.

Market Value of Ambev's and Newbev's Net Equity

In compliance with Section 264 of the Brazilian Corporation Law, Ambev and Newbev retained Apsis to prepare a valuation report of the market value of Ambev's and Newbev's net equity under the same criteria and as of a same date, or the Net Equity Valuation Report. The market value of a company's net equity, as provided under Section 264 of the Brazilian Corporation Law, may be viewed as a proxy for its liquidation value as if all its assets and liabilities were liquidated at their fair market value on a same given date. Based on the market value of the net equity of Ambev and Newbev, as appraised by the Net Equity Valuation Report of Apsis, an exchange ratio of Ambev shares for Newbev common shares was calculated. The purpose of calculating such exchange ratio is to provide Ambev's noncontrolling shareholders with a parameter against which to evaluate the Stock Swap Merger's exchange ratio and to determine whether to dissent from the shareholder vote and, in the case of the Ambev common shareholders, whether to exercise appraisal rights.

To prepare the Net Equity Valuation Report, Apsis made use of certain estimates that were based upon the following sources, among others:

- company bylaws;
- financial statements of Ambev's and Newbev's group companies;
- corporate diagrams and ownership interests;
- list of non-current assets;
- Brazilian annual reports and quarterly reports submitted to the CVM;
- blueprints of real estate assets;

Table of Contents

- area charts of real estate assets; and
- documents setting forth the technical specifications of equipment appraised.

In the process of preparing the Net Equity Valuation Report, Apsis:

- read and analyzed the balance sheets of the companies;
- analyzed the assets and liabilities recorded in those balance sheets to identify items requiring market value adjustments and to calculate their probable market value;
- adjusted the companies' non-current assets at their market value pursuant to the appraisals undertaken;
- adjusted relevant operating intangibles pursuant to their respective market values, based upon the adopted assumptions and valuation criteria;
- applied the equity method of accounting to the market value of controlled companies' shareholders' equity in order to calculate the value of the investments; and
- based on the above adjustments and calculations, calculated the market value of the companies' net equity.

In connection with preparing the Net Equity Valuation Report, it was not part of the work undertaken by Apsis to identify and quantify off-balance sheet liabilities or liabilities not identified by the companies' managements. In addition, the objective of the methodology and scope of the work undertaken by Apsis in preparing the Net Equity Valuation Report was to evaluate each of Ambev and Newbev as a going concern. Therefore, costs and expenses associated with the liquidation of assets or liabilities, as well as those relating to liquidation or bankruptcy proceedings, were not considered by Apsis in its calculations.

Using the financial statements provided by management of each of Ambev and Newbev, Apsis performed adjustments to the book value of certain assets and liabilities of each of those companies, based on the assets approach, in order to determine the market value of their net equity. This methodology is derived from generally accepted accounting principles, under which financial statements are prepared based on the historical cost principle (*i.e.*, acquisition cost). Based on this concept and basic accounting principles, the methodology used assumes that the book value of a company's assets minus the book value of its liabilities is equal to the book value of its shareholders' equity. This methodology first considers the book value of the assets and liabilities and requires adjustments to some of those items to reflect their probable liquidation value. The result of this method gives an initial basis to estimate a company's value, and serves as a useful basis to compare against the results of other methodologies. The assets approach is designed to appraise a company's value by adjusting the book values (net balance) to their respective fair market values. The assets and liabilities deemed relevant are evaluated at their fair market value, and these values are compared to their respective book values (net balance).

Some of the main criteria adopted to adjust the book value of assets and liabilities subject to appraisal at market price, include the following, among other criteria further detailed in the Net Equity Valuation Report:

- items with a book value of less than R$300 thousand were not appraised and their book value was considered;

Table of Contents

- monetary assets and liabilities, including, among others, cash and cash equivalents, trade and taxes receivables, deferred tax assets, trade and taxes payables, provisions for contingencies and employee benefits, were deemed to have a market value equal to their book value, as their respective market value adjustments rendered immaterial differences, with the exception, among others, of anticipated marketing expenses, which were expensed in the results of operations;
- derivatives instruments and loans and borrowing were considered at their book value as they are measured and recorded in the financial statements at their fair market value, with the exception of the R$300.0 million 9.5% notes due 2017 unconditionally guaranteed by Ambev, which were appraised at market value;
- non-monetary assets, including buildings, machinery, equipment and facilities deemed extremely relevant to business operations were appraised at market value considering their substitution cost, as further detailed in the Net Equity Valuation Report, with the following exceptions, among others:
  - inventories of finished products were adjusted to their market value adopting earnings before interest and taxes as the profit margin to be derived from them;
  - other inventories were deemed to have a market value equal to their book value, as their respective market value adjustments rendered immaterial differences;
- brands and trademarks were appraised according to the "relief from royalty" approach, as further detailed in the Net Equity Valuation Report, which is based on the concept of the incremental cash flow after taxes (*i.e.*, savings) that will be derived as a result of the fact that a company no longer will have to pay royalties to a third-party for the use of a specific brand or trademark owned by such party; and
- goodwill from investments in subsidiaries was disregarded as it is not recognized for purposes of appraising the market value of net equity under Section 264 of the Brazilian Corporation Law.

Table of Contents

Based on the methodology and criteria explained above, the Net Equity Valuation Report of Apsis determined that as of December 31, 2012: (1) the market value of Ambev's net equity is R$29,176.5 million, or R$9.330767 per Ambev common or preferred share, and (2) the market value of Newbev's net equity is R$18,097.8 million, or R$1,866991 per Newbev common share, as further detailed in the table below.

	As of December 31, 2012			
	Book Value		Market Value	
	Ambev	Newbev(1)	Ambev	Newbev(1)
	(in R$ million, except as indicated otherwise)			
Assets	**49,319.4**	**17,934.7**	**56,227.4**	**18,128.1**
Current assets	7,124.8	71.6	6,628.7	71.6
Non-current assets	2,007.4	9.7	2,140.5	9.7
Property, plant and equipment	40,187.2	17,853.4	47,458.2	18,046.8
Liabilities	**49,319.4**	**19,934.7**	**56,227.4**	**18,128.1**
Current liabilities	11,697.5	30.3	11,726.1	30.3
Non-current liabilities	8,758.2	-	15,324.8	-
Net equity	28,863.7	17,904.4	**29,176.5**	**18,097.8**
Number of shares (thousand)	3,126,909	9,693,598	3,126,909	9,693,598
Net equity per share	9.230758	1.847037	**9.330767**	**1.866991**

(1) Takes into account the Contribution experienced by Newbev on June 17, 2013.

Based on the market value of Ambev's and Newbev's net equity under the same criteria and as of a same date (*i.e.*, December 31, 2012), as shown in the table above and further explained in the Net Equity Valuation Report of Apsis, the ratio to exchange Ambev common or preferred shares for Newbev common shares would be 4.997757 Newbev common shares for each Ambev common or preferred share.

Additional Information Relating to Apsis and its Valuation Reports

The preceding discussion is a summary of the valuation reports submitted by Apsis to the management of each of Newbev and Ambev. Such summary does not purport to be a complete description of the analyses performed by Apsis. English-language translations of the full Ambev Shares Valuation Report and Net Equity Valuation Report of Apsis have been included as Annex C and Annex D, respectively, to this prospectus. The above summary of the Ambev Shares Valuation Report and Net Equity Valuation Report of Apsis is qualified in its entirety by reference to the full text of those reports.

The preparation of valuation reports is a complex process involving technical judgments and is not necessarily adequately represented by partial analyses or summary descriptions. Accordingly, Apsis believes that its analyses and valuation reports must be considered as a whole, and that selecting

Table of Contents

portions of those analyses or reports without considering the entire analyses and factors contained in them could create a misleading or incomplete view of the processes underlying the analyses conducted by Apsis, as set forth in each of the valuation reports described above.

To prepare its reports, Apsis used information and historical data that was either unaudited or audited by third parties. Such information and data were either furnished to Apsis by Ambev or Newbev, in writing or by means of verbal interviews, or obtained by Apsis from other sources, including Bloomberg with respect to the Ambev Shares Valuation Report.

Although to the best knowledge of Apsis the data upon which the opinions and conclusions expressed in its valuation reports are truthful and correct, Apsis did not conduct an independent verification of the data provided to it or obtained by it from third parties to confirm their truthfulness.

In connection with the preparation of its valuation reports, Apsis represented that:

- it has no direct or indirect interest in Newbev, Ambev, their controlling shareholders or the Stock Swap Merger, and that there is no significant circumstance that may characterize an actual or potential conflict of interest for the issuance of its valuation reports;
- the fees to be received by it to prepare the valuation reports are not in any way contingent on the conclusions reached in those reports;
- there was no attempt by Ambev's controlling shareholders or management to direct, limit, hinder or perform any action that might have affected Apsis's access to, and the use and knowledge of, any information, assets, documents or work methodologies relevant to its conclusions; and
- its valuation reports comply with the recommendations and criteria of the Brazilian Association of Technical Norms (*Associação Brasileira de Normas Técnicas*), the Uniform Standards of Professional Appraisal Practice and the International Valuation Standards Council, as well as with the requirements imposed by various regulatory bodies and authorities, including the Brazilian Accounting Standards Committee (*Comitê de Pronunciamentos Contábeis*), the Brazilian Ministry of Finance, the Central Bank, the CVM, the Brazilian Insurance Commissioner (*Superintendência de Seguros Privados*), the Brazilian Income Tax Code (*Regulamento do Imposto de Renda*) and the Brazilian Committee of Business Appraisers (*Comitê Brasileiro de Avaliadores de Negócios*).

Apsis has no obligation to update or otherwise revise its valuation reports should any future events or conditions affect its appraisal, analyses or conclusions. In addition, the scope of Apsis's work for its valuation reports did not include auditing any financial statements or reviewing any work performed by auditors, as a result of which Apsis does not express any opinion on the financial statements included in this prospectus.

Apsis's qualifications to render the valuation reports arise from its extensive experience as an internationally recognized consulting firm engaged in, among other things, the valuation of businesses and companies and their securities in Brazil and elsewhere in connection with mergers, acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, public and private offerings of securities, private placements and other corporate transactions. Apsis was selected to prepare the valuation reports based on its experience in preparing such reports and other factors. Apsis will be paid a fee of R$0.7 million by Newbev, which also agreed to reimburse Apsis for the expenses incurred by it while preparing the valuation reports described above.

Table of Contents

The valuation reports of Apsis are not intended to be, and do not constitute, a recommendation or opinion to Newbev, Ambev or any shareholder of those companies as to any matters relating to the Stock Swap Merger, including as to how shareholders should vote on the transaction. We urge you to read carefully the valuation reports prepared by Apsis in its entirety.

Newbev Shareholders' Agreement

In anticipation of the Stock Swap Merger, on April 16, 2013, ABI (through IIBV and AmBrew) and FAHZ executed a shareholders' agreement to be applicable to Newbev, or the Newbev Shareholders' Agreement, which is substantially identical to the Ambev Shareholders' Agreement and has its effectiveness conditioned to the consummation of the Stock Swap Merger. If the Stock Swap Merger is consummated, the Newbev Shareholders' Agreement will become effective and the shareholders' agreement of Ambev, or the Ambev Shareholders' Agreement, will be terminated. The Newbev Shareholders' Agreement will be effective until and including July 1, 2019, and will be replaced by a new shareholders' agreement, or the 2019 Shareholders' Agreement, to be effective starting on July 2, 2019, as long as at that time FAHZ holds at least 1,501,432,405 Newbev common shares, adjusted for any future share dividends, stock-splits and reverse stock-splits (see "—The 2019 Shareholders' Agreement").

The parties to the Newbev Shareholders' Agreement are IIBV and AmBrew, which represent ABI's beneficial interest in Newbev, and FAHZ, as well as Newbev, as intervening party, and ABI, as intervening third-party beneficiary. Among other matters, the Newbev Shareholders' Agreement governs the voting of the Newbev common shares subject to the agreement and the voting by Newbev of the shares of its majority-owned subsidiaries.

Management of Newbev

Although each Newbev common share entitles its holder to one vote in connection with the election of Newbev's Board of Directors, Newbev's direct controlling shareholders after the consummation of the Stock Swap Merger (*i.e.*, FAHZ, IIBV and AmBrew) will have the ability to elect the majority of Newbev's directors.

If cumulative voting is exercised together with the separate ballot vote of minority shareholders, thereby resulting in the number of directors so elected being equal to or greater than the number of directors elected by Newbev's controlling shareholders, those controlling shareholders are entitled to elect the same number of Board members elected by minority shareholders plus one additional director, regardless of the maximum number of directors provided for in Newbev's bylaws.

Presently, under the Newbev Shareholders' Agreement each of FAHZ, IIBV and AmBrew will have representation on the Board of Directors of Newbev and its majority-owned subsidiaries and, in addition to the members and respective alternates that they are entitled to appoint, each of FAHZ, on the one hand, and IIBV and AmBrew, on the other, may appoint up to two observers without voting rights to attend Newbev's Board meetings. The Boards of Directors of Newbev and its majority-owned subsidiaries will each be composed of at least three and no more than 15 regular members and the same number of alternates, with a term of office of three years with reelection being permitted.

FAHZ will have the right to appoint four directors and their respective alternates to the Boards of Directors of Newbev and its majority-owned subsidiaries, as long as it maintains ownership of Newbev common shares that it holds immediately following the Stock Swap Merger (adjusted for any

Table of Contents

future share dividends, stock-splits and reverse stock-splits). It is expected that following consummation of that transaction, FAHZ will hold 1,501,432,405 Newbev common shares, considering an exchange ratio for the Stock Swap Merger of five new Newbev common shares for each Ambev common or preferred share exchanged in the transaction. Under the Newbev Shareholders' Agreement, FAHZ is not entitled to appoint more than four members to Newbev's Board of Directors in the event that its holding of Newbev common shares increases. FAHZ will always be entitled to appoint at least one member to Newbev's Board of Directors, as long as it holds a minimum of 10% of the Newbev common shares. IIBV and AmBrew have the right to appoint members and respective alternates to the Boards of Directors of Newbev and its majority-owned subsidiaries in a number proportionate to the number of members appointed by FAHZ. Such proportion is based on the ratio between FAHZ's holding and the joint holding of IIBV and AmBrew in the Newbev common shares.

The Newbev Shareholders' Agreement provides that Newbev will have two Co-Chairmen with identical rights and duties, with one being appointed by FAHZ and the other jointly by IIBV and AmBrew. In the event of a deadlock, neither of the Co-Chairmen has a deciding vote on matters submitted to Newbev's Board of Directors.

Each of FAHZ, IIBV and AmBrew may remove a director that it has appointed to the Board of Directors of Newbev or its majority-owned subsidiaries, and each also has the right to appoint the respective replacement or a new alternate, if the originally appointed alternate is confirmed for the vacant position.

The Newbev Shareholders' Agreement establishes that the shareholders may, by consensus, establish committees of the Board with the purpose of looking into specific matters, the analyses of which require that their members have specific technical knowledge. The Operations, Finance and Compensation Committee and the Compliance Committee will be established as soon as reasonably practicable following the consummation of the Stock Swap Merger. See "—Management—Board of Directors—Board Practices."

Preliminary Meetings and Exercise of Voting Rights

On matters submitted to a vote of the shareholders or their representatives on the Board of Directors of Newbev or its majority-owned subsidiaries, FAHZ, IIBV and AmBrew have agreed to endeavor to first reach a consensus with respect to voting their common shares of each of Newbev and its majority-owned subsidiaries, and have agreed on the manner to direct their representatives to vote on the matter being submitted. The Newbev Shareholders' Agreement provides that the parties shall hold a preliminary meeting in advance of all meetings of shareholders or the Board of Directors of Newbev or of its majority-owned subsidiaries, with the purpose of discussing and determining a consensus position to be taken by the parties in such meetings.

If the parties fail to reach a consensus with respect to a particular matter, the position to be adopted by the parties to the Newbev Shareholders' Agreement will be determined by the shareholders or group of shareholders holding a majority of the Newbev common shares, which currently is constituted of IIBV and AmBrew. However, this rule does not apply in connection with the election of members of the Board of Directors, as described above under "—Management of Newbev," and with respect to matters that require unanimous approval by FAHZ, IIBV and AmBrew, as follows:

- any amendment to the bylaws of Newbev and/or any of its majority-owned subsidiaries with the purpose of amending: (1) the corporate purpose, (2) the term of duration, and/or (3) the composition, powers and duties of management bodies;

Table of Contents

- the approval of the annual investment budget of Newbev and/or any of its majority-owned subsidiaries when the amount of the investments exceeds 8.7% of the net sales of Newbev foreseen for the same fiscal year;
- the designation, dismissal and substitution of the Chief Executive Officer (*Diretor Geral*) of Newbev;
- the approval of, or amendment to, the compensation policy for the Board of Directors and the executive officers of Newbev, as well as of its majority-owned subsidiaries;
- the approval of stock ownership plans for the directors, executive officers and employees of Newbev and/or its majority-owned subsidiaries;
- a change in the dividend policy of Newbev and/or any of its majority-owned subsidiaries;
- increases in the capital of Newbev and/or any of its majority-owned subsidiaries, with or without preemptive rights, through subscription, creation of a new share class, or changes in the characteristics of existing shares, as well as decreases of capital, issuances of debentures (whether or not convertible into shares), warrants and the creation of founders' shares by Newbev and/or any of its majority-owned subsidiaries, except when such legal businesses are carried out between Newbev and its majority-owned subsidiaries or between the majority-owned subsidiaries;
- amalgamations, spin-offs, transformations, mergers, acquisitions, and divestments involving Newbev and/or any of its majority-owned subsidiaries, in the latter case (1) when such transaction involves a company that is not a subsidiary, directly or indirectly, of Newbev and (2) provided that the transaction in question results in the reduction in the average dividend paid by Newbev in the past five years, adjusted by the General Market Price Inflation Index (*Indíce Geral de Preços ao Mercado*), or the IGP-M index, published by *Fundação Getulio Vargas* as of the date of payment;
- the creation, acquisition, assignment, transfer, establishment of an encumbrance on and/or disposal of shares, quotas and/or any securities issued by any of Newbev's majority-owned subsidiaries, under any title or form, except for the benefit of Newbev and/or another subsidiary;
- the incurrence by Newbev and/or any of its majority-owned subsidiaries of a debt transaction that results in a net debt/equity ratio greater than 1.5:1;
- the execution, amendment, termination, renewal or cancellation of any contracts, agreements or the like involving the registered or deposited trademarks of Newbev or its majority-owned subsidiaries;
- the extension of loans or the offer of guarantees of any kind by Newbev and/or any of its majority-owned subsidiaries to any third party in an amount greater than 1% of Newbev's shareholders' equity as set forth in the last audited balance sheet prepared in accordance with Brazilian GAAP, except in favor of employees of Newbev and its majority-owned subsidiaries or in favor of the majority-owned subsidiaries themselves;

Table of Contents

- the election of members to committees of Newbev's Board of Directors;
- the cancellation of the registration of Newbev and/or any of its majority-owned subsidiaries as publicly traded companies;
- the execution of a petition for an arrangement with creditors (*recuperação judicial*) or acknowledgment of bankruptcy by Newbev and/or any of its majority-owned subsidiaries;
- the liquidation or dissolution of Newbev and/or any of its majority-owned subsidiaries; and
- the appointment of the external auditors of Newbev and/or any of its majority-owned subsidiaries.

The Newbev Shareholders' Agreement provides that whenever the parties fail to reach a consensus in a preliminary meeting as to any matter listed above, they will exercise their voting rights so as not to approve such matter. The Newbev Shareholders' Agreement provides that any votes cast by FAHZ, IIBV and AmBrew, or by any of the directors appointed by each of them, in violation of the provisions of the agreement will be deemed null, void and ineffective.

FAHZ, IIBV and AmBrew, as well as any member appointed by them to the Board of Directors of Newbev or any of its majority-owned subsidiaries, are not required to observe decisions reached at preliminary meetings when deciding on the following matters:

- analysis and approval of management accounts of Newbev and its majority-owned subsidiaries;
- analysis and approval of the financial statements and management reports of Newbev and its majority-owned subsidiaries;
- any matters or actions typified as abuse of control, as set forth in the first paragraph of Section 117 of the Brazilian Corporation Law; and
- actions and practices relating to management's diligence, loyalty and other related duties, as established in Sections 153 to 158 of the Brazilian Corporation Law.

Transfer of Shares

The Newbev Shareholders' Agreement contains the following provisions concerning the transfer of the Newbev common shares subject to the agreement:

- FAHZ, IIBV and AmBrew have agreed (1) not to dispose of their Newbev common shares, directly or indirectly, during the term of the agreement, whether through private trades, on the stock market or on the over-the-counter market, including by way of tender offers, either voluntary or mandatory, except as permitted in Section VI of the Newbev Shareholders' Agreement and (2) not to create any type of encumbrance on their Newbev common shares, in either of the above cases without the prior written consent of FAHZ, in the case of IIBV and AmBrew, and of IIBV and AmBrew, in the case of FAHZ;
- if the Newbev common shares owned by FAHZ, on the one hand, and by IIBV and AmBrew, on the other, become subject to seizure, attachment, judicial surety or any other

Table of Contents

restrictive measure, and such restriction is not lifted or waived within 30 days after its imposition, the shares subject to the restriction shall be automatically deemed offered for sale to the other party. The price for the relevant Newbev common shares will be the lesser of either (1) the book value per Newbev common share, as per the latest audited balance sheet of Newbev adjusted by the IGP-M index from the date the restrictive measure is imposed until the date a petition is filed to require that the restriction be lifted or waived or (2) the average quoted market price of the Newbev common shares on stock exchanges in the 20-day period prior to the petition for lifting or waiving the restriction, provided that the Newbev common shares were traded during such period. If the obligations in respect of such restriction exceed the above-mentioned price, the party whose shares have been subject to the restriction will be liable for the difference that the other party may be required to deposit in order to acquire the relevant Newbev common shares. If the obligations in respect of such restriction were lower than the price for the Newbev common shares as described above, then the party whose shares have been subject to the restriction will be entitled to receive the difference between the price for the Newbev common shares and the obligations in respect of such restriction; and

- if either FAHZ, on the one hand, and IIBV or AmBrew, on the other, does not exercise its subscription rights relating to Newbev common shares it holds, then each such party must first offer such rights to the other party at market value, which such other party will then decide, within the following 10 days, on whether to exercise its right of first refusal to subscribe the new shares to be issued. If such other party elects not to acquire the subscription right offered, then the offering shareholder may dispose of its subscription rights to third parties.

The Newbev Shareholders' Agreement provides that any transfer of shares or subscription rights or creation of encumbrances in which the foregoing provisions on rights of first refusal are not observed will be deemed null, void and ineffective. Newbev's management is also prohibited from reflecting any such events in its corporate books, as permitted by the Brazilian Corporation Law.

Specific Performance

The obligations of the parties under the Newbev Shareholders' Agreement will be subject to specific performance under applicable Brazilian law.

The 2019 Shareholders' Agreement

The 2019 Shareholders' Agreement was executed on April 16, 2013 by IIBV, AmBrew and FAHZ, as well as Newbev, as intervening party. It is conditioned on the consummation of the Stock Swap Merger and will become effective on July 2, 2019, as long as at that time FAHZ holds at least 1,501,432,405 Newbev common shares, adjusted for any future share dividends, stock-splits and reverse stock-splits. After becoming effective, the 2019 Shareholders' Agreement will be terminated at any time upon FAHZ ceasing to hold at least 1,501,432,405 Newbev common shares (adjusted for any future share dividends, stock-splits and reverse stock-splits) or if FAHZ decides to early terminate it. Among other matters, the 2019 Shareholders' Agreement governs the voting of the Newbev common shares subject to the agreement and the voting by Newbev of the shares of its majority-owned subsidiaries.

Table of Contents

Management of Newbev

The 2019 Shareholders' Agreement establishes that Newbev will be managed by a Board of Directors and by an Executive Committee. Newbev's Board of Directors will no longer be chaired by two Co-Chairmen.

Under the 2019 Shareholders' Agreement, FAHZ will be entitled to appoint two directors and their respective alternates to the Board of Directors of Newbev, provided that it holds at least 1,501,432,405 Newbev common shares (adjusted for any future share dividends, stock-splits and reverse stock-splits). One of the FAHZ-appointed directors shall have the right to also be appointed as a member of Newbev's Operations, Finance and Compensation Committee and of the Compliance Committee, as well as any other committee that may be established by Newbev's Board of Directors. Furthermore, the shareholders shall use their best efforts to allow one of the FAHZ-appointed directors to participate as an observer in meetings of Newbev's Fiscal Council, whenever such body is installed in lieu of the audit committee required by the Sarbanes-Oxley Act of 2002.

FAHZ may remove a director that it has appointed to the Board of Directors of Newbev, and also has the right to appoint the respective replacement or a new alternate, if the originally appointed alternate is confirmed for the vacant position.

The foregoing provisions of the 2019 Shareholders' Agreement regarding Newbev's management bodies do not apply to the management bodies of Newbev's majority-owned subsidiaries.

Preliminary Meetings and Exercise of Voting Rights

The 2019 Shareholders' Agreement replicates the provisions of the Newbev Shareholders' Agreement concerning preliminary meetings, including the need for consensus between FAHZ, IIBV and AmBrew, and applicable procedures when consensus is not reached, in respect to matters that will be resolved at shareholders' or Board of Directors meetings of Newbev and its majority-owned subsidiaries.

If the parties fail to reach a consensus with respect to a particular matter, the position to be adopted by the parties to the 2019 Shareholders' Agreement will be determined by the shareholder or group of shareholders holding a majority of Newbev common shares. The following matters are not subject to the foregoing rule: (1) election of members to the Board of Directors or to any committee of the Board of Directors, which shall follow the specific election procedure described above under "—Management of Newbev" and (2) matters that require unanimous approval by FAHZ, IIBV and AmBrew, as follows:

- any amendment to the bylaws of Newbev and/or any of its majority-owned subsidiaries with the purpose of changing: (1) the corporate purpose of those companies with a view to causing them to cease the production, commercialization and distribution of beverages, (2) the allocation of Newbev's results of operations, as set forth in its bylaws, or other similar provisions in the bylaws of Newbev's majority-owned subsidiaries that are meant to provide financial support to FAHZ, (3) the minimum mandatory dividend of 40% of Newbev's adjusted net income, and/or (4) any other provision that affects FAHZ's rights under the 2019 Shareholders' Agreement; and

- the transformation of Newbev into a different form of legal entity.

Table of Contents

FAHZ, IIBV and AmBrew, as well as any member appointed by them to the Board of Directors of Newbev or any of its majority-owned subsidiaries, are not required to observe decisions reached at preliminary meetings when deciding on the following matters:

- analysis and approval of management accounts of Newbev and its majority-owned subsidiaries;
- analysis and approval of the financial statements and management reports of Newbev and its majority-owned subsidiaries;
- any matters or actions typified as abuse of control, as set forth in the first paragraph of Section 117 of the Brazilian Corporation Law; and
- actions and practices relating to management's diligence, loyalty and other related duties, as established in Sections 153 to 158 of the Brazilian Corporation Law.

Transfer of Shares

The 2019 Shareholders' Agreement's provisions regarding transfer of shares differ substantially from the equivalent provisions contained in the Newbev Shareholders' Agreement. Under the 2019 Shareholders' Agreement, the following rules shall apply:

- in the event of a transfer of Newbev common shares subject to the 2019 Shareholders' Agreement (1) by IIBV and/or AmBrew, where such transfer results in these entities jointly holding a total equity interest in Newbev represented by less than 50% plus one Newbev common share, and/or (2) by FAHZ upon making one and only one eligible transfer of at least 1,501,432,405 Newbev common shares (adjusted for any future share dividends, stock-splits and reverse stock-splits) to a single buyer and subject to the first offer obligations described below, then, in either of those cases, the Newbev common shares subject to those transfers shall remain bound by the 2019 Shareholders' Agreement. Only in those two cases shall a third party acquiring the Newbev common shares in those transfers be able to adhere to the 2019 Shareholders' Agreement in order for the transfer to be effective;
- at any time FAHZ may elect to release its Newbev common shares subject to the 2019 Shareholders' Agreement for the exclusive purpose of selling them in the stock market or over-the-counter market, provided that (1) it maintains at least 1,501,432,405 Newbev common shares (adjusted for any future share dividends, stock-splits and reverse stock-splits) subject to the 2019 Shareholders' Agreement, and (2) it observes the first offer obligations described below; and
- in the event FAHZ intends to execute the above -referenced one and only one eligible transfer or release, it shall first offer the Newbev common shares to the remaining parties to the 2019 Shareholders' Agreement for their average quoted market price on the 20 trading sessions immediately prior to the date of the relevant first offer (or the last 40 trading sessions if no Newbev common shares were negotiated in at least half of the 20 immediately preceding trading sessions). The offerees will have five days, as of the first offer date, to accept or refuse the offer, and, if expressly or tacitly refused (or in the event the offerees fail to timely pay the applicable purchase price), then FAHZ may either proceed with such transfer or release its Newbev common shares from the 2019 Shareholders' Agreement and thereafter sell them to third parties within ten days.

Table of Contents

Specific Performance

The obligations of the parties under the 2019 Shareholders' Agreement will be subject to specific performance under applicable Brazilian law.

Approvals for the Stock Swap Merger

Important Brazilian Corporation Law Aspects

Ambev is a Brazilian reporting corporation and thus the Brazilian Corporation Law and the rules of the CVM govern (1) the shareholder approvals required to authorize the Stock Swap Merger, (2) which shareholders are entitled to vote with respect to the Stock Swap Merger, and (3) how shareholder voting takes place. The Brazilian Corporation Law and the rules of the CVM also govern the duties and obligations of Newbev and Ambev and their respective Boards of Directors in connection with the Stock Swap Merger.

Under the Brazilian Corporation Law, extraordinary general shareholders' meetings of the companies involved must be held to consider and vote upon transactions such as the Stock Swap Merger. Although under the Brazilian Corporation Law all shareholders may attend any shareholders' meeting, only shareholders holding common shares generally have full voting rights, including in connection with resolutions to approve corporate restructuring transactions, such as the Stock Swap Merger.

In connection with corporate restructurings generally, including the Stock Swap Merger, the Brazilian Corporation Law does not: (1) establish any specific minimum or maximum exchange ratio for the transaction, (2) require that the board of directors of the companies involved formally make a determination that the terms of the transaction are "fair," either procedurally or financially, to noncontrolling shareholders, (3) require the establishment of any special independent committee or otherwise provide for a review and, if necessary, alteration of the proposed voting or other corporate governance procedures applicable to the transaction, or (4) prohibit controlling shareholders from voting (see "—Special Voting Procedures for Minority Shareholder Protection"), notwithstanding the fact that they owe certain duties and responsibilities to the company's other shareholders.

The Required Approvals

Under the Brazilian Corporation Law, an affirmative vote of holders representing at least half of the issued and outstanding Ambev common shares is required to approve the Stock Swap Merger.

As a result of the Contribution, Newbev became the direct holder of 74.0% of the Ambev common shares, which at the time of the Ambev EGM will form a 91.1% aggregate interest in the Ambev common shares when considered together with the 17.1% interest in those shares that are currently held by FAHZ. However, neither Newbev nor FAHZ will vote their Ambev common shares to approve the Stock Swap Merger, unless a majority of the minority-held Ambev common and preferred shares present at the Ambev EGM, as separate classes and without the participation of our controlling shareholders, are each in favor of the transaction pursuant to the special voting procedures for minority shareholder protection that will be adopted for that shareholders' meeting. If the majority of those minority-held Ambev common and preferred shares, as separate classes and without the participation of our controlling shareholders, are each in favor of the Stock Swap Merger, Newbev and FAHZ will vote their Ambev common shares in favor of the transaction only so that the deliberation to

Table of Contents

approve it complies with applicable minimum quorum requirements under the Brazilian Corporation Law. If the majority of the minority-held shares in either of those share classes are not in favor of the transaction, Newbev and FAHZ will either vote their Ambev common shares against it or abstain from voting, in order to uphold the opinion on the Stock Swap Merger that the majority of the minority-held Ambev common and preferred shares shall express, as separate classes and without the participation of our controlling shareholders, at the Ambev EGM.

In addition, an affirmative vote of holders representing at least a majority of the Newbev common shares present at a duly convened extraordinary general shareholders' meeting of Newbev to vote on the Stock Swap Merger is required to approve the transaction. However, all of the issued and outstanding Newbev common shares are beneficially owned by ABI, which has advised us that it will vote all its Newbev common shares in favor of the transaction, provided that it is approved by the required vote of Ambev's shareholders at the Ambev EGM. The shareholders' meeting of Newbev to vote on the Stock Swap Merger is scheduled to be held on July 30, 2013, the same day of the Ambev EGM.

In addition, the approval by the BM&FBOVESPA and the NYSE for the listing of the Newbev common shares and ADSs, respectively, to be delivered in the Stock Swap Merger must be obtained for those securities to be traded by their holders on those stock exchanges. Although this approval is important for holders of our shares and ADSs to be able to freely trade the Newbev securities they will receive in the Stock Swap Merger and is expected to be obtained on or about the date the transaction is consummated, it is not a condition to the completion of the transaction.

Special Voting Procedures for Minority Shareholder Protection

Although under the Brazilian Corporation Law preferred shares do not have voting rights in connection with mergers and corporate restructurings in general, at the Ambev EGM minority holders of Ambev preferred shares (including in the form of ADSs) will be asked in an exclusive poll of preferred shareholders if they are against the Stock Swap Merger. If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is against the Stock Swap Merger, then Newbev and FAHZ will vote their Ambev common shares against the transaction and, consequently, it will not be approved.

If a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll is not against the Stock Swap Merger, then the transaction will be submitted to a vote of minority holders of Ambev common shares (including in the form of ADSs). At that point, if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes against the Stock Swap Merger, then the transaction will not be approved.

None of ABI, FAHZ or the Affiliated Holders will use the Ambev preferred or common shares beneficially owned by them to vote in favor or against the Stock Swap Merger in the preferred shareholders' poll or the minority common shareholder vote on the transaction. In addition, none of their Ambev shares will be included in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Further, abstentions will not be counted as votes for or against the Stock Swap Merger at the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger or on any other matter subject to deliberation at the Ambev EGM. They will also not be counted in the quorum of shares eligible to participate in the preferred shareholders' poll or the minority common shareholder vote on the Stock Swap Merger.

Table of Contents

Therefore, the Stock Swap Merger will only be approved if a majority of the minority-held Ambev common shares present and voting at the Ambev EGM votes in favor of the transaction, provided that it has not been rejected by a majority of the minority-held Ambev preferred shares participating in the preferred shareholders' poll. Only in such a case will Newbev and FAHZ vote their Ambev common shares to approve the Stock Swap Merger, and they will do so only to ensure that the deliberation to approve the transaction complies with applicable minimum quorum requirements under the Brazilian Corporation Law.

The Ambev EGM

Date, Time and Place

The Ambev EGM will be held on July 30, 2013, at 10:00 a.m. local time, at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Quorum

A quorum comprised of at least two -thirds of the issued and outstanding common shares of Ambev is necessary to open the Ambev EGM. Because, as a result of the Contribution Newbev became the direct holder of 74.0% of the Ambev common shares, the presence of Newbev at the Ambev EGM will be sufficient to establish a quorum to open the meeting.

Record Date

In accordance with the Brazilian Corporation Law, there is no record date for Ambev shareholders who hold their Ambev shares directly to attend and vote at the Ambev EGM. To determine the identity of holders of Ambev shares entitled to attend the Ambev EGM, Ambev will obtain shareholder lists from the respective registrars of its shares as of the latest practicable date prior to the date of the Ambev EGM.

The Ambev ADS holders of record as of the close of business, local time, on July 1, 2013 will be entitled to instruct the Depositary as to how to vote the Ambev shares underlying their Ambev ADSs at the Ambev EGM.

How to Attend and Vote

Ambev Shareholders

If you are a direct holder of Ambev common or preferred shares, to participate in the Ambev EGM you must appear at the meeting in person. Under the Brazilian Corporation Law, you may be required to show documents proving your identity to gain admittance to the Ambev EGM to the extent you are entitled to attend the meeting.

However, if you are entitled to attend the Ambev EGM, but you do not wish to, or are unable to, appear at the meeting in person, you may appoint a person to act on your behalf and vote your shares at the Ambev EGM. This person must be another Ambev shareholder or a Brazilian attorney. If you grant a power of attorney under Brazilian law for someone to act for you at the Ambev EGM, that person will be required to show original or certified copies of the documents granting that person the relevant powers of representation. The person acting on your behalf must have been appointed for that

Table of Contents

purpose by means of a power of attorney or other instrument of representation issued, at most, one year prior to the Ambev EGM. Such power of attorney or instrument of representation must be certified by a notary public and, if executed outside Brazil, consularized by the Brazilian consulate located in your domicile.

Powers of attorney granted by Ambev shareholders for their representation at the Ambev EGM must be deposited at Ambev's principal executive offices at Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil, preferably at least three business days prior to the Ambev EGM. Powers of attorney observing the same formalities described above will also be required for any proxies that Ambev's preferred shareholders may wish to appoint to attend and participate on their behalf at the Ambev EGM and in the preferred shareholders' poll concerning the Stock Swap Merger.

If you have issued a power of attorney and wish to revoke it, you may do so by issuing a proper instrument of revocation and depositing it, in properly notarized and consularized form, at Ambev's principal executive offices no later than 48 hours before the Ambev EGM.

We urge you to consult Brazilian counsel when preparing any such powers of attorney (or related revocation instruments) to ensure that they comply with basic Brazilian legal requirements, as Ambev cannot, and will not, accept any forms that do not comply with those requirements.

Holders of Ambev shares wishing to attend the Ambev EGM and who hold shares through the Fungible Custody of Registered Shares of Brazilian Stock Exchanges (*Custódia Fungível de Ações Nominativas das Bolsas de Valores*) must provide a statement containing their corresponding equity interest in Ambev dated within 48 hours of the Ambev EGM.

If you are a direct holder of Ambev shares, none of Newbev, Ambev, any of their affiliates or any members of their respective boards of directors or the boards of directors of those affiliates is soliciting any proxy from you or requesting that you send a proxy or its equivalent to any of them. The foregoing discussion of the procedures for voting your Ambev shares at the Ambev EGM has been provided for your convenience only. We urge you to consult Brazilian counsel with any questions on your voting rights and related procedures for the Ambev EGM.

Ambev ADS Holders

Ambev ADS holders are not entitled to attend the Ambev EGM. Instead, Ambev ADSs will be represented at the Ambev EGM by the Depositary, which will vote the Ambev shares underlying the Ambev ADSs held by those holders as instructed by them. Ambev ADS holders will receive in the mail information from the Depositary explaining what they have to do in order to provide the Depositary with instructions on how to vote the Ambev shares underlying their Ambev ADSs at the Ambev EGM. Those Ambev ADS holders of record should provide the Depositary with clear voting instructions by no later than the applicable cut-off date for receipt of voting instructions by the Depositary to allow the Depositary sufficient time to record the instructions provided and vote the Ambev shares underlying the relevant Ambev ADSs in accordance with those instructions.

If you hold Ambev ADSs and wish to attend the Ambev EGM, you must surrender your Ambev ADSs and withdraw the corresponding underlying Ambev shares from the Ambev ADS programs. To do this, you must (1) surrender to the Depositary at 101 Barclay Street, New York,

Table of Contents

NY 10286 (telephone: +1 (212) 815-2722 or +1 (212) 815-2721) the Ambev ADSs representing the underlying Ambev shares that you wish to withdraw, (2) pay a fee to the Depositary in the amount of up to US$5.00 per 100 Ambev ADSs, or a portion thereof, for the cancellation of the Ambev ADSs you intend to surrender, and (3) pay any taxes or governmental charges payable in connection with your withdrawal of the underlying Ambev shares from the Ambev ADS programs. If you surrender Ambev ADSs and receive Ambev shares, the shares so received will be registered with the clearing and settlement chamber of the BM&FBOVESPA, and you will need to obtain your own foreign investor registration under Resolution 2,689 (see "Part Six: Shareholder Rights—Exchange Controls"). You will need to take these steps in sufficient time to allow your ownership of the Ambev shares to be reflected in the shareholder list that Ambev will use to determine the holders of Ambev shares who are permitted to attend the Ambev EGM. Such shareholder list generally reflects record ownership as of the fourth Brazilian business day prior to a shareholders' meeting.

Receipt of Newbev Common Shares

As a result of the Stock Swap Merger, without any action by you, each Ambev common share or preferred share will become five new Newbev common shares with no par value. Because the Newbev common shares and the common and preferred shares of Ambev are book-entry shares, an entry or entries will be made in the share registry of Newbev by Banco Bradesco S.A., the registrar of the share registries of Ambev and Newbev, to evidence the Newbev common shares received by you in the Stock Swap Merger, if approved. Therefore, upon consummation of the Stock Swap Merger, all of the Ambev common and preferred shares not held by Newbev will automatically be exchanged for new Newbev common shares. Neither you nor any other person will receive certificates evidencing Newbev common shares.

Newbev will deliver Newbev common shares in connection with the Stock Swap Merger as promptly as practicable after the end of the 30-day appraisal rights exercise period, unless postponed. Until the new Newbev common shares are distributed, the Ambev common and preferred shares are expected to continue to trade on the BM&FBOVESPA under their existing ticker symbols.

Receipt of Newbev ADSs

Upon the expiration of the 30-day period for the exercise of appraisal rights, Newbev will deposit, with Banco Bradesco S.A., which will act as the custodian in Brazil for the Depositary in connection with the Newbev ADS program, new Newbev common shares issuable in respect of the Ambev common shares and Ambev preferred shares then held in the Ambev common ADS program and the Ambev preferred ADS program, respectively. The Depositary, in its capacity as depositary for the Ambev ADS programs, will then deposit those new Newbev common shares into the Newbev ADS facility and, in its capacity as depositary for the Newbev ADS program, will deliver Newbev ADSs representing those new Newbev common shares for distribution to the former holders of Ambev ADSs. Upon receipt of your Newbev ADSs, you will be able, if you so desire, to surrender your new Newbev ADSs for cancellation and withdraw in Brazil the respective Newbev common shares underlying those ADSs in the same manner as you are currently able to do so in connection with your Ambev ADSs. Until the new Newbev ADSs are distributed, the Ambev common and preferred ADSs are expected to continue to trade on the NYSE under their existing ticker symbols.

If you hold Ambev ADSs indirectly through a broker or other intermediary, you will automatically receive your Newbev ADSs.

Table of Contents

If you hold Ambev ADSs directly as a registered holder, you must sign and return to the Depositary a letter of transmittal and your Ambev ADRs, if any, evidencing Ambev ADSs. As a registered holder of Ambev ADSs, you will be provided with the necessary forms, which will contain instructions on how to surrender your ADRs, if any, to the Depositary. If you do not receive the necessary forms, you may call The Bank of New York Mellon toll-free at +1 (866) 300-4353 (or collect at +1 (201) 680-6921 for calls from outside the United States) or contact it at 101 Barclay Street, New York, NY 10286. Upon receipt by the Depositary of the signed letter of transmittal and your ADRs, if any, and your compliance with the procedures described in the letter of transmittal, the Depositary will register in your name the Newbev ADSs in uncertificated form and send you a confirmation of that registration.

The Depositary will hold the Newbev ADSs (or sale proceeds of those ADSs, as applicable) that you are entitled to receive until (1) you duly surrender your Ambev ADSs to the Depositary or (2) the escheatment of your Newbev ADSs (or sale proceeds of those ADSs, as applicable), whichever occurs first. In the event of termination of the Ambev ADS programs, the Depositary will, after notice to holders of any outstanding Ambev ADSs and upon expiration of the applicable post-termination holding period, sell the Newbev ADSs held in respect of any such outstanding Ambev ADSs. If you surrender your Ambev ADSs to the Depositary after such sale, the Depositary will remit to you the cash proceeds from the sale of the Newbev ADSs in respect of your Ambev ADSs (after deduction of applicable fees, taxes and expenses). Upon escheatment, the Depositary will deliver to the applicable state governments any property held at that time in respect of Ambev ADSs not previously surrendered.

Termination of Ambev ADS Programs

Ambev will instruct the Depositary to mail notice to the holders of all outstanding Ambev ADSs in accordance with the Ambev deposit agreements for the Ambev common ADS facility and the Ambev preferred ADS facility to terminate those deposit agreements and ADS programs as soon as practicable after the expiration of the 30-day appraisal rights exercise period and the consummation of the Stock Swap Merger.

As soon as practicable after one year from the date of termination of the Ambev ADS programs, the Depositary may sell any Newbev common shares (including in the form of ADSs) issued in respect of Ambev common or preferred shares underlying any Ambev ADSs remaining under the Ambev ADS programs. The Depositary shall thereafter hold the proceeds of those sales (net of applicable fees, expenses and taxes) together with any other left over cash from the Ambev ADS programs, without liability for interest, for the pro rata benefit of holders of Ambev ADSs that have not theretofore surrendered their Ambev ADSs.

After effecting such a sale, the Depositary will be discharged from all obligations under the deposit agreements governing the Ambev common and preferred ADS facilities, except to account for such net proceeds and other cash (after deducting, in each case, the fees of the Depositary and other expenses set forth in those deposit agreements and any applicable taxes or other governmental charges) and certain indemnification obligations to Ambev. Ambev will also be discharged from all obligations under the Ambev deposit agreements, except for certain indemnification obligations to the Depositary and its agents.

Table of Contents

Brokerage Commissions and Depositary Fees

If your Ambev shares are registered in your name, you will not have to pay brokerage commissions. If your Ambev shares are held through a bank, broker or a custodian linked to a stock exchange, you should consult with them as to whether it will charge any transaction fees or service charges in connection with the Stock Swap Merger.

If you hold Ambev ADSs, you will not have to pay fees to the Depositary for the cancellation of the Ambev ADSs that you surrender in connection with the Stock Swap Merger. However, you will have to pay the Depositary an ADS issuance fee of US$0.025 for each new Newbev ADS issued to you in exchange for your cancelled Ambev ADSs. The ADS issuance fee being charged in the Stock Swap Merger is half of the maximum fee that the Depositary is entitled to charge for issuances of Newbev ADSs pursuant to the deposit agreement for the Newbev ADS program (see "Part Six: Shareholder Rights—Description of Newbev ADSs—Fees and Expenses").

Stock Exchange Matters

If the Stock Swap Merger is approved, we expect that the Newbev common shares and ADSs issued in connection with the Stock Swap Merger will be listed and admitted to trading on the BM&FBOVESPA and NYSE, respectively, on or about the date the transaction is consummated. The Newbev common shares and ADSs are expected to trade on the BM&FBOVESPA and NYSE under the ticker symbols "ABEV3" and "ABEV," respectively.

After the consummation of the Stock Swap Merger, the Ambev common and preferred ADSs will be delisted from the NYSE and the Ambev common and preferred shares will be delisted from the BM&FBOVESPA.

Appraisal Rights

Eligibility

The Brazilian Corporation Law exempts Ambev from extending appraisal rights to dissenting holders of Ambev preferred shares because those shares meet certain liquidity and dispersion criteria set forth in that law, which assume that those dissenters should be able to sell those shares on the stock exchange where those securities trade. Accordingly, holders of Ambev preferred shares (including in the form of ADSs) are not entitled to appraisal rights in connection with the Stock Swap Merger.

On the other hand, under Section 137 of the Brazilian Corporation Law, holders of Ambev common shares who dissent from the Stock Swap Merger have the right to withdraw from Ambev and be reimbursed for the book value of the Ambev common shares of which they were holders of record continuously since December 7, 2012, the date of publication of the first press release on the Stock Swap Merger, until the date of their exercise of appraisal rights. **Holders of Ambev common shares cannot exercise appraisal rights if they have voted in favor of the Stock Swap Merger.** The failure to vote against the Stock Swap Merger or appear at the Ambev EGM by an Ambev common shareholder who would otherwise be entitled to appraisal rights will not constitute a waiver of those rights by that shareholder.

The Depositary will not exercise appraisal rights on behalf of holders of Ambev common ADSs. However, persons who held Ambev common ADSs continuously since December 7, 2012 will

Table of Contents

be able to exercise appraisal rights if they surrender their Ambev common ADSs and withdraw in Brazil the respective Ambev common shares underlying those ADSs prior to the Ambev EGM. After completing this procedure, those former Ambev common ADS holders may participate in the Ambev EGM and exercise their appraisal rights as any other direct holder of Ambev common shares. Holders of Ambev common ADSs who surrender their ADSs to withdraw the underlying Ambev common shares in order to participate in the Ambev EGM and exercise appraisal rights in Brazil must obtain a statement from their broker to confirm that they held their Ambev common ADSs continuously since December 7, 2012 until the date of surrender of those securities to the Depositary. In addition, if the surrender of those ADSs occurs after the Ambev EGM and prior to the expiration of the 30-day appraisal rights exercise period, all former holders of the surrendered Ambev common ADSs and ADRs must provide an affidavit confirming that they have not submitted instructions to the Depositary to vote in favor of the Stock Swap Merger. In addition, registered holders of Ambev ADSs who exercise appraisal rights in accordance with the procedures outlined above must provide an affidavit confirming that they held their Ambev common ADRs continuously since December 7, 2012 until the date of surrender of those securities.

Appraisal Value

Under the Brazilian Corporation Law, holders of Ambev common shares who exercise appraisal rights are generally entitled to receive the net equity of their Ambev common shares at book value.

The net equity of the Ambev common shares at book value, which provides the appraisal amount per share payable to dissenting Ambev common shareholders, must be based on the book value of Ambev's assets and liabilities according to the last shareholder-approved balance sheet of the company, which, for purposes of the Stock Swap Merger, is Ambev's balance sheet as of December 31, 2012.

As the Ambev EGM is scheduled to be held more than 60 days after the date of Ambev's last shareholder-approved balance sheet, the Brazilian Corporation Law entitles dissenting Ambev common shareholders to request the preparation of an updated balance sheet (*balanço especial*), for purposes of calculating the net equity of their Ambev common shares at book value that is to be payable to them in connection with their exercise of appraisal rights. Accordingly, if an updated balance sheet of Ambev is requested, the cash amount actually payable with respect to the Ambev common shares held by Ambev shareholders exercising appraisal rights may be greater or lower than the one set forth below, which was calculated based on Ambev's balance sheet as of December 31, 2012. In the event that an updated balance sheet is requested for purposes of appraisal rights, Ambev must (1) immediately advance 80% of the book value of the Ambev common shares to be redeemed according to Ambev's December 31, 2012 balance sheet and (2) pay the remaining balance within 120 days after the date of the Ambev EGM. However, if the advanced payment of 80% of the book value of the Ambev common shares to be redeemed is greater than the actual appraisal rights value per share determined by the updated balance sheet, then the amount in excess advanced by Ambev shall be refunded to Ambev by the company's common shareholders who dissented from the Stock Swap Merger and exercised appraisal rights.

Based on the book value of Ambev's shareholders' equity as set forth in Ambev's balance sheet as of December 31, 2012, the appraisal amount per Ambev common share to be paid to dissenting Ambev common shareholders, which is equivalent to the net equity of those shares at book value, is R$9.231.

Table of Contents

Procedures for Exercise

If you have appraisal rights in connection with the Stock Swap Merger, your appraisal rights will lapse 30 days after publication of the minutes of the Ambev EGM. Once the 30-day period for the exercise of your appraisal rights has expired, you will no longer have any right to compel Ambev to redeem your Ambev common shares. The minutes of the Ambev EGM will be published in the newspapers in which Ambev customarily publishes its notices on the first business day following the meeting. Such publication will constitute your sole notification regarding the commencement of the period to exercise your appraisal rights. If you submit a notification confirming your exercise of appraisal rights, such notice will be irrevocable.

To exercise appraisal rights, holders of Ambev common shares in custody with Banco Bradesco S.A., the registrar of the share registry of Ambev, must: (1) appear personally or through an attorney-in-fact at any office of that institution during the 30-day period for exercise of appraisal rights, (2) complete a form related to the exercise of those rights, which is available at those offices, and (3) surrender certified copies of the documents listed below:

- *for dissenters who are individuals*: Individual Taxpayers' Registration (*Cadastro de Pessoas Físicas – CPF*), or CPF Card, Identity Card and updated proof of address issued within the last two months; and

- *for dissenters that are legal entities*: National Corporate Taxpayers' Registration (*Cadastro Nacional de Pessoa Jurídica – CNPJ*), bylaws/articles of association and corresponding amendments, as well as documents relating to the respective partners/legal representatives of the dissenting entity, including acts of appointment, CPF Card, Identity Card and updated proof of address.

Shareholders represented by attorneys-in-fact must surrender the documents described above and the respective power of attorney, which shall grant special powers to the attorney-in-fact authorizing him or her to exercise, on behalf of the grantor, the appraisal rights and request the reimbursement for the Ambev common shares to be redeemed.

Shareholders holding Ambev common shares through the Fungible Custody of Registered Shares of the Stock Exchange must exercise their appraisal rights through their custodial agents.

Unwinding the Stock Swap Merger

Under the Brazilian Corporation Law, if the Board of Directors of Ambev believes that the total value of the appraisal rights exercised by holders of Ambev common shares may put at risk the financial stability of the company, it may, within ten days after the expiration of the appraisal rights period, call an extraordinary shareholders' meeting to either ratify or unwind the Stock Swap Merger.

The factors that may put at risk the financial stability of Ambev will depend on the financial condition of Ambev after the Stock Swap Merger and the general economic environment in its markets at the time appraisal rights are exercised. These factors may include, but are not limited to, the cash balances of Ambev, its ability to borrow funds or fund expansion plans and continuing operations, and compliance with existing contractual obligations, including financial covenants. The decision to call an extraordinary shareholders' meeting of Ambev to ratify or unwind the Stock Swap Merger is at the discretion of Ambev's Board of Directors.

Table of Contents

Payment relating to the exercise of appraisal rights will not be due if the Stock Swap Merger is unwound.

If approved, we do not at this time expect that the Stock Swap Merger would be unwound, since the trading price of the Ambev free float common shares (R$76.21 as of June 12, 2013), which are the shares eligible for appraisal rights, is, and is expected to continue to be until the expiration of the appraisal rights exercise period, substantially higher than the cash sum of R$9.231 per Ambev common share payable by Ambev in connection with the exercise of those rights.

Financial Advisors

Ambev retained two financial advisors to help it with the Stock Swap Merger. The scope of their work and other details relating to their engagement are set forth below.

N M Rothschild & Sons (Brasil) Limitada

Pursuant to an engagement letter dated November 30, 2012, N M Rothschild & Sons (Brasil) Limitada, or Rothschild, was retained by Ambev to provide the following services in connection with the Stock Swap Merger:

- analyze potential transaction structures for a proposed recapitalization of Ambev aimed at converting its current dual-class share structure into a single-class share structure comprised exclusively of voting common shares;
- analyze the implications of those potential transaction structures to Ambev, including to its capital structure and the trading liquidity of its shares;
- analyze Ambev's corporate structure relative to that of comparable companies as it relates to share trading liquidity, voting structure, board organization, share free float, shareholder distribution practices and trading multiples, among other things;
- evaluate the potential impact to Ambev's shareholders of the various corporate restructuring alternatives considered;
- assist Ambev in the coordination of efforts and the work of the company's other advisors involved in the transaction;
- support Ambev with its internal approval procedures for the proposed transaction and in communicating such transaction to the market, investors and regulatory bodies and authorities;
- review and discuss the principal transaction documents from a financial advisor's perspective; and
- provide other customary financial- and market-related advice for restructurings such as the one being contemplated at the time.

Rothschild was not retained to prepare and has not prepared any fairness opinion or valuation or other related report on the Stock Swap Merger.

Table of Contents

Rothschild and its affiliates, as part of their investment banking business, are continually engaged in performing financial services and analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions, as well as for estate, corporate and other purposes, including other customary financial and banking services to its clients worldwide. If the Stock Swap Merger is approved, Rothschild will receive a fee net of applicable withholding taxes and expenses for its services in connection with the Stock Swap Merger. In addition, subject to certain conditions Ambev has agreed to indemnify Rothschild and related persons against liabilities incurred by them as a result of the services they provide in connection with the Stock Swap Merger. Rothschild and its affiliates may from time to time provide investment banking and other services to any of Ambev, Newbev or their affiliates for which they may receive compensation.

The companies of the Rothschild group provide services to the securities industry in securities trading, investment management and other related financial services for both companies and individuals. In the ordinary course of these activities, the companies of the Rothschild group may: (1) provide such services to any of Ambev, Newbev or their affiliates, (2) actively trade the debt and equity securities (or related derivative securities) of those companies for their own account or for the accounts of their customers, (3) at any time hold long or short positions with respect to such securities, or (4) provide services to clients whose interests may conflict with those of Newbev, Ambev or their affiliates.

Banco Itaú BBA S.A.

Pursuant to an engagement letter dated December 11, 2012, Banco Itaú BBA S.A., or Itaú BBA, was retained by Ambev for the main purpose of providing Ambev's management with intelligence on the market's view of the proposed Stock Swap Merger and related corporate transactions, including by monitoring significant fluctuations in Ambev's shareholder base throughout the process of implementing those transactions. Itaú BBA also assisted Ambev with the review and discussion of the principal transaction documents from a financial advisor's perspective and provided the company with other customary financial- and market-related advice for restructurings such as the one being contemplated at the time.

Pursuant to Itaú BBA's engagement letter, the scope of the services to be rendered by it in connection with Ambev's corporate restructuring, including the Stock Swap Merger, does not include the preparation of any fairness opinion or valuation or other related report on the transaction, and Itaú BBA has not prepared any such fairness opinions or reports.

Itaú BBA and its affiliates, as part of their banking business, are continually engaged in performing financial services and analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, bank financings and other transactions, as well as for estate, corporate and other purposes. If the Stock Swap Merger is approved, Itaú BBA will receive a fee net of applicable withholding taxes and expenses for its services in connection with the Stock Swap Merger. In addition, subject to certain conditions Ambev has agreed to indemnify Itaú BBA and related persons against liabilities incurred by them as a result of the services they provide in connection with the Stock Swap Merger. Itaú BBA and its affiliates may from time to time provide investment and commercial banking and other services to any of Ambev, Newbev or their affiliates for which they may receive compensation.

Table of Contents

Itaú BBA and its affiliates provide services to the securities industry in securities trading, investment management, investment and commercial banking and other related financial services for both companies and individuals. In the ordinary course of these activities, Itaú BBA and its affiliates may: (1) provide such services to any of Ambev, Newbev or their affiliates, (2) actively trade the debt and equity securities (or related derivative securities) of those companies for their own account or for the accounts of their customers, (3) at any time hold long or short positions with respect to such securities, or (4) provide funding or other services to clients whose interests may conflict with those of Newbev, Ambev or their affiliates.

Mailing of Prospectus

Newbev will mail this prospectus to record holders of Ambev ADSs whose names appear on the list of record holders of Ambev ADSs maintained by the Depositary. Newbev will also furnish this prospectus to brokers, banks and similar persons who are listed as participants in a clearing agency's security position listing for subsequent transmission to beneficial owners of Ambev ADSs. In addition, Newbev will make this prospectus available at its principal executive offices, and upon written request will mail it, to all record holders of Ambev common and preferred shares whose names appear on the applicable shareholder lists, including those who are residents of the United States or are U.S. persons.

If you hold any Ambev common or preferred shares (including in the form of ADSs), you are receiving this prospectus because Newbev may be deemed to be offering you securities (*i.e.*, Newbev common shares and ADSs) for purposes of the Securities Act. In addition, you are receiving this prospectus to provide you with information about the Stock Swap Merger and the matters that will be considered at the Ambev EGM, as well as with instructions on how you may exercise your voting and other shareholder rights relating to the Stock Swap Merger and the Ambev EGM.

Accounting Treatment of the Contribution and the Stock Swap Merger

Under IFRS, as issued by the IASB, the Contribution has been accounted for as a combination of entities under common control using the predecessor value method. Under the predecessor value method, the book values used to record assets and liabilities are those in the consolidated financial statements of ABI, the ultimate parent or the highest level of common control where consolidated financial statements are prepared (*i.e.*, ABI accounting basis). As a result of the completion of the Contribution, the consolidated financial position and results of operations of Newbev include the historical Ambev financial statements in addition to certain purchase accounting adjustments recognized by ABI, our ultimate parent company, upon its acquisition of Ambev in 2004 and subsequent additional investments. Such purchase accounting adjustments relate to goodwill, fair value adjustments on property, plant and equipment and related deferred tax effect. The Newbev Predecessor combined financial statements reflect such predecessor value method accounting and have been included elsewhere in this prospectus. These Newbev Predecessor combined financial statements are the historical consolidated financial statements of Newbev after the Contribution, after giving retroactive effect in earnings per share to the number of Newbev common shares outstanding immediately after the Contribution.

The Newbev Predecessor combined financial statements reflect the consolidation of Ambev, with the equity interest in Ambev not owned by ABI being shown as a noncontrolling interest. The exchange of shares in the Stock Swap Merger will be considered a transaction with noncontrolling interests that does not result in the loss of control, and will be accounted for as an equity transaction.

Table of Contents

The value of the Newbev common shares issued in the Stock Swap Merger will be recorded on Newbev's capital stock and capital reserve accounts in equity, thus increasing flexibility for management of our capital structure. An offsetting amount equal to the difference between the value of the new Newbev common shares issued by Newbev and the carrying value of the Ambev shares acquired by Newbev will be recorded in an equity reserve account on Newbev's balance sheet, in which case Newbev's shareholders' equity value will be equivalent to Ambev's shareholders' equity value immediately prior to the Stock Swap Merger. Also, upon completion of the Stock Swap Merger, Newbev's financial statements will not reflect any noncontrolling interest accounts.

Tax Considerations

The following summary contains a description of the material U.S. federal income and Brazilian tax consequences of the exchange of Ambev shares and ADSs for new Newbev common shares and ADSs as a result of the Stock Swap Merger, and of the subsequent ownership and disposition of Newbev common shares and ADSs.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to hold Ambev shares or ADSs or Newbev common shares or ADSs. This summary is based upon the tax laws of the United States and Brazil, and regulations under these tax laws, in effect on the date hereof. These tax laws and regulations, as well as official interpretations thereof, may be subject to change, possibly with retroactive effect.

Although at present there is no income tax treaty between Brazil and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a treaty will enter into force or how it will affect holders of Newbev common shares or ADSs.

Holders of Ambev shares and ADSs and prospective holders of Newbev common shares and ADSs should consult their own tax advisors as to the tax consequences of the exchange of Ambev shares and ADSs for new Newbev common shares and ADSs as a result of the Stock Swap Merger, and of the subsequent ownership and disposition of the Newbev common shares and ADSs that they will receive in the Stock Swap Merger, if approved.

Material U.S. Federal Income Tax Considerations

This section describes the material U.S. federal income tax consequences of (1) the Stock Swap Merger to holders of Ambev common shares, preferred shares or ADSs and (2) the ownership of Newbev common shares or Newbev ADSs received in the Stock Swap Merger. To the extent this section consists of statements as to matters of U.S. tax law, this section is the opinion of Sullivan & Cromwell LLP. It applies to you only if you participate in the Stock Swap Merger and you hold your Ambev common shares, preferred shares or ADSs and Newbev common shares or Newbev ADSs as capital assets for U.S. federal income tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a tax-exempt organization;
- a life insurance company;
- a person liable for alternative minimum tax;

Table of Contents

- a person that owns or has owned directly, indirectly or constructively, 10 percent or more of the voting stock of Ambev prior to the Stock Swap Merger;
- a person that, immediately before the Stock Swap Merger, (1) owns directly, indirectly or constructively, at least 5 percent (by either vote or value) of the outstanding stock of Ambev or (2) has an aggregate tax basis in securities of Ambev of US$1,000,000 or more;
- a person who will own directly, indirectly or constructively, 5 percent or more of Newbev common shares or Newbev ADSs following the Stock Swap Merger;
- a person that holds Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs as part of a straddle or a hedging or conversion transaction;
- a person that acquires or sells Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs as part of a wash sale for tax purposes;
- a person who acquired shares pursuant to the exercise of an employee stock option or otherwise as compensation; or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of (1) the letters from Ambev and Newbev provided to Sullivan & Cromwell LLP with respect to certain tax representations and (2) the Depositary and the assumption that each obligation in the Ambev deposit agreements (and any related agreement) and the form of the deposit agreement for the Newbev ADS program to be filed with the SEC as an exhibit to a Registration Statement on Form F-6 (and any expected related agreement) will be performed in accordance with its terms. For purposes of this section, and based on the earlier assumptions, a holder of American depositary receipts evidencing Ambev common ADSs, Ambev preferred ADSs or Newbev ADSs is treated as the owner of the underlying shares represented by those Ambev ADSs or Newbev ADSs for U.S. federal income tax purposes. Exchanges of (1) Ambev common shares, Ambev preferred shares or Newbev common shares for American depositary receipts evidencing Ambev common ADSs, Ambev preferred ADSs or Newbev ADSs, respectively, and (2) American depositary receipts evidencing Ambev common ADSs, Ambev preferred ADSs or Newbev ADSs for Ambev common shares, Ambev preferred shares or Newbev common shares, respectively, generally will not be subject to U.S. federal income tax.

However, the U.S. Treasury has in the past expressed concerns that parties through whom ADSs are pre-released may be taking actions (such as a disposition of underlying securities) that are inconsistent with the claiming of foreign tax credits by U.S. Holders of ADSs. Such actions would also be inconsistent with the claiming of the reduced rate of tax discussed below applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of Brazilian taxes and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described in"—Ownership and Disposition of Newbev Common Shares or Newbev ADSs—Taxation of Dividends—U.S. Holders" below, could be affected by actions taken by parties through whom the ADSs are released.

Table of Contents

You are a U.S. holder if you are a beneficial owner of Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs and you are for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a U.S. domestic corporation;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

A "non-U.S. holder" is a beneficial owner of Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs that is not a U.S. person for U.S. federal income tax purposes.

You should consult your own tax advisor regarding the U.S. federal, state, local and other tax consequences of the Stock Swap Merger and of holding and disposing of Newbev common shares or Newbev ADSs in your particular circumstances.

If an entity treated as a partnership for U.S. federal income tax purposes holds Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Each such partner having an interest in Ambev common shares, preferred shares or ADSs or Newbev common shares or Newbev ADSs is urged to consult his, her or its own tax advisor.

This section addresses only U.S. federal income taxation.

The Proposed Stock Swap Merger

Tax Treatment of the Proposed Stock Swap Merger

The proposed Stock Swap Merger should qualify as a tax-free exchange of Ambev common shares, preferred shares or ADSs for shares of Newbev common stock or Newbev ADSs for U.S. federal income tax purposes, and Newbev intends to treat it as such. This conclusion is based on the belief that the Contribution and the proposed Stock Swap Merger should be treated as occurring pursuant to a single plan and, as a result, for the purposes of the relevant provisions of the Code, should be treated as a single transaction. However, this conclusion is not free from doubt because it relies on a significant body of sometimes conflicting case law and no advance U.S. federal income tax ruling has been (or will be) sought from the IRS regarding the tax consequences of the transactions described herein. Consequently, there is no assurance that the IRS or the U.S. courts will agree with the analysis set forth herein. If the Contribution and the proposed Stock Swap Merger were treated as separate and independent transactions of each other for U.S. federal income tax purposes and, as a result, the exchange of shares pursuant to the proposed Stock Swap Merger does not qualify as a tax-free exchange, the exchange of Ambev common shares, preferred shares or ADSs for Newbev common shares or Newbev ADSs will be taxable to U.S. holders and to those Non-U.S. holders as described under "—Shareholder Appraisal Rights—Non-U.S. Holders" below.

Table of Contents

The following discussion assumes that the Contribution and the proposed Stock Swap Merger are treated as a single transaction for the relevant provisions of the Code and that the proposed Stock Swap Merger qualifies as a tax-free exchange.

Subject to certain rules relating to a passive foreign investment company, or PFIC, discussed below in "—Certain PFIC Considerations Related to the Proposed Stock Swap Merger," the following material U.S. federal income tax consequences will result to a U.S. holder or non-U.S. holder from the Stock Swap Merger:

- such holder will not recognize gain or loss upon receipt of Newbev common shares or Newbev ADSs in exchange for Ambev common shares, preferred shares or ADSs in the Stock Swap Merger;
- such holder's aggregate basis in the Newbev common shares or Newbev ADSs received in the Stock Swap Merger will be equal to such holder's aggregate tax basis in the Ambev common shares, Ambev preferred shares or Ambev ADSs surrendered; and
- such holder's holding period for the Newbev common shares or Newbev ADSs received in the Stock Swap Merger will include such holder's holding period for the Ambev common shares, preferred shares or ADSs surrendered.

Where different blocks of Ambev common shares, preferred shares or ADSs were acquired at different times and at different prices, the tax basis and holding period of such Ambev common shares, preferred shares or ADSs may be determined with reference to each block of Ambev common shares, preferred shares or ADSs.

Please consult your own tax advisor as to the U.S. federal income tax consequences of any Brazilian tax required to be paid in respect of the Stock Swap Merger.

Shareholder Appraisal Rights

U.S. Holders

Subject to the PFIC rules discussed below in "—Certain PFIC Considerations Related to the Proposed Stock Swap Merger," a U.S. holder that exercises its appraisal rights with respect to its Ambev common shares and receives cash in exchange for all of its Ambev common shares generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of cash received and such holder's tax basis, determined in U.S. dollars, in the Ambev common shares surrendered, as the case may be. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year.

The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Consequently, a U.S. holder may not be able to use any foreign tax credits arising from any Brazilian withholding tax imposed pursuant to the exercise of appraisal rights unless such credit can be applied (subject to applicable limitations) against U.S. tax due on the U.S. holder's other income treated as derived from foreign sources. The rules relating to foreign tax credits, including the amount of foreign income taxes that may be claimed as a credit in any given year, are complex and subject to limitations. You are urged to consult your own tax advisor regarding the application of the foreign tax credit rules to your particular circumstances.

Table of Contents

Non-U.S. Holders

A non-U.S. holder that exercises its appraisal rights with respect to its Ambev common shares and receives cash in exchange for Ambev common shares will not be subject to U.S. federal income tax on gain recognized on the disposition of such shares unless:

- the gain is "effectively connected" with such holder's conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the holder maintains in the United States if that is required by an applicable income tax treaty as a condition for subjecting the holder to U.S. taxation on a net income basis, or

- such holder is an individual, and the holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

"Effectively connected" gains that a corporate non-U.S. holder recognizes may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if such holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

Certain PFIC Considerations Related to the Proposed Stock Swap Merger

Ambev believes that its common shares, preferred shares and ADSs should not be treated as stock of a PFIC for U.S. federal income tax purposes. While this conclusion is a factual determination that is made annually, Ambev believes that it has not been a PFIC. If you are a U.S. holder of Ambev common shares, preferred shares or ADSs, Ambev would generally be a PFIC with respect to you if for any taxable year in which you held Ambev common shares, preferred shares or ADSs: (1) at least 75 percent of Ambev's gross income for the taxable year is passive income or (2) at least 50 percent of the value, determined on the basis of a quarterly average, of Ambev's assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25 percent by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If it was determined that Ambev was a PFIC, then a U.S. holder of Ambev common shares, preferred shares or ADSs may be required to recognize gain, and may be subject to special rules in respect of any gain recognized, as a result of participating in the Stock Swap Merger:

- A U.S. holder that receives Newbev common shares or Newbev ADSs in exchange for its Ambev common shares, preferred shares or ADSs in the Stock Swap Merger may be required to recognize gain (but not loss), notwithstanding that the exchange qualifies as a tax-free exchange under the Code. In particular, Section 1291(f) of the Code generally requires that, to the extent provided in regulations, a U.S. person who disposes of stock of a PFIC recognizes gain notwithstanding any other provision of the Code. No final U.S. Treasury regulations have been promulgated under this statute. Proposed U.S. Treasury regulations were promulgated in 1992 with a retroactive effective date. If finalized in their

Table of Contents

current form, these regulations would generally require gain (but not loss) recognition by U.S. persons exchanging shares in a corporation that is a PFIC at any time during such U.S. person's holding period of such shares where such person has not made either (1) a "qualified electing fund" election under Section 1295 of the Code for the first taxable year in which such U.S. person owns such shares or in which the corporation is a PFIC, whichever is later or (2) a "mark-to-market" election under Section 1296 of the Code. Any such gain recognized pursuant to the previous sentence would be subject to special rules (discussed below). There is an exception to the gain recognition rule in certain instances where the exchanging shareholder receives shares of another corporation that is a PFIC, but, as described below in "—Ownership and Disposition of Newbev Common Shares or Newbev ADSs—Passive Foreign Investment Company, or PFIC, Rules," Newbev believes that it will not be a PFIC at the time of the Stock Swap Merger, and Newbev does not expect to become a PFIC. It is not certain at this time whether, in what form, and with what effective date, final U.S. Treasury regulations under Section 1291(f) of the Code will be adopted, or how the proposed U.S. Treasury regulations will be applied.

- Special rules (discussed below) would apply to any gain recognized by a U.S. holder that exercises its appraisal rights with respect to its Ambev common shares and receives cash in exchange for Ambev common shares, unless such holder has made either (1) a "qualified electing fund" election under Section 1295 of the Code for the first taxable year in which such U.S. holder owns such shares or in which Ambev is a PFIC, whichever is later or (2) a "mark-to-market" election under Section 1296 of the Code. Gain recognized by a holder that has made a timely "qualified electing fund" election may be characterized as capital gain. Gain recognized by a holder that has made a timely "mark-to-market" election will be characterized as ordinary income.

The special rules referenced in the bulleted items above cause gain to be taxed as follows: (1) the gain will be allocated ratably over the holding period for the Ambev common shares, preferred shares or ADSs, (2) the amount allocated to the taxable year in which the U.S. holder realized the gain will be taxed as ordinary income, (3) the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and (4) the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Ownership and Disposition of Newbev Common Shares or Newbev ADSs

Taxation of Dividends

U.S. Holders

Under the U.S. federal income tax laws, and subject to the PFIC rules discussed below, if you are a U.S. holder, the gross amount of any dividend paid by Newbev out of Newbev's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) is subject to U.S. federal income taxation. However, because Newbev does not calculate earnings and profits in accordance with U.S. federal income tax principles, the entire amount of any distribution may be treated as a dividend. You must include any Brazilian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. If you are a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the Newbev common shares or Newbev

Table of Contents

ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends paid by Newbev with respect to Newbev common shares or Newbev ADSs generally will be qualified dividend income. While Newbev does not believe it was a PFIC during the 2012 taxable year, the analysis is different than with respect to Newbev's 2013 taxable year and thereafter because of Newbev's limited assets in the 2012 taxable year. If Newbev were determined to be a PFIC during its 2012 taxable year, then dividends paid by Newbev in the 2013 taxable year will not be qualified dividend income and, therefore, ineligible for the reduced dividend tax rates. You should consult your own tax advisor regarding the availability of the reduced dividend tax rate in light of your particular circumstances. The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the *reais* payments made, determined at the spot *reais*/U.S. dollar rate on the date the dividend distribution is includable in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Newbev common shares or Newbev ADSs and thereafter as capital gain.

Dividends will be income from sources outside the United States. Dividends will, depending on your circumstances, generally be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you. Subject to certain limitations, the Brazilian tax withheld and paid over to Brazil will be creditable or deductible against your U.S. federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates. To the extent a refund of the tax withheld is available to you under Brazilian law, the amount of tax withheld that is refundable will not be eligible for credit against your U.S. federal income tax liability.

Non-U.S. Holders

If you are a non-U.S. holder, dividends paid to you in respect of Newbev common shares or Newbev ADSs will not be subject to U.S. federal income tax unless the dividends are "effectively connected" with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Table of Contents

Taxation of Capital Gains

U.S. Holders

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your Newbev common shares or Newbev ADSs, you will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your Newbev common shares or Newbev ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Consequently, a U.S. holder may not be able to use any foreign tax credits arising from any Brazilian withholding tax imposed on the sale, exchange or other taxable disposition of Newbev common shares or Newbev ADSs unless such credit can be applied (subject to applicable limitations) against U.S. tax due on the U.S. holder's other income treated as derived from foreign sources. You are urged to consult your own tax advisor regarding the application of the foreign tax credit rules to your particular circumstances.

Non-U.S. Holders

If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale or other disposition of your Newbev common shares or Newbev ADSs unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis, or
- you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Passive Foreign Investment Company, or PFIC, Rules

Newbev believes that Newbev common shares or Newbev ADSs should not be treated as stock of a PFIC for U.S. federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

In general, if you are a U.S. holder, Newbev will be a PFIC with respect to you if for any taxable year in which you held Newbev common shares or Newbev ADSs: (1) at least 75 percent of Newbev's gross income for the taxable year is passive income or (2) at least 50 percent of the value, determined on the basis of a quarterly average, of Newbev's assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25 percent by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If Newbev were to be treated as a PFIC, and you are a U.S. holder that did not make a mark-to-market election, you would be subject to special rules with respect to: (1) any gain realized on the sale or other disposition of Newbev common shares or Newbev ADSs and (2) any excess distribution that Newbev makes to you (generally, any distributions during a single taxable year that are greater than 125 percent of the average annual distributions received in respect of the Newbev common shares or Newbev ADSs during the three preceding taxable years or, if shorter, the holding period for the Newbev common shares or Newbev ADSs).

Under these rules: (1) the gain or excess distribution will be allocated ratably over the holding period for the Newbev common shares or Newbev ADSs, (2) the amount allocated to the taxable year in which the U.S. holder realized the gain or excess distribution will be taxed as ordinary income, (3) the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and (4) the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year. Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

Your Newbev common shares or Newbev ADSs will be treated as stock in a PFIC if Newbev were a PFIC at any time during your holding period in the Newbev common shares or Newbev ADSs, even if Newbev is not currently a PFIC.

If you own ordinary shares in a PFIC that are treated as marketable stock, you may make a mark-to-market election. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your Newbev common shares or Newbev ADSs at the end of the taxable year over your adjusted basis in your Newbev common shares or Newbev ADSs. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your Newbev common shares or Newbev ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in Newbev common shares or Newbev ADSs will be adjusted to reflect any such income or loss amounts.

In addition, notwithstanding any election you make with regard to Newbev common shares or Newbev ADSs, dividends that you receive from Newbev would not constitute qualified dividend income to you if Newbev were a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by Newbev out of Newbev's accumulated earnings and profits (as determined for U.S. federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own Newbev common shares or Newbev ADSs during any year that Newbev is a PFIC, you may be required to file an IRS Form 8621.

Table of Contents

Medicare Tax

For taxable years beginning after December 31, 2012, a U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8 percent tax on the lesser of (1) the U.S. holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of an individual will be between US$125,000 and US$250,000, depending on the individual's circumstances). A holder's net investment income will generally include its dividend income and its net gains from the disposition of shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in Newbev common shares or Newbev ADSs.

Information with Respect to Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are not held in accounts maintained by financial institutions: (1) stocks and securities issued by non-U.S. persons, (2) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (3) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of Newbev common shares or Newbev ADSs.

Backup Withholding and Information Reporting

If you are a non-corporate U.S. holder, information reporting requirements, on IRS Form 1099, generally will apply to:

- dividend payments or other taxable distributions made to you within the United States, and
- the payment of proceeds to you from the sale of Newbev common shares or Newbev ADSs effected at a U.S. office of a broker.
- Additionally, backup withholding may apply to such payments if you are a non-corporate U.S. holder that:
- fails to provide an accurate taxpayer identification number,
- is notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns, or
- in certain circumstances, fails to comply with applicable certification requirements.

If you are a non-U.S. holder, you are generally exempt from backup withholding and information reporting requirements with respect to:

- dividend payments made to you outside the United States by Newbev or another non-U.S. payor and

Table of Contents

- other dividend payments and the payment of the proceeds from the sale of Newbev common shares or Newbev ADSs effected at a U.S. office of a broker, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax, and:
  - the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished the payor or broker:
    - an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-U.S. person, or
    - other documentation upon which it may rely to treat the payments as made to a non-U.S. person in accordance with U.S. Treasury regulations, or
  - you otherwise establish an exemption.

Payment of the proceeds from the sale of Newbev common shares or Newbev ADSs effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of Newbev common shares or Newbev ADSs that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to you at a U.S. address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of Newbev common shares or Newbev ADSs effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a U.S. person,
- a controlled foreign corporation for U.S. tax purposes,
- a non-U.S. person 50 percent or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:
  - one or more of its partners are "U.S. persons", as defined in U.S. Treasury regulations, who in the aggregate hold more than 50 percent of the income or capital interest in the partnership, or
  - such foreign partnership is engaged in the conduct of a U.S. trade or business,

Table of Contents

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Material Brazilian Tax Considerations

The following discussion summarizes material Brazilian tax consequences for a holder that is not resident or domiciled in Brazil for purposes of Brazilian taxation, or a Non-Brazilian Holder, of (1) the exchange of Ambev shares and ADSs for new Newbev common shares and ADSs as a result of the Stock Swap Merger and (2) the subsequent ownership and disposition of Newbev common shares and ADSs.

This discussion does not address all of the Brazilian tax considerations that may be applicable to any particular Non-Brazilian Holder, and may include information based on Brazilian tax laws and regulations that lend themselves to different interpretations. Therefore, Non-Brazilian Holders should consult their own tax advisor about the Brazilian tax consequences of the Stock Swap Merger and of an investment in Newbev common shares and ADSs.

Taxes Relating to the Stock Swap Merger

Income Tax

As a result of the Stock Swap Merger, Non-Brazilian Holders of Ambev shares and ADSs will receive new Newbev common shares and ADSs, respectively. The Brazilian tax implications of this exchange of shares and ADSs are not expressly provided for under Brazilian tax laws.

Pursuant to the advice of our external Brazilian tax counsel, there are arguments to sustain that no taxation is due upon the exchange by Non-Brazilian Holders of Ambev shares and ADSs for new Newbev common shares and ADSs in the Stock Swap Merger. This position is based mainly on the fact that the mere exchange of shares and ADSs does not necessarily give rise to any income which is legally or economically available to Non-Brazilian Holders. With respect to ADSs in particular, this conclusion is also based on the fact that ADSs should arguably not be viewed as assets located in Brazil, although there is no certainty on how courts might rule on this line of reasoning. See "—Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADSs—Income Tax on Gains Arising from the Subsequent Disposition of Newbev Common Shares and ADSs."

There is a risk that Brazilian tax authorities may adopt a different understanding and consider the exchange of Ambev shares and ADSs for the new Newbev common shares and ADSs as an event giving rise to a taxable gain in Brazil. In this case, the transaction would be viewed as a disposal of shares outside of a stock exchange environment, and income tax would be imposed on the gain at a rate of 15% or 25%, according to the rules described under "—Income Tax on Gains Arising from the Subsequent Disposition of Newbev Common Shares and ADSs." Interest and penalties could also be imposed.

If the Stock Swap Merger is subject to income tax, and if the Brazilian tax authorities succeed in a tax assessment regarding this matter, Newbev could be held liable for not having withheld and

Table of Contents

paid the withholding income tax, plus interest and penalties, if any. In such a case, the withholding income tax would be computed on a grossed-up basis (resulting in an effective tax rate of 17.65% or 33.33% as the case may be), and Newbev reserves the right to seek reimbursement of any amounts spent with respect to any such tax assessment, except for any applicable late penalties and interest, though no assurance can be given that in such a case Newbev would be successful in obtaining the referred reimbursements.

Any gain earned by Non-Brazilian Holders of Ambev common shares relating to their exercise of appraisal rights in connection with the Stock Swap Merger (which under applicable Brazilian law is treated as a disposition of those shares by those holders in exchange for a cash payment from Ambev) will be subject to Brazilian income tax according to the same rules applicable to a sale or disposition of Newbev common shares. See "—Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADS—Income Tax on Gains Arising from the Subsequent Disposition of Newbev Common Shares and ADSs."

Other Brazilian Taxes

Brazilian law imposes a tax on foreign exchange transactions relating to the conversion of *reais* into foreign currency and of foreign currency into *reais*, or IOF/Exchange Tax. No IOF/Exchange Tax should apply to the exchange by Non-Brazilian Holders of Ambev shares and ADSs for new Newbev common shares and ADSs in the Stock Swap Merger, as such exchange, by itself, does not involve actual or fictional currency conversions. For a discussion on how the IOF/Exchange Tax might apply to future investments in the Newbev common shares or ADSs by Non-Brazilian Holders, see "—Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADS—Tax on Foreign Exchange Transactions (IOF/Exchange Tax)."

Brazilian law imposes a tax on transactions involving securities, including those carried out on a Brazilian stock exchange, or IOF/Securities Tax. No IOF/Securities Tax should apply to the exchange by Non-Brazilian Holders of Ambev shares and ADSs for new Newbev common shares and ADSs in the Stock Swap Merger if the Brazilian custodian bank of the ADSs takes the position that the Stock Swap Merger is a replacement of the Ambev ADSs by the new Newbev ADSs, rather than a new deposit (*cessão*), into an ADS facility, of shares traded on a Brazilian stock exchange. For a discussion on how the IOF/Securities Tax might apply to future investments in the Newbev common shares or ADSs by Non-Brazilian Holders, see "—Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADS—Tax on Transactions Involving Securities (IOF/Securities Tax)."

There currently are no Brazilian stamp, issue, registration or similar taxes payable by Non-Brazilian Holders of Ambev shares or ADSs as a result of their receipt of Newbev common shares or ADSs upon consummation of the Stock Swap Merger. In addition, there are no Brazilian gift, inheritance or succession taxes applicable to the receipt of Newbev common shares and ADSs by Non-Brazilian Holders upon consummation of the Stock Swap Merger.

Taxes Relating to the Ongoing Ownership and Subsequent Disposition of Newbev Common Shares and ADS

Income Tax Relating to the Ongoing Ownership of Newbev Common Shares and ADS

Taxation of dividends and interest on shareholders' equity received by Non-Brazilian Holders of Newbev common shares and ADSs will be the same as was applicable to Non-Brazilian Holders of Ambev shares and ADSs.

Table of Contents

Dividends

Dividends paid by a Brazilian corporation, such as Newbev, including stock dividends and other dividends paid to a Non-Brazilian Holder of Newbev common shares or ADSs, are currently not subject to withholding income tax in Brazil to the extent that those amounts are related to profits generated after January 1, 1996. Dividends paid from profits generated before January 1, 1996 may be subject to Brazilian withholding income tax at varying rates, according to the tax legislation applicable to each corresponding year.

Interest on Shareholders' Equity

Subject to certain limitations set forth under applicable Brazilian law, Brazilian companies are permitted to distribute earnings to shareholders under the concept of an interest payment on shareholders' equity, calculated based on the company's shareholders' equity accounts multiplied by the Brazilian long-term interest rate (*Taxa de Juros de Longo Prazo*), or the TJLP rate. The TJLP is the official interest rate defined by the Central Bank and used as reference in long-term loans provided by the BNDES.

Interest on shareholders' equity payable to a Non-Brazilian Holder is subject to withholding income tax at the rate of 15%, or 25% if the Non-Brazilian Holder is domiciled in a country or location that is considered to be a "tax haven" jurisdiction for this purpose. According to Brazilian Law No. 9,430, enacted on December 27, 1996, as amended by Brazilian Law No. 11,727 enacted on June 24, 2008, or Law 11,727, the definition of "tax haven" encompasses countries and locations (1) that do not impose income tax, (2) that impose income tax at a maximum rate that is lower than 20%, or (3) the laws of which do not require the disclosure of shareholding or investment ownership or the identity of beneficial owners of income that is attributed to nonresidents, or a Tax Haven Jurisdiction. The Brazilian Federal Revenue Service (*Receita Federal do Brasil*), or the RFB, periodically issues a list naming tax haven jurisdictions. See "—Discussion on the Definition of Tax Haven Jurisdictions."

Payments of interest on shareholders' equity may be included, at their net value, as part of any minimum mandatory dividend. To the extent interest on shareholders' equity is so included, Newbev is required to distribute to shareholders an additional amount to ensure that the net distributed amount (*i.e.*, after payment of the applicable withholding income tax) received by them is at least equal to the minimum mandatory dividend.

Payments of interest on shareholders' equity are decided by Newbev shareholders on the basis of recommendations of the Board of Directors. No assurance can be given that Newbev's Board of Directors will not recommend that future distributions of profits should be made by means of interest on shareholders' equity instead of dividends.

Income Tax on Gains Arising from the Subsequent Disposition of Newbev Common Shares and ADSs

Under Brazilian Law No. 10,833, enacted on December 29, 2003, or Law 10, 833, the gain on the disposition or sale (*alienação*) of assets located in Brazil by a Non-Brazilian Holder, whether to another non-Brazilian resident or to a Brazilian resident, may be subject to the withholding of income tax in Brazil.

Table of Contents

With respect to the disposition of the Newbev common shares, because they are assets located in Brazil, the Non-Brazilian Holder should be subject to income tax on the gains realized, following the rules described below, regardless of whether the transactions are conducted outside Brazil or with another Non-Brazilian Holder.

With respect to ADSs, though the matter is not entirely clear, arguably the gains realized by a Non-Brazilian Holder on the disposition of ADSs are not taxed in Brazil on the basis that ADSs are not "assets located in Brazil" for the purposes of Law 10,833. However, we cannot assure you that Brazilian tax authorities or courts will agree with this interpretation. As a result, if courts determine that ADSs do constitute assets located in Brazil, gains on a disposition of ADSs by a Non-Brazilian Holder to a Brazilian resident, or even to a Non-Brazilian Holder, may be subject to income tax in Brazil according to the rules applicable to the Newbev common shares described below.

As a general rule, gains realized as a result of a disposition of Newbev common shares are equal to the positive difference between the amount received with the disposition of those securities and their acquisition cost.

However, under Brazilian law the rules related to income tax on such gains may vary depending on the domicile of the Non-Brazilian Holder, the type of Central Bank registration of the Non-Brazilian Holder's investment and how the disposition is carried out, as described below.

Gains realized on a disposition of shares carried out on a Brazilian stock exchange (which includes the organized over-the-counter market) are:

- exempt from income tax when realized by a Non-Brazilian Holder that (1) has registered its investment in Brazil with the Central Bank under the rules of Resolution 2,689, or a 2,689 Holder and (2) is not domiciled or resident in a Tax Haven Jurisdiction. See "—Discussion on the Definition of Tax Haven Jurisdictions" below for a discussion on the possibility of the concept of a Tax Haven Jurisdiction being expanded by Law 11,727; or

- arguably subject to income tax at a rate of 15% in any other case, including in the case of gains realized by a Non-Brazilian Holder that is not a 2,689 Holder or by a Non-Brazilian Holder that is domiciled or a resident in a Tax Haven Jurisdiction. In these cases, withholding income tax at the rate of 0.005% of the sale value will be applicable and can be later offset with any income tax due on any applicable capital gain realized.

Any gains realized on a disposition of Newbev common shares that is not carried out on a Brazilian stock exchange are subject to income tax at the rate of 15%, or up to 25% in the case of a Non-Brazilian Holder that is domiciled or resident in a Tax Haven Jurisdiction. See "—Discussion on the Definition of Tax Haven Jurisdictions." In the event that these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, withholding income tax at the rate of 0.005% shall also be applicable and can be offset with income tax due on any capital gain realized.

In the case of a redemption of shares (or ADSs, in the event that Brazilian tax authorities or courts regard them to be "assets located in Brazil") or a capital reduction by a Brazilian corporation, such as Newbev, the positive difference between the amount received by the Non-Brazilian Holder and the acquisition cost of the respective shares (or ADSs, in the event that Brazilian tax authorities or

Table of Contents

courts regard them to be “assets located in Brazil”) will be treated, for income tax purposes, as a capital gain derived from a sale or disposition of shares not carried out on a Brazilian stock exchange market, and will, therefore, be subject to income tax at the rate of 15% or 25%, as the case may be.

The deposit of Newbev common shares into the Newbev ADS program in exchange for Newbev ADSs may be subject to Brazilian income tax if the acquisition cost of the shares is lower than (1) the average price per share on a Brazilian stock exchange on which the greatest number of such shares were sold on the day of deposit or (2) if no shares were sold on that day, the average price on a Brazilian stock exchange on which the greatest number of shares were sold in the 15 trading sessions immediately preceding the deposit. In such a case, the difference between the acquisition cost and the average price of the shares calculated as above may be considered to be a capital gain subject to withholding income tax at the rate of 15% or 25%, as the case may be. In some circumstances, there may be arguments to claim that this taxation is not applicable to a Non-Brazilian Holder who is a 2,689 Holder and is not domiciled or resident in a Tax Haven Jurisdiction. See “—Discussion on the Definition of Tax Haven Jurisdictions.”

As a Non-Brazilian Holder of ADSs, you may surrender your Newbev ADSs and withdraw in Brazil the Newbev common shares underlying those ADSs. Income tax will not be levied on such an exchange, as long as (1) the appropriate rules are complied with in connection with the registration of the investment with the Central Bank and (2) Brazilian tax authorities or courts do not ultimately come to view ADSs as “assets located in Brazil.”

Any gain earned by a Non-Brazilian Holder on the exercise of appraisal rights (which under applicable Brazilian law is treated as a disposition of shares in exchange for a cash payment) will be subject to Brazilian income tax according to the same rules applicable to a sale or disposition of Newbev common shares.

Any exercise of preemptive rights relating to the subscription of new Newbev common shares (including in the form of ADSs), upon a capital increase of Newbev will not be subject to Brazilian taxation. Any gain on the sale or assignment of preemptive rights relating to the Newbev common shares, including their sale or assignment by the Depositary on behalf of Non-Brazilian Holders of ADSs, will be subject to Brazilian income taxation according to the same rules applicable to the sale or disposition of Newbev common shares.

The current preferential tax treatment afforded to 2,689 Holders, as described above, may be abolished in the future.

Discussion on the Definition of Tax Haven Jurisdictions

Law 11,727, effective as of January 1, 2009, established the concept of a “privileged tax regime,” or a Privileged Tax Regime. A Privileged Tax Regime is defined as a tax regime applicable to a jurisdiction that: (1) does not tax income or taxes income at a maximum rate that is lower than 20%, (2) grants tax advantages to a nonresident entity or individual (a) without requiring that such nonresident entity or individual carry out substantial economic activity in that jurisdiction or (b) as long as that nonresident entity or individual does not conduct substantial economic activity in that jurisdiction, (3) does not tax income generated abroad or imposes tax on income generated abroad at a maximum rate that is lower than 20%, or (4) restricts the disclosure of ownership of assets or rights or of the execution of economic transactions.

Table of Contents

The interpretation of current Brazilian tax legislation should lead to the conclusion that the concept of Privileged Tax Regime should only apply for certain Brazilian tax purposes, such as transfer pricing and thin capitalization. According to this interpretation, the concept of Privileged Tax Regime should not be applied in connection with the taxation of dividends, interest on shareholders' equity and gains related to investments made by Non-Brazilian Holders in Brazilian corporations, such as Newbev. Regulations and nonbinding tax rulings issued by Brazilian federal tax authorities seem to confirm this interpretation, although the risk that a different interpretation may prevail in the future cannot be discarded.

Tax on Foreign Exchange Transactions (IOF/Exchange Tax)

The currently applicable rate of IOF/Exchange Tax for most types of foreign exchange transactions is 0.38%. However, other rates apply to specific types of transactions.

In certain circumstances, some foreign exchange transactions executed on the date hereof or afterwards, connected to investments on the Brazilian financial and capital markets, are subject to IOF/Exchange Tax at a zero percent rate, including, among others, foreign exchange transactions related to:

- an inflow of funds into Brazil for investments into the Brazilian financial and capital markets;
- an inflow of funds into Brazil for floating rate investments (such as shares) made on a Brazilian stock, futures or commodities exchange by 2,689 Holders, provided that such transactions do not involve derivatives and do not result in pre-determined income;
- an inflow of funds into Brazil for the acquisition of shares of a Brazilian corporation either in (1) a public offering of shares registered with the CVM or (2) a subscription of shares, provided that, in either situation, the Brazilian company issuing the shares is entitled to trade its shares on a Brazilian stock exchange;
- a fictional inflow of funds resulting from the execution of a foreign exchange agreement without any actual flow of funds, or a Symbolic FX Contract, in connection with the surrender of ADSs and withdrawal of the underlying shares traded on a Brazilian stock exchange; and
- a fictional inflow of funds resulting from the execution of a Symbolic FX Contract in connection with the change of the type of registration of the foreign investment from a "foreign direct investment" made pursuant to Brazilian Law No. 4,131/62, or Law 4,131, to an investment registered under the rules of Resolution 2,689.

Foreign exchange transactions related to outflows of funds in connection with investments carried out on the Brazilian financial and capital markets are subject to IOF/Exchange Tax at a rate of zero percent.

IOF/Exchange Tax is also levied at a zero percent rate in case of dividends and interest on shareholders' equity paid by a Brazilian corporation, such as Newbev, to Non-Brazilian Holders.

At any time the Brazilian government is permitted to increase the IOF/Exchange Tax rate to up to 25% of the relevant foreign exchange transaction amount. However, any increase in rates will only apply to transactions executed after such rate increase becomes effective.

Table of Contents

Tax on Transactions Involving Securities (IOF/Securities Tax)

The IOF/Securities Tax rate applicable to most transactions involving shares and ADSs is currently zero, though the Brazilian government may increase such rate at any time to up to 1.5% of the transaction amount per day, but only in respect of transactions after the applicable rate increase becomes effective.

The deposit (*cessão*) of shares traded on a Brazilian stock exchange into an ADS facility for the issuance of ADSs is currently subject to IOF/Securities Tax at the rate of 1.5%, calculated based on the product of the number of shares deposited, multiplied by the closing price for those shares on the date prior to the date of the deposit, or, if no shares were traded on that date, the last available closing price. In the case of public offerings, the closing price of the shares referred in the preceding sentence is calculated based on the share price reached in the bookbuilding process or the share price provided for in the public offering documents, as the case may be.

Other Brazilian Taxes

There currently are no Brazilian stamp, issue, registration or similar taxes payable by Non-Brazilian Holders of Newbev common shares or ADSs. In addition, there are no Brazilian gift, inheritance or succession taxes applicable to the ownership of those securities by a Non-Brazilian Holder. The most likely scenario in which a Brazilian state may levy gift and inheritance taxes on a donation or inheritance involving a Non-Brazilian Holder is in the case of transfers of Newbev common shares or ADSs to be received by a Non-Brazilian Holder where the donor is a resident of (or the probate court processing the inheritance belongs to) that Brazilian state and such state makes a determination that those assets come within its jurisdiction. However, Brazilian gift and inheritance taxes may also be applicable to Non-Brazilian Holders in certain other circumstances. **You should consult with your Brazilian tax advisor regarding the specific rules on state taxes on gifts and inheritances that may be applicable to you considering the particular circumstances of your transaction.**

Management

Overview

Newbev's Board of Directors is currently composed of three members, with Mr. Jean-Louis Julien Van de Perre as Chairman, and Ms. Isabela Gerjoi Bezerra de Souza and Ms. Ann Malcy Christine Randon as directors. These directors are employees and/or affiliates of ABI, and have not received compensation from Newbev, Ambev or their affiliates specifically for serving as directors of Newbev.

Following the Ambev EGM, a shareholders' meeting of Newbev will be held to elect its new Board, which will be composed of a total of ten members, who are the current ten members of Ambev's Board of Directors. Approximately 30 days after the Newbev common shares and ADS start trading on the BM&FBOVESPA and the NYSE, respectively, an extraordinary general shareholders' meeting of Newbev will be called to elect a new Board of Directors for this company. This new Board will include the two new independent directors in addition to nine other directors, who are expected to be appointed from Ambev's current Board of Directors. This second election of directors for Newbev will be conducted to ensure that all the new members of the full Board of Directors of Newbev who

Table of Contents

will manage the company following the Stock Swap Merger, if approved, are not appointed by IIBV and AmBrew before that transaction is consummated and, therefore, while those two entities are Newbev's sole shareholders. It is expected that the term of office of the new members to be elected to Newbev's Board of Directors after the consummation of the Stock Swap Merger will expire with Newbev's 2016 Annual General Shareholders' Meeting.

Newbev currently has two executive officers, with Mr. Ricardo Gonçalves Melo as investor relations officer and Ms. Daniela Rodrigues Lopes as a general executive officer. These executive officers are employees of Ambev, and have not received compensation from Newbev, Ambev, or their affiliates specifically for serving as executive officers of Newbev.

As soon as reasonably practicable following the Ambev EGM, a meeting of Newbev's ten-member Board of Directors to be elected at a shareholders' meeting of Newbev following the Ambev EGM will be held to replace Newbev's two current executive officers with eleven new executive officers, all of whom are the current executive officers of Ambev and have their mandates as Ambev executive officers expiring on December 31, 2013. It is expected that the term of office of the new executive officers of Newbev to be elected after the Ambev EGM will expire in 2016.

Newbev's Board of Directors provides the overall strategic direction of Newbev and oversees the company's executive officers. Directors are elected at general shareholders' meetings for a three-year term with reelection being permitted. Day-to-day management is delegated to Newbev's executive officers. The Board of Directors appoints executive officers for a three-year term with reelection being permitted. The Newbev Shareholders' Agreement regulates the election of Newbev's directors by our controlling shareholders. See "—Principal Transaction Documents—Newbev Shareholders' Agreement—Management of Newbev." The positions of Co-Chairman of the Board of Directors and Chief Executive Officer must be held by different people.

Board of Directors

Most of the persons who will be elected directors of Newbev following the Ambev EGM have been directors of Ambev for several years. These directors use their extensive knowledge of our business to help ensure that we reach our long-term goals while maintaining short-term competitiveness. Another objective of the Board of Directors is to encourage us to pursue our short-term business goals without compromising our long-term, sustainable growth, while at the same time trying to make sure that our corporate values are observed.

The following table sets forth information with respect to the persons who will be elected directors of Newbev following the Ambev EGM.

Name	Age	Position	Director of Ambev Since	Term Expires(1)
Victorio Carlos De Marchi(2)	74	Co-Chairman and Director	1999	2016
Carlos Alves de Brito(3)	53	Co-Chairman and Director	2006	2016
Marcel Herrmann Telles(3)	63	Director	1999	2016
Roberto Moses Thompson Motta(3)	55	Director	2008	2016
José Heitor Attílio Gracioso(2)	81	Director	1999	2016
Vicente Falconi Campos(3)	72	Director	1999	2016
Luis Felipe Pedreira Dutra Leite(3)	47	Director	2005	2016
Luiz Fernando Ziegler de Saint Edmond(3)	47	Director	2008	2016

Table of Contents

Name	Age	Position	Director of Ambev Since	Term Expires(1)
Paulo Alberto Lemann(3)	45	Director	2011	2016
Álvaro Antonio Cardoso de Souza(3)	64	Director	2012	2016

(1) The term of office of the persons expected to be elected directors of Newbev will expire with the 2016 Annual General Shareholders' Meeting of Newbev.
(2) Appointed by FAHZ.
(3) Appointed by ABI.

The following are brief biographies of the persons who will be elected directors of Newbev following the Ambev EGM.

Victorio Carlos De Marchi. Mr. De Marchi is Co-Chairman of the Board of Directors of Ambev. Mr. De Marchi joined Antarctica in 1961 and held various positions during his tenure, including Chief Executive Officer from 1998 to April 2000. Mr. De Marchi was also president of the Brewing Industry National Association (*Sindicerv*) until February 2002 and is a member of the Orientation Committee of FAHZ. Mr. De Marchi has a degree in economics from *Faculdade de Economia, Finanças e Administracão de São Paulo* and a law degree from *Faculdade de Direito de São Bernardo do Campo*. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Carlos Alves de Brito. Mr. Brito is Co-Chairman of the Board of Directors of Ambev. He has also served, since December 2005, as Chief Executive Officer of ABI. He joined Brahma in 1989 and has held various management positions during his tenure. He served as Chief Operating Officer of Ambev from 1999 to 2003, as Chief Executive Officer for Latin America in 2004 and as Chief Executive Officer for North America in 2005. Mr. Brito holds a degree in mechanical engineering from the *Universidade Federal do Rio de Janeiro* and an MBA from Stanford University. His principal business address is Brouwerijplein 1, 3000, city of Leuven, Belgium.

Marcel Herrmann Telles. Mr. Telles is a member of the Board of Directors of Ambev. He served as Chief Executive Officer of Brahma from 1989 to 1999. Currently, he is also a member of the Board of Directors of ABI. Mr. Telles has a degree in economics from *Universidade Federal do Rio de Janeiro* and attended the Owners/Presidents Management Program at Harvard Business School. His principal business address is Redingstrasse 4, 4th floor, CH-9000, St. Gallen, Switzerland.

Roberto Moses Thompson Motta. Mr. Thompson is a member of the Board of Directors of Ambev. He is also a board member of ABI and Lojas Americanas S.A. He holds a degree in engineering from *Pontifícia Universidade Católica do Rio de Janeiro*, and an MBA from the Wharton School of the University of Pennsylvania. His principal business address is 600 Third Avenue, 37th floor, New York, NY, USA.

José Heitor Attílio Gracioso. Mr. Gracioso is a member of the Board of Directors of Ambev. Mr. Gracioso joined Antarctica in 1946 and held various positions during his tenure. In 1994, Mr. Gracioso was elected to Antarctica's Board of Directors and, in 1999, he was elected Chairman of the Board of Directors, a position held until April 2000. He holds a degree in marketing from *Escola Superior de Propaganda de São Paulo*, a degree in business administration from *Fundação Getulio Vargas* and a degree in law from *Faculdade de Direito de São Bernardo do Campo*. His principal business address is Av. Brig. Faria Lima, 3900, 11th floor, São Paulo, SP, Brazil.

Table of Contents

Vicente Falconi Campos. Mr. Campos has been a member of the Board of Directors of Ambev since 1997. He is also Chairman of the Board of Directors and founder of FALCONI – Consultores de Resultados, Brazil's largest management consulting firm. He is an advisor to the Brazilian federal government and to several state and municipal governments of Brazil. In addition, he also provides regular advice to some of Brazil's major companies, including the Gerdau Group, Vale, Amil (United Health), Petrobras and B2W. Mr. Campos obtained a bachelor's degree in engineering in 1963 from the Federal University of Minas Gerais, or UFMG, and holds an M.Sc. and a Ph.D. in engineering from the Colorado School of Mines in CO, USA. He is a Professor Emeritus of UFMG. He was granted the *Medalha da Ordem do Rio Branco* (the Rio Branco Medal of Order) for relevant services rendered to the Brazilian nation. He was considered one of the "21 voices of the XXI Century," according to the American Society for Quality Control. His principal business address is Rua Senador Milton Campos, 35 – 7th floor, Nova Lima, MG, Brazil.

Luis Felipe Pedreira Dutra Leite. Mr. Dutra is a member of the Board of Directors of Ambev. He has also served, since January 2005, as Chief Financial Officer of ABI. He joined Brahma in 1990 and has held numerous positions during his tenure, including that of Chief Financial Officer and Investor Relations Officer of Ambev. Mr. Dutra holds a degree in economics from *Universidade Cândido Mendes* and an MBA in financial management from *Universidade de São Paulo*. His principal business address is Brouwerijplein 1, 3000, City of Leuven, Belgium.

Luiz Fernando Ziegler de Saint Edmond. Mr. Edmond is a member of the Board of Directors of Ambev. He has also served, since January 2009, as Zone President for ABI's operations in North America. He joined Ambev in 1990 in the first group of trainees of Brahma and held various positions in the Distribution, Commercial and Direct Distribution Departments. He was Sales Officer from 2002 to 2004 and Chief Executive Officer for Latin America from 2005 to 2008. Mr. Edmond has an engineering degree from *Universidade Federal do Rio de Janeiro*. His principal business address is One Busch Place, St. Louis, MO, USA.

Paulo Alberto Lemann. Mr. Lemann is a member of the Board of Directors of Ambev. He is also the co-founder of Pollux Capital, an asset management firm. Mr. Lemann has been managing hedge funds since 1997. Previously, he was co-founder of Synergy Fund, a fund of funds headquartered in New York. He was also an analyst at Dynamo Administração de Recursos, an asset management firm. Currently, he is a member of the Board of Directors of Lojas Americanas S.A., a retail company, a member of the International Board of Lone Capital Pine LLC, an asset management firm and the Fundação Lemann, whose main purpose is to improve public education in Brazil. His principal business address is Rua Visconde de Pirajá 250, 7º andar, Ipanema, Rio de Janeiro, RJ, Brazil.

Álvaro Antonio Cardoso de Souza. Mr. Souza is a member of Ambev's Board of Directors. He served as a member of Ambev's Fiscal Council from 2005 to March 2012, and since then has been a member of the Board of Directors of the company. His principal business address is Avenida Juscelino Kubitschek, 1726, Cj. 71, São Paulo, SP, Brazil.

Board Practices

As with Ambev, Newbev's Board of Directors will be supported in its decision-making by the committees described below.

Table of Contents

Operations, Finance and Compensation Committee

Also as with Ambev, the Operations, Finance and Compensation Committee of Newbev will be the main link between the policies and decisions made by Newbev's Board of Directors and Newbev's management team, and its responsibilities will include:

- to present medium- and long-term planning proposals to Newbev's Board of Directors;
- to analyze and issue an opinion on the decisions to be made by Newbev's Board of Directors regarding the compensation policies for the Board of Directors and executive management, including their individual compensation packages, to assure that the members of the Board and executive management are being adequately motivated to reach an outstanding performance in consideration for proper compensation;
- to monitor the investors relations strategies and the performance of Newbev's rating, as issued by official rating agencies;
- to monitor the evaluation of the executive officers, senior management and their respective succession plans;
- to analyze, monitor and propose to Newbev's Board of Directors suggestions regarding legal, tax and relevant regulatory matters;
- to analyze and monitor Newbev's annual investment plan;
- to analyze and monitor growth opportunities;
- to analyze and monitor Newbev's capital structure and cash flow; and
- to analyze and monitor the management of Newbev's financial risk, as well as budgetary and treasury policy.

It is expected that the members of Newbev's Operations, Finance and Compensation Committee will be Messrs. Victorio Carlos De Marchi (Chairman), Luis Felipe Pedreira Dutra Leite, Marcel Herrmann Telles, Roberto Moses Thompson Motta and Carlos Alves de Brito, all of whom are current members of Ambev's Operations, Finance and Compensation Committee. As with Ambev, Newbev's Operations, Finance and Compensation Committee will hold at least four meetings per year and its members will be elected by Newbev's Board of Directors.

Compliance Committee

As with Ambev, the responsibilities of the Compliance Committee of Newbev will be to assist Newbev's Board of Directors with the following matters:

- related-party transactions;
- any general conflict of interest situations;
- compliance, by Newbev, with legal, regulatory and statutory provisions concerning related-party transactions;

Table of Contents

- compliance, by Newbev, with legal, regulatory and statutory provisions concerning antitrust matters; and
- other matters the Board of Directors may consider relevant and in the interest of Newbev.

It is expected that the members of Newbev's Compliance Committee will be Messrs. Victorio Carlos De Marchi (Chairman), José Heitor Attílio Gracioso, Álvaro Antonio Cardoso de Souza and Bolívar Moura Rocha, all of whom are current members of Ambev's Compliance Committee. As with Ambev, the president of Newbev's Fiscal Council will be entitled to attend Compliance Committee meetings, though he will not take part in that Committee's decision-making process.

Executive Officers

Most of the persons who will be appointed executive officers of Newbev following the Ambev EGM have been executive officers of Ambev for several years. The following table sets forth information with respect to the persons who will be appointed executive officers of Newbev following the Ambev EGM.

Name	Age	Position	Executive Officer of Ambev Since	Term Expires(1)
João Mauricio Giffoni de Castro Neves	46	Chief Executive Officer	2009	2016
Nelson José Jamel	41	Chief Financial Officer and Investor Relations Officer	2009	2016
Alexandre Médicis da Silveira	36	Sales Executive Officer	2012	2016
Márcio Fróes Torres	45	Industrial Executive Officer	2007	2016
Milton Seligman	61	Corporate Affairs Executive Officer	2005	2016
Pedro de Abreu Mariani	46	General Counsel	2005	2016
Marcel Martins Régis	39	Soft Drinks Executive Officer	2012	2016
Vinícius Guimarães Barbosa	45	Supply Executive Officer	2011	2016
Sandro de Oliveira Bassili	43	People and Management Executive Officer	2011	2016
Jorge Pedro Victor Mastroizzi	44	Marketing Executive Officer	2011	2016
Ricardo Rittes de Oliveira Silva	38	Shared Services and Information Technology Executive Officer	2012	2016

(1) The term of office of the persons expected to be elected executive officers of Newbev will expire in 2016.

The following are brief biographies of the persons who will be appointed executive officers of Newbev following the Ambev EGM.

João Mauricio Giffoni de Castro Neves. Mr. Castro Neves is Ambev's Chief Executive Officer. He began working for Brahma in 1996, where he served in various departments, such as Mergers and Acquisitions, Treasury, Investor Relations, Business Development, Technology and Shared Services, and Carbonated Soft Drinks and Non-Alcoholic Non-Carbonated Beverages. He has also held the position of Chief Financial Officer and Investor Relations Officer, and was Quinsa's Chief Executive Officer from 2007 to 2008. He has a degree in engineering from *Pontifícia Universidade Católica do Rio de Janeiro*, and holds an MBA from the University of Illinois. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Table of Contents

Nelson José Jamel. Mr. Jamel is Ambev's Chief Financial Officer and Investor Relations Officer. He joined Ambev in 1997 and has held several positions in the finance area throughout his career, including head of Budgeting and Business Performance for both Ambev and ABI, Finance Director for Ambev Dominicana, and, from 2007 to 2008, Vice President Finance for Western Europe of AB. He has a degree in production engineering from *Universidade Federal do Rio de Janeiro* and holds a Master's Degree in production engineering from COPPE/UFRJ. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Alexandre Médicis da Silveira. Mr. Médicis is Ambev's Sales Executive Officer. He started working for Ambev in 2005 as the head of the Mergers and Acquisitions department. In 2007, he was appointed Regional Sales Officer for the North and Northeast regions of Brazil, having held the position for two years. In 2009, he took over the Trade Marketing area, being responsible for our Trade, Innovation and Events programs until the end of 2010. He subsequently served as an Officer of the Hispanic Latin America division of Ambev until the end of 2012. Mr. Médicis holds a bachelor's degree in business administration from the *Fundação Getulio Vargas* and a Corporate MBA from Ambev. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Márcio Fróes Torres. Mr. Fróes has been Ambev's Industrial Executive Officer since August 19, 2010. Until the end of 2009, Mr. Fróes was responsible for our Canadian Operations and as from January 1, 2010, he also acted as Ambev's People and Management Executive Officer. He joined Brahma as a trainee in 1991 and has subsequently served in several roles, including plant manager of six different breweries and Director of People Sales for Ambev's Latin America North Zone. Mr. Fróes moved to Labatt's headquarters in Toronto in 2006 as Vice President, People Matters. In 2007, he was promoted to Vice President, Integrated Supply Chain and in 2008 assumed the role of Vice President, Sales for Canada. He has a degree in chemical engineering from *Universidade Federal do Rio de Janeiro* and also holds a Master's Degree in Brewing from the University of Madrid. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Milton Seligman. Mr. Seligman is Ambev's Corporate Affairs Executive Officer. He joined Ambev in 2001 and has held the positions of Governmental Relations Officer and Communication Officer. Mr. Seligman served, among others, as Chairman and member of the BNDES, as well as Minister of Development, Industry and Foreign Trade (Interim Substitute Minister) from 1999 to 2000. He has a degree in electrical engineering from *Universidade Federal de Santa Maria*. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Pedro de Abreu Mariani. Mr. Mariani is the General Counsel of Ambev. He joined Ambev in 2004. He holds a law degree from *Pontificia Universidade Católica do Rio de Janeiro* and an LL.M. from the London School of Economics and Political Science. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Marcel Martins Régis. Mr. Regis is Ambev's Soft Drinks Executive Officer. He joined Ambev in 1997 and has held several positions in the sales and trade marketing areas. Between 2008 and 2010, he was Supermarkets Officer in Brazil until he became Regional Sales Officer in Rio de Janeiro, a position he held until December 2012. Mr. Régis holds a bachelor's degree in marketing and advertising from *Universidade Católica do Salvador*, an MBA from *Fundação Getulio Vargas* and an MBA from Business School São Paulo. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Table of Contents

Vinícius Guimarães Barbosa. Mr. Barbosa is Ambev's Supply Executive Officer. During the last five years he has held various positions at Ambev and ABI, such as Regional Director in Brazil (States of Rio de Janeiro and Minas Gerais), Logistics Executive Officer for Canada and Global Operations and Logistics Vice President. He has a degree in engineering from *Universidade Federal do Rio de Janeiro* and holds an MBA from IBMEC. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Sandro de Oliveira Bassili. Mr. Bassili is Ambev's People and Management Executive Officer. He has worked for 17 years in Ambev's Sales Department, assuming the positions of Director of the Off Trade Channel and Director of Trade Marketing in Brazil. He has also worked as Corporative Social Responsibility Manager. He has a degree in economics from *Universidade Estadual do Rio de Janeiro*. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Jorge Pedro Victor Mastroizzi. Mr. Mastroizzi is Ambev's Marketing Executive Officer. He has worked in various positions in Ambev, including Exports and Marketing Manager for LAS and, in 2008, International Officer for LAS. He has a degree in business administration from *Universidad de Buenos Aires* and a specialization from the Wharton School of the University of Pennsylvania. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, São Paulo, SP, Brazil.

Ricardo Rittes de Oliveira Silva. Mr. Rittes is the Shared Services and Information Technology Executive Officer. He joined Ambev in 2005 and has held the positions of Treasury Manager for Ambev and ABI. Mr. Rittes holds a degree in production engineering from *Escola Politécnica da Universidade de São Paulo*, in addition to an MBA from the University of Chicago. His principal business address is Rua Dr. Renato Paes de Barros, 1017, 4th floor, SP, São Paulo, SP, Brazil.

Compensation

The aggregate remuneration paid in 2012 to the current directors and executive officers of Ambev for services rendered by them in all capacities amounted to R$64.0 million (fixed and variable remuneration and share-based payment), as presented in the table below.

Management's Remuneration

Year Ended December 31, 2012
(R$ million, except where otherwise noted)

		Fixed Remuneration				Variable Remuneration								
	Number of Members	Fees	Direct and Indirect Benefits	Remuneration for Sitting on Committees	Others	Bonus	Profit Sharing	Remuneration for Attending Meetings	Commissions	Others	Post-Employment Benefits	Termination Benefits	Share-based Payment	Total
Board of Directors	10	3.5	-	-	1.7	-	1.7	-	-	-	-	1.8	4.5	13.3
Executive Officers	10	7.1	1.0	-	1.8	-	7.8	-	-	-	-	-	33.0	50.7
Total	**20**	**10.6**	**1.0**	**-**	**3.5**	**-**	**9.6**	**-**	**-**	**-**	**-**	**1.8**	**37.5**	**64.0**

In addition, the executive officers and members of the Board of Directors of Ambev received certain additional benefits provided to all Ambev employees and their beneficiaries and covered dependents, such as health and dental care. Such benefits were provided through FAHZ. These executive officers and board members also received benefits pursuant to Ambev's pension and stock ownership plan.

Table of Contents

On various dates in 2012, pursuant to the terms and conditions of Ambev's existing stock ownership plan, Ambev acquired from its directors and executive officers a total of 214,499 preferred shares for R$17.2 million. Such amounts were calculated and paid taking into consideration the closing market price on the day of the relevant transactions. In the first quarter of 2013, Ambev made no stock repurchases from its directors or executive officers.

Stock Ownership Plan

As part of the Stock Swap Merger, Newbev will in due course adopt a Stock Option Plan, or the Plan, that will essentially mirror the existing stock option plan of Ambev and that, upon the consummation of the Stock Swap Merger, will govern all the stock options previously granted under Ambev's stock option plan, as well as the new stock options to be granted by Newbev. Under the Plan, senior employees and management of either Newbev or its direct or indirect subsidiaries, or the Beneficiaries, will be eligible to receive stock options for shares issued by Newbev. They may also be offered Newbev ADSs. As explained, the Plan will succeed Ambev's obligations under its stock option plan, which, as of March 31, 2013, had outstanding rights to acquire 28.3 million Ambev shares and included approximately 670 people (including members of the executive management and employees).

The Plan will establish the general conditions for granting options, the criteria for defining the acquisition price and other terms and conditions of these options. Restrictions will apply to the divestment of shares acquired through the Plan, which will also define the various duties and responsibilities of the Board of Directors as the Plan Administrator, which may also be a committee composed by members elected by the Board of Directors, at least one of which must be a Newbev director, or the Plan Committee.

Pursuant to the Plan, the Board of Directors (or the Plan Committee, as applicable) will be endowed with ample powers for the organization thereof, in compliance with the general conditions of the Plan. The Board of Directors (or the Plan Committee, as applicable) will grant options, establishing the terms and conditions applicable to each grant through Stock Option Programs, or Programs, which may define the beneficiaries, the number and type of Newbev shares covered by the grant, the exercise price, the exercise periods and the deadline for exercising the options, together with rules regarding option transfers and possible restrictions on the shares acquired, in addition to penalties. Additionally, targets may be set for the performance of Newbev, with the Board of Directors (or the Plan Committee, as applicable) also being empowered to define specific rules for Newbev employees transferred to other countries, including to controlling shareholders or subsidiaries controlled by Newbev.

Beneficiaries to whom stock options will be granted must sign Stock Option Agreements with Newbev, according to which those Beneficiaries will have the option to purchase lots of shares issued by Newbev in compliance with the terms and conditions of the Plan and the corresponding Program.

The vesting of such options might be subject to performance measures, though the right to exercise them may be forfeited in certain circumstances, including resignation or dismissal prior to the vesting of the options.

Interests of Certain Persons in the Stock Swap Merger

All of Newbev's common shares are beneficially owned by ABI, and no Newbev director or executive officer owns any of Newbev's common shares.

Table of Contents

ABI and FAHZ together beneficially own 91.1% of the Ambev common shares. As a result, they hold a controlling interest in Ambev subject to the terms and conditions of the Ambev Shareholders' Agreement. ABI indirectly holds shares of Ambev common stock that represent 74.0% of the total voting power in Ambev. Thus, ABI has control over Ambev, even though (1) ABI's control over Ambev remains subject to the Ambev Shareholders' Agreement with FAHZ and (2) ABI is jointly controlled by (a) Messrs. Jorge Paulo Lemann, Marcel Herrmann Telles and Carlos Alberto da Veiga Sicupira, the former controlling shareholders of Companhia Cervejaria Brahma and (b) the former controlling shareholders of the Belgian brewer, Interbrew N.V./S.A. (as ABI was once named).

After the Stock Swap Merger, ABI will beneficially own Newbev common shares representing 61.9% of the total capital stock and voting power in Newbev. As a result, save for minor variations in the Newbev Shareholders' Agreement, ABI is expected to control Newbev subject to the terms of that agreement in the same way that it currently controls Ambev, as described in the preceding paragraph. See "—Principal Transaction Documents—Newbev Shareholders' Agreement."

The following table sets forth information, as of June 12, 2013, with respect to any person known to Ambev to be the beneficial owner of 5% or more of Ambev's outstanding shares.

	Amount and Percentage of Ambev Common Shares		**Amount and Percentage of Ambev Preferred Shares**	
IIBV(1)	1,148,159,628	65.3%	521,033,836	37.9%
FAHZ(2)	300,286,481	17.1%	-	-
AmBrew(1)	153,506,853	8.7%	101,044,478	7.3%
Caixa de Previdência dos Funcionários do Banco do Brasil – PREVI	16,272,965	0.9%	74,240,485	5.4%
The Bank of New York Mellon – ADR Department(3)	3,355,749	0.2%	287,489,353	20.9%

(1) With the approval of the Contribution on June 17, 2013, the Ambev shares formerly held by this entity are now held by Newbev.
(2) Messrs. Marcel Herrmann Telles, Carlos Alves Brito, Luis Felipe Pedreira Dutra Leite, Victorio Carlos De Marchi and José Heitor Attílio Gracioso, all of whom are directors of Ambev, are also trustees of FAHZ.
(3) Represents the number of Ambev shares held in the form of ADSs under the Ambev ADS facilities, which are deemed to be the shares held in the "host country" (*i.e.*, the United States) for purposes of the Exchange Act.

As of June 12, 2013, the last practicable trading day before the date of this prospectus, no executive officer or member of the Board of Directors of Ambev beneficially owned more than 1% of the Ambev common or preferred shares, except for Mr. Marcel Herrmann Telles, who is part of the controlling group of ABI and an intervening party to the Ambev Shareholders' Agreement.

The Stock Swap Merger will abolish the enhanced dividend distribution right of Ambev preferred shareholders that requires that dividends paid with respect to the Ambev preferred shares be 10% greater than those payable in respect of the Ambev common shares. As a result, shareholder distributions made after the Stock Swap Merger will not be subject to the preferred dividend provided by the Ambev preferred shares, and, therefore, will be shared equally by all of Newbev's shareholders. In that regard, the interests that the Ambev common shareholders have in the Stock Swap Merger may differ from the interest that the Ambev preferred shareholders have in the transaction. To mitigate any potential conflict of interest concerns affecting the Stock Swap Merger, special voting procedures for minority shareholder protection will be adopted for the Ambev EGM to ensure that the transaction will be implemented only if a majority of the minority-held Ambev common and preferred shares present at that shareholders' meeting, as separate classes and without the participation of our controlling

Table of Contents

shareholders, are each in favor of the transaction. For the same reason, it was determined that the interests of eight of the ten directors of Ambev could potentially conflict with those of the company with respect to the Stock Swap Merger and, therefore, those eight directors abstained from voting on the transaction at the May 10, 2013 meeting of Ambev's Board that deliberated on its terms and conditions (see the English-language translation of the minutes of the meeting of the Board of Directors of Ambev, dated May 10, 2013, included as Annex E to this prospectus). Thus, those eight Ambev directors neither approved nor disapproved or made any recommendation with respect to the Stock Swap Merger.

Past Contracts, Transactions, Negotiations and Agreements

There have been no past, present or proposed material contracts, arrangements, understandings, relationships, negotiations or transactions during the periods for which financial statements are presented in this prospectus between Ambev or its subsidiaries, on the one hand, and Newbev, on the other, other than as described below and under "—Background to the Transaction."

The Contribution

As a preliminary step to the Stock Swap Merger, on June 17, 2013 ABI caused IIBV and AmBrew to contribute to Newbev, or the Contribution, all of the Ambev shares that were previously held directly in Ambev by those two subsidiaries – equivalent to a total of 1,301,666,481 Ambev common shares and 622,078,314 Ambev preferred shares – in consideration for new Newbev common shares that were issued by Newbev as part of a capital increase of this company. The Contribution was made for an amount of R$16,413,757,376.00, of which half was allocated to capital stock and the other half to capital reserves.

The equity ownership that all Ambev's shareholders, including its minority shareholders, hold in Ambev immediately prior to the approval of both the Contribution and the Stock Swap Merger will be exactly the same as the total equity ownership that those shareholders will hold in Newbev immediately following the consummation of both those transactions. **This means that no premium was ascribed to the Ambev shares representing a direct controlling interest in us that were contributed to Newbev by IIBV and AmBrew in the Contribution.** Consequently, the Contribution has no dilutive effect to Ambev's shareholders, including its noncontrolling shareholders.

Similarly, in order to ensure that shareholders' equity ownership in Ambev remains unchanged after the transactions described in this prospectus, a reverse stock-split of Newbev was approved at a subsequent order of the day during the same Newbev shareholders' meeting that approved the Contribution, so that the number of shares in Newbev's capital stock can be proportional to the number of shares in Ambev's capital stock after the Contribution. This proportionality between the capital stocks of both companies following the Contribution is important to allow the total number of Newbev common shares outstanding immediately after the Stock Swap Merger to match the total number of Ambev shares outstanding immediately prior to that transaction, taking into account the Stock Swap Merger's exchange ratio of five newly issued Newbev common shares for each Ambev common or preferred share exchanged.

Table of Contents

As a result of the Contribution and the referred reverse stock-split, and until the Stock Swap Merger is approved:

- Newbev's capital stock is equal to R$8,455,939,990.00 divided into 9,693,597,815 Newbev common shares, without par value;
- Newbev is the direct controlling shareholder of Ambev with 74.0% and 46.3% of the Ambev common shares and preferred shares, respectively; and
- IIBV and AmBrew are the direct holders of all of Newbev's common shares.

Intercompany Debt Securities Transaction

On September 10, 2009, Newbev issued Brazilian debentures to certain of its affiliates with a principal amount of R$2.0 billion maturing on August 12, 2012 and paying interest at 114% of the daily rate on Brazilian Interbank Certificates of Deposit (*Certificado de Depósito Interbancário*), or the CDI rate. On that same date, Newbev purchased listed bonds issued by AmBrew with a principal amount of R$2.0 billion, maturing on September 10, 2012 and paying interest at 116.5% of the CDI rate. The referred bonds and Brazilian debentures were redeemed early on August 16, 2011 and produced net financial income for Newbev in the amount of R$15.0 million in 2011.

Administrative Cost Sharing Arrangement

Newbev, Ambev and certain of their affiliates have an administrative cost sharing arrangement among themselves, according to which they are allowed to make shared use of Ambev's administrative infrastructure. The costs relating to the use of this infrastructure is allocated among the parties in accordance with objective criteria established by management. The amounts paid by Newbev under this administrative cost sharing arrangement are not material, and related expenses and balances have been eliminated from the combined Newbev Predecessor combined financial statements.

Intercompany Loans *(Mútuos)*

From time to time, Newbev has borrowed or loaned funds to certain of its affiliates pursuant to interest-free loans (*mútuos*) under the Brazilian Civil Code. The amounts borrowed and loaned have not been material. As of March 31, 2013, there were no amounts owed by or to Newbev under any of these related-party, interest-free loans.

Plans and Proposals

In connection with the Stock Swap Merger, Ambev will become a wholly -owned subsidiary of Newbev. As a result, the common and preferred shares of Ambev are expected to be deregistered under the Exchange Act, and Ambev will no longer file annual reports on Form 20-F or furnish reports on Form 6-K to the SEC. In addition, the Ambev common and preferred ADSs will be delisted from the NYSE, the Ambev common and preferred shares will be delisted from the BM&FBOVESPA and Ambev will be deregistered with the CVM.

After the consummation of the Stock Swap Merger and the completion of the delisting of the Ambev shares and ADSs and the deregistration of Ambev, Newbev may cause the bylaws of Ambev (which at that point will be a wholly -owned subsidiary of Newbev) to be amended to simplify Ambev's corporate structure and governance.

Table of Contents

In addition, after the Stock Swap Merger is consummated, at which time Ambev will have become a wholly-owned subsidiary of Newbev, it is expected that an upstream merger of Ambev and certain of its wholly-owned subsidiaries with and into Newbev will be executed at some point in the second half of 2013 or the first quarter of 2014. This transaction will have no impact on the shareholdings that Newbev's then shareholders will hold in this company. As a consequence of this upstream merger, our corporate structure will be simplified, resulting in expected reductions to our administrative expenses, and it will be possible to use goodwill currently existing at the Newbev level to be applied against any taxable income generated by our operating activities.

As part of this corporate restructuring, Newbev will become subject to the reporting requirements of the Exchange Act, the Brazilian Corporation Law and the rules of the CVM and, consequently, it shall file annual reports on Form 20-F and furnish to the SEC on Form 6-K the reports that it may file in Brazil with the CVM or the BM&FBOVESPA. In addition, Newbev will (1) elect new executive officers in lieu of its current executive officers, (2) elect a new Board of Directors, and (3) adopt a stock option plan and code of ethics that are expected to be substantially similar to those of Ambev.

Expenses

The following is an itemized statement of the expenses incurred or estimated to be incurred in connection with the Stock Swap Merger.

Type of Fee	Amounts in R$ million
SEC filing fee	4.2
Financial advisory fees	18.5
Valuation report fees	0.7
Legal fees	5.0
Accounting fees	4.2
Printing and mailing costs	0.2
Other	1.0
Total	**33.8**

Table of Contents

PART SIX: SHAREHOLDER RIGHTS

General

Ambev and Newbev are incorporated in Brazil. If you hold common shares or preferred shares of Ambev, your rights as a holder of those securities are governed by Brazilian law and Ambev's bylaws (*estatuto social*). As a current holder of Ambev shares, your rights as a holder of Newbev common shares after the Stock Swap Merger will be governed by Brazilian law and the proposed bylaws of Newbev. You should read the bylaws of Newbev and Ambev. English-language translations of these bylaws are included as exhibits to the registration statement of which this prospectus forms a part. In addition, an English-language translation of Newbev's proposed bylaws in the form that is expected to be in force following the Stock Swap Merger is included as Annex G to this prospectus.

There are no material differences between the rights that are currently conferred by the Ambev common shares and those that will be conferred by the new Newbev common shares. However, there are relevant differences between the rights that are currently conferred by the Ambev preferred shares and those that will be conferred by the new Newbev common shares. The following table highlights the material differences between certain rights of the Ambev common and preferred shares compared to the Newbev common shares.

The following discussion of material differences between certain rights provided by the shares of Ambev and Newbev is only a summary and does not purport to be a complete description of these differences. The following discussion is qualified in its entirety by reference to the Brazilian Corporation Law, as well as the full text of the bylaws of Ambev and Newbev.

Right to Dividends

Newbev Common Shares	*Ambev Common Shares*	*Ambev Preferred Shares*
The Newbev common shares are assured a minimum mandatory dividend of 40% of Newbev's adjusted net income.	The Ambev common shares are assured a minimum mandatory dividend of 35% of Ambev's adjusted net income, subject to the dividend preference of the preferred shares.	The Ambev preferred shares are assured a minimum mandatory dividend of 35% of Ambev's adjusted net income; provided, however, that dividends paid to this share class must be 10% greater than those attributed to the Ambev common shares.

Liquidation Rights

Newbev Common Shares and Ambev Common Shares	*Ambev Preferred Shares*
Common shareholders are the last parties to share in any remaining assets of the company in the event of its liquidation.	The Ambev preferred shares have priority over the Ambev common shares in capital reimbursement in the event of Ambev's liquidation.

Table of Contents

Voting Rights

Newbev Common Shares	*Ambev Common Shares*	*Ambev Preferred Shares*
Each common share is entitled to one vote in all matters subject to deliberation at a general shareholders' meeting. For further information on special voting rights of minority holders of Newbev common shares, see "—Election of Members to the Board of Directors" and "—Election of Members to the Fiscal Council."	Each common share is entitled to one vote in all matters subject to deliberation at a general shareholders' meeting.	The preferred shares have no voting rights, except in connection with the following limited matters: • the election of one member to Ambev's Board of Directors by preferred shareholders holding at least 10% of Ambev's total capital stock; • the election of one member and respective alternate to Ambev's Fiscal Council; • a change to a preference, privilege or condition of redemption or amortization conferred upon one or more classes of preferred shares; and • the creation of a new class of shares with greater privileges than any of the existing classes of preferred shares. However, the Brazilian Corporation Law provides that nonvoting or restricted voting shares acquire unrestricted voting rights as of the third consecutive fiscal year (or as of any shorter period set forth in a company's bylaws) in which a company fails to pay any fixed or minimum mandatory dividends to which such shares are entitled, until the date such pending dividends are duly paid. Ambev's bylaws do not set forth any such shorter period.

Table of Contents

Inclusion in a Statutory Change of Control Tender Offer (Tag Along Rights)

Newbev Common Shares and Ambev Common Shares	*Ambev Preferred Shares*
Upon the sale of a controlling interest in a publicly listed company, the purchaser of control must file a mandatory tender offer with the CVM to acquire all of the remaining outstanding common shares of the target company for at least 80% of the price per common share paid to a selling controlling shareholder.	Ambev preferred shares do not have the right to be the subject of a statutory change of control tender offer in the event of a disposition of control in Ambev.

Election of Members to the Board of Directors

Newbev Common Shares	*Ambev Common Shares*	*Ambev Preferred Shares*
Minority holders representing at least 10% of the Newbev common shares are entitled to elect a member to Newbev's Board of Directors without the participation of the controlling shareholders.	Minority holders representing at least 10% of the Ambev common shares are entitled to elect a member to Ambev's Board of Directors by means of a separate class vote and without the participation of the controlling shareholders.	Preferred shareholders representing at least 10% of Ambev's total capital stock are entitled to elect one member to Ambev's Board of Directors without the participation of the controlling shareholders.

Election of Members to the Fiscal Council

Newbev Common Shares	*Ambev Common Shares*	*Ambev Preferred Shares*
Minority holders representing at least 10% of the Newbev common shares are entitled to elect one member and respective alternate to the Fiscal Council without the participation of the controlling shareholders.	Minority holders representing at least 10% of the Ambev common shares are entitled to elect one member and respective alternate to the Fiscal Council by means of a separate class vote and without the participation of the controlling shareholders.	Ambev preferred shareholders have the right to elect one member and respective alternate to Ambev's Fiscal Council by means of a separate class vote and without the participation of the controlling shareholders.

If you hold Ambev ADSs, your securities are governed by Ambev's ADS deposit agreements rather than by Brazilian law and the bylaws of Ambev, which govern the shares underlying your ADSs. Upon consummation of the Stock Swap Merger, the Newbev ADSs that Ambev ADS holders will receive in the transaction will be governed by Newbev's ADS deposit agreement. See "—Description of Newbev's ADSs" below.

As of the date of this prospectus, Newbev's capital stock consisted of 9,693,597,815 outstanding common shares, with no par value.

Table of Contents

As of June 12, 2013, the last practicable trading day before the date of this prospectus, Ambev had 1,757,986,238 common voting shares and 1,374,951,093 preferred shares outstanding. Ambev has registered two classes of ADSs pursuant to the Securities Act: ADSs evidenced by ADRs representing one preferred share and ADSs evidenced by ADRs representing one common share. As of June 12, 2013, there were 287,489,353 Ambev preferred ADSs outstanding (representing 287,489,353 Ambev preferred shares, which corresponds to 20.9% of the total Ambev preferred shares outstanding) and 3,355,749 common ADSs outstanding (representing 3,355,749 Ambev common shares, which corresponds to 0.2% of the total Ambev common shares outstanding). The Ambev shares held in the form of ADSs under the Ambev ADS facilities are deemed to be the shares held in the "host country" (*i.e.*, the United States) for purposes of the Exchange Act. In addition, as of June 12, 2013 there were 61 registered holders of Ambev common ADSs and 49 registered holders of our preferred ADSs.

At an extraordinary general shareholders' meeting held in December 2010, Ambev's shareholders approved a stock-split, according to which four new Ambev common shares were issued in respect of each outstanding Ambev common share, and four new Ambev preferred shares were issued in respect of each outstanding Ambev preferred share.

Comparative Share and Dividend Information

Historical Share Price Information

As Newbev is an unlisted company, its common shares are not currently listed on the BM&FBOVESPA or on any other securities exchange, and, therefore, there is no reported trading price of its shares.

The tables below set forth the high and low closing sales prices on the BM&FBOVESPA for the common and preferred shares of Ambev and the high and low closing sales prices on the NYSE for the common and preferred ADSs of Ambev for the periods indicated.

Trading Prices on the BM&FBOVESPA: Common and Preferred Shares

	Per Common Share		Per Preferred Share	
	High	Low	High	Low
Annual	*(in reais)*		*(in reais)*	
2012	86.24	49.03	88.94	61.14
2011	54.60	35.67	67.30	42.28
2010	43.40	27.61	50.76	32.50
2009	30.00	15.16	34.98	18.03
2008	26.60	14.40	29.36	17.20
Quarterly				
2013				
First Quarter	91.13	81.52	93.80	83.00
2012				
Fourth Quarter	86.24	64.20	88.94	77.89
Third Quarter	63.66	59.08	78.89	72.57
Second Quarter	67.21	57.33	80.72	70.28
First Quarter	65.18	49.03	78.09	61.14
2011				
Fourth Quarter	54.60	44.50	67.30	55.30
Third Quarter	46.30	36.97	57.00	44.10
Second Quarter	44.10	38.48	51.90	45.00
First Quarter	43.51	35.68	51.21	42.30

Table of Contents

Trading Prices on the BM&FBOVESPA: Common and Preferred Shares

	Per Common Share		Per Preferred Share	
	High	Low	High	Low
Monthly	*(in reais)*		*(in reais)*	
2013				
June (through June 12)	80.18	76.15	81.06	76.91
May	83.27	79.77	83.59	80.49
April	82.65	76.09	84.77	77.40
March	89.00	81.52	90.14	83.00
February	90.80	85.44	93.70	86.38
January	91.13	84.00	93.80	85.93
2012				
December	86.24	75.76	88.94	84.44

Trading Prices on the NYSE: Common and Preferred ADSs

	Per Common ADS		Per Preferred ADS	
	High	Low	High	Low
Annual	(in US$)		(in US$)	
2012	41.76	26.49	43.09	33.23
2011	29.08	21.64	36.26	25.65
2010	26.30	15.40	31.12	17.82
2009	17.40	6.21	20.44	7.42
2008	15.95	6.01	17.64	7.30
Quarterly				
2013				
First Quarter	46.22	40.89	47.06	41.52
2012				
Fourth Quarter	41.76	31.53	42.31	38.53
Third Quarter	30.93	28.56	39.08	35.49
Second Quarter	35.90	28.15	43.09	34.71
First Quarter	35.62	26.49	43.01	33.23
2011				
Fourth Quarter	29.08	23.59	36.26	29.92
Third Quarter	29.04	22.66	35.64	27.98
Second Quarter	28.57	24.09	33.73	28.86
First Quarter	26.65	21.64	31.79	25.65
Monthly				
2013				
June (through June 12)	37.87	35.43	38.05	35.86
May	39.31	37.82	38.70	37.17
April	41.05	38.26	42.07	39.02
March	45.64	40.89	45.84	41.52
February	46.22	43.53	46.97	43.87
January	42.69	41.32	42.97	41.70
2012				
December	41.76	36.21	42.31	40.69

We urge you to check current market quotations.

Table of Contents

Historical Dividend Payment Information

Ambev

The following table shows the cash dividends paid by Ambev to its preferred and common shareholders since the first half of 2008 in *reais* and in U.S. dollars (translated from *reais* at the commercial exchange rate as of the date of payment). The last approved distribution of dividends relating to the 2012 fiscal year was scheduled for first payment on March 28, 2013.

Earnings Generated in:	First Payment Date	Share Class	reais Per Share(1)	U.S. Dollar Equivalent Per Share at Payment Date(1)(2)
First half of 2008	April 28, 2008	(preferred)	0.37	0.22
		(common)	0.33	0.20
	July 31, 2008	(preferred)	0.33	0.21
		(common)	0.30	0.19
Second half of 2008	October 13, 2008	(preferred)	0.28	0.13
		(common)	0.25	0.12
First half of 2009	January 30, 2009	(preferred)	0.07	0.03
		(common)	0.07	0.03
	May 29, 2009	(preferred)	0.08	0.04
		(common)	0.07	0.04
	July 31, 2009	(preferred)	0.24	0.13
		(common)	0.22	0.12
Second half of 2009	October 2, 2009	(preferred)	0.33	0.19
		(common)	0.30	0.17
	December 18, 2009	(preferred)	0.43	0.24
		(common)	0.39	0.22
First half of 2010	April 1, 2010	(preferred)	0.33	0.18
		(common)	0.30	0.17
Second half of 2010	October 14, 2010	(preferred)	0.65	0.39
		(common)	0.59	0.36
	December 15, 2010	(preferred)	0.67	0.39
		(common)	0.61	0.36
First half of 2011	March 22, 2011	(preferred)	0.62	0.37
		(common)	0.56	0.34
Second half of 2011	August 5, 2011	(preferred)	0.39	0.24
		(common)	0.35	0.22
	November 18, 2011	(preferred)	0.78	0.44
		(common)	0.71	0.40
First half of 2012	April 10, 2012	(preferred)	0.83	0.45
		(common)	0.75	0.40
Second half of 2012	July 27, 2012	(preferred)	0.40	0.20
		(common)	0.37	0.18
	October 15, 2012	(preferred)	0.56	0.28
		(common)	0.51	0.25

Table of Contents

Earnings Generated in:	First Payment Date	Share Class	reais Per Share(1)	U.S. Dollar Equivalent Per Share at Payment Date(1)(2)
First half of 2013	January 21, 2013	(preferred)	0.99	0.49
		(common)	0.90	0.44
	March 28, 2013	(preferred)	0.70	0.35
		(common)	0.64	0.32

(1) The amounts set forth above are amounts actually received by shareholders, which are net of Brazilian withholding income tax. Ambev's financial statements present the amounts actually disbursed, including the Brazilian withholding income tax on interest on shareholders' equity, which were paid by Ambev on behalf of shareholders. The dividends set forth above are calculated based on the number of outstanding shares at the date the distributions were declared. For purposes of comparison, information relating to the number of shares for all periods presented has been adjusted to conform retrospectively to the effect of the 2010 stock-split.

(2) Translated to U.S. dollars at the exchange rate in effect at the first scheduled payment date.

Newbev

The following table shows the cash dividends paid by Newbev to its common shareholders since the first half of 2008 in *reais* and in U.S. dollars (translated from *reais* at the commercial exchange rate as of the date of payment). The last dividends distributed relating to the 2012 fiscal year will be paid as from April 11, 2013.

Earnings Generated in:	First Payment Date	Share Class	reais Per Share(1)	U.S. Dollar Equivalent Per Share at Payment Date(1)(2)
2009	April 11, 2012	(common)	0.05	0.03
2007 to 2011	September 14, 2012	(common)	0.04	0.02
2012	April 11, 2013	(common)	0.09	0.05

(1) The amounts set forth above are amounts actually received by shareholders, which are net of Brazilian withholding income tax. Newbev's financial statements present the amounts actually disbursed, including the Brazilian withholding income tax on interest on shareholders' equity, which were paid by Newbev on behalf of shareholders. The dividends set forth above are calculated based on the number of outstanding shares at the date the distributions were declared.

(2) Translated to U.S. dollars at the exchange rate in effect at the first scheduled payment date.

Description of Newbev Capital Stock

The following is a summary of certain significant provisions of Newbev's proposed bylaws in the form that is expected to be in force following the Stock Swap Merger, the Brazilian Corporation Law and the rules and regulations of the CVM. This description does not purport to be complete in relation to any subject mentioned herein, and it shall not be deemed a legal opinion in relation to the issues discussed herein. Further, this description is qualified by reference to Newbev's proposed bylaws, the Brazilian Corporation Law and the rules and regulations of the CVM. You should read Newbev's proposed bylaws, an English-language translation of which is included as Annex G to this prospectus.

As of the date of this prospectus, Newbev's capital stock, fully subscribed and paid-in, was equal to R$8,455,939,990.00 divided into 9,693,597,815 Newbev common shares, without par value. As of the date of this prospectus, Newbev did not have any treasury stock.

Pursuant to the Brazilian Corporation Law, Newbev is allowed to sell in the open market any Newbev common shares that have been subscribed but not paid in full within the applicable deadline

Table of Contents

set forth in the company's bylaws or the applicable subscription bulletin under which those shares were issued. If an open market sale is impractical, any subscribed but unpaid Newbev common shares may be forfeited.

Rights of the Newbev Common Shares

Each of the Newbev common shares is indivisible and entitles its holder to one vote at any shareholders' meeting of Newbev. In accordance with Newbev's bylaws and the Brazilian Corporation Law, shareholders have the right to receive dividends or other distributions in proportion to their equity interest in Newbev's share capital. For additional information regarding the payment of dividends and other distributions relating to Newbev's common shares, see "—Comparative Share and Dividend Information—Historical Dividend Payment Information—Newbev." In addition, shareholders of Newbev may freely transfer their shares and are entitled to be included in a statutory change of control tender offer upon a disposition of Newbev's control.

Also, upon Newbev's liquidation, and after the discharge of all its liabilities, Newbev's common shares entitle its holders to a participation in Newbev's remaining assets as capital reimbursement in proportion to their equity interest in Newbev's share capital. Holders of Newbev common shares have the right, but not the obligation, to subscribe for Newbev's future capital increases.

Moreover, pursuant to the Brazilian Corporation Law, neither Newbev's bylaws, nor actions taken at a shareholders' meeting, may deprive a shareholder of the following rights:

- the right to participate in Newbev's profit distributions;
- the right to participate in Newbev's remaining assets in proportion to its equity interest in Newbev's share capital in the event of Newbev's liquidation;
- preemptive rights to subscribe for Newbev's common shares, convertible debentures and warrants, except in certain circumstances under the Brazilian Corporation Law, as described in "—Preemptive Rights";
- the right to inspect and monitor Newbev's management, in accordance with the Brazilian Corporation Law;
- the right to vote at shareholders' meetings; and
- the right to exercise appraisal rights and withdraw from Newbev in the cases provided under the Brazilian Corporation Law, as described in "—Appraisal Rights."

Shareholders' Meetings

Pursuant to the Brazilian Corporation Law, shareholders, during shareholders' meetings regularly called and convened, are generally empowered to pass resolutions relating to Newbev's corporate purpose as they may deem necessary. Shareholders' meetings may be ordinary, such as the annual meeting, or extraordinary. Shareholders at the annual shareholders' meeting, which is required to be held within four months of the end of Newbev's fiscal year, have the exclusive power to approve

Table of Contents

Newbev's financial statements and to determine the allocation of Newbev's adjusted net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the relevant annual meeting. Extraordinary shareholders' meetings are convened to approve the remaining matters within their competency as provided by law and/or Newbev's bylaws. An extraordinary shareholders' meeting may be held concurrently with an ordinary meeting.

A shareholders' meeting is convened by publishing a meeting call notice no later than 15 days prior to the scheduled meeting date, on first call, and no later than eight days prior to the date of the meeting, on second call, and no fewer than three times, in the *Diário Oficial do Estado de São Paulo* and in a newspaper with general circulation in São Paulo, where Newbev has its registered office. In certain circumstances, however, the CVM may require that the first notice be published no later than 30 days prior to the meeting. At the shareholders' meeting held on March 1, 2013, the shareholders of Newbev designated *Valor Econômico*, a newspaper with general circulation in São Paulo for this purpose. A notice to call a shareholders' meeting must contain the agenda of the meeting. CVM Regulation No. 481 of December 17, 2009, also requires that additional information be disclosed in the meeting call notice for certain matters. For example, in the event of an election of directors, the meeting call notice shall also disclose the minimum percentage of equity participation required from a shareholder to request the adoption of cumulative voting procedures. All documents pertaining to the matters to be discussed at a shareholders' meeting shall be made available to shareholders either within at least one month prior to the meeting or upon publication of the first meeting call notice, as the case may be, except if the law or CVM regulations provide otherwise.

A shareholders' meeting may be held if shareholders representing at least one quarter of the voting shares are present, except in some cases provided for by law, such as in meetings seeking to amend the company's bylaws, which requires the presence of shareholders representing at least two-thirds of the voting shares. If no such quorum is present, an eight-day prior notice must be given in the same manner as described above, and a meeting may then be convened without any specific quorum requirement, subject to the minimum quorum and voting requirements for specific matters, as discussed below.

Except as otherwise provided by law, resolutions of a shareholders' meeting are passed by a simple majority vote of the shares present or represented at the meeting, abstentions not being taken into account. Under the Brazilian Corporation Law, the approval of shareholders representing at least a majority of the issued and outstanding voting shares is required for the types of actions described below (among others):

- creating preferred shares or increasing disproportionately an existing class of preferred shares relative to the other classes of shares, unless such action is provided for or authorized by the bylaws;
- modifying a preference, privilege or condition of redemption or amortization conferred upon one or more classes of preferred shares, or creating a new class with greater privileges than those of the existing classes of preferred shares;
- reducing the minimum mandatory dividend;
- merging Newbev with another company or consolidating or executing a spin-off of Newbev;

Table of Contents

- changing Newbev's corporate purpose; and
- dissolving Newbev or ceasing its liquidation status.

Shareholders' meetings may be called by the Board of Directors of Newbev. Under the Brazilian Corporation Law, meetings may also be convened by Newbev's shareholders as follows: (1) by any shareholder, if the directors take more than 60 days to convene a shareholders' meeting after the date they were required to do so under applicable laws and Newbev's bylaws, (2) by shareholders holding at least 5% of Newbev's total capital stock, if Newbev's Board of Directors fails to call a meeting within eight days after receipt of a justified request to call a meeting by those shareholders indicating the proposed agenda, (3) by shareholders holding at least 5% of Newbev's voting capital stock, if the directors fail to call a general meeting within eight days after receipt of a request to call a shareholders' meeting for purpose of assembling a Fiscal Council, and (4) by Newbev's Fiscal Council, when in operation, if the Board of Directors fails to call an annual shareholders' meeting within 30 days after the mandatory date for its calling. The Fiscal Council may also call an extraordinary shareholders' meeting if it believes that there are important or urgent matters to be addressed.

To attend a shareholders' meeting, shareholders must produce, in advance of the meeting, proof of ownership of the shares they intend to vote, including identification and/or pertinent documentation that evidences their legal representation of another shareholder. A shareholder may be represented at a general meeting by an attorney-in-fact appointed no more than one year before the meeting, who must be another shareholder, a company officer or a lawyer. For a publicly held company, the attorney-in-fact may also be a financial institution. An investment fund must be represented by its investment fund officer.

Shareholders may not exercise voting rights whenever they are contributing assets in a capital increase paid in kind or with respect to the approval of their own accounts, as well as in those resolutions that may favor those shareholders specifically, or whenever there is a conflicting interest with the company. Mergers between affiliated parties are subject to a special statutory valuation procedure intended to determine whether the exchange ratio is adequate for all parties involved, without preventing the approval of the resolution for lack of the statutory quorum.

The current members of Newbev's Board of Directors were elected by the controlling shareholders. Board members, regardless of the shareholder they represent, owe fiduciary duties to the company and all of its shareholders. At the same time, any director appointed by shareholders bound by a shareholders' agreement is also bound by the terms of that agreement.

Board of Directors

In accordance with the Brazilian Corporation Law, any matters subject to the approval of Newbev's Board of Directors can be approved by the affirmative vote of a majority of its Board members present at the relevant meeting, except as provided in the Newbev Shareholders' Agreement.

Under Newbev's bylaws, at least two members of its Board of Directors shall be independent directors. According to Newbev's bylaws, for a director to be considered independent he or she may not: (1) be a controlling shareholder, or a spouse or relative to the second degree of a controlling shareholder, (2) have been, within the last three years, an employee or executive officer of (a) Newbev

Table of Contents

or of any of its controlled companies or (b) Newbev's controlling shareholder or entities under common control with Newbev, (3) directly or indirectly, supply to, or purchase from, Newbev, its controlled companies, controlling shareholder or entities under common control, any products or services, to such an extent as would cause that director to cease being independent, (4) be an employee or administrator of any corporation or entity that offers products or services to, or receives products or services from, Newbev, its controlled companies, controlling shareholder or entities under common control, to such an extent as would cause that director to cease being independent, (5) be a spouse or relative to the second degree of any member of management of Newbev, its controlled companies, controlling company or entity under common control, or (6) receive any other compensation from Newbev, its controlled companies, controlling shareholder or entities under common control, aside from compensation for duties as a board member (gains arising from ownership of Newbev's stock are excluded from this restriction). Newbev's bylaws also set forth that directors elected by a separate ballot vote of minority shareholders in accordance with paragraphs 4 and 5 of Section 141 of the Brazilian Corporation Law shall be deemed independent regardless of compliance with the abovementioned criteria.

According to the general principles of the Brazilian Corporation Law, if a director or an executive officer has a conflict of interest with a company in connection with any proposed transaction, the director or executive officer may not vote in any decision of the Board of Directors or of the board of executive officers regarding that transaction and must disclose the nature and extent of the conflicting interest for transcription in the minutes of the meeting. In any case, a director or an executive officer may not transact any business with a company, including any borrowings, except on reasonable or fair terms and conditions that are identical to the terms and conditions prevailing in the market or offered by third parties. Any transaction in which a director or executive officer may have an interest can only be approved if carried out on an arm's -length basis.

Since the enactment of Law Brazilian No. 12,431/11, which amended Section 146 of the Brazilian Corporation Law, directors no longer need to be shareholders.

Election of Directors

Each Newbev common share represents one vote at any shareholders' meeting in connection with the election of the Board of Directors of Newbev.

Common shareholders holding at least 10% of Newbev's voting capital may elect one member and respective alternate to the Board of Directors without the participation of the controlling shareholders. To exercise these minority rights, shareholders must prove that they have held the shares for at least three months prior to the shareholders' meeting convened to elect board members. If that prerogative is exercised with the adoption of cumulative voting procedures, as described below, the controlling shareholder will always have the right to elect the same number of members appointed by minority shareholders plus one, regardless of the number of directors provided in Newbev's bylaws.

Shareholders holding shares representing at least 10% of Newbev's voting capital, or a smaller applicable percentage according to a sliding scale determined by the CVM and based on the company's capital stock (currently 5% of the Newbev common shares, pursuant to the CVM sliding scale), have the right to request that cumulative voting procedures be adopted. Under such procedures, each Newbev common share shall have as many votes as there are positions of directors to be filled, and each shareholder may cast all the votes for a single candidate or distribute them among various candidates.

Table of Contents

Under Newbev's bylaws and applicable law, the number of directors may be reduced to a minimum of three. Since the Newbev Shareholders' Agreement provides that, as long as FAHZ maintains a minimum shareholding in Newbev it shall have the right to appoint four members to Newbev's Board of Directors, any reduction in the number of such members to fewer than four would be subject to FAHZ's prior approval. After 2019, however, FAHZ shall have the right to appoint only two members to Newbev's Board of Directors.

Dividends

The discussion below summarizes the main provisions of the Brazilian Corporation Law regarding the establishment of reserves by corporations and rules with respect to the distribution of dividends, including provisions regarding interest on shareholders' equity.

Calculation of Distributable Amounts

At each annual shareholders' meeting, Newbev's Board of Directors is required to propose how the company's net income for the preceding fiscal year is to be allocated. For purposes of the Brazilian Corporation Law, a company's net income after income taxes and social contribution taxes for the immediately preceding fiscal year, net of any accumulated losses from prior fiscal years and amounts allocated to employees' and management's participation in earnings, represents its "adjusted net income" for such preceding fiscal year. In accordance with the Brazilian Corporation Law, an amount equal to such adjusted net income, which is also referred to in this section as the distributable amount, will be available for distribution to shareholders in any particular year. Such distributable amount is subject to:

- reductions that may be caused by amounts contributed for the purpose of meeting the charges of the assistance foundation for employees and management of the company and its controlled companies, with due regard for the rules established by the Board of Directors to this effect; up to 10% of the distributable amount may be contributed under this concept;
- reductions caused by amounts allocated to the Legal Reserve or Contingency Reserves (see "—Reserves"); and
- increases caused by reversals of reserves constituted in prior years.

Minimum Mandatory Dividend

Newbev is required by its bylaws to distribute to shareholders as dividends in respect to each fiscal year ending on December 31 a minimum mandatory dividend equivalent to no less than 40% of the distributable amount. In addition to the minimum mandatory dividend, the Board of Directors may recommend payment of additional dividends to shareholders. The limit for dividend payment is the distributable amount plus the balance available in Newbev's statutory "Investment Reserve," to which Newbev allocates distributable amounts from previous fiscal years not paid as dividends. See "—Reserves." Furthermore, dividend payments may be implemented in advance, during the fiscal year to which it is related, upon the decision of the Board of Directors. Any advance payment of dividends will be counted toward the minimum mandatory dividend owed to shareholders at the end of the fiscal year.

In addition, the minimum mandatory dividend, whether the full amount or only a portion thereof, may not be distributed in any given year should the Board of Directors consider that such

Table of Contents

payment is incompatible with the company's financial situation, subject to shareholder approval. While the law does not establish the circumstances in which distribution of the minimum mandatory dividend is incompatible with a company's financial situation, it is generally agreed that a company is allowed not to pay the minimum mandatory dividend if such payment threatens the existence of the company as a going concern or harms its normal course of operations. The Fiscal Council, when in operation, must opine on the nonpayment of minimum mandatory dividends, and the company's management must submit to the CVM a report explaining the reasons considered by the Board of Directors to withhold the payment of the minimum mandatory dividend no later than five business days after such a decision is taken.

Any postponed payment of minimum mandatory dividends must be allocated to a special reserve. Any remaining balance in such reserve not absorbed by losses in subsequent fiscal years must be paid to shareholders as soon as the company's financial situation allows.

Payment of Dividends

Under the Brazilian Corporation Law any holder of record of shares at the time of a dividend declaration is entitled to receive dividends, which are generally required to be paid within 60 days following the date of such declaration, unless a shareholders' resolution sets forth another payment date, which, in either case, must occur prior to the end of the fiscal year in which such dividends were declared. Newbev's bylaws do not provide for a time frame for payment of dividends. The minimum mandatory dividend is satisfied through payments made both in the form of dividends or interest on shareholders' equity, which, from an economic perspective, is equivalent to a dividend but represents a tax efficient alternative to distribute earnings to shareholders because it is deductible for income tax purposes up to a certain limit established by Brazilian tax laws (see "—Interest on Shareholders' Equity"). Shareholders have a three-year period from the dividend payment date to claim the payment of dividends, after which Newbev is no longer liable for such payment.

Shareholders who are not residents of Brazil must register their investment with the Central Bank in order for dividends, sales proceeds or other amounts to be eligible for remittance in foreign currency outside of Brazil. The Newbev common shares underlying the Newbev ADSs will be deposited with the Brazilian custodian, Banco Bradesco S.A., which acts on behalf of and as agent for the Depositary, which is registered with the Central Bank as the fiduciary owner of those underlying Newbev common shares. Payments of cash dividends and distributions on Newbev common shares will be made in *reais* to the custodian on behalf of the Depositary. The custodian will then convert those proceeds into U.S. dollars and will deliver those U.S. dollars to the Depositary for distribution to ADS holders. If the custodian is unable to immediately convert dividends in *reais* into U.S. dollars, ADS holders may be adversely affected by devaluations of the *real* or other exchange rate fluctuations before those dividends can be converted and remitted. Fluctuations in the exchange rate between the *real* and the U.S. dollar may also affect the U.S. dollar equivalent of the trading price of the Newbev common shares in *reais* on the BM&FBOVESPA.

Interest on Shareholders' Equity

Brazilian companies are permitted to distribute earnings to shareholders under the concept of an interest payment on shareholders' equity, calculated based on the company's shareholders' equity accounts multiplied by the TJLP rate. The TJLP is the official interest rate defined by the Central Bank and used as reference in long-term loans provided by the BNDES.

Table of Contents

Amounts distributed by Newbev to its shareholders as interest on shareholders' equity is deductible for purposes of calculating amounts of income tax and social contribution on net income owed by Newbev. The amount of the deduction may not exceed the greater of:

- 50% of net income (after the deduction of social contribution on net income but before taking into consideration the provision for corporate income tax and the amounts attributable to shareholders as interest on shareholders' equity) for the period in respect of which the payment is made; or

- 50% of the sum of retained profits and profit reserves as of the date of the beginning of the period in respect of which the payment is made.

Interest on shareholders' equity is treated similarly to dividends for purposes of distribution of profits. The only significant difference is that a 15% withholding income tax is due by nonexempt shareholders, resident or not of Brazil, upon receipt of such interest payment, which tax must be withheld by Newbev on behalf of its shareholders when the distribution is implemented. If the shareholder is not a Brazilian resident, and is resident or domiciled in a Tax Haven Jurisdiction, withholding income tax is due at a 25% rate. The amount shareholders receive as interest on shareholders' equity net of taxes is deducted from the minimum mandatory dividend owed to shareholders.

Reserves

General

The Brazilian Corporation Law provides that all discretionary allocations of adjusted net income, including the Unrealized Income Reserve and the Investment Reserve, are subject to shareholder approval and may be added to capital (except for the amounts allocated to the Unrealized Income Reserve) or distributed as dividends in subsequent years. In the case of Tax Incentive Reserve and the Legal Reserve, they are also subject to shareholder approval; however, the use of their respective balances is limited to having those balances added to capital or used to absorb losses. They cannot be used as a source for income distribution to shareholders.

Legal Reserve

Under the Brazilian Corporation Law, corporations are required to maintain a "Legal Reserve" to which they must allocate 5% of their adjusted net income for each fiscal year until the balance of the reserve equals 20% of their paid-in capital. However, corporations are not required to make any allocations to their legal reserve in a fiscal year in which the Legal Reserve, when added to other established capital reserves, exceeds 30% of their paid-in capital. Accumulated losses, if any, may be charged against the Legal Reserve. Other than that, the Legal Reserve can only be used to increase a company's capital.

Contingency Reserve

Under the Brazilian Corporation Law, a portion of a corporation's adjusted net income may also be discretionally allocated to a "Contingency Reserve" for an anticipated loss that is deemed probable in future years. Any amount so allocated in a prior year must be either reversed in the fiscal year in which the loss was anticipated if that loss does not in fact occur or is not charged off in the event that the anticipated loss occurs.

Table of Contents

Investment Reserve

Under the Brazilian Corporation Law, a portion of a corporation's adjusted net income may be allocated for discretionary appropriations for plant expansion and other fixed or working capital investment projects, including share buyback programs.

Pursuant to the Brazilian Corporation Law and Newbev's bylaws, the Investment Reserve balance is not allowed to be greater than 80% of the company's capital. In the case that limit is reached, shareholders may vote for the amount in excess to be converted into capital or distributed as dividends.

Unrealized Income Reserve

Pursuant to the Brazilian Corporation Law, the amount by which the minimum mandatory dividend exceeds the "realized" portion of net income for any particular year may be allocated to the Unrealized Income Reserve. The realized portion of net income is the amount by which the adjusted net income exceeds the sum of:

(i) Newbev's net positive results, if any, from the equity method of accounting for earnings and losses of its subsidiaries and certain affiliates; and

(ii) the net profits, net gains or net return obtained on transactions or on accounting of assets and liabilities based on their market value, to be completed after the end of the following fiscal year.

Tax Incentive Reserve

Under Brazilian tax laws, a portion of the adjusted net income may also be allocated to a general "Tax Incentive Reserve" in amounts corresponding to reductions in a company's income tax generated by credits for particular government-approved investments. This reserve is available only in connection with the acquisition of capital stock of companies undertaking specific government-approved projects.

Goodwill Premium from Shares Issued

Pursuant to the Brazilian Corporation Law, the amount received from subscription shares in excess of the average book value of the shares must be allocated to this reserve. The amount can be used for future capital increases without the issuance of new shares or to support an approved share buyback program.

Fiscal Benefit of Goodwill Premium Amortization (CVM Instruction No. 319/99)

Pursuant to CVM Instruction No. 319/99, when a public company merges with its parent company, while remaining a public company, the goodwill previously paid by the parent company on its acquisition is deductible for purposes of income tax and social contribution. This future tax benefit is recorded as a capital reserve by the public company. As this benefit is realized, the public company increases its capital proportionally to the benefit, and is able to issue new shares to the parent company, pursuant to the terms of the merger agreement.

Table of Contents

Liquidation

In the event of Newbev's liquidation, an extraordinary general shareholders' meeting shall determine the form of liquidation and appoint a committee to supervise the process during the liquidation period. A liquidator will be appointed by the Board of Directors.

Restrictions on Foreign Investment

There are no restrictions on ownership or voting rights in respect of the Newbev common shares owned by individuals or legal entities domiciled outside Brazil. For a description of voting rights, see "—Rights of Common Shares" and "—Shareholders' Meetings." The right to convert payments of dividends (including interest on shareholders' equity) and proceeds from the sale of Newbev common shares into foreign currency and to remit those amounts outside Brazil, however, is subject to exchange control and foreign investment legislation. For a description of these exchange control restrictions and foreign investment legislation, see "—Exchange Controls."

Appraisal Rights

Under the Brazilian Corporation Law, dissenting shareholders have appraisal rights that allow them to withdraw from Newbev and be reimbursed for the value of their Newbev common shares, whenever a decision is taken at a shareholders' meeting by a qualified quorum of shareholders representing at least 50% of the total outstanding voting capital to (among others):

- create preferred shares or increase disproportionately an existing class of preferred shares relative to the other classes of shares, unless such action is provided for or authorized by Newbev's bylaws;
- modify a preference, privilege or condition of redemption or amortization conferred upon one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
- reduce the minimum mandatory dividend;
- merge or consolidate Newbev with another company;
- change the corporate purpose of Newbev;
- conduct a spin-off of Newbev, if the new entities resulting from the spin-off have different primary corporate purposes or a lower minimum mandatory dividend or such spin-off causes Newbev to join a group of companies (as defined in the Brazilian Corporation Law);
- transform Newbev into another corporate type;
- conduct a stock swap merger of Newbev with another company, so that Newbev becomes a wholly -owned subsidiary of that company; or
- approve the acquisition of control of another company, the price of which exceeds the limits set forth in the Brazilian Corporation Law.

Table of Contents

In cases where Newbev merges with another company or participates in a group of companies (as defined in the Brazilian Corporation Law), Newbev's shareholders will not be entitled to exercise appraisal rights if their Newbev common shares are (1) liquid, defined as being part of the IBOVESPA Index or another traded stock exchange index (as defined by the CVM) and (2) widely held such that the controlling shareholder or companies that it controls hold less than 50% of the referred common shares.

Appraisal rights expire 30 days after publication of the minutes of the relevant shareholders' meeting that approved the transaction. Newbev is entitled to reconsider any action triggering appraisal rights within 10 days following the expiration of the 30-day appraisal rights exercise period if the redemption of the Newbev common shares held by dissenting shareholders would jeopardize the financial stability of Newbev.

Any shareholder that exercises appraisal rights is, in general, entitled to receive book value for its shares based on the last balance sheet approved by Newbev's shareholders. If the resolution giving rise to appraisal rights is approved more than 60 days after the date of the last shareholder-approved balance sheet of Newbev, dissenting shareholders may require that the value of their shares be calculated on the basis of an updated balance sheet (*balanço especial*) dated no less than 60 days before the resolution date. In this case, Newbev must (1) immediately advance 80% of the book value of the shares to be redeemed according to the most recent balance sheet approved by Newbev's shareholders and (2) pay the remaining balance within 120 days after the date of the resolution of the shareholders' meeting. However, if the advanced payment of 80% of the book value of the shares to be redeemed is greater than the actual appraisal rights value per share determined by the updated balance sheet, then the amount in excess advanced by Newbev shall be refunded to Newbev by the company's dissenting shareholders who exercised appraisal rights.

As a general rule, shareholders who acquire their shares after the publishing of a first meeting call notice or the relevant press release concerning the meeting will not be entitled to appraisal rights.

Preemptive Rights

Each shareholder of Newbev generally has preemptive rights to subscribe for new shares of Newbev in capital increases of the company (including in the issuance of stock purchase warrants or convertible bonds) in proportion to its shareholdings. A minimum 30-day period following the publication of the capital increase notice is allowed for the exercise of preemptive rights. Preemptive rights may be purchased and sold by shareholders. Newbev's bylaws provide that if its Board of Directors decides to increase the company's share capital within the limit of the authorized capital through sales in stock exchanges, public offerings or public tender offers, no preemptive rights will be available. In addition, Brazilian law provides that the grant or the exercise of stock options pursuant to certain stock option plans, such as Newbev's Stock Option Plan, is not subject to preemptive rights.

Inspection of Corporate Records

Shareholders that own 5% or more of Newbev's outstanding share capital have the right to inspect its corporate records, including shareholders' lists, corporate minutes, financial records and other documents, if (1) Newbev or any of its officers or directors have committed any act contrary to Brazilian law or Newbev's bylaws or (2) there are grounds to suspect that there are material irregularities in the company. However, in either case, shareholders desiring to inspect Newbev's corporate records must obtain a court order authorizing the inspection.

Table of Contents

Form and Transfer

Brazilian law provides that ownership of shares of capital stock of a Brazilian corporation shall generally be evidenced only by a record of ownership maintained by either the corporation or an accredited intermediary, such as a bank, acting as a registrar for the shares. Banco Bradesco S.A. currently maintains Newbev's share ownership records.

Because the Newbev common shares are in registered book-entry form, a transfer of those shares is made under the rules of the Brazilian Corporation Law, which provides that a transfer of shares is effected by an entry made by the registrar for Newbev's shares in its books, by debiting the share account of the transferor and crediting the share account of the transferee.

Transfers of shares by a foreign investor are made in the same way and executed by that investor's local agent on the investor's behalf, except that, if the original investment was registered with the Central Bank pursuant to foreign investment regulations, the foreign investor should also seek, through its local agent, an amendment of the corresponding electronic registration to reflect the new ownership, if necessary.

The BM&FBOVESPA operates a central clearing system. A holder of Newbev common shares may choose, at its discretion, to participate in this system, and all shares elected to be transferred to this system will be deposited in custody with the stock exchange through a Brazilian institution that is duly authorized to operate by the Central Bank and maintains a clearing account with the stock exchange. Newbev common shares that are subject to custody with the stock exchange will be reflected in Newbev's registry of shareholders. Each participating shareholder will, in turn, be registered in Newbev's register of beneficial shareholders maintained by the stock exchange and will be treated in the same way as registered shareholders.

Disclosure of Principal Shareholders

Under Brazilian law, shareholders owning more than 5% of a company's voting shares must publicly disclose their shareholder ownership, as well as disclose any 5% increase or decrease.

Other Significant Provisions of the Brazilian Corporation Law

The Brazilian Corporation Law, as applicable to Newbev, also requires the following:

- upon a disposition of the company's control, the acquirer is required to launch a tender offer to purchase all minority voting shares at a price equal to at least 80% of the price per share paid for the controlling stake;
- delisting of a public company, like Newbev, is subject to an administrative proceeding before the CVM, having as a condition the launch of a tender offer by the controlling shareholder or the corporation for the acquisition of all outstanding shares (defined as those owned by shareholders other than the controlling shareholder, officers and directors) at their fair value, as determined by an independent appraiser. Shareholders holding more than two-thirds of the free float of shares must accept the tender offer or must expressly agree with the delisting (for this purpose, the free float of shares must be considered those held by shareholders that have either accepted the delisting or the offer);

- in addition, if a controlling shareholder or group of controlling shareholders acquires additional shares in excess of one-third of the free float of shares in any class, a mandatory tender offer to ensure share dispersion is required for all the outstanding shares in that class. The same requirement applies whenever (1) a shareholder or group of shareholders representing the same interest and holding more than 50% of the shares in any class from March 7, 2002 (when CVM Instruction No. 361/02 became effective, except for public companies existing in September 5, 2000, in which case this date will prevail), acquires a further interest of 10% or more of that same class of shares within a 12-month period and (2) the CVM determines, within six months after being informed, that the acquisition restricts the liquidity of the shares;

- upon the occurrence of a tender offer aimed at delisting the company or through which Newbev's controlling shareholders will acquire more than one-third of the free float shares, the purchase price shall be equal to the fair value of the shares considering the total number of outstanding shares;

- members of Newbev's Board of Directors elected by the noncontrolling shareholders have the right to veto the choice of the independent accountant by the Board;

- Newbev's controlling shareholders, the shareholders that elect members to Newbev's Board of Directors or Fiscal Council, the members of Newbev's Board of Directors and Fiscal Council, when in operation, and Newbev's executive officers are required to disclose any purchase or sale of Newbev shares to the CVM and to the BM&FBOVESPA; and

- the chairman of any meeting of shareholders or directors shall disregard any vote that is rendered against provisions of any shareholders' agreement if that shareholders' agreement has been duly filed with Newbev, as is the case with the Newbev Shareholders' Agreement.

Description of Newbev ADSs

American Depositary Shares

The Bank of New York Mellon, as depositary, or the Depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent one Newbev common share (or a right to receive one Newbev common share) deposited with the principal São Paulo office of Banco Bradesco S.A., as custodian for the Depositary, or the Custodian. Each ADS will also represent any other securities, cash or other property that may be held by the Depositary. The Depositary's corporate trust office at which the ADSs will be administered is located at 101 Barclay Street, New York, NY 10286. The Bank of New York Mellon's principal executive office is located at One Wall Street, New York, NY 10286.

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name or (b) by having ADSs registered in your name in the Direct Registration System or (2) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Table of Contents

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which the Depositary may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the Depositary to the registered holders of uncertificated ADSs.

As an ADS holder, Newbev will not treat you as one of its shareholders and you will not have shareholder rights. Brazilian law and Newbev's bylaws govern shareholder rights. The Depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among Newbev, the Depositary and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights, as well as the rights and obligations of the Depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Copies of the Newbev deposit agreement and the respective form of ADR are included as exhibits to the registration statement of which this prospectus forms a part.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares underlying your ADSs?

The Depositary has agreed to pay to ADS holders the cash dividends or other distributions it or the Custodian receives on shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Newbev common shares your ADSs represent.

- ***Cash.*** The Depositary will convert any cash dividend or other cash distribution Newbev may make into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the Depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

  If required by applicable U.S. law, the Depositary will deduct any withholding taxes or other governmental charges that must be paid before making any distributions to ADS holders. See "Part Five: The Stock Swap Merger—Tax Considerations—Material U.S. Federal Income Tax Considerations." It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the Depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.

- ***Shares.*** The Depositary may distribute additional ADSs representing any shares that Newbev may distribute as a dividend or free distribution. The Depositary will only distribute whole ADSs. It will sell shares that would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. If the Depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The Depositary may sell a portion of the distributed shares sufficient to pay its fees and expenses in connection with that distribution.

Table of Contents

- ***Rights to purchase additional shares.*** If Newbev offers holders of its securities any rights to subscribe for additional shares or any other rights, the Depositary may make these rights available to ADS holders. If the Depositary decides it is not legal or practical to make the rights available, but that it is practical to sell the rights, the Depositary will use reasonable efforts to sell the rights and distribute the proceeds in the same way as it does with cash. The Depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

  If the Depositary makes rights available to ADS holders, it will exercise the rights and purchase the shares on your behalf. The Depositary will then deposit the shares and deliver ADSs to the persons entitled to them. It will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay.

  U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the Depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

- ***Other Distributions.*** The Depositary will send to ADS holders anything else Newbev distributes on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the Depositary has a choice. It may decide to sell what Newbev distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what Newbev distributed, in which case ADSs will also represent the newly distributed property. However, the Depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from Newbev that it is legal to make that distribution. The Depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

The Depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. Newbev has no obligation to register ADSs, shares, rights or other securities under the Securities Act. Newbev also has no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions Newbev may make on its shares or any value for them if it is illegal or impractical for Newbev to make them available to you.*

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The Depositary will deliver ADSs if you or your broker deposits shares or evidence of rights to receive shares with the Custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes (which currently are inapplicable in Brazil), the Depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

Table of Contents

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs at the Depositary's corporate trust office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes (which currently are inapplicable in Brazil), the Depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the Custodian. Or, at your request, risk and expense, the Depositary will deliver the deposited securities at its corporate trust office, if feasible.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the Depositary for the purpose of exchanging your ADR for uncertificated ADSs. The Depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Alternatively, upon receipt by the Depositary of proper instructions from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the Depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the Depositary to vote the number of deposited shares their ADSs represent. The Depositary will notify ADS holders of shareholders' meetings and arrange to deliver Newbev's voting materials to them if Newbev asks it to. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the Depositary how to vote. For instructions to be valid, they must reach the Depositary by a date set by the Depositary. *Otherwise, you won't be able to exercise your right to vote unless you surrender your ADSs and withdraw the respective underlying shares. However, you may not know about the meeting enough in advance to withdraw the shares.*

The Depositary will try, as far as practical, subject to the laws of Brazil and of Newbev's bylaws, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If the Depositary asked for your voting instructions but no instructions are received by the date set by the Depositary, the Depositary will give a proxy to a person designated by Newbev to vote the uninstructed underlying shares unless Newbev notifies the Depositary that (1) Newbev does not wish such proxy given, (2) substantial opposition exists or (3) such matter materially and adversely affects the rights of holders of shares.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the Depositary to vote your shares. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise your right to vote and there may be nothing you can do if your shares are not voted as you intended them to be voted.*

In order to give you a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to deposited securities, if Newbev requests the Depositary to act, Newbev will make a reasonable attempt to give the Depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date.

Table of Contents

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:	*For:*
US$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• issuance of ADSs, including issuances resulting from a distribution of shares, rights or other property; and • cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates.
US$0.02 (or less) per ADS	• any cash distribution to ADS holders.
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADS holders.
US$0.02 (or less) per ADSs per calendar year	• depositary services.
Registration or transfer fees	• transfer and registration of shares on Newbev's share registry to or from the name of the Depositary or its agent when you deposit or withdraw shares.
Expenses of the Depositary	• cable, telex and facsimile transmissions (when expressly provided in the deposit agreement); and • converting foreign currency to U.S. dollars.
Taxes and other governmental charges the Depositary or the Custodian may have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes or stamp duty (which currently are inapplicable in Brazil) or withholding taxes	• as necessary.
Any charges incurred by the Depositary or its agents for servicing the deposited securities	• as necessary.

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Table of Contents

From time to time, the Depositary may make payments to Newbev to reimburse and/or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the Depositary may use brokers, dealers or other service providers that are affiliates of the Depositary and that may earn or share fees or commissions.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The Depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the Depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Reclassifications, Recapitalizations and Mergers

If Newbev:	*Then:*
• changes the nominal or par value of its shares; • reclassifies, splits up or consolidates any of the deposited securities; • distributes securities on the shares that are not distributed to you; or • recapitalizes, reorganizes, merges, liquidates, sells all or substantially all of its assets, or takes any similar action,	• the cash, shares or other securities received by the Depositary will become deposited securities, and each ADS will automatically represent its equal share of the new deposited securities; or • the Depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

Amendment and Termination

How may the deposit agreement be amended?

Newbev may agree with the Depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the Depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the Depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.*

Table of Contents

How may the deposit agreement be terminated?

The Depositary will terminate the deposit agreement at Newbev's direction by mailing notice of termination to the ADS holders then outstanding at least 30 days prior to the date fixed in such notice for such termination. The Depositary may also terminate the deposit agreement by mailing notice of termination to Newbev and the ADS holders if 60 days have passed since the Depositary told Newbev it wishes to resign but a successor depositary has not been appointed and accepted its appointment.

After termination, the Depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and convert deposited securities into cash as provided in the Deposit Agreement, and deliver deposited securities in exchange for receipts surrendered to the Depositary. Four months after termination, the Depositary may sell any remaining deposited securities by public or private sale. After that, the Depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement for the pro rata benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The Depositary's only obligations will be to account for the money and other cash. After termination, Newbev's only obligations will be to indemnify the Depositary and to pay fees and expenses of the Depositary that Newbev agreed to pay.

Limitations on Obligations and Liability

Limits on Newbev's Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits Newbev's obligations and the obligations of the Depositary. It also limits Newbev's liability and the liability of the Depositary. Newbev and the Depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if they are prevented or delayed by law or circumstances beyond their control from performing their obligations under the deposit agreement;
- are not liable if Newbev or the Depositary exercise discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- are not liable for acts or omissions of any securities depository, clearing agency or settlement system;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person; and

Table of Contents

- may rely upon any documents they believe in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, Newbev and the Depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the Depositary will deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of shares, the Depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The Depositary may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the Depositary or Newbev's transfer books are closed or at any time if the Depositary or Newbev thinks it advisable to do so.

Your Right to Receive the Shares Underlying Your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (1) the Depositary has closed its transfer books or Newbev has closed its transfer books, (2) the transfer of shares is blocked to permit voting at a shareholders' meeting, or (3) Newbev is paying a dividend on its shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Pre-Release of ADSs

The deposit agreement permits the Depositary to deliver ADSs before deposit of the underlying shares. This is called a pre-release of the ADSs. The Depositary may also deliver shares upon cancellation of pre-released ADSs (even if the ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying shares are delivered to the Depositary. The Depositary may receive ADSs instead of shares to close out a pre-release. The

Table of Contents

Depositary may pre-release ADSs only under the following conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the Depositary in writing that it or its customer owns the shares or ADSs to be deposited, (2) the pre-release is fully collateralized with cash or other collateral that the Depositary considers appropriate, and (3) the Depositary must be able to close out the pre-release on not more than five business days' notice. The Depositary will normally limit the number of ADSs that may be outstanding at any time as a result of pre-release to no more than 30% of the total ADSs outstanding. However, the Depositary may disregard that limit from time to time as it deems appropriate. For example, a large cancellation of ADSs at a time when pre-releases are outstanding could cause the percentage of pre-released ADSs to temporarily exceed 30%. Though it is possible that this 30% limit may be exceeded from time to time, it is neither typical nor the intention of the ADS program for such limit to be significantly exceeded for an extended period of time.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC under which the Depositary may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the Depositary to the registered holders of uncertificated ADSs. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the Depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the ADS holder to register that transfer.

In connection with, and in accordance with, the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through DRS/Profile and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the Depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs

The Depositary will make available for your inspection at its office all communications that it receives from Newbev as a holder of deposited securities that Newbev makes generally available to holders of deposited securities. The Depositary will send you copies of those communications if Newbev asks it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to Newbev's business or the ADSs.

Exchange Controls

Overview

There are no restrictions on ownership or voting of Newbev's capital stock by individuals or legal entities domiciled outside Brazil. However, the right to convert dividend payments, interest on shareholders' equity payments and proceeds from the sale of our share capital into foreign currency

Table of Contents

and to remit such amounts outside Brazil is subject to restrictions under foreign investment legislation and foreign exchange regulations, which generally require, among other things, the registration of the relevant investment with the Central Bank and the CVM.

Investments in Newbev common shares by (1) a holder not deemed to be domiciled in Brazil for Brazilian tax purposes, (2) a Non-Brazilian Holder who is registered with the Central Bank under Law 4,131 or with the CVM under Resolution 2,689, or (3) the Depositary, are eligible for registration with the Central Bank. This registration (the amount so registered is referred to as registered capital) allows the remittance outside Brazil of foreign currency, converted at the commercial market rate, acquired with the proceeds of distributions on, and amounts realized through dispositions of, Newbev common shares. As a general rule, the registered capital per Newbev common share purchased in the form of an ADS, or purchased in Brazil and deposited with the Depositary in exchange for an ADS, will be equal to the amount subject to the corresponding foreign exchange agreement for the original inflow of funds in Brazil or to the amount subject to the applicable Symbolic FX Contract, as the case may be. The registered capital per Newbev common share withdrawn upon cancellation of a Newbev ADS will be the U.S. dollar equivalent of (1) the average price of a Newbev common share on the BM&FBOVESPA on the day of withdrawal or (2) if no Newbev common shares were traded on that day, the average price on the BM&FBOVESPA in the 15 trading sessions immediately preceding such withdrawal. The U.S. dollar equivalent will be determined on the basis of the average commercial market rates quoted by the Central Bank on the relevant dates.

Annex V Regulations

CMN Resolution No. 1,927/92, as amended, provides for the issuance of depositary receipts in foreign markets in respect of shares of Brazilian issuers. It restates and amends Annex V to CMN Resolution No. 1,289/87, known as the Annex V Regulations. The Newbev ADS program shall be approved under the Annex V Regulations by the Central Bank and the CVM prior to the issuance of the Newbev ADSs. Accordingly, the proceeds from the sale of ADSs by ADS holders outside Brazil are not subject to Brazilian foreign investment controls, and holders of the ADSs who are not resident in a Tax Haven Jurisdiction are entitled to favorable tax treatment. See “Part Five: The Stock Swap Merger—Tax Considerations—Material Brazilian Tax Considerations.”

Newbev pays dividends and other cash distributions with respect to its common shares in *reais*. Newbev will obtain an electronic certificate of foreign capital registration from the Central Bank in the name of the Depositary with respect to the Newbev ADSs to be maintained by the custodian on behalf of the Depositary. Pursuant to this registration, the custodian is able to convert dividends and other distributions with respect to the Newbev common shares represented by ADSs into foreign currency and remit the proceeds outside Brazil to the Depositary, so that it may distribute these proceeds to the holders of record of the ADSs.

Investors residing outside Brazil may register their investments in Newbev common shares as foreign portfolio investments under Resolution 2,689 (described below) or as foreign direct investments under Law 4,131 (described below). Registration under Resolution 2,689 or Law 4,131 generally enables Non-Brazilian Holders to convert dividends, other distributions and sales proceeds received in connection with registered investments into foreign currency and to remit such amounts outside Brazil. Registration under Resolution 2,689 affords favorable tax treatment to Non-Brazilian Holders who are not resident in a Tax Haven Jurisdiction. See “Part Five: The Stock Swap Merger—Tax Considerations—Material Brazilian Tax Considerations.”

Table of Contents

If a holder of Newbev ADSs surrenders those ADSs to withdraw the underlying Newbev common shares in Brazil, that holder must:

- sell those shares on the BM&FBOVESPA and rely on the Depositary's electronic registration for five business days from the date of withdrawal to obtain and remit U.S. dollars outside Brazil upon that holder's sale of Newbev common shares;
- convert its investment in those shares into a foreign portfolio investment under Resolution 2,689; or
- convert its investment in those shares into a direct foreign investment under Law 4,131.

The custodian for the Newbev ADS program is authorized to update the Depositary's electronic registration to reflect conversions of Newbev ADSs into foreign portfolio investments under Resolution 2,689, which requires the execution of a Symbolic FX Contract.

A Symbolic FX Contract is also required if a holder of Newbev ADSs elects to convert its Newbev ADSs into a foreign direct investment under Law 4,131. If a foreign direct investor under Law 4,131 elects to deposit its Newbev common shares into the Newbev ADS program in exchange for Newbev ADSs, such holder will be required to present to the custodian for the Newbev ADS program evidence of payment of applicable taxes. This conversion will be effected upon the execution of the relevant Symbolic FX Contract. See "Part Five: The Stock Swap Merger—Tax Considerations—Material Brazilian Tax Considerations" for details of the tax consequences to an investor residing outside Brazil of investing in Newbev common shares in Brazil.

If a holder of Newbev ADSs wishes to convert its investment in Newbev common shares into either a foreign portfolio investment under Resolution 2,689 or a foreign direct investment under Law 4,131, it should begin the process of obtaining its own foreign investor registration with the CVM or the Central Bank, respectively, in advance of exchanging the Newbev ADSs for the underlying Newbev common shares. A Non-Brazilian Holder of Newbev common shares may experience delays in obtaining a foreign investor registration, which, as a result, may delay remittances outside Brazil, which may in turn adversely affect the amount, in U.S. dollars, received by the Non-Brazilian Holder.

Unless the holder has registered its investment with the Central Bank, the holder may not be able to convert the proceeds from the disposition of, or distributions with respect to, the Newbev common shares into foreign currency or remit those proceeds outside Brazil. In addition, if the Non-Brazilian Holder resides in a Tax Haven Jurisdiction or is not an investor registered under Resolution 2,689, the investor may be subject to less favorable tax treatment than a holder of ADSs. See "Part Five: The Stock Swap Merger—Tax Considerations—Material Brazilian Tax Considerations."

Resolution 2,689

All investments made by a Non-Brazilian Holder under Resolution 2,689 are subject to electronic registration with the Central Bank. This registration permits Non-Brazilian Holders to convert dividend payments, interest on shareholders' equity payments and proceeds from the sale of Newbev's share capital into foreign currency and to remit such amounts outside Brazil.

Under Resolution 2,689, Non-Brazilian Holders registered with the CVM may invest in almost all financial assets and engage in almost all transactions available to Brazilian investors in the Brazilian

Table of Contents

financial and capital markets without obtaining a separate Central Bank registration for each transaction, provided that certain requirements are fulfilled. Under Resolution 2,689, the definition of a Non-Brazilian Holder includes individuals, legal entities, mutual funds and other collective investment entities, domiciled or headquartered outside Brazil.

Pursuant to Resolution 2,689, Non-Brazilian Holders must:

- appoint at least one representative in Brazil with powers to take action relating to its investments;
- appoint an authorized custodian in Brazil for its investments, which must be a financial institution duly authorized by the Central Bank and the CVM; provided, however, that if the representative is an individual or a non-financial entity, the Non-Brazilian Holder shall appoint an institution duly licensed with the Central Bank to act as co-responsible for the fulfillment of certain obligations set forth under Resolution 2,689;
- complete the appropriate foreign investor registration form;
- register as a Non-Brazilian Holder with the CVM; and
- register its investments with the Central Bank.

Non-Brazilian Holders must also appoint a tax representative in Brazil (which may or may not be the same representative mentioned above) and obtain a taxpayer identification number from the RFB.

The securities and other financial assets held by a Non-Brazilian Holder pursuant to Resolution 2,689 must be registered or maintained in deposit accounts or under the custody of an entity duly licensed by the Central Bank or the CVM or be registered in registration, clearing and custody systems authorized by the Central Bank or the CVM. In addition, the trading of securities held under Resolution 2,689 is generally restricted to transactions carried out on stock exchanges or through organized over-the-counter markets licensed by the CVM.

The offshore transfer or assignment of the securities or other financial assets held by Non-Brazilian Holders pursuant to Resolution No. 2,689 is prohibited, except for transfers resulting from a corporate reorganization effected abroad by a Non-Brazilian Holder or occurring upon the death of an investor. The approval of the CVM is necessary to have any such permitted transfers recognized and recorded in Brazil.

The conversion from an investment registered as foreign direct investment under Law 4,131 to a portfolio investment registered under Resolution 2,689 and vice versa requires the execution of a Symbolic FX Contract.

Law 4,131

Similarly to the investments under Resolution 2,689, all investments made by a Non-Brazilian Holder under Law 4,131 are subject to electronic registration with the Central Bank, which permits Non-Brazilian Holders to convert dividend payments, interest on shareholders' equity payments and proceeds from the sale of Newbev's share capital into foreign currency and to remit such amounts outside Brazil.

Table of Contents

Law 4,131 is the main legislation concerning foreign capital and direct equity investments in Brazilian companies and is applicable to any amount that enters the country in the form of foreign currency, goods and services. A Non-Brazilian Holder investing in Brazilian companies under Law 4,131 must: (1) register itself as a foreign direct investor with the Central Bank; (2) obtain a Brazilian identification number from the Brazilian tax authorities; (3) appoint a tax representative in Brazil; and (4) appoint a representative in Brazil for service of process in respect of law suits based on the Brazilian Corporation Law. Except for registration of the capital inflow/outflow with the Central Bank, Non-Brazilian Holders directly investing in equity of Brazilian companies do not need any specific authorization to make such investments.

Non-Brazilian Holders investing in Brazilian companies under Law 4,131 may sell their shares in both private and open market transactions, but these investors are subject to less favorable tax treatment on gains than Resolution 2,689 investors.

Table of Contents

PART SEVEN: ADDITIONAL INFORMATION FOR SHAREHOLDERS

Where You Can Find More Information

Newbev has filed with the SEC a registration statement on Form F-4 to register under the Securities Act the Newbev common shares to be received in the Stock Swap Merger, if approved, by holders of Ambev common and preferred shares who are residents of the United States or U.S. persons (and in the form of Newbev ADSs to be received by holders of Ambev common and preferred ADSs). This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits. For further information with respect to Ambev, Newbev and their respective shares and ADSs, we refer you to the registration statement and the exhibits filed as a part of the registration statement.

Ambev files annual reports on Form 20-F and furnishes reports to the SEC on Form 6-K under the rules and regulations that apply to foreign private issuers. Newbev is not yet subject to the reporting requirements of the Exchange Act and, therefore, has not yet filed any annual reports on Form 20-F or furnished any reports on Form 6-K. As foreign private issuers, Ambev, Newbev and their shareholders are exempt from some of the reporting requirements of the Exchange Act, including the proxy solicitation rules, the rules regarding the furnishing of annual reports to stockholders and Section 16 short-swing profit reporting for officers, directors and holders of more than 10% of a company's shares. The SEC maintains a website at www.sec.gov that contains reports and other information regarding issuers that file electronically with the SEC. You may refer to the public filings of Ambev and Newbev that are available on the website of the SEC to obtain updated information about these companies following the effectiveness of the Stock Swap Merger.

You may read and copy any materials filed by Ambev and Newbev with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at +1-800-SEC-0330. Investors may also inspect and copy this material at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, NY 10005. In addition to the public reference facilities maintained by the SEC and the NYSE, investors may obtain the registration statement, upon written request, from the Depositary at its corporate trust office located at the address set forth below.

Ambev provides annual reports in English to the Depositary relating to its ADS programs. Ambev also furnishes to the Depositary in English all notices of meetings of its shareholders and communications that are made generally available to holders of Ambev's shares. Upon Ambev's written request, the Depositary will mail to all holders of Ambev ADSs a notice containing the information (or a summary of the information) set forth in any notice of a shareholders' meeting received by it, as well as all other related reports and communications it may receive. As long as the Ambev ADSs are listed on the NYSE, the Depositary will mail to all registered holders of Ambev ADSs, at Ambev's expense, any notices, reports and other communications that are made generally available to Ambev's shareholders or, at Ambev's request, make these notices, reports and other communications available to all registered holders of ADSs on a basis similar to that for Ambev's shareholders or on such other basis as Ambev may advise the Depositary that may be required by any applicable law, regulation or stock exchange requirement.

Ambev is also subject to the informational requirements of the CVM and the BM&FBOVESPA and files reports and other information relating to its business, financial condition and other matters.

Table of Contents

You may read these reports, statements and other information at the public reference facilities maintained by the CVM at Rua Sete de Setembro, 111, 2nd floor, Rio de Janeiro, RJ, Brazil, and Rua Cincinato Braga, 340, 2nd floor, São Paulo, SP, Brazil. Some filings of Ambev with the CVM and the BM&FBOVESPA are also available at the websites maintained by these entities: www.cvm.gov.br and www.bmfbovespa.com.br, respectively.

The public filings with the SEC and the CVM of Ambev and Newbev are also available to the public free of charge through Ambev's internet website at www.ambev-ir.com. Information posted on Ambev's website or that might be accessed through its website is not included in this prospectus and registration statement and is not incorporated by reference into either of these documents. You may also request a copy of the filings of Newbev or Ambev at no cost by contacting us at the following address:

Companhia de Bebidas das Américas - Ambev
Attention: IR Department
Rua Dr. Renato Paes de Barros, 1017, 4º andar
04530-001 São Paulo, SP, Brazil
e-mail: ir@ambev.com.br
Telephone: +55 (11) 2122-1200
Facsimile: +55 (11) 2122-1526
www.ambev-ir.com

In addition, if you are a holder of Ambev ADSs, you may also contact the Depositary or the information agent for the Stock Swap Merger at the addresses listed below:

The Bank of New York Mellon
c/o: Computershare Shareowner Services
480 Washington Blvd. – 27th Floor
Jersey City, NJ 07310
Calls within the United States: +1 (866) 300-4353 (toll free)
Calls outside the United States: +1 (201) 680-6921 (collect)
www.computershare.com

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
Calls within the United States and Canada: +1 (877) 456-3510 (toll free)
Calls outside the United States and Canada: +1 (412) 232-3651
For banks and brokers: +1 (212) 750-5833 (collect)

You should rely only on the information contained in this prospectus. Neither Ambev nor Newbev has authorized any person to provide you with any information or to make any representations in connection with the Stock Swap Merger, other than the information contained in this prospectus. If any person provides you with other information or makes a representation in connection with the Stock Swap Merger, that information or representation must not be relied on as having been authorized by us.

The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. The delivery of this

Table of Contents

prospectus will not, under any circumstance, create an implication that the affairs of Ambev or Newbev have not changed since the date as of which information is furnished or since the date of this prospectus.

Enforceability of Civil Liabilities Under U.S. Securities Laws

We have been advised by our Brazilian counsel, Barbosa, Müssnich & Aragão Advogados, that a judgment of a U.S. court for civil liabilities predicated upon the federal securities laws of the United States, subject to certain requirements described below, may be recognized and enforced in Brazil. A judgment against us, our directors and executive officers and certain of our advisors named in this prospectus would be enforceable in Brazil without reconsideration of the merits upon recognition of that judgment by the Brazilian Superior Court of Justice. That recognition generally will occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the country where the foreign judgment is granted;
- is issued by a competent court after proper service of process is made or the default (*in absentia*) of the party is verified in accordance with Brazilian legislation;
- has been made res judicata (*i.e.*, is final and not subject to appeal);
- is authenticated by a Brazilian consular office in the country where the foreign judgment is issued and is accompanied by a sworn translation into Portuguese; and
- is not contrary to Brazilian national sovereignty or public policy or "good morals."

However, we cannot assure you that such recognition will be obtained or that it will be obtained in a timely manner. In addition, we cannot assure you that a Brazilian court would enforce a monetary judgment for violations of U.S. securities laws.

We have been further advised by Barbosa, Müssnich & Aragão Advogados that original actions predicated on the federal securities laws of the United States may be brought in Brazilian courts and that Brazilian courts may enforce civil liabilities in such actions against us, our directors and officers and certain of our advisors named in this prospectus.

A plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil during the course of litigation in Brazil must provide a bond to guarantee court costs and legal fees if the plaintiff owns no real property in Brazil that may ensure such payment. This bond must have a value sufficient to satisfy the payment of court fees and defendant's attorney's fees, as determined by the Brazilian judge, except in the case of the enforcement of foreign judgments that have been duly recognized by the Brazilian Superior Court of Justice.

Table of Contents

PART EIGHT: LEGAL AND REGULATORY MATTERS

General

We are not aware of any of the following:

- any governmental license or regulatory permit that appears to be material to our business that might be adversely affected by the Stock Swap Merger;
- any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Stock Swap Merger; or
- any consent, waiver or other approval that would be required as a result of or in connection with the Stock Swap Merger, including but not limited to, any consents or other approvals under any licenses, concessions, permits and agreements to which any of Ambev or Newbev is a party that have not been obtained.

Should any such approval or other action be required, we currently contemplate that such approval will be sought or such action will be taken, as the case may be.

In addition, the approval by the BM&FBOVESPA and the NYSE for the listing of the Newbev common shares and ADSs, respectively, to be delivered in the Stock Swap Merger must be obtained for those securities to be traded by their holders on those stock exchanges. Although this approval is important for holders of our shares and ADSs to be able to freely trade the Newbev securities they will receive in the Stock Swap Merger and is expected to be obtained on or about the date the transaction is consummated, it is not a condition to the completion of the transaction.

We are unable to predict whether it may be necessary to delay the completion of the Stock Swap Merger pending the outcome of any approval or other action. We cannot assure you that any approval or other action, if needed, would be obtained or would be obtained without substantial conditions. In addition, we cannot assure you that if the approvals were not obtained or other actions were not taken, adverse consequences might not result to our business or the businesses of our subsidiaries.

Legal Matters

The validity of the Newbev common shares to be issued pursuant to the Stock Swap Merger has been passed upon by Barbosa, Müssnich & Aragão Advogados. Gibson, Dunn & Crutcher LLP advised on certain matters of U.S. law. Certain material Brazilian tax consequences of the Stock Swap Merger have been passed upon by Lefosse Advogados and certain material United States federal income tax consequences of the Stock Swap Merger have been passed upon by Sullivan & Cromwell LLP.

Experts

The audited financial statements of Ambev S.A. as of December 31, 2012 and 2011 and January 1, 2011 and for each of the two years in the period ended December 31, 2012 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

The audited combined financial statements of Anheuser-Busch InBev N.V./S.A.'s interests in Companhia de Bebidas das Américas — Ambev and Ambev S.A. (formerly InBev Participações Societárias S.A.) as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The audited financial statements of Companhia de Bebidas das Américas — Ambev as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of December 31, 2012, which is part of the 2012 Ambev 20-F included as Annex A to this prospectus, have been included in this prospectus in reliance on the report of PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

PART NINE: FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

Index to Financial Statements and Related Financial Information

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
Ambev S.A.

In our opinion, the accompanying balance sheets and the related income statements, statements of comprehensive income, statements of changes in equity and cash flows statements present fairly, in all material respects, the financial position of Ambev S.A. at December 31, 2012, 2011 and January 1, 2011, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2012 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

São Paulo, April 30, 2013

/s/ PricewaterhouseCoopers Auditores Independentes
PricewaterhouseCoopers Auditores Independentes

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Income Statements and Statements of Comprehensive Income
As at December 31
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

	Note	2012	2011
Dividends income		32,921	37,299
Administrative expenses		(840)	(686)
Other operating expenses and income	11	(546)	(1,205)
Operating income		**31,535**	**35,408**
Finance costs	12	-	(186,351)
Finance income	12	5,146	193,232
Net Financial Cost		**5,146**	**6,881**
Income before tax		**36,681**	**42,289**
Income tax and social contribution income/(expenses)	13	9,790	(3,622)
Net income		**46,471**	**38,667**
Earnings per share attributable to equity holders of Ambev S.A. (expressed in R$/share) (Note 10 (d))		**0.19**	**0.16**
Net income		**46,471**	**38,667**
Change in fair value of investment securities		272,269	175,586
Deferred tax liabilities on fair value of investment securities		(92,572)	(59,700)
Comprehensive income		**226,168**	**154,553**

The accompanying notes are an integral part of the financial statements.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Balance Sheets
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

	Note	December, 31 2012	December, 31 2011	January, 1 2011
Assets				
Non-current assets				
Investment securities	7	1,274,660	1,002,391	2,897,306
		1,274,660	**1,002,391**	**2,897,306**
Current assets				
Taxes receivable		1,996	2,601	3,380
Trade and other receivables	5	21,490	9,906	-
Cash and cash equivalents	4	48,155	69,454	7,266
		71,641	**81,961**	**10,646**
Total assets		**1,346,301**	**1,084,352**	**2,907,952**
Equity and Liabilities				
Equity	10			
Capital stock		249,061	249,061	249,061
Reserves		51,648	40,221	-
Other comprehensive income		676,498	496,801	380,914
Retained earnings		-	14,083	26,299
Total equity		**977,207**	**800,166**	**656,274**
Non-current liabilities				
Interest-bearing loans and borrowings	9	-	-	1,977,819
Deferred tax liabilities	6	338,835	255,928	196,046
		338,835	**255,928**	**2,173,865**
Current liabilities				
Taxes payable		-	340	1,630
Trade and other payables	8	30,259	27,918	76,183
		30,259	**28,258**	**77,813**
Total liabilities		**369,094**	**284,186**	**2,251,678**
Total equity and liabilities		**1,346,301**	**1,084,352**	**2,907,952**

The accompanying notes are an integral part of the financial statements.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Statements of Changes in Equity
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

		Reserves				
	Capital stock	Legal Reserve	Additional dividends	Other comprehensive income	Retained earnings	Total
Balance as of January 1, 2011	**249,061**	**-**	**-**	**380,914**	**26,299**	**656,274**
Net income	-	-	-	-	38,667	38,667
Comprehensive income:						
Change in fair value of investment securities	-	-	-	175,586	-	175,586
Deferred tax liabilities on change in fair value of investment securities	-	-	-	(59,700)	-	(59,700)
Total comprehensive income	**-**	**-**	**-**	**115,886**	**38,667**	**154,553**
Dividends	-	-	-	-	(10,662)	(10,662)
Reserves destination:						
Establishment of legal reserve	-	2,132	-	-	(2,132)	-
Interest on shareholder's equity	-	-	38,089	-	(38,089)	-
Balance as of December 31, 2011	**249,061**	**2,132**	**38,089**	**496,801**	**14,083**	**800,166**
Net income	-	-	-	-	46,471	46,471
Comprehensive income:						
Change in fair value of investment securities	-	-	-	272,269	-	272,269
Deferred tax liabilities on change in fair value of investment securities	-	-	-	(92,572)	-	(92,572)
Total comprehensive income	**-**	**-**	**-**	**179,697**	**46,471**	**226,168**
Dividends	-	-	-	-	(11,037)	(11,037)
Reserves destination:						
Establishment of legal reserve	-	2,324	-	-	(2,324)	-
Interest on shareholders' equity	-	-	(38,089)	-	-	(38,089)
Additional dividends	-	-	47,193	-	(47,193)	-
Balance as of December 31, 2012	**249,061**	**4,456**	**47,193**	**676,498**	**-**	**977,207**

The accompanying notes are an integral part of the financial statements.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Cash Flows Statements
As at December 31
Expressed in thousands of Brazilian *Reais*, except where otherwise stated

	2012	2011
Net income	46,471	38,667
Dividends income	(32,921)	(37,299)
Net financial cost	(5,146)	(6,881)
Income tax and social contribution income/(expenses)	(9,790)	3,622
Cash flow from operating activities before working capital and provisions	**(1,386)**	**(1,891)**
Increase in trade and other receivables	(8,091)	(9)
Increase / (decrease) in trade and other payables	11,045	(56,610)
Cash generated from operations	**1,568**	**(58,510)**
Interest paid	-	(182,788)
Interest received	5,146	263,266
Income tax paid	-	(3,674)
Dividends received	28,024	27,394
Cash flow from operations	**34,738**	**45,688**
Proceeds from debt securities	-	2,016,500
Cash flow from investment activities	**-**	**2,016,500**
Payment of interest - bearing loans and borrowings	-	(2,000,000)
Dividends paid	(56,037)	-
Cash flow from financing activities	**(56,037)**	**(2,000,000)**
Net (decrease)/increase in cash and cash equivalents	**(21,299)**	**62,188**
Cash and cash equivalents at beginning of year	**69,454**	**7,266**
Cash and cash equivalents at end of year	**48,155**	**69,454**

The accompanying notes are an integral part of the financial statements.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

1 General information

Ambev S.A. (formerly InBev Participações Societárias S.A.), hereinafter referred to as the "Company", is headquartered in São Paulo, Brazil, and its business purpose is to directly or indirectly invest in other companies of any nature, as a partner or shareholder.

On March 1, 2013, the Company changed its name from InBev Participações Societárias S.A to Ambev S.A.

The direct and ultimate parent of the Company are InterBrew International B.V. ("IIBV") and Anheuser-Busch InBev ("ABI"), respectively.

On April 25, 2013, the Board of Directors approved these financial statements.

On December 7, 2012, Companhia de Bebidas das Américas ("Ambev"), announced its intention to propose for deliberation by its shareholders, a corporate restructuring to combine the Ambev's current dual class capital structure comprised of voting common and non-voting preferred shares into a new single-class capital structure comprised exclusively of voting common shares.

The purpose of the proposed corporate restructuring, that it intends to propose for deliberation by the Ambev's shareholders, at an extraordinary general shareholders' meeting to be held in the first half of 2013 (the "EGM"), is to simplify Ambev's corporate structure and improve its corporate governance with a view to increasing liquidity to all shareholders, eliminating certain operating and administrative financial and other costs and providing more flexibility for management of the Company's capital structure.

If approved, the proposed restructuring will be implemented by means of a stock swap merger of Ambev under the Brazilian Corporate Law (the "Stock Swap Merger"); under which all issued and outstanding shares of Ambev, including in the forms of American Depositary Receipts ("ADRs") but excluding Ambev shares and ADRs held by the Company, shall be exchanged for newly-issued common shares and ADRs of the Company. As a result of the Stock Swap Merger, all holders of Ambev's preferred and common shares (including in the form of ADRs), other than the Company, will receive newly-issued common shares and, in some cases, ADRs of the Company in exchange for their existing Ambev shares. For purposes of the Stock Swap Merger, equal value will be ascribed to each common and preferred share of Ambev.

The corporate restructuring described above will also include certain preliminary steps to the Stock Swap Merger, including the contribution to the Company of all Ambev shares indirectly owned by ABI through its wholly owned subsidiaries IIBV and AmBrew S.A. ("AmBrew"). These preliminary steps will not affect the Stock Swap Merger's exchange ratio to be proposed at the Stock Swap Merger EGM or dilute Ambev's shareholders.

2 Basis of Presentation and adoption of IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board ("IASB").

These are the Company's first financial statements prepared under IFRS and IFRS 1- First Time Adoption of International Financial Reporting Standards has been applied.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

An explanation of how the transition to IFRS has affected the financial position, financial performance and cash flows of the Company is provided in Note 16.

The financial statements are expressed in thousands of Brazilian Reais (R$) rounded to the nearest thousand indicated. Depending on the applicable IFRS requirement, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount.

3 Summary of significant accounting policies

The significant accounting policies applied on preparation of these financial statements are described below. These policies have been applied consistently in all periods reported.

a. Accounting estimates

The preparation of financial statements requires management to make decisions, estimates and judgments that affect the application of accounting policies and the 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 judgments about the carrying value of assets and liabilities that are not readily evident from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on a regular basis, being recognized in the period in which the estimate is revised if the revision affects only that period, or recorded in current and future periods if the revision affects such periods.

The Company believes that the classification and measurement of financial instruments reflect Management's most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results. See Note 15.1

Impairment analysis on financial assets is performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount.

b. Financial instruments

Non-derivative financial instruments include investments in equity and debt securities and trade payables.

The Company classifies its financial assets in the following categories: available-for-sale and loans and receivables, and its financial liabilities in the following categories: measured at fair value through profit or loss and measured at amortized cost.

The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Purchases and sales of financial assets are recognized on the trade date, which is when the Company undertakes to buy or sell the asset.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

(i) Available-for-sale financial asset

Available-for-sale financial assets are non-derivative financial instruments that are designated in this category or not classified in any of the other categories (fair value through profit or loss, loans and receivables or held-to-maturity). They are classified as non-current assets, unless Management intends to dispose of the investment within 12 months of the end of the reporting period.

Available-for-sale financial assets are initially recognized and subsequently measured at fair value.

When these assets are sold or are impaired, the unrealized gains or losses recognized in Equity, in "Other comprehensive income" are recognized in Income Statement as "Finance Income or Finance Cost".

The fair value of investments which are listed on stock exchanges are based on current bid prices.

Dividends on equity instruments available-for-sale, such as shares, are recognized in the Income Statement when dividends are declared.

Investments in debt securities

Investments in debt securities classified as available-for-sale are carried at fair value, with gains or losses recognized in other comprehensive income. Impairment charges and foreign exchange gains and losses are recognized in the income statement.

In general, investments in debt securities with original maturities greater than three months 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 Management's intent and ability to withdraw them within less than one year, as well as, considering their highly liquid nature and the fact that they represent cash available to fund current operations.

Investments in equity securities

Investments in equity securities are undertakings in which the Company 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 are recognized directly in other comprehensive income, except those related to impairment losses which are recognized in the income statement.

When the investment is sold, the unrealized gains or losses recognized in other comprehensive income are recognized in the income statement.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. They are measured at amortized cost using the effective interest method, reduced by any loss on impairment.

They are classified as in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

(iii) Financial liabilities at amortized cost

Financial liabilities at amortized cost include interest-bearing loans and borrowings, and are recognized initially at fair value less transaction costs. Subsequent to the initial recognition, they are measured at amortized cost, with any difference between the initial and maturity amount being recognized in the income statement over the expected life of the instrument on an effective interest rate basis.

(iv) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and an impairment loss is recognized only if there is objective evidence of an impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

c. Derivative financial instruments

Derivative financial instruments are recognized initially at fair value. Fair value is the amount for which an asset could be realized or a liability settled, between knowledgeable parties, in an arm's length transaction. The fair value of derivate financial instruments may be obtained from quoted market prices or from pricing models that take into account current market rates.

Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value as at the date of the financial statements. Fair value adjustments are recorded in income.

The company has not applied hedge accounting.

d. Finance cost and income

Finance income consists mainly of interest received or receivable on financial assets, gains on investment securities and gains on derivatives. Interest income is recognized on an accrual basis using the effective interest method, unless collectability is in doubt. Finance costs consists mainly of interest paid or payable on financial liabilities. Interest expense is recognized on an accrual basis using the effective interest method.

e. Dividends income

Dividend income is recognized when dividends are declared.

f. Cash and cash equivalents

Cash and cash equivalents include cash balances, bank balances and other short-term highly liquid investments with original maturity up to three months and an insignificant risk of change in value.

g. 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 an analysis of all outstanding amounts receivable at the date of the balance

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

sheet. A provision is recorded for an amount considered sufficient by management to cover probable losses upon the realization of receivables. Historically, the Company has not experienced significant losses in trade receivables.

h. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently at amortized cost.

i. Taxes

Income tax and social contribution for the year consist of current and deferred tax. Income tax and social contribution are recognized in the income statement, unless they relate to items recognized directly in other comprehensive income or equity. In these cases the tax effect is also recognized directly in equity or other comprehensive income (except interest on shareholders' equity, see item (l)). Interest on shareholders' equity is carried as an expense in the income statement for income tax and social contribution calculation, when declared, and afterwards reclassified to equity for presentation purposes in these financial statements.

The current tax expense is the expectation of payment on the taxable income for the year, using tax rates enacted, or substantially enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The deferred tax is recognized using the balance sheet/liability method, pursuant to IAS 12, "Income Tax". According to the requirements of IAS 12, a deferred tax liability or asset is recognized for all taxable and tax deductible temporary differences between the tax and accounting basis of assets and liabilities. Under this method, a provision for deferred taxes is also calculated on the differences between the fair value of assets and liabilities acquired in a business combination and their tax basis. IAS 12 prescribes that no deferred tax is recorded (i) when recognizing goodwill; (ii) at the initial recognition of assets or liabilities arising from a transaction other than a business combination; and (iii) on differences related to investments in subsidiaries, to the extent that they are not reversed in the foreseeable future. The amount of deferred tax determined is based on the expectation of the realization or settlement of the temporary difference, using currently or substantially 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.

A deferred tax asset is only recognized to the extent that it is likely that future taxable income will be generated.

The rates currently in force for calculating deferred taxes in Brazil are 25% for income tax and 9% for social contribution.

j. Related parties transactions

The Company has adopted corporate governance practices and those recommended and / or required by its bylaws.

The Company's guidelines with related parties follow reasonable or equitable terms, similar to those prevailing in the market or under which the Company would contract similar transactions with third parties.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

k. Functional and presentation currency

The Company's functional and presentation currency is the Brazilian Real, pursuant to the provisions of IAS 21 – Effects of Changes in Foreign Exchange Rates and Conversion of Financial Statements.

l. Equity

Capital stock

Capital stock is represented only by common shares, classified as equity. See Note 10(a).

Dividends and interest on shareholders' equity

Dividends and interest on shareholders' equity are recorded as liabilities in the period in which they were declared, except for the portion referring to statutory minimum dividends (See Note 10 (c)), which is recognized at the end of each fiscal year ended December 31, as required by the applicable legislation.

The expense of interest on shareholders' equity is recognized in the income statement for income tax and social contribution calculation, when declared, and afterwards reclassified to equity for the purposes of reporting in these financial statements. The tax benefit of interest on shareholders' equity is recognized in the income statement.

m. New standards, amendments and interpretations of standards not yet in force

The following new standards, amendments and interpretations of standards have been issued by the IASB but were not in force during the year 2012. The new requirements are, therefore, expected to be applicable in the future, and are summarized below.

IFRS 12 Disclosure of interests in other entities

Deals with disclosure requirements for all forms of interest in other entities, including joint arrangements, associations, participations for specific purposes and other interests not carried in the books. The standard will come into effect on January 1, 2013. The impact of this standard will principally be an increase in disclosures.

IFRS 13 Fair Value Measurement

The purpose of IFRS 13 is to make fair value measurement more consistent and less complex, providing a more precise definition and a single source of fair value measurement, as well as the disclosure requirements for use under IFRS. The IFRS requirements, which are very much in line with the United States Generally Accepted Accounting Principles ("US GAAP"), do not widen the use of fair value accounting, but provide guidance on how to apply it when required or permitted by other IFRS standards or US GAAP. The standard will come into effect on January 1, 2013. The impact of this standard will principally be an increase in disclosures.

IAS 1 Presentation of Financial Statements

The main change is in separating the components of other comprehensive income into two groups: those to be realized against income and those to remain in shareholders' equity. The change in the standard will come into effect on January 1, 2013. The only impact that its adoption will have is on disclosures.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

There are no other IFRS or interpretations IFRICs standards not yet in force, which might have a significant impact on the Company.

4 Cash and cash equivalents

	2012	2011	01/01/2011
Short term bank deposits (i)	46,703	67,371	4,318
Current bank accounts	1,452	2,083	2,948
Cash and cash equivalents	**48,155**	**69,454**	**7,266**

(i) The balance mainly includes Bank Certificates of Deposit (CDBs), which are highly liquid and convertible immediately into a known amount of cash, and subject to an insignificant risk of change in value.

5 Trade and other receivables

	2012	2011	01/01/2011
Trade receivables from Ambev	6,687	-	-
Dividends receivable from Ambev (i)	14,803	9,906	-
	21,490	9,906	-

(i) Additional information in note 14 – Related parties transactions.

6 Deferred Tax Assets and Liabilities

(a) Deferred tax assets amounting to R$9,665 as at December 31, 2012, have arisen from loss carryforwards on income tax and social contribution. The enacted rates currently in force for calculating deferred taxes in Brazil are 25% for income tax and 9% for social contribution.

Loss carryforwards on income tax and social contribution in Brazil, on which the deferred income tax and social contribution were calculated, do not expire.

As at December 31, 2012, the deferred tax assets balance is expected to be offset against taxable income in 2013.

Changes in deferred tax assets are shown below:

	2012	2011
Balance at the beginning of the year	**-**	**181**
Loss carryforwards	9,665	-
Others	-	(181)
Balance at the end of the year	**9,665**	**-**

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

(b) Deferred tax liabilities amounting to R$348,500 as at December 31, 2012 (R$255,928 – 2011), have arisen from changes in fair value of securities classified as available-for-sale.

	2012	2011
Balance at the beginning of the year	**255,928**	**196,228**
Changes in fair value of available-for-sale securities	92,572	59,700
Balance at the end of year	**348,500**	**255,928**

7 Available-for-sale - Investment in Equity and Debt Securities

	2012	2011	1/1/2011
Investment in equity securities	1,274,660	1,002,391	752,464
Investment in debt securities	-	-	2,144,843
	1,274,660	**1,002,391**	**2,897,306**

The balances of equity securities represent 0.476% (0.478% in 2011, 0.480% in 2010) of shares held in Ambev. The fair value was based on the quoted market price (AMBV4) at the close of each year.

The balances of debt securities represents Bonds issued by AmBrew, with a nominal value of R$2,000,000 with interest at 116.5% of Brazilian Certificates of Deposit Interbank (“CDI”).

8 Trade and other payables

The balance of trade and other payables is comprised of the following:

	2012	2011	01/01/2011
Dividends payable - IIBV	11,037	23,662	13,000
Trade payables:			
IIBV	18,628	-	-
Ambev	208	4,256	2,777
AmBrew	-	-	49,017
	18,836	4,256	51,794
Interest Payable	-	-	10,578
Tax Payable	386	-	280
Derivative financial instruments	-	-	531
	386	-	11,389
	30,259	**27,918**	**76,183**

9 Interest-bearing loans and borrowings

On September 10, 2009, the Company issued and sold in the market 2000 unconvertible debentures, for an amount of R$2,000,000, with a par value of R$1,000 each. The coupon was 114% of CDI, payable semi-annually. The debentures are classified as Interest-bearing loans and borrowings at amortized cost. The debentures were settled early, in August 2011.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

10 Equity

a) Capital stock

The Company's capital stock amounts to R$249,061 (R$249,061 as at December 31, 2011), represented by 249,061,302 registered common shares with no par value.

Pursuant to its by-laws, the Company is obliged to distribute to its shareholders a mandatory dividend for each fiscal year ended December 31, for an amount not less than 25% of its profit, calculated pursuant to Accounting Practices Adopted in Brasil ("Brazilian GAAP") and adjusted according to the applicable legislation, except in cases where this is incompatible with the Company financial situation. The mandatory dividend includes amounts paid as interest on shareholders' equity. See Note 10 (c).

b) Destination of income for the year

Statutory Reserve

Of net income, 5% will be applied before any other allocation, to the statutory reserve, which shall not exceed 20% of the capital. The Company may fail to recognize a statutory reserve in the year when the balance of this reserve, plus the amount of capital reserves, exceeds 30% of the capital.

The statutory reserve is to ensure the integrity of the capital and can only be used to offset losses or increase capital.

	2012	**2011**
Net income	46,471	38,667
Retained earnings	14,083	26,299
Retained earnings – appropriation base	60,554	64,966
Establishment of legal reserve	(2,324)	(2,132)
Dividends	(11,037)	(10,662)
Interest on shareholders' equity	-	(38,089)
Additional dividends	(47,193)	-
Retained earnings after destination	**-**	**14,083**
Dividends	(11,037)	(10,662)
Interest on shareholders' equity	-	(38,089)
Additional dividends	(47,193)	-
Total	**(58,230)**	**(48,751)**

c) Interest on shareholders' equity / Dividends

Brazilian legislation gives companies the option of distributing interest on shareholders' equity ("JCP"), calculated on the basis of the official long-term interest rate ("TJLP"), which is deductible for tax purposes and, when distributed, may be considered as part of the mandatory dividend.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

Events occurring during 2012:

Event	Approval	Source	Start date for payment	Year	Type and Class of share	Amount of income per share	Total amount of income (R$ thousands)
EGM	4/5/2012	Dividends	4/11/2012	2009	Common	0.0522	13,000
AGM	4/30/2012	Dividends	9/14/2012	2011	Common	0.0428	10,662
EGM	9/11/2012	Interest on Shareholders' Equity	9/14/2012	2011	Common	0.1529	38,089
							61,751

No payments of dividends or interest on shareholders' equity were made during the years 2010 and 2011.

The proposed amount of dividends and interest on shareholders' equity per share is R$0.23 (2011 – R$0.20). No dividends or interest on shareholders' equity were proposed in 2010.

d) Basic and diluted earnings per share

The amount of basic and diluted earnings per share is R$0.19 (2011 – R$0.16). The number of shares used as the denominator for earnings per share was 249,061 (thousands) for 2012 and 2011.

11 Other operating expenses and income

Other operating expenses include service fees between the Company and Ambev in the amount of R$546 (2011 – R$1,205).

12 Finance costs and income

	2012	2011
Finance costs		
Interest expense (i)	-	(172,210)
Tax on financial transactions	-	(12,427)
Exchange variation	-	(1,595)
Other finance costs, including bank fees	-	(119)
	-	**(186,351)**
Finance income		
Interest income	5,146	4,960
Interest income – related parties (ii)	-	151,282
Gains on investments securities – related parties	-	35,955
Gains on derivatives not considered as hedge accounting	-	1,035
	5,146	**193,232**
Net Financial Cost	**5,146**	**6,881**

(i) On September 10, 2009 the Company issued debentures in the domestic market with a nominal value of R$2,000,000 bearing interests at 114% of CDI. On August 16, 2011, the debenture was extinguished at its book value. The financial expense resulting from this transaction was R$172,210. See Note 9.

(ii) On September 10, 2009, the Company acquired listed bonds issued by AmBrew, with a nominal value of R$ 2,000,000 bearing interests at 116.5% of CDI. On August 16, 2011, the bond was redeemed by AmBrew. The financial income resulting from this transaction was R$187,237.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

13 Income tax and social contribution

Income tax and social contribution recognized in net income are shown below:

	2012	2011
Current income tax and social contribution income/(expenses)	125	(3,441)
Deferred income tax and social contribution income/(expenses)	9,665	(181)
Total income tax and social contribution income/(expenses)	**9,790**	**(3,622)**

Reconciliation of effective tax rate with the enacted nominal rate:

	2012	2011
Income before income tax	36,681	42,289
Enacted tax rate	**34.00%**	**34.00%**
Tax – nominal rate	**(12,472)**	**(14,378)**
Adjustment on tax expenses		
Interest paid (received) on shareholders' equity net	12,950	(1,950)
Dividends received	8,297	12,681
Other tax adjustments	1,015	25
Income tax and social contribution income/(expenses)	**9,790**	**(3,622)**
Effective tax rate	**-26.69%**	**8.56%**

14 Related parties transactions

a) Trade and other receivables and trade and other payables:

	2012		2011		01/01/2011	
	Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
Ambev (i)	21,490	(208)	9,906	(4,256)	-	(2,777)
AmBrew (i) (ii)	-	-	-	-	-	(49,017)
IIBV (iii)	-	(29,665)	-	(23,662)	-	(13,000)
	21,490	**(29,873)**	**9,906**	**(27,918)**	**-**	**(64,794)**

Transactions with related parties include dividends receivable from equity securities held in Ambev and dividends and other payables to the parent company IIBV, both non-interest bearing.

b) Investments in Equity and Debt Securities:

	2012	2011	1/1/2011
Ambev (i)	1,274,660	1,002,391	752,464
AmBrew (i) (ii)	-	-	2,144,843
	1,274,660	**1,002,391**	**2,897,306**

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

c) Operations:

	2012	**2011**
Other operating expenses – Ambev (i)	(546)	(1,205)
Dividends income - Ambev (i)	32,921	37,299
Finance income - AmBrew (i) (ii)	-	187,237

(i) Entities under common control.

(ii) On September 10, 2009, the Company acquired listed bonds issued by AmBrew, with a nominal value of R$2,000,000 bearing interests at 116.5% of CDI. On August 16, 2011, the bond was redeemed by AmBrew. The financial income resulting from this transaction was R$187,237.

(iii) Parent company

15 Risks arising from Financial instruments

15.1 Risk factors and policies

Exposure to foreign currency, interest rates, liquidity and credit risk arise in the normal course of the Company's business. The Company analyzes each of these risks both individually and as an interconnected whole to define strategies to manage their economic impact on the Company's performance, in line with its financial risk management policy. The purpose of the policy is to provide guidelines for the management of financial risks inherent to the capital markets in which the Company operates. (i) capital structure, financing and liquidity, (ii) transactional risks related to the business, (iii) financial statements translation risks and (iv) credit risks of financial counterparties.

The policy establishes that all the financial assets and liabilities in each country where the Company operates must be denominated in their respective local currencies whenever possible. The policy also sets forth the procedures and controls needed for identifying, measuring and minimizing market risks, such as variations in foreign exchange rates and interest rates that may affect our revenues, costs and/or investment amounts. The policy states that all the currently known risks (e.g. foreign currency and interest) shall be mitigated by contracting derivative instruments.

The derivative financial instruments authorized by the risk policy are futures contracts traded on a stock exchange, deliverable forwards, non-deliverable forwards, swaps and call options. The Company had no outstanding derivative transactions as at December 31, 2012 and 2011. The Company does not make investments of a speculative nature in derivatives or in any other financial assets.

The Company's operations are subject to the following risk factors:

Foreign currency exchange risk

The Company incurs foreign currency exchange risk on borrowings whenever they are denominated in a currency other than its functional currency.

In 2010 we entered into a non-deliverable forward contract with Deutsche Bank, to provide hedge against currency variations between the Brazilian Real and the Euro. As at December 31, 2011, the operation had generated earnings of R$1,035, carried in the finance cost and income group (Note 12). The derivative instrument was contracted to protect the Company against currency fluctuations on a loan to AmBrew. The

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

notional was EUR22,000 with settlement date due to April 1, 2011. The value of the loan transaction was EUR22,000, equivalent on December 31, 2010, to R$49,017. It was repaid on April 5, 2011, and was carried in the account Trade and Other Payables.

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 Company's policy is to achieve an optimal balance between cost of funding and profitability of financial results, while taking into account market conditions as well as the Company's overall business strategy.

Credit risk

In order to minimize the credit risk of its investments, the Company has adopted procedures for cash and investment allocation that avoid credit concentration; i.e., the credit risk is monitored and minimized, to the extent that trading is done only with a select group of highly rated counterparties and with related parties.

The carrying amount of financial assets represents the maximum exposure to credit risk. The carrying amount of cash and cash equivalents, investment securities and trade and other receivables represents the maximum exposure of credit risk as of December 31, 2012 and 2011. There was no concentration of credit risk with any counterparties as of December 31, 2012 and 2011.

Equity Securities Price Risk

The Company has marketable equity securities that are subject to price risk arising from changes in their market prices. The Company does not own any marketable securities for trading purposes. As of December 31, 2012, the Company held marketable equity securities with an acquisition cost of R$249,663 and fair value of 1,274,660. The potential change in the fair value of the equity securities, assuming a 10% change in prices, would be approximately R$127,466 as of December 31, 2012.

Liquidity risk

The Company believes that cash flows from operating activities, cash and cash equivalents and short-term investments, together with the derivative financial instruments and access to loan facilities, are sufficient to finance capital expenditures, financial liabilities and dividend payments in the future.

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

The contractual maturities of non-derivative financial liabilities are as follows:

2012				
Non-derivative financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 to 2 years**
Dividends payable	11,037	11,037	11,037	-
Trade payables	18,836	18,836	18,836	-
Total	**29,873**	**29,873**	**29,873**	**-**

2011				
Non-derivative financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 to 2 years**
Dividends payable	23,662	23,662	23,662	-
Trade payables	4,256	4,256	4,256	-
Total	**27,918**	**27,918**	**27,918**	**-**

01/01/2011				
Non-derivative financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 to 2 years**
Dividends payable	13,000	13,000	13,000	-
Trade payables	51,794	51,794	51,794	-
Interest-bearing loans and borrowings	1,977,819	2,139,643	-	2,139,643
Total	**2,042,613**	**2,204,437**	**64,794**	**2,139,643**
Derivative financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 to 2 years**
Foreing exchange derivatives	531	531	531	-
Total	**531**	**531**	**531**	**-**

15.2 Financial instruments

Management of these instruments includes operational strategies and internal controls to assure liquidity, profitability and transaction security. Financial instruments transactions are regularly reviewed for the effectiveness of the risk exposure that management intends to cover (foreign exchange, interest rate etc.).

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

Transactions involving financial instruments, segregated by category, are recognized in the financial statements, as follows:

	Loans and receivables	Available-for-sale assets	Total
December 31, 2012			
Assets according to the balance sheet			
Cash and cash equivalents			
Short term bank deposits	46,703	-	46,703
Current bank accounts	1,452	-	1,452
Trade and other receivables			
Trade receivables from Ambev	6,687	-	6,687
Dividends receivable from Ambev	14,803	-	14,803
Investment securities	-	1,274,660	1,274,660
Total	**69,645**	**1,274,660**	**1,344,305**

	Loans and receivables	Available-for-sale assets	Total
December 31, 2011			
Assets according to the balance sheet			
Cash and cash equivalents			
Short term bank deposits	67,371	-	67,371
Current bank accounts	2,083	-	2,083
Trade and other receivables			
Dividends receivable from Ambev	9,906	-	9,906
Investment securities	-	1,002,391	1,002,391
Total	**79,360**	**1,002,391**	**1,081,751**

	Loans and receivables	Available-for-sale assets	Total
January 1, 2011			
Assets according to the balance sheet			
Cash and cash equivalents			
Short term bank deposits	4,318	-	4,318
Current bank accounts	2,948	-	2,948
Investment securities	-	2,897,306	2,897,306
Total	**7,266**	**2,897,306**	**2,904,572**

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

	Liabilities measured at amortized cost	Derivatives	Total
December 31, 2012			
Liabilities according to the balance sheet			
Trade and other payables			
Dividends payable	11,037	-	11,037
Trade payables	18,836	-	18,836
Total	**29,873**	**-**	**29,873**

	Liabilities measured at amortized cost	Derivatives	Total
December 31, 2011			
Liabilities according to the balance sheet			
Trade and other payables			
Dividends payable	23,662	-	23,662
Trade payables	4,256	-	4,256
Total	**27,918**	**-**	**27,918**

	Liabilities measured at amortized cost	Derivatives	Total
January 1, 2011			
Liabilities according to the balance sheet			
Trade and other payables			
Dividends payable	13,000	-	13,000
Trade payables	51,794	-	51,794
Interest payable	10,578	-	10,578
Derivative financial instruments	-	531	531
Interest-bearing loans and borrowings	1,977,819	-	1,977,819
Total	**2,053,191**	**531**	**2,053,722**

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

15.3 Classification of financial instruments by type of fair value measurement

Pursuant to IFRS 7 – Financial instruments: Disclosures, the Company should classify measurements of fair value using a grading system that reflects the reliability of the data used in the measuring process. The classification of fair value of financial instruments held on December 31 is shown below:

	2012			
Financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment in equity securities	1,274,660	-	-	1,274,660
	2011			
Financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment in equity securities	1,002,391	-	-	1,002,391
	01/01/2011			
Financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment in equity securities	752,464	-	-	752,464
Investment in debt securities	-	2,144,843	-	2,144,843
Derivative financial instruments	-	531	-	531

The classification of fair value should contain the following levels:

Level 1 – Valuation at (unadjusted) prices quoted on active markets;

Level 2 – other data besides those quoted on an active market (Level 1) that may price the obligations and rights directly (e.g., active market prices) or indirectly (e.g., valuation techniques that use data derived from active markets); and

Level 3 – Pricing data that are not based on observable market data.

15.4 Interest – bearing loans and borrowings

The Company's financial liabilities, mainly represented by interest – bearing loans and borrowings (Note 9), are recorded at amortized cost according to the effective rate method, plus indexation and foreign exchange gains/losses, based on closing indices for each period.

Had the Company recognized its financial liabilities at market value, it would have recorded an additional loss, before income tax and social contribution, of R$(104,278) at January 1, 2011.

16 Transition to IFRS

16.1 Application of IFRS 1

For local statutory purposes the Company prepares its financial statements in accordance with Brazilian GAAP. As stated in Note 2, these are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been determined based on IFRS effective as of December 31, 2012 and have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening IFRS balance sheet at January 1, 2011 (the Company's date of transition).

Table of Contents

Ambev S.A. (formerly InBev Participações Societárias S.A.)

Notes to the financial statements as at December 31, 2012 and 2011
(Expressed in thousands of Brazilian *Reais*, except where otherwise stated)

In preparing its opening IFRS balance sheet, there were no adjustments or reclassifications to the amounts previously reported in the financial statements prepared in accordance with Brazilian GAAP, which is prior GAAP for IFRS purpose on balance sheet items as at December 31, 2011 and 2010 and the income statement and cash flow statement items for the year ended December 31, 2011. Thus, the Company did not apply any of the exceptions or exemptions under IFRS 1.

17 Events after the latest balance sheet date

A shareholders' meeting of the Company held on March 1, 2013, approved the change of the name of the Company from InBev Participações Societárias S.A to Ambev S.A and the payment of dividends in the amount of R$11,037 and interest on shareholder's equity in the amount of R$13,063.

* * *

Executive Board
Daniela Rodrigues
Ricardo Gonçalvez Melo

Accountant
Giovana da Costa Rocha
CRC 1SP245418/O-3

Table of Contents

Report of independent registered public accounting firm

To the Board of Directors and Shareholders of Ambev S.A (formerly InBev Participações Societárias S.A.)

In our opinion, the accompanying combined balance sheets and the related combined statements of income, comprehensive income, changes in net investment and cash flows present fairly, in all material respects, the financial position of the combined Anheuser-Busch InBev N.V./S.A. interests in Companhia de Bebidas das Américas - Ambev and Ambev S.A. (formerly Inbev Participações Societárias S.A. or the "Company") at December 31, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

São Paulo, March 19, 2013

/s/PricewaterhouseCoopers Auditores Independentes
PricewaterhouseCoopers Auditores Independentes

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Income Statements

Years ended December 31, 2012, 2011 and 2010

(Expressed in millions of Brazilian *Reais*)

	Note	2012	2011	2010
Net sales	6	32,231.0	27,126.7	25,233.3
Cost of sales		(10,461.6)	(8,999.6)	(8,682.2)
Gross profit		**21,769.4**	**18,127.1**	**16,551.1**
Sales and marketing expenses		(7,346.4)	(6,250.6)	(6,038.3)
Administrative expenses		(1,548.9)	(1,182.8)	(1,204.5)
Other operating income/(expenses)	7	863.4	783.2	624.7
Income from operations before special items		**13,737.5**	**11,476.9**	**9,933.0**
Special items	8	(50.4)	23.1	(150.8)
Income from operations		**13,687.1**	**11,500.0**	**9,782.2**
Finance cost	11	(1,474.4)	(1,420.1)	(1,336.2)
Finance income	11	666.8	958.8	1,018.4
Net finance cost		**(807.6)**	**(461.3)**	**(317.8)**
Share of results of associates		0.5	0.5	0.2
Income before income tax		**12,880.0**	**11,039.2**	**9,464.6**
Income tax expense	12	(2,337.1)	(2,455.1)	(2,004.4)
Net income		**10,542.9**	**8,584.1**	**7,460.2**
Attributable to:				
Majority owner of Ambev S.A. Predecessor		6,400.0	5,212.0	4,516.5
Non-controlling interest		4,142.9	3,372.1	2,943.7

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

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Statements of Comprehensive Income
Years ended December 31, 2012, 2011 and 2010

(Expressed in millions of Brazilian *Reais*)

	2012	2011	2010
Net income	**10,542.9**	**8,584.1**	**7,460.2**
Exchange differences on translation of foreign operations (gains/ (losses))	1,092.5	912.3	(391.0)
Actuarial gains and (losses)	(110.0)	(503.7)	(234.5)
Gains/losses of non-controlling interest's share	833.6	(0.2)	-
Change in fair value of investment securities	-	(74.3)	74.3
Deferred tax liabilities on change in fair value of investment securities	-	25.3	(25.3)
Cash flow hedges - gains / (losses)			
Recognized in Net income (cash flow hedge)	488.8	185.6	96.8
Removed from Net income and included in profit or loss	(329.4)	(188.1)	(48.7)
Deferred income tax variance in Net income and other changes	(119.0)	(82.4)	95.6
Total cash flow hedges	40.4	(84.9)	143.7
Net income (loss) recognized directly in Net income	**1,856.5**	**274.5**	**(432.8)**
Total comprehensive income	**12,399.4**	**8,858.6**	**7,027.4**
Attributable to:			
Majority owner of Ambev S.A. Predecessor	7,204.5	5,589.2	4,297.4
Non-controlling interest	5,194.9	3,269.4	2,730.0

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

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Balance Sheets
As at December 31, 2012 and 2011

(Expressed in millions of Brazilian *Reais*)

Assets	Note	2012	2011
Non-current assets			
Property, plant and equipment	13	12,351.3	10,375.5
Goodwill	14	26,645.2	23,814.2
Intangible assets	15	2,936.1	1,912.8
Investments in associates		24.0	21.7
Investment securities	16	249.4	242.1
Deferred tax assets	17	1,428.2	1,447.1
Employee benefits	22	25.5	18.5
Taxes receivable		12.3	16.3
Trade and other receivables	19	1,855.0	1,232.0
		45,527.0	**39,080.2**
Current assets			
Investment securities	16	476.6	193.4
Inventories	18	2,466.3	2,238.5
Taxes receivable		116.5	293.9
Trade and other receivables	19	4,268.1	3,875.3
Cash and cash equivalents	20	8,974.3	8,145.7
Assets held for sale		4.1	0.4
		16,305.9	**14,747.2**
Total assets		**61,832.9**	**53,827.4**

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

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Balance Sheets (continued)
As at December 31, 2012 and 2011

(Expressed in millions of Brazilian *Reais*)

Net investment and Liabilities	Note	2012	2011
Net investment			
Majority owner net investment		25,198.6	23,089.6
Non-controlling interests		12,070.4	10,035.7
Total net investment		**37,269.0**	**33,125.3**
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,306.0	1,890.2
Employee benefits	22	1,780.9	1,602.9
Deferred tax liabilities	17	1,367.7	1,112.0
Trade and other payables	24	3,063.9	1,196.6
Provisions	25	518.1	478.4
		9,036.6	**6,280.1**
Current liabilities			
Bank overdrafts	20	0.1	12.3
Interest-bearing loans and borrowings	21	837.8	2,212.1
Income tax and social contribution payable		972.6	793.9
Trade and other payables	24	13,579.3	11,302.1
Provisions	25	137.5	101.6
		15,527.3	**14,422.0**
Total liabilities		**24,563.9**	**20,702.1**
Total net investment and liabilities		**61,832.9**	**53,827.4**

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

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Statements of Changes in Net Investment

(Expressed in millions of Brazilian *Reais*)

	Total Majority Owner's Net Investment	Non-controlling interest	Total Net Investment
Balance at January 01, 2010	**20,446.3**	**8,681.9**	**29,128.2**
Net income	4,516.5	2,943.7	7,460.2
Distributions to owners	(3,115.4)	(2,009.3)	(5,124.7)
Other comprehensive income	(219.0)	(213.8)	(432.8)
Others	182.7	98.5	281.2
Balance at December 31, 2010	**21,811.1**	**9,501.0**	**31,312.1**
Net income	5,212.0	3,372.1	8,584.1
Distributions to owners	(4,504.6)	(2,843.9)	(7,348.5)
Other comprehensive income	377.2	(102.7)	274.5
Others	193.9	109.2	303.1
Balance at December 31, 2011	**23,089.6**	**10,035.7**	**33,125.3**
Net income	6,400.0	4,142.9	10,542.9
Distributions to owners	(4,069.5)	(2,527.3)	(6,596.8)
Other comprehensive income	804.5	1,052.0	1,856.5
Others	(1,026.0)	(632.9)	(1,658.9)
Balance at December 31, 2012	**25,198.6**	**12,070.4**	**37,269.0**

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

Table of Contents

Combined financial statements of ABI's interests in Ambev S.A. and Ambev
("AMBEV S.A. PREDECESSOR FINANCIAL STATEMENTS")

Combined Cash Flow Statements

Years ended December 31, 2012, 2011 and 2010
(Expressed in millions of Brazilian *Reais*)

	Note	2012	2011	2010
Net income		10,542.9	8,584.1	7,460.2
Depreciation, amortization and impairment		1,939.9	1,662.1	1,805.6
Impairment losses on receivables and inventories		127.0	72.8	137.7
Additions in provisions and employee benefits		113.9	40.2	111.8
Net finance cost	11	807.6	461.3	317.8
Gain on sale of property, plant and equipment and intangible assets		(36.8)	(23.8)	(9.9)
Loss/(gain) on assets held for sale		3.7	(36.4)	(11.0)
Equity-settled share-based payment expense	23	144.6	122.3	120.3
Income tax expense	12	2,337.1	2,455.1	2,004.4
Share of result of associates		(0.5)	(0.5)	(0.2)
Other non-cash items included in the profit		(223.0)	(148.8)	62.3
Cash flow from operating activities before changes in working capital and use of provisions		**15,756.4**	**13,188.4**	**11,999.0**
Increase in trade and other receivables		(346.6)	(421.9)	(417.7)
Increase in inventories		(196.3)	(289.8)	(584.1)
Increase in trade and other payables		562.0	1,250.6	556.9
Cash generated from operations		**15,775.5**	**13,727.3**	**11,554.1**
Interest paid		(486.4)	(597.0)	(954.5)
Interest received		450.4	708.4	551.1
Income tax paid		(1,604.4)	(1,213.6)	(1,129.8)
Cash flow from operating activities		**14,135.1**	**12,625.1**	**10,020.9**
Proceeds from sale of property, plant and equipment and intangible assets		122.8	71.6	72.1
Acquisition of property, plant and equipment and intangible assets	13	(3,014.1)	(3,200.2)	(2,286.8)
Acquisition of subsidiaries, net of cash acquired	5	(2,537.0)	-	(18.7)
Investment in short term debt securities and net proceeds/(acquisition) of debt securities		(272.4)	870.2	(962.2)
Net proceeds/(acquisition) of other assets		(16.6)	55.0	19.8
Repayments of loans granted		-	2,016.5	1.5
Cash flow from investing activities		**(5,717.3)**	**(186.9)**	**(3,174.3)**
Capital increase		210.1	220.9	246.4
Capital increase of non-controlling interest		-	(10.2)	77.6
Share premium		-	-	8.3
Proceeds/repurchase of treasury shares		(30.4)	(31.1)	16.7
Proceeds from borrowings		1,470.2	1,555.6	1,056.3
Repayment of borrowings		(3,198.5)	(6,223.0)	(1,252.7)
Cash net of finance costs other than interests		(645.5)	(681.7)	23.3
Payment of finance lease liabilities		(8.1)	(7.1)	(6.7)
Dividends paid		(5,478.1)	(5,448.0)	(5,005.4)
Cash flow from financing activities		**(7,680.3)**	**(10,624.6)**	**(4,836.2)**
Net increase/(decrease) in cash and cash equivalents		**737.5**	**1,813.6**	**2,010.4**
Cash and cash equivalents less bank overdrafts at beginning of year		**8,133.4**	**5,915.6**	**4,048.2**
Effect of exchange rate fluctuations		**103.3**	**404.2**	**(143.0)**
Cash and cash equivalents less bank overdrafts at end of year	20	**8,974.2**	**8,133.4**	**5,915.6**

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

Table of Contents

Notes to the Ambev S.A. Predecessor financial statements:

Table of Contents

1. CORPORATE INFORMATION

(a) The Proposed Transaction

On December 7, 2012, Companhia de Bebidas das Américas - Ambev (hereinafter referred to as "Ambev"), announced its intention, subject to shareholders' approval, to complete a corporate restructuring under the Brazilian Corporate Law, through a stock swap merger (the "Stock Swap Merger") of Ambev with Ambev S.A. (formerly InBev Participações S.A.), the overall result of which is to promote a recapitalization of Ambev, and convert Ambev's current dual-class capital structure comprised of voting common and non-voting preferred shares into a new single–class capital structure comprised exclusively of voting common shares.

Pursuant to the Stock Swap Merger:

- in exchange for their Ambev common or preferred shares, Ambev shareholders will receive five Ambev S.A. common shares for each Ambev share they hold; and
- in exchange for their American Depositary Shares, or ADSs, of Ambev, each representing one Ambev common or preferred share, Ambev ADS holders will receive five Ambev S.A. ADSs, each representing one Ambev S.A. common share, for each Ambev ADS they hold.

Prior to the completion of the stock swap merger, Ambev S.A. will receive a capital contribution, in the form of Ambev shares, currently owned by Anheuser-Busch InBev S.A./N.V. ("ABI"), through its wholly owned subsidiaries Interbrew International B.V. ("IIBV") and AmBrew S.A.("AmBrew") (hereinafter, referred to as the Contribution). As a result, Ambev S.A. will become Ambev's direct controlling shareholder.

These accompanying combined financial statements present the historical combined financial positions, results of operations and cash flows of Ambev S.A. and the Ambev equity interests held by ABI controlled entities (that will be transferred to Ambev S.A. pursuant to the Contribution), reflecting the purchase accounting adjustments recognized by ABI and a non-controlling interest for the Ambev interests not owned by ABI (See Note 1(c) below for a summary and description of the adjustments that were made to the Ambev financial statements). These combined financial statements are referred to as the Ambev S.A. Predecessor financial statements, as such financial statements will become the historical consolidated financial statements of Ambev S.A. (the "Company") after the Contribution, after giving retroactive effect in earnings per share to the number of shares outstanding of the Company immediately after the Contribution.

(b) Description of business

Ambev is headquartered in São Paulo, Brazil, produces and sells beer, draft beer, soft drinks, other non-alcoholic beverages, malt and food in general, either directly or by participating in other Brazilian-domiciled companies and elsewhere in the Americas.

Ambev S.A. is currently a non-reporting, closely held Brazilian corporation with no business operations, material liabilities or assets, other than an interest ownership of 0.5% in Ambev's total capital stock arising from Ambev S.A.'s acquisition of Ambev shares. Ambev's and Ambev S.A.'s controlling shareholder is ABI.

Table of Contents

The Ambev S.A. Predecessor financial statements were approved by the Board of Directors on March 5, 2013.

(c) Basis of presentation of the Ambev S.A. Predecessor financial statements

The accompanying Ambev S.A. Predecessor financial statements have been prepared to reflect:

- the historical results of operations and financial position of Ambev (consolidated) and Ambev S.A. on a combined basis, adjusted to eliminate intercompany balances, transactions and unrealized gains and losses;
- the effects of the initial acquisition of Ambev by ABI, which represent the ABI's or accounting basis for its current investment Ambev; and
- a non-controlling interest for the equity interest in Ambev not owned by ABI, and which has been determined at its proportionate share of identifiable net investment and net income.

The eventual transfer to Ambev S.A. of Ambev's shares, currently owned by ABI, through its wholly owned subsidiaries IIBV and AmBrew, will be a combination of entities under common control. The Company will account for the contribution using the predecessor value method. Under this method the book value used to record assets and liabilities will be those in the consolidated financial statements of ABI, the ultimate parent or the highest level of common control where consolidated financial statements are prepared (ABI accounting basis). As such, the accompanying Ambev S.A. Predecessor financial statements include certain purchase accounting adjustments to reflect certain business combination adjustments recognized by ABI, the ultimate parent, upon its business acquisition of Ambev in 2004 and subsequent additional investments.

As a result, the balance sheet items in Ambev's consolidated balance sheet have been adjusted as follows:

	2012	2011
Goodwill amount recognized in ABI's consolidated financial statements	6,674.5	6,360.2
Difference between the book value and fair value of property, plant and equipment recognized in ABI consolidated financial statements.	939.0	1,110.3
Deferred tax impact on the adjustments above.	319.4	378.0
Non-controlling interest in net investment	11,010.4	9,818.2

The impact of the adjustments above in the Ambev's consolidated income statements are as follows:

	2012	**2011**	**2010**
Increase in depreciation and amortization	(171.3)	(207.5)	(239.3)
Income tax provision	58.2	70.6	81.4
Non-controlling interest in net income	4,008.4	3,293.3	2,885.9

Table of Contents

The Ambev S.A. Predecessor financial statements are presented in millions of Brazilian Reais (R$), rounded to the nearest million indicated. Depending on the applicable IFRS requirement, the measurement basis used in preparing the financial statements is historical cost, net realizable value, fair value or recoverable amount. Whenever the IFRS provides an option between cost of acquisition and another measurement basis (e.g., systematic re-measurement), the cost approach is applied.

As these Ambev S.A. Predecessor financial statements represent the combination of two legal entities; Ambev, which is majority owned by ABI and Ambev S.A., which is wholly owned by ABI, the net investment of Ambev S.A. Predecessor financial statements have been presented in the following two line items:

- Majority Owner Net Investment, which represents ABI's interest in Ambev and Ambev S.A.; and
- Non-controlling interest not held by ABI.

2. STATEMENT OF COMPLIANCE

The Ambev S.A. Predecessor financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Ambev S.A. Predecessor did not opt for early adoption of any accounting requirement or pronouncement issued by IASB.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these combined financial statement are described below. These policies have been consistently applied in all the periods reported.

(a) Basis of preparation and measurement

The Ambev S.A. Predecessor financial statements have been prepared and are being presented in accordance with the IFRS as issued by the IASB that were effective as of December 31, 2012.

The Ambev S.A. Predecessor financial statements are presented in millions of Brazilian Reais (R$), rounded to the nearest million indicated. Depending on the applicable IFRS requirement, the measurement basis used in preparing the financial statements is historical cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost of acquisition and another measurement basis (e.g., systematic re-measurement), the cost approach is applied.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies

Table of Contents

and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for decision making regarding the judgments about carrying amounts of assets and liabilities that are not readily evident from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on a regular basis, being recognized in the period in which the estimate is revised if the revision affects only that period, or recorded in current and future periods if the revision affects such periods.

Management believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to 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 value of identifiable intangible assets acquired is based on an assessment of future cash flows discounted to present value. Subsequently, impairment analyses of goodwill and intangible assets with undefined useful lives are performed on a yearly basis, and whenever a triggering event has occurred, in order to determine whether the carrying amount exceeds the recoverable amount.

Management uses judgment to select a variety of methods including the discounted cash flow method to make assumptions about the fair value of financial instruments that are mainly based on market conditions at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used for calculating pension and other post-retirement benefit expenses and other liabilities. These factors include assumptions with respect to interest rates, expected return on plan assets, increase in health care costs, future salary increases, turnover rates, and longevity rates.

The Company is subject to income tax in numerous jurisdictions. Significant judgment is required for determining global income tax provision. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries are involved in tax audits and local inquiries usually in relation to prior years. In assessing the amount of any income tax provisions to be recognized in the financial statements estimates are made regarding the expected 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 for the period in which such determination is made.

(b) Basis of consolidation

Subsidiaries

Subsidiaries are those companies in which Ambev S.A. Predecessor, directly or indirectly, has an interest of more than half of the voting rights or otherwise has control, directly or indirectly, over the operations so as to obtain benefits from the companies' activities. In

Table of Contents

assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the Ambev S.A. Predecessor financial statements from the date that control commences until the date that control ceases.

Ambev S.A. Predecessor uses the purchase method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by Ambev S.A. Predecessor. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement when applicable. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Ambev S.A. Predecessor recognizes the non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the net assets acquired. The measurement of non-controlling interest to be recognized is determined for each acquisition.

The excess of the consideration transferred and the fair value at the date of acquisition of previous equity interest in the acquiree over the fair value of the Ambev S.A. Predecessor's share of the identifiable net assets acquired is recorded as goodwill. In acquisitions where the Ambev S.A. Predecessor assigns fair value to the non-controlling interest, the goodwill calculation also includes the value of any non-controlling interest in the acquiree, and the goodwill is determined by considering the participation of Ambev S.A. Predecessor and non-controlling interests. When the consideration transferred is less than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in income.

Associates

Associates are those entities in which the Ambev S.A. Predecessor 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.

Jointly-controlled entities

Jointly-controlled entities are consolidated using the proportionate method. The Ambev S.A. Predecessor consolidates the assets, the liabilities and the income of the companies located in Brazil, Agrega Inteligência em Compras Ltda. ("Agrega") and Ice Tea do Brasil Ltda. ("ITB"), as well as the assets, the liabilities and the income of the two distribution entities in Canada, Brewers Retails Inc. and Brewers' Distributor Ltd., in proportion to its participation in these companies.

Consolidation process

The financial statements of the Ambev S.A. Predecessor's subsidiaries, jointly-controlled entities and associates are prepared for the same reporting period as the Ambev S.A. Predecessor, using consistent accounting policies.

Associates are accounted for using the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. When

Table of Contents

associate's share of losses exceeds the carrying amount of its investment, the carrying amount of the investment is reduced to nil.

All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Ambev S.A. Predecessor's interest in the entity. Unrealized losses are reviewed to determine that they are not an indication of further impairment.

(c) 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. 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 Brazilian *Reais* at exchange rates ruling at the dates the fair value was determined. Gains and losses arising from the settlement of transactions in foreign currencies and resulting from the conversion of assets and liabilities denominated in foreign currencies are recognized in the income statement.

The most significant exchange rates used in the preparation of the Ambev S.A. Predecessor financial statements are as follows:

			Closing rate			Average rate		
Currency	**Name**	**Country**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
CAD	Canadian Dollars	Canada	2.0524	1.8366	1.6712	1.9461	1.6914	1.7114
DOP	Dominican Pesos	Dominican Republic	0.0512	0.0483	0.0445	0.0497	0.0437	0.0480
USD	US Dollar	Ecuador, Denmark, Luxembourg and Argentina and Uruguay Malt operations	2.0435	1.8758	1.6662	1.9476	1.6602	1.7679
GTQ	Quetzal	Guatemala	0.2586	0.2396	0.2075	0.2488	0.2132	0.2180
PEN	Novo Sol	Peru	0.8007	0.6945	0.5940	0.7372	0.6019	0.6219
VEF	Bolivar Forte	Venezuela(i)	0.4759	0.4359	0.3884	0.4543	0.3872	0.41207
ARS	Argentinean Peso	Argentina	0.4156	0.4359	0.4191	0.4286	0.4025	0.4481
BOB	Bolivian Peso	Bolivia	0.2936	0.2695	0.2367	0.2798	0.2375	0.2495
PYG	Guarani	Paraguay	0.0005	0.0004	0.0004	0.0004	0.0004	0.0004
UYU	Uruguayan Peso	Uruguay	0.1053	0.0942	0.0829	0.0963	0.0856	0.0876
CLP	Chilean Peso	Chile	0.0043	0.0036	0.0036	0.0040	0.0034	0.0034

(i) Brahma Venezuela was incorporated by Cerveceria Regional as part of the restructuring of operations in that country.

Table of Contents

(d) Conversion of the financial statements of subsidiaries located abroad

The transactions of each subsidiary are measured using the currency of the primary economic environment in which Ambev S.A. Predecessor operates ("functional currency").

The income statement and cash flows for these subsidiaries are translated at average exchange rates for the period and the changes in net investment are translated at the historical exchange rates of each transaction. The translation adjustments arising from the difference between the average exchange rates and the historical rates are recorded directly in Other comprehensive income.

Transactions and balances

The foreign exchange gains and losses related to loans and cash and cash equivalents are presented in the income statement as finance cost or finance income.

Changes in fair value of securities in foreign currency which are classified as available for sale are separated from the exchange rate changes related to the amortized cost of the security and other changes in the carrying value. The exchange rate changes in amortized cost are recognized in the income statement whereas other changes in carrying value of the security are recognized in net investment.

The foreign exchange effects on assets and liabilities are recognized in the income statement as part of the fair value gain or loss. The exchange rate effects on non-monetary financial assets such as investments in shares which are classified as available for sale are included in net investment.

On consolidation, exchange differences arising from translation of net investments in foreign operations and borrowings and other currency instruments designated as net investment hedges are recognized in "Other comprehensive income".

The goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Functional and presentation currency

The functional and presentation currency of the financial statements of the Ambev S.A. Predecessor is the Brazilian *Real*.

(e) Intangible assets

Market assets from former distributors

The distribution assets are acquired from former distributors and correspond substantially to rights contracts with the points of sale and supply of master data information to Ambev S.A. Predecessor of such points of sale, including financial history and purchase profile.

Table of Contents

Brands

When part of the consideration paid in a business combination is related to brands, these are recognized in a specific Intangible Assets account and measured at fair value as of the date of acquisition. Subsequently, the value of brands can be reduced in case of impairment losses (note 3 (m)). In-house expenditures for developing a brand are recognized as expenses.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits of an already recognized intangible asset. All other expenditures are recognized as expenses when incurred.

Amortization

Intangible assets with finite useful lives are amortized based on the straight-line method over their estimated useful lives. Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment annually or when there is any objective indication of impairment (note 3 (m)).

(f) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and jointly-controlled entities.

In conformity with IFRS 3 *Business Combinations,* goodwill is carried at cost and is not amortized, but tested for impairment annually and whenever there are indications that the cash generating unit to which the goodwill has been allocated may be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses recognized on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

Regarding associate companies, goodwill is included in the carrying amount of the investment in the associate.

(g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost includes the purchase price, borrowing cost incurred during the construction period and any other 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

Table of Contents

management (e.g. non refundable tax, transport and the costs of dismantling and removal and site restoration, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditures

Ambev S.A. Predecessor recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing a component of such an item if it is probable that the future economic benefits embodied with the item will flow to Ambev S.A. Predecessor 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 as follows:

Buildings	25 years
Plant and equipment	15 years
Fixtures	10 years
Fittings	10 years
External use assets	2 - 5 years

The assets' residual values and useful lives are regularly reviewed. Management uses judgment to assess and ascertain the useful lives of these assets.

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

Gains and losses on disposals are determined by comparing the results with the carrying amount and are recognized in "Other operating income/(expenses)" in the income statement.

(h) Accounting for operating and finance leases

Leases of property, plant and equipment where the Ambev S.A. Predecessor 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. Depreciation and impairment testing for depreciable leased assets is the same as for depreciable assets that are owned by Ambev S.A. Predecessor.

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.

Table of Contents

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.

(i) Investments

All investments are accounted for at trade date.

Investments in equity securities

Investments in equity securities are undertakings in which Ambev S.A. Predecessor 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 initially 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 are recognized directly in Other comprehensive income, except those related to impairment losses which are recognized in the income statement.

When the investment is sold, the unrealized gain or loss previously accumulated and carried directly in other comprehensive income is recognized in the income statement.

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 recognized in the income statement or directly in Other comprehensive income, respectively. Fair value of these investments is determined based on 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 original maturities greater than three months 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 management's intent and ability to withdraw them within less than one year, as well as, considering their highly liquid nature and the fact that they represent cash available to fund current operations.

Other investments

Other investments held by Ambev S.A. Predecessor 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.

Table of Contents

(j) 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, gains and losses with derivative financial instruments, other direct costs 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 cost for bringing inventories to sales conditions and selling costs.

(k) 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 impairment loss is recorded for an amount considered sufficient by management to cover probable losses upon the realization of receivables. Historically, no significant losses in trade receivables have been experienced.

(l) Cash and cash equivalents

Cash and cash equivalents include all cash balances, bank deposits, and short-term highly liquid investments with a maturity up to three months with insignificant risk of changes in value, being the balance shown net of guaranteed account balances in the statement of cash flows.

(m) Impairment of assets

The carrying amounts of financial assets, property, plant and equipment, goodwill and intangible assets are reviewed at each closing to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill, intangible assets that are not yet available for use and intangibles with an indefinite life are tested for impairment annually at the business unit level (which is one level below the reportable segment) or when there is any indication of impairment. 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

Debt securities

The recoverable amount of Ambev S.A. Predecessor'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 and quoted debt securities the recoverable amount is their fair value.

Table of Contents

Intangible assets with indefinite useful life

Intangible assets with an indefinite useful life are tested on a fair value approach applying multiples that reflect current market transactions to indicators that drive the profitability of the asset or the royalty stream that could be obtained from licensing the intangible asset to another party in an arm's length transaction.

Other assets

The recoverable amount of other assets is determined as the higher of their fair value less costs to sell and value in use. The recoverable amount of the cash generating units to which the goodwill and the intangible assets with indefinite useful life belong is based on a fair value approach.

More specifically, a discounted free cash flow approach, based on current acquisition valuation models, is used. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment losses

Non-financial assets other than goodwill and equity investments classified as held for sale that had impairment are reviewed for possible reversal of the impairment at the date of presentation. Impairment losses on other assets are reversed if the increase in their recoverable amount is related to specific events occurring after the impairment testing. Impairment losses are 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.

(n) Assets held for sale

Ambev S.A. Predecessor classifies an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before classification as held for sale, these assets are measured based on the lower between the carrying amount and the fair value less cost to sell. Impairment losses on initial classification as held for sale are included in the income statement. The same applies to gains and losses on subsequent re-measurement until the limit of the original carrying amount.

Assets classified as held for sale are not depreciated or amortized.

Table of Contents

(o) Present value of assets and liabilities

Monetary long term assets and liabilities are usually inflation-indexed, and thus adjusted to present value. The present value adjustment of monetary, short-term assets and liabilities is only calculated and recorded if the adjustment is considered significant to the financial statements taken as a whole. For purposes of recording and determining their relevance, the present value adjustment is calculated taking into account the contractual cash flows and interest rates applicable to the related assets and liabilities.

ICMS (Brazilian State value added tax) loans obtained in the context described in note 3 (w) are recorded at present value since these are considered subsidized loans. The average funding costs in the debt market is determined as the appropriate discount rate for calculating the present value adjustment in this type of transaction. Upon funding, the present value adjustment related to the consideration is calculated and recorded in "Other operating income", following the treatment for subsidies. Management reviews the discount rate used annually for new subsidized loans, by considering the prospective application of the weighted average rates prevailing at the moment.

Monthly, taking into account the value of the consideration, the period to maturity, the financing contract interest rate and the above mentioned discount rate, the reduction in present value adjustment is allocated to financial income, so as to bring the balance to zero by the time of settlement of each consideration.

(p) Dividends and Interest on shareholder's net investment

Dividends and Interest on shareholder's net investment are recorded in liabilities in the period in which they are declared, except the unpaid portion relating to the statutory mandatory dividend which is recorded at the end of each fiscal year, in accordance with applicable law.

Brazilian companies are permitted to pay limited amounts of interest attributable to capital to shareholders and treat such payments as an expense for Brazilian income and social contribution tax purposes. This notional interest distribution is treated for accounting purposes as a deduction from shareholders' equity in a manner similar to a dividend. The benefit from the tax deductible interest on shareholders' equity is recognized in income.

(q) Provisions

Provisions are recognized when: (i) Ambev S.A. Predecessor has a present legal or constructive obligation as a result of past events; (ii) it is likely that a future disbursement will be required to settle the current obligation; and (iii) a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase accruals are recognized as finance expense.

Table of Contents

Restructuring

A provision for restructuring is recognized when Ambev S.A. Predecessor has approved a detailed restructuring plan, and the restructuring has either commenced or has been announced. Costs relating to the ongoing and future activities of Ambev S.A. Predecessor 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 Ambev S.A. Predecessor 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 Ambev S.A. Predecessor 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 filed by or against Ambev S.A. Predecessor relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment-related disputes, claims from tax authorities, and other litigation matters.

(r) Employee benefits

Post-employment benefits include pensions managed in Brazil by Instituto Ambev de Previdência Privada – IAPP, post-employment dental benefits and post-employment medical benefits managed by Fundação Zerrenner. Usually, pension plans are funded by payments made by both the Company and its employees, taking into account the recommendations of independent actuaries. Post-employment dental benefits and post-employment medical benefits are maintained by the return on Fundação Zerrenner's plan assets. If necessary, the Company may contribute some of its profit to the Fundação Zerrenner.

The Company manages defined benefit and defined contribution plans for employees of its companies located in Brazil and in its subsidiaries located in Dominican Republic, Argentina, Bolivia and Canada.

Ambev maintains funded and unfunded plans.

Defined contribution plans

Payments 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 Ambev S.A. Predecessor pays fixed contributions into a fund. Ambev S.A. Predecessor has no legal obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees for the benefits relating to employee service in the current and prior periods.

The contributions of these plans are recognized as expense in the period they are incurred.

Table of Contents

Defined benefit plans

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, expenses are assessed separately for each plan using the projected credit unit method. The projected credit unit method takes into account each period of service as giving rise to an additional unit of benefit to measure each unit separately. Under this method, the cost of providing pensions is charged to the income statement during the period of service of the employee. The amounts charged to the income statement consist of current service cost, interest cost, the expected return of the plan assets, past service costs and the effect of any settlements and curtailments. The obligations of the plan recognized in the balance sheet are measured at the present value of the estimated future cash outflows using a discount rate equivalent to the government's bond rates with maturity terms similar to those of the obligation, less any past service cost not recognized and the fair value of the plan assets. Past service costs result from the introduction of a new plan or changes to an existing plan. They are recognized in the income statement over the period the benefit vests. Actuarial gains and losses consist of the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in Other comprehensive income.

When changes in the pension plan occurs, the past service costs are immediately recognized in the income statement, unless the changes are conditioned to the employee's continued employment, for a specific period of time (the period in which the right is acquired). In such case, the past services costs are amortized using the straight-line method during the period in which the right was acquired.

Ambev S.A. Predecessor recognizes assets (prepaid expenses) of its defined benefit plans, to the extent of the value of the economic benefit available to Ambev S.A. Predecessor either from refunds or reductions in future contributions.

Other post-employment obligations

Ambev S.A. Predecessor and its subsidiaries provide post-employment medical benefits, reimbursement of certain medication expenses and other benefits to certain retirees through Fundação Zerrenner. These benefits are not granted to new retirees. The expected costs of these benefits are recognized over the period of employment, using an accounting methodology similar to that for defined benefit plans, including actuarial gains and losses.

Bonuses

Bonuses granted to employees and managers are based on financial performance indicators. The estimated amount of the bonus is recognized as an expense in the period the bonus is earned. To the extent that part of the bonus is settled in shares of Ambev S.A. Predecessor, these are accounted for as share-based payments.

Table of Contents

(s) Share-based payments

Share and share option programs allow management and members of the board to acquire shares of the Ambev. Ambev S.A. Predecessor adopted IFRS 2 *Share-based Payment* for all award programs granted after November 7, 2002 that had not vested by January 1, 2007. 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 be exercised, the fair value of the options granted is recognized as an expense over the vesting period with a credit to net investment. When the options are exercised, net investment is increased by the amount of the proceeds received.

(t) 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 and maturity amount being recognized in the income statement over the expected life of the instrument on an effective interest rate basis. Ambev S.A. Predecessor has interest-bearing loans and borrowings covered by a hedge structure (Note 26).

(u) Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently at amortized cost.

(v) Income tax and social contribution

Income tax and social contribution for the year comprises current tax and deferred tax. Income tax and social contribution are recognized in the income statement, unless they relate to items recognized directly in comprehensive income or other net investment accounts. In these cases the tax effect is also recognized directly in net investment account or comprehensive income (except interest on shareholder's equity. See item (p)).

Interest on shareholder's equity is expensed to the income statement for Income Tax and Social Contribution calculation, when declared, and is then reclassified to net investment for purposes of presentation of the financial statements. The current tax expense is the expectation of payment on the taxable income for the year, using tax rates enacted, or substantially enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The deferred taxes are recognized using the balance sheet/ liability method. This means that a deferred tax liability or asset is recognized for all taxable and tax deductible temporary differences between the tax and accounting basis of assets and liabilities. Under this method, a provision for deferred taxes is also calculated on the differences between the fair value of assets and liabilities acquired in a business combination and their tax basis. IAS 12 prescribes that no deferred tax is recorded: (i) at the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; (ii) and on differences related to investments in

Table of Contents

subsidiaries to the extent that they are not reversed in the foreseeable future. The amount of deferred tax provided is based on the expectation of the realization or settlement of the temporary difference, using currently or substantially 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 deferred tax asset is recognized only to the extent that it is likely that future taxable profits will be available. The deferred income tax asset is reduced to the extent that it is no longer probable that the future taxable benefit will occur.

(w) Revenue recognition

Revenue comprises the fair value of the amount received or receivable upon selling products or rendering services in the ordinary course of business. Revenue is presented net of taxes, returns, rebates and discounts net of elimination of sales between group companies.

Ambev S.A. Predecessor recognizes revenue when the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to Ambev S.A. Predecessor.

Goods sold

In relation to the sale of goods, revenue is recognized when the significant risks and benefits inherent to the good are transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, the costs associated with the possible return of the products, and when there is no continuing management involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration (price) received or receivable, net of returns, or commercial deductions and discounts.

As part of its commercial policy, Ambev S.A. Predecessor provides unconditional discounts to its customers, which are recorded as sales deductions.

Rental and royalty revenue

Rental revenue is recognized under Other operating income on a straight-line basis over the term of the lease. Royalty revenues from companies not included in the financial statements are also recognized in Other operating income, on an accrual basis.

Investment subsidy and government grants

Ambev S.A. Predecessor benefits from Brazilian state tax incentive programs to promote industrial development including the deferral of payment of taxes or partial reductions of the tax payable. These State programs are to promote long-term increases in employment and regional development.

Table of Contents

In the case of these States, the tax reductions and other terms are foreseen in tax law. When conditions to obtain these grants exist, they are under Ambev S.A. Predecessor's control. The benefits for the reduction in the payment of such taxes are recorded in the income statement, on an accrual basis at the time Ambev S.A. Predecessor meets its obligations under the program.

Ambev S.A. Predecessor does not use tax incentives granted by laws that have been declared unconstitutional by the Supreme Court.

Finance income

Finance income consists of interest received or receivable on funds invested, dividends received, 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.

Interest income is recognized on an accrual basis unless collectability is in doubt. Dividend income is recognized in the income statement on the period that the dividend is declared.

(x) Expenses

Royalty expenses

Royalties paid to companies that are not part of the Ambev S.A. Predecessor financial statements are recognized as cost of goods sold.

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.

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs, except when capitalized. The interest expense component of finance lease payments is also recognized in the income statement using the effective interest rate method.

Research and development, marketing and system development costs

Research, advertising and promotional costs are expensed in the year in which these costs are incurred. Development costs and system development costs are expensed in the year in which these costs are incurred, if they do not meet the criteria for capitalization.

Table of Contents

(y) Special items

Special items are those that in management's judgment need to be disclosed separately by virtue of their size or incidence. In determining whether an event or transaction is special, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence, and the potential of impact on the variation of profit or loss. These items are disclosed in the income statement or separately disclosed in the notes to the financial statements. Transactions that may give rise to special items are principally restructuring activities, impairment losses, and gains or losses on disposal of assets and investments.

(z) Financial assets

(i) Classification

Ambev S.A. Predecessor classifies its financial assets in the following categories: (a) at fair value through profit or loss, (b) loans and receivables, (c) available for sale and (d) held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of being sold in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

(c) Available-for-sale financial assets

Available-for-sale financial assets are classified as noncurrent assets, unless management intends to dispose of the investment within 12 months of the end of the reporting period.

(d) Investments held to maturity

Investments held to maturity are initially recognized at fair value plus any directly attributable transaction costs. After initial recognition, investments held to maturity are measured at amortized cost using the effective interest method, reduced by any on loss impairment.

Table of Contents

(ii) Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date - the date on which Ambev S.A. Predecessor undertakes to buy or sell the asset. Financial assets measured at fair value through profit and loss are initially recognized at fair value and transaction costs are charged to the income statement. These financial assets are realized when the rights to receive cash flows from investments have expired or have been transferred when Ambev S.A. Predecessor has transferred substantially all risks and benefits of ownership. Financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest rate.

Gains or losses arising from changes in the fair value of Financial assets at fair value through profit or loss are presented in the income statement within Finance cost and income in the period in which they arise.

Changes in the fair value of securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security.

The fair values of investments with public quotations are based on current bid prices. If the market for a financial asset (and for unlisted securities on the stock exchange) is not active, Ambev S.A. Predecessor establishes fair value by using valuation techniques. These techniques include the use of recent transactions with third parties, reference to other instruments that are substantially similar, analysis of discounted cash flows and option pricing models making maximum use of information from the market and with the least possible information generated by Ambev S.A. Predecessor’s management.

(iii) Impairment of financial assets

Management assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and an impairment loss is recorded only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (“loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(aa) Derivative financial instruments

Ambev S.A. Predecessor uses derivative financial instruments in order to mitigate against risks related to foreign currency, interest rates and commodity prices. Derivative instruments that, although contracted for hedging purposes, do not meet all hedge accounting criteria are recognized at fair value in the income statement.

Derivative financial instruments are recognized initially at fair value. Fair value is the amount an asset could be realized and a liability settled, between knowledgeable parties, in an arm’s length transaction. The fair value of derivative financial instruments may be obtained from quoted market prices or from pricing models that take into account current market rates.

Table of Contents

Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at the 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 is determined to be effective.

(i) 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 and the fluctuation of commodity prices associated with 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 (Hedge Reserve).

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 net investment 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 recycled into the income statement immediately.

(ii) Net investment hedge accounting

Net investments hedge accounting, including currency hedging items which are recorded as part of the net investment, are accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized directly in "Other comprehensive income", while any gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of a foreign operation, the cumulative gains or losses recognized directly in "Other comprehensive income" is transferred to the result. (Note 26).

(iii) Fair value hedge accounting

When a derivative financial instrument hedges the variability in fair value of a recognized asset or liability or a firm commitment, 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. Ambev S.A. Predecessor does not apply the fair value hedge accounting when the hedge item expires, was sold or exercised.

Table of Contents

(bb) Segment reporting

The segment reporting of Ambev S.A. Predecessor is considered to be the same as that of Ambev. Reportable segments are identified based on internal reports regularly reviewed by the chief operating decision maker of Ambev (and therefore Ambev S.A. Predecessor) for purposes of evaluating the performance of each segment and allocating resources to those segments. The appropriate segment presentation has been determined to be geographically based because Ambev's risks and rates of return are affected predominantly by its regional business areas. The Ambev's management structure and internal reporting system to The Board of Directors reflect this basis.

Ambev (and therefore Ambev S.A. Predecessor) operates its business through three zones identified as reportable segments:

▪ Latin America North, which includes (a) our operations in Brazil, where we operate two business sub units: (i) Beer and (ii) Carbonated soft drinks ("CSD"); and (b) our Hispanic Latin America Operations, excluding Latin America South ("HILA-ex"), which includes our operations in the Dominican Republic(which also serves the islands of the Caribbean: Saint Vincent, Dominica and Antigua) Ecuador, Guatemala (which also serves El Salvador and Nicaragua) and Peru;

▪ Latin America South, which includes our operations in Argentina, Bolivia, Paraguay, Uruguay and Chile; and

▪ Canada, represented by Labatt's operations, which includes domestic sales in Canada.

(cc) Recently issued IFRS

To the extent that new IFRS requirements are expected to be applicable in the future, they have been summarized hereafter. For the year ended 31 December 2012, they have not been applied in preparing these combined financial statements.

IFRS 9 Financial Instruments:

IFRS 9 is the standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

IFRS 10 Consolidated Financial Statements, which provides a single consolidation model that identifies control as the basis for consolidation for all types of entities.

IFRS 11 Joint Arrangements, which establishes principles for the financial reporting by parties to a joint arrangement and replaces the current proportionate consolidation method by the equity method.

Table of Contents

IFRS 12 Disclosure of Interests in Other Entities, which combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 Fair Value Measurement, which does not establish new requirements for when fair value is required but provides a single source of guidance on how fair value is measured.

IAS 1 Presentation of Financial Statements, which requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to the income statement in the future.

IAS 19 Employee Benefits (Revised 2011):

The amendments that are expected to have the most significant impact include:

- Expected returns on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when Ambev S.A. Predecessor recognizes related restructuring or termination costs.

As the current standard, IAS 19 (Revised 2011) does not specify the group accounts in the income statement that should be presented the interest on the deficit or surplus of the plan. As a consequence, Ambev S.A. Predecessor determined that, when IAS 19 (Revised 2011) become compulsory, interest on the deficit or surplus of the plan will be presented as part of Ambev S.A. Predecessor's net financial cost. This change in presentation is in line with IAS 1, which allow entities to provide disaggregated information in the income statement.

If the IAS 19 (Revised 2011) was implemented in 2012, the total expenses on pension before tax would has been higher R$139.5. The impact is mainly caused by the change in the calculation of return on assets above mentioned. On the same basis, if Ambev S.A. Predecessor had shown interest on the deficit or surplus of the plan separately as part of its net financial cost on December 31, 2012, profit from operations would has been lower R$57.5 and net financial cost would have been higher R$82.0.

IAS 19 (Revised 2011) would not cause a material impact on the net defined benefit obligation at December 31, 2012.

The revised standard is effective for annual periods beginning on or after January 1, 2013, with retrospective application required. Thus, the numbers presented in the financial statements for 2012, will be restated in accordance with IAS 19 (Revised 2011) in 2013 for comparison purposes.

Table of Contents

IAS 27 Separated Financial Instruments (Revised 2011), which has been amended for the issuance of IFRS 10 but retains the current guidance on separate financial statements.

IAS 28 Investments in Associates (Revised 2011), which has been amended for conforming changes on the basis of the issuance of IFRS 10 and IFRS 11.

IFRS 9 becomes mandatory for 2015 financial statements. The other standards become mandatory for the Company's 2013 consolidated financial statements. Ambev S.A. Predecessor is currently assessing the impacts of IAS 19 *Revised Employee Benefits* on its consolidated financial statements. For the other standards mentioned above, it is anticipated that their application will not have a material impact on Ambev S.A. Predecessor's financial statements in the period of initial application.

Other Standards, Interpretations and Amendments to Standards

A number of other amendments to standards are effective for annual periods beginning after January 1, 2012, and have not been listed above because their non-applicability or their immateriality to Ambev S.A. Predecessor's financial statements.

4. SEGMENT REPORTING

Segment information is presented in geographical areas, since the risks and rates of return are affected predominantly by the fact that Ambev S.A. Predecessor operates in different regions. The Company's management structure and the information reported to the main decision maker are structured in a similar fashion. The performance information by business units (Beer and CSD), is also used by the decision maker for Ambev S.A. Predecessor and is presented as additional information, even though it does not qualify as a reportable segment. Internally, the Company's management uses performance indicators, such as normalized earnings before interest and taxes (normalized EBIT) and normalized earnings before interest, taxes, depreciation and amortization (normalized EBITDA) as measures of segment performance to make decisions about resource allocation and performance analysis. These indicators are reconciled to the profit of the segment in the tables below. Whenever used in this document, the term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS) before special items adjustments.

The information is presented in millions of Brazilian Reais, except for volumes, which are presented in millions of hectoliters.

Table of Contents

(a) Reportable segments:

(Expressed in million of Brazilian *Reais*)	Latin America - north (i)			Latin America - south (ii)			Canada			Consolidated		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Volume	**126.2**	**120.3**	**120.1**	**34.3**	**34.6**	**33.9**	**9.4**	**10.1**	**11.2**	**169.9**	**165.0**	**165.2**
Net sales	22,313.3	19,132.4	17,710.5	5,886.9	4,488.9	3,857.2	4,030.8	3,505.4	3,665.6	32,231.0	27,126.7	25,233.3
Cost of sales	(7,120.6)	(6,212.4)	(6,027.1)	(2,196.0)	(1,740.8)	(1,500.2)	(1,145.0)	(1,046.4)	(1,154.9)	(10,461.6)	(8,999.6)	(8,682.2)
Gross profit	**15,192.7**	**12,920.0**	**11,683.4**	**3,690.9**	**2,748.1**	**2,357.0**	**2,885.8**	**2,459.0**	**2,510.7**	**21,769.4**	**18,127.1**	**16,551.1**
Sales and marketing expenses	(5,045.9)	(4,363.4)	(4,254.4)	(1,087.1)	(828.8)	(721.5)	(1,213.4)	(1,058.4)	(1,062.4)	(7,346.4)	(6,250.6)	(6,038.3)
Administrative expenses	(1,215.7)	(915.2)	(936.1)	(190.1)	(149.5)	(139.9)	(143.1)	(118.1)	(128.5)	(1,548.9)	(1,182.8)	(1,204.5)
Other operating income/(expenses)	840.1	771.8	637.1	7.3	2.1	(13.9)	16.0	9.3	1.5	863.4	783.2	624.7
Normalized income from operations (normalized EBIT)	**9,771.2**	**8,413.2**	**7,130.0**	**2,421.0**	**1,771.9**	**1,481.7**	**1,545.3**	**1,291.8**	**1,321.3**	**13,737.5**	**11,476.9**	**9,933.0**
Special items	(50.4)	35.6	(59.3)	-	(9.2)	(14.1)	-	(3.3)	(77.4)	(50.4)	23.10	(-150.80)
Income from operations (EBIT)	**9,720.8**	**8,448.8**	**7,070.7**	**2,421.0**	**1,762.7**	**1,467.6**	**1,545.3**	**1,288.5**	**1,243.9**	**13,687.1**	**11,500.0**	**9,782.2**
Net finance cost	(697.7)	(279.3)	(172.7)	(111.5)	(99.7)	(97.6)	1.6	(82.3)	(47.5)	(807.6)	(461.3)	(317.8)
Share of result of associates	-	-	-	-	0.1	-	0.5	0.4	0.2	0.5	0.5	0.2
Income before income tax	**9,023.1**	**8,169.5**	**6,898.0**	**2,309.5**	**1,663.1**	**1,370.0**	**1,547.4**	**1,206.6**	**1,196.6**	**12,880.0**	**11,039.2**	**9,464.6**
Income tax expense	(1,197.5)	(1,553.4)	(1,395.9)	(661.4)	(480.0)	(406.7)	(478.2)	(421.7)	(201.8)	(2,337.1)	(2,455.1)	(2,004.4)
Net income	**7,825.6**	**6,616.1**	**5,502.1**	**1,648.1**	**1,183.1**	**963.3**	**1,069.2**	**784.9**	**994.8**	**10,542.9**	**8,584.1**	**7,460.2**
Normalized EBITDA	**11,235.1**	**9,624.3**	**8,434.9**	**2,752.8**	**2,059.3**	**1,764.0**	**1,689.5**	**1,455.4**	**1,508.1**	**15,677.4**	**13,139.0**	**11,707.0**
Special items	(50.4)	35.6	(59.3)	-	(9.2)	(14.1)	-	(3.3)	(77.4)	(50.4)	23.1	(150.8)
Depreciation, amortization and impairment	(1,463.9)	(1,211.1)	(1,304.9)	(331.8)	(287.4)	(282.3)	(144.2)	(163.6)	(186.8)	(1,939.9)	(1,662.1)	(1,774.0)
Net finance costs	(697.7)	(279.3)	(172.7)	(111.5)	(99.7)	(97.6)	1.6	(82.3)	(47.5)	(807.6)	(461.3)	(317.8)
Share of results of associates	-	-	-	-	0.1	-	0.5	0.4	0.2	0.5	0.5	0.2
Income tax expense	(1,197.5)	(1,553.4)	(1,395.9)	(661.4)	(480.0)	(406.7)	(478.2)	(421.7)	(201.8)	(2,337.1)	(2,455.1)	(2,004.4)
Net income	**7,825.6**	**6,616.1**	**5,502.1**	**1,648.1**	**1,183.1**	**963.3**	**1,069.2**	**784.9**	**994.8**	**10,542.9**	**8,584.1**	**7,460.2**
Normalized EBITDA margin in %	**50.4%**	**50.3%**	**47.6%**	**46.8%**	**45.9%**	**45.7%**	**41.9%**	**41.5%**	**41.1%**	**48.6%**	**48.4%**	**46.4%**
Acquisition of property, plant and equipment	2,385.2	2,827.5	1,903.3	559.2	396.8	317.9	154.3	139.7	120.6	3,098.7	3,364.1	2,341.8
Additions to / (reversals of) provisions	260.5	136.7	49.1	4.9	1.4	4.4	22.3	18.2	31.2	287.7	156.4	84.7
Full time employee	37,789	33,077	32,097	8,787	8,641	8,040	4,723	4,785	4,787	51,299	46,503	44,924
	2012	**2011**		**2012**	**2011**		**2012**	**2011**		**2012**	**2011**	
Segment assets	19,480.5	13,923.6		7,288.5	5,959.7		17,301.9	17,062.1		44,071.0	36,945.4	
Intersegment elimination										(1,884.5)	(1,305.0)	
Non-segmented assets										**19,646.4**	**18,187.0**	
Total assets										**61,832.9**	**53,827.4**	
Segment liabilities	14,967.6	11,191.7		3,325.6	2,311.8		2,490.5	2,432.1		20,783.6	15,935.6	
Intersegment elimination										(1,884.5)	(1,305.0)	
Non-segmented liabilities										42,933.8	39,196.8	
Total liabilities										**61,832.9**	**53,827.4**	

(i)Latin America – North: includes operations in Brazil and HILA-ex: Ecuador, Guatemala, Dominican Republic and Peru.
(ii)Latin America – South: includes operations in Argentina, Bolivia, Chile, Paraguay and Uruguay.

[Table of Contents](#)

(b) Additional information – by Business unit:

(Expressed in million of Brazilian *Reais*)	Latin America - north								
	Beer			Soft drink			Total		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Volume	**91.5**	**87.0**	**87.0**	**34.7**	**33.4**	**33.0**	**126.2**	**120.4**	**120.0**
Net sales	18,491.8	15,905.1	14,567.7	3,821.5	3,227.3	3,142.8	22,313.3	19,132.4	17,710.5
Cost of sales	(5,395.7)	(4,696.3)	(4,537.4)	(1,724.9)	(1,516.1)	(1,489.7)	(7,120.6)	(6,212.4)	(6,027.1)
Gross profit	**13,096.1**	**11,208.8**	**10,030.3**	**2,096.6**	**1,711.2**	**1,653.1**	**15,192.7**	**12,920.0**	**11,683.4**
Sales and marketing expenses	(4,286.1)	(3,724.2)	(3,627.0)	(759.8)	(639.2)	(627.4)	(5,045.9)	(4,363.4)	(4,254.4)
Administrative expenses	(1,068.9)	(819.8)	(833.0)	(146.8)	(95.4)	(103.1)	(1,215.7)	(915.2)	(936.1)
Other operating income/(expenses)	648.6	604.2	504.0	191.5	167.6	133.1	840.1	771.8	637.1
Normalized income from operations (normalized EBIT)	**8,389.7**	**7,269.0**	**6,074.3**	**1,381.5**	**1,144.2**	**1,055.7**	**9,771.2**	**8,413.2**	**7,130.0**
Special items	(42.2)	26.6	(59.2)	(8.2)	9.0	(0.1)	(50.4)	35.6	(59.3)
Income from operations (EBIT)	**8,347.5**	**7,295.6**	**6,015.1**	**1,373.3**	**1,153.2**	**1,055.6**	**9,720.8**	**8,448.8**	**7,070.7**
Net finance cost	(697.7)	(279.3)	(172.7)	-	-	-	(697.7)	(279.3)	(172.7)
Share of result of associates	-	-	-	-	-	-	-	-	-
Income before income tax	**7,649.8**	**7,016.3**	**5,842.4**	**1,373.3**	**1,153.2**	**1,055.6**	**9,023.1**	**8,169.5**	**6,898.0**
Income tax expense	(1,197.5)	(1,553.4)	(1,395.9)	-	-	-	(1,197.5)	(1,553.4)	(1,395.9)
Net income	**6,452.3**	**5,462.9**	**4,446.5**	**1,373.3**	**1,153.2**	**1,055.6**	**7,825.6**	**6,616.1**	**5,502.1**
Normalized EBITDA	**9,547.0**	**8,202.7**	**7,076.2**	**1,688.1**	**1,421.6**	**1,358.7**	**11,235.1**	**9,624.3**	**8,434.9**
Special items	(42.2)	26.6	(59.2)	(8.2)	9.0	(0.1)	(50.4)	35.6	(59.3)
Depreciation, amortization and impairment	(1,157.3)	(933.7)	(1,001.9)	(306.6)	(277.4)	(303.0)	(1,463.9)	(1,211.1)	(1,304.9)
Net finance costs	(697.7)	(279.3)	(172.7)	-	-	-	(697.7)	(279.3)	(172.7)
Share of results of associates	-	-	-	-	-	-	-	-	-
Income tax expense	(1,197.5)	(1,553.4)	(1,395.9)	-	-	-	(1,197.5)	(1,553.4)	(1,395.9)
Net income	**6,452.3**	**5,462.9**	**4,446.5**	**1,373.3**	**1,153.2**	**1,055.6**	**7,825.6**	**6,616.1**	**5,502.1**
Normalized EBITDA margin in %	**51.6%**	**51.6%**	**48.6%**	**44.2%**	**44.0%**	**43.2%**	**50.4%**	**50.3%**	**47.6%**

[Table of Contents](#)

	Brazil								
	Beer			Soft drink			Total		
(Expressed in million of Brazilian *Reais*)	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Volume	**86.7**	**84.6**	**84.5**	**30.8**	**29.4**	**29.2**	**117.5**	**114.0**	**113.7**
Net sales	17,598.2	15,667.5	14,279.3	3,379.6	2,949.4	2,867.3	20,977.8	18,616.9	17,146.6
Cost of sales	(4,965.8)	(4,566.8)	(4,359.3)	(1,444.0)	(1,319.6)	(1,294.9)	(6,409.8)	(5,886.4)	(5,654.2)
Gross profit	**12,632.4**	**11,100.7**	**9,920.0**	**1,935.6**	**1,629.8**	**1,572.4**	**14,568.0**	**12,730.5**	**11,492.4**
Sales and marketing expenses	(4,000.0)	(3,598.9)	(3,464.9)	(615.7)	(541.5)	(530.1)	(4,615.7)	(4,140.4)	(3,995.0)
Administrative expenses	(981.1)	(796.6)	(799.3)	(94.8)	(70.9)	(78.9)	(1,075.9)	(867.5)	(878.2)
Other operating income/(expenses)	650.9	606.2	501.7	185.4	168.8	132.3	836.3	775.0	634.0
Normalized income from operations (normalized EBIT)	**8,302.2**	**7,311.4**	**6,157.5**	**1,410.5**	**1,186.2**	**1,095.7**	**9,712.7**	**8,497.6**	**7,253.2**
Special items	(19.1)	26.6	(59.2)	-	9.0	(0.1)	(19.1)	35.6	(59.3)
Income from operations (EBIT)	**8,283.1**	**7,338.0**	**6,098.3**	**1,410.5**	**1,195.2**	**1,095.6**	**9,693.6**	**8,533.2**	**7,193.9**
Net finance cost	(650.7)	(264.6)	(141.8)	-	-	-	(650.7)	(264.6)	(141.8)
Share of result of associates	-	-	-	-	-	-	-	-	-
Income before income tax	**7,632.4**	**7,073.4**	**5,956.5**	**1,410.5**	**1,195.2**	**1,095.6**	**9,042.9**	**8,268.6**	**7,052.1**
Income tax expense	(1,161.7)	(1,547.3)	(1,400.9)	-	-	-	(1,161.7)	(1,547.3)	(1,400.9)
Net income	**6,470.7**	**5,526.1**	**4,555.6**	**1,410.5**	**1,195.2**	**1,095.6**	**7,881.2**	**6,721.3**	**5,651.2**
Normalized EBITDA	**9,360.0**	**8,214.5**	**7,120.1**	**1,670.2**	**1,434.3**	**1,370.5**	**11,030.2**	**9,648.8**	**8,490.6**
Special items	(19.1)	26.6	(59.2)	-	9.0	(0.1)	(19.1)	35.6	(59.3)
Depreciation, amortization and impairment	(1,057.8)	(903.1)	(962.6)	(259.7)	(248.1)	(274.8)	(1,317.5)	(1,151.2)	(1,237.4)
Net finance costs	(650.7)	(264.6)	(141.8)	-	-	-	(650.7)	(264.6)	(141.8)
Share of results of associates	-	-	-	-	-	-	-	-	-
Income tax expense	(1,161.7)	(1,547.3)	(1,400.9)	-	-	-	(1,161.7)	(1,547.3)	(1,400.9)
Net income	**6,470.7**	**5,526.1**	**4,555.6**	**1,410.5**	**1,195.2**	**1,095.6**	**7,881.2**	**6,721.3**	**5,651.2**
Normalized EBITDA margin in %	**53.2%**	**52.4%**	**49.9%**	**49.4%**	**48.6%**	**47.8%**	**52.6%**	**51.8%**	**49.5%**

[Table of Contents](#)

	HILA-ex								
	Beer			Soft drink			Total		
(Expressed in million of Brazilian *Reais*)	2012	2011	2010	2012	2011	2010	2012	2011	2010
Volume	**4.8**	**2.4**	**2.5**	**3.9**	**4.0**	**3.8**	**8.7**	**6.4**	**6.3**
Net sales	893.6	237.6	288.4	441.9	277.9	275.5	1,335.5	515.5	563.9
Cost of sales	(429.9)	(129.5)	(178.1)	(280.9)	(196.5)	(194.8)	(710.8)	(326.0)	(372.9)
Gross profit	**463.7**	**108.1**	**110.3**	**161.0**	**81.4**	**80.7**	**624.7**	**189.5**	**191.0**
Sales and marketing expenses	(286.1)	(125.3)	(162.1)	(144.1)	(97.7)	(97.3)	(430.2)	(223.0)	(259.4)
Administrative expenses	(87.8)	(23.2)	(33.7)	(52.0)	(24.5)	(24.2)	(139.8)	(47.7)	(57.9)
Other operating income/(expenses)	(2.3)	(2.0)	2.3	6.1	(1.2)	0.8	3.8	(3.2)	3.1
Normalized income from operations (normalized EBIT)	**87.5**	**(42.4)**	**(83.2)**	**(29.0)**	**(42.0)**	**(40.0)**	**58.5**	**(84.4)**	**(123.2)**
Special items	(23.1)	-	-	(8.2)	-	-	(31.3)	-	-
Income from operations (EBIT)	**64.4**	**(42.4)**	**(83.2)**	**(37.2)**	**(42.0)**	**(40.0)**	**27.2**	**(84.4)**	**(123.2)**
Net finance cost	(47.0)	(14.7)	(30.9)	-	-	-	(47.0)	(14.7)	(30.9)
Share of result of associates	-	-	-	-	-	-	-	-	-
Income before income tax	**17.4**	**(57.1)**	**(114.1)**	**(37.2)**	**(42.0)**	**(40.0)**	**(19.8)**	**(99.1)**	**(154.1)**
Income tax expense	(35.8)	(6.1)	5.0	-	-	-	(35.8)	(6.1)	5.0
Net income	**(18.4)**	**(63.2)**	**(109.1)**	**(37.2)**	**(42.0)**	**(40.0)**	**(55.6)**	**(105.2)**	**(149.1)**
Normalized EBITDA	**187.0**	**(11.8)**	**(43.9)**	**17.9**	**(12.7)**	**(11.8)**	**204.9**	**(24.5)**	**(55.7)**
Special items	(23.1)	-	-	(8.2)	-	-	(31.3)	-	-
Depreciation, amortization and impairment	(99.5)	(30.6)	(39.3)	(46.9)	(29.3)	(28.2)	(146.4)	(59.9)	(67.5)
Net finance costs	(47.0)	(14.7)	(30.9)	-	-	-	(47.0)	(14.7)	(30.9)
Share of results of associates	-	-	-	-	-	-	-	-	-
Income tax expense	(35.8)	(6.1)	5.0	-	-	-	(35.8)	(6.1)	5.0
Net income	**(18.4)**	**(63.2)**	**(109.1)**	**(37.2)**	**(42.0)**	**(40.0)**	**(55.6)**	**(105.2)**	**(149.1)**
Normalized EBITDA margin in %	**20.9%**	**-5.0%**	**-15.2%**	**4.1%**	**-4.5%**	**-4.3%**	**15.3%**	**-4.7%**	**-9.9%**

	Latin America - south								
	Beer			Soft drink			Total		
(Expressed in million of Brazilian *Reais*)	2012	2011	2010	2012	2011	2010	2012	2011	2010
Volume	**21.6**	**21.6**	**21.0**	**12.7**	**13.0**	**12.9**	**34.3**	**34.6**	**33.9**
Net sales	4,336.5	3,301.7	2,848.6	1,550.4	1,187.2	1,008.6	5,886.9	4,488.9	3,857.2
Cost of sales	(1,283.3)	(1,011.7)	(880.4)	(912.7)	(729.1)	(619.8)	(2,196.0)	(1,740.8)	(1,500.2)
Gross profit	**3,053.2**	**2,290.0**	**1,968.2**	**637.7**	**458.1**	**388.8**	**3,690.9**	**2,748.1**	**2,357.0**
Sales and marketing expenses	(731.5)	(565.2)	(481.3)	(355.6)	(263.6)	(240.2)	(1,087.1)	(828.8)	(721.5)
Administrative expenses	(148.9)	(135.9)	(132.2)	(41.2)	(13.6)	(7.7)	(190.1)	(149.5)	(139.9)
Other operating income/(expenses)	9.6	(4.2)	(13.9)	(2.3)	6.3	-	7.3	2.1	(13.9)
Normalized income from operations (normalized EBIT)	**2,182.4**	**1,584.7**	**1,340.8**	**238.6**	**187.2**	**140.9**	**2,421.0**	**1,771.9**	**1,481.7**
Special items	-	(9.2)	(14.1)	-	-	-	-	(9.2)	(14.1)
Income from operations (EBIT)	**2,182.4**	**1,575.5**	**1,326.7**	**238.6**	**187.2**	**140.9**	**2,421.0**	**1,762.7**	**1,467.6**
Net finance cost	(84.2)	(99.0)	(97.2)	(27.3)	(0.7)	(0.4)	(111.5)	(99.7)	(97.6)
Share of result of associates	-	0.1	-	-	-	-	-	0.1	-
Income before income tax	**2,098.2**	**1,476.6**	**1,229.5**	**211.3**	**186.5**	**140.5**	**2,309.5**	**1,663.1**	**1,370.0**
Income tax expense	(659.2)	(478.1)	(404.5)	(2.2)	(1.9)	(2.2)	(661.4)	(480.0)	(406.7)
Net income	**1,439.0**	**998.5**	**825.0**	**209.1**	**184.6**	**138.3**	**1,648.1**	**1,183.1**	**963.3**
Normalized EBITDA	**2,446.9**	**1,811.9**	**1,561.6**	**305.9**	**247.4**	**202.4**	**2,752.8**	**2,059.3**	**1,764.0**
Special items	-	(9.2)	(14.1)	-	-	-	-	(9.2)	(14.1)
Depreciation, amortization and impairment	(264.5)	(227.2)	(220.8)	(67.3)	(60.2)	(61.5)	(331.8)	(287.4)	(282.3)
Net finance costs	(84.2)	(99.0)	(97.2)	(27.3)	(0.7)	(0.4)	(111.5)	(99.7)	(97.6)
Share of results of associates	-	0.1	-	-	-	-	-	0.1	-
Income tax expense	(659.2)	(478.1)	(404.5)	(2.2)	(1.9)	(2.2)	(661.4)	(480.0)	(406.7)
Net income	**1,439.0**	**998.5**	**825.0**	**209.1**	**184.6**	**138.3**	**1,648.1**	**1,183.1**	**963.3**
Normalized EBITDA margin in %	**56.4%**	**54.9%**	**54.8%**	**19.7%**	**20.8%**	**20.1%**	**46.8%**	**45.9%**	**45.7%**

Table of Contents

(Expressed in thousand of Brazilian *Reais*)	Canada					
	2012		2011		2010	
	Beer	Total	Beer	Total	Beer	Total
Volume	**9.4**	**9.4**	**10.1**	**10.1**	**11.2**	**11.2**
Net sales	4,030.8	4,030.8	3,505.4	3,505.4	3,665.6	3,665.6
Cost of sales	(1,145.0)	(1,145.0)	(1,046.4)	(1,046.4)	(1,154.9)	(1,154.9)
Gross profit	**2,885.8**	**2,885.8**	**2,459.0**	**2,459.0**	**2,510.7**	**2,510.7**
Sales and marketing expenses	(1,213.4)	(1,213.4)	(1,058.4)	(1,058.4)	(1,062.4)	(1,062.4)
Administrative expenses	(143.1)	(143.1)	(118.1)	(118.1)	(128.5)	(128.5)
Other operating income/(expenses)	16.0	16.0	9.3	9.3	1.5	1.5
Normalized income from operations (normalized EBIT)	**1,545.3**	**1,545.3**	**1,291.8**	**1,291.8**	**1,321.3**	**1,321.3**
Special items	-	-	(3.3)	(3.3)	(77.4)	(77.4)
Income from operations (EBIT)	**1,545.3**	**1,545.3**	**1,288.5**	**1,288.5**	**1,243.9**	**1,243.9**
Net finance cost	1.6	1.6	(82.3)	(82.3)	(47.5)	(47.5)
Share of result of associates	0.5	0.5	0.4	0.4	0.2	0.2
Income before income tax	**1,547.4**	**1,547.4**	**1,206.6**	**1,206.6**	**1,196.6**	**1,196.6**
Income tax expense	(478.2)	(478.2)	(421.7)	(421.7)	(201.8)	(201.8)
Net income	**1,069.2**	**1,069.2**	**784.9**	**784.9**	**994.8**	**994.8**
Normalized EBITDA	**1,689.5**	**1,689.5**	**1,455.4**	**1,455.4**	**1,508.1**	**1,508.1**
Special items	-	-	(3.3)	(3.3)	(77.4)	(77.4)
Depreciation, amortization and impairment	(144.2)	(144.2)	(163.6)	(163.6)	(186.8)	(186.8)
Net finance costs	1.6	1.6	(82.3)	(82.3)	(47.5)	(47.5)
Share of results of associates	0.5	0.5	0.4	0.4	0.2	0.2
Income tax expense	(478.2)	(478.2)	(421.7)	(421.7)	(201.8)	(201.8)
Net income	**1,069.2**	**1,069.2**	**784.9**	**784.9**	**994.8**	**994.8**
Normalized EBITDA margin in %	**41.9%**	**41.9%**	**41.5%**	**41.5%**	**41.1%**	**41.1%**

Volume information unaudited.

5. ACQUISITION OF SUBSIDIARIES

Acquisitions undertaken in 2012:

(i) Acquisition of Cervecería Nacional Dominicana

On May 11, 2012, Ambev Brasil Bebidas S.A. ("Ambev Brasil"), a closely-held subsidiary of Ambev, concluded a transaction to form a strategic alliance with E. León Jimenes S.A., which owned 83.5% of Cervecería Nacional Dominicana S.A. ("CND"), to create the leading beverage company in the Caribbean through the combination of their businesses in the region. Ambev's initial indirect interest in CND was acquired through a cash payment of US$1.0 billion (R$2.0 billion) and the contribution of Ambev Dominicana. Separately, Ambev Brasil acquired an additional stake in CND of 9.3%, which was owned by Heineken N.V. ("Heineken"), for 237 million US dollar on May 17, 2012, the closing date, when Ambev obtained control owning a total indirect interest of approximately 51% in CND.

During September and October, as part of the same transaction, Ambev Brasil acquired additional stakes in CND of approximately 0.88% and 0.11% in cash for of R$45 million and R$6 million, respectively, increasing its indirect interest to approximately 52.0%, still within the period specified in the shareholders' agreement.

Table of Contents

The Company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed in compliance with IFRS 3. The provisional allocation of the purchase price included in the accounting statements as at December 31, 2012 is based on the Company's current best estimates and primarily on valuations prepared by independent specialists. The completion of the purchase price allocation may result in further adjustment to the carrying value of CND's book assets and liabilities and the determination of any residual amount to be allocated to goodwill.

The transaction resulted in the provisional recognition of goodwill in the amount of R$2.1 billion as at December 31, 2012. The factors that contributed to the recognition of goodwill include expected future profitability of the acquired business, including synergies. Part of the goodwill will be deductible for tax purposes. Acquisition related costs amounting to R$15.8 are included in the income statement and disclosed in the Note 8.

The non-controlling interest was measured by the current proportionate share in the recognized amounts of identifiable net assets of the acquiree.

As of the completion date of the acquisition, CND contributed R$721.9 to Ambev's revenues and R$67.8 its profit of Ambev. If the acquisition date had been January 1, 2012 it is estimated that the revenue and profit would have been of R$987.2 and R$112.0, respectively.

As part of the shareholders agreement between Ambev and ELJ, a put and call arrangement is in place, which may result in Ambev acquiring the remaining shares of CND. The put option granted to ELJ is exercisable annually up to 2019, while Ambev's call option is exercisable annually as of 2019. The put and call price is based on a formula which will take into account the Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of the consolidated operations in the Dominican Republic.

As of December 31, 2012 the put option held by ELJ is valued at approximately R$2.1 billion and was recognized as a liability against net investment in line with IFRS 3. No value was attributed to the call option held by Ambev.

Ambev's ownership interest in Ambev Dominicana changed from 100% to, approximately, 55%. As this change did not result in a change in control of the Ambev Dominicana, this transaction was booked for as an equity transaction. Thus, the carrying amount of the non-controlling interest was adjusted to reflect the change. The difference between the carrying amount by which the non-controlling interest was recorded and the fair value of the consideration paid was recognized in equity and attributed to the equity holders of Ambev.

(ii) Arosuco Aromas e Sucos Ltda. ("Arosuco"), responsible mainly for the production of concentrates used in the production of soft drinks, teas and sports drinks, acquired in January 2012 all the shares issued by the Company Lachaise Aromas e Participações Ltda. ("Lachaise"), whose main corporate purpose is the production of flavorings, a necessary ingredient in the production of concentrates, thus reducing the need for the Group to acquire these ingredients from third parties. With a view to streamlining and simplifying the Ambev S.A. Predecessor's corporate structure, Arosuco merged with Lachaise.

Table of Contents

(iii) In March 2012, the subsidiary CRBS S.A. acquired Lugano Distribuidora de Bebidas Ltda. (formerly Lambert & Cia. Ltda.), located in the south of Brazil.

The following table summarizes the consideration paid for CND and the provisional allocation of the assets acquired and liabilities assumed as recognized on the acquisition date, as well as the fair value on the acquisition date of the non-controlling interests in CND, in addition to a breakdown of the goodwill recognized in the acquisition of Lachaise and Lugano, both in 2012:

Assets	**CND**	**Lachaise**	**Lugano**	**Total**
Non-current assets				
Property, plant and equipment	703.7	-	0.6	704.3
Intangible assets	874.8	2.8	5.5	883.1
Trade and other receivables	602.8	-	0.1	602.9
	2,181.3	**2.8**	**6.2**	**2,190.3**
Current assets				
Inventories	51.2	0.1	-	51.3
Trade and other receivables	97.6	0.3	2.7	100.6
Cash and cash equivalents	54.5	-	0.6	55.1
Assets held for sale	4.0	-	0.2	4.2
	207.3	**0.4**	**3.5**	**211.2**
Liabilities				
Non-current liabilities				
Employee benefits	(21.6)	-	-	(21.6)
Provisions	(40.2)	-	-	(40.2)
Deferred tax liabilities	(279.1)	-	-	(279.1)
Interest-bearing loans and borrowings	(442.0)	-	-	(442.0)
Trade and other payables	-	(18.0)	-	(18.0)
	(782.9)	**(18.0)**	**-**	**(800.9)**
Current liabilities				
Trade and other payables	(115.6)	(0.4)	(0.8)	(116.8)
Interest-bearing loans and borrowings	(86.4)	-	-	(86.4)
	(202.0)	**(0.4)**	**(0.8)**	**(203.2)**
Net identifiable assets and liabilities	1,403.7	(15.2)	8.9	1,397.4
Goodwill on acquisition	2,099.5	25.2	11.3	2,136.0
Non-controlling interest´s share	(673.1)	-	-	(673.1)
Non-cash consideration	(263.3)	(2.0)	-	(265.3)
Trade payables	-	-	(2.9)	(2.9)
Cash (acquired)/disposed	(54.5)	-	(0.6)	(55.1)
Net cash outlflow/(inflow)	**2,512.3**	**8.0**	**16.7**	**2,537.0**

Acquisitions undertaken in 2011:

The subsidiary CRBS SA ("CRBS") acquired in December 2011, all the shares issued by Boettcher Empreendimentos Ltda., for R$6.8, recognizing goodwill of R$0.7.

Table of Contents

6. NET SALES

The reconciliation of gross sales to net sales is as follows:

	2012	2011	2010
Gross sales	63,186.0	53,040.3	46,881.4
Deductions from gross revenue	(30,955.0)	(25,913.6)	(21,648.1)
	32,231.0	**27,126.7**	**25,233.3**

The deductions of the gross revenue are represented by the taxes and rebates. Services provided by distributors, such as the promotion of our brands, logistics services and strategic location in stores are not considered as reduction in revenue when separately identifiable.

7. OTHER OPERATING INCOME / (EXPENSES)

	2012	2011	2010
Government grants/NPV of long term fiscal incentives	698.5	580.8	415.1
Tax recovery	38.8	46.1	52.3
Net gain on disposal of property, plant and equipment and intangible assets	36.4	24.6	20.9
Net rental income	2.9	4.9	3.4
Net other operating income	86.8	126.8	133.0
	863.4	**783.2**	**624.7**

Government grants are related to ICMS (Brazilian State value added) tax incentives.

8. SPECIAL ITEMS

Special items are those that in management's judgment need to be disclosed by virtue of their size or nature. In determining whether an event or transaction classifies as special, management considers quantitative as well as qualitative factors such as the frequency or predictability of the occurrence, and the potential for impacting the variation in profit or loss. These items are disclosed in the combined income statement or separately in the notes to the financial statements. Transactions which may give rise to special items are principally restructuring activities, impairments, and gains or losses on disposal of assets and investments. Ambev S.A. Predecessor considers these items to be naturally significant and accordingly, has excluded these when measuring segment-based performance, as per Note 4.

The special items included in the income statement are detailed below:

	2012	2011	2010
Restructuring	(31.3)	(12.5)	(45.7)
Acquisition of subsidiaries	(15.8)	-	-
Impairment disposal Venezuela	-	-	(55.9)
Proceeds from sale of fixed assets	(3.3)	35.6	-
Labatt Hamilton Brewery closure expenses	-	-	(46.2)
Others	-	-	(3.0)
	(50.4)	**23.1**	**(150.8)**

Table of Contents

Expenses with acquisition of subsidiaries involve expenses incurred in the acquisition of Cervecería Nacional Dominicana in May 2012, as mentioned in Note 5. The restructuring expenses recognized in 2012 relate to realignment of structure at Ambev Dominicana and those recognized in 2011 relate to realignment of structure and processes in the Latin America – South geographical segment.

In the first quarter of 2010, Ambev began shutting down the Hamilton plant in Canada which was part of the Labatt operations in anticipation of discontinuing its operations by April 30, 2010. As a consequence it recognized an expense of R$(46.2) in the year ended December 31, 2010, of which R$(12.3) related to closing activities and R$(33.9) to asset impairments.

9. PAYROLL AND RELATED BENEFITS

	2012	2011	2010
Wages and salaries	2,159.3	1,719.9	1,642.7
Social security contributions	479.7	421.9	400.0
Other personnel cost	459.7	393.7	373.0
Increase in liabilities for defined benefit plans	3.4	(13.2)	(3.3)
Share-based payment	144.6	122.3	120.3
Contributions to defined contribution plans	9.4	8.8	6.7
	3,256.1	**2,653.4**	**2,539.4**
Average number of full time employees (FTE)	51,299	46,503	44,924

Payroll and related benefits by geographical segment:

	2012	2011	2010
LAN (Brazil and Hila-Ex)	1,949.5	1,576.4	1,482.4
LAS	548.1	421.1	384.6
Canada	758.5	655.9	672.4
	3,256.1	**2,653.4**	**2,539.4**

10. ADDITIONAL INFORMATION ON OPERATING EXPENSES BY NATURE

Depreciation, amortization and impairment expenses are included in the following income statement accounts for the years 2012, 2011 and 2010:

	Depreciation and impairment of property, plant and equipment			Amortization of intangible assets		
	2012	2011	2010	2012	2011	2010
Cost of sales	1,323.9	1,101.9	1,136.5	0.4	1.7	0.4
Sales and marketing expenses	359.5	332.8	400.7	116.7	110.3	111.6
Administrative expenses	105.1	80.3	84.9	36.3	35.1	37.6
Special items	-	-	33.9	-	-	-
	1,788.5	**1,515.0**	**1,656.0**	**153.4**	**147.1**	**149.6**

Table of Contents

11. FINANCE COST AND INCOME

Finance costs	2012	2011	2010
Interest expense	(455.2)	(891.5)	(889.0)
Capitalized borrowings	84.5	162.9	55.0
Losses on hedging instruments that are not part of a hedge accounting relationship	(560.0)	(263.3)	(272.1)
Interest on tax contingencies	(118.6)	(42.5)	(28.0)
Foreign exchange on dividends receivable	-	-	(5.5)
Interest and foreign exchange rate on loans	(67.8)	(75.3)	-
Exchange variation	(127.7)	(41.4)	(9.8)
Anticipated bonds payment expenses	-	(82.6)	-
Tax on financial transactions	(109.4)	(57.5)	(50.4)
Bank guarantee expenses	(73.6)	(56.2)	(57.6)
Other financial costs, including bank fees	(46.6)	(72.7)	(78.8)
-	**(1,474.4)**	**(1,420.1)**	**(1,336.2)**

Interest expenses are presented net of the effect of interest rate derivative instruments which mitigate Ambev S.A. Predecessor's interest rate risk (Note 26). The interest expense recognized on hedged financial liabilities and the net interest expense from the related hedging derivative instruments are as follows:

Interest expense	2012	2011	2010
Financial liabilities measured at amortized cost	(324.5)	(496.3)	(503.1)
Fair value hedge - hedged items	(161.8)	(156.6)	(150.6)
Fair value hedge - hedging instruments	34.1	(169.9)	(173.2)
Cash flow hedges - hedged items	(5.9)	(117.7)	(114.6)
Cash flow hedges - hedging instruments (reclassified from net income)	2.9	49.0	52.5
	(455.2)	**(891.5)**	**(889.0)**

Foreign exchange gains and losses are presented net of the effect of foreign exchange derivative instruments designated as hedges. The interest expense recognized on unhedged or hedged financial liabilities and the net interest expense from the related hedging derivative instruments are as follows:

	2012	2011	2010
Fair value hedge - hedged items	-	(132.2)	77.1
Fair value hedge - hedging instruments	-	136.5	(78.4)
Cash flow hedges - hedged items	(23.6)	21.5	3.7
Cash flow hedges - hedging instruments (reclassified from net income)	23.8	(19.8)	0.8
Others	(0.2)	(6.0)	(3.2)
	-	-	-

Table of Contents

Income from Cash flow hedges primarily refers to the loan in Brazilian *Reais* loan raised in Canada, which was settled on January 18, 2012.

Finance income	**2012**	**2011**	**2010**
Interest income	250.5	472.5	302.2
Interest income - business combinations	-	151.3	229.3
Net gains on hedging instruments that are not part of a hedge accounting relationship	313.8	160.7	261.9
Hedge ineffectiveness gains	6.6	6.8	28.6
Gains on no derivative instrument at fair value through profit or loss	77.5	153.9	149.4
Exchange variation	-	-	0.1
Monetary restatement gains/losses	-	-	12.5
Interest and foreign exchange rate on loans	0.2	-	-
Dividend income, non-consolidated companies	-	1.9	-
Others	18.2	11.7	34.4
	666.8	**958.8**	**1,018.4**

Interest income arises from the following financial assets:

Interest income	**2012**	**2011**	**2010**
Cash and cash equivalents	194.1	385.0	258.1
Investment securities held for trading	56.4	87.5	44.1
	250.5	**472.5**	**302.2**

The net income from the operational, investment and tax hedges recognized directly as Comprehensive Income is shown below:

Hedging reserve	**2012**	**2011**	**2010**
Recognized in Net income (cash flow hedge)	488.8	185.6	96.8
Removed from Net income and included in profit or loss	(329.4)	(188.1)	(48.7)
Deferred income tax variance in Net income and other changes	(119.0)	(82.4)	95.6
	40.4	**(84.9)**	**143.7**
Exchange differences on translation of foreign operations (gains/ (losses))			
Effective portion of changes in fair value of net investment hedges	(274.5)	(280.4)	7.8

12. INCOME TAX AND SOCIAL CONTRIBUTION

Income taxes reported in the income statement are analyzed as follows:

	2012	**2011**	**2010**
Income tax expense - current	**(2,150.5)**	**(1,675.2)**	**(1,283.2)**
Deferred tax (expense)/income on temporary differences	(198.0)	(753.7)	(563.3)
Deferred tax on taxes losses	11.4	(26.2)	(157.9)
Total deferred tax (expense)/income	**(186.6)**	**(779.9)**	**(721.2)**
Total income and expenses	**(2,337.1)**	**(2,455.1)**	**(2,004.4)**

Table of Contents

The reconciliation from the weighted nominal to the effective tax rate is summarized as follows:

	2012	2011	2010
Profit before tax	**12,880.0**	**11,039.2**	**9,464.6**
Adjustment on taxable basis			
Non-taxable income	(504.9)	(317.1)	(490.5)
Government grants related to sales taxes	(531.7)	(444.5)	(361.2)
Share of results of associates	(0.5)	(0.5)	(0.2)
Expenses not deductible for tax purposes	523.8	328.3	232.1
	12,366.7	**10,605.4**	**8,844.8**
Aggregated weighted nominal tax rate	32.66%	33.34%	33.73%
Taxes – nominal rate	**(4,039.5)**	**(3,535.8)**	**(2,983.1)**
Adjustment on tax expense			
Regional incentives - income taxes	165.2	351.3	289.7
Deductible interest on shareholders equity	537.4	465.3	393.9
Tax savings from goodwill amortization on tax books	149.7	120.8	125.9
Withholding tax and other income	(81.6)	(71.9)	(124.3)
Non-deductible losses in operations abroad	-	-	(11.1)
Income tax provision reversal	(13.5)	(56.2)	64.7
Others with reduced taxation	945.2	271.4	239.9
Income tax and social contribution expense	**(2,337.1)**	**(2,455.1)**	**(2,004.4)**
Effective tax rate	**18.15%**	**22.24%**	**21.18%**

The main events occurring in the period that impacted the effective tax rate were:

(a) higher interest on shareholder's equity expenses; (b) higher income from companies with an average tax rate of less than 34%, which were partially offset by the reduction in regional income tax incentives.

Ambev has been granted income tax incentives by the Brazilian Government in order to promote economic and social development in certain areas of the North and Northeast. These incentives are recorded as income on an accrual basis and allocated at year-end to the tax incentive reserve account.

Table of Contents

13. PROPERTY, PLANT AND EQUIPMENT

	2012				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Acquisition cost					
Balance at end of previous year	**4,234.0**	**13,253.4**	**2,530.6**	**1,866.1**	**21,884.1**
Effect of movements in foreign exchange	100.6	398.5	66.6	16.3	582.0
Acquisitions through business combinations	374.5	303.9	36.8	6.6	721.8
Acquisitions	5.5	198.8	51.5	2,715.6	2,971.4
Disposals	(81.2)	(660.5)	(200.0)	-	(941.7)
Transfer to other asset categories	389.0	2,176.7	342.8	(3,006.3)	(97.8)
Others	0.2	(2.0)	0.6	3.2	2.0
Balance at end	**5,022.6**	**15,668.8**	**2,828.9**	**1,601.5**	**25,121.8**
Depreciation and Impairment					
Balance at end of previous year	**(1,578.7)**	**(8,079.2)**	**(1,850.7)**	**-**	**(11,508.6)**
Effect of movements in foreign exchange	(43.9)	(286.1)	(48.6)	-	(378.6)
Depreciation	(143.9)	(1,282.6)	(305.6)	-	(1,732.1)
Impairment losses	-	(56.4)	-	-	(56.4)
Disposals	63.3	604.1	188.4	-	855.8
Transfer to other asset categories	84.9	(60.7)	21.9	-	46.1
Others	(1.9)	0.7	4.5	-	3.3
Balance at end	**(1,620.2)**	**(9,160.2)**	**(1,990.1)**	**-**	**(12,770.5)**
Carrying amount:					
December 31, 2011	**2,655.3**	**5,174.2**	**679.9**	**1,866.1**	**10,375.5**
December 31, 2012	**3,402.4**	**6,508.6**	**838.8**	**1,601.5**	**12,351.3**

	2011				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Acquisition cost					
Balance at end of previous year	**3,540.9**	**11,258.2**	**2,313.4**	**1,401.4**	**18,513.9**
Effect of movements in foreign exchange	102.4	405.3	71.3	35.9	614.9
Acquisitions through business combinations	8.7	-	-	-	8.7
Acquisitions	3.5	136.3	43.5	3,120.6	3,303.9
Disposals	(56.9)	(346.8)	(93.5)	-	(497.2)
Transfer to other asset categories	635.4	1,800.6	195.9	(2,704.1)	(72.2)
Others	-	(0.2)	-	12.3	12.1
Balance at end	**4,234.0**	**13,253.4**	**2,530.6**	**1,866.1**	**21,884.1**
Depreciation and Impairment					
Balance at end of previous year	**(1,468.6)**	**(7,072.5)**	**(1,622.7)**	**-**	**(10,163.8)**
Effect of movements in foreign exchange	(42.5)	(265.1)	(52.3)	-	(359.9)
Depreciation	(105.4)	(1,074.9)	(283.9)	-	(1,464.2)
Impairment losses	-	(51.1)	0.3	-	(50.8)
Disposals	36.4	323.5	89.6	-	449.5
Transfer to other asset categories	1.5	58.6	17.8	-	77.9
Others	(0.1)	2.3	0.5	-	2.7
Balance at end	**(1,578.7)**	**(8,079.2)**	**(1,850.7)**	**-**	**(11,508.6)**
Carrying amount:					
December 31, 2010	**2,072.3**	**4,185.7**	**690.7**	**1,401.4**	**8,350.1**
December 31, 2011	**2,655.3**	**5,174.2**	**679.9**	**1,866.1**	**10,375.5**

Acquisitions in the period refer substantially to modernization, refurbishment, the extension of production lines and construction of new plants in order to increase capacity.

Table of Contents

Capitalizes interest on loans, which is directly attributable to the acquisition and construction of qualifying assets is mainly recognized on investments in Brazil. The interest capitalization average rate used in 2012 was 11.29% per year (12.50% in 2011).

Ambev S.A. Predecessor leases plant, equipment, fixtures and fittings, which are accounted for as financial leases. The carrying amount of the leased assets was R$47.8 as of December 31, 2012 (R$29.7 as of December 31, 2011).

Contractual commitments to purchase property, plant and equipment amounted to R$212.7 as at December 31, 2012 (R$234.5 as at December 31, 2011).

14. GOODWILL

	2012	2011
Balance at the end of previous year	**23,814.2**	**23,244.4**
Effect of movements in foreign exchange	686.7	569.1
Acquisitions through business combinations and non-controlling interest (i)	2,144.3	0.7
Balance at the end of year	**26,645.2**	**23,814.2**

(i) The goodwill recognized in 2012, refers to the acquisition of the companies CND, Lugano and Lachaise by subsidiaries Ambev Bebidas, CRBS and Arosuco respectively. The effect from these acquisitions is disclosed in the Note 5.

The carrying amount of goodwill was allocated to the different cash generating units levels as follows:

	Functional Currency	2012	2011
LAN:			
Brazil	BRL	17,424.8	17,388.3
Ecuador	USD	2.7	2.5
Dominican Republic	DOP	2,321.1	89.9
Peru	PEN	44.5	38.6
LAS:			
Argentina	ARS	1,046.8	1,098.0
Bolivia	BOB	722.8	663.5
Chile	CLP	37.4	31.5
Paraguay	PYG	642.5	562.1
Uruguay	UYU	156.2	139.8
NA:			
Canada Operational	CAD	4,246.4	3,800.0
		26,645.2	**23,814.2**

The goodwill in the amount of R$14,414.4, relating to Canada Operations, which was recorded in Ambev's financial statements in relation to the acquisition of the Canadian operations from ABI in 2004 was reversed as part of the purchase accounting adjustments recorded to reflect the ABI accounting basis. The Canada Operation goodwill above reflects the goodwill recorded by ABI at the time such operations had been previously acquired by the ABI group.

Table of Contents

Annual impairment testing

The cash-generating unit to which the goodwill by expectation of future profitability (goodwill) has been allocated must be tested annually to check the need for reduction to the recoverable amount is always that there is no indication that the unit can be devalued, comparing its book value, including the goodwill by expectation of future profitability (goodwill), with the recoverable value of the unit.

At the end 2012, the Company completed its annual impairment testing and concluded, based on the assumptions described below, that no impairment charge was warranted.

Management cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the assets values reported. Management believes that all of its estimates are reasonable, since 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, Management conducted a sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. Although a change in the assumptions used could have a material impact on the calculation of the fair value and trigger impairment, , based on sensitivity analyses performed by Management around the base case assumptions is not aware of any possible change in the key assumptions used that would cause a cash-generating unit's carrying amount to exceed its recoverable amount.

Goodwill, which accounted for approximately 43% (44% as of December 31, 2011) of Ambev S.A. Predecessor's total combined assets, rely on a number of critical judgments, estimates and assumptions. Goodwill is tested for impairment at the level of the cash-generating units (that is, one level below the segments). The cash-generating unit is the lowest level at which goodwill is monitored for managerial purposes.

Ambev S.A. Predecessor's impairment testing methodology is in accordance with IAS 36, in which the fair value of selling expenses and the value used in the approaches are taken into account. This consists in applying a discounted cash flow approach based on acquisition valuation models for its major business units and the business units showing high capital amounts invested in EBITDA multiples and in valuation multiples for other business units. The key judgments, estimates and assumptions used in the discounted free cash flow calculations are 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 years of the model, free cash flows are based on Ambev S.A. Predecessor strategic plans as approved by key management. Ambev S.A. Predecessor's strategic plan is prepared by country and is based on external sources in respect of macroeconomic 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.

Management may consider choosing more appropriate criteria for determining the fair value of the business in the event of firm expectations regarding transactions with third parties.

Table of Contents

• From the fifth to the tenth year of the model, data from the strategic plan is extrapolated using simplified assumptions such as volume, constant unit costs and fixed costs linked to inflation, as obtained from external sources, considering the sensitivities on this metric. The terminal growth rate was 2% (USD) on average.

• Cash flows after the first ten-year period are extrapolated using long-term indices, based on external sources. Based on these assumptions the cash flow perpetuity is calculated, which consists of obtaining the present value of these annual flows considering the existence of the business unit for an infinite period. Ambev S.A. Predecessor's management believes that the estimated five-year or ten-year cash flows are consistent with the operating information available in this industry sector, nature of its products and extensive client base;

• Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital (WACC), considering the sensitivity of this metric. The WACC for each country ranged primarily between 4.87% and 5.97% in nominal US dollars for goodwill impairment testing conducted in 2012;

• Costs to sell are assumed at 1.5% of the entity's value based on historical figures.

Although Ambev S.A. Predecessor believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

15. INTANGIBLE ASSETS

	2012				
Acquisition cost	**Brands**	**Market Assets**	**Software**	**Others**	**Total**
Balance at end of previous year	**1,522.3**	**1,366.2**	**439.8**	**198.4**	**3,526.7**
Effect of movements in foreign exchange	103.3	1.0	0.4	(0.8)	103.9
Acquisitions	-	111.7	8.8	13.7	134.2
Disposal	-	-	(2.6)	-	(2.6)
Acquisitions through business combination	850.8	31.2	-	5.8	887.8
Allocations through business combination	-	-	-	-	-
Transfers to other assets categories	-	-	51.9	-	51.9
Balance at end of year	**2,476.4**	**1,510.1**	**498.3**	**217.1**	**4,701.9**
Amortization and Impairment losses (i)					
Balance at end of previous year	**-**	**(1,159.5)**	**(332.0)**	**(122.4)**	**(1,613.9)**
Foreign exchange variation effect	-	-	(0.9)	-	(0.9)
Amortization	(1.9)	(94.1)	(38.2)	(19.2)	(153.4)
Disposal	-	-	2.6	-	2.6
Transfers to other assets categories	-	-	(0.2)	-	(0.2)
Balance at end of year	**(1.9)**	**(1,253.6)**	**(368.7)**	**(141.6)**	**(1,765.8)**
Carrying amount:					
December 31, 2011	**1,522.3**	**206.7**	**107.8**	**76.0**	**1,912.8**
December 31, 2012	**2,474.5**	**256.5**	**129.6**	**75.5**	**2,936.1**

Table of Contents

Acquisition cost	2011				
	Brands	Market Assets	Software	Others	Total
Balance at end of previous year	**1,382.6**	**1,338.0**	**378.1**	**181.3**	**3,280.0**
Effect of movements in foreign exchange	163.7	-	5.5	11.2	180.4
Acquisitions and expenditures	7.6	28.1	18.4	5.9	60.0
Allocations through business combination		-	-	-	-
Transfers to other assets categories	(31.6)	0.1	37.8	-	6.3
Balance at end of year	**1,522.3**	**1,366.2**	**439.8**	**198.4**	**3,526.7**
					3,376.9
					149.8
Amortization and Impairment losses (i)					
Balance at end of previous year	**-**	**(1,065.7)**	**(292.6)**	**(98.5)**	**(1,456.8)**
Foreign exchange variation effect	-	-	(4.2)	(7.0)	(11.2)
Amortization	-	(93.8)	(36.4)	(16.9)	(147.1)
Disposal	-	-	-	-	-
Transfers to other assets categories	-	-	1.2	-	1.2
Balance at end of year	**-**	**(1,159.5)**	**(332.0)**	**(122.4)**	**(1,613.9)**
Carrying amount:					
December 31, 2010	**1,382.6**	**272.3**	**85.5**	**82.8**	**1,823.2**
December 31, 2011	**1,522.3**	**206.7**	**107.8**	**76.0**	**1,912.8**

(i) The period of amortization of intangible assets of definite useful life is five years and amortization is calculated at the rate of 20% and recognized in income on a straight-line method.

Ambev S.A. Predecessor is the owner of some of the world's leading brands in the beer industry. As a result, brands are expected to generate positive cash flows for as long as Ambev S.A. Predecessor owns the brands and accordingly have been assigned indefinite lives. The most representative brands that have been registered as result of fair value determination of past acquisitions are Quilmes in Argentina, Pilsen in Paraguay and Bolivia and Presidente and Presidente Light in Dominican Republic.

Intangible assets with indefinite useful lives include the brands for which there is no foreseeable limit to the period during which these assets are expected to generate positive net cash flows for Ambev S.A. Predecessor. These marks are considered assets of indefinite useful life because of his strength, level of investment in marketing and history of profitability.

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

	2012	2011
Argentina	642.1	585.9
Bolivia	350.3	421.5
Brasil	83.5	74.0
Canada	53.9	45.4
Chile	364.5	310.4
Dominican Republic	105.3	85.1
Paraguay	869.4	-
Uruguay	5.5	-
	2,474.5	**1,522.3**

Intangible assets with indefinite useful lives have been tested for impairment at a cash-generating unit level basis consistent with the goodwill impairment tests (Note 14). The royalty stream that could be obtained from licensing of intangible asset to a third party in an arm's length transaction is also used as an indicator of fair value.

Table of Contents

16. INVESTMENT SECURITIES

	2012	2011
Non-current investments		
Equity securities available-for-sale	188.0	165.8
Debt held-to-maturity	61.4	76.3
	249.4	**242.1**
Current investments		
Financial asset at fair value through profit or loss-held for trading	291.2	193.4
Debt securities held-to-maturity	-	-
Equity securities available-for-sale	185.4	-
	476.6	**193.4**

Financial asset at fair value through profit or loss-held for trading

In general, investments in debt securities with original maturities of greater than three months 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 of Ambev S.A. Predecessor.

Financial assets at fair value through profit or loss are presented in Investments activities as part of changes in working capital in the Cash flow statement. Changes in fair values of financial assets at fair value through profit and loss are recorded as net finance cost in the income statement as of December, 31 2012 (Note 11).

Equity securities available-for-sale

The amount of R$185.4 classified as equity securities available-for-sale (assets) in the combined financial statements at December 31, 2012 is related to CDBs operations whose liquidity is not immediate or the payment would result in change in value.

Equity securities of R$188.0 (R$165.8 at December 31, 2011), classified as available for sale (non-current assets) in the financial statements as of December 31, 2012, refers to the operation on October 20, 2010 pursuant to which Ambev and Cervecería Regional S.A. ("Cervecería Regional") combined their businesses in Venezuela, whereupon Cervecería Regional assumed an 85% interest and Ambev the remaining 15% which was recorded at fair value on the purchase date and adjusted by exchange variation, net of reductions in the recoverable amount of the asset.

Table of Contents

17. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred taxes for income tax and social contribution taxes are calculated on tax losses, the negative tax basis of social contributions and the temporary differences between the tax bases and the carrying amount in the financial statement of assets and liabilities. The rates of these taxes in Brazil, currently set for the determination of deferred taxes, are 25% for income tax and 9% for social contribution. For the other regions, applied rates, including the rates applicable to distribution of dividend, are as follow:

HILA-ex	from 23% to 31%
Latin America - South	from 14% to 35%
Canada Operational	from 5% to 26%

The amount of deferred income tax and social contribution by type of temporary difference is detailed as follows:

	2012			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	27.6	(607.5)	(579.9)	2.6	(527.8)	(525.2)
Intangible assets	5.8	(610.3)	(604.5)	5.5	(355.7)	(350.2)
Goodwill	29.2	-	29.2	58.7	-	58.7
Inventories	115.1	(0.6)	114.5	100.7	(1.5)	99.2
Investment securities	9.7	-	9.7	-	-	-
Trade and other receivables	37.7	-	37.7	33.2	-	33.2
Trade and other payables	-	(413.9)	-413.9	-	(303.1)	(303.1)
Interest-bearing loans and borrowings	120.1	(4.4)	115.7	-	(19.4)	(19.4)
Employee benefits	523.7	-	523.7	478.7	(0.1)	478.6
Provisions	287.9	(6.1)	281.8	270.1	(4.3)	265.8
Derivatives	294.8	(0.2)	294.6	8.6	(20.2)	(11.6)
Tax credits for corporate restructuring	229.8	-	229.8	580.8	-	580.8
Other items	-	(19.2)	-19.2	17.3	-	17.3
Partnership profit	-	(291.3)	-291.3	-	(311.8)	(311.8)
Loss carryforwards	332.6	-	332.6	322.8	-	322.8
Gross deferred tax assets / (liabilities)	**2,014.0**	**(1,953.5)**	**60.5**	**1,879.0**	**(1,543.9)**	**335.1**
Netting by taxable entity	(585.8)	585.8	-	(431.9)	431.9	-
Net deferred tax assets / (liabilities)	**1,428.2**	**(1,367.7)**	**60.5**	**1,447.1**	**(1,112.0)**	**335.1**

Ambev S.A. Predecessor only offsets the balances of deferred income tax and social contribution assets against liabilities when they are within the same entity and jurisdiction and are expected to be realized in the same period.

Tax losses and negative bases of social contribution and temporary deductible differences in Brazil, on which the deferred income tax and social contribution were calculated, have no expiry date.

Table of Contents

At December 31, 2012 the deferred tax assets related to combined tax losses has an expected utilization as follows:

	2012	2011
2013	31.0	160.9
2014	79.9	74.6
2015	48.1	9.7
Beyond 2016 (i)	173.6	77.6
	332.6	**322.8**

(i) There is no expected realization that exceed the period of 10 years.

Part of the tax benefit corresponding to the tax losses from previous periods and temporary differences of subsidiaries abroad was not recorded as an asset, as management is unable to conclude to a sufficient degree of certainty that realization is probable.

The tax losses carried forward in relation to these unrecognized deferred tax assets are equivalent to approximately R$1.1 billion at December 31, 2012 (R$789.9 at December 31, 2011). The total unrecognized deferred tax assets related to tax losses carried forward for these subsidiaries amount to R$331.2 at December 31, 2012 (R$176.6 at December 31, 2011) for which the expiry term is on average five years.

The change in net deferred taxes recorded in the combined statement of financial position is detailed as follows:

Balance at December 31, 2011	**335.1**
Recognized in Income statement	(186.6)
Recognized in Net income	(88.0)
Balance at December 31, 2012	**60.5**

18. INVENTORIES

	2012	2011
Finished goods	698.0	548.9
Work in progress	204.4	124.0
Raw material	1,195.1	1,221.9
Consumables	59.5	51.5
Spare parts and other	248.7	206.5
Prepayments	88.3	102.8
Impairment losses	(27.7)	(17.1)
	2,466.3	**2,238.5**

Losses on inventories recognized in the income statement amounted to R$83.8 as of December 31, 2012 (R$52.2 in December 31, 2011).

Table of Contents

19. TRADE AND OTHER RECEIVABLES

Non-Current trade and other receivables	**2012**	**2011**
Trade receivables	1.4	1.5
Cash deposits for guarantees	552.5	556.1
Derivative financial instruments with positive fair value	30.5	57.4
Taxes receivable	362.7	361.5
Prepaid expenses	172.9	127.8
Other receivables (i)	735.0	127.7
	1,855.0	**1,232.0**
Current trade and other receivables		
Trade receivables	2,468.0	1,987.0
Interest receivable	127.1	55.3
Taxes receivable	468.8	566.4
Derivative financial instruments with positive fair value	340.6	456.0
Prepaid expenses	710.6	620.5
Other receivables	153.0	190.1
	4,268.1	**3,875.3**

(i) Of R$735.0 million recorded as other receivables (non-current assets), R$634.4 million relate to amounts receivable from former shareholder (ELJ) of Cerveceria Nacional Dominicana's ("CND""). The amounts will be settled as the ELJ is exercising its put option of the shares it still holds.

An ageing of our non-current trade receivables is detailed as follows:

	Net carrying amount as of December 31,	**No past due**	**Past due - between 30 - 60 days**	**Past due - between 60 - 90 days**	**Past due - between 90 - 180 days**	**Past due - between 180 - 360 days**
2012	2,468.0	2,412.4	35.8	15.9	3.9	-
2011	1,987.0	1,959.3	21.1	6.1	0.2	0.3

In accordance with the IFRS 7 the above analysis of the ageing 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 when the amounts can be recovered from the tax authorities or Ambev S.A. Predecessor has sufficient collateral guarantees. Impairment losses on trade and other receivables recognized in the income statement in 2012 amount to R$41.0 (R$21.0 in 2011).

Ambev S.A. Predecessor's exposure to credit risk, currency and interest rate risks is disclosed in Note 26.

Due to the low average terms for receipt of the customer portfolio, the fair values of trade receivables are extremely close to the amounts recorded.

Table of Contents

20. CASH AND CASH EQUIVALENTS

	2012	2011
Short term bank deposits (i)	6,532.3	5,890.3
Current bank accounts	2,372.1	2,248.0
Cash	69.9	7.4
Cash and cash equivalents	**8,974.3**	**8,145.7**
Bank overdrafts	(0.1)	(12.3)
Cash and cash equivalents less bank overdraft	**8,974.2**	**8,133.4**

(i) The balance refers, mostly, to time deposits which are defined as a short-term investment, highly liquid with original maturities of three months or less. These balances are convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

21. INTEREST-BEARING LOANS AND BORROWINGS

This explanatory note disseminates contractual information on the position of loans and financing of Ambev S.A. Predecessor. The explanatory Note 26 - Financial instruments and risks publishes additional information with respect to exposure of Ambev S.A. Predecessor to the risks of interest rate and currency.

	2012	2011
Non-current liabilities		
Secured bank loans	243.8	178.2
Unsecured bank loans	1,462.4	1,280.1
Debentures and unsecured bond issues	429.7	298.1
Other unsecured loans	151.5	133.0
Financial leasing	18.6	0.8
	2,306.0	**1,890.2**
Current liabilities		
Secured bank loans	65.2	62.7
Unsecured bank loans	753.8	891.1
Debentures and unsecured bond issues	-	1,248.0
Other unsecured loans	17.2	2.5
Financial leasing	1.6	7.8
	837.8	**2,212.1**

Financial funding

During 2011, Ambev raised R$1,064.0 in Brazil in lines of credit from Finem UMBNDES and Finem URTJLP, R$10.0 in HILA-ex, R$68.9 in LAS and R$456.7 in Labatt.

Table of Contents

The main changes in the period refer to the settlement on July 2, 2012, of the debenture issued on July 1, 2006.

Payments in 2011 totaled R$(2,609.0) related to Bond 11 and 13; R$(475.5) related to lines of credit from BNDES, including Finem UMBNDES, Finem URTJLP, Agroindustrial Credit and Bank Credit in Brazil, R$(14.5) in HILA-ex, R$(389.2) in LAS and R$(1,533.1) in Labatt

Ambev S.A. Predecessor's debt was structured in a manner to avoid significant concentration of maturities in each year and tied to different interest rates. The most significant rates are: (i) flat rate for the Bond 2017; (ii) basket of currencies (UMBNDES) and Interest Rate (TJLP) to loans from National Bank of Economic and Social Development. At December 31, 2012 Ambev S.A. Predecessor's loans presented the following interest rates:

	2012			2011	
Debt instruments	**Average rate %**	**Current**	**Non-current**	**Current**	**Non-current**
Debt denominated in USD floating rate	6.14%	147.5	270.7	-	-
BNDES basket debt floating rate (UMBNDES + average pay rate)	1.76%	126.7	252.2	43.8	187.6
Reais denominated fixed rate	-	-	-	473.1	-
CAD denominated floating rate - BA	-	-	-	-	-
CAD denominated fixed rate	-	-	-	-	-
Other latin american currency fixed rate	6.81%	5.7	73.3	79.0	70.2
USD denominated fixed rate	-	-	-	-	-
TJLP BNDES denominated floating rate (TJLP + average pay rate)	6.79%	473.8	1,077.7	292.2	1,148.0
Reais debt - ICMS fixed rate	3.38%	17.2	151.5	2.5	133.0
Reais debt - debentures floating rate % CDI	-	-	-	1,248.0	-
Reais debt - fixed rate	7.90%	66.9	480.6	73.5	351.4
Total		**837.8**	**2,306.0**	**2,212.1**	**1,890.2**

Terms and debt repayment schedule – December 31, 2012

	2012					
	Total	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**
Secured bank loans	309.0	65.2	97.2	47.2	53.3	46.1
Unsecured bank loans	2,216.1	753.8	617.1	492.4	340.3	12.5
Debentures and unsecured bond issues	429.8	-	-	61.7	368.1	-
Unsecured other loans	168.7	17.2	23.4	23.9	22.0	82.2
Finance lease liabilities	20.2	1.6	2.7	5.1	5.6	5.2
	3,143.8	**837.8**	**740.4**	**630.3**	**789.3**	**146.0**

Table of Contents

Terms and debt repayment schedule – December 31, 2011

	2011					
	Total	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**
Secured bank loans	240.9	62.7	55.8	49.6	62.1	10.7
Unsecured bank loans	2,171.2	891.1	500.8	371.0	405.2	3.1
Debentures and unsecured bond issues	1,546.1	1,248.0	-	-	-	298.1
Unsecured other loans	135.5	2.5	25.2	23.9	21.9	62.0
Finance lease liabilities	8.6	7.8	0.4	0.4	-	-
	4,102.3	**2,212.1**	**582.2**	**444.9**	**489.2**	**373.9**

Contract clauses (covenants)

Ambev S.A. Predecessor's loans have equal rights to payment without subordination clauses. Except for the credit lines due to FINAME contracted by Ambev S.A. Predecessor with Banco Nacional de Desenvolvimento Economico e Social - BNDES, where collateral is provided on assets acquired with the credit granted which serve as collateral; other loans and financing contracted by Ambev S.A. Predecessor provide only guarantees as collateral of other companies of the group. The loan contracts contain financial covenants including:

• Going-concern;

• Maintenance, in use or in good condition for the business, of Ambev S.A. Predecessor's properties;

• Restrictions on acquisitions, mergers, sale or disposal of its assets;

• Disclosure of financial statements under Brazilian GAAP and IFRS; prohibition related to new real guarantees for loans contracted, except if: (i) expressly provided Ambev S.A. Predecessor's bylaws or local law, (ii) new loans contracted from financial institutions linked to the Brazilian government - including the BNDES or foreign governments; - or foreign governments, multilateral financial institutions (eg World Bank) or located in jurisdictions in which Ambev S.A. Predecessor operates;

These clauses apply to the extent that the events mentioned produce material adverse effects on Ambev S.A. Predecessor and / or its subsidiaries or the rights of its creditors, and, in the event of a breach, Ambev S.A. Predecessor is usually provided a grant a grace period to cure such default.

Additionally, all agreements entered into with the BNDES are subject to certain "provisions applicable to agreements entered into with the BNDES" ("Provisions"). Such Provisions require the borrower, to obtain prior consent of BNDES if they, for instance, wish to: (i) raise new loans (except for loans described in the Provisions); (ii) give preference and/or priority to other debts; and/or (iii) dispose of or encumber any item of their fixed assets (except as provided for in the Provisions).

Table of Contents

As at December 31, 2012, Ambev S.A. Predecessor was in compliance with all its contractual obligations for its loans and financings.

22. EMPLOYEE BENEFITS

The Company sponsors pension plans to defined benefit to employees in Brazil and subsidiaries located in the Dominican Republic, Argentina, Bolivia and Canada based on employees' salaries and length of service. The entities are governed by local regulations and practices of each individual country as well as the relationship with the Company's private pension funds and their composition.

Ambev S.A. Predecessor provides post-employment benefits, including pension benefits and medical and dental care. Post-employment benefits are classified as either defined contribution or defined benefit plans.

The defined benefit plans and the other post-employment benefits are not granted to new retirees.

Defined contribution plans

These plans are funded by the participants and the sponsor, and are managed by privately administered pension funds. During 2012, Ambev S.A. Predecessor contributed R$9.4 (R$8.8 and R$6.7 in 2011 and 2010, respectively) to these funds, which were recorded as an expense. Once the contributions have been paid, Ambev S.A. Predecessor has no further payment obligations.

Defined benefit plans

At December 31, the net liability for defined benefit plans consists of the following:

	2012	2011	2010
Present value of funded obligations	(4,748.6)	(4,047.2)	(3,325.9)
Fair value of plan assets	4,279.1	3,648.5	3,471.2
Present value of net obligations	**(469.5)**	**(398.7)**	**145.3**
Present value of unfunded obligations	(669.7)	(614.4)	(515.4)
Present value of net obligations	**(1,139.2)**	**(1,013.1)**	**(370.1)**
Unrecognized past service cost	1.5	1.6	1.4
Unrecognized assets	(612.2)	(571.9)	(576.9)
Net liability	**(1,749.9)**	**(1,583.4)**	**(945.6)**
Other long term employee benefits	(5.5)	(1.1)	0.3
Total employee benefits	**(1,755.4)**	**(1,584.5)**	**(945.3)**
Employee benefits amount in the balance sheet:			
Liabilities	(1,780.9)	(1,602.9)	(966.2)
Assets	25.5	18.5	20.9
Net liabilities	**(1,755.4)**	**(1,584.5)**	**(945.3)**

Table of Contents

At December 31, 2012, Ambev S.A. Predecessor recorded R$25.5 up to the asset ceiling not exceeding the present value of future benefits expected to flow to Ambev S.A. Predecessor. Therefore, this asset does not duplicate the treatment of actuarial losses or past service cost.

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

	2012	2011	2010
Defined benefit obligation at 1 January	**(4,661.6)**	**(3,841.3)**	**(3,466.5)**
Service cost	(52.3)	(42.5)	(34.0)
Interest cost	(287.2)	(264.5)	(253.3)
Acquisition through business combination	(76.6)	-	-
New unvested past service cost	0.3	9.8	(6.4)
Contributions by plan participants	(3.2)	(2.7)	(4.2)
Actuarial gains and (losses)	(270.7)	(507.5)	(358.1)
Exchange differences	(403.9)	(303.2)	(11.9)
Benefits paid	336.9	290.4	293.1
Defined benefit obligation at 31 December	**(5,418.3)**	**(4,661.5)**	**(3,841.3)**

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

	2012	2011	2010
Fair value of plan assets at 1 January	**3,648.5**	**3,471.2**	**3,315.1**
Expected return	336.2	310.3	298.2
Actuarial gains and (losses)	194.5	(129.7)	25.8
Acquisition through business combination	48.1	-	-
Contributions by employer	143.3	103.1	108.8
Contributions by plan participants	3.2	3.1	4.2
Exchange differences	242.2	180.9	12.7
Benefits paid	(336.9)	(290.4)	(293.6)
Fair value of plan assets at 31 December	**4,279.1**	**3,648.5**	**3,471.2**

Expected real return on plan assets generated a gain of R$26.0 (gain of R$12.1 in 2011 and R$30.2 in 2010).

The revenue/(expense) recognized in the income statement with regard to defined benefit plans is detailed as follows:

	2012	2011	2010
Current service costs	(52.3)	(42.5)	(34.0)
Interest cost	(287.2)	(264.5)	(253.3)
Expected return on plan assets	336.2	310.3	298.2
Amortized past service cost	(1.2)	(0.2)	(7.6)
New vested past service cost	1.1	10.2	-
	(3.4)	**13.3**	**3.3**

Table of Contents

The employee benefit revenue/(expenses) are included in the following line items in the income statement:

	2012	2011	2010
Cost of sales	(24.5)	(16.5)	(17.3)
Sales and marketing expenses	(23.4)	(17.5)	(27.4)
Administrative income	44.6	47.3	48.0
	(3.3)	**13.3**	**3.3**

The assumptions used in the calculation of the obligations are as follows:

	2012	2011	2010
Discount rate	5.7%	6.1%	7.0%
Future salary increases	4.1%	4.0%	4.2%
Future pension increases	2.7%	2.8%	2.9%
Medical cost trend rate	7.4% p.a. reducing to 5.9%	7.6% p.a. reducing to 5.6%	7.4% p.a. reducing to 5.5%
Dental claims trend rate	4.5%	4.5%	4.5%
Life expectation for an over 65 years old male	84	84	84
Life expectation for an over 65 years old female	86	86	87

The assumptions used in the calculation of the periodic pension costs are as follows (i):

	2012	2011	2010
Discount rate	6.1%	7.0%	10.5%
Expected return on plan assets	8.8%	9.0%	8.8%
Future salary increases	4.0%	4.2%	3.5%
Future pension increases	2.8%	2.9%	3.5%
Medical cost trend rate	7.6% p.a. reducing to 5.6%	7.4% p.a. reducing to 5.5%	12.3% p.a. reducing to 8.2%
Dental claims trend rate	4.5%	4.5%	6.2%

(i) Since the assumptions are nominal rates in different currencies Ambev S.A. Predecessor has converted the foreign rates into Reais equivalents based on the two year forward currency exchange rates. The weighted average assumptions are calculated based on these Reais equivalents.

Table of Contents

Post-employment benefits (pension and care plans)

Assumed medical cost trend rates have a significant effect on the amounts recognized in profit or loss. A one percentage point change in the assumed medical cost trend rates would have the following effects (note that a positive amount refers to a decrease in the obligations or cost, while a negative amount refers to an increase in the obligations or cost):

Medical cost trend rate	2012 100 basis points increase	2012 100 basis points decrease	2011 100 basis points increase	2011 100 basis points decrease	2010 100 basis points increase	2010 100 basis points decrease
Effect on the aggregate of the service cost and interest cost and of medical plans	(7.3)	8.7	(9.1)	7.8	(10.6)	11.1
Effect on the defined benefit obligation for medical cost	(108.1)	91.3	(87.3)	75.2	(70.5)	69.2

Presented below is the sensitivity analysis in relation to the discount rates, future salary increases and mortality rates:

Discount rate	2012 50 basis points increase	2012 50 basis points decrease	2011 50 basis points increase	2011 50 basis points decrease	2010 50 basis points increase	2010 50 basis points decrease
Effect on the aggregate of the service cost and interest cost of defined benefit plans	(0.9)	1.7	(2.2)	2.9	1.5	0.1
Effect on the defined benefit obligation	301.9	(326.8)	240.4	(258.9)	217.5	(234.6)

Future salary increase	2012 50 basis points increase	2012 50 basis points decrease	2011 50 basis points increase	2011 50 basis points decrease	2010 50 basis points increase	2010 50 basis points decrease
Effect on the aggregate of the service cost	(2.7)	2.6	(0.3)	0.3	(1.7)	1.7
Effect on the defined benefit obligation	(21.5)	20.5	(1.1)	1.0	(12.4)	12.1

Longevity	2012 One year increase	2012 One year decrease	2011 One year increase	2011 One year decrease	2010 One year increase	2010 One year decrease
Effect on the aggregate of the service cost and interest cost of defined benefit plans	(11.2)	11.2	(2.9)	3.0	(5.7)	11.9
Effect on the defined benefit obligation	(174.7)	178.2	(42.9)	42.7	(115.6)	114.9

The data presented in these tables are purely hypothetical and are based on 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. Therefore, the above information is not necessarily a reasonable representation of future results.

Table of Contents

The plan assets at December 31, consist of the following:

	2012	2011	2010
Government bonds	17%	14%	78%
Corporate bonds	20%	22%	0%
Net income	40%	41%	17%
Property	23%	23%	5%

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated share in the total investment portfolio.

Ambev S.A. Predecessor expects to contribute approximately R$56.6 to its defined benefit plans in 2013.

The historic four-year present value of defined benefit obligations, fair value of plan assets and pension reserve / contingency plans, is presented as follows:

	2012	2011	2010
Present value of funded obligations	(5,418.3)	(4,661.6)	(3,841.3)
Fair value of plan assets	4,279.1	3,648.5	3,471.2
Pension / Contingency reserves	**(1,139.2)**	**(1,013.1)**	**(370.1)**
Experience adjustments: (increase)/decrease plan liabilities	(14.9)	(129.2)	(130.5)
Experience adjustments: increase/(decrease) plan assets	194.5	(129.7)	14.4

The present value of funded obligations include R$572.9 (R$502.6 in 2011 and R$481.2 in 2010) of two health care plans for which the benefits are provided directly by Fundação Zerrenner. Fundação Zerrenner is a legally distinct entity whose main goal is to provide The Company's current and retired employees and managers with health care and dental assistance, technical and superior education courses, maintaining facilities for assisting and helping elderly people, among other things, through direct initiatives or through financial assistance agreements with other entities.

Ambev S.A. Predecessor recognizes the assets of that plan (prepaid expenses) to the extent of the value of economic benefit available to Ambev S.A. Predecessor, from refunds or reductions in future contributions, in this case in an amount equivalent to the corresponding actuarial liabilities.

23. SHARE-BASED PAYMENTS

Different share and stock option programs enable executives to receive or acquire shares of Ambev. Under the terms of the programs, after the Stock Swap Merger occurs, the shares of Ambev S.A. will be received instead. For all option plans, the fair value is estimated at grant date, using the Hull binomial pricing model.

In 2012, as per the current plan, Ambev issued 3,034 thousand units of options with a fair value of R$84.6, whose amount will be charged to expense over the vesting period.

Table of Contents

To encourage managers to be mobile, some options granted in previous years were modified during 2012, where the dividend protection features of such options were canceled in exchange for issuing 69 thousand options in 2012, representing the economic value of the dividend protection feature eliminated. As there was no change to the fair value of the original award immediately prior to the modification and the fair value of the modified award immediately after the change, no additional expense was recorded as a result of this change.

The weighted average fair value of the options and assumptions used in applying the Ambev option pricing model for the 2012, 2011 and 2010 grants are as follows:

In R$	**2012** (i)	**2011** (i)	**2010** (i)
Fair value of options granted	27.88	22.48	18.74
Share price	85.26	55.61	40.14
Exercise price	85.26	46.39	40.94
Expected volatility	33.0%	33.7%	28.4%
Vesting year	4.41	4.28	5.00
Expected dividends	0% to 5%	0% to 5%	0% to 5%
Risk-free interest rate	2.1% to 11.2% (ii)	3.1% to 11.9% (ii)	12.2% (ii)

(i) Information based on weighted average plans granted, except for the expected dividends and risk-free interest rate.

(ii) The percentages include the grants of stock options and ADRs during the period, in which the risk-free interest rate of ADRs are calculated in U.S. dollar.

The total number of outstanding options developed as follows:

Thousand options	**2012**	**2011**	**2010**
Options outstanding at January 1	29,562	26,253	20,570
Options issued during the period	3,103	5,624	6,625
Options exercised during the period	(2,500)	(1,728)	(525)
Options forfeited during the period	(1,382)	(587)	(417)
Options outstanding at ended year	**28,783**	**29,562**	**26,253**

The range of exercise prices of the outstanding options is between R$11.52 (R$11.92 as of December 31, 2011) and R$89.20 (R$67.10 as of December 31, 2011) and the weighted average remaining contractual life is approximately 8.15 years (8.59 years as of December 31, 2011).

Of the 28,781 thousand outstanding options (29,562 thousand as of December 31, 2011), 5,042 thousand options are vested as at December 31, 2012 (2,974 thousand as of December 31, 2011).

The weighted average exercise price of the options is as follows:

In R$ per share	**2012**	**2011**	**2010**
Options outstanding at January 1	29.87	24.71	20.75
Options issued during the period	85.73	55.09	40.94
Options forfeited during the period	13.93	23.75	19.31
Options exercised during the period	14.12	13.56	11.95
Options outstanding at ended period	36.16	29.87	24.71
Options exercisable at ended period	18.96	13.21	11.66

Table of Contents

For the options exercised during 2012, the weighted average market price on the exercise date was R$78.68.

To settle stock options, Ambev may use treasury shares. The current limit of authorized capital is considered sufficient to meet all stock option plans.

After the changes made to the Plan in 2010, Ambev began using a new stock options model. This new model covers two types of grants: (i) in the first type of grant, the Beneficiary may choose to allocate 30%, 40%, 60%, 70% or 100% of the profit sharing amount received during the year, immediately exercising the options and acquiring the corresponding preferred shares of Ambev, while the delivery of a substantial part of the acquired shares is conditional on remaining with Ambev for a period of five years from the exercise date ("Grant 1") and; (ii) in the second type of grant, the Beneficiary may exercise the options after a period of five years ("Grant 2"). In this new model, the exercise of the options is not subject to Ambev fulfilling performance goals.

The 2010.2 Program included the two types of grants described above (Grant 1 and 2), while the 2011.1 program included only Grant 1 and the 2010.3 and 2011.2 Programs included only Grant 2.

In 2012, Ambev issued 967 thousand (1,411 in 2011) deferred stock units. These deferred stock units are valued at the share price of the day of grant, representing a fair value of approximately R$47.5 (R$63.9 in 2011), and cliff vest after five years.

The total number of shares purchased under the plan of shares by employees, whose grant is deferred to a future time under certain conditions (deferred stock), is shown below:

Thousand deferred shares	**2012**		**2011**		**2010**
Deferred shares outstanding at January 1	1,392		-		-
New deferred shares during the period	967		1,411		-
Deferred shares forfeited during the period	(53)	-	(19)	-	-
Deferred shares outstanding at ended year	**2,306**		**1,392**		-

Additionally, certain employees and directors of Ambev receive options to acquire AB Ambev S.A. shares, the compensation cost of which is recognized in the income statement against equity in Ambev's financial statements as of December 31, 2012.

These share-based payments generated an expense of R$144.6 in the period ended December 31, 2012 (R$122.3 for the period ended December 31, 2011), recorded as Administrative expenses.

Table of Contents

24. TRADE AND OTHER PAYABLES

	2012	2011
Non-current		
Trade payables	45.0	27.9
Deferred sales tax (i)	528.8	481.5
Other taxes, charges and contributions	250.5	261.5
Derivative financial instruments with negative fair values	4.2	281.0
Option sale of interest in subsidiary issued (ii)	2,125.8	-
Other payables	109.6	144.7
	3,063.9	**1,196.6**
Current		
Trade payables and accrued expenses	6,571.6	6,128.0
Payroll and social security payables	566.1	430.2
Indirect taxes payable	2,046.8	1,836.2
Deferred sales tax (i)	54.7	43.5
Interest payable	38.7	88.3
Derivative financial instruments with negative fair values	1,051.7	583.5
Dividends and interest on capital payable	3,088.9	2,042.2
Other payables	160.8	150.2
	13,579.3	**11,302.1**

(i) The deferred value-added sales tax is related to the deferred scheduling of ICMS payables offered by certain states in Brazil, as part of incentive programs. The deferred percentages can be fixed depending on the program, or fluctuate between 65% to 90% in the first year, and 50% through the last year. The deferred amounts are usually indexed to a general price index.

(ii) As part of the shareholders' agreement between Ambev and ELJ, a put option was issued that may lead to acquisition by Ambev of the remaining shares in CND. For further details, see Note 5.

25. PROVISIONS

	Balance as of December 31, 2011	Effect of changes in foreign exchange rates	Provisions made	Provisions used and reversed	Balance as of December 31, 2012
Restructuring					
Non-current restruturing	8.4	1.0	-	(5.0)	4.4
Lawsuits tax, labor, civil and others					
Civil	18.3	-	30.6	(18.5)	30.4
Taxes on sales	162.7	-	112.9	(91.8)	183.8
Income tax	117.9	-	76.1	(43.0)	151.0
Labor	195.1	-	159.3	(174.3)	180.1
Others	77.6	4.7	67.3	(43.7)	105.9
Total	**571.6**	**4.7**	**446.2**	**(371.3)**	**651.2**
Total provisions	**580.0**	**5.7**	**446.2**	**(376.3)**	**655.6**

Table of Contents

	Total	1 year or less	1-2 years	2-5 years	Over 5 years
Restructuring					
Non-current restruturing	4.4	-	4.4	-	-
Lawsuits tax, labor, civil and others					
Civil	30.4	6.8	7.4	15.1	1.1
Taxes on sales	183.8	48.0	42.6	86.8	6.4
Income tax	151.0	26.5	39.0	79.7	5.8
Labor	180.1	45.2	42.4	86.2	6.3
Others	105.9	11.0	29.8	60.8	4.3
Total	**651.2**	**137.5**	**161.2**	**328.6**	**23.9**
Total provisions	**655.6**	**137.5**	**165.6**	**328.6**	**23.9**

	Balance as of December 31, 2010	Effect of changes in foreign exchange rates	Provisions made	Provisions used and reversed	Balance as of December 31, 2011
Restructuring					
Non-current restruturing	18.1	1.8	3.5	(15.0)	8.4
Lawsuits tax, labor, civil and others					
Civil	39.8	-	23.9	(45.4)	18.3
Taxes on sales	175.5	-	40.9	(53.7)	162.7
Income tax	134.5	-	65.2	(81.8)	117.9
Labor	224.3	-	91.4	(120.6)	195.1
Others	46.9	9.8	41.5	(20.6)	77.6
Total	**621.0**	**9.8**	**262.9**	**(322.1)**	**571.6**
Total provisions	**639.1**	**11.6**	**266.4**	**(337.1)**	**580.0**

	Total	1 year or less	1-2 years	2-5 years	Over 5 years
Restructuring					
Non-current restruturing	8.4	6.5	1.9	-	-
Lawsuits tax, labor, civil and others					
Civil	18.4	2.7	3.1	6.3	6.3
Taxes on sales	162.7	31.8	26.1	52.4	52.4
Income tax	117.8	13.4	20.8	41.8	41.8
Labor	195.1	36.6	31.7	63.4	63.4
Others	77.6	10.6	13.4	26.8	26.8
Total	**571.6**	**95.1**	**95.1**	**190.7**	**190.7**
Total provisions	**580.0**	**101.6**	**97.0**	**190.7**	**190.7**

The expected settlement was based on management's best estimate at the balance sheet date.

Table of Contents

Main lawsuits with probable likelihood of loss:

ICMS, IPI, PIS and COFINS

In Brazil, the Company and its subsidiaries are involved in several administrative and judicial proceedings related to ICMS, IPI, PIS and COFINS taxes. Such proceedings include, among others, tax offsets, credits and judicial injunctions exempting tax payment. The provisions for these taxes at December 31, 2012 are R$183.7 (R$162.7 at December 31, 2011).

Labor

Ambev S.A. Predecessor and its subsidiaries are involved in approximately 4,799 labor proceedings with former employees or former employees of service providers. The main issues involve overtime and related effects and respective charges. The provisions for labor contingencies at December 31, 2012 was R$180.13 (R$195.0 at December 31, 2011).

Other lawsuits

Ambev S.A. Predecessor is involved in several lawsuits brought by former distributors which are mainly claiming damages resulting from the termination of their contracts.

The processes with possible probabilities (risks of loss equal to or less than 50%), based on the evaluation of its legal advisers, for which there is no provision constituted, are disclosed in note 29.

26. FINANCIAL INSTRUMENTS AND RISKS

1) Risk factors

Ambev S.A. Predecessor is exposed to foreign currency, interest rate, commodity price, liquidity and credit risk in the ordinary course of business. Ambev S.A. Predecessor analyzes each of these risks both individually and as a whole to define strategies to manage the economic impact on Ambev S.A. Predecessor's performance consistent with its policy of Financial Risk Management.

Ambev S.A. Predecessor's use of derivatives strictly follows its financial risk policy approved by the Board of Directors. The purpose of the policy is to provide guidelines for the management of financial risks inherent to the capital markets in which Ambev S.A. Predecessor carries out its operations. The policy comprises four main aspects: (i) capital structure, financing and liquidity, (ii) transactional risks related to the business, (iii) financial statements translation risks and (iv) credit risks of financial counterparties.

The policy establishes that all the financial assets and liabilities in each country where Ambev S.A. Predecessor operates must be denominated in their respective local currencies whenever possible. The policy also sets forth the procedures and controls needed for identifying, measuring and minimizing market risks, such as variations in foreign exchange rates, interest rates and commodities (mainly aluminum, wheat and sugar) that may affect Ambev S.A.

Table of Contents

Predecessor's revenues, costs and/or investment amounts. The policy states that all the currently known risks (e.g. foreign currency and interest) shall be mitigated by contracting derivative instruments. Existing risks not yet evident (e.g. future contracts for the purchase of raw material and property, plant and equipment) shall be mitigated using projections for the period necessary for Ambev S.A. Predecessor to adapt to the new costs scenario that may vary from 10 to 14 months, also through the use of derivative instruments. Any exception to the policy must be approved by the Board of Directors.

Ambev S.A. Predecessor's operations are subject to the risk factors described below:

1.1) Foreign currency risk

Ambev S.A. Predecessor incurs foreign currency risk on borrowings, investments, purchases, dividends and interest expense/income whenever they are denominated in a currency other than the functional currency of the subsidiary. The main derivatives financial instruments used to manage foreign currency risk are futures contracts, swaps, options and non deliverable forwards.

Foreign currency risk on operational activities

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, Ambev S.A. Predecessor's policy is to hedge operational transactions which are reasonably expected to occur. The table below shows the main net foreign currency positions on December 31, 2012, and the exposure may vary from ten to fourteen months, according to Ambev S.A. Predecessor's financial risk management policy. Positive values indicate that Ambev S.A. Predecessor is long (net future cash inflows) in the first currency of the currency pair while negative values indicate that Ambev S.A. Predecessor is short (net future cash outflows) in the first currency in the currency pair. The second currency of the currency pairs listed is the functional currency of the related subsidiary.

	2012			2011		
	Total exposed	**Derivatives total**	**Open position**	**Total exposed**	**Derivatives total**	**Open position**
Euro / Real	(132.3)	132.3	-	(69.9)	69.9	-
Euro / Canadian Dollars	(62.6)	62.6	-	(57.3)	57.3	-
Dollar / Argentinean Peso	(613.0)	613.0	-	(554.9)	554.9	-
Dollar / Bolivian Peso	(142.2)	142.2	-	(136.7)	136.7	-
Dollar / Real	(3,141.8)	3,141.8	-	(2,554.4)	2,554.4	-
Dollar / Canadian Dollar	(378.6)	378.6	-	(311.7)	311.7	-
Dollar / Chilean Peso	(90.9)	90.9	-	(85.4)	85.4	-
Dollar / Paraguayan Guarani	(129.6)	129.6	-	(106.7)	106.7	-
Dollar / Peruvian Sol	(157.2)	157.2	-	(98.8)	98.8	-
Dollar / Uruguayan Peso	(62.4)	62.4	-	(73.0)	73.0	-
Dollar / Dominican Peso	(30.7)	30.7	-	(54.4)	54.4	-
Dollar / Guatemala´s Quetzal	-	-	-	-	-	-
Pound Sterling / Canadian Dollars	(22.1)	22.1	-	(35.6)	35.6	-
	(4,963.4)	**4,963.4**	**-**	**(4,138.6)**	**4,138.6**	**-**

Table of Contents

In conformity with IAS 39, these instruments denominated in foreign currency are designated as cash flow hedges.

Foreign currency on operating activities sensitivity analysis

Net positions in foreign currencies are converted into the functional currency through the use of derivatives. Ambev S.A. Predecessor's strategy is to minimize open positions to the market, thereby reducing operational exposure to foreign currency fluctuations.

Foreign exchange risk on net investments in foreign operations

Ambev S.A. Predecessor enters into hedging activities to mitigate exposures related to part of its investments in foreign operations. These derivatives have been appropriately classified as net investment hedges and recorded on the Statements of Comprehensive Income as gains and (losses) on translation of foreign operations (gains/losses).

1.2) Interest rate risk

Ambev S.A. Predecessor applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. The purpose of Ambev S.A. Predecessor's policy is to achieve an optimal balance between cost of funding and profitability of financial results, while taking into account market conditions as well as Ambev S.A. Predecessor's overall business strategy.

Ambev Bond Hedges (interest rate risk on borrowings in Brazilian Real)

In July 2007, Ambev issued a Brazilian Real bond (Bond 2017), of R$300.0, which bears interest at 9.5% and is repayable semi-annually with final maturity in July 2017.

Ambev entered into a fixed/floating interest rate swap to hedge the interest rate risk on the bond 2017. These derivative instruments have been designated in a fair value hedge accounting relationship.

Debt Securities Hedge (interest rate on debt securities in Brazilian Real)

During the period, Ambev S.A. Predecessor invested in government (fixed income) bonds. These instruments are categorized as held for trading. Ambev S.A. Predecessor also purchased interest rate futures contracts to compensate for exposure to real interest rate on the government bonds. Although both instruments are measured at fair value, with the changes recorded in the income statement, there is no hedge accounting structure.

Table of Contents

Interest rate sensitivity analysis

The table below shows the debt structure, before and after hedging, segregated by the currency in which the debt is denominated, as well as the interest rates of the respective transactions.

	2012				2011			
	Pre - Hedge		Post - Hedge		Post - Hedge		Pre - Hedge	
	Interest rate	Amount	Interest rate	Amount	Interest rate	Amount	Interest rate	Amount
Brazilian real	6.8%	1,527.2	6.9%	2,211.2	9.6%	2,552.2	9.8%	3,096.7
Canadian dollar								
American dollar	2.5%	650.0	3.4%	280.0	0.0%	246.3	0.0%	-
Dominican peso	10.6%	189.0	10.6%	189.0	-	-	0.0%	-
Interest rate postfixed		**2,366.2**		**2,680.2**		**2,798.5**		**3,096.7**
Brazilian real	0.0%	695.2	5.3%	381.2	10.1%	1,157.0	5.3%	382.8
Canadian dollar	17.0%	-	-	-	0.0%	-	5.6%	476.1
Argentinean peso	12.0%	0.2	17.0%	0.2	14.8%	3.3	14.8%	3.3
Dominican peso	0.0%	33.1	12.0%	33.1	0.0%	-	0.0%	-
Guatemala´s quetzal	0.0%	-	-	-	6.8%	42.4	6.8%	42.4
Peruvian sol	5.7%	-	-	-	6.5%	14.9	6.5%	14.9
American dollar	0.0%	49.1	5.7%	49.1	6.8%	98.5	6.8%	98.5
Chilean peso	0.0%	-	-	-	-	-	-	-
Interest rate pre-set		**777.6**		**463.6**		**1,316.1**		**1,018.0**

To perform the sensitivity analysis, Ambev S.A. Predecessor took into account that the greatest possible impact on income / interest expense in the case of a short position in an interest rate futures contract is where the Referential Rate (“TR”) rises. Ambev S.A. Predecessor estimated the possible loss, considering a scenario of variable interest rates.

Applying the sensitivity analysis where all other variables remain constant, showed a fluctuation of 25% (adverse scenario) in the interest rate up to December 31, 2012 would produce an increase of approximately R$46 million in interest expense and approximately R$177 million in interest income from cash investments, while a swing of 50% (remote scenario) would present an increase of approximately R$91 million in expense and R$376 million in income.

1.3) Commodity Risk

A significant portion of Ambev S.A. Predecessor’s inputs comprises commodities, which historically have experienced substantial price fluctuations. Ambev S.A. Predecessor therefore uses both fixed price purchasing contracts and commodity derivatives to minimize exposure to commodity price volatility. Ambev S.A. Predecessor has important exposures to the following commodities: aluminum, sugar, wheat and corn. These derivative instruments have been designated as cash flow hedges.

Table of Contents

	2012			2011		
	Total exposed	Derivatives total	Open position	Total exposed	Derivatives total	Open position
Aluminum	(667.6)	667.6	-	(732.8)	732.8	-
Sugar	(334.8)	334.8	-	(192.3)	192.3	-
Wheat	(249.9)	249.9	-	(121.7)	121.7	-
Heating oil	(29.7)	29.7	-	(17.3)	17.3	-
Crude oil	(20.4)	20.4	-	(8.7)	8.7	-
Natural Gas	(6.8)	6.8	-	-	-	-
Orange juice	-	-	-	(0.9)	0.9	-
Corn	(319.9)	319.9	-	(147.9)	147.9	-
Total	**(1,629.1)**	**1,629.1**	**-**	**(1,221.6)**	**1,221.6**	**-**

Commodity sensitivity analysis

Due to the volatility of commodities prices, Ambev S.A. Predecessor uses fixed price future contracts and derivatives instruments to minimize exposure to market movements that could affect income.

The table below shows the estimated impact on net investment from fluctuations in commodities prices. Hedge operations for transactions which may impact net investment will generate results inversely proportional to the impact on the acquisition cost of commodities.

	Impact on Net income					
	2012		2011		2010	
	Adverse scenario 25%	Remote scenario 50%	Adverse scenario 25%	Remote scenario 50%	Adverse scenario 25%	Remote scenario 50%
Aluminum	(165.0)	(330.2)	(158.3)	(316.6)	(101.9)	(203.8)
Sugar	(83.7)	(167.3)	(48.1)	(96.2)	(37.2)	(74.3)
Wheat	(62.5)	(125.0)	(57.1)	(114.3)	(25.9)	(51.7)
Heating oil	(7.2)	(14.5)	(2.3)	(4.6)	(1.2)	(2.4)
Crude oil	(5.1)	(10.2)	(2.2)	(4.4)	(1.8)	(3.5)
Natural Gas	(1.6)	(3.2)	-	-	-	-
Orange juice	-	-	(0.2)	(0.5)	-	-
Corn	(80.0)	(160.0)	(34.0)	(67.7)	(1.9)	(3.7)
Total	**(405.1)**	**(810.4)**	**(302.2)**	**(604.3)**	**(169.7)**	**(339.4)**

1.4) Credit Risk

Concentration of credit risk on trade receivables

A substantial part of Ambev S.A. Predecessor's sales is made to distributors, supermarkets and retailers, within a broad distribution network. Credit risk is reduced because of the widespread number of customers and control procedures used to monitor risk. Historically, Ambev S.A. Predecessor has not experienced significant losses on receivables from customers.

Table of Contents

Concentration of credit risk on counterpart

In order to minimize the credit risk of its investments, Ambev S.A. Predecessor has adopted procedures for the allocation of cash and investments, taking into consideration limits and credit analysis of financial institutions, avoiding credit concentration, i.e., the credit risk is monitored and minimized to the extent that negotiations are carried out only with a select group of highly rated counterparties.

The selection process of financial institutions authorized to operate as Ambev S.A. Predecessor's counterparties is set forth in our credit risk policy. This policy establishes maximum limits of exposure to each counterparty based on the risk rating and on each counterparty's capitalization.

In order to minimize the risk of credit with its counterparties on significant derivative transactions, Ambev S.A. Predecessor has adopted bilateral "trigger" clauses. According to these clauses, where the fair value of an operation exceeds a percentage of its notional value (generally between 10% and 15%), the debtor settles the difference in favor of the creditor.

As of December 31, 2012, Ambev S.A. Predecessor held its main short-term investments with the following financial institutions: Banco do Brasil, BNP Paribas, Bradesco, Merrill Lynch, Morgan Stanley, Deutsche Bank, Itaú-Unibanco, Citibank, TorontoDominion Bank, ING, JP Morgan Chase, Banco Patagonia and Santander. Ambev S.A. Predecessor had derivatives agreements with the following financial institutions: Barclays, Bradesco, Citibank, Merril Lynch, Morgan Stanley, Deutsche Bank, Itaú-Unibanco, JP Morgan Chase, Santander, ScotiaBank, Société Générale, Standard Bank and TD Securities.

The carrying amount of financial assets represents the maximum exposure to credit risk. The carrying amount of cash and cash equivalents, investment securities, trade and other receivables excluding prepaid expenses, taxes receivable and derivative financial instruments are disclosed net of provisions for impairment and represents the maximum exposure of credit risk as of December 31, 2012. There was no concentration of credit risk with any counterparties as of December 31, 2012.

1.5) Liquidity risk

Ambev S.A. Predecessor believes that cash flows from operating activities, cash and cash equivalents and short-term investments, together with the derivative instruments and access to loan facilities are sufficient to finance capital expenditures, financial liabilities and dividend payments in the future.

Table of Contents

The contractual maturities of non-derivative financial liabilities including interest payments and derivative financial assets and liabilities are as follows:

2012

Non derivatives financial liabilities	Carrying amount	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Secured bank loans	309.0	329.2	72.5	102.8	106.7	47.2
Unsecured bank loans	2,216.2	2,534.1	890.3	713.0	913.5	17.3
Unsecured bond loans	429.7	689.7	129.9	81.6	478.2	-
Unsecured other loans	168.7	272.7	17.4	34.9	64.2	156.2
Finance leasing liabilities	20.2	24.2	2.7	3.7	12.4	5.4
Bank overdraft	0.1	0.1	0.1	-	-	-
Dividends payable	11.0	11.0	11.0	-	-	-
Trade and other payable	6,897.6	6,897.7	6,742.9	154.8	-	-
Total	**10,052.5**	**10,758.7**	**7,866.8**	**1,090.8**	**1,575.0**	**226.1**

Derivatives financial assets / liabilities	Carrying amount	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Interest rate derivatives	20.7	20.7	-	-	20.7	-
Foreign exchange derivatives	(413.8)	(413.8)	(413.7)	-	(0.1)	-
Interest rate and FX derivatives	(206.9)	(206.9)	(213.9)	-	7.0	-
Commodity derivatives	(84.7)	(84.7)	(83.9)	(0.8)	-	-
Total	**(684.7)**	**(684.7)**	**(711.5)**	**(0.8)**	**27.6**	**-**

2011

Non derivatives financial liabilities	Carrying amount	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Secured bank loans	240.9	264.4	70.7	61.5	120.3	11.9
Unsecured bank loans	2,171.2	2,474.3	1,042.5	580.4	848.2	3.2
Unsecured bond loans	1,546.2	1,757.9	1,315.4	28.5	85.5	328.5
Unsecured other loans	135.5	222.6	8.5	31.4	59.4	123.3
Finance leasing liabilities	8.6	9.9	9.0	0.5	0.4	-
Bank overdraft	12.3	12.3	12.3	-	-	-
Dividends payable	24.0	24.0	24.0	-	-	-
Trade and other payable	6,440.7	6,440.7	6,268.1	172.6	-	-
Total	**10,579.4**	**11,206.1**	**8,750.5**	**874.9**	**1,113.8**	**466.9**

Derivatives financial assets / liabilities	Carrying amount	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Interest rate derivatives	14.3	14.5	(0.4)	(0.1)	(0.2)	15.2
Foreign exchange derivatives	(37.3)	(13.8)	(13.3)	(0.5)	-	-
Interest rate and FX derivatives	(209.6)	(209.6)	2.0	(211.6)	-	-
Commodity derivatives	(118.6)	(118.3)	(91.8)	(26.5)	-	-
Total	**(351.2)**	**(327.2)**	**(103.5)**	**(238.7)**	**(0.2)**	**15.2**

2) Financial instruments:

Management of these instruments is effected through operational strategies and internal controls to assure liquidity, profitability and transaction security. Financial instruments transactions are regularly reviewed for the effectiveness of the risk exposure that management intends to cover (foreign exchange, interest rate etc.).

Table of Contents

Transactions involving financial instruments, segregated by category, are recognized in the financial statements, as below:

	Loans and receivables	Financial asset at fair value through profit or loss	Derivatives hedge	Held for trading	Available for sale	Total
December 31, 2012						
Assets due to Balance sheet						
Cash and cash equivalents	8,974.3	-	-	-	-	8,974.3
Investment securities	-	291.2	-	61.4	373.4	726.0
Trade and other receivables excluding prepaid expenses and taxes receivable	4,037.1	-	-	-	-	4,037.1
Investments in associates	-	-	-	-	24.0	24.0
Financial instruments derivatives	-	200.1	171.0	-	-	371.1
Total	**13,011.4**	**491.3**	**171.0**	**61.4**	**397.4**	**14,132.5**

	Loans and receivables	Financial asset at fair value through profit or loss	Derivatives hedge	Held for trading	Available for sale	Total
December 31, 2011						
Assets due to Balance sheet						
Cash and cash equivalents	8,145.7	-	-	-	-	8,145.7
Investment securities	-	193.4	-	76.3	165.8	435.5
Trade and other receivables excluding prepaid expenses and taxes receivable	2,922.0	-	-	-	-	2,922.0
Investments in associates	-	-	-	-	21.7	21.7
Financial instruments derivatives	-	166.5	347.0	-	-	513.5
Assets held for sale	-	-	-	-	0.4	0.4
Total	**11,067.7**	**359.9**	**347.0**	**76.3**	**187.9**	**12,038.8**

	Financial liabilities through amortized cost	Financial liabilities at fair value through profit and loss	Derivatives hedge	Total
December 31, 2012				
Liabilities due to Balance sheet				
Trade and other payables excluding tax payables	11,155.9	2,125.8	-	13,281.7
Financial instruments derivatives	-	686.7	369.1	1,055.8
Interest-bearning loans and borrowings	3,143.8	-	-	3,143.8
Total	**14,299.7**	**2,812.5**	**369.1**	**17,481.3**

	Financial liabilities through amortized cost	Financial liabilities at fair value through profit and loss	Derivatives hedge	Total
December 31, 2011				
Liabilities due to Balance sheet				
Trade and other payables excluding tax payables	9,522.4	-	-	9,522.4
Financial intruments derivatives	-	560.0	304.5	864.5
Interest-bearning loans and borrowings	4,102.3	-	-	4,102.3
Total	**13,624.7**	**560.0**	**304.5**	**14,489.2**

Table of Contents

Classification of financial instruments by type of fair value measurement

Pursuant to IFRS 7, the classification of fair value of the instruments held on December 31, 2012 is shown below:

	2012				2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial asset at fair value through profit or loss	325.1	166.2	-	491.3	79.0	280.9	-	359.9
Investments in equity securities	1,274.7	-	-	1,274.7	1,002.4	-	-	1,002.4
Derivatives - cash flow hedge	32.8	67.2	-	100.0	21.8	293.7	-	315.5
Derivatives - fair value hedge	-	20.8	-	20.8	-	15.3	-	15.3
Derivatives - investment hedge	31.6	18.6	-	50.2	16.2	-	-	16.2
	1,664.2	**272.8**	**-**	**1,937.0**	**1,119.4**	**589.9**	**-**	**1,709.3**
Financial liabilities								
Financial liabilities at fair value through profit and loss (i)	40.0	646.7	2,125.8	2,812.5	49.1	510.9	-	560.0
Derivatives - cash flow hedge	87.7	156.8	-	244.5	94.3	203.5	-	297.8
Derivatives - fair value hedge	-	-	-	-	-	-	-	-
Derivatives - investment hedge	23.5	101.1	-	124.6	6.7	-	-	6.7
	151.2	**904.6**	**2,125.8**	**3,181.6**	**150.1**	**714.4**	**-**	**864.5**

(i) As part of the shareholders agreement between the Ambev and ELJ, a sale option ("put") and the purchase ("call") was issued, which may result in an acquisition by Ambev the remaining shares of CND. On 31 December 2012 the option of sale held by ELJ is valued at approximately R$2.1 billion and liabilities was recorded with counterpart in net worth in accordance with the IFRS 3/CPC 15 and categorized as "Level 3". No value has been assigned the purchase option held by the Ambev - see note Note 5. The fair value of this consideration deferred was calculated by using standard techniques of exploitation (present value of the principal amount and interest rate futures, discounted by the market rate). The criteria used are based on market information and from reliable sources.

Level 1 – valuation at quoted prices (unadjusted) in active markets;

Level 2 – other data besides those quoted in an active market (Level 1) that may indicate a fair value for the obligations and rights directly (e.g., active market prices) or indirectly (e.g., valuation techniques that use data derived from active markets); and,

Level 3 – valuation inputs that are not based on observable market data (unobservable inputs).

Table of Contents

2.1) Derivative instruments

To meet its objectives, Ambev S.A. Predecessor and its subsidiaries use currency, interest, and commodity derivative instruments. Derivative instruments authorized by the risk policy are futures contracts traded on exchanges, deliverable forwards, non-deliverable forwards, swaps and purchase options. At December 31, 2012, Ambev S.A. Predecessor and its subsidiaries had no target forward operations, swaps with currency verification or any other derivative operations representing a risk level above the nominal value of the hedged item. The derivative operations are classified by strategy according to their purpose, as follows:

i) **Financial hedge** – operations contracted with the purpose of mitigating Ambev S.A. Predecessor's net indebtedness against foreign exchange and interest rate risk. Derivative used to protect the risks related to Bond 2017 was designated as Fair value hedge instrument, and their results, measured according to their fair value, are recognized in each year in financial results. Following the business combination between Ambev and Cervecería Nacional Dominicana (CND), some US denominated loans previously held by CND, in the amount of R$282.9, continued to be US denominated until December 31, 2012.

ii) **Operational hedge** – operations contracted with the purpose of reducing Ambev S.A. Predecessor's exposure, net of taxes, to the volatility of foreign exchange rates and raw material prices and commitments for investments, equipment and services to be acquired. All such derivatives are classified as cash flow hedge instruments. Thus, the net results of such operations calculated at fair value, are recorded in net investment accounts until recognition of the hedged item, when the accumulated results are recycled to the appropriate income statement account.

iii) **Fiscal hedge** – operations contracted with the purpose of minimizing the Brazilian fiscal impact related to the foreign exchange gains/losses on transactions between Ambev S.A. Predecessor and its subsidiaries abroad.

In order to offset the tax effect on unmatched exposures, Ambev S.A. Predecessor contracted derivative instruments (futures contracts), the results of which are measured at fair value and recognized on an accrual basis within income tax expense of each period.

iv) **Net investment hedge** - transactions entered into in order to minimize exposure of the exchange differences arising from translation of net investment in Ambev S.A. Predecessor's subsidiaries located abroad for translation account balance.

Part of the effective hedge is allocated to net investment and the ineffectiveness part is recorded directly in financial results.

Table of Contents

As of December 31, 2012 and December 31, 2011 the contracted amounts of these instruments and their respective fair values, as well as the cumulative effects in each period, are detailed in the table below:

Purpose / Risk / Instruments		Notional (i)		Fair value			
		2012	2011	2012		2011	
				Assets	Liabilities	Assets	Liabilities
Foreign currency	Future contract (ii)	3,274.1	1,478.2	4.4	(16.4)	2.1	(10.1)
Foreign currency	Non Deliverable Forwards	1,225.9	2,255.8	10.5	(51.4)	70.7	(20.9)
Foreign currency	Deliverable Forwards	463.3	404.6	-	(4.1)	1.8	(0.1)
Commodity	Future contracts (ii)	933.8	500.4	76.9	(107.9)	67.3	(102.7)
Commodity	Swaps	695.3	708.1	41.0	(92.2)	93.6	(175.4)
Operational hedge		**6,592.4**	**5,347.1**	**132.8**	**(272.0)**	**235.5**	**(309.2)**
Foreign currency	Future contracts (ii)	(664.2)	(407.6)	14.0	(14.7)	39.8	(39.6)
Foreign currency	Swaps	239.1	(8.3)	21.7	(180.7)	-	(207.5)
Foreign currency	Non Deliverable Forwards	1,351.3	527.6	19.8	(10.5)	199.6	(25.6)
Interest rates	Future contracts (ii)	(400.0)	134.0	0.2	(0.4)	0.2	(0.5)
Interest rates	Swaps	300.0	483.6	20.8	-	15.3	(0.4)
Financial hedge		**826.2**	**729.3**	**76.5**	**(206.3)**	**254.9**	**(273.6)**
Foreign currency	Future contracts (ii)	(4.0)	32.1	6.0	(6.0)	1.1	(1.2)
Foreign currency	Swaps / Non Deliverable Forwards	(2,182.5)	(2,626.1)	105.5	(446.9)	5.8	(273.8)
Fiscal hedge		**(2,186.5)**	**(2,594.0)**	**111.5**	**(452.9)**	**6.9**	**(275.0)**
Foreign currency	Future contracts (ii)	(2,462.8)	(2,460.5)	31.6	(23.5)	16.2	(6.7)
Foreign currency	Non Deliverable Forwards	-	-	18.6	(101.1)	-	-
Investment hedge		**(2,462.8)**	**(2,460.5)**	**50.2**	**(124.6)**	**16.2**	**(6.7)**
Total Derivatives		**2,769.3**	**1,021.9**	**371.0**	**(1,055.8)**	**513.5**	**(864.5)**

(i) The negative positions refer to long positions and the positive positions refer to short positions.

(ii) The future contracts are traded on organized futures exchanges, while other derivative financial instruments are negotiated directly with financial institutions.

Table of Contents

Ambev S.A. Predecessor recorded gains and losses on derivative financial instruments in period ended December 31, 2012, 2011 and 2010 as below:

		Result (iii)		
		2012	**2011**	**2010**
Purpose / Risk / Instruments				
Foreign currency	Future contracts	462.8	93.6	(65.7)
Foreign currency	Option to acquire	43.9	-	0.1
Foreign currency	Non Deliverable Forwards	13.2	263.6	8.9
Foreign currency	Deliverable Forwards	21.5	(20.4)	2.9
Interest rates	Future contracts	-	-	-
Commodity	Future contracts	1.5	(41.1)	100.5
Commodity	Swaps	(54.1)	(110.1)	27.1
Operational hedge		**488.8**	**185.6**	**73.8**
Foreign currency	Future contracts	64.1	70.8	(11.3)
Foreign currency	Purchase options	-	-	(28.9)
Foreign currency	Option to acquire	(38.4)	-	-
Foreign currency	Swaps	(15.7)	(29.3)	(276.9)
Foreign currency	Non Deliverable Forwards	(39.6)	(30.9)	122.3
Interest rates	Future contracts	(31.7)	47.7	(12.2)
Interest rates	Swaps	34.1	(6.6)	27.6
Financial hedge		**(27.2)**	**51.7**	**(179.4)**
Foreign currency	Future contracts	3.1	(221.2)	(12.0)
Foreign currency	Swaps / Non Deliverable Forwards	69.5	(152.4)	74.7
Fiscal hedge		**72.6**	**(373.6)**	**62.7**
Foreign currency	Future contracts	(172.8)	(280.4)	7.8
Foreign currency	Non Deliverable Forwards	(101.7)	-	-
		(274.5)	**(280.4)**	**7.8**
Total Derivatives		**259.7**	**(416.7)**	**(35.1)**

(iii) The result of R$488.8 related to hedge operations was recognized in net investment (Hedge reserves) as the result of net investment hedge in an amount of R$(274.5) which was allocated as income (losses) on translation of subsidiaries operations as presented in Other comprehensive income.

The effect of R$72.6 related to derivatives designated as Fiscal hedges, was recognized in the income tax and social contribution.

The result of the financial hedging of R$(27.2) was fully recorded in the financial results.

Table of Contents

As of December 31, 2012 the Notional and Fair Value amounts per instrument/ maturity were as follows:

Purpose / Risk / Instruments			2012					
			Notional					
			2013	2014	2015	2016	>2016	Total
	Foreign currency	Future contracts (i)	3,274.1	-	-	-	-	3,274.1
	Foreign currency	Non Deliverable Forwards	1,225.9	-	-	-	-	1,225.9
	Foreign currency	Deliverable Forwards	463.3	-	-	-	-	463.3
	Commodity	Future contracts (i)	858.6	75.2	-	-	-	933.8
	Commodity	Swaps	688.5	6.8	-	-	-	695.3
Operational hedge			**6,510.4**	**82.0**	**-**	**-**	**-**	**6,592.4**
	Foreign currency	Future contracts (i)	(664.2)	-	-	-	-	(664.2)
	Foreign currency	Swaps	(12.9)	-	252.0	-	-	239.1
	Foreign currency	Non Deliverable Forwards	1,351.3	-	-	-	-	1,351.3
	Interest rates	Future contracts (i)	-	-	(170.0)	(230.0)	-	(400.0)
	Interest rates	Swaps	-	-	-	-	300.0	300.0
Financial hedge			**674.2**	**-**	**82.0**	**(230.0)**	**300.0**	**826.2**
	Foreign currency	Future contracts (i)	(4.0)	-	-	-	-	(4.0)
	Foreign currency	Swaps / Non Deliverable Forwards	(2,182.5)	-	-	-	-	(2,182.5)
Fiscal hedge			**(2,186.5)**	**-**	**-**	**-**	**-**	**(2,186.5)**
	Foreign currency	Future contracts (i)	(2,462.8)	-	-	-	-	(2,462.8)
	Foreign currency	Non Deliverable Forwards	-	-	-	-	-	-
Investment hedge			**(2,462.8)**	**-**	**-**	**-**	**-**	**(2,462.8)**
Total Derivatives			**2,535.3**	**82.0**	**82.0**	**(230.0)**	**300.0**	**2,769.3**

Table of Contents

Purpose / Risk / Instruments			2012 Fair Value 2013	2014	2015	2016	>2016	Total
	Foreign currency	Future contracts (i)	(12.0)	-	-	-	-	(12.0)
	Foreign currency	Non Deliverable Forwards	(40.9)	-	-	-	-	(40.9)
	Foreign currency	Deliverable Forwards	(4.1)	-	-	-	-	(4.1)
	Commodity	Future contracts (i)	(29.3)	(1.7)	-	-	-	(31.0)
	Commodity	Swaps	(51.6)	0.4	-	-	-	(51.2)
Operational hedge			**(137.9)**	**(1.3)**	**-**	**-**	**-**	**(139.2)**
	Foreign currency	Future contracts (i)	(0.7)	-	-	-	-	(0.7)
	Foreign currency	Swaps	(166.0)	-	7.0	-	-	(159.0)
	Foreign currency	Non Deliverable Forwards	9.3	-	-	-	-	9.3
	Interest rates	Future contracts (i)	-	-	(0.1)	(0.1)	-	(0.2)
	Interest rates	Swaps	-	-	-	-	20.8	20.8
Financial hedge			**(157.4)**	**-**	**6.9**	**(0.1)**	**20.8**	**(129.8)**
	Foreign currency	Future contracts (i)	-	-	-	-	-	-
	Foreign currency	Swaps / Non Deliverable Forwards	(341.4)	-	-	-	-	(341.4)
Fiscal hedge			**(341.4)**	**-**	**-**	**-**	**-**	**(341.4)**
	Foreign currency	Future contracts (i)	8.1	-	-	-	-	8.1
	Foreign currency	Non Deliverable Forwards	(82.5)	-	-	-	-	(82.5)
Investment hedge			**(74.4)**	**-**	**-**	**-**	**-**	**(74.4)**
Total Derivatives			**(711.1)**	**(1.3)**	**6.9**	**(0.1)**	**20.8**	**(684.8)**

Table of Contents

Sensitivity analysis

Ambev S.A. Predecessor mitigates risks arising from non-derivative financial assets and liabilities substantially, through derivative instruments. Ambev S.A. Predecessor has identified the main risk factors that may generate losses from these derivative financial instruments and has developed a sensitivity analysis based on three scenarios, which may impact future results and /or cash flows, as described below:

1 – Base scenario: stable foreign exchange rate, interest rates and commodity prices at the same levels observed on December 31, 2012.

2 – Adverse scenario: 25% deterioration in each transaction's main risk factor as compared to the level observed on December 31, 2012.

3 – Remote scenario: 50% deterioration in each transaction's main risk factor as compared to the level observed on December 31, 2012.

In addition to the scenarios described above, Ambev S.A. Predecessor uses Value at Risk – VaR to measure the possible effects on the results of operations of derivative transactions. VaR is a statistical measure developed through estimates of standard deviation and correlation between the returns of several risk factors. This model results in the loss limit expected for an asset over a certain time period and confidence interval. Under this methodology, we used the potential exposure of each financial instrument, a range of 95% and horizon of 21 days for the calculation, which are presented in the module, as the following tables on December 31, 2012:

			2012			
Risk factor	**Financial instruments**	**Risk**	**Base scenario**	**Adverse scenario**	**Remote scenario**	**VaR (R$)**
Foreign currency	Future contracts	Dollar decrease	(12.0)	(830.6)	(1,649.1)	197.7
Foreign currency	Non Deliverable Forwards	Dollar and Euro decrease	(40.9)	(347.4)	(653.8)	-
Foreign currency	Deliverable Forwards	Dollar and Euro decrease	(4.1)	(112.6)	(221.0)	31.3
Commodity	Future contracts	Commodity decrease	(31.0)	(264.1)	(497.3)	16.8
Commodity	Swaps	Commodity decrease	(51.2)	(223.2)	(395.3)	149.8
Operational hedge						
Foreign currency	Future contracts	Dollar decrease	(0.7)	(166.7)	(332.8)	40.1
Foreign currency	Swaps	Increase in tax interest	(140.2)	(140.2)	(140.2)	2.1
Foreign currency	Swaps	Dollar decrease	(18.8)	(18.8)	(18.8)	14.4
Foreign currency	Non Deliverable Forwards	Dollar and Euro decrease	9.3	(328.5)	(666.3)	33.4
Interest rates	Future contracts	Increase in tax interest	(0.2)	(0.2)	(0.3)	-
Interest rates	Swaps	Increase in tax interest	20.8	(159.1)	(142.7)	18.1
Financial hedge						
Foreign currency	Future contracts	Dollar incrase	-	(1.0)	(2.0)	0.2
Foreign currency	Swaps / Non Deliverable Forwards	Dollar incrase	(341.4)	(887.0)	(1,432.6)	131.6
Fiscal hedge						
Foreign currency	Future contracts	Dollar incrase	8.1	(607.7)	(1,223.4)	148.5
Foreign currency	Non Deliverable Forwards	Dollar incrase	(82.5)	(82.5)	(82.5)	-
Investment hedge						

Table of Contents

Risk factor	Financial instruments	Risk	2011 Base scenario	Adverse scenario	Remote scenario	VaR (R$)
Foreign currency	Future contracts	Dollar decrease	(8.0)	(377.6)	(747.1)	165.1
Foreign currency	Non Deliverable Forwards	Dollar and Euro decrease	49.8	(514.1)	(1,078.1)	140.4
Foreign currency	Deliverable Forwards	Dollar and Euro decrease	1.7	(99.5)	(200.6)	23.1
Commodity	Future contracts	Commodity decrease	(35.4)	(160.6)	(285.7)	110.0
Commodity	Swaps	Dollar and Euro decrease	(81.8)	(258.8)	(435.9)	98.0
Operational hedge						
Foreign currency	Future contracts	Dollar decrease	0.2	(101.7)	(203.6)	38.4
Foreign currency	Swaps	Increase in tax interest	(207.5)	(207.5)	(207.5)	(0.4)
Foreign currency	Swaps	Dollar decrease	(207.5)	(209.5)	(211.6)	0.8
Foreign currency	Forwards	Dollar and Euro decrease	174.0	40.9	(92.2)	42.6
Interest rates	Future contracts	Increase in tax interest	(0.3)	(0.4)	(0.4)	0.8
Interest rates	Swaps	Increase in tax interest	14.9	(14.2)	(43.3)	41.2
Financial hedge						
Foreign currency	Future contracts	Dollar incrase	(0.1)	(8.2)	(16.2)	3.0
Foreign currency	Swaps / Non Deliverable Forwards	Dollar incrase	(267.9)	(924.6)	(1,581.1)	247.3
Fiscal hedge						
Foreign currency	Future contracts	Dollar incrase	9.5	(605.6)	(1,220.8)	231.7
Investment hedge						

In addition to presenting the possible effects on individual results of derivative operations, we also show the effects of derivative operations contracted for asset protection along with each transaction's hedged items.

Transaction	Risk	2012 Base scenario	Adverse scenario	Remote scenario
Foreign exchange hedge	Dollar and Euro decrease	(104.2)	(1,453.3)	(2,802.5)
Input purchase		104.2	1,453.3	2,802.5
Commodities hedge	Decrease on commodities price	(31.0)	(264.1)	(497.3)
Input purchase		31.0	264.1	497.3
Foreign exchange hedge	Dollar and Euro decrease	(4.0)	(60.4)	(116.8)
Capex purchase		4.0	60.4	116.8
Operational hedge		**(139.2)**	**(1,777.9)**	**(3,416.5)**
Operational purchase		**139.2**	**1,777.9**	**3,416.5**
Net effect		-	-	-
Foreign exchange hedge	Foreign currency increase	(10.2)	(495.4)	(999.4)
Net debt		10.2	495.4	999.4
Interest rate hedge	Increase in tax interest	(119.6)	(299.3)	(282.9)
Interest expense		119.6	299.3	282.9
Financial hedge		**(129.8)**	**(794.7)**	**(1,282.2)**
Net debt and interest		**129.8**	**794.7**	**1,282.2**
Net effect		-	-	-

Table of Contents

Transaction	Risk	2012 Base scenario	2012 Adverse scenario	2012 Remote scenario
Foreign exchange hedge	Dollar increase	(341.4)	(887.9)	(1,434.6)
Fiscal expense		341.4	887.9	1,434.6
Fiscal hedge		**(341.4)**	**(887.9)**	**(1,434.6)**
Fiscal expense		**341.4**	**887.9**	**1,434.6**
Net effect		**-**	**-**	**-**
Investment hedge	Dollar increase	(74.4)	(690.2)	(1,305.9)
Fiscal expense		74.4	690.2	1,305.9
Investment hedge		**(74.4)**	**(690.2)**	**(1,305.9)**
Fiscal expense		**74.4**	**690.2**	**1,305.9**
Net effect		**-**	**-**	**-**

Transaction	Risk	2011 Base scenario	2011 Adverse scenario	2011 Remote scenario
Foreign exchange hedge	Dollar and Euro decrease	(45.2)	(1,282.9)	(2,494.6)
Input purchase		45.2	1,282.9	2,494.6
Commodities hedge	Decrease on commodities price	(35.4)	(160.6)	(285.7)
Input purchase		35.4	160.6	285.7
Foreign exchange hedge	Dollar and Euro decrease	6.9	32.9	32.9
Capex purchase		(6.9)	(32.9)	(32.9)
Operational hedge		**(73.7)**	**(1,410.6)**	**(2,747.4)**
Operational purchase		**73.7**	**1,410.6**	**2,747.4**
Net effect		**-**	**-**	**-**
Foreign exchange hedge	Foreign currency increase	(33.3)	(61.2)	(296.2)
Net debt		33.3	61.2	296.2
Interest rate hedge	Increase in tax interest	(192.9)	(221.7)	(250.8)
Interest expense		192.9	221.7	250.8
Financial hedge		**(226.2)**	**(282.9)**	**(547.0)**
Net debt and interest		**226.2**	**282.9**	**547.0**
Net effect		**-**	**-**	**-**
Foreign exchange hedge	Dollar increase	(268.0)	(932.8)	(1,597.3)
Fiscal expense		268.0	932.8	1,597.3
Fiscal hedge		**(268.0)**	**(932.8)**	**(1,597.3)**
Fiscal expense		**268.0**	**932.8**	**1,597.3**
Net effect		**-**	**-**	**-**
Foreign exchange hedge	Dollar increase	9.5	605.6	1,220.8
Fiscal expense		(9.5)	(605.6)	(1,220.8)
Investment hedge		**9.5**	**605.6**	**1,220.8**
Fiscal expense		**(9.5)**	**(605.6)**	**(1,220.8)**
Net effect		**-**	**-**	**-**

Calculation of fair value of derivatives

Ambev S.A. Predecessor measures derivative financial instruments by calculating their present value, through the use of market curves that impact the instrument on the computation

Table of Contents

dates. In the case of swaps, both the asset and the liability positions are estimated independently and brought to present value and the difference between the result of the asset and liability amount generates the swaps market value. For the traded derivative financial instruments traded, the fair value is calculated according to the adjusted exchange-listed price.

Margins given in guarantee

In order to comply with the guarantee requirements of the derivative exchanges and/or counterparties in certain operations with derivative instruments, as of December 31, 2012 Ambev S.A. Predecessor held R$626.4 in investments securities or cash investments available on demand, classified as cash and cash equivalents (R$343.8 on December 31, 2011).

2.2) Debt instruments

Ambev S.A. Predecessor's financial liabilities, mainly represented by debt securities are recorded at amortized cost according to the effective rate method, plus indexation and foreign exchange gains/losses, based on closing indices for each period. The Bond 2017 is designated as a fair value hedge and variations in the fair value of the hedged risk factors are recognized in the income statement in the same account as the variations of the respective loans.

Had Ambev S.A. Predecessor recognized its financial liabilities at market value, it would have recorded an additional loss, before income tax and social contribution, of R$(28.6) on December 31, 2012 (R$(55.6) on December, 31 2011 and R$(370.7) on December, 31 2010), as presented below:

	2012			2011			2010		
Financial liabilities	**Book**	**Market**	**Difference**	**Book**	**Market**	**Difference**	**Book**	**Market**	**Difference**
Working capital									
R$ (Labatt)	-	-	-	473.8	492.5	(18.7)	1,189.7	1,300.9	(111.2)
Syndicated facility (CAD)	-	-	-	-	-	-	300.8	300.8	-
Senior Notes (CAD) (i)	-	-	-	-	-	-	157.8	168.2	(10.4)
International financing									
(other currencies)	531.1	531.1	-	140.6	140.6	-	453.9	453.9	-
Agro-industrial credit	-	-	-	-	-	-	100.0	100.0	-
BNDES/CCB	2,109.8	2,109.8	-	1,797.7	1,797.7	-	1,130.1	1,130.1	-
Bond 2011	-	-	-	-	-	-	884.2	894.6	(10.4)
Bond 2013	-	-	-	-	-	-	886.7	980.6	(93.9)
Bond 2017	314.0	342.6	(28.6)	298.1	301.7	(3.6)	284.8	300.7	(15.9)
Debentures	-	-	-	1,248.0	1,281.3	(33.3)	3,225.3	3,354.2	(128.9)
Fiscal incentives	168.7	168.7	-	135.5	135.5	-	120.8	120.8	-
Finance leasing	20.1	20.1	-	8.6	8.6	-	14.1	14.1	-
	3,143.7	**3,172.3**	**(28.6)**	**4,102.3**	**4,157.9**	**(55.6)**	**8,748.2**	**9,118.9**	**(370.7)**

The criterion used to determine the market value of the debt securities was based on quotations of investment brokers, on quotations of banks which provide services to Ambev

Table of Contents

S.A. Predecessor and on the secondary market value of bonds as of December 31, 2012, being approximately 114.21% for Bond 2017 (100.55% for Bond 2017 and 102.66% for Debentures 2012, at December 31, 2011 and 100.23% for Bond 2017 and 101.98% for Debentures 2010, at December 31, 2010).

Capital management

Ambev S.A. Predecessor is constantly optimizing its capital structure to maximize the value of shareholders' investments, while retaining the desired financial flexibility to execute strategic projects. In addition to the minimum legal requirements for equity financing that apply to subsidiaries in various countries, Ambev S.A. Predecessor is not subject to any external capital requirements. When analyzing the capital structure of Ambev S.A. Predecessor, management uses the same ratio of debt and equity ratings applied to Ambev S.A. Predecessor's financial statements.

27. OPERATING LEASES

Operating leases mature as follows:

	2012	2011	2010
Less than 1 year	66.2	51.7	31.4
Between 1 and 2 years	150.2	132.8	132.0
More than 2 years	61.8	64.3	79.0
	278.2	**248.8**	**242.4**

In 2012, the operating lease expense in the income statement amounted to R$54.1 (R$44.6 and R$37.6 in 2011 and 2010, respectively).

Ambev S.A. Predecessor primarily leases warehouses and offices. Lease terms are normally over a period of five to ten years, with renewal options.

28. COLLATERAL AND CONTRACTUAL COMMITMENTS WITH SUPLLIERS, ADVANCES FROM CUSTOMERS AND OTHER

	2012	2011
Collateral given for own liabilities	1,178.9	899.8
Other commitments	282.0	438.8
	1,460.9	**1,338.6**
Commitments with suppliers	14,968.6	14,967.1
Commitments - Bond 17	300.0	-
	15,268.6	**14,967.1**

The collateral provided for liabilities totaled approximately R$1.5 billion as at December 31, 2012 including R$552.5 of cash guarantees. To meet the guarantees required by derivative exchanges and/or counterparties contracted in certain derivative financial instrument transactions, Ambev S.A. Predecessor maintained as at December 31, 2012, R$626.4 in highly liquid financial investments or in cash (Note 26).

Table of Contents

Most of the balance relates to commitments with suppliers of packaging.

Ambev is guarantor of the Bond issued by Ambev International Finance Co. Ltd. (wholly-owned) valued at R$300 million to 9.5% per year, maturing in 2017.

Future contractual commitments as at December 31, 2012 and December 31, 2011 are as follows:

	2012	2011
Less than 1 year	2,893.1	2,739.6
Between 1 and 2 years	2,305.0	2,165.0
More than 2 years	10,070.5	10,062.5
	15,268.6	**14,967.1**

29. CONTINGENCIES

Ambev S.A. Predecessor also has lawsuits related to tax, civil and labor, for which the risk of loss is possible (but not probable), in the opinion of management, and for which there are no provisions. Estimates of amounts of possible losses are as follows:

Contingent liabilities with a probable likelihood of loss are fully recorded for (Note 26).

	2012	2011
PIS and COFINS	306.8	308.7
ICMS and IPI	2,927.7	2,167.4
IRPJ and CSLL	7,583.0	7,034.3
Labor	146.7	128.7
Civil	174.2	214.8
Others	774.3	755.7
	11,912.7	**10,609.6**

Principal Lawsuits with a likelihood of possible loss:

Goodwill

In December 2011, the Company received a tax assessment related to the goodwill amortization resulting from Inbev Holding Brasil S.A. merger. In June 2012, The Company presented the defense and awaits a ruling by the Administrative Council for Fiscal Resources of the Ministry of Finance (“Conselho Administrativo de Recursos Fiscais do Ministério Fazenda – CARF”). Ambev estimates the amount of possible losses in relation to this assessment to be approximately R$3.7 billion. The Company made no provision for this purpose. In the event the Company would be required to pay these amounts, Anheuser-Busch InBev SA/NV will reimburse the Company the amount proportional to the benefit received by Anheuser-Busch InBev SA/NV pursuant to the merger protocol, as well as associated costs.

Table of Contents

Profits generated abroad

During the first quarter of 2005, the Company and certain of its subsidiaries received tax assessments from the Bureau of Federal Revenue of Brazil with respect to the taxation of on earnings of subsidiaries domiciled abroad. In December of 2008, the CARF issued a rulling partially favorable to the Company. The Company has not recorded any provision for this purpose. After the decisions in some of these cases, the Company estimates that the exposure to possible losses in relation to these assessments is approximately R$2.6 billion at December 31, 2012 (R$2.5 billion at December 31, 2011).

Utilization of tax loss on mergers

The Company and its subsidiaries have received tax assessments from the Brazilian Tax authorities, from certain tax credits arising from alleged non-compliance with the Brazilian tax regulation concerning accumulated tax losses by companies in their final year of existence, following a merger.

Based on management assessments, no provisions have been made for these cases as it believes that no express legal grounds exist that limit the use of tax losses in cases where legal entities are extinguished (including in the case of mergers), and that therefore the tax inspector's interpretation in these tax assessments does not apply. The Company estimates the possible exposure to losses on these assessments at approximately R$521.8 at December 31, 2012 (R$516.3 at December 31, 2011).

Subscription Warrants

Certain holders of warrants issued by Ambev in 1996 for exercise in 2003 have filed lawsuits to be able to subscribe the corresponding shares for an amount lower than what the Company considers to have been established at the time of the issuance of the warrants. Furthermore, the holders of these warrants claim the right to receive the dividends relative to these shares since 2003 (currently approximately R$367.3), in addition to legal fees and charges. If the Company loses all these lawsuits, it would be required to issue 27,684,596 preferred shares and 6,881,719 common shares for a subscribed price substantially lower than the current market value of its shares. Based on management assessment no provision has been recorded related to these assessments.

Antitrust Matters

On July 22, 2009, CADE, the Brazilian antitrust authority, issued its ruling in connection with Administrative Proceeding in 2004 as a result of a complaint filed by Schincariol (a South American brewery and beverage maker based in Brazil) which had, as its main purpose, the investigation of our conduct in the market, in particular our customer loyalty program known as "Tô Contigo".

During its investigation, the Secretariat of Economic Law of the Ministry of Justice ("SDE") concluded that the program should be considered anticompetitive unless certain adjustments

Table of Contents

were made. These adjustments have already been substantially incorporated into the current version of the Program. The SDE opinion did not suggest any fines and recommended that the other accusations be dismissed. After the SDE opinion, the proceeding was sent to CADE, which issued a ruling against the Company involving a fine in the amount of R$352.7 (which was R$486 as of 31 December 2012, reflecting accrued interests). The probability of loss shall be limited to the amount of the fine and other legal fees related to this process.

The Company believes that CADE's decision is without merit and thus has challenged it in the federal courts, which have ordered the suspension of the fine and other parts of the decision upon rendering of guarantee. The Company has already provided a letter of guarantee for this purpose.

Management believes the likelihood of loss is possible and therefore has not recorded a provision.

We are also involved in other administrative proceedings with CADE and SDE, relating to the investigation of certain matters of conduct, none of which we believe contravene competition rules and regulations.

Contingent assets

At December 31, 2012, the Company had no contingent assets, for which the probability of success is probable.

30. RELATED PARTIES

Policies and practices regarding the realization of transactions with related parties

Under Ambev S.A. Predecessor's bylaws the Board of Directors is responsible for approving any transaction or agreements between Ambev S.A. Predecessor and/or any of its subsidiaries, directors and/or shareholders (including shareholders, direct or indirect shareholders of Ambev S.A. Predecessor). The Compliance Committee of Ambev S.A. Predecessor is required to advise the Board of Directors of Ambev S.A. Predecessor in matters related to transactions with related parties.

Management is prohibited from interfering in any transaction in which conflict exists, even in theory, with Ambev S.A. Predecessor's interests. It is also not permitted to interfere in decisions of any other management member, requiring documentation in the Minutes of Meeting of the Board any decision to abstain from the specific deliberation.

Ambev S.A. Predecessor's guidelines with related parties follow reasonable or commutative terms, similar to those prevailing in the market or under which Ambev S.A. Predecessor would contract similar transactions with third parties. These are clearly disclosed in the financial statements as reflected in written contracts.

Table of Contents

Transactions with management members:

In addition to short-term benefits (primarily salaries), the management members are entitled to post-employment benefits, such as retirement benefits and health and dental care. Moreover, management members are entitled to participate in Stock Option Plan (Note 23).

Total expenses related to management members in key functions are as follows:

	2012	2011	2010
Short-term benefits (i)	26.5	27.0	33.5
Share-based payments (ii)	37.5	32.2	27.3
Total key management remuneration	**64.0**	**59.1**	**60.8**

(i) These correspond substantially to salaries and profit sharing (including performance bonuses).

(ii) These correspond to the compensation cost of stock options granted to management. These amounts exclude remuneration paid to members of the Fiscal Council.

Excluding the abovementioned plan (Note 23), Ambev S.A. Predecessor no longer has any type of transaction with the Management members or pending balances receivable or payable in its balance sheet.

Transactions with Ambev S.A. Predecessor's shareholders:

a) Medical, dental and other benefits

The Fundação Zerrenner is one of Ambev's shareholders, and at December 31, 2012 held 17.08% of the voting rights and 9.59% of total share capital. Fundação Zerrenner is also a independent legal entity whose main goal is to provide Ambev's employees, both active and retirees, with health care and dental assistance, technical and superior education courses, facilities for assisting elderly people, among other things, through direct initiatives or through financial assistance agreements with other entities. On December 31, 2012 and 2011, actuarial liabilities related to the benefits provided directly by Fundação Zerrenner are fully offset by plan assets. As a result, the net liability recognized in the financial statements is nil.

The expenses incurred by Fundação Zerrenner in providing these benefits totaled R$164.6 in the period ended December 31, 2012 (R$135.7 as of December 31, 2011), of which R$146.0 (R$120.8 as of December 31, 2011) related to active employees and R$18.6 (R$15.0 as of December 31, 2011) related to retirees.

b) Leasing

Ambev S.A. Predecessor, through its subsidiary BSA (labeling), has an asset leasing agreement with Fundação Zerrenner, for R$64.8 for ten years, maturing on March 31, 2018.

c) Leasing – Ambev head office

The Fundação Zerrenner and Ambev have a lease of two commercial sets, of R$15.3 maturing on January 28, 2013. These agreements are being renewed.

Table of Contents

d) Licensing agreement

Ambev maintains a licensing agreement with Anheuser-Busch, Inc., to produce, bottle, sell and distribute Budweiser products in Brasil and, through Labatt Canada and Cervepar, in Canada and Paraguay. In addition, Ambev and certain of its subsidiaries produce and distribute Stella Artois products under license AB InBev in Brazil, Argentina, Canada and other countries. The amount recorded was R$12.7 (R$5.7 as of December 31, 2011) and R$215.9 (R$182.7 as of December 31, 2011) as licensing income and expense, respectively.

e) Interest income - Issuance of bond

On September 10, 2009, Ambev S.A. acquired a Bond issued by AmBrew. This Bond was early liquidated in August 16, 2011. The income statements for the period ended December 31, 2011 and December 31, 2010 have recorded interest income in the amount of R$187,237 and R$229,264, respectively.

Jointly-controlled entities

Ambev S.A. Predecessor reports its interest in jointly-controlled entities using the line-by-line reporting format for proportional consolidation. Significant interests in joint ventures include two distribution entities in Canada and two entities in Brazil (Ice Tea and Agrega).

The following balances represent the participation of Ambev S.A. Predecessor in these entities and were included in the combined financial statements:

	2012	2011
Non-current assets	253.5	241.0
Current assets	127.4	124.8
Non-current liabilities	314.9	304.2
Current liabilities	231.0	217.8
Result from operations	42.7	27.4
Income attributable to shareholders	22.1	12.8

Transactions with associates

Ambev S.A. Predecessor transactions with associates were as follows:

	2012	2011
Net sales	17.3	12.5
Current liabilities	4.5	3.5

Transactions with associates include two entities in Argentina (Eco de Los Andes S.A. and Agrega S.A.) and two entities in Canada (Guinness Canada Limited and Agrega Canada Limited).

Table of Contents

31. GROUP COMPANIES

Listed below are the main group companies. The total number of companies consolidated (fully and proportionally) is 52.

Bermuda QIB QUILMES INTERNATIONAL (BERMUDA) LTD.-Claredon House, 2 Church Street, Hamilton	100.00%
Bolivia CERVECERIA BOLIVIANA NACIONAL S.A. - Av. Montes 400 e Rua Chuquisaca - La Paz	85.67%
Brazil COMPANHIA DE BEBIDAS DAS AMÉRICAS - AMBEV - Rua Dr. Renato Paes de Barros, 1017 , 4º andar, cj. 44 e 42 Itaim Bibi, São Paulo	Consolidating Company
AMBEV BRASIL BEBIDAS S.A. - Avenida Antarctica, 1.891 Fazenda Santa Úrsula - Jaguariúna - SP	99.90%
AROSUCO AROMAS E SUCOS LTDA. - Avenida Buriti, 5.385 Distrito Industrial - Manaus - AM	100.00%
CRBS S.A - Avenida Antarctica, 1.891 Fazenda Santa Úrsula Jaguariúna - SP	99.93%
EAGLE DISTRIBUIDORA DE BEBIDAS S.A. - Avenida Antarctica, 1.891 Fazenda Santa Úrsula – Jaguariúna – SP	100.00%
Canada LABATT BREWING COMPANY LIMITED – 207 Queens Quay West, Suite 299 - M5J 1A7 - Toronto	100.00%
Chile CERVECERIA CHILE S.A. - Avenida Presidente Eduardo Frei Montalva, 9600 - Comuna de Quilicura - Santiago	100.00%
Dominican Republic COMPAÑIA CERVECERA AMBEV DOMINICANA, C. POR A. Av. San Martin, 279 - Apartado Postal 723 - Santo Domingo	55.47%
CND - CERVECERÍA NACIONAL DOMINICANA, Autopista 30 de Mayo, Distrito Nacional	52.03%

Table of Contents

Ecuador Companhia Cervecera AMBEV ECUADOR S.A. - Km 14,5 – Vía Dauley, Av. Las Iguanas - Guayaquil	100.00%
Espanha JALUA SPAIN, S.L – Juan Vara Terán, 14 – Ilhas Canarias	100.00%
Guatemala INDUSTRIAS DEL ATLÁNTICO, SOCIEDAD ANÓNIMA - 43 Calle 1-10 Clzd. Aguilar Bartres Zona 12, Edificio Mariposa, nível 4 - 01012 - Zacapa	50.00%
Luxembourg AMBEV LUXEMBOURG - 5, Gabriel Lippmann, L - 5365 Munsbach	100.00%
Paraguay CERVECERIA PARAGUAY S.A. - Ruta Villeta KM 30 - Ypané	87.40%
Peru COMPANÍA CERVECERA AMBEV PERU S.A.C. - Av. República de Panamá, 3659 San Isidro - Lima 41 – Lima	100.00%
Uruguay CERVECERIA NACIONAL - Rambla Baltasar Brum, 2933 – 11800 - Paysandú	97.56%
MONTHIERS SOCIEDAD ANÓNIMA - Juncal 1327, ap. 2201 - Montevideo	100.00%

32. INSURANCE

Ambev S.A. Predecessor has a program of risk management in order to hire coverage compatible with its size and operation. Coverage was contracted for amounts considered sufficient by management to cover possible losses, considering the nature of its activity, the risks involved in their operations and the orientation of its insurance advisors.

33. EVENTS AFTER THE BALANCE SHEET DATE

(i) The Board of Directors Meeting of Ambev held on February 25, 2013, approved the dividend distribution, resulting from the allocation of profit for the year 2012, at R$0.5680 per Common share and R$0.6248 per Preferred share without withholding income tax pursuant to applicable law and interest on shareholder's equity, to be deducted from Profit for 2012 and attributed to minimum dividend for the year 2012, at R$ 0.0800 per Common share and R$0.0880 per Preferred share. The distribution of interest on shareholder's equity will be

Table of Contents

taxed according to local legislation, which will result in a net distribution of interest on shareholder's equity of R$0.0680 per Common share and R$ 0.0748 per Preferred share.

These payments will be made from March 28, 2013 (being with the portion relating to dividends *ad referendum* of the General Meeting for the fiscal year ended December 31, 2012 and the share of interest on shareholder's capital *ad referendum* of the Annual General Meeting for the fiscal year which ends on December 31, 2013) based on the shareholdings on February 27, 2013 to shareholders' of BM&F BOVESPA and March 4, 2013 to shareholders of the NYSE. The shares and ADRs will be traded ex-dividend starting from February 28, 2013.

(ii) On January 21, 2012 Ambev initiated the payment of dividends and interest on capital approved at the Board Meeting held on December 14, 2012, which were calculated based on the shareholding position of December 26, 2012 to shareholders of BM&F Bovespa and December 31, 2012 to shareholders of NYSE, without monetary adjustment, which amounted to R$3.0 billion.

(iii) In the Meeting of the Board of Directors of Ambev held on January 31 and February 1st, 2013, it was approved a capital increase in the maximum amount of R$410,1, upon private issuance of up to 2,521 thousand new common shares and up to 1,970 thousand new preferred shares, at the issuance price of R$89.94 for each common share and R$93.07 for each preferred share, which, pursuant to article 170, paragraph first, item III, of Law No. 6,404/76, correspond to the average prices of Ambev's shares on January 31, 2013, the date on which Ambev earned the tax benefit deriving from the partial amortization of the Special Premium Reserve - IN 319/99 for the fiscal year of 2012, pursuant to the Article 7 of CVM Ruling No. 319/99.

Table of Contents

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Consolidated Balance Sheets
As at March 31, 2013 and December 31, 2012

(Expressed in thousands of Brazilian Reais)

Assets	Note	03/31/2013	12/31/2012
Current assets			
Cash and cash equivalents		3,665,299	8,926,165
Investment securities	4	359,591	476,607
Trade and other receivables		3,791,131	4,268,221
Inventories	5	2,871,179	2,466,341
Taxes receivable		195,150	114,502
Assets held for sale		3,959	4,086
		10,886,309	**16,255,922**
Non-current assets			
Investment securities	4	239,533	249,379
Trade and other receivables		1,850,491	1,855,013
Deferred tax assets	6	1,790,827	1,418,515
Taxes receivable		10,838	12,316
Employee benefits		25,480	25,480
Investments in associates		24,535	24,012
Property, plant and equipment	7	11,321,346	11,412,280
Intangible assets		2,900,501	2,935,396
Goodwill	8	19,678,710	19,971,456
		37,842,261	**37,903,847**
Total assets		**48,728,570**	**54,159,769**

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

Table of Contents

Interim Consolidated Balance Sheets (continued)

As at March 31, 2013 and December 31, 2012

(Expressed in thousands of Brazilian Reais)

Equity and Liabilities	Note	03/31/2013	12/31/2012
Current liabilities			
Trade and other payables		8,411,513	13,570,776
Interest-bearing loans and borrowings	9	852,810	837,772
Bank overdrafts		-	123
Income tax and social contribution payable		1,190,192	972,556
Provisions	10	135,857	137,452
		10,590,372	**15,518,679**
Non-current liabilities			
Trade and other payables		2,920,588	3,063,989
Interest-bearing loans and borrowings	9	2,145,393	2,305,957
Deferred tax liabilities	6	1,084,957	1,048,343
Provisions	10	498,281	518,076
Employee benefits		1,741,707	1,780,908
		8,390,926	**8,717,273**
Total liabilities		**18,981,298**	**24,235,952**
	11		
Share capital		12,730,533	12,187,349
Reserves		13,997,144	16,676,395
Retained earnings		1,959,935	-
Equity attributable to equity holders of Ambev		**28,687,612**	**28,863,744**
Non-controlling interests		1,059,660	1,060,073
Total equity and liabilities		**48,728,570**	**54,159,769**

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

Table of Contents

Interim Consolidated Income Statements

Three months ended March 31, 2013 and 2012
(Expressed in thousands of Brazilian Reais)

	Note	03/31/2013	03/31/2012
Net sales	13	7,772,806	7,235,714
Cost of sales		(2,622,823)	(2,312,381)
Gross profit		**5,149,983**	**4,923,333**
Sales and marketing expenses		(1,988,907)	(1,748,433)
Administrative expenses		(351,740)	(317,246)
Other operating income/(expenses)	14	313,498	139,185
Income from operations before special items		**3,122,834**	**2,996,839**
Special items		(976)	-
Income from operations		**3,121,858**	**2,996,839**
Finance cost	15	(401,374)	(290,583)
Finance income	15	160,687	207,945
Net finance cost		**(240,687)**	**(82,638)**
Share of results of associates		1,688	360
Income before income tax		**2,882,859**	**2,914,561**
Income tax expense	16	(506,366)	(580,055)
Net income		**2,376,493**	**2,334,506**
Attributable to:			
Equity holders of Ambev		2,343,531	2,314,273
Non-controlling interests		32,962	20,233
Basic earnings per share – preferred		0.79	0.78
Diluted earnings per share– preferred		0.78	0.78
Basic earnings per share – common		0.72	0.71
Diluted earnings per share– common		0.71	0.71

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

Table of Contents

Interim Consolidated Statements of Comprehensive Income

Three months ended March 31, 2013 and 2012

(Expressed in thousands of Brazilian Reais)

	03/31/2013	03/31/2012
Net income	**2,376,493**	**2,334,506**
Exchange differences on translation of foreign operations (gains/ (losses))	(175,065)	(54,726)
Actuarial gains and (losses)	798	(17,616)
Gains/losses of non-controlling interest's share	(304,851)	-
Change in adjustment international standards	-	32,180
Cash flow hedges - gains / (losses)		
Recognized in Equity (cash flow hedge)	(149,817)	15,094
Removed from Equity and included in profit or loss	(52,410)	(89,614)
Deferred income tax variance in Equity and other changes	58,038	37,270
Total cash flow hedges	(144,189)	(37,250)
Net income (loss) recognized directly in Equity	**(623,307)**	**(77,412)**
Total comprehensive income	**1,753,186**	**2,257,094**
Attributable to:		
Equity holders of Ambev	1,753,330	2,238,188
Non-controlling interest	(144)	18,906

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

Table of Contents

Interim Consolidated Statements of Changes in Equity

(Expressed in thousands of Brazilian Reais)

	Capital	Capital reserves	Net income reserve	Retained earnings	Other comprehensive income	Total	Non-controlling interest	Total equity
At January 1, 2013	**12,187,349**	**4,768,925**	**13,254,995**	**(122,468)**	**(1,225,057)**	**28,863,744**	**1,060,073**	**29,923,817**
Net income	-	-	-	2,343,531	-	2,343,531	32,962	2,376,493
Other comprehensive income								
Translation reserves - gains / (losses)	-	-	-	-	(139,951)	(139,951)	(35,114)	(175,065)
Cash flow hedges - gains / (losses)	-	-	-	-	(146,316)	(146,316)	2,127	(144,189)
Gains/(losses) of non-controlling interest's share	-	-	-	-	(304,851)	(304,851)	-	(304,851)
Actuarial gain / (losses)	-	-	-	-	917	917	(119)	798
Total Comprehensive income	**-**	**-**	**-**	**2,343,531**	**(590,201)**	**1,753,330**	**(144)**	**1,753,186**
Shares issued	543,184	(373,404)	-	-	-	169,780	-	169,780
Put option of a subsidiary interest	-	(3,360)	-	-	-	(3,360)	-	(3,360)
Dividends	-	-	(1,854,010)	-	-	(1,854,010)	(269)	(1,854,279)
Interest on shareholder's equity	-	-	-	(261,128)	-	(261,128)	-	(261,128)
Share-based payment	-	35,556	-	-	-	35,556	-	35,556
Treasury shares	-	(16,300)	-	-	-	(16,300)	-	(16,300)
At March 31, 2013	**12,730,533**	**4,411,417**	**11,400,985**	**1,959,935**	**(1,815,258)**	**28,687,612**	**1,059,660**	**29,747,272**

	Capital	Capital reserves	Net income reserve	Retained earnings	Other comprehensive income	Total	Non-controlling interest	Total equity
At January 1, 2012	**8,303,936**	**7,030,058**	**12,581,184**	**-**	**(2,303,858)**	**25,611,320**	**217,525**	**25,828,845**
Net income	-	-	-	2,314,273	-	2,314,273	20,233	2,334,506
Other comprehensive income								
Change in adjustment international standards	-	-	-	-	32,180	32,180	-	32,180
Translation reserves - gains / (losses)	-	-	-	-	(53,399)	(53,399)	(1,327)	(54,726)
Cash flow hedges - gains / (losses)	-	-	-	-	(37,250)	(37,250)	-	(37,250)
Actuarial gain / (losses)	-	-	-	-	(17,616)	(17,616)	-	(17,616)
Total Comprehensive income	**-**	**-**	**-**	**2,314,273**	**(76,085)**	**2,238,188**	**18,906**	**2,257,094**
Shares issued	17,472	(11,527)	-	-	-	5,945	-	5,945
Interest on shareholder's equity	-	-	-	(585,691)	-	(585,691)	-	(585,691)
Share-based payment	-	24,458	-	-	-	24,458	-	24,458
Treasury shares	-	197	-	-	-	197	-	197
Others	-	-	-	14,969	-	14,969	(981)	13,988
At March 31, 2012	**8,321,408**	**7,043,186**	**12,581,184**	**1,743,551**	**(2,379,943)**	**27,309,386**	**235,450**	**27,544,836**

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

Table of Contents

Interim Consolidated Cash Flow Statements

Three months ended March 31, 2013 and 2012

(Expressed in thousands of Brazilian Reais)

	Note	03/31/2013	03/31/2012
Net income		2,376,493	2,334,506
Depreciation, amortization and impairment		476,150	379,125
Impairment losses on receivables and inventories		40,347	32,636
Additions/(reversals) in provisions and employee benefits		48,579	47,749
Net finance cost	15	240,687	82,638
Loss/(gain) on sale of property, plant and equipment and intangible assets		4,634	2,705
Loss/(gain) on assets held for sale		-	425
Equity-settled share-based payment expense	17	42,926	33,129
Income tax expense	16	506,366	580,055
Share of result of associates		(1,688)	(360)
Other non-cash items included in the profit		(49,587)	(56,972)
Cash flow from operating activities before changes in working capital and use of provisions		**3,684,907**	**3,435,636**
Decrease/(increase) in trade and other receivables		184,691	(35,668)
Decrease/(increase) in inventories		(454,019)	(170,908)
Increase/(decrease) in trade and other payables		(1,685,827)	(1,970,877)
Cash generated from operations		**1,729,752**	**1,258,183**
Interest paid		(150,471)	(59,273)
Interest received		214,496	197,482
Income tax paid		(1,061,520)	(689,289)
Cash flow from operating activities		**732,257**	**707,103**
Proceeds from sale of property, plant and equipment and intangible assets	7	7,413	8,157
Acquisition of property, plant and equipment and intangible assets	7	(543,654)	(365,613)
Acquisition of subsidiaries, net of cash acquired		(62,630)	-
Investment in short term debt securities and net proceeds/(acquisition) of debt securities		78,758	(1,270,543)
Net proceeds/(acquisition) of other assets		(1)	(6,137)
Cash flow from investing activities		**(520,114)**	**(1,634,136)**
Capital increase	11	156,309	5,945
Proceeds/repurchase of treasury shares		(1,513)	(197)
Proceeds from borrowings		9,196	706,756
Repayment of borrowings		(306,316)	(982,880)
Cash net of finance costs other than interests		(208,201)	16,921
Payment of finance lease liabilities		(371)	(1,029)
Dividends (paid) / received		(4,989,171)	(65,502)
Cash flow from financing activities		**(5,340,067)**	**(319,986)**
Net increase/(decrease) in cash and cash equivalents		**(5,127,924)**	**(1,247,019)**
Cash and cash equivalents less bank overdrafts at begin of period		8,926,042	8,063,935
Effect of exchange rate fluctuations		(132,819)	(110,365)
Cash and cash equivalents less bank overdrafts at end of period		**3,665,299**	**6,706,551**

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

Table of Contents

Interim Consolidated Value Added Statements

Three months ended March 31, 2013 and 2012

(Expressed in thousands of Brazilian Reais)

	03/31/2013	03/31/2012
Revenues	**12,229,913**	**11,373,378**
Sale of goods, products and services	12,051,253	11,296,534
Other operating income	196,896	86,878
Allowance for/reversal of doubful accounts	(18,236)	(10,034)
Input acquired from third parties	**(4,342,026)**	**(3,941,209)**
Costs of products, goods and services sold	(2,992,007)	(2,649,761)
Materials - energy - third party services - others	(1,333,062)	(1,272,779)
(Loss)/recovery of assets	(16,957)	(18,669)
Gross added value	**7,887,887**	**7,432,169**
Retention	**(459,193)**	**(360,459)**
Depreciation and amortization	(459,193)	(360,459)
Net added value produced	**7,428,694**	**7,071,710**
Value added received in transfer	**131,913**	**177,590**
Share of results of associates	1,688	360
Finance income	160,687	207,945
Others	(30,462)	(30,715)
Total added value to be distribute	**7,560,607**	**7,249,300**
Distribution of value added	**7,560,607**	**7,249,300**
Employees	**810,886**	**636,399**
Direct remuneration	662,410	499,732
Benefits	60,347	56,716
Government severance indemnity fund for employees	18,135	16,598
Others	69,994	63,353
Taxes, fees and contribution	**3,930,189**	**3,970,049**
Federal	1,675,053	1,743,807
State	2,251,497	2,221,356
Municipal	3,639	4,886
Remuneration of third party capital	**443,039**	**308,346**
Interest	402,406	272,943
Rent	40,633	35,403
Remuneration of own capital	**2,376,493**	**2,334,506**
Interest on shareholder's equity	261,128	585,690
Retained earnings/losses for the period	2,082,403	1,728,583
Non-controlling interest	32,962	20,233

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

Table of Contents

Notes to the interim consolidated financial statements:

Table of Contents

1. CORPORATE INFORMATION

Companhia de Bebidas das Américas - Ambev (referred to as the "Company" or "Ambev"), headquartered in São Paulo, Brazil; produces and sells beer, draft beer, soft drinks, other non-alcoholic beverages, malt and food in general, either directly or by participating in other Brazilian-domiciled companies and elsewhere in the Americas.

The Company has an agreement with PepsiCo International, Inc. ("PepsiCo") to bottle, sell and distribute Pepsi products in Brazil and in other Latin American countries, including Pepsi Cola, 7Up, Lipton Ice Tea, Gatorade and H2OH!.

The Company has a licensing agreement with Anheuser-Busch, Inc., to produce, bottle, sell and distribute Budweiser products in Brazil, Canada and Paraguay. The Company and certain of its subsidiaries produce and distribute Stella Artois products under license to Anheuser-Busch InBev S.A./N.V. ("AB InBev") in Brazil, Canada, Argentina and other countries and, by means of a license granted to AB InBev, it also distributes Brahma's product in parts of Europe, Asia and Africa.

The Company's shares are traded on the Brazilian Stock Exchange – BM&FBOVESPA Bolsa de Valores S.A Mercadorias e Futuros and on the New York Stock Exchange – NYSE, in the form of American Depositary Receipts - ADRs.

Major corporate events in 2013:

In January 2013 the subsidiary CRBS S.A. ("CRBS") acquired all the shares issued by the Companies Bemais Distribuidora de Bebidas Ltda., Laguna Distribuidora de Bebidas Ltda., Casa Pinto Ltda. and Poços Beer Distribuidora de Bebidas Ltd, located in the south of state of Minas Gerais. The total amount paid for these Companies was R$96,100 which generated a goodwill of R$90,754. The Company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed in compliance with IFRS 3.

Major corporate events in 2012:

In March 2012, the subsidiary CRBS S.A. acquired Lugano Distribuidora de Bebidas Ltda. (formerly Lambert & Cia. Ltda.), located in the south of Brazil.

The interim consolidated financial statements were approved by the Board of Directors on April 29, 2013.

2. STATEMENT OF COMPLIANCE

The interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

This information does not meet all disclosure requirements for the presentation of full annual financial statements and thus should be read along with the consolidated financial statements

Table of Contents

prepared in accordance to IFRS for the year ended December 31, 2012. To avoid duplication of disclosures which are included in the annual financial statements, the following notes were not subject to full presentation:

(a) Summary of significant accounting policies (Note 3);
(b) Acquisition and disposals of subsidiaries (Note 5);
(c) Payroll and related benefits (Note 9);
(d) Additional information on operating expenses by nature (Note 10);
(e) Intangible assets (Note 15);
(f) Trade and other receivables (Note 19);
(g) Cash and cash equivalents (Note 20);
(h) Interest-bearing loans and borrowings (Note 22);
(i) Employee benefits (Note 23);
(j) Trade and other payables (Note 25);
(k) Operating leases (Note 28);
(l) Contingencies (Note 30).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

There were no significant changes in accounting policies for the interim financial statements as of March 31, 2013, in the calculation methods used in relation to those presented in the financial statements for the year ended December 31, 2012, except for the prospective change in the functional currency of certain non-significant malting operation and for the items described below.

Recently issued IFRS

IFRSs with effective application for annual periods beginning on 1 January 2013:

IFRS 10 Consolidated Financial Statements, which provides a single consolidation model that identifies control as the basis for consolidation for all types of entities.

IFRS 11 Joint Arrangements, which establishes principles for the financial reporting by parties to a joint arrangement and replaces the current proportionate consolidation method by the equity method.

In 2013, following the adoption of IFRS 11, AmBev began applying the equity method of accounting for jointly controlled entities instead of the proportional consolidation method.

The impact of the initial adoption of the standard was immaterial to the Company.

IFRS 12 Disclosure of Interests in Other Entities, which combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

Table of Contents

IFRS 13 Fair Value Measurement, which does not establish new requirements for when fair value is required but provides a single source of guidance on how fair value is measured.

IAS 19 Employee Benefits (Revised 2011):
The amendments that caused the most significant impacts in the Company's financial statements include:

- Expected returns on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when the Company recognizes related restructuring or termination costs.

Except for IAS 19 (Revised 2011), the standards above did not have a significant impact on Ambev's consolidated financial statements upon initial application.

IAS 19 (Revised 2011) requires retrospective application. Accordingly, the comparative figures in Ambev's consolidated financial statements have been adjusted as if IAS 19 (Revised 2011) had always applied.

Similar to the 2012 version of IAS 19, IAS 19 (Revised 2011) does not specify where in profit of loss an entity should present the net interest on net defined benefit liabilities. As a consequence, the Company has determined that, upon initial application of IAS 19 (Revised 2011), the net interest component would be presented as part of the Company's net finance cost. This change in presentation is consistent with IAS 1, which permits entities to provide disaggregated information in the performance statements.

With the retrospective application of IAS 19 (Revised 2011) and the decision of the Company to present the net interest component as part of the Company's net finance cost as described above, the adjusted total pre-tax pension expense is R$139,489 higher than previously reported, with profits from operations and net finance costs higher by R$57,480 and R$82,009, respectively.

Table of Contents

The adjusted figures upon implementation of IAS 19 (Revised 2011) and the previously reported figures are demonstrated below:

Interim Consolidated Income Statements
Three months ended 31, 2013 and 2012
(Expressed in thousands of Brazilian Reais)

	03/31/2012 Adjusted	03/31/2012 Reported	12/31/2012 Adjusted	12/31/2012 Reported
Net sales	7,235,714	7,235,714	32,231,027	32,231,027
Cost of sales	(2,312,381)	(2,312,738)	(10,289,748)	(10,291,518)
Gross profit	**4,923,333**	**4,922,976**	**21,941,279**	**21,939,509**
Sales and marketing expenses	(1,748,433)	(1,747,371)	(7,346,589)	(7,346,589)
Administrative expenses	(317,246)	(303,611)	(1,605,785)	(1,546,535)
Other operating income/(expenses)	139,185	139,185	863,991	863,991
Income from operations before special items	**2,996,839**	**3,011,179**	**13,852,896**	**13,910,376**
Special items	-	-	(50,378)	(50,378)
Income from operations	**2,996,839**	**3,011,179**	**13,802,518**	**13,859,998**
Finance cost	(290,583)	(267,942)	(1,556,440)	(1,474,431)
Finance income	207,945	207,945	661,617	661,617
Net finance cost	**(82,638)**	**(59,997)**	**(894,823)**	**(812,814)**
Share of results of associates	360	360	481	481
Income before income tax	**2,914,561**	**2,951,542**	**12,908,176**	**13,047,665**
Income tax expense	(580,055)	(584,856)	(2,388,089)	(2,405,110)
Net income	**2,334,506**	**2,366,686**	**10,520,087**	**10,642,555**
Attributable to:				
Equity holders of Ambev	2,314,273	2,346,453	10,385,598	10,508,066
Non-controlling interests	20,233	20,233	134,489	134,489

Interim Consolidated Balance Sheets
As at December 31, 2012

There has been no impact on Equity and Non-Current liabilities.

Other Standards, Interpretations and Amendments to Standards

A number of other new standards, amendment to standards and new interpretations became mandatory for the first time for the financial year beginning January 1, 2013, and have not been listed in these unaudited condensed consolidated interim financial statements because of either their non-applicability to or their immateriality to Ambev's consolidated financial statements.

Table of Contents

4. INVESTMENT SECURITIES

	03/31/2013	12/31/2012
Current investments		
Financial asset at fair value through profit or loss-held for trading	359,591	291,183
Equity securities available-for-sale	-	185,424
	359,591	**476,607**
Non-current investments		
Equity securities available-for-sale	156,337	187,943
Debt held-to-maturity	83,196	61,436
	239,533	**249,379**

Financial asset at fair value through profit or loss-held for trading

In general, investments in debt securities with original maturities of greater than three months 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 of the Company.

Financial assets at fair value through profit or loss are presented in Investments activities as part of changes in working capital in the Cash flow statement. Changes in fair values of financial assets at fair value through profit and loss are recorded as net finance cost in the income statement.

Equity securities available-for-sale

Equity securities of R$156,337 (R$187,943 at December 31, 2012), classified as available for sale (non-current assets) in the financial statements as of December 31, 2012, refers to the operation on October 20, 2010 pursuant to which Ambev and Cervecería Regional S.A. ("Cervecería Regional") combined their businesses in Venezuela, whereupon Cervecería Regional assumed an 85% interest and Ambev the remaining 15% which was recorded at fair value on the purchase date and adjusted by exchange variation, net of reductions in the recoverable amount of the asset. As of March 2013, the Company recorded in the income statement an impairment of R$28, 728 in this financial instrument mainly as result of the currency devaluation in Venezuela.

5. INVENTORIES

	03/31/2013	12/31/2012
Finished goods	910,501	697,966
Work in progress	208,867	204,455
Raw material	1,337,576	1,195,153
Consumables	64,591	59,470
Spare parts and other	247,946	248,660
Prepayments	124,343	88,346
Impairment losses	(22,645)	(27,709)
	2,871,179	**2,466,341**

Losses on inventories recognized in the income statement amounted to R$22,112 as of March 31, 2013 (R$22,607 in March 31, 2012).

Table of Contents

6. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred taxes for income tax and social contribution taxes are calculated on tax losses, the negative tax basis of social contributions and the temporary differences between the tax bases and the carrying amount in the financial statement of assets and liabilities. The rates of these taxes in Brazil, currently set for the determination of deferred taxes, are 25% for income tax and 9% for social contribution. For the other regions, applied rates, including the rates applicable to distribution of dividend, are as follow:

HILA-ex	from 23% to 31%
Latin America - South	from 14% to 35%
Canada Operational	from 5% to 26%

The amount of deferred income tax and social contribution by type of temporary difference is detailed as follows:

	03/31/2013			12/31/2012		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Trade and other receivables	39,536	-	39,536	37,733	-	37,733
Derivatives	316,946	(370)	316,576	294,775	(171)	294,604
Inventories	115,289	-	115,289	115,053	(609)	114,444
Loss carryforwards	453,812	-	453,812	332,633	-	332,633
Tax credits for corporate restructuring	142,056	-	142,056	229,807	-	229,807
Employee benefits	470,856	-	470,856	523,724	-	523,724
Property, plant and equipment	26,678	(288,679)	(262,001)	27,647	(288,249)	(260,602)
Intangible assets	5,552	(582,679)	(577,127)	5,753	(610,295)	(604,542)
Goodwill	29,200	-	29,200	29,200	-	29,200
Trade and other payables	-	(465,152)	(465,152)	-	(413,921)	(413,921)
Interest-bearing loans and borrowings	66,886	(4,757)	62,129	120,068	(4,419)	115,649
Provisions	273,529	(10,287)	263,242	287,908	(6,103)	281,805
Partnership profit	105,288	-	105,288	-	(291,165)	(291,165)
Other items	12,166	-	12,166	-	(19,197)	(19,197)
Gross deferred tax assets / (liabilities)	**2,057,794**	**(1,351,924)**	**705,870**	**2,004,301**	**(1,634,129)**	**370,172**
Netting by taxable entity	(266,967)	266,967	-	(585,786)	585,786	-
Net deferred tax assets / (liabilities)	**1,790,827**	**(1,084,957)**	**705,870**	**1,418,515**	**(1,048,343)**	**370,172**

The Company only offsets the balances of deferred income tax and social contribution assets against liabilities when they are within the same entity and jurisdiction and are expected to be realized in the same period.

Tax losses and negative bases of social contribution and temporary deductible differences in Brazil, on which the deferred income tax and social contribution were calculated, have no expiry date.

Table of Contents

At March 31, 2013 the deferred tax assets related to consolidated tax losses has an expected utilization as follows:

	03/31/2013	12/31/2012
2013	179,451	31,090
2014	61,411	79,858
2015	50,164	48,064
Beyond 2016 (i)	162,786	173,621
	453,812	**332,633**

(i) There is no expected realization that exceed the period of 10 years.

Part of the tax benefit corresponding to the tax losses from previous periods and temporary differences of subsidiaries abroad was not recorded as an asset, as management is unable to conclude to a sufficient degree of certainty that realization is probable.

The tax losses carried forward in relation to these unrecognized deferred tax assets are equivalent to approximately R$935,415 at March 31, 2013 (R$1.1 billion at December 31, 2012). The total unrecognized deferred tax assets related to tax losses carried forward for these subsidiaries amount to R$233,670 at March 31, 2013 (R$331,151 at December 31, 2012) for which the expiry term is on average five years.

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

Balance at December 31, 2012	**370,172**
Recognized in Income statement	262,002
Recognized in Equity	73,696
Balance at March 31, 2013	**705,870**

7. PROPERTY, PLANT AND EQUIPMENT

	03/31/2013					12/31/2012
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total	Total
Acquisition cost						
Balance at end of previous year	**4,488,978**	**14,139,613**	**2,825,966**	**1,601,521**	**23,056,078**	**19,818,381**
Effect of movements in foreign exchange	(52,842)	(153,020)	(30,380)	(21,890)	(258,132)	582,016
Acquisitions through business combinations	-	-	-	2,590	2,590	721,862
Acquisitions	1,712	55,175	2,392	447,898	507,177	2,971,471
Disposals	(1,840)	(121,609)	(101,213)	-	(224,662)	(941,721)
Transfer to other asset categories	68,666	330,379	14,795	(353,977)	59,863	(97,831)
Others	-	451	(1,144)	-	(693)	1,900
Balance at end	**4,504,674**	**14,250,989**	**2,710,416**	**1,676,142**	**23,142,221**	**23,056,078**

Table of Contents

	03/31/2013					12/31/2012
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total	Total
Depreciation and Impairment						
Balance at end of previous year	**(1,489,346)**	**(8,169,640)**	**(1,984,812)**	**-**	**(11,643,798)**	**(10,553,171)**
Effect of movements in foreign exchange	13,271	92,672	20,564	-	126,507	(378,608)
Depreciation	(35,992)	(306,591)	(78,258)	-	(420,841)	(1,560,812)
Impairment losses	-	(16,955)	-	-	(16,955)	(56,443)
Disposals	1,694	111,582	99,339	-	212,615	855,779
Transfer to other asset categories	(7,456)	(68,484)	(3,754)	-	(79,694)	46,144
Others	-	1,329	(38)	-	1,291	3,313
Balance at end	**(1,517,829)**	**(8,356,087)**	**(1,946,959)**	**-**	**(11,820,875)**	**(11,643,798)**
Carrying amount:						
December 31, 2012	**2,999,632**	**5,969,973**	**841,154**	**1,601,521**	**11,412,280**	**11,412,280**
March 31, 2013	**2,986,845**	**5,894,902**	**763,457**	**1,676,142**	**11,321,346**	

Acquisitions in the period refer substantially to modernization, refurbishment, the extension of production lines and construction of new plants in order to increase capacity.

Capitalized interest on loans, which is directly attributable to the acquisition and construction of qualifying assets, is mainly recognized on investments in Brazil. The interest capitalization average rate used in 2013 was 11.29% per year.

The Company leases plant, equipment, fixtures and fittings, which are accounted for as financial leases. The carrying amount of the leased assets was R$20,343 as of March 31, 2013 (R$47,772 as of December 31, 2012).

Contractual commitments to purchase property, plant and equipment amounted to R$207,485 as at March 31, 2013 (R$212,668 as at December 31, 2012).

8. GOODWILL

	03/31/2013	12/31/2012
Balance at the end of previous period	**19,971,456**	**17,454,019**
Movements in the period	(292,746)	2,517,437 (i)
Balance at the end of period	**19,678,710**	**19,971,456**

(i) In 2012, the movement refers mainly to the acquisition of Cervecería Nacional Dominicana as already presented in the annual financial statement.

Annual impairment testing

The cash-generating unit to which the goodwill was allocated based on expected future profitability, is tested annually for impairment, or whenever there is an indication of impairment. As of March 31, 2013 the Company had not identified any indication that a cash-generating unit could be undervalued. The impairment test will be performed during the last quarter of the current year.

Table of Contents

9. INTEREST-BEARING LOANS AND BORROWINGS

This explanatory note disseminates contractual information on the position of loans and financing of the Company. The explanatory note 18 - Financial instruments and risks publishes additional information with respect to exposure of the Company to the risks of interest rate and currency.

	03/31/2013	12/31/2012
Current liabilities		
Secured bank loans	68,655	65,170
Unsecured bank loans	659,239	753,819
Debentures and unsecured bond issues	100,291	-
Other unsecured loans	23,346	17,200
Financial leasing	1,279	1,583
	852,810	**837,772**
Non-current liabilities		
Secured bank loans	251,225	243,833
Unsecured bank loans	1,317,570	1,462,331
Debentures and unsecured bond issues	414,744	429,745
Other unsecured loans	143,911	151,493
Financial leasing	17,943	18,555
	2,145,393	**2,305,957**

Contract clauses (covenants)

During the period there were no significant changes in contract clauses of loans and borrowings contracted by the Company.

As at March 31, 2013 the Company was in compliance with all its contractual obligations for its loans and financings.

10. PROVISIONS

	Balance as of December 31, 2012	Effect of changes in foreign exchange rates	Provisions made	Provisions used and reversed	Balance as of March 31, 2013
Restructuring					
Non-current restructuring	4,382	(154)	-	(2,362)	1,866
Contingencies					
Civil	30,531	(1,010)	1,609	(1,127)	30,003
Taxes on sales	183,643	-	3,587	(3,514)	183,716
Income tax	150,868	(1,737)	2,399	(949)	150,581
Labor	180,133	(442)	55,495	(68,332)	166,854
Others	105,971	(2,288)	3,279	(5,844)	101,118
Total	**651,146**	**(5,477)**	**66,369**	**(79,766)**	**632,272**
Total provisions	**655,528**	**(5,631)**	**66,369**	**(82,128)**	**634,138**

Table of Contents

	Total	1 year or less	1-2 years	2-5 years	Over 5 years
Restructuring					
Non-current restructuring	1,866	1,678	188	-	-
Contingencies					
Civil	30,003	6,713	7,309	14,891	1,090
Taxes on sales	183,716	48,059	42,571	86,740	6,346
Income tax	150,581	26,864	38,824	79,105	5,788
Labor	166,854	41,843	39,230	79,933	5,848
Others	101,118	10,700	28,374	57,814	4,230
Total	**632,272**	**134,179**	**156,308**	**318,483**	**23,302**
Total provisions	**634,138**	**135,857**	**156,496**	**318,483**	**23,302**

The expected settlement was based on management's best estimate at the balance sheet date.

Main lawsuits with probable likelihood of loss:

ICMS, IPI, PIS and COFINS

In Brazil, the Company and its subsidiaries are involved in several administrative and judicial proceedings related to ICMS, IPI, PIS and COFINS taxes. Such proceedings include, among others, tax offsets, credits and judicial injunctions exempting tax payment. The provisions for these taxes at March 31, 2013 are R$183,716 (R$183,643 at December 31, 2012).

Labor

The Company and its subsidiaries are involved in approximately 5 thousand labor proceedings with former employees or former employees of service providers. The main issues involve overtime and related effects and respective charges. The provisions for labor contingencies at March 31, 2013 was R$166,854 (R$180,133 at December 31, 2012).

Other lawsuits

The Company is involved in several lawsuits brought by former distributors which are mainly claiming damages resulting from the termination of their contracts.

The processes with possible probabilities (risks of loss equal to or less than 50%), based on the evaluation of its legal advisers, for which there is no provision constituted, are disclosed in note 20.

Table of Contents

11. CHANGES IN EQUITY

(a) Capital stock

Outstanding shares (in thousand of shares)	03/31/2013			12/31/2012
	Preferred	**Common**	**Total**	**Total**
At the end of the previous year	1,372,093	1,755,466	3,127,559	3,117,797
Changes during the year	2,347	2,520	4,867	9,762
	1,374,440	**1,757,986**	**3,132,426**	**3,127,559**

Treasury shares (in thousand of shares)			03/31/2013	12/31/2012
	Preferred	**Common**	**Total**	**Total**
At the end of the previous year	166	484	650	608
Changes during the year	(99)	(1)	(100)	42
	67	**483**	**550**	**650**

Our Common shares have the right to vote at shareholder meetings. Our Preferred shares are non-voting (except when established in law), but have priority in the return of capital in the event of liquidation and are entitled to a dividend premium of 10% over the amount paid to the Common shareholders. As determined by the statutes, the Company is required to distribute to its shareholders as a mandatory dividend in respect of each fiscal year ending on December 31 an amount not less than 35% of our net income determined under Brazilian law, as adjusted in accordance with applicable law, unless payment of such amount would be incompatible with Ambev's financial situation. The mandatory dividend includes amounts paid as interest on shareholder's equity.

Changes in equity during the period of 2013

In the Board of Directors held on March 27, 2013 was approved, within the limit of the authorized capital of the Company in accordance with article 9 of its By-laws, as well as article 168 of Law No. 6,404/76, as amended, a capital increase of a capital increase of R$25,613, upon issuance of 376 thousand preferred shares without preemptive rights, pursuant to paragraph 3 of article 171 of Law No. 6,404/76 and the rules established under the Stock Option Plan applicable.

Thus, after verification of the subscription and payment by the shareholders of the Company of 2,521 thousand new common shares and 1,970 thousand newly issued preferred shares as the Board of Directors at a meeting held on January 31 and February 1, 2013, was approved the capital increase of R$ 410,101, which R$250,764 refers to the capitalization of 70% of the tax benefit realized by the Company with the partial amortization of the special reserve goodwill in fiscal year 2012 that was approved in the Board of Directors held on January 31 and February 1, 2013.

In the Board of Directors held on January 31 and February 1, 2013, was approved a capital increase of R$107,470, corresponding to the capitalization of 30% of the tax benefit realized by the Company with the partial amortization of the special reserve goodwill in fiscal year 2012, without issuing new shares.

Table of Contents

After the above changes described, the Company's capital stock increased to R$12,730,533 divided into 3,132,426 thousand shares, consisting of 1,757,986 thousand common shares and 1,374,440 thousand preferred shares.

Changes in equity during the period of 2012

The Board of Directors at a meeting held on March 22, 2012, approved and ratified, within the Company's limit of authorized capital, in accordance with article 9 of its By-laws, as well as article 168 of Law No. 6,404/76, as amended, a capital increase of R$17,472, upon issuance of 330 thousand new Preferred shares, without preemptive rights, pursuant to paragraph 3 of article 171 of Law No. 6,404/76 and the rules established under the Stock Option Plan currently in force, fully subscribed by the beneficiaries of the options granted in connection with the Company's First Stock Option Program for 2012. Thus, the Company's capital stock increased from R$8,303,936 to R$8,321,408, divided into 3,118,128 shares, of which 1,751,135 are Common shares and 1,366,992 are Preferred shares, without par value.

(b) Authorized capital

The Company is authorized to increase its capital stock up to 3,500,000 thousand shares, regardless of by-law amendment, upon the Board of Directors' resolution, which may resolve on the payment terms and conditions, characteristics of shares to be issued and issuance price, and also establish whether the capital stock shall be increased by means of public or private subscription.

(c) Interest on shareholders' equity / Dividends

Brazilian companies are permitted to distribute interest attributed to shareholders' equity calculated based on the long-term interest rate (TJLP), such interest being income tax-deductible and, when distributed, may be considered part of the mandatory dividends.

Events during the period of 2013:

Event	Approval	Type	Date of payment	Type of share	Ammount per share	Total amount	
Board of Directors Meeting	02/25/2013	Dividends	03/28/2013	Common	0.5680	996,830	(i)
Board of Directors Meeting	02/25/2013	Dividends	03/28/2013	Preferred	0.6248	857,180	(i)
						1,854,010	
Board of Directors Meeting	02/25/2013	Interest on shareholder's equity	03/28/2013	Common	0.0800	140,398	
Board of Directors Meeting	02/25/2013	Interest on shareholder's equity	03/28/2013	Preferred	0.0880	120,730	
						261,128	

(i) These dividends refer to the total amount approved for distribution in the period, and that were accrued in fiscal year of 2012.

Table of Contents

Events during the period of 2012:

Event	Approval	Type	Date of payment	Type of share	Ammount per share	Total amount
Board of Directors Meeting	02/17/2012	Dividends	04/10/2012	Common	0.6000	1,050,375
Board of Directors Meeting	02/17/2012	Dividends	04/10/2012	Preferred	0.6600	901,928
						1,952,303
Board of Directors Meeting	02/17/2012	Interest on shareholder's equity	04/10/2012	Common	0.1800	315,113
Board of Directors Meeting	02/17/2012	Interest on shareholder's equity	04/10/2012	Preferred	0.1980	270,578
						585,691 (i)

(i) These dividends refer to the total amount approved for distribution in the period, and that were accrued in fiscal year of 2011.

Net income reserve

(d) Statutory Reserve

Of net income, 5% will be applied before any other allocation, to the statutory reserve, which shall not exceed 20% of the capital. The Company may fail to recognize a statutory reserve in the year when the balance of this reserve, plus the amount of capital reserves, exceeds 30% of the capital.

The statutory reserve is to ensure the integrity of the capital and can only be used to offset losses or increase capital.

(e) Investments reserve

The investment reserve refers to the allocation of profits in order to meet the project business growth, investment plan set out in the Company.

(f) Proposed dividends and additional dividends

The reserves of proposed dividends and additional dividends aim to segregate the dividends to be distributed during the following fiscal year.

(g) 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 (note 18).

(h) Translation reserves

The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements whose functional currency are different of Real.

Table of Contents

(i) Actuarial gains and losses

The actuarial gains and losses include expectations with regard to the future obligations within the context of the pension plans. Consequently, the results of actuarial gains and losses are recognized on a timely basis considering best estimate obtained by management. Accordingly, the Company recognizes on a quarterly basis the results of these estimated actuarial gains and losses according to the expectations presented based on an independent actuarial report.

(j) Share-based payment

Different Stock Option Plans permit the Company's senior management and members of the board to acquire shares of the Company.

The share-based payment reserve recorded a charge of R$42,006 at March 31, 2013 (R$33,129 at March 31, 2012) (note 17).

(k) Treasury shares

The treasury shares comprise reacquired shares held by the Company. The gains and losses related to Stock Option Plans transactions and resale of treasury shares are recorded in the Result on Treasury Shares reserve.

Change in treasury shares in thousand of Brazilian Reais, for the years ended	**03/31/2013**	**03/31/2012**
At the begining of the year	**(3,875)**	**2,750**
Shares reacquired in accordance with the stock option plan	(1,513)	(197)
Shared-based payments - transfer	9,424	(1,638)
Shares plans	-	759
At the end of the year	**4,036**	**1,674**

(l) Tax incentives

The Company participates in ICMS VAT tax benefit programs offered by various States in order to attract investments to their region, in the form of financing, VAT deferral or partial reductions of amounts due. These State programs aim to promote the expansion of employment, regional decentralization, complementation and diversification of the state's industrial framework. In these States, the grace and enjoyment periods, reductions and other conditions are provided by the tax legislation.

(Expressed in thousand of Brazilian Reais)

	03/31/2013	**03/31/2012**
ICMS (Brazilian State value added)	156,480	89,743
Income tax	30,956	26,792
	187,436	**116,535**

Table of Contents

(m) Other Reserves

	Capital reserves							Net income reserve					Other comprehensive income				
	Treasury shares	Share Premium	Gain on shares issued	Others capital reserve	Share-based payments	Results on treasury shares	Total	Investments reserve	Statutory reserve	Fiscal incentive	Additional dividends	Total	Translation reserves	Cash flow *hedge*	Gains/losses of non-controlling interest's share	Business combination	Actuaria gains/los
At January 1, 2013	**(3,875)**	**8,335**	**4,983,374**	**(609,813)**	**554,048**	**(163,144)**	**4,768,925**	**9,748,260**	**208,832**	**1,427,308**	**1,870,595**	**13,254,995**	**(119,788)**	**86,936**	**(5,213)**	**156,091**	**(1,343,0**
Net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income																	
Translation reserves - gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	(139,951)	-	-	-	
Cash flow hedges - gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	(146,316)	-	-	
Gains/(losses) of non-controlling interest's share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(304,851)	-	
Actuarial gain / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9
Total Comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	**(139,951)**	**(146,316)**	**(304,851)**	-	**9**
Shares issued	-	-	-	(358,235)	(15,169)	-	(373,404)	-	-	-	-	-	-	-	-	-	
Put option of a subsidiary interest	-	-	-	(3,360)	-	-	(3,360)	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	(1,854,010)	(1,854,010)	-	-	-	-	
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment	-	-	-	-	35,556	-	35,556	-	-	-	-	-	-	-	-	-	
Treasury shares	7,911	-	-	-	-	(24,211)	(16,300)	-	-	-	-	-	-	-	-	-	
At March 31, 2013	**4,036**	**8,335**	**4,983,374**	**(971,408)**	**574,435**	**(187,355)**	**4,411,417**	**9,748,260**	**208,832**	**1,427,308**	**16,585**	**11,400,985**	**(259,739)**	**(59,380)**	**(310,064)**	**156,091**	**(1,342,1**

	Capital reserves							Net income reserve					Other comprehensive income				
	Treasury shares	Share Premium	Gain on shares issued	Others capital reserve	Share-based payments	Results on treasury shares	Total	Investments reserve	Statutory reserve	Fiscal incentive	Additional dividends	Total	Translation reserves	Cash flow *hedge*	Gains/losses of non-controlling interest's share	Business combination	Actuaria gains/los
At January 1, 2012	**2,750**	**8,335**	**4,983,056**	**1,740,957**	**435,075**	**(140,115)**	**7,030,058**	**10,643,510**	**208,832**	**1,030,977**	**697,865**	**12,581,184**	**(997,025)**	**46,304**	**1,473**	**-**	**(1,354,6**
Net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income																	
Change in adjustment international standards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,1
Translation reserves - gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	(53,399)	-	-	-	
Cash flow hedges - gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,250)	-	-	
Actuarial gain / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,6
Total Comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	**(53,399)**	**(37,250)**	-	-	**14,5**
Shares issued	-	-	-	-	(11,527)	-	(11,527)	-	-	-	-	-	-	-	-	-	
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment	-	-	-	-	24,458	-	24,458	-	-	-	-	-	-	-	-	-	
Treasury shares	(1,076)	-	-	-	-	1,273	197	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
At March 31, 2012	**1,674**	**8,335**	**4,983,056**	**1,740,957**	**448,006**	**(138,842)**	**7,043,186**	**10,643,510**	**208,832**	**1,030,977**	**697,865**	**12,581,184**	**(1,050,424)**	**9,054**	**1,473**	**-**	**(1,340,0**

Table of Contents

12. SEGMENT REPORTING

Segment information is presented in geographical areas, since the risks and rates of return are affected predominantly by the fact that the Company operates in different regions. The Company's management structure and the information reported to the main decision maker are structured in a similar fashion. Ambev operates its business through three areas identified as reportable segments (Latin America - North, Latin America - South and Canada). The performance information by business units (Beer and CSD), is also used by the decision maker for the Company and is presented as additional information, even though it does not qualify as a reportable segment. Internally, the Company's management uses performance indicators, such as normalized earnings before interest and taxes (normalized EBIT) and normalized earnings before interest, taxes, depreciation and amortization (normalized EBITDA) as measures of segment performance to make decisions about resource allocation and performance analysis. These indicators are reconciled to the profit of the segment in the tables below. Whenever used in this document, the term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS) before exceptional item adjustments.

The information is presented in thousands of Brazilian Reais, except for volumes, which are presented in thousands of hectoliters.

Effective January 1, 2013, the Company transferred management responsibility for Ecuador and Peru to the Zone Latin America South. These countries were previously reported within the Zone Latin America North. The 2012 Latin America South and Latin America North information have been adjusted for comparative purposes.

Table of Contents

(a) Reportable segments - For the Three-month periods ended:

	Latin America - north (i)		Latin America - south		Canada		Consolidated	
(Expressed in thousand of Brazilian Reais)	**03/31/2013**	**03/31/2012**	**03/31/2013**	**03/31/2012**	**03/31/2013**	**03/31/2012**	**03/31/2013**	**03/31/2012**
Volume	**28,285**	**29,411**	**9,826**	**10,945**	**1,819**	**1,874**	**39,930**	**42,230**
Net sales	5,225,325	4,965,877	1,745,266	1,540,845	802,215	728,992	7,772,806	7,235,714
Cost of sales	(1,749,251)	(1,514,770)	(635,975)	(590,674)	(237,597)	(206,937)	(2,622,823)	(2,312,381)
Gross profit	**3,476,074**	**3,451,107**	**1,109,291**	**950,171**	**564,618**	**522,055**	**5,149,983**	**4,923,333**
Sales and marketing expenses	(1,325,766)	(1,185,488)	(358,560)	(293,499)	(304,581)	(269,446)	(1,988,907)	(1,748,433)
Administrative expenses	(254,883)	(238,485)	(49,755)	(46,249)	(47,102)	(32,511)	(351,740)	(317,246)
Other operating income/(expenses)	321,753	147,021	(8,602)	(8,004)	347	168	313,498	139,185
Normalized income from operations (normalized EBIT)	**2,217,178**	**2,174,155**	**692,374**	**602,419**	**213,282**	**220,266**	**3,122,834**	**2,996,839**
Special items	(976)	-	-	-	-	-	(976)	-
Income from operations (EBIT)	**2,216,202**	**2,174,155**	**692,374**	**602,419**	**213,282**	**220,266**	**3,121,858**	**2,996,839**
Net finance cost	(187,434)	(57,303)	(41,213)	(2,993)	(12,040)	(22,342)	(240,687)	(82,638)
Share of result of associates	1,293	-	-	-	395	360	1,688	360
Income before income tax	**2,030,061**	**2,116,852**	**651,161**	**599,426**	**201,637**	**198,284**	**2,882,859**	**2,914,561**
Income tax expense	(268,023)	(341,913)	(210,466)	(177,999)	(27,877)	(60,143)	(506,366)	(580,055)
Net income	**1,762,038**	**1,774,939**	**440,695**	**421,427**	**173,760**	**138,141**	**2,376,493**	**2,334,506**
Normalized EBITDA	**2,567,710**	**2,443,636**	**784,930**	**684,646**	**246,344**	**247,683**	**3,598,984**	**3,375,965**
Special items	(976)	-	-	-	-	-	(976)	-
Depreciation, amortization and impairment	(350,532)	(269,481)	(92,556)	(82,227)	(33,062)	(27,417)	(476,150)	(379,125)
Net finance costs	(187,434)	(57,303)	(41,213)	(2,993)	(12,040)	(22,342)	(240,687)	(82,638)
Share of results of associates	1,293	-	-	-	395	360	1,688	360
Income tax expense	(268,023)	(341,913)	(210,466)	(177,999)	(27,877)	(60,143)	(506,366)	(580,055)
Net income	**1,762,038**	**1,774,939**	**440,695**	**421,427**	**173,760**	**138,141**	**2,376,493**	**2,334,506**
Normalized EBITDA margin in %	**49.1%**	**49.2%**	**45.0%**	**44.4%**	**30.7%**	**34.0%**	**46.3%**	**46.7%**
Acquisition of property, plant and equipment	468,144	304,236	71,817	73,480	22,515	16,200	562,476	393,916
Additions to / (reversals of) provisions	49,638	36,501	402	1,250	-	9,196	50,040	46,947
Full time employee - Average	36,056	31,981	10,621	10,059	4,540	4,554	51,217	46,594
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
Segment assets	18,896,312	19,159,354	7,237,957	7,609,711	17,206,541	17,301,943	43,340,810	44,071,008
Intersegment elimination							(1,580,972)	(1,884,566)
Non-segmented assets							6,968,732	11,973,327
Total assets							**48,728,570**	**54,159,769**
Segment liabilities	9,823,059	14,651,098	2,908,135	3,642,076	2,470,242	2,490,474	15,201,436	20,783,648
Intersegment elimination							(1,580,972)	(1,884,566)
Non-segmented liabilities							35,108,106	35,260,687
Total liabilities							**48,728,570**	**54,159,769**

(i) Latin America – North: includes operations in Brazil and HILA-ex: Guatemala and Dominican Republic.
(ii) Latin America – South: includes operations in Argentina, Bolivia, Chile, Ecuador, Paraguay , Peru and Uruguay.

Table of Contents

(b) Additional information – by Business unit - Three-month period ended:

(Expressed in thousand of Brazilian Reais)	Latin America - north					
	Beer		Soft drink		Total	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Volume	**20,786**	**21,908**	**7,499**	**7,503**	**28,285**	**29,411**
Net sales	4,334,171	4,170,211	891,154	795,666	5,225,325	4,965,877
Cost of sales	(1,296,444)	(1,144,955)	(452,807)	(369,811)	(1,749,251)	(1,514,766)
Gross profit	**3,037,727**	**3,025,256**	**438,347**	**425,855**	**3,476,074**	**3,451,111**
Sales and marketing expenses	(1,134,777)	(1,011,632)	(190,989)	(173,856)	(1,325,766)	(1,185,488)
Administrative expenses	(229,338)	(215,844)	(25,545)	(22,686)	(254,883)	(238,530)
Other operating income/(expenses)	265,058	116,049	56,695	30,972	321,753	147,021
Normalized income from operations (normalized EBIT)	**1,938,670**	**1,913,829**	**278,508**	**260,285**	**2,217,178**	**2,174,114**
Special items	(727)	-	(249)	-	(976)	-
Income from operations (EBIT)	**1,937,943**	**1,913,829**	**278,259**	**260,285**	**2,216,202**	**2,174,114**
Net finance cost	(187,434)	(57,303)	-	-	(187,434)	(57,303)
Share of result of associates	1,293	-	-	-	1,293	-
Income before income tax	**1,751,802**	**1,856,525**	**278,259**	**260,285**	**2,030,061**	**2,116,811**
Income tax expense	(268,023)	(341,913)	-	-	(268,023)	(341,913)
Net income	**1,483,779**	**1,514,612**	**278,259**	**260,285**	**1,762,038**	**1,774,898**
Normalized EBITDA	**2,218,876**	**2,124,270**	**348,834**	**319,326**	**2,567,710**	**2,443,595**
Special items	(727)	-	(249)	-	(976)	-
Depreciation, amortization and impairment	(280,206)	(210,441)	(70,326)	(59,040)	(350,532)	(269,481)
Net finance costs	(187,434)	(57,303)	-	-	(187,434)	(57,303)
Share of results of associates	1,293	-	-	-	1,293	-
Income tax expense	(268,023)	(341,913)	-	-	(268,023)	(341,913)
Net income	**1,483,779**	**1,514,612**	**278,259**	**260,285**	**1,762,038**	**1,774,898**
Normalized EBITDA margin in %	**51.2%**	**50.9%**	**39.1%**	**40.1%**	**49.1%**	**49.2%**

Table of Contents

	Brazil					
	Beer		Soft drink		Total	
(Expressed in thousand of Brazilian Reais)	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Volume	**19,817**	**21,585**	**7,221**	**7,260**	**27,038**	**28,845**
Net sales	4,123,135	4,133,640	822,682	772,705	4,945,817	4,906,345
Cost of sales	(1,219,417)	(1,123,944)	(397,643)	(353,663)	(1,617,060)	(1,477,607)
Gross profit	**2,903,718**	**3,009,696**	**425,039**	**419,042**	**3,328,757**	**3,428,738**
Sales and marketing expenses	(1,068,792)	(985,876)	(170,104)	(160,300)	(1,238,896)	(1,146,176)
Administrative expenses	(215,184)	(211,470)	(19,870)	(19,563)	(235,054)	(231,033)
Other operating income/(expenses)	272,461	116,992	54,553	30,963	327,014	147,955
Normalized income from operations (normalized EBIT)	**1,892,203**	**1,929,342**	**289,618**	**270,142**	**2,181,821**	**2,199,484**
Special items	-	-	-	-	-	-
Income from operations (EBIT)	**1,892,203**	**1,929,342**	**289,618**	**270,142**	**2,181,821**	**2,199,484**
Net finance cost	(177,114)	(48,412)	-	-	(177,114)	(48,412)
Share of result of associates	1,293	-	-	-	1,293	-
Income before income tax	**1,716,382**	**1,880,930**	**289,618**	**270,142**	**2,006,000**	**2,151,072**
Income tax expense	(260,094)	(341,494)	-	-	(260,094)	(341,494)
Net income	**1,456,288**	**1,539,436**	**289,618**	**270,142**	**1,745,906**	**1,809,578**
Normalized EBITDA	**2,148,537**	**2,135,547**	**351,360**	**324,933**	**2,499,897**	**2,460,480**
Special items	-	-	-	-	-	-
Depreciation, amortization and impairment	(256,334)	(206,205)	(61,742)	(54,791)	(318,076)	(260,996)
Net finance costs	(177,114)	(48,412)	-	-	(177,114)	(48,412)
Share of results of associates	1,293	-	-	-	1,293	-
Income tax expense	(260,094)	(341,494)	-	-	(260,094)	(341,494)
Net income	**1,456,288**	**1,539,436**	**289,618**	**270,142**	**1,745,906**	**1,809,578**
Normalized EBITDA margin in %	**52.1%**	**51.7%**	**42.7%**	**42.1%**	**50.5%**	**50.1%**

Table of Contents

(Expressed in thousand of Brazilian Reais)	HILA-ex Beer 03/31/2013	03/31/2012	Soft drink 03/31/2013	03/31/2012	Total 03/31/2013	03/31/2012
Volume	**969**	**323**	**278**	**243**	**1,247**	**566**
Net sales	211,036	36,571	68,472	22,961	279,508	59,532
Cost of sales	(77,027)	(21,011)	(55,164)	(16,148)	(132,191)	(37,159)
Gross profit	**134,009**	**15,560**	**13,308**	**6,813**	**147,317**	**22,373**
Sales and marketing expenses	(65,985)	(25,756)	(20,885)	(13,556)	(86,870)	(39,312)
Administrative expenses	(14,154)	(4,374)	(5,675)	(3,123)	(19,829)	(7,497)
Other operating income/(expenses)	(7,403)	(943)	2,142	9	(5,261)	(934)
Normalized income from operations (normalized EBIT)	**46,467**	**(15,513)**	**(11,110)**	**(9,857)**	**35,357**	**(25,370)**
Special items	(727)	-	(249)	-	(976)	-
Income from operations (EBIT)	**45,740**	**(15,513)**	**(11,359)**	**(9,857)**	**34,381**	**(25,370)**
Net finance cost	(10,320)	(8,892)	-	-	(10,320)	(8,892)
Share of result of associates	-	-	-	-	-	-
Income before income tax	**35,420**	**(24,405)**	**(11,359)**	**(9,857)**	**24,061**	**(34,262)**
Income tax expense	(7,929)	(419)	-	-	(7,929)	(419)
Net income	**27,491**	**(24,824)**	**(11,359)**	**(9,857)**	**16,132**	**(34,681)**
Normalized EBITDA	**70,339**	**(11,277)**	**(2,526)**	**(5,607)**	**67,813**	**(16,885)**
Special items	(727)	-	(249)	-	(976)	-
Depreciation, amortization and impairment	(23,872)	(4,236)	(8,584)	(4,249)	(32,456)	(8,485)
Net finance costs	(10,320)	(8,892)	-	-	(10,320)	(8,892)
Share of results of associates	-	-	-	-	-	-
Income tax expense	(7,929)	(419)	-	-	(7,929)	(419)
Net income	**27,491**	**(24,824)**	**(11,359)**	**(9,857)**	**16,132**	**(34,681)**
Normalized EBITDA margin in %	**33.3%**	**-30.8%**	**-3.7%**	**-24.4%**	**24.3%**	**-28.4%**

Table of Contents

(Expressed in thousand of Brazilian Reais)	Latin America - south					
	Beer		Soft drink		Total	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Volume	**5,891**	**6,473**	**3,935**	**4,472**	**9,826**	**10,945**
Net sales	1,262,398	1,079,293	482,868	461,552	1,745,266	1,540,845
Cost of sales	(351,929)	(311,567)	(284,046)	(279,107)	(635,975)	(590,674)
Gross profit	**910,469**	**767,726**	**198,822**	**182,445**	**1,109,291**	**950,171**
Sales and marketing expenses	(232,597)	(188,096)	(125,963)	(105,403)	(358,560)	(293,499)
Administrative expenses	(35,249)	(36,893)	(14,506)	(9,356)	(49,755)	(46,249)
Other operating income/(expenses)	(6,771)	(7,654)	(1,831)	(350)	(8,602)	(8,004)
Normalized income from operations (normalized EBIT)	**635,852**	**535,083**	**56,522**	**67,336**	**692,374**	**602,419**
Special items	-	-	-	-	-	-
Income from operations (EBIT)	**635,852**	**535,083**	**56,522**	**67,336**	**692,374**	**602,419**
Net finance cost	(40,712)	(3,979)	(501)	986	(41,213)	(2,993)
Share of result of associates	-	-	-	-	-	-
Income before income tax	**595,140**	**531,104**	**56,021**	**68,322**	**651,161**	**599,426**
Income tax expense	(209,952)	(177,529)	(514)	(470)	(210,466)	(177,999)
Net income	**385,188**	**353,575**	**55,507**	**67,852**	**440,695**	**421,427**
Normalized EBITDA	**706,652**	**597,185**	**78,278**	**87,462**	**784,930**	**684,647**
Special items	-	-	-	-	-	-
Depreciation, amortization and impairment	(70,800)	(62,102)	(21,756)	(20,126)	(92,556)	(82,228)
Net finance costs	(40,712)	(3,979)	(501)	986	(41,213)	(2,993)
Share of results of associates	-	-	-	-	-	-
Income tax expense	(209,952)	(177,529)	(514)	(470)	(210,466)	(177,999)
Net income	**385,188**	**353,575**	**55,507**	**67,852**	**440,695**	**421,427**
Normalized EBITDA margin in %	**56.0%**	**55.3%**	**16.2%**	**18.9%**	**45.0%**	**44.4%**

Table of Contents

(Expressed in thousand of Brazilian Reais)	Canada 03/31/2013 Beer	Canada 03/31/2012 Beer
Volume	**1,819**	**1,874**
Net sales	802,215	728,992
Cost of sales	(237,597)	(206,937)
Gross profit	**564,618**	**522,055**
Sales and marketing expenses	(304,581)	(269,446)
Administrative expenses	(47,102)	(32,511)
Other operating income/(expenses)	347	168
Normalized income from operations (normalized EBIT)	**213,282**	**220,266**
Special items	-	-
Income from operations (EBIT)	**213,282**	**220,266**
Net finance cost	(12,040)	(22,342)
Share of result of associates	395	360
Income before income tax	**201,637**	**198,284**
Income tax expense	(27,877)	(60,143)
Net income	**173,760**	**138,141**
Normalized EBITDA	**246,344**	**247,683**
Special items	-	-
Depreciation, amortization and impairment	(33,062)	(27,417)
Net finance costs	(12,040)	(22,342)
Share of results of associates	395	360
Income tax expense	(27,877)	(60,143)
Net income	**173,760**	**138,141**
Normalized EBITDA margin in %	**30.7%**	**34.0%**

13. NET SALES

The reconciliation of gross sales to net sales is as follows:

	03/31/2013	03/31/2012
Gross sales	15,351,063	14,441,216
Deductions from gross revenue	(7,578,257)	(7,205,502)
	7,772,806	**7,235,714**

The deductions of the gross revenue are represented by the taxes and rebates. Services provided by distributors, such as the promotion of our brands, logistics services and strategic location in stores are not considered as reduction in revenue when separately identifiable.

14. OTHER OPERATING INCOME / (EXPENSES)

	03/31/2013	03/31/2012
Government grants/NPV of long term fiscal incentives	324,937	128,548
(Additions to)/reversal of provisions	(35)	(728)
Net gain on disposal of property, plant and equipment and intangible assets	(4,634)	(3,130)
Net rental income	1,107	590
Net other operating income	(7,877)	13,905
	313,498	**139,185**

Government grants are related to ICMS (Brazilian State value added) tax incentives.

Table of Contents

During the first quarter of 2013 the Company reassessed the discount rate used to measure the subsidy in government loans in accordance with their cost of external funding.

15. FINANCE COST AND INCOME

Finance costs	03/31/2013	03/31/2012
Interest expense	(136,914)	(82,840)
Capitalized borrowings	18,823	28,305
Net Interest on Pension Plans	(21,509)	(22,641)
Losses on derivatives not considered as hedge accounting	(88,288)	(132,343)
Hedge ineffectiveness losses	(5,419)	-
Interest on tax contingencies	(17,758)	(6,663)
Interest and foreign exchange rate on loans	-	200
Exchange variation	(61,816)	(9,335)
Tax on financial transactions	(27,409)	(39,473)
Bank guarantee expenses	(19,281)	(15,052)
Other financial costs, including bank fees	(41,803)	(10,741)
	(401,374)	**(290,583)**

Other financial costs increase mainly relates to an impairment recognized by Ambev on its investment in Venezuela followed the devaluation of the country's currency.

Interest expenses are presented net of the effect of interest rate derivative instruments which mitigate Ambev's interest rate risk (Note 18). The interest expense recognized on hedged financial liabilities and the net interest expense from the related hedging derivative instruments are as follows:

Interest expense	03/31/2013	03/31/2012
Financial liabilities measured at amortized cost	(69,492)	(85,169)
Financial liabilities at fair value through profit or loss	(62,156)	-
Fair value hedge - hedged items	3,046	625
Fair value hedge - hedging instruments	(8,312)	4,476
Cash flow hedges - hedged items	-	(5,370)
Cash flow hedges - hedging instruments (reclassified from equity)	-	2,598
	(136,914)	**(82,840)**

Foreign exchange gains and losses are presented net of the effect of foreign exchange derivative instruments designated as hedges.

Finance income	03/31/2013	03/31/2012
Interest income	78,716	73,633
Net gains on hedging instruments that are not part of a hedge accounting relationship	56,918	102,858
Hedge ineffectiveness gains	-	1,241
Gains on no derivative instrument at fair value through profit or loss	21,608	27,219
Interest and foreign exchange rate on loans	-	200
Others	3,445	2,794
	160,687	**207,945**

Table of Contents

Interest income arises from the following financial assets:

Interest income	03/31/2013	03/31/2012
Cash and cash equivalents	61,907	70,208
Investment securities held for trading	16,809	3,425
	78,716	**73,633**

The net result of the operational hedge, of the investment hedge and of the fiscal hedge recognized directly in other comprehensive income is presented below:

Hedging reserve	03/31/2013	03/31/2012
Recognized in Equity (cash flow hedge)	(149,817)	15,094
Removed from Equity and included in profit or loss	(52,410)	(89,614)
Deferred income tax variance in Equity and other changes	58,038	37,270
	(144,189)	**(37,250)**
Exchange differences on translation of foreign operations (gains/ (losses))		
Effective portion of changes in fair value of net investment hedges	54,363	49,298

16. INCOME TAX AND SOCIAL CONTRIBUTION

Income taxes reported in the income statement are analyzed as follows:

	03/31/2013	03/31/2012
Income tax expense - current	**(768,368)**	**(778,640)**
Deferred tax (expense)/income on temporary differences	140,875	91,083
Deferred tax on taxes losses	121,127	107,502
Total deferred tax (expense)/income	**262,002**	**198,585**
Total income and expenses	**(506,366)**	**(580,055)**

The reconciliation from the weighted nominal to the effective tax rate is summarized as follows:

	03/31/2013	03/31/2012
Profit before tax	**2,882,859**	**2,914,561**
Adjustment on taxable basis		
Non-taxable income	(99,863)	(94,533)
Government grants related to sales taxes	(156,480)	(89,743)
Share of results of associates	(1,688)	(360)
Expenses not deductible for tax purposes	19,964	89,758
	2,644,792	**2,819,683**
Aggregated weighted nominal tax rate	32.79%	32.65%
Taxes – nominal rate	**(867,272)**	**(920,626)**
Adjustment on tax expense		
Regional incentives - income taxes	32,050	27,390
Deductible interest attributed to shareholders	124,612	137,339
Tax savings from goodwill amortization on tax books	62,607	30,188
Withholding tax and other income	(13,096)	(12,364)
Non-deductible losses in operations abroad	-	-
Other tax adjustments	154,733	158,018
Income tax and social contribution expense	**(506,366)**	**(580,055)**
Effective tax rate	**17.56%**	**19.90%**

Table of Contents

The main events occurred in the period that impacted the effective tax rate were:

(a) Tax benefit related to the amortization of goodwill on Cervecería Dominicana S.A.; (b) higher income from companies with an average tax rate of less than 34%, which were partially offset by the reduction in regional income tax incentives; (c) higher interest expense (distribution) on shareholder's equity.

The Company has been granted income tax incentives by the Brazilian Federal Government to promote economic and social development in certain areas of the North and Northeast. These incentives are recorded in income on an accrual basis and allocated at year-end on tax incentive reserve account.

17. SHARE-BASED PAYMENTS

Different share and stock option programs enable executives to receive or acquire shares of the Company. For all option plans, the fair value is estimated at grant date, using the Hull binomial pricing model.

To encourage managers to be mobile, some options granted in previous years were modified during 2012, where the dividend protection features of such options were canceled in exchange for issuing 69 thousand options in 2012, representing the economic value of the dividend protection feature eliminated. As there was no change to the fair value of the original award immediately prior to the modification and the fair value of the modified award immediately after the change, no additional expense was recorded as a result of this change.

In 2013, as per the current plan, Ambev did not issue any options. The weighted average fair value of the options and assumptions used in applying the Ambev option pricing model for the 2013 and 2012 grants are as follows:

In R$	**03/31/2013 (i)**	**12/31/2012 (i)**
Fair value of options granted	-	27.88
Share price	-	85.26
Exercise price	-	85.26
Expected volatility	0.0%	33.0%
Vesting year	-	4
Expected dividends	-	de 0% a 5%
Risk-free interest rate	- (ii)	2.1% to 11.2% (ii)

(i) Information based on weighted average plans granted, except for the expected dividends and risk-free interest rate.

(ii) The percentages include the grants of stock options and ADRs during the period, for which the risk-free interest rate of ADRs is calculated in U.S. dollar.

The total number of outstanding options are as follows:

Thousand options	**03/31/2013**	**12/31/2012**
Options outstanding at January 1	28,783	29,562
Options issued during the period	-	3,103
Options exercised during the period	(316)	(2,500)
Options forfeited during the period	(84)	(1,382)
Options outstanding at ended year	**28,383**	**28,783**

Table of Contents

The range of exercise prices of the outstanding options is between R$9.79 (R$11.52 as of December 31, 2012) and R$89.20 (R$89.20 as of December 31, 2012) and the weighted average remaining contractual life is approximately 7.87 years (8.15 years as of December 31, 2012).

Of the 28,382 thousand outstanding options (27,783 as of December 31, 2012), 4,825 thousand options are vested as at March 31, 2013 (5,042 as of December 31, 2012).

The weighted average exercise price of the options is as follows:

In R$ per share	**03/31/2013**	**12/31/2012**
Options outstanding at January 1	36.16	29.87
Options issued during the period	-	85.73
Options forfeited during the period	23.79	13.93
Options exercised during the period	22.07	14.12
Options outstanding at ended period	35.37	36.16
Options exercisable at ended period	17.92	18.96

For the options exercised during 2013, the weighted average market price on the exercise date was R$87,24.

To settle stock options, the Company may use treasury shares. The current limit of authorized capital is considered sufficient to meet all stock option plans.

This current model of share based payment includes two types of grants: (i) on the first type of grant, the Beneficiary may choose to allocate 30%, 40%, 60%, 70% or 100% of the amount related to the profit share he received in the year, at the immediate exercise of options, thus acquiring the corresponding preferred shares of the Company, and the delivery of a substantial part of the acquired shares is conditioned to remain in the Company for a period of five-years from the date of exercise ("Grant 1") and; (ii) the second type of grant, the Beneficiary may exercise the options after a period of five years ("Grant 2"). In this new model, the exercise of options is not subject to the fulfillment of performance goals of the Company.

The 2010.2 Program included two types of grants described above (Grant 1 and 2), the 2011.1 program included only Grant 1 Program and 2010.3 and 2011.2 Programs contemplated only Grant 2.

In 2013, Ambev issued 829 thousand (967 in 2012) deferred stock units. These deferred stock units are valued at the share price of the day of grant, representing a fair value of approximately R$74,144 (R$46,848 in 2012), and cliff vest after five years.

The total number of shares purchased under the plan of shares by employees, whose grant is deferred to a future time under certain conditions (deferred stock), is shown below:

Thousand deferred shares	**03/31/2013**	**12/31/2012**
Deferred shares outstanding at January 1	2,306	1,392
New deferred shares during the period	829	967
Deferred shares forfeited during the period	1	(53)
Deferred shares outstanding at ended year	**3,136**	**2,306**

Table of Contents

Additionally, certain employees and directors of Ambev receive options to acquire AB InBev shares, the compensation cost of which is recognized in the income statement against equity in the Company's financial statements as of March 31, 2013.

These share-based payments generated an expense of R$42,926 in the period ended March 31, 2013 (R$33,129 for the period ended March 31, 2013), recorded as administrative expenses.

18. FINANCIAL INSTRUMENTS AND RISKS

1) Risk factors

The Company is exposed to foreign currency, interest rate, commodity price, liquidity and credit risk in the ordinary course of business. The Company analyzes each of these risks both individually and as a whole to define strategies to manage the economic impact on the Company's performance consistent with its policy of Financial Risk Management.

The Company's use of derivatives strictly follows its financial risk policy approved by the Board of Directors. The purpose of the policy is to provide guidelines for the management of financial risks inherent to the capital markets in which Ambev carries out its operations. The policy comprises four main aspects: (i) capital structure, financing and liquidity, (ii) transactional risks related to the business, (iii) financial statements translation risks and (iv) credit risks of financial counterparties.

The policy establishes that all the financial assets and liabilities in each country where the Company operates must be denominated in their respective local currencies whenever possible. The policy also sets forth the procedures and controls needed for identifying, measuring and minimizing market risks, such as variations in foreign exchange rates, interest rates and commodities (mainly aluminum, wheat and sugar) that may affect the Company's revenues, costs and/or investment amounts. The policy states that all the currently known risks (e.g. foreign currency and interest) shall be mitigated by contracting derivative instruments. Existing risks not yet evident (e.g. future contracts for the purchase of raw material and property, plant and equipment) shall be mitigated using projections for the period necessary for the Company to adapt to the new costs scenario that may vary from 10 to 14 months, also through the use of derivative instruments. Any exception to the policy must be approved by the Board of Directors.

The Company's operations are subject to the risk factors described below:

1.1) Foreign currency risk

Ambev incurs foreign currency risk on borrowings, investments, purchases, dividends and interest expense/income whenever they are denominated in a currency other than the functional currency of the subsidiary. The main derivatives financial instruments used to manage foreign currency risk are futures contracts, swaps, options, non-deliverable forwards and full deliverables forwards.

Table of Contents

Foreign currency risk on operational activities

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, Ambev's policy is to hedge operational transactions which are reasonably expected to occur. The table below shows the main net foreign currency positions on March 31, 2013, and the exposure may vary from 10 to 14 months, according to the Company's risk management policy. Positive values indicate that the Company is long (net future cash inflows) in the first currency of the currency pair while negative values indicate that the Company is short (net future cash outflows) in the first currency in the pair of coins. The second currency of the currency pairs listed is the functional currency of the related subsidiary.

	03/31/2013			12/31/2012		
	Total exposed	**Derivatives total**	**Open position**	**Total exposed**	**Derivatives total**	**Open position**
Dollar / Canadian Dollar	(317,451)	317,451	-	(378,573)	378,573	-
Dollar / Paraguayan Guarani	(92,665)	92,665	-	(129,607)	129,607	-
Dollar / Argentinean Peso	(602,509)	602,509	-	(612,969)	612,969	-
Dollar / Bolivian Peso	(134,809)	134,809	-	(142,170)	142,170	-
Dollar / Chilean Peso	(83,363)	83,363	-	(90,948)	90,948	-
Dollar / Dominican Peso	(30,207)	30,207	-	(30,653)	30,653	-
Dollar / Uruguayan Peso	(61,461)	61,461	-	(62,368)	62,368	-
Dollar / Real	(2,556,418)	2,556,418	-	(3,141,779)	3,141,779	-
Dollar / Peruvian Sol	(132,519)	132,519	-	(157,193)	157,193	-
Euro / Canadian Dollars	(63,707)	63,707	-	(62,622)	62,622	-
Euro / Real	(168,692)	168,692	-	(132,317)	132,317	-
Pound Sterling / Canadian Dollars	(19,399)	19,399	-	(22,104)	22,104	-
	(4,263,200)	**4,263,200**	-	**(4,963,303)**	**4,963,303**	-

In conformity with IAS 39, these instruments denominated in foreign currency are designated as cash flow hedges.

Foreign currency on operating activities sensitivity analysis

Net positions in foreign currencies are converted into the functional currency through the use of derivatives. Ambev's strategy is to minimize open positions to the market, thereby reducing operational exposure to foreign currency fluctuations.

Foreign exchange risk on net investments in foreign operations

Ambev enters into hedging activities to mitigate exposures related to part of its investments in foreign operations. These derivatives have been appropriately classified as net investment hedges and recorded on the Statements of Comprehensive Income as gains and (losses) on translation of foreign operations (gains/losses).

1.2) 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 Ambev's policy is to achieve an optimal balance between cost of funding and profitability of financial results, while taking into account market conditions as well as Ambev's overall business strategy.

Table of Contents

Ambev Bond Hedges (interest rate risk on borrowings in Brazilian Real)

In July 2007, Ambev issued a Brazilian Real bond (Bond 2017), of R$300,000, which bears interest at 9.5% and is repayable semi-annually with final maturity in July 2017.

Ambev entered into a fixed/floating interest rate swap to hedge the interest rate risk on the bond 2017. These derivative instruments have been designated in a fair value hedge accounting relationship.

Debt Securities Hedge (interest rate on debt securities in Brazilian Real)

During the period, Ambev invested in government (fixed income) bonds. These instruments are categorized as held for trading. The Company also purchased interest rate futures contracts to compensate for exposure to real interest rate on the government bonds. Although both instruments are measured at fair value, with the changes recorded in the income statement, there is no hedge accounting structure.

Table of Contents

Interest rate sensitivity analysis

The table below shows the debt structure, before and after hedging, segregated by currency in which the debt is designated, as the interest rates of the respective transactions.

	03/31/2013				12/31/2012			
	Pre - Hedge		Post - Hedge		Pre - Hedge		Post - Hedge	
	Interest rate	Amount	Interest rate	Amount	Interest rate	Amount	Interest rate	Amount
Brazilian Real	7.1%	1,498,465	7.1%	2,149,355	6.8%	1,527,230	6.9%	2,211,292
American Dollar	2.5%	617,763	3.4%	270,125	2.5%	650,056	3.4%	279,989
Dominican Peso	10.0%	177,423	10.0%	177,423	10.6%	189,004	10.6%	189,004
Interest rate postfixed		**2,293,651**		**2,596,903**		**2,366,290**		**2,680,285**
Brazilian Real	6.7%	624,887	4.1%	321,635	6.6%	695,151	5.3%	381,156
Canadian Dollar	-	-	-	-	-	-	-	-
Argentinean Peso	17.3%	156	17.3%	156	17.0%	206	17.0%	206
Dominican Peso	12.0%	12,750	12.0%	12,750	12.0%	33,110	12.0%	33,110
Guatemala´s Quetzal	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Peruvian Sol	0.0%	-	0.0%	-	0.0%	-	0.0%	-
American Dollar	6.0%	66,759	6.0%	66,759	5.7%	49,095	5.7%	49,095
Interest rate pre-set		**704,552**		**401,300**		**777,562**		**463,567**

Table of Contents

To perform the sensitivity analysis, the Company took into account that the greatest possible impact on income / interest expense in the case of a short position in an interest rate futures contract is where the Referential Rate ("TR") rises. Ambev estimated the possible loss, considering a scenario of variable interest rates.

Applying the sensitivity analysis where all other variables remain constant, showed a fluctuation of 25% (adverse scenario) in the interest rate up to March 31, 2013 would produce an increase of approximately R$11 million in interest expense and approximately R$45 million in interest income from cash investments, while a swing of 50% (remote scenario) would present an increase of approximately R$22 million in expense and R$90 million in income.

1.3) Commodity Risk

A significant portion of Ambev's inputs comprises commodities, which historically have experienced substantial price fluctuations. Ambev 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, sugar, wheat and corn. These derivative instruments have been designated as cash flow hedges.

	3/31/2013			12/31/2012		
	Total Exposure	Total of Derivatives	Open Position	Total Exposure	Total of Derivatives	Open Position
Aluminum	(737,382)	737,382	-	(667,598)	667,598	-
Sugar	(331,410)	331,410	-	(334,755)	334,755	-
Wheat	(191,855)	191,855	-	(249,943)	249,943	-
Heating oil	(33,323)	33,323	-	(29,682)	29,682	-
Crude oil	(20,671)	20,671	-	(20,377)	20,377	-
Natural Gas	(8,024)	8,024	-	(6,805)	6,805	-
Corn	(261,656)	261,656	-	(319,901)	319,901	-
Total	**(1,584,321)**	**1,584,321**	**-**	**(1,629,061)**	**1,629,061**	**-**

Commodity sensitivity analysis

Due to the volatility of commodities prices, Ambev uses fixed price future contracts and derivatives instruments to minimize exposure to market movements that could affect income.

Table of Contents

The table below shows the estimated impact on Equity from fluctuations in commodities prices. Hedge operations for transactions which may impact Equity will generate results inversely proportional to the impact on the acquisition cost of commodities.

	Impact on Equity			
	03/31/2013		12/31/2012	
	Adverse scenario 25%	Remote scenario 50%	Adverse scenario 25%	Remote scenario 50%
Aluminum	(182,492)	(364,985)	(165,146)	(330,291)
Sugar	(82,852)	(165,705)	(83,689)	(167,378)
Wheat	(47,964)	(95,928)	(62,486)	(124,971)
Heating oil	(7,779)	(15,558)	(7,249)	(14,499)
Crude oil	(5,168)	(10,335)	(5,094)	(10,189)
Natural Gas	(1,879)	(3,757)	(1,584)	(3,167)
Corn	(65,414)	(130,828)	(79,975)	(159,951)
Total	**(393,548)**	**(787,096)**	**(405,223)**	**(810,446)**

1.4) Credit Risk

Concentration of credit risk on trade receivables

A substantial part of the Company's sales is made to distributors, supermarkets and retailers, within a broad distribution network. Credit risk is reduced because of the widespread number of customers and control procedures used to monitor risk. Historically, the Company has not experienced significant losses on receivables from customers.

Concentration of credit risk on counterpart

In order to minimize the credit risk of its investments, the Company has adopted procedures for the allocation of cash and investments, taking into consideration limits and credit analysis of financial institutions, avoiding credit concentration, i.e., the credit risk is monitored and minimized to the extent that negotiations are carried out only with a select group of highly rated counterparties.

The selection process of financial institutions authorized to operate as the Company's counterparties is set forth in our credit risk policy. This policy establishes maximum limits of exposure to each counterparty based on the risk rating and on each counterparty's capitalization.

In order to minimize the risk of credit with its counterparties on significant derivative transactions, the Company has adopted bilateral "trigger" clauses. According to these clauses, where the fair value of an operation exceeds a percentage of its notional value (generally between 10% and 15%), the debtor settles the difference in favor of the creditor.

As of March 31, 2013, the Company held its main short-term investments with the following financial institutions: Banco do Brasil, BNP Paribas, Bradesco, Merrill Lynch, Morgan Stanley, Deutsche Bank, Itaú-Unibanco, Citibank, TorontoDominion Bank, ING, JP Morgan Chase, Banco Patagonia, Santander, Barclays and HSBC. The Company had derivatives

Table of Contents

agreements with the following financial institutions: Barclays, Bradesco, Citibank, Merril Lynch, Morgan Stanley, Deutsche Bank, Itaú-Unibanco, JP Morgan Chase, Santander, ScotiaBank, Société Générale, Standard Bank and TD Securities.

The carrying amount of financial assets represents the maximum exposure to credit risk. The carrying amount of cash and cash equivalents, investment securities, trade and other receivables excluding prepaid expenses, taxes receivable and derivative financial instruments are disclosed net of provisions for impairment and represents the maximum exposure of credit risk as of March 31, 2013. There was no concentration of credit risk with any counterparties as of March 31, 2013.

1.5) Liquidity risk

The Company believes that cash flows from operating activities, cash and cash equivalents and short-term investments, together with the derivative instruments and access to loan facilities are sufficient to finance capital expenditures, financial liabilities and dividend payments in the future.

2) Financial instruments:

Management of these instruments is effected through operational strategies and internal controls to assure liquidity, profitability and transaction security. Financial instruments transactions are regularly reviewed for the effectiveness of the risk exposure that management intends to cover (foreign exchange, interest rate etc.).

Transactions involving financial instruments, segregated by category, are recognized in the financial statements, as below:

	Loans and receivables	Financial asset at fair value through profit or loss	Derivatives hedge	Held to maturity	Avaiable for sale	Total
March 31, 2013						
Assets due to Balance sheet						
Cash and cash equivalents	3,665,299	-	-	-	-	3,665,299
Investment securities	-	359,591	-	83,196	156,337	599,124
Trade and other receivables excluding prepaid expenses and taxes receivable	3,502,707	-	-	-	-	3,502,707
Financial instruments derivatives	-	58,624	123,193	-	-	181,817
Total	**7,168,006**	**418,215**	**123,193**	**83,196**	**156,337**	**7,948,947**

Table of Contents

	Loans and receivables	Financial asset at fair value through profit or loss	Derivatives hedge	Held to maturity	Avaiable for sale	Total
December 31, 2012						
Assets due to Balance sheet						
Cash and cash equivalents	8,926,165	-	-	-	-	8,926,165
Investment securities	-	291,183	-	61,436	373,367	725,986
Trade and other receivables excluding prepaid expenses and taxes receivable	4,037,097	-	-	-	-	4,037,097
Financial instruments derivatives	-	200,106	171,015	-	-	371,121
Total	**12,963,262**	**491,289**	**171,015**	**61,436**	**373,367**	**14,060,369**

	Financial liabilities through amortized cost	Financial liabilities at fair value through profit and loss	Derivatives hedge	Total
March 31, 2013				
Liabilities due to Balance sheet				
Trade and other payables excluding tax payables	6,980,097	2,095,973	-	9,076,070
Financial instruments derivatives	-	303,113	276,435	579,548
Interest-bearning loans and borrowings	2,998,203	-	-	2,998,203
Total	**9,978,300**	**2,399,086**	**276,435**	**12,653,821**

	Financial liabilities through amortized cost	Financial liabilities at fair value through profit and loss	Derivatives hedge	Total
December 31, 2012				
Liabilities due to Balance sheet				
Trade and other payables excluding tax payables	11,155,875	2,125,754	-	13,281,629
Financial intruments derivatives	-	686,738	369,093	1,055,831
Interest-bearning loans and borrowings	3,143,729	-	-	3,143,729
Total	**14,299,604**	**2,812,492**	**369,093**	**17,481,189**

Table of Contents

Classification of financial instruments by type of fair value measurement

Pursuant to IFRS 7, the classification of fair value of the instruments held on March 31, 2013 is shown below:

	03/31/2013				12/31/2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial asset at fair value through profit or loss	403,521	14,694	-	418,215	325,108	166,181	-	491,289
Derivatives - cash flow hedge	35,560	53,524	-	89,084	32,815	67,225	-	100,040
Derivatives - fair value hedge	-	8,519	-	8,519	-	20,827	-	20,827
Derivatives - investment hedge	25,590	-	-	25,590	31,562	18,586	-	50,148
	464,671	**76,737**	**-**	**541,408**	**389,485**	**272,819**	**-**	**662,304**
Financial liabilities								
Financial liabilities at fair value through profit and loss	37,515	265,597	2,095,973	2,399,085	40,006	646,732	2,125,754	2,812,492
Derivatives - cash flow hedge	101,267	140,916	-	242,183	87,746	156,729	-	244,475
Derivatives - investment hedge	34,252	-	-	34,252	23,509	101,110	-	124,619
	173,034	**406,513**	**2,095,973**	**2,675,520**	**151,261**	**904,571**	**2,125,754**	**3,181,586**

(i) As part of the shareholders agreement between the Ambev and ELJ, a sale option (“put”) and the purchase (“call”) was issued, which may result in an acquisition by Ambev the remaining shares of CND, for a value based on EBITDA multiples and exercisable annually until 2019. On 31 December 2012 the option of sale held by ELJ is valued at approximately R$2.1 billion and liabilities was recorded with counterpart in net worth in accordance with the IFRS 3 and categorized as “Level 3”. No value has been assigned the purchase option held by the Ambev. The fair value of this consideration deferred was calculated by using standard techniques of exploitation (present value of the principal amount and interest rate futures, discounted by the market rate). The criteria used are based on market information and from reliable sources.

Level 1 – valuation at quoted prices (unadjusted) in active markets;

Level 2 – other data besides those quoted in an active market (Level 1) that may precify the obligations and rights directly (e.g., active market prices) or indirectly (e.g., valuation techniques that use data derived from active markets); and,

Level 3 – valuation inputs that are not based on observable market data (unobservable inputs).

2.1) Derivative instruments

To meet its objectives, the Company and its subsidiaries use currency, interest, and commodity derivative instruments. Derivative instruments authorized by the risk policy are futures contracts traded on exchanges, deliverable forwards, non-deliverable forwards, swaps

Table of Contents

and purchase options. At March 31, 2013, the Company and its subsidiaries had no target forward operations, swaps with currency verification or any other derivative operations representing a risk level above the nominal value of the hedged item. The derivative operations are classified by strategy according to their purpose, as follows:

i) **Financial hedge** – operations contracted with the purpose of mitigating the Company's net indebtedness against foreign exchange and interest rate risk. Derivative used to protect the risks related to Bond 2017 was designated as Fair value hedge instrument, and their results, measured according to their fair value, are recognized in each year in financial results. Following the business combination between the Company and Cervecería Nacional Dominicana (CND), some US denominated loans previously held by CND, in the amount of R$288,068, continued to be US denominated until March 31, 2013.

ii) **Operational hedge** – operations contracted with the purpose of reducing the Company's exposure, net of taxes, to the volatility of foreign exchange rates and raw material prices and commitments for investments, equipment and services to be acquired. All such derivatives are classified as cash flow hedge instruments. Thus, the net results of such operations calculated at fair value, are recorded in equity accounts until recognition of the hedged item, when the accumulated results are recycled to the appropriate income statement account.

iii) **Fiscal hedge** – operations contracted with the purpose of minimizing the Brazilian fiscal impact related to the foreign exchange gains/losses on transactions between the Company and its subsidiaries abroad.

In order to offset the tax effect on unmatched exposures, the Company contracted derivative instruments (futures contracts), the results of which are measured at fair value and recognized on an accrual basis within income tax expense of each period.

iv) **Net investment hedge** - transactions entered into in order to minimize exposure of the exchange differences arising from translation of net investment in the Company's subsidiaries located abroad for translation account balance.

Part of the effective hedge is allocated to equity and the ineffectiveness part is recorded directly in financial results.

Table of Contents

As of March 31, 2013 and December 31, 2012, the contracted amounts of these instruments and their respective fair values, as well as the cumulative effects in each period, are detailed in the table below:

Purpose / Risk /Instruments		Notional (i)		Fair value			
		03/31/2013	12/31/2012	03/31/2013		12/31/2012	
				Assets	Liabilities	Assets	Liabilities
Foreign currency	Future contracts (ii)	1,718,210	3,274,096	17,338	(7,676)	4,363	(16,440)
Foreign currency	Non Deliverable Forwards	2,193,278	1,225,907	32,499	(38,359)	10,547	(51,434)
Foreign currency	Deliverable Forwards	400,558	463,299	3,004	-	-	(4,105)
Commodity	Future contracts (ii)	813,616	933,770	28,653	(101,226)	76,928	(107,886)
Commodity	Swaps	770,705	695,291	25,585	(107,208)	41,049	(92,211)
Operational hedge		**5,896,367**	**6,592,363**	**107,079**	**(254,469)**	**132,887**	**(272,076)**
Foreign currency	Future contracts (ii)	925,542	(664,240)	22,174	(16,936)	13,989	(14,670)
Foreign currency	Swaps	302,806	239,101	4,751	(204,226)	21,699	(180,696)
Foreign currency	Non Deliverable Forwards	-	1,351,282	-	-	19,803	(10,533)
Interest rates	Future contracts (ii)	(100,000)	(400,000)	1,142	(1,065)	219	(356)
Interest rates	Swaps	300,000	300,000	8,519	-	20,827	-
Financial hedge		**1,428,348**	**826,143**	**36,586**	**(222,227)**	**76,537**	**(206,255)**
Foreign currency	Future contracts (ii)	(93,038)	(3,985)	12,562	(13,073)	6,037	(6,003)
Foreign currency	Swaps / Non Deliverable Forwards	(2,150,738)	(2,182,458)	-	(55,527)	105,512	(446,878)
Fiscal hedge		**(2,243,776)**	**(2,186,443)**	**12,562**	**(68,600)**	**111,549**	**(452,881)**
Foreign currency	Future contracts (ii)	(1,645,476)	(2,462,826)	25,590	(34,252)	31,562	(23,509)
Foreign currency	Non Deliverable Forwards	-	-	-	-	18,586	(101,110)
Investment hedge		**(1,645,476)**	**(2,462,826)**	**25,590**	**(34,252)**	**50,148**	**(124,619)**
Total Derivatives		**3,435,463**	**2,769,237**	**181,817**	**(579,548)**	**371,121**	**(1,055,831)**

(i) The negative positions refer to long positions and the positive positions refer to short positions.

(ii) The future contracts are traded on organized futures exchanges, while other derivative financial instruments are negotiated directly with financial institutions.

Table of Contents

The Company recorded gains and losses on derivative financial instruments in the Three-month period ended March 31, 2013 and 2012 as below:

		Result (iii)	
Purpose / Risk / Instruments		**03/31/2013**	**03/31/2012**
Foreign currency	Future contracts	(49,756)	19,329
Foreign currency	Option to acquire	-	-
Foreign currency	Non Deliverable Forwards	35,761	(53,555)
Foreign currency	Deliverable Forwards	(318)	9,599
Commodity	Future contracts	(78,633)	4,939
Commodity	Swaps	(56,871)	34,782
Operational hedge		**(149,817)**	**15,094**
Foreign currency	Future contracts	(16,075)	15,728
Foreign currency	Option to acquire	-	-
Foreign currency	Swaps	(3,679)	(5,356)
Foreign currency	Non Deliverable Forwards	(9,804)	(19,159)
Interest rates	Future contracts	(14,089)	6,084
Interest rates	Swaps	(8,312)	4,588
Financial hedge		**(51,959)**	**1,885**
Foreign currency	Future contracts	32,184	36,165
Foreign currency	Swaps / Non Deliverable Forwards	(62,786)	9,588
Fiscal hedge		**(30,602)**	**45,753**
Foreign currency	Future contracts	54,363	45,047
Foreign currency	Non Deliverable Forwards	-	4,251
Investment hedge		**54,363**	**49,298**
Total Derivatives		**(178,015)**	**112,030**

(iii) The result of R$(149,817) related to hedge operations was recognized in equity (Hedge reserves) as the result of net investment hedge in an amount of R$54,363 which was allocated as income (losses) on translation of subsidiaries operations as presented in Other comprehensive income.

The effect of R$(30,602) related to derivatives designated as Fiscal hedges, was recognized in the income tax and social contribution.

The result of the financial hedging of R$(51,959) was fully recorded in the financial results.

Table of Contents

As of March 31, 2013, the Notional and Fair Value amounts per instrument/ maturity were as follows:

Purpose / Risk / Instruments		Notional					
		2013	2014	2015	2016	>2016	Total
Foreign currency	Future contracts (i)	1,718,210	-	-	-	-	1,718,210
Foreign currency	Non Deliverable Forwards	2,063,410	129,868	-	-	-	2,193,278
Foreign currency	Deliverable Forwards	371,519	29,039	-	-	-	400,558
Commodity	Future contracts (i)	565,831	247,785	-	-	-	813,616
Commodity	Swaps	512,356	258,349	-	-	-	770,705
Operational hedge		**5,231,326**	**665,041**	**-**	**-**	**-**	**5,896,367**
Foreign currency	Future contracts (i)	925,542	-	-	-	-	925,542
Foreign currency	Swaps	50,820	-	251,986	-	-	302,806
Foreign currency	Non Deliverable Forwards	-	-	-	-	-	-
Interest rates	Future contracts (i)	-	-	(70,000)	(30,000)	-	(100,000)
Interest rates	Swaps	-	-	-	-	300,000	300,000
Financial hedge		**976,362**	**-**	**181,986**	**(30,000)**	**300,000**	**1,428,348**
Foreign currency	Future contracts (i)	(93,038)	-	-	-	-	(93,038)
Foreign currency	Swaps / Non Deliverable Forwards	(2,150,738)	-	-	-	-	(2,150,738)
Fiscal hedge		**(2,243,776)**	**-**	**-**	**-**	**-**	**(2,243,776)**
Foreign currency	Future contracts (i)	(1,645,476)	-	-	-	-	(1,645,476)
Foreign currency	Non Deliverable Forwards	-	-	-	-	-	-
Investment hedge		**(1,645,476)**	**-**	**-**	**-**	**-**	**(1,645,476)**
Total Derivatives		**2,318,436**	**665,041**	**181,986**	**(30,000)**	**300,000**	**3,435,463**

Table of Contents

Purpose / Risk / Instruments		Fair Value					
		2013	2014	2015	2016	>2016	Total
Foreign currency	Future contracts (i)	9,662	-	-	-	-	9,662
Foreign currency	Non Deliverable Forwards	(7,250)	1,390	-	-	-	(5,860)
Foreign currency	Deliverable Forwards	3,296	(292)	-	-	-	3,004
Commodity	Future contracts (i)	(58,104)	(14,469)	-	-	-	(72,573)
Commodity	Swaps	(72,062)	(9,561)	-	-	-	(81,623)
Operational hedge		**(124,458)**	**(22,932)**	**-**	**-**	**-**	**(147,390)**
Foreign currency	Future contracts (i)	5,238	-	-	-	-	5,238
Foreign currency	Swaps	(204,227)	-	4,752	-	-	(199,475)
Foreign currency	Non Deliverable Forwards	-	-	-	-	-	-
Interest rates	Future contracts (i)	-	-	37	40	-	77
Interest rates	Swaps	-	-	-	-	8,519	8,519
Financial hedge		**(198,989)**	**-**	**4,789**	**40**	**8,519**	**(185,641)**
Foreign currency	Future contracts (i)	(511)	-	-	-	-	(511)
Foreign currency	Swaps / Non Deliverable Forwards	(55,527)	-	-	-	-	(55,527)
Fiscal hedge		**(56,038)**	**-**	**-**	**-**	**-**	**(56,038)**
Foreign currency	Future contracts (i)	(8,662)	-	-	-	-	(8,662)
Foreign currency	Non Deliverable Forwards	-	-	-	-	-	-
Investment hedge		**(8,662)**	**-**	**-**	**-**	**-**	**(8,662)**
Total Derivatives		**(388,147)**	**(22,932)**	**4,789**	**40**	**8,519**	**(397,731)**

Table of Contents

Sensitivity analysis

The Company mitigates risks arising from non-derivative financial assets and liabilities substantially, through derivative instruments. The Company has identified the main risk factors that may generate losses from these derivative financial instruments and has developed a sensitivity analysis based on three scenarios, which may impact future results and /or cash flows, as described below:

1 – Base scenario: stable foreign exchange rate, interest rates and commodity prices at the same levels observed on March 31, 2013.

2 – Adverse scenario: 25% deterioration in each transaction's main risk factor as compared to the level observed on March 31, 2013.

3 – Remote scenario: 50% deterioration in each transaction's main risk factor as compared to the level observed on March 31, 2013.

Table of Contents

In addition to the scenarios described above, the Company uses Value at Risk – VaR to measure the possible effects on the results of operations of derivative transactions. VaR is a statistical measure developed through estimates of standard deviation and correlation between the returns of several risk factors. This model results in the loss limit expected for an asset over a certain time period and confidence interval. Under this methodology, we used the potential exposure of each financial instrument, a range of 95% and horizon of 21 days for the calculation, which are presented in the module, as the following tables on March 31, 2013:

Risk factor	Financial instruments	Risk	Base scenario	Adverse scenario	Remote scenario	VaR (R$)
Foreign currency	Future contracts	Dollar decrease	9,662	(419,890)	(849,443)	101,986
Foreign currency	Non Deliverable Forwards	Dollar and Euro decrease	(5,860)	(541,968)	(1,078,076)	87,585
Foreign currency	Deliverable Forwards	Dollar and Euro decrease	3,004	(87,627)	(178,258)	14,182
Commodity	Future contracts	Commodity decrease	(72,573)	(275,850)	(479,126)	125,712
Commodity	Swaps	Commodity decrease	(81,623)	(271,894)	(462,166)	84,186
Operational hedge						
Foreign currency	Future contracts	Dollar decrease	5,238	(226,148)	(457,533)	54,505
Foreign currency	Swaps	Increase in tax interest	(175,786)	(175,785)	(175,785)	2,071
Foreign currency	Swaps	Dollar decrease	(23,689)	(23,689)	(23,689)	17,832
Interest rates	Future contracts	Increase in tax interest	77	4	(64)	-
Interest rates	Swaps	Increase in tax interest	8,519	(176,370)	(160,354)	17,667
Financial hedge						
Foreign currency	Future contracts	Dollar incrase	(511)	(23,771)	(47,030)	5,479
Foreign currency	Swaps / Non Deliverable Forwards	Dollar incrase	(55,527)	(593,211)	(1,130,896)	126,656
Fiscal hedge						
Foreign currency	Future contracts	Dollar incrase	(8,662)	(420,031)	(831,400)	96,902
Investment hedge						

Table of Contents

In addition to presenting the possible effects on individual results of derivative operations, we also show the effects of derivative operations contracted for asset protection along with each transaction´s hedged items.

Transaction	Risk	Base scenario	Adverse scenario	Remote scenario
Foreign exchange hedge		(76,914)	(1,266,424)	(2,455,934)
Input purchase	Dollar and Euro decrease	76,914	1,266,424	2,455,934
Commodities hedge		(72,573)	(275,850)	(479,126)
Input purchase	Decrease on commodities price	72,573	275,850	479,126
Foreign exchange hedge		2,097	(54,956)	(112,008)
Capex purchase	Dollar and Euro decrease	(2,097)	54,956	112,008
Operational hedge		**(147,390)**	**(1,597,230)**	**(3,047,068)**
Operational purchase		**147,390**	**1,597,230**	**3,047,068**
Net effect		-	-	-
Foreign exchange hedge		(18,451)	(226,144)	(457,598)
Net debt	Foreign currency increase	18,451	226,144	457,598
Interest rate hedge		(167,190)	(352,156)	(336,139)
Interest expense	Increase in tax interest	167,190	352,156	336,139
Financial hedge		**(185,641)**	**(578,300)**	**(793,737)**
Net debt and interest		**185,641**	**578,300**	**793,737**
Net effect		-	-	-
Foreign exchange hedge		(56,038)	(616,982)	(1,177,926)
Fiscal expense	Dollar increase	56,038	616,982	1,177,926
Fiscal hedge		**(56,038)**	**(616,982)**	**(1,177,926)**
Fiscal expense		**56,038**	**616,982**	**1,177,926**
Net effect		-	-	-
Investment hedge		(8,662)	(420,031)	(831,400)
Fiscal expense	Dollar increase	8,662	420,031	831,400
Investment hedge		**(8,662)**	**(420,031)**	**(831,400)**
Fiscal expense		**8,662**	**420,031**	**831,400**
Net effect		-	-	-

Calculation of fair value of derivatives

The Company measures derivative financial instruments by calculating their present value, through the use of market curves that impact the instrument on the computation dates. In the case of swaps, both the asset and the liability positions are estimated independently and brought to present value and the difference between the result of the asset and liability amount generates the swaps market value. For the traded derivative financial instruments traded, the fair value is calculated according to the adjusted exchange-listed price.

Margins given in guarantee

In order to comply with the guarantee requirements of the derivative exchanges and/or counterparties in certain operations with derivative instruments, as of March 31, 2013 the Company held R$799,646 in investments securities or cash investments available on demand, classified as cash and cash equivalents (R$626,428 on December 31, 2012).

Table of Contents

2.2) Debt instruments

The Company's financial liabilities, mainly represented by debt securities are recorded at amortized cost according to the effective rate method, plus indexation and foreign exchange gains/losses, based on closing indices for each period. The Bond 2017 is designated as a fair value hedge and variations in the fair value of the hedged risk factors are recognized in the income statement in the same account as the variations of the respective loans.

Had the Company recognized its financial liabilities at market value, it would have recorded an additional loss, before income tax and social contribution, of R$(36,611) on March 31, 2013 (R$28,622 on December, 31 2012), as presented below:

	03/31/2013			12/31/2012		
Financial liabilities	**Book**	**Market**	**Difference**	**Book**	**Market**	**Difference**
International financing (other currencies)	507,990	507,990	-	531,143	531,143	-
BNDES/CCB	2,000,485	2,000,485	-	2,109,762	2,109,762	-
Bond 2017	303,249	339,360	(36,111)	313,993	342,615	(28,622)
Fiscal incentives	167,257	167,257	-	168,693	168,693	-
Finance leasing	19,222	19,222	-	20,138	20,138	-
	2,998,203	**3,034,314**	**(36,111)**	**3,143,729**	**3,172,351**	**(28,622)**

The criterion used to determine the market value of the debt securities was based on quotations of investment brokers, on quotations of banks which provide services to Ambev and on the secondary market value of bonds as of March 31, 2013, being approximately 113.12% for Bond 2017 (114.21% at December 31, 2012).

Capital management

Ambev is constantly optimizing its capital structure to maximize the value of shareholders' investments, while retaining the desired financial flexibility to execute strategic projects. In addition to the minimum legal requirements for equity financing that apply to subsidiaries in various countries, Ambev is not subject to any external capital requirements. When analyzing the capital structure of the Company, Ambev uses the same ratio of debt and equity ratings applied to the Company's financial statements.

19. COLLATERAL AND CONTRACTUAL COMMITMENTS, ADVANCES FROM CUSTOMERS AND OTHER

	03/31/2013	12/31/2012
Collateral given for own liabilities	1,361,477	1,178,904
Other commitments	285,751	282,049
	1,647,228	**1,460,953**
Commitments with suppliers	14,332,137	14,968,554
Commitments - Bond 17	300,000	300,000
	14,632,137	**15,268,554**

Table of Contents

The collateral provided for liabilities totaled approximately R$1.6 billion as at March 31, 2013 including R$799,646 of cash guarantees. To meet the guarantees required by derivative exchanges and/or counterparties contracted in certain derivative financial instrument transactions, the Company maintained as at March 31, 2013, R$562,115 in highly liquid financial investments or in cash (Note 18).

Most of the balance relates to commitments with suppliers of packaging.

The Company is guarantor (full and unconditional) of the Bond issued by Ambev International Finance Co. Ltd. (wholly-owned) valued at R$300 million to 9.5% per year, maturing in 2017.

Future contractual commitments as at March 31, 2013 and December 31, 2012 are as follows:

	03/31/2013	12/31/2012
Less than 1 year	3,043,961	2,893,104
Between 1 and 2 years	2,331,832	2,304,955
More than 2 years	9,256,344	10,070,495
	14,632,137	**15,268,554**

20. CONTINGENCIES

The Company has contingent liabilities arising from lawsuits in the normal course of its business.

Contingent liabilities with a probable likelihood of loss are fully recorded as liabilities (Note 10).

The Company also has lawsuits related to tax, civil and labor, for which the likelihood of loss is classified by management as possible, based on advice of legal counsel, and for which there are no provisions. Estimates of amounts of possible loss are as follows:

	03/31/2013	12/31/2012
PIS and COFINS	331,795	306,817
ICMS and IPI	3,323,812	2,927,650
IRPJ and CSLL	7,688,214	7,583,005
Labor	144,124	146,730
Civil	169,547	174,206
Others	1,200,746	774,330
	12,858,238	**11,912,738**

Lawsuits with possible loss likelihood:

There were no changes in the other main processes with possible likelihood of loss classification as of March 31, 2013, compared to those presented in the financial statements as at December 31, 2012.

Table of Contents

Contingent assets

At March 31, 2013, the Company had no contingent assets, for which the probability of success is probable.

21. RELATED PARTIES

Policies and practices regarding the realization of transactions with related parties

Under the Company's bylaws the Board of Directors is responsible for approving any transaction or agreements between the Company and/or any of its subsidiaries, directors and/or shareholders (including shareholders, direct or indirect shareholders of the Company). The Compliance Committee of the Company is required to advise the Board of Directors of the Company in matters related to transactions with related parties.

Management is prohibited from interfering in any transaction in which conflict exists, even in theory, with the Company´s interests. It is also not permitted to interfere in decisions of any other management member, requiring documentation in the Minutes of Meeting of the Board any decision to abstain from the specific deliberation.

The Company's guidelines with related parties follow reasonable or commutative terms, similar to those prevailing in the market or under which the Company would contract similar transactions with third parties. These are clearly disclosed in the financial statements as reflected in written contracts.

Transactions with Management members:

In addition to short-term benefits (primarily salaries), the Management members are entitled to post-employment benefits, such as retirement benefits and health and dental care. Moreover, Management members are entitled to participate in Stock Option Plan (Note 17).

Total expenses related to Management members in key functions are as follows:

	03/31/2013	03/31/2012
Short-term benefits (i)	5,139	5,778
Share-based payments (ii)	8,678	8,983
Total key management remuneration	**13,817**	**14,761**

(i) These correspond substantially to salaries and profit sharing (including performance bonuses).

(ii) These correspond to the compensation cost of stock options granted to Management. These amounts exclude remuneration paid to members of the Fiscal Council.

Excluding the abovementioned plan, Ambev no longer has any type of transaction with the management members or pending balances receivable or payable in its balance sheet.

Table of Contents

Transactions with the Company's shareholders:

a) Medical, dental and other benefits

The Fundação Zerrenner is one of the Company's shareholders, and at March 31, 2013 held 17.08% of the voting rights and 9.59% of total share capital. Fundação Zerrenner is also an independent legal entity whose main goal is to provide Ambev's employees, both active and retirees, with health care and dental assistance, technical and superior education courses, facilities for assisting elderly people, among other things, through direct initiatives or through financial assistance agreements with other entities. On March 31, 2013 and 2012, actuarial liabilities related to the benefits provided directly by Fundação Zerrenner are fully offset by plan assets. As a result, the net liability recognized in the financial statements is nil.

The expenses incurred by Fundação Zerrenner in providing these benefits totaled R$39,770 in the period ended March 31, 2013 (R$34,600 as of March 31, 2012), of which R$35,150 (R$31,116 as of March 31, 2012) related to active employees and R$ 4,619 (R$3,484 as of March 31, 2012) related to retirees.

b) *Special Goodwill Reserve*

As a result of the merger of InBev Holding Brazil S.A. by the Company in 2005, the Company benefits in January of each year from the amortization of tax deductible goodwill pursuant to CVM Instruction 319/99. The balance of the special goodwill reserve at March 31, 2013 was R$313,812 (R$672,107 at December 31, 2012) which may be used for future capital increases.

c) Leasing

The Company, through its subsidiary BSA (labeling), has an asset leasing agreement with Fundação Zerrenner, for R$63,328 for ten years, maturing on March 31, 2018.

d) Leasing – Ambev head office

The Fundação Zerrenner and Ambev have a lease of two commercial sets, which is being reviewed. As of March, 31 2013 the amount paid in accordance with the conditions prevailing at December 31, 2012 was R$1,134.

e) Licensing agreement

The Company maintains a licensing agreement with Anheuser-Busch, Inc., to produce, bottle, sell and distribute Budweiser products in Brazil and, through Labatt Canada and Cervepar, in Canada and Paraguay. In addition, the Company and certain of its subsidiaries produce and distribute Stella Artois products under license AB InBev in Brazil, Argentina, Canada and other countries. The amount recorded was R$3,653 (R$691 as of March 31, 2012) and R$47,468 (R$41,805 as of March 31, 2012) as licensing income and expense, respectively.

Table of Contents

Annex A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended 31 December 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-15194

COMPANHIA DE BEBIDAS DAS AMÉRICAS – AMBEV

(Exact name of Registrant as specified in its charter)

American Beverage Company – Ambev

(Translation of Registrant's name into English)

Federative Republic of Brazil

(Jurisdiction of incorporation or organization)

Rua Dr. Renato Paes de Barros, 1017, 4th floor
04530-001 São Paulo, SP, Brazil
(Address of principal executive offices)
Nelson José Jamel, Chief Financial and Investor Relations Officer
Address: Rua Dr. Renato Paes de Barros, 1017, 4th floor, 04530-001, São Paulo, SP, Brazil
Telephone No.: +55 (11) 2122-1508
e-mail: nelson.jamel@ambev.com.br

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, evidenced by American Depositary Receipts, each representing 1 (one) Common Share	New York Stock Exchange
Common Shares, no par value*	
American Depositary Shares, evidenced by American Depositary Receipts, each representing 1 (one) Preferred Share	New York Stock Exchange
Preferred Shares, no par value*	

* Not for trading, but in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Table of Contents

Securities registered or to be registered pursuant to Section 12(g) of the Act.
None
(Title of Class)
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Title of each class	Name of each exchange on which registered
Guaranty of the R$300,000,000 9.500% Notes due 2017 of Ambev International Fund Ltd. by Companhia de Bebidas das Américas – Ambev	Not applicable

(Title of Class)
Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.
1,754,981,694 Common Shares
1,371,927,729 Preferred Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ **No** ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
Yes ☐ **No** ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). N/A
Yes ☐ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☒ **Accelerated filer** ☐ **Non-accelerated filer** ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:
U.S. GAAP ☐ **International Financial Reporting Standards as issued by the International Accounting Standards Board** ☒ **Other** ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. N/A
Item 17 ☐ **Item 18** ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ **No** ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)
Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. N/A
Yes ☐ **No** ☐

Table of Contents

TABLE OF CONTENTS

Table of Contents

INTRODUCTION

This annual report on Form 20-F relates to the two classes of registered American Depositary Shares, or ADSs, of Companhia de Bebidas das Américas - Ambev evidenced by American Depositary Receipts, or ADRs, representing one preferred share of Ambev and ADSs evidenced by ADRs representing one common share of Ambev.

In this annual report, except as otherwise indicated or as the context otherwise requires, the "Company", "Ambev", "we", "us" and "our" refers to Companhia de Bebidas das Américas - Ambev and its subsidiaries. All references to CSD & NANC are to Carbonated Soft Drinks and Non-Alcoholic and Non-Carbonated Soft Drinks. All references to "Brazil" are to the Federative Republic of Brazil. All references to percent ownership interests in Ambev do not take into account treasury shares.

PRESENTATION OF FINANCIAL INFORMATION

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or the IASB. The Company first adopted IFRS for the annual consolidated financial statements for the year ended December 31, 2008. Following the Company's adoption of IFRS, as issued by the IASB, the Company is no longer required to reconcile its financial statements prepared in accordance with IFRS to U.S. generally accepted accounting principles.

Percentages and some amounts in this annual report have been rounded for ease of presentation. Any discrepancies between totals and the sums of the amounts listed are due to rounding.

CURRENCY TRANSLATION

In this annual report, references to "*real*", "*reais*" or "R$" are to the legal currency of Brazil, references to "U.S. dollar" or "US$" are to the official currency of the United States and references to "Canadian dollar" or "C$" are to the legal currency of Canada.

We maintain our books and records in *reais*. However, solely for the convenience of the reader, we have translated certain amounts included in this annual report from *reais* into U.S. dollars using the selling rate as reported by the Central Bank of Brazil (Banco Central do Brasil), or the Central Bank, as of December 31, 2012 of R$2.044 to US$1.00 or at an average exchange rate prevailing during a certain period, where indicated. We have also translated some amounts from U.S. dollars and Canadian dollars into *reais*. All such currency translations should not be considered representations that any such amounts represent, or could have been or could be converted into, U.S. or Canadian dollars or *reais* at that or at any other exchange rate. See "Item 3. Key Information—Exchange Rate Information—Exchange Controls" for more detailed information regarding the translation of *reais* into U.S. dollars.

TRADEMARKS

This annual report includes the names of our products which constitute trademarks or trade names which we own or which are owned by others and are licensed to us for our use. This annual report also contains other brand names, trade names, trademarks or service marks of other companies, and these brand names, trade names, trademarks or service marks are the property of those other companies.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Some of the information contained in this annual report may constitute forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. We have based these forward-looking statements largely on our current expectations and projections about future events, industry and financial trends affecting our business.

Many of these forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "project," "may," "believe," "could," "expect," "should," "plan," "intend," "estimate," "potential," among others. These statements appear in a number of places in this annual report and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are subject to certain risks and uncertainties that are outside our control and are difficult to predict. These risks and uncertainties could cause actual results to differ materially from those suggested by forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by forward-looking statements include, among others:

- greater than expected costs (including taxes) and expenses;
- the risk of unexpected consequences resulting from acquisitions, joint ventures, strategic alliances or divestiture plans, and our ability to successfully integrate the operations of businesses or other assets that we acquire;
- the risk of unexpected consequences resulting from corporate restructurings, including the Stock Swap Merger (as defined under "Item 4. Stock Swap Merger with Newbev"), and our ability to successfully and cost-effectively implement them and capture their intended benefits;
- our expectations with respect to expansion, projected asset divestitures, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections;
- lower than expected revenue;
- greater than expected customer losses and business disruptions;
- limitations on our ability to contain costs and expenses;
- local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact;
- the monetary and interest rate policies of central banks;
- continued availability of financing;
- market risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, inflation or deflation;
- our ability to continue to introduce competitive new products and services on a timely, cost-effective basis;
- the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies;

Table of Contents

- changes in pricing environments and volatility in commodity prices;
- regional or general changes in asset valuations;
- changes in consumer spending;
- the outcome of pending and future litigation and governmental proceedings;
- changes in government policies;
- changes in applicable laws, regulations and taxes in jurisdictions in which we operate including the laws and regulations governing our operations, as well as actions or decisions of courts and regulators;
- natural and other disasters;
- any inability to economically hedge certain risks;
- inadequate impairment provisions and loss reserves;
- technological changes;
- our success in managing the risks involved in the foregoing;
- governmental intervention, resulting in changes to the economic, tax or regulatory environment in Brazil or other countries in which we operate;
- the declaration or payment of dividends;
- the utilization of Ambev's subsidiaries' income tax loss carry forwards; and
- other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed under "Item 3D. —Risk Factors."

We caution you that forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Forward-looking statements reflect only our current expectations and are based on our management's beliefs and assumptions and on information currently available to our management. Actual results may differ materially from those in forward-looking statements as a result of various factors, including, without limitation, those identified under "Item 3D. —Risk Factors" in this annual report. As a result, investors are cautioned not to place undue reliance on forward-looking statements contained in this annual report when making an investment decision.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Investors should consider these cautionary statements together with any written or oral forward-looking statements that we may issue in the future.

Table of Contents

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

Table of Contents

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

Table of Contents

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following financial information of Ambev is only a summary and should be read in conjunction with, and is qualified in its entirety by reference to, the audited annual consolidated financial statements of Ambev and the related notes which are included in this annual report.

The tables below represent the selected consolidated income statement and balance sheet data for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 that were prepared under IFRS.

Selected Income Statement Data

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(*in R$ million*)				
Consolidated Income Statement					
Net sales	32,231.0	27,126.7	25,233.3	23,194.0	20,713.2
Cost of sales	(10,291.5)	(8,793.3)	(8,449.0)	(7,731.9)	(7,217.6)
Gross profit	21,939.5	18,333.4	16,784.3	15,462.1	13,495.5
Sales and marketing expenses	(7,346.6)	(6,251.0)	(6,038.5)	(5,542.0)	(4,956.3)
Administrative expenses (1)	(1,546.5)	(1,180.6)	(1,197.0)	(1,478.1)	(1,037.0)
Other operating income/(expense)	864.0	784.5	624.9	539.3	383.5
Special items	(50.4)	23.1	(150.8)	196.6	(59.2)
Income from operations	13,860.0	11,709.4	10,022.9	9,177.9	7,826.5
Net finance expense	(812.8)	(468.1)	(319.4)	(982.1)	(1,190.8)
Income tax expense	(2,405.1)	(2,522.0)	(2,084.5)	(2,208.1)	(1,447.2)
Share of results of associates	0.5	0.5	0.2	0.7	2.3
Net Income	**10,642.6**	**8,719.8**	**7,619.2**	**5,988.4**	**5,190.9**
Attributable to:					
Equity holders of Ambev	**10,508.1**	**8,641.0**	**7,561.4**	**5,986.1**	**5,119.1**
Non-controlling shareholders	**134.5**	**78.8**	**57.8**	**2.3**	**71.8**

	Year Ended December 31,				
	2012	2011	2010	2009(*)	2008(*)
	(*in R$, except number of shares*)				
Earnings per share and per ADS(3)					
- Basic					
Common shares	3.22	2.66	2.34	1.86	1.60
Preferred shares	3.55	2.93	2.58	2.05	1.75
- Diluted					
Common shares	3.21	2.65	2.33	1.86	1.60
Preferred shares	3.53	2.91	2.57	2.05	1.76
Dividends and interest on shareholders' equity per share and per ADS (weighted average)(2)					
- Basic					
Common shares	2.44	1.62	1.50	1.11	0.87
Preferred shares	2.69	1.79	1.65	1.22	0.96
- Diluted					
Common shares	2.44	1.62	1.50	1.11	0.87
Preferred shares	2.66	1.79	1.65	1.22	0.96
Weighted average number of shares (thousand)					
- Basic					
Common shares	1,753,191	1,747,588	1,737,238	1,730,780	1,724,230
Preferred shares	1,369,704	1,363,790	1,355,258	1,346,700	1,344,650
- Diluted					
Common shares	1,753,191	1,747,588	1,737,236	1,731,055	1,724,530
Preferred shares	1,384,158	1,376,380	1,365,231	1,351,005	1,346,870

Table of Contents

(*) On December 17, 2010, the Extraordinary General Meeting approved a stock split pursuant to which each common and each preferred share issued by the Company was split into five common shares and five preferred shares, respectively, without any modification to the Company's issued capital. Each ADR continued to be represented by one common or preferred share, as the case may be. For purposes of comparison, information relating to the number of shares and earnings per share for all periods presented has been adjusted to conform retrospectively to the effect of this split.

Selected Consolidated Balance Sheet Data

	As at December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
			(in R$ million)		
Consolidated Balance Sheet					
Cash and cash equivalents	8,926.2	8,076.2	5,909.3	4,042.9	3,298.9
Total current assets	**16,256.0**	**14,679.5**	**12,910.9**	**10,303.1**	**9,293.3**
Deferred tax assets	1,418.5	1,447.1	2,021.6	2,651.2	1,817.8
Property, plant and equipment	11,412.3	9,265.2	7,032.3	6,595.1	7,304.6
Intangible assets	2,935.4	1,763.0	1,823.2	1,932.6	2,492.9
Goodwill	19,971.5	17,454.0	17,441.8	17,527.5	17,912.4
Total non-current assets	**37,903.9**	**31,459.9**	**29,767.3**	**29,797.8**	**32,519.6**
Total assets	**54,159.9**	**46,139.4**	**42,678.2**	**40,101.0**	**41,813.0**
Shareholders' equity	28,863.7	25,611.3	24,361.9	22,017.4	20,787.5
Non-controlling interests	1,060.1	217.5	203.0	278.7	224.1
Interest-bearing loans and borrowings	2,306.0	1,890.2	4,164.2	6,460.2	7,069.6
Employee benefits	1,780.9	1,603.0	966.2	767.9	784.3
Deferred tax liabilities	1,048.3	734.5	548.7	502.2	821.2
Provisions	518.1	478.4	536.1	919.3	962.9
Total non-current liabilities	**8,717.3**	**5,902.7**	**7,558.6**	**9,313.2**	**10,264.3**
Interest-bearing loans and borrowings	837.8	2,212.1	2,606.2	801.1	3,588.2
Provisions	137.5	101.6	103.0	96.2	101.8
Total current liabilities	**15,518.8**	**14,407.9**	**10,554.7**	**8,491.7**	**10,537.1**
Total equity and liabilities	**54,159.9**	**46,139.4**	**42,678.2**	**40,101.0**	**41,813.0**

Other Data

	As at and for the year Ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
			(in R$ million, except for operating data)		
Other Financial Information:					
Net working capital (4)	737.2	271.6	2,356.2	1,811.4	(1,243.8)
Cash dividends and interest on shareholders' equity paid	5,450.1	5,475.4	5,030.8	3,560.5	2,801.8
Depreciation and amortization (5)	1,768.6	1,454.7	1,567.2	1,376.5	1,290.7
Capital expenditures (6)	3,014.0	3,200.2	2,286.8	1,438.8	1,957.3
Operating cash flows - generated (7)	14,128.6	12,606.8	10,062.9	8,697.1	7,032.6
Investing cash flows - used (7)	(5,717.3)	(2,203.4)	(3,174.3)	(1,551.8)	(2,214.1)
Financing cash flows - used (7)	(7,652.3)	(8,652.0)	(4,861.6)	(5,929.0)	(4,005.7)
Other Operating Data:					
Total production capacity - Beer - million hl (8)	192.6	176.5	163.3	156.7	