AmBev

Annual Report 2008

The best brands in a better world

Our Vision

"To be the best beer company in a better world."

To be the best means fulfilling the needs of consumers with the best brands and products; to build a strong and unique culture, with the best and most committed people; to have the courage to advance and lead with changes; and to be recognized by our customer as their best partner. We are committed to our people, to our community, our business partners and with a better world. We will be the best company in a better world if today we build the foundations to obtain solid and increasing economic results, focusing on the creation of social and environmental value for our consumers, our employees, our shareholders and the generations to come.

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AmBev factory in
Jaguariúna (SP), Brazil

Welcome to AmBev

We are the 4th largest beer company in the world and we are part of the life of our consumers

We are present in 14 countries in South, Central and North America, producing and selling beers, soft drinks and non-carbonated beverages. Over 39,000 people work towards making AmBev the best beer company in a better world. In 2008, AmBev achieved a sales volume of 146.9 million hectoliters and net revenue of R$20.9 billion.

We are a publicly traded, consumer products company committed to sustainability. We believe that creating strong brands initiates a virtuous cycle to promote a better world. We have some of the world's top brands of beer in our portfolio. Three of them, Skol, Brahma and Antarctica, are among the 25 most consumed beers in the world. Skol is in the fourth position and Brahma is in the seventh position.

We are the largest beer company in Latin America, with leading brands in several countries. In Brazil, we have Skol, Brahma and Antarctica. In Argentina, we have Quilmes Cristal; in Bolivia, Paceña; in Paraguay, Brahma; and in Uruguay, Pilsen.

The reason we exist is to create strong and enduring bonds with our consumers and clients; supplying the best brands, products and services, and ensuring efficiency at the point of sale. We build brands that are part of people's lives, and we achieve that through a deep understanding of our consumers, their interests and values.

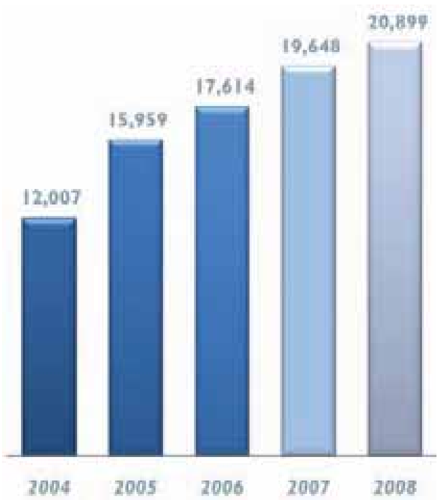
We believe in common sense and simplicity, and we rigorously manage our costs in order to free more resources to support our market growth.

To achieve our objectives, we have the best people, who, in the best spirit of ownership, think big and are never completely satisfied with their own results. We lead by example, praising integrity, commitment and consistency as the keys for building our company.

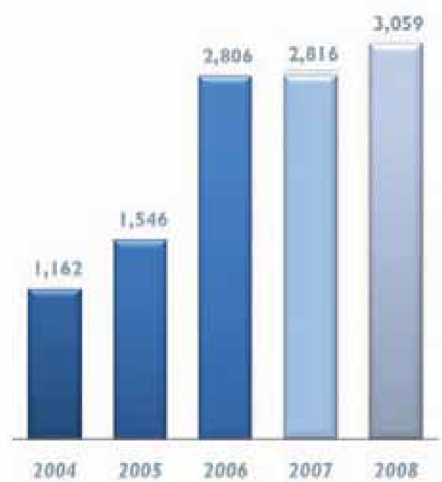
We are also part of the largest beer company in the world, Anheuser-Busch InBev, the result of the global alliance between InBev and Anheuser-Busch.

Our performance in 2008

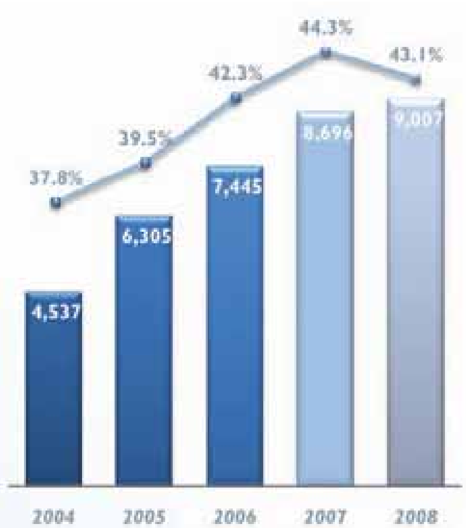
Net Revenues (R$ million)



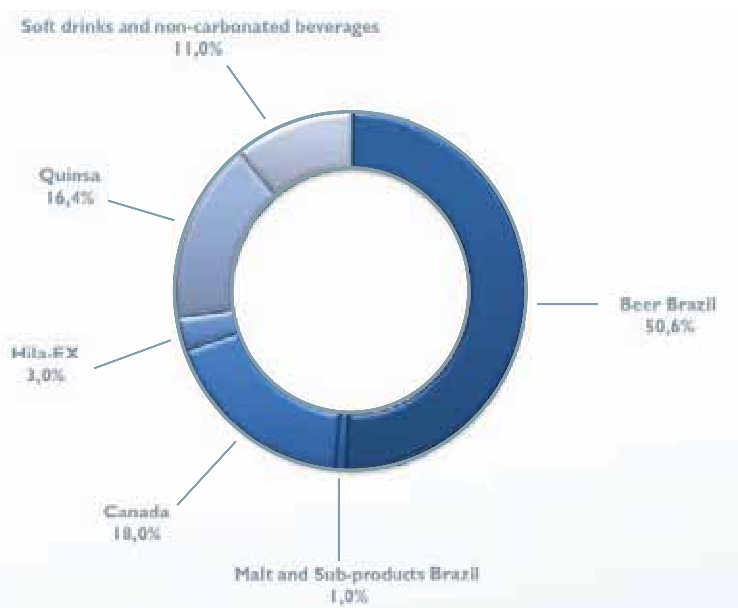
Net Earnings (R$ million)



EBITDA (R$ million) and Margins (%)



Net Revenues Breakdown



Our performance in 2008

The figures that explain us

Main Indicators* (The figures are in millions of Reais except where indicated)	2003	2004	2005	2006	2007	2008
Statement of Results						
Net Revenue	8,684	12,007	15,959	17,614	19,648	20,899
Gross Profit	4,640	7,226	10,216	11,665	13,107	13,736
General & Admin. Expenses	2,334	3,611	5,174	5,409	5,835	8,009
EBIT (1)	2,306	3,615	5,043	6,256	7,272	5,726
Net Profit	1,412	1,162	1,546	2,806	2,816	3,059
Statement of Assets						
Total Assets	14,380	33,017	33,493	35,561	35,476	37,270
Cash and Equivalent	2,534	1,505	1,096	1,539	2,308	3,299
Total Debt	5,980	7,811	7,204	9,567	9,852	11,025
Net Assets	4,363	16,995	19,867	19,268	17,420	17,278
Cash Flow and Profitability						
EBITDA	3,072	4,537	6,305	7,445	8,697	9,007
EBITDA Margin	35.4%	37.8%	39.5%	42.3%	44.3%	43.1%
Capital Investments	862	1,274	1,370	1,425	1,631	2,055
Return on Assets (2)	32.4%	6.8%	7.8%	14.6%	16.2%	17.7%
Data per Share (R$/share)						
Total Assets (*)	9.6	25.9	30.4	30.2	28.3	28.1
Earnings per share	3.1	1.8	2.4	4.4	4.6	5.0
Dividends (ON) - R$/share	2.1	1.9	1.9	2.8	3.0	4.7
Dividends (PN) - R$/share	2.3	2.1	2.1	3.1	3.3	5.2
Dividend Payout (3)	69%	104%	102%	45%	63%	105%
Capitalization						
Market Capitalization	26,392	40,424	53,646	64,109	79,071	62,223
Net Debt	3,447	6,305	6,107	7,802	7,369	7,726
Minority Shareholders	196.0	213.0	123.0	223.0	187.0	136.0
Shares in Circulation (millions) (4)	455.0	655.5	653.5	637.2	615.6	614.0
Equivalent ADRs (millions) (4)	455.0	655.5	653.5	637.2	615.6	614.0

*Figures are in millions of Reais except where indicated

(1) During 2008, the Company adopted changes in its accounting practices according to Law 11,638/07 and CVM regulations. As a result, goodwill amortization, which was previously presented as other operating expenses, net are now presented under General and Administrative Expenses. Total amount reclassified was R$1,252.7 million. This change was not given retroactive effect.

(2) Return on Equity = Net Income/Equity

(3) Dividends pay-out (2008): Considers the distribution of interest on capital ("IOC") attributed to shareholders' equity pursuant to the current legislation, approved at the Board of Directors Meeting held on December 22, 2008; which resulted in a net distribution of R$0.33150 per common share and R$0.36465 per preferred share.

(4) Values adjusted for the stock dividend granted on May 31, 2005, and by the reverse stock split (in the proportion of 100 existing shares for 1 new share), which took place on June 29, 2007.

Shareholder information

Well prepared for 2009

2008 was a year full of challenges and important results. Although our main business – Beer Brazil – presented lower than expected results, we delivered excellent performance in our countries in the south of Latin America (Argentina, Bolivia, Paraguay, Uruguay and Chile) as well as in our soft drinks and non-carbonated beverages segment in Brazil. Canada, in turn, had one of its best years from a price, market share and fixed cost savings perspective.

In Brazil, colder and wetter weather, an earlier than usual Carnival and the pressure of food inflation on consumer spending, negatively impacted industry volumes in 2008. This weak industry performance, coupled with a more aggressive pricing behavior by our competitors, had a negative impact on our beer business.

On the other hand, our soft drinks and non-carbonated beverages business had a year of excellent results, with increase in sales volume – despite a difficult period for the industry – as a result of the good performance of our innovations, which resulted in market share gains and a good performance in terms of revenue and costs.

Our businesses in the south of Latin America delivered a year with excellent results in both beer and soft drinks and non-carbonated beverages. Good industry performance – as well as gains in market share, efficiency in revenue management and significant savings in fixed costs – resulted in an outstanding growth in our business. The quality of our brands, of our people and the excellent performance of the innovations in 2008, were critical to support the strong sales growth in our premium brands and the gains in market share throughout the entire region.

Carlos Alves de Brito

In Canada, results were stable in spite of very strong pressure on production costs. Good revenue management, significant savings in fixed costs and efficiency gains, allowed our results to remain stable and further increased our market share. We had a year full of challenges, although our strategy of focusing on few brands resulted in a market share gain without any EBITDA loss for the first time in 11 years.

We continue committed to returning all our cash surplus to our shareholders. In 2008, we paid R$2.9 billion in dividends and interest on capital and we repurchased shares totaling R$630 million, reaching a total payout of R$3.5 billion.

Our focus remains guaranteeing the efficiency in all the segments and business where we operate and to promote innovations which meet our consumer's preferences.

Looking towards 2009 and the global economic scenario, we believe that the resilience of our industry and our cash flow generation will be important advantages given current macroeconomic uncertainties. We will continue to invest behind our brands and our people, which are our main assets, in order to maintain our path of growth with profitability.

Carlos Alves de Brito
Co-Chairman of the Board of Directors

Victorio Carlos de Marchi
Co-Chairman of the Board of Directors

Victorio Carlos de Marchi

Strategic location

We have plants and direct distribution centers in the entire continent

AmBev is present in 14 countries throughout the Americas, with five business segments: Beer Brazil, our main operation, Soft Drinks and Non-Carbonated Beverages in Brazil, Quinsa (Argentina, Bolivia, Chile, Paraguay and Uruguay), Hila-Ex (Ecuador, Guatemala, Nicaragua, El Salvador, Peru, Dominican Republic and Venezuela) and Canada.

Our products reach approximately 1 million points of sale only in Brazil. We have 39,301 employees in total, located in 64 plants, five malting plants, nine other plants (glass, labels, concentrate and caps), as well as in direct distribution centers (DDCs) and centers of excellence.

Canada Brazil Quinsa Hila-Ex

Canada

Beer market (mm HL):	23.7
Average per capita consumption (liters):	70.7
Installed beer capacity (mm HL):	15.6

Hila-Ex

Venezuela

Beer market (mm HL):	25.8
Average per capita consumption (liters):	93.0
Installed beer capacity (mm HL):	2.9

Ecuador

Beer market (mm HL):	4.8
Average per capita consumption (liters):	35.3
Installed beer capacity (mm HL):	0.8

El Salvador

Beer market (mm HL):	0.9
Average per capita consumption (liters):	12.0

Guatemala

Beer market* (mm HL):	1.6
Average per capita consumption (liters):	10.6
Installed beer capacity (mm HL):	1.2

Nicaragua

Beer market (mm HL):	0.9
Average per capita consumption (liters):	16.5

Peru

Beer market (mm HL):	11.0
Average per capita consumption (liters):	38.0
Installed beer capacity (mm HL):	1.0
Installed soft drinks capacity (mm HL):	4.0

Dominican Republic

Beer market* (mm HL):	4.0
Average per capita consumption (liters):	42.5
Installed beer capacity (mm HL):	1.0
Installed soft drinks capacity (mm HL):	4.0

Source: Plato Logic (2008)

* Plato Logic data for 2007
** Source Nielsen

Brazil

Beer market (mm HL):	108.1
Soft drinks market** (mm HL):	111.7
Average per capita beer consumption (liters):	57.4
Installed beer capacity (mm HL):	107.9
Installed soft drinks capacity (mm HL):	49.5

Quinsa

Argentina

Beer market (mm HL):	17.8
Average per capita consumption (liters):	44.3
Installed beer capacity (mm HL):	17.1
Installed soft drinks capacity (mm HL):	18.9

Uruguay

Beer market (mm HL):	0.9
Average per capita consumption (liters):	25.9
Installed beer capacity (mm HL):	1.3
Installed soft drinks capacity (mm HL):	0.8

Bolivia

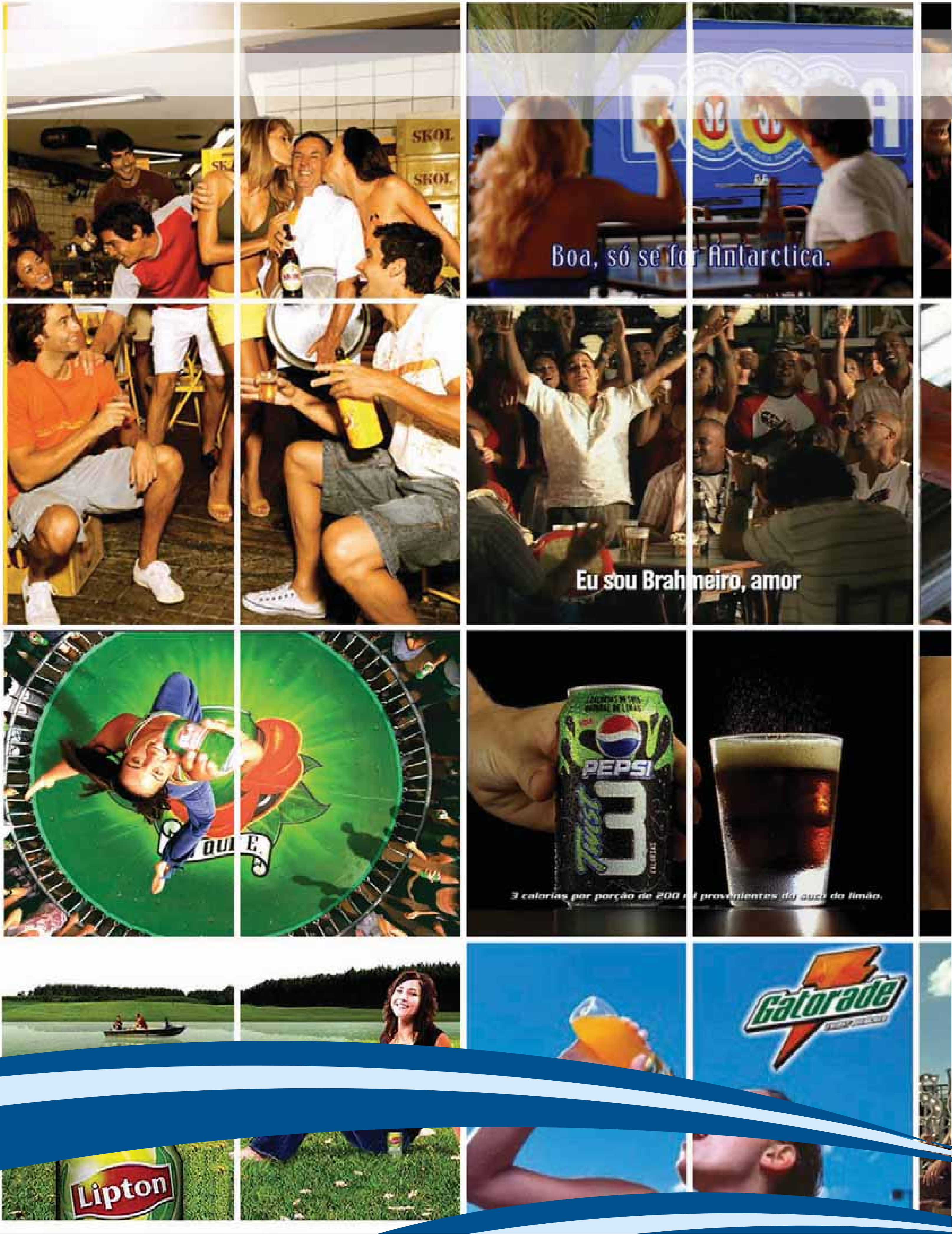
Beer market (mm HL):	3.5
Average per capita consumption (liters):	36.7
Installed beer capacity (mm HL):	4.0

Paraguay

Beer market (mm HL):	2.3
Average per capita consumption (liters)	38.1
Installed beer capacity (mm HL):	3.2

Chile

Beer market (mm HL):	6.0
Average per capita consumption (liters):	37.4
Installed beer capacity (mm HL):	1.0


SKOL
Boa, só se for Antarctica.
Eu sou Brahmeiro, amor
PEPSI
3 calorias por porção de 200 ml provenientes do suco do limão.
Gatorade
Lipton

Complementary brands

We build strong brands because we know our consumers

Our consumers are the reason we exist. We work continuously to learn about their wishes, values and lifestyle in order to build a strong and lasting relationship through our brands. We use the most modern communication and marketing techniques available to get closer to them.

Our challenge is to exceed the expectations of the largest possible number of consumers, not only in beer but also in soft drinks and non-carbonated beverages. In order to achieve this, we have the support of a structured market intelligence system that guides our steps. It provides us guidelines for the successful development of new products, innovations, campaigns and promotions, among other activities.

Our Brands

Beers

Skol – Skol, the beer that goes down round. It is young, daring, irreverent and is always seeking to surprise the consumer through innovation. It was the first beer in aluminum can in Brazil and the pioneer of the long neck bottle, the first can with a wide-mouth bottle, the 473 ml can and 269 ml can. It is the leader in terms of preference and sales in Brazil.

Brahma – Celebrated 120 years of existence in 2008 and is the brand of the "Brahmeiro", the warrior, who has faith in life and never gives up. Its advertising campaigns reflect the values that are important for this consumer, such as family, friends, work and achievements.

Antarctica – Known as the really GOOD ("BOA") beer, it has been brewed since 1885. It is a happy, relaxed brand and it is always close to its consumers, sponsoring regional cultural events that emphasize its main characteristics: quality, authenticity, relaxation and fun.

Bohemia – With a history of 155 years, Bohemia is the first Brazilian beer. The brand has remained loyal to the taste and aroma that has won over the Brazilian taste and that enabled it to achieve its position as a super premium brand in the market. It is a beer for demanding consumers who value tradition and refinement.

Original – Its main attribute is being a grand classic in the beer market. It has maintained its original formula and label since its creation in 1906 and has not yielded to either modernism or passing market trends. It is only produced in small quantities and is aimed at those consumers who know how to appreciate and value a traditional and superior quality beer.

Serramalte – Launched in Rio Grande do Sul, in 1953, the brand is aimed at a public that seeks a differentiated product: they are connoisseurs of more full bodied beers, with a more accentuated taste and pronounced bitterness. The taste of Serramalte is stronger than traditional Pilsen beers because it contains more malt and has a longer brewing process.

Polar – Polar Export is a superior quality beer, proud to be from the south of Brazil. Despite being an export quality beer, its distribution is concentrated in the south of the country. It is a veritable asset of the State of Rio Grande do Sul.

Kronenbier – The first alcohol-free beer in Brazil.

Liber – The first beer in Latin America with 0% alcohol.

Caracu – A strong and tasty dark beer, introduced in 1899. It is one of the most traditional brands in Brazil, known for its full bodied taste and energy.

Quilmes – The market leader in Argentina and introduced in 1888. It is aimed at consumers that value family, friendship and fun. The slogan "The taste of the encounter" brings the idea of sharing good times with friends and family.

Stella Artois – Synonymous of sophistication, it is a beer of inestimable value. It was first brewed in 1366 in Belgium, the land of the best master brewers and is a super premium beer, produced with ingredients of the very highest quality for discerning palates.

Patrícia – The beer of reference in the Uruguayan market. It has a creamy and consistent froth and is refreshing and moderately full bodied. It was launched in 1936.

Pilsen – Introduced in Montevideo (Uruguay) in 1956, the Pilsen beer has an intense and pleasant aroma of hops and fruits. It is moderately full bodied and has a golden yellow color with an intense and persistent bitter taste.

Paceña – It´s the beer that represents the genuine beer taste in Bolivia. With more than 120 years of history, it is part of the Bolivian country and its tradition. It is a symbol of prestige and leadership.

Brazil/Quinsa/Canada/Hila

Norteña – A Uruguayan beer, refreshing and light bodied. It has an intense yellow color and a discreet aroma of hops and fruit.

Labatt Blue – Labatt Blue is the best selling Canadian brand in the world. It was launched in 1951 as Labatt Pilsener and was named by the fans of the Winnipeg Blue Bombers football team. It was the first Canadian brand with a screw top.

Budweiser – One of the most consumed beer brands in the planet. It has a strong visual image, including a typically American label, with the colors red, white and blue. It is the number one American beer and was first bottled in 1883 and exported in 1885.

Kokanee – The brand has established itself in British Columbia (Canada) as a typical product of the region, refreshing and targeted at the younger public.

Alexander Keith's – Premium brand in Canada with great presence in Nova Scotia.

Lakeport – A Canadian brand from Ontario. It reinforces its image as a quality beer at a fair price, aligned to the strategy of offering local beers on the market for all types of consumers.

Soft drinks and non-carbonated beverages

Guaraná Antarctica – An authentic, exclusive, modern and fun brand. With a unique and original taste from Brazil, it is the absolute leader in the guaraná segment of the Brazilian market. Sold in the country since 1921, it is one of the 15 best selling brands of soft drinks in the world. The guaraná taste is the fourth most consumed on the planet.

Pepsi – A brand with a challenging spirit. It is seen by consumers as innovative, young and full of energy. Its monumental campaigns with global music and soccer celebrities delight not only for the quality of the production but also for their daring, creativity and ease.

7-Up – Helps finding the right equilibrium in order to fully enjoy life.

H2OH! – A light sparkling drink, tasteful and sugarless, aimed at the consumer seeking a healthy, natural product associated with the quality of life. Developed for those who have a carefree style of living and attitude.

Sukita – Launched in Brazil in 1976. It is designed to meet the preferences of a public that appreciates a drink with a strong color and a sweeter taste. It is available in orange and grape flavors.

Soda Limonada – The refreshing lime flavored drink is very much appreciated by the Brazilian consumer. It is produced from an exclusive formula with natural fruit juices.

Tônica Antarctica – The absolute leader in the tonic water market and recognized for its natural and light taste.

Gatorade – It is the most consumed sports drink in the world. It is designed to replace rapidly the liquids and mineral salts lost through sweating, as well as supplying the energy for muscle movement in physical activity. The brand bases its advertising on the concept "With Gatorade you will go further".

Lipton Iced Tea – A ready to drink tea. It is one of the pioneers in the health drinks market and the world leader in its segment.

Guarah – It is part of the Guaraná Antarctica portfolio. The brand is based on a refreshing concept with a touch of guaraná.

Centro de Serviços Compartilhados (CSC)
in Jaguariúna (SP), Brazil

The strength that builds us

The strategic pillars of AmBev that cross time

We grow in a constant and sustainable way because we maintain structured processes. We are focused on providing innovative products in order to fulfill our consumers' needs, on efficiency and on our capacity of creating value and on delivering results.

Building strong brands

We know our consumers very well because they are the reason we exist. Therefore, we develop products and create campaigns tuned to their values in order to strengthen our connection with them and our brands. Furthermore, we constantly invest in innovation to keep our brands on top of consumers' minds.

People and Culture

We strive to have the best people, who are highly qualified, motivated and committed. We hire, train and develop excellent people. We financially reward outstanding performances by means of variable compensation and stock option programs. We believe in leading by example, we think and act as owners of the business and show are commitment, being always where things happen.

Top Line Growth

We are permanently looking to grow our net sales. Our priority is to take advantage of the opportunities to build strong brands from the deep knowledge of our consumers. Moreover, we work to maintain and strengthen the leadership in the markets where we operate.

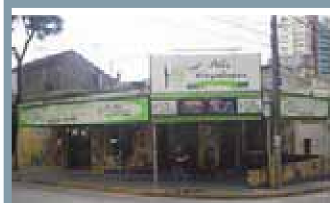
Excellence in route to market and relationship with the POCs

Our operations include direct distribution while focusing on strengthening our relationship with third-party distributors, who are partners committed to the results of our portfolio. Under the AmBev Excellence Program we stimulate the constant improvement of our distributors, establishing performance standards and stimulating the exchange of information and best practices. We help our customers display the products in the best way at the point of connection, to decorate their premises and to manage revenue and expenses. This work improves the point of sale performance and improves our connection with the customer.

Cost efficiency

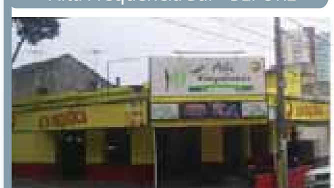
We have adopted the Zero Based Budget (ZBB) model, which stimulates the commitment to controlling expenses and costs irrespective what costs were incurred the previous year. We establish challenging goals and each team is responsible for its own budget. Each cost center has an owner.

Changes that transform the community for the better



Alta Frequencia Bar - BEFORE

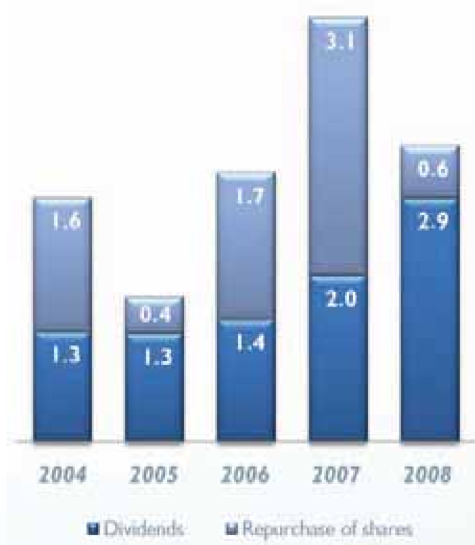
Bocha's Bar - BEFORE

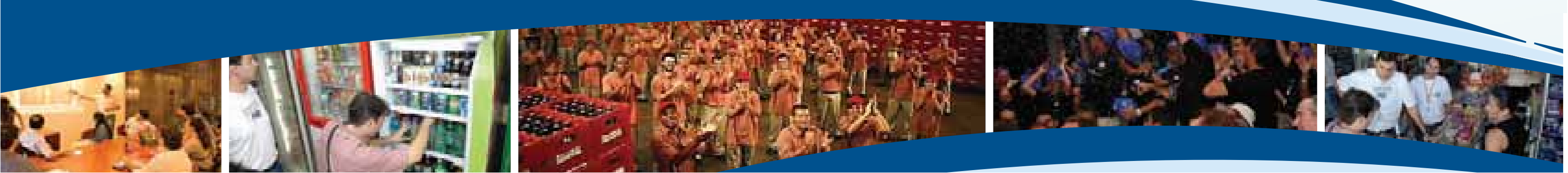


Alta Frequencia Bar - AFTER

Bocha's Bar - AFTER

Pay Out (R$ billion)



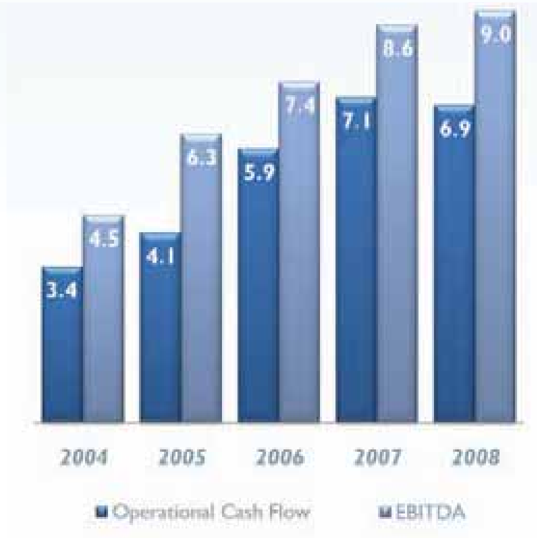


Financial discipline

We have a policy of not retaining unnecessary cash. After allocating resources to support our operations and investment plans, we use a combination of dividends and share buy-backs to return to shareholders the cash flow generated by our operations.

During 2008, our operating cash flow generation totaled R$7 billion and we returned R$3.5 billion to shareholders, divided into R$2.9 billion in dividends and R$630.3 million in share buy-backs.

Cash Flow (R$ billion)



AmBev Sales Director, Ricardo Tadeu, visits a point of sale

Innovations in 2008

AmBev Operations

Brazil, Canada, Quinsa and Hila-Ex

We segment our operations in four regions – Brazil, Canada, Hila-ex and Quinsa, which comprise the 14 countries where we operate. We are market leaders in 6 of them: Brazil, Argentina, Paraguay, Uruguay, Bolivia and Canada. 2008 was a year of important achievements. Acting as leaders, we have focused on innovation as the way to serve our consumers better, with the best products and brands of the market.

Beer Brazil

Cold and wet weather coupled with the pressure of food inflation on consumer spending led to lower than expected results

2008 was a challenging year for the industry in Brazil and we were tested by the adversities inherent to the business. Compared to 2007, there were long periods of lower temperatures and above average rainfall. Industry growth slowed down compared to previous years as a result of an earlier Carnival and food inflation pressure on consumer's disposable income. Accordingly, our volume grew organically by 0.2% compared to 2007, with total sales reaching 69,960 thousand hectoliters.

Revenue growth

Despite sluggish volumes, our revenue continued to climb: we recorded an organic growth of 4.2% in revenue per hectoliter, which reached R$ 151.3. This increase was a result of (i) the increase in prices in 2008; and (ii) the expansion of sales made by AmBev's direct distribution structure.

Higher costs

Cost of goods sold per hectoliter increased organically by 7.8%, totaling R$43.4. This was a result of: (i) higher commodity prices, such as hops, corn and aluminum; (ii) the impact of inflation on our salaries, and (iii) the lower absorption of fixed costs, which was partially compensated by (iv) gains from a lower exchange rate as a result of our hedging policy.

Higher expenses

Sales, general and administrative expenses (excluding depreciation), totaled R$3,493.3 million, representing an organic increase of 11.3%. This was basically due to the increase of our direct distribution network, the increase of fixed expenses in line with inflation and investments performed in the market in order to support our innovations during the year.

EBITDA reduction

EBITDA reached R$5.1 billion, which represented a decline of 1.4%.

2008 innovations

2008 was rich in innovations. Our deep knowledge of our consumers and their values was reflected in the launch of new products, the renewal of our brand and the new interactive media and technologies we used through daring campaigns, which increased our points of connection with consumers.

Novidades da Skol

The Skol brand has been synonymous of innovation ever since its arrival on the Brazilian market. In 2008, we launched Skol Redondinha, a 269 ml can with a thermo-sensitive sensor, which cools quicker and shows when the beer is ready to drink. It is also sold in packs of 15 cans.

To facilitate home consumption during parties and barbecues between friends, we developed the one liter Skol bottle, the first returnable one liter bottle in Brazil , as well as promotional packs of 18 and 24 cans.

Already recognized for its innovative bottle design, Skol Beats was also produced in a can version, with a modern format and a 269 ml size. It is also sold as a fridge-pack with eight units, which is a practical packaging that the consumer can place directly into the refrigerator.

Skol “Bloco” at the Salvador Carnival (BA), Brazil

Brahma commemorative collection

With Brahma, we brought back 11 historic labels to the market, through can versions, for the commemorative collection of 120 years of the brand. Similarly, we produced a special bottle at the end of the year, "Brahma Celebration", with a design similar to a champagne bottle and even closed with a cork. We also launched the one liter bottle and promotional packs of 18 and 24 cans.

Brahma Fresh, launched in 2007, has been a sales success in the north-east of Brazil and its ascending trajectory continued in 2008. It is a refreshing Pilsen beer, with a milder taste and has won market space in the warmer climate regions.

Premium launches

In the premium market, Stella Artois had two important launches – the 269 ml can and the one liter bottle. The leader Bohemia launched Bohemia Oaken, the first Brazilian beer matured in oak wood, inspired by the production process of wine and whisky. The new drink arrived to the market in a limited and numbered edition.

Growth of Franchises

We expanded the number of beer carts and the kiosk franchises and reinforced the relationship with our traditional points of sale. As a result of the growth of franchises, our consumer can now find his or her favorite product at the beach, shopping center, airport and bus station.

A WEB year

In 2008, we continued to develop our knowledge of our consumers. Our communication with them has never been so direct and innovative including through the use of the internet.

Skol was one of the brands that used this media more. In its 9th edition, the Skol Beats event held the first music festival co-created by the public. Through the Internet, consumers chose the attractions, location and format of the event. The brand also challenged consumers' creativity with the campaign "Dream of your own Skol refrigerator", which distributed 100 Skol refrigerators to the most creative answers to the question: Where would you set up a bar with a Skol refrigerator? The campaign attracted over 1.5 million answers and followed the DNA of the brand: different and innovative.

Bohemia also developed an innovative experiment with Bohemia Oaken by allowing it only to be sold through the Internet. Further, while visiting the website, the consumer could learn, how a brewery operates in 3D animation. Guided by a master brewer, the visitors of the virtual brewery could learn about all the stages of beer production.



Campaigns

With a focus on responsible consumption, Skol launched an institutional campaign to provide an incentive for consumers to take turns at driving when going out for a drink. The brand initiative was centered on the concept of choosing a designated driver, with a TV commercial in which the designated driver did not drink Skol in order that his friends could enjoy themselves and return home in safety, driven by him.

Brahma initiated a new advertising phase with the Brahmeiro campaign, which reinforced the link existing between the brand and its consumers. The Brahmeiro is a warrior, who has faith in life and never gives up. In the campaign, Brahma left its product less evident in order to speak of its consumers: who they are and what they stand for. It emphasized the values of the consumers and strengthened the ties with them.

The Brahma Fresh trademark has gained 1% market share

Soft Drinks and Non-Carbonated Beverages

A good market response for innovative initiatives, reflected in the increase in our market share

Growth of volume

We maintained our growth pace in 2008, with an organic increase in sales volume of 2.8%, reaching 25.1 million hectoliters. This is a result of market growth; and our market share increase, both of which were driven mainly by our innovations in the period.

Positive impacts in revenue

We recorded an organic increase of 5.8% in revenue per hectoliter, which amounted to R$ 91.3. This increase was impacted positively (i) by the increase in prices implemented during 2008; and (ii) by a favorable change in the product mix.

Falling costs

The cost of goods sold per hectoliter fell 5.1%, totaling R$37.9. This positive impact resulted from gains from our hedge contracts for sugar and currency, which compensated for impact of rising commodity prices.

Increase in expenses

Sales, general and administrative expenses for soft drinks and non-carbonated beverages, amounted to R$693.2 million, increasing 2.4% organically. The main reason was inflation, which was partially compensated by a greater efficiency in our commercial programs.

EBITDA Growth

EBITDA grew organically by 27.9% when compared to 2007, standing at R$999.6 million, with an organic expansion of 660 bps in EBITDA Margin which reached 43.5% during the year.

Always innovating and renovating

In soft drinks, Guarah, Pepsi Twist 3 and Sukita Uva were the main three launches during the year. We also harvested the results of the 2007 innovations with the new flavors of H2OH! (tangerine and apple), a success that was rapidly incorporated into the habits of consumers.

Another triumph was the new packaging of Guaraná Antarctica, with a 3.3 liter PET bottle. This was an immediate market success, which offered a new option of good cost benefit relation per liter.

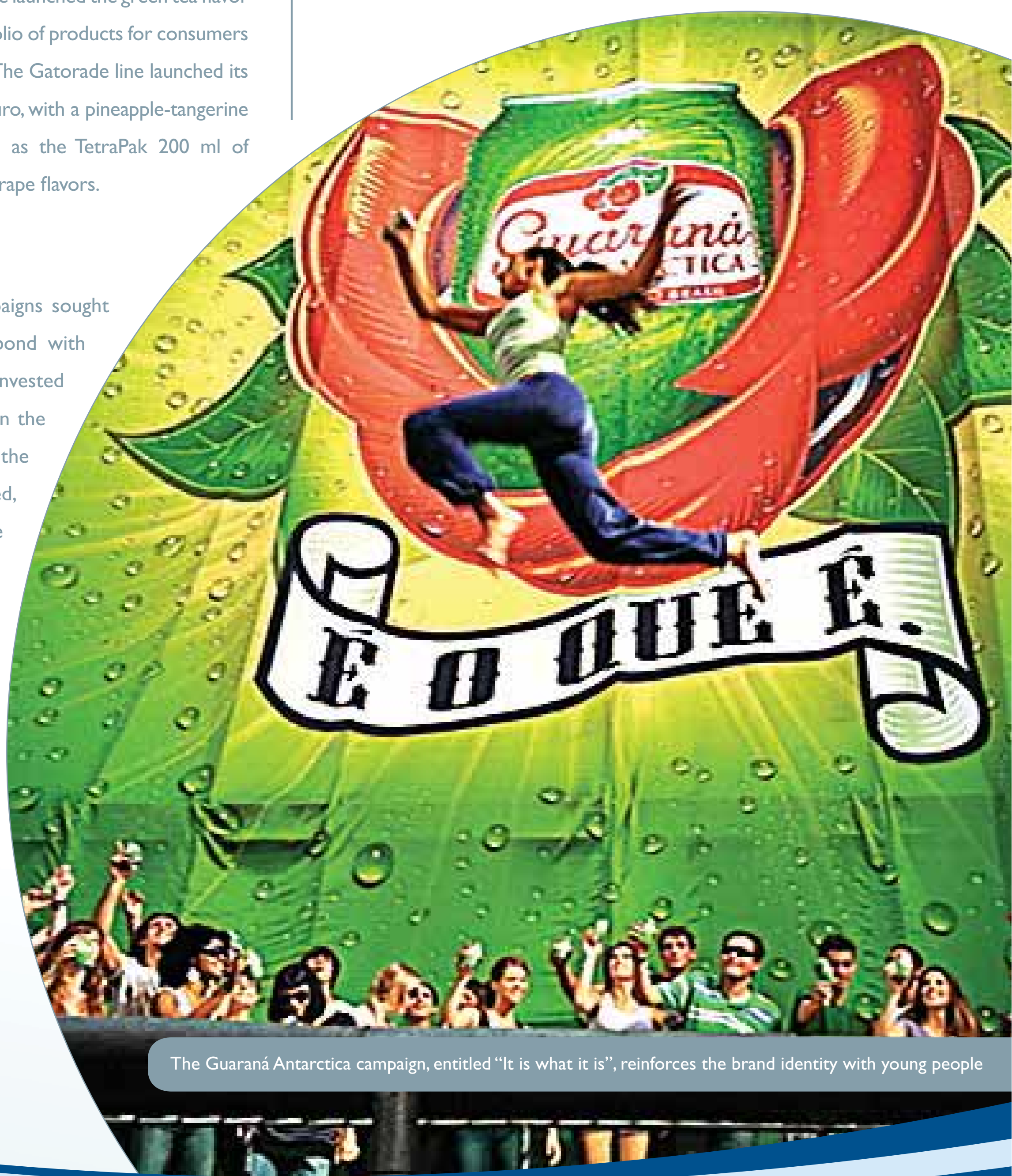
Guarah, an extension of the Guaraná Antarctica line, was very well received by consumers. Sukita Uva, despite not being new from the market point of view, presented a quality that surprised the consumer. In one year, it has already achieved more than 20% of the grape market segment. Pepsi Twist 3 is a new sugar free soft drink, with a taste similar to the regular version and with only 3 calories of natural lime juice (for each 200 ml).

In our non-alcoholic drinks segment, we launched the green tea flavor for Lipton Ice Tea, increasing the portfolio of products for consumers with a healthy and balanced life style. The Gatorade line launched its commemorative edition Gatorade Ouro, with a pineapple-tangerine flavor, dedicated to athletes, as well as the TetraPak 200 ml of strawberry, passion fruit, orange and grape flavors.

Focus on the consumer

As with Beer Brazil, the 2008 campaigns sought much more of strengthening our bond with the consumer. Guaraná Antarctica invested regularly and consistently to maintain the young and innovative advertising of the brand. All actions were interconnected, from the Sonzera promotion, to the GAS Festival and culminating in the selection of singer Cláudia Leite as the media spokesperson for the brand. The same occurred with Pepsi and the campaigns "Pepsi Desert" and "Why?". Both sought the brand identity with the consumers.

Brazil was the country that was chosen to launch the Lipton global campaign in 2008. The largest brand of teas in the world took advantage of the summer to show consumers how tea is good for health. The campaign was adapted for the Brazilian market, presenting a portfolio of products, with illustrations of people doing well in life and the balance between taste and health. The advertisements appeared in Brazil's main magazines.



The Guaraná Antarctica campaign, entitled "It is what it is", reinforces the brand identity with young people

Quinsa

Innovations increased our market share

The Quinsa region contributed with important results to the Company's consolidated figures. The strength of our brands triggered market growth and the AmBev beer segment grew more than the soft drinks category. The innovations in the premium segment resulted in market share gains in most of the regions where we operate, especially in Argentina.

Volumes grew 11.5% for beer and 8.7% for soft drinks and non-carbonated beverages. The organic growth of the consolidated EBITDA of Quinsa was 32.8%, totaling R$1.6 billion.

Successful launches

We had an exceptional year in our product launches. Quilmes, the leading brand in Argentina, launched the new beer Quilmes Red Lager, which is directed to the premium segment, with the objective of continuing to gain share from the wine market. We also introduced Quilmes Wide Mouth and the New Quilmes Chopp, innovations that were very well received by consumers.

The Brahma brand also launched Brahma Beats, a new product developed especially for the night life. Iguana launched a new one liter disposable bottle, offered as a brand differential to its several size options.

The Stella Artois brand confirmed its impressive growth story since its launch in Argentina three years ago, becoming the number one brand in the premium market

In Chile, innovations involved the development of the new products in the Brahma line. In September 2008, we launched Brahma Extra, a lager beer which increased the Brahma family in the country. The new Brahma was launched with a publicity campaign involving the concept that "Everybody has something Extra", with several events and activities at points of sale and supermarkets. Since its launch, Brahma Extra has already sold over 65,000 hectoliters. Also in Chile, we launched Brahma Bock, Becker Amber Lager and Stella Artois Draught.

Brahma also delivered additional innovations in Paraguay, introducing a 473 ml can, Brahma Morena and Brahma Beats. We also introduced Baviera Maestro and Pilsen Celebration. In Uruguay, we launched Pilsen Amber and Patrícia Dunkel. In Bolivia, we launched Paceña Ice, Paceña Porter, Taquiña Ice, Taquiña Stout and Taquiña Amber Lager.

In our soft drinks and non-carbonated beverages segment, we introduced to the market the H2OH! line with orange and apple flavors in Argentina and Uruguay.

The Quilmes campaign in Argentina, has the slogan "The taste of the encounter"

Canada

Good brand performance ends negative trend

2008 was a remarkable year in Canada. Despite a challenging competitive scenario, Labatt was able to maintain its EBITDA with a gain of 15 bps in market share during the year. The organic increase in EBITDA was 0.1%, reaching R$1.5 billion. The growth was the result of excellent sales performance, discipline in our pricing policy and significant gains in the cost of goods sold.

Our main brands, Budweiser, Bud Light and Stella Artois, delivered an excellent performance during the year. Budweiser continued to grow in volume and preference, maintaining its number one position in Canada. The sponsorship of NFL Canada, the Canadian league of American football, was another source that generated excellent results. Bud Light also produced a growth in volume and preference in the light beer market. Moreover, the sponsorship of the NHL, the American ice hockey league, helped to contribute to positive results.

Lakeport, which was acquired in 2007, continued to increase its share, despite a downward trend in the market. With respect to the Alexander Keith's brand, Keith's Red expanded its presence throughout the country.

Full speed ahead

Several innovations were launched, both to broaden well known lines and to increase the brand portfolio. Launched in the second quarter 2008, Stella Artois Legere offered consumers a unique benefit by bringing to the market a refined light beer - the first of its kind within the international premium segment in Canada. Supported by sophisticated marketing promotions and campaigns, its successful launch helped to significantly increase our presence in the international premium market, taking the parent brand to new places. A non-alcoholic version of Labatt Blue was also introduced, Blue De-Alcoholized Pilsener.

We also performed regional product launches in the east of Canada and launched Keith's Traditional Lager and Stag's Head Stout in Atlantic Canada.

Bold campaigns

We launched daring advertising multimedia campaigns. In 2008, Budweiser changed its focus to the unwritten rules that all guys know and practice in a campaign titled "Rules!". Another event held in 2008 was the Bud Camp, a national program targeted to bring the Budweiser brand to life towards young people, key consumers, principally during the summer. This event has delivered excellent results like the share and preference increase of the Budweiser brand among young adults.

Labatt's leadership was also evidenced in 2008 with the award-winning Kokanee campaign in which over 600,000 consumers voted for the discontinuation of the main character of the campaigns – the Kokanee Ranger.

An event for the Alexander Keith's brand, in Canada

Hila-Ex

A great market potential

2008 was difficult for the Hila-ex division, with negative EBITDA results of R$ 124.1 million, despite obtaining an organic growth of 2.3% in the sales volume of 6.424 million hectoliters. The performance in Venezuela was the principal factor responsible for this negative result, due to some operational problems faced in the country. In other countries, such as Peru and Ecuador, performance was good, reversing past trends and resumed market share gains.

We reinforced our commitment to the region and continued to build our business. Our focus in the division is beer, where volumes and market share (with the exception of Venezuela) are rising. We are focused on reducing fixed costs and in consolidating our growth drivers, such as building strong brands, revenue management and strict financial discipline.

Innovations in 2008

We work our brands, focusing on the local consumer. We launched beers and new packages in all the countries, such as: Zenda, in Peru and in Ecuador; Brahma Extra Light and Zulia in Venezuela; and Brahma Ice, produced in Guatemala and exported to the Dominican Republic, where the packaging with a thermo-sensitive label for Brahma Light was also launched.

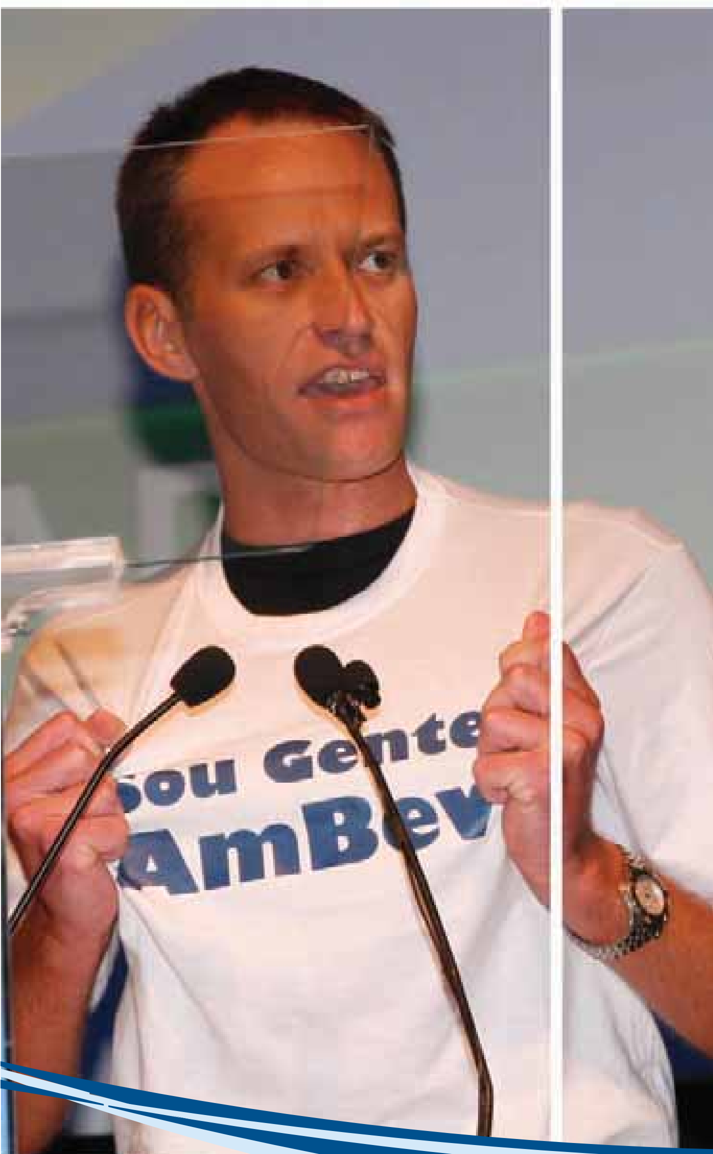
Marketing actions

Our main brands in the Dominican Republic, Brahma and Brahma Light, were the focus of the communication campaigns, which resulted in the growth of market share in 2008 compared to 2007. We worked with an optimistic tone for Brahma, inviting all Dominicans to begin the year with enthusiasm and effort, in order to achieve their objectives. During 2008, Brahma Light continued to work with the attributes of innovation and modernity, as well as launching the bottle with a thermo-sensitive label. We also launched the first ice beer in the market - Brahma Ice – in a unique and innovative bottle, which was an immediate success.

In Peru and Ecuador, the launch of the Zenda beer brand – with a more intense and full bodied taste – was accompanied by a large investment in campaigns, based on the disclosure of the excellence of AmBev and the quality of its brew masters. Results led to an increase in the brand's market share by 2% in both countries. The advertising campaigns for the brand used celebrities, who were very well received by the consumers. In Peru, Brahma also continued to grow as a result of the innovative and high-quality campaigns performed in 2007.

In Venezuela, we launched two new brands, following market trends. First, we introduced Brahma Extra Light, a light beer. The success of the launch of the limited edition of the original can of Zulia beer – which was 84 years old but had been out of the market for 20 years – encouraged us to resume the mass production of the brand.

A Brahma advertising campaign held in Ecuador



People who make the difference

Sharp talent and creativity when faced with challenges

During 2008, where we faced an unfavorable external scenario, AmBev's 39,300 employees made the difference. During this period, we promoted 40% of our people who were ready to take on new challenges. Our engagement index increased by 6% during 2008 and reached an excellent level of 73.4%.

In 2009, we will continue to invest to attract and retain the best people, to develop their talents and compensate them accordingly. AmBev people are our biggest asset. It is our culture that gives us the energy, commitment and alignment with the objectives of the Company.

Culture

Our culture is the way in which AmBev people make things happen. It differentiates us and shows who we are. It is a combination of our beliefs, practices and management principles. It guides our actions and our ethical behavior, with the highest standards of integrity and commitment with the safety of our people and the quality of our products.

Values

– A great and challenging dream motivates everyone. We want to be the best and most profitable beer Company in a better world.

– Excellent people, allowed to grow at the pace of their talent and compensated accordingly, are the most valuable assets of our Company.

– Our leaders must select people with potential to be better than themselves. We judge our leaders by the quality of their teams.

– We are never completely satisfied with our results. Zero tolerance helps to guarantee a lasting competitive advantage.

– Our focus on results makes us dedicate time and energy to what is essential to our business. Results are the fuel of our Company.

– We are a Company of owners who take results personally.

– We believe common sense and simplicity are better guides than sophistication and complexity.

– We manage our costs tightly to free up resources that will support our growth in the market.

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

– We do not take shortcuts. Integrity, hard work and consistency are the keys to building our Company.

How to join our team

We have three strategic programs to attract talent: trainee, talents and interns. Through these programs, we identify, attract and develop the best people who, in the future, will occupy leadership positions within the Company. During the process, our executive officers participate directly in the selection of the candidates and their training, evaluating each program. In 2008, the trainee program selected 19 young people who began their training in 2009; the talent program recruited 51 candidates with a high development potential and a solid background in specific areas; and the intern program gave an opportunity to over 300 university students, with up to a year and a half years of experience.

How to grow in the Company

Our business model allows each person to grow within his or her own position, in other positions or even in different areas. By means of periodical evaluations, employees know what is expected of them and the path to follow. Our policy stimulates growth by merit. The management of the training and internal and external courses is performed by the AmBev University, which received an investment of R$15.7 million in 2008.

Salaries and profit sharing

Our compensation policy is based on meritocracy, including payment of fixed salaries based on annual market research and variable compensation, which occurs on two levels. The operational employees participate in a program of profits and results while the remaining employees, starting at the supervisor level, are part of our variable compensation program in which the amount of the bonus to be paid is tied to the achievement of the individual and collective targets for each business unit. We also grant to a Stock Option Program to senior managers and senior leaders.

Benefits

Our policy of benefits is comprised of medical and dental plans, which include dependents, an optional private pension plan, reimbursement of expenses for the purchase of school items for employees and children of employees who are studying, Christmas gifts and toys for the employee's children.

Preparing for the future

During 2008, the AmBev University held 70 programs and 229 courses, involving 25,000 company employees. The courses are divided into five themes to cover a broad range of training and skills: leadership, operational excellence, management, culture and market orientation.

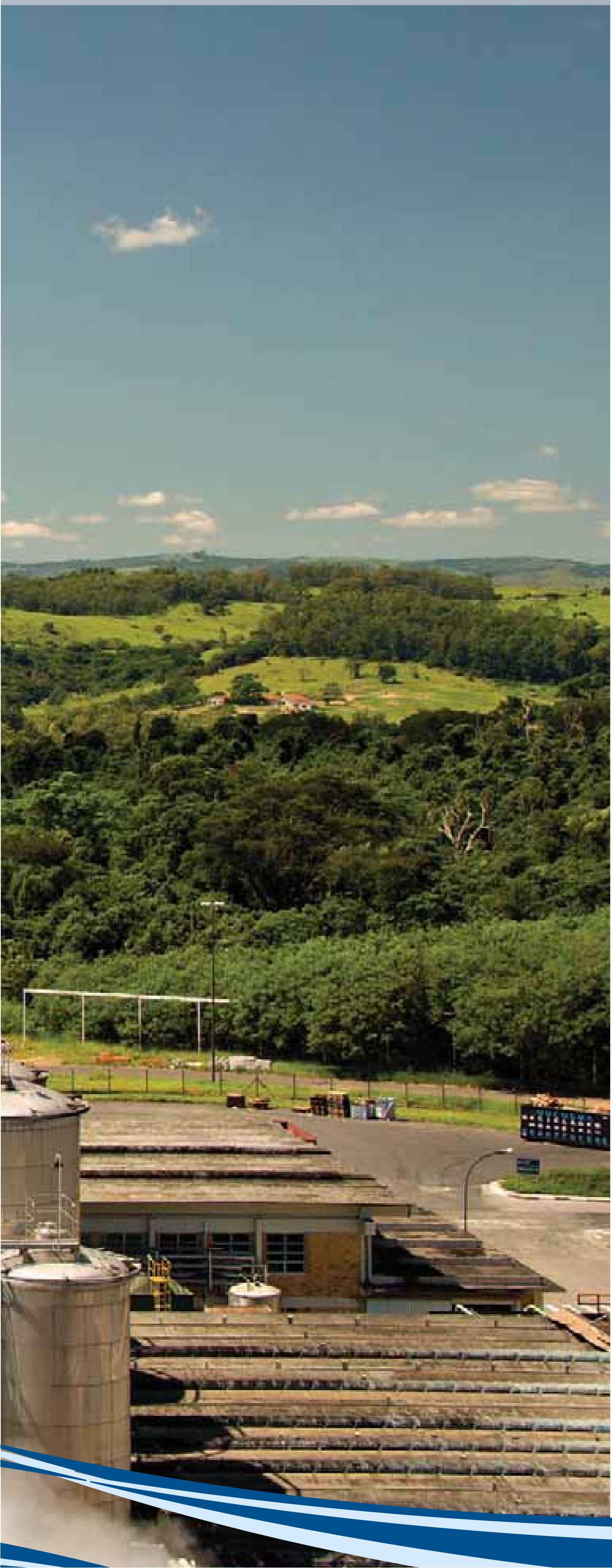
In the operational excellence theme, we developed a new program for the preparation of managers to leadership positions. Created in 2007, its scope was broadened in 2008. In the management theme, the news are the white and yellow belt programs, which are based on the Six Sigma methodology to broaden analytical capacity and the achievement of results. Employees also have reimbursement of up to 70% of the monthly cost of graduation and post-graduation courses, with no defined limit, among other benefits.

Quality of life

The Vida Legal program, sponsored by the Antônio and Helena Zerrenner Foundation (FAHZ), was revised in 2008. New preventive programs for illnesses were added to protect not only the employees but also their families. The Mais Vida Legal magazine is sent directly employees' homes so that family members can also read it. The revised content includes new programs such as dental and women's health.

The AmBev University promotes organizational apprenticeship related to the company's culture, values and business strategy.

Factory in Jaguariúna (SP), Brazil



A better world

Present actions determine where we want to be and where we aspire to be in the future

Our dream is for AmBev to become the best beer company in the world in a better world. And we have a plan to achieve this. Our ambition is to build a company sustainable in the long term, with a legacy to be proud of, for AmBev people, our stakeholders, our consumers and, above all, for the society in which and for which we perform our operations. We are responsible for protecting our heritage of 150 years and ensuring that it continues growing today and in the future.

For us, a better world is based on three pillars: to generate economic value for all our shareholders directly and to society through the rigorous payment of all taxes; to generate social values, through the development and promotion of our people and the promotion of responsible drinking of our products; and to generate environmental value, through improving our performance in relation to the environment, both in industrial and commercial operations. All these are linked to our principal business strategies.

Generating economic value

With operations in 14 countries, AmBev has a far reaching economic impact, through the generation of jobs, the payment of salaries and taxes, as well as the investments made in the communities in which we operate. These contributions are the foundation of what we can do for society. Only a company with an excellent and competitive management can guarantee the permanent generation and growth of economic value throughout its productive chain.

Generating social values

Capability and development of our people

We believe in the talent of our people and in their capability to disseminate the AmBev culture and overcome challenges. We hire, train and develop excellent staff, offering opportunities for personal and professional growth as recognition of their performance. We believe that trained and motivated people make the difference inside and outside the Company. Our people convey excellence in all the activities that they undertake, positively influencing those around them.

Promoting responsible drinking

As leaders in the beer industry, we recognize our responsibilities with the awareness of the consumption of alcoholic drinks. We are pioneers in Brazil and follow the premises of the World Health Organization (WHO), which considers the industry as part of the solution for the problem of abusive consumption and defines two pillars of action:

– Awareness of the risks of drinking and driving.

– Compliance with the laws that prohibit the sale of alcoholic drinks to minors.

Highlights:

Our brands are the principal spokespersons for responsible drinking for our consumers. Their efforts include awareness communication and displays at events. In 2008, the Skol brand pioneered by airing the film "Designated Driver", which amusingly and efficiently presented a message of responsible drinking.

During the 2008 Carnival, we promoted initiatives of responsible drinking in all the events sponsored by our brands, alerting people of the risks of drinking and driving. The company also gave approximately eight thousand breathalyzers to the states of Rio de Janeiro, Goiás, Bahia, Ceará and the Federal District, of which six thousand went to the Federal Highway Police of the Federal District, which distributed them to other States. Since the start of the campaign of responsible drinking, in 2001, 58,000 breathalyzers have been given to governmental bodies.

At the Skol Beats event, which took place in São Paulo and attracted approximately 16,000 people, we encouraged the use of public transport: the public received, together with the entrance ticket, a return ticket for the subway and the right to a free bus ride from and to the Tietê and Barra Funda stations. A van service home was also made available as well as easy access to taxis.

During the "Saideira do Boteco Bohemia" event, a competition for appetizers held in São Paulo, Brasília, Porto Alegre and Curitiba, the company made available vouchers, which provided a free taxi service in order that the public could return home safely.

In 2008, we also increased the "Bar de Responsa" campaign, designed to promote the responsible sale of our beers, which was advertised in the Federal District.

In the Dominican Republic, we produced cards and flyers with respect to the theme for distribution to the owners of the points of sale.

In 2008, we promoted the Gente do Bem (Good People) event in Venezuela. The entire local operation opened its doors to partners and guests. The action, which dealt with the topic of drinking x driving, included a blitz in universities and nightclubs. In Peru, we promoted an outdoor media campaign with respect to the risks of drinking and driving.

SE BEBER, NÃO DIRIJA.
é mais divertido ir e voltar
AmBev

MOTORISTA DA RODADA

Generating environmental value

In 2008, the environmental management system already applied in AmBev was adopted globally by Anheuser-Busch InBev, as a base for the management model to be implemented worldwide beginning 2009.

The sustainability of our business and the environment go hand in hand. In practice this means being as efficient as possible in the use of natural resources, especially water, in the recycling of byproducts and waste, and sharing with society the challenges of climate change, reducing our greenhouse gas emission. In 2008, we made significant progress, not only in achieving environmental objectives, but also in the incorporation of the environmental processes within the Company.

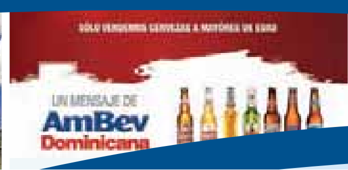
Highlights:

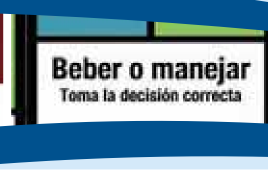
In the last 6 years, we have reduced the rate of water consumption by 23%, from 5.36 (2002) liters of water for each liter of drink produced to 4.11 (2008). The best results were obtained in the plants at Brasília with 3.18 Hl/Hl, and Curitiba, with 3.28 Hl/Hl. This reduction in a year is equivalent to a volume of 815 million liters of water, which is sufficient to supply a population of 150,000 for a month. The savings in water and effluents treatment arising from the reduction in the rate of consumption in the plants was R$ 6.6 million.

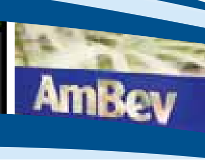
In addition to the control of raw materials used in production, we constantly seek to reduce the generation of solid waste in our processes, by promoting its recuperation, re-use, recycling and use as compost. The percentage of recycled industrial waste was 98.2% in 2008, which was sold, not only increasing the revenue of the Company but also generating income for other productive chains. In 2008, the revenue from the sale of byproducts was R$ 72.6 million.

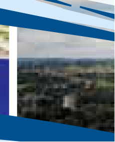
With the goal of stimulating the re-use of solid waste, we run the solid waste recycling program in partnership with the NGO Reciclotéca – maintained by AmBev – and with the Compromisso Empresarial para a Reciclagem (Cempre) (Business Commitment to Recycling). Between September 2007 and September 2008, the 16 participating cooperatives collected over 2,500 tons of recyclable materials, including PET, aluminum, cardboard, plastic and glass.

Today, 29% of AmBev's calorific energy comes from biomass fuel, which is used in eight plants. In the last five years, we have increased tenfold the use of renewable sources of energy. In the same period, the Company has reduced by 27% the rate of greenhouse gas emission, the equivalent of planting 1.1 million trees.









Awards and recognitions

In 2008, AmBev was recognized and awarded in several areas in which it operates with excellence. Some highlights:

– Guia Você/SA Exame 2008 – The Best Companies to Work for.
Listed among the 150 top companies to work for in Brazil, we were ranked the 1st place in the food, drinks and smoking category and the only company to be recognized as the best in two of the seven award categories: distinction in LEADERSHIP and distinction in DEVELOPMENT. Furthermore, the magazine pointed out several positive aspects of the company such as the "good life" program, the people cycle and the AmBev University.

– Revista Época GPTW – The Best Companies to Work for.
We achieved 47th position in the ranking performed by Revista Época in partnership with institutions such as the Innovation Forum of the Getúlio Vargas Foundation (FGV-EAESP), FNQ – National Foundation of Quality and Great Place to Work. The ranking selected the companies with the greatest distinction in people management in 2008.

– The most admired companies – Carta Capital magazine.
1st place in the alcoholic drinks category in a ranking based on surveys of the principal executives of the companies in the market.

– DCI Award – Most Admired Companies of Brazil
1st place in the drinks category for the fifth consecutive year, for the award provided by the newspaper DCI – Diário Comércio Indústria & Serviços. Businessmen, executives and economists were asked to indicate which companies they most admired.

– Valor Carreira – The Best in People Management.
3rd place among the companies with over 10,000 employees in the ranking published in the Hewitt/Valor survey, in the Valor Carreira magazine, distributed to all subscription holders of the Valor Econômico newspaper. The initiative recognized the best companies in people management, which distinguished AmBev from other organizations by implementing and executing practices that sustained business strategies and developed a strong team engagement.

– 6th Environmental Benchmark Program.
We ranked 23rd place with our solid waste project realized by Mais Projetos, a company specializing in social-environmental management and development, which rewards projects of social-environmental excellence. Mais Projetos developed an exclusive methodology to identify and share the best practices and the best models of social-environmental management and, therefore, to promote its continuous improvement in Brazilian institutions.

– Época Climatic Change Award.
We ranked among the top 20 in the first edition of the award, promoted by the magazine Época involving the largest companies in Brazil, highlighting how they perceive climatic changes.

– 4th Fiesp Award for the Conservation and Re-use of Water
2nd place in the award granted by the Federation of Industries of the State of São Paulo to recognize companies that use good practices in the promotion of the efficient use of water, with effective measures in the reduction of consumption and the waste of water.

– Action for Water Award 2008
1st place in the re-use of water category for the sustainable use of water projects in our Jaguariúna plant. This was the 5th edition of the award, organized by the Committee of the Basins of the Rivers Capivari, Piracicaba and Jundiaí, the first of its type established in Brazil.

– 5th Edition of the Environmental Seal/municipality of Guarulhos
We received the environmental seal in the friendly company of the environment category, from the municipality of Guarulhos, in the State of São Paulo, in the 5th edition of the environmental seal, with the projects: area of release and monitoring of wild animals (ASM AmBev) – management model shared between the Company and the Guarulhos zoo – and the environmental education in the area of freeing and monitoring wild life in AmBev (ASM AmBev). The seal recognizes the work of those who defend and preserve the environment and make others aware with respect to the care that needs to be taken for the preservation of the biodiversity that still exists in Guarulhos.

– Award from the Ministry of Housing, Construction and Sanitation/Peru.
We were recognized for our good practices in the use of water and the treatment of waste at the Huachipa plant, in Peru.

– Regional Award for the Cleanest Production
1st place in the environmental management system category, awarded to the Hato Nuevo plant, in the Dominican Republic, by the Centro-American Commission of the Environment and development. We also received a special mention in the materials category.


Delivery ceremony of the Action for Water Award 2008

We adopt the highest standards of integrity
in the conduct of our business

Corporate governance

We seek transparency in our relationships

A constant evolution characterizes our business conduct. Accordingly, we have a Board of Directors with nine members which determine the general strategic direction of the Company.

The directors are responsible for the nomination of the executive officers and for guaranteeing that the values, ethics and culture of AmBev are practiced and disseminated among our people. All directors are Company shareholders, and none of them hold an executive position in order to guarantee greater independence and autonomy among the principal governance bodies. The directors are elected at the shareholders' general meetings for three years terms, with re-election being permitted.

AmBev´s control group is comprised of two entities, which together hold 90.6% of the voting shares and 71.1% of the Company's total shares: Anheuser-Busch InBev and FAHZ. The shareholders' agreement that is in place, valid until 2019, gives FAHZ a veto right in matters related to dividends, investments, acquisitions and new debt issuance, among others.

AmBev Shareholding Structure – As of December 31st, 2008

	ON	%Outs	PN	%Outs	Total	%Outs
A-B InBev (*)	255.505.878	74,0%	123.662.962	46,0%	379.168.840	61,8%
FAHZ	57.347.878	16,6%	0	0,0%	57.347.878	9,3%
Market	32.549.118	9,4%	144.937.631	54,0%	177.486.749	28,9%
Outstanding	**345.402.874**	**100,0%**	**268.600.593**	**100,0%**	**614.003.467**	**100,0%**
Treasury	105.273		827.593		932.866	
TOTAL	**345.508.147**		**269.428.186**		**614.936.333**	
Free float Bovespa	31.024.395	9,0%	100.567.420	37,4%	131.591.815	21,4%
Free float NYSE	1.524.723	0,4%	44.370.211	16,5%	45.894.934	7,5%

(*) Anheuser-Busch InBev

Board of Directors

The Board of Directors receives support from the Operations and Finance Committee, with the objective of promoting and maintaining an ethical culture, competitiveness and the achievement of long term goals.

The Operations and Finance Committee has the purpose of assisting the Board of Directors in relation to the following matters:

– To present medium and long-term budget proposals to the Board of Directors;

– To analyze, propose and monitor AmBev's annual performance targets and the budgets needed to achieve these targets;

– To analyze and monitor the Company's financial position through analysis of its results, market developments and permanent internal and external benchmarking;

– To analyze, monitor and propose sharing of best practices;

– To analyze and monitor the performance of the Company's brands and innovation strategies;

– To analyze, monitor and propose matters involving recruiting programs, variable compensation and the dissemination of the Company's culture;

– To analyze, monitor and propose to the Board of Directors recommendations regarding legal, tax and relevant regulatory matters;

– To analyze and monitor the Company's annual investment plan;

– To analyze and monitor external growth opportunities;

– To analyze and monitor the Company's capital structure and cash flow; and

– To analyze and monitor the management of the Company's financial risks, as well as the budget and treasury policy.

Executive Officers

The executive board of officers is comprised of 11 officers, appointed for three year terms (reelection being permitted) and is responsible for presenting to the Board of Directors proposals of medium and long term planning and for the management of the Company. The executive officers are experienced professionals, who know the markets in which they operate and have been with AmBev, on average, for approximately ten years.

Fiscal Council

The members of the fiscal council are elected by the shareholders in the general shareholders' meetings, for one year, with reelection permitted. Their principal responsibilities are to inspect the acts of management, to verify compliance with their legal and statutory duties, as well as to analyze and report on the financial statements of the Company. Their independence is guaranteed by the independence of each of its members. None of the members is part of the Board of Directors or the Executive Board of Officers. One of the members is elected by the minority shareholders.

As a consequence of being listed on Bovespa and NYSE, the Company is subject, to the extent allowed by Brazilian corporate law, to the Sarbanes-Oxley Act of 2002 and to the regulations of the Securities and Exchange Commission (SEC); and for this reason, the Fiscal Council also performs the role and the responsibilities of the Audit Committee.

Code of conduct

Our Code of Conduct governs our employees' actions who commit to it by signing an adhesion term. Any violation of the code may be reported to our Ethics Committee, which is comprised of our Chief Executive Officer, our Chief Financial Officer, our Chief People and Management Officer, our General Counsel, our Corporate Affairs Executive Officer and our Internal Communications Manager.

Complaints are anonymous and can be made through our whistle blowing platform by e-mail, website or a 0800 number. Complaints are forwarded to an internal independent auditor for investigation. All the complaints are addressed within a maximum of eight weeks.

Disclosure manual

Our relationship with investors and the market has always been premised by transparency. We practice the highest standards of compliance to which all public companies are subject by regulators in Brazil and the United States.

An AmBev employee monitoring the flow meter that checks the production volume

Bovespa and NYSE

Shares as investment

Our shares are traded on the São Paulo Stock Exchange (ticker AMBV3 and AMBV4) and on the New York Stock Exchange – NYSE, as American Depositary Receipts (ADRs), under the tickers ABV and ABVc. As of December 31, 2008, our free float was 28.9% of which 21.4% was traded on Bovespa and 7.5% was traded on the NYSE.

On the Bovespa, our share price ended 2008 quoted at R$101.34 (AMBV4) and R$84.79 (AMBV3), 21.2% and 32.2% below 2007, respectively. For comparison purposes, the Bovespa index, IBOV, posted a decline of 41.2% in the same period when compared to 2007.

Total volumes traded on preferred shares (PNs) totaled R$13.3 billion, while volumes traded for common shares (ON) totaled approximately R$1.7 billion.

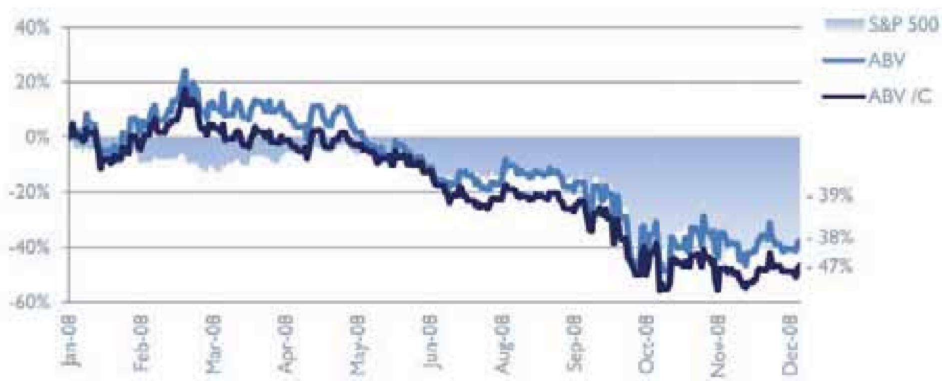
During 2008, the price of our shares in the New York Stock Exchange market declined by 37.6% and 37.9% for our preferred (ABV) and common shares (ABVc), respectively. Volumes traded were US$13.7 billion for preferred shares and US$204.3 million for common shares in the period.

Shareholders pay-out

During 2008 we paid R$2.9 billion in dividends (including interest on own capital), which represented approximately 95% of our net income reported in the period (R$3.1 billion). In addition, we returned to shareholders R$630.3 million through share buy-backs, resulting in a total pay-out for the year of R$3.5 billion.

AMBV x Bovespa

ABV x Dow Jones



A team of leaders.

In 2008

1. Victório Carlos de Marchi – Co-Chairman of the Board of Directors
2. Carlos Alves de Brito – Co-Chairman of the Board of Directors
3. Luiz Fernando Ziegler de Saint Edmond – Chief Executive Officer for Latin America
4. João Maurício Giffoni Castro Neves – Chief Executive Officer for Quinsa
5. Bernardo Paiva – Chief Executive Officer for North America
6. Ricardo Tadeu Almeida Cabral de Soares – Sales Executive Officer
7. Carlos Eduardo Klutzenschell Lisboa – Marketing Executive Officer
8. Graham David Staley – Chief Financial Officer and Investor Relations Officer
9. Milton Seligman – Corporate Affairs Executive Officer
10. Michel Dimitrios Doukeris – Soft Drinks Executive Officer
11. Nicolás Ernesto Bamberg – Industrial Executive Officer
12. Pedro de Abreu Mariani – General Counsel
13. Olivier Lambrecht – People and Management Executive Officer
14. Ricardo Manuel Frangatos Pires Moreira – Executive Officer for HILA-ex
15. Rodrigo Figueiredo – Supply Executive Officer
16. Renato Nahas – IT and Shared Services Executive Officer

In 2009

1. João Maurício Giffoni de Castro Neves – Chief Executive Officer
2. Bernardo Paiva – Chief Executive Officer for Quinsa
3. Marcio Fróes Torres – President of Labatt
4. Ricardo Tadeu de Almeida Cabral Soares – Sales Executive Officer
5. Carlos Eduardo Klutzenschell Lisboa – Marketing Executive Officer
6. Nelson José Jamel – Chief Financial Officer and Investor Relations Officer
7. Milton Seligman – Corporate Affairs Executive Officer
8. Michel Dimitrios Doukeris – Soft Drinks Executive Officer
9. Nicolas Ernesto Bamberg – Industrial Executive Officer
10. Pedro de Abreu Mariani – General Counsel
11. Olivier Lambrecht – People and Management Executive Officer
12. Ricardo Manuel Frangatos Pires Moreira – Executive Officer for HILA-ex
13. Rodrigo Figueiredo de Souza – Supply Executive Officer
14. Renato Nahas – IT and Shared Services Executive Officer

Board of Directors

Co-Chairmen

Victório Carlos de Marchi

Carlos Alves de Brito

Board Members

Marcel Herrmann Telles

José Heitor Attilio Gracioso

Roberto Herbster Gusmão

Luis Felipe Pedreira Dutra Leite

Vicente Falconi Campos

Roberto Moses Thompson Motta

Luiz Fernando Ziegler de Saint Edmond

Fiscal Committee

Members

Celso Clemente Giacometti

Álvaro Antônio Cardoso de Souza

Aloísio Macário Ferreira de Souza

Alternate Members

Ary Waddington

Emmanuel Sotelino Schifferle

Adair Tieppo

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Management Report

Message to Shareholders

2008 was a year of many challenges, but at the same time one in which we were able to achieve great results. While our main business Beer Brazil delivered results below expectations, Quinsa and CSD&Nanc in Brazil delivered excellent performances, and Canada had one of its best years in pricing, market share and fixed costs savings.

Consolidated EBITDA grew 4.6% in 2008 reaching R$9,006.8 million. The 3.0% growth in consolidated volumes was below our expectations. Although our revenue per hectoliter grew 4.8% in 2008, it was below inflation in the period and costs per hectoliter growth of 8.2%, resulting in a 120 bps decrease in EBITDA margin for the year.

In Brazil, the cold and rainy weather, an earlier than usual carnival, and food inflation pressure on consumer spend adversely impacted our Beer business, resulting in volume growth of just 0.2% and a 1.4% decrease in EBITDA in 2008, with a margin decline of 260 basis points. At the same time, our CSD&Nanc business delivered volume growth of 2.8% driven by the performance of our innovations, resulting in market share gains and good performances in pricing and more importantly, production costs. CSD&Nanc EBITDA grew 27.9% in the period, with a margin expansion of 660 basis points to 43.5%.

João Castro Neves, Chief Executive Officer (CEO) for Latin America, says: "2008 was a tough year for us. Our competitors were extremely aggressive with pricing. The global economic crisis will bring great challenges this year, but I am sure that the quality of our people and our brands will make a difference in 2009. We will work hard to resume our path of growth with profitability".

Despite the challenging environment in the countries where it operates, Quinsa had excellent results in the year, both for Beer and CSD&Nanc. Good industry performance together with market share gains, efficient revenue management and significant fixed cost savings, resulted in double-digit volume growth (+10.4%); a 32.8% growth in EBITDA with margin expansion of 110 bps. "The quality of our brands, our people and the excellent performance of our innovations in 2008 were key to support strong sales and premium brands growth and market share gains in the entire region" says Bernardo Paiva, Quinsa's CEO.

EBITDA for our North America business was stable in the period, despite the strong rise in production costs. Good revenue management together with an excellent year in fixed cost savings and efficiency gains supported our EBITDA and our market share gains. "We had a challenging year but thanks to our strategy of concentrating resources on focus brands, we were able to deliver market share gains without a decline in EBITDA for the first time in 11 years", says Márcio Froes, President for Labatt.

We remain committed to finding the best way to return excess cash generation to our shareholders. In 2008, we paid out R$2,931.2 million in dividends, including interest on own capital, and R$630.3 million in share buy-backs.

"2008 was below our expectations. I am confident in the strength of our brands and in the quality of our People for us to focus in growth, as we have always done. Our culture of ownership, hard work, discipline and teamwork, is our differential during difficult times", added João Castro Neves, CEO for Latin America.

Overview of Companhia de Bebidas das Américas – AmBev

With operations in 14 countries of the Americas, AmBev is the world's fifth largest brewer and the leader in Latin America. AmBev's operations consist of the production and sales of beer, soft drinks, other non-carbonated beverages and malt and are divided into three business segments:

- Brazil business unit, represented by sales of (i) beer ("Beer Brazil"); (ii) soft drinks and non-carbonated beverages (CSD&Nanc); and (iii) malt and by-products;
- Hispanic Latin America (HILA), divided in two businesses: (i) Quinsa, comprised of operations in Argentina, Bolivia, Chile, Paraguay and Uruguay, and (ii) Hila excluding Quinsa (Hila-ex), comprised of operations in El Salvador, Equator, Guatemala, Nicaragua, Peru, Dominican Republic and Venezuela; and
- North America, represented by Labatt Brewing Company Limited ("Labatt") operations, including domestic beer sales in Canada and exports to the United States ("USA").

AmBev's major brands include Skol (the fourth most consumed beer in the world), Brahma, Antarctica, Bohemia, Original, Quilmes, Labatt Blue, Brahva and Guaraná Antarctica. In addition, AmBev is PepsiCo's second largest bottling company outside of the United States. Through a franchise agreement, the Company produces, sells and distributes Pepsi products in Brazil and other Latin American countries, including Pepsi, H2OH!, Lipton Ice Tea and Gatorade.

AmBev's credit risk as a debt issuer in domestic and foreign currency is rated investment grade according to Standard and Poor's and Fitch Ratings.

Economic Environment

2008 brought many challenges to Brazil, AmBev's most important market. Consumer disposable income was pressured by food inflation, which grew at twice the rate of general inflation.

In addition, the weather pattern during the year was unusual for Brazil with more rain and lower average temperatures when compared to 2007. These factors contributed to the low organic volume growth of Beer Brazil (+0.2%) and CSD&Nanc (+2.8%).

In Canada, volumes rose 0.8%, mainly through market share gains.

In Argentina, AmBev's third largest market, we delivered another year of strong growth despite an unstable macroeconomic environment. Quinsa's volumes, with Argentina as its main business, increased organically by 11.5% for Beer and 8.7% for CSD&Nanc in 2008.

Capital Expenditures

In 2008, AmBev made capital expenditures R$2,055.4 million to increase capacity, purchase of commercial assets and started the construction of a new malt plant and a new plant in Minas Gerais, which will start operating during 2009.

Investments in Subsidiaries

In February 2008, AmBev increased its interest in Quilmes Industrial Societé Anonyme ("Quinsa"), through a voluntary public offer, to 99.56% of the voting capital and 99.26% of total capital. Total consideration paid in the offer was R$617.6 million.

In May 2008, AmBev sold the brands and the commercial assets of Cintra to Schincariol Participações e Representações S.A. for R$16.6 million and R$22.4 million, respectively.

Environment

AmBev develops its economic activities in an eco-efficient manner, recycling and removing the minimum from the nature aiming to preserve our natural resources. At the same time AmBev searches for increased competitiveness in beverage production, it uses technologies, raw materials and processes to minimize its environmental impact. Thus, the Company establishes eco-efficiency indicators which are systemically monitored. We are a reference in the rational use of water. Our Curitiba (PR), Brasília (DF), Goiânia (GO) and Camaçari (BA) units stood out for using 3.18, 3.28, 3.44 and 3.45 liters of water, respectively, for the production of one liter of beer. In the production of soft drinks, we highlight the Jundiaí (SP) and Contagem (MG) plants that used 1.65 and 1.75 liters of water for the production of 1 liter of soft drinks, respectively. The savings from the reduction in water consumption in 2008 could supply a population of 150,000 inhabitants for one month.

Due to projects in developing alternative energy sources, 34% of our heat energy usage came from renewable sources. The CDM project (Clean Development Mechanism), developed in one of our plants, was the first in the Brazilian beverage industry to be certified by UNFCC (United Nations Framework Climate Change). Two other CDM projects were already approved by the Brazilian government.

Among the initiatives aimed at energy efficiency in the productive cycle, the Company carried out the "Energy Saving Day", a campaign aimed to identify and eliminate energy loss in the factories. This program generated R$3.0 million in savings in the year and decreased CO_2 emissions equivalent to 6,000 tons CO_2.

We sponsor one of the largest Recycling Centers in Latin America and reuse more than 98% of our industrial residues as by-products, which generated revenue in 2008 of R$72.6 million in our operations in Brazil and in HILA-Ex. We continue developing alternatives to add value to our residues as a strategy to add environmental benefits (with the reduction in wasted residues) and economic benefits (with the sale of by-products). In 2008, in some plants, we adopted a process to use of the sludge generated as a waste at the ETEIs (Industrial Effluents Treatment Stations) as biomass to generate calorific energy.

Human Resources

AmBev ended 2008 with approximately 39.3 thousand employees: 24.6 thousand in Brazil; 3.2 thousand in Canada; 7.6 thousand in our Quinsa's countries and 3.9 thousand in HILA-Ex.

AmBev is constantly investing in the development of its human resources. In 2008, AmBev University (UA) carried out specific trainings (technical, behavioral and foreign language) for more than 20,000 employees and distributors, totaling more than 71,000 hours of training. In Brazil, employees also benefit from investments made by *Fundação Antonio e Helena Zerrenner* (FAHZ) in over 1,200 scholarships for graduation, post-graduation and technical courses.

FAHZ also sponsors the Vida Legal program, which encourages healthy habits, establishes preventive health measures and treatment for chronic diseases, providing other benefits to our employees and their dependents, mainly medical, hospital and dental plans.

Dividends and Shares

AmBev's Bylaws provide for a minimum mandatory dividend of 35% of the Company's annual net income, as set forth under Brazilian Corporate Law, including amounts paid as interest on own capital. During calendar year 2008, R$2,931.2 million in dividends were paid, including interest on own capital. This amount represents 95.8% of the net income reported for the 2008 fiscal year.

In addition, the Company returned to its shareholders R$630.3 million through its share buyback program, with a total payout of R$3,561.5 million in the year.

In 2008, nearly R$13.3 billion in preferred shares and R$1.8 billion in common shares were traded. In a year when the stock exchanges earned losses and the Bovespa index fell 34.8%, our shares were traded at R$101.34 (AMBV4) and R$84.79 (AMBV3), 21.2% and 32.2% below 2007, respectively.

Financial Highlights 2008

The following financial and operational information, unless otherwise stated, is presented on a consolidated basis and in million Reais, pursuant to the Brazilian accounting practices. All comparisons, unless otherwise stated, refer to 2007.

Our press release segregates the impact of organic changes from those arising from changes in scope or currency translation. Scopes represent the impact of acquisitions and divestitures and the start-up or termination of activities.

- AmBev's consolidated EBITDA reached R$9,006.8 million in 2008, growing 4.6% organically.
- According to ACNielsen, AmBev's market share of the Brazilian beer market in 2008 was 67.5% (2007: 67.8%). The Beer Brazil segment's volume rose 0.2%, on an organic basis, with revenue per hectoliter reaching R$151.3.
- Our CSD&Nanc operation delivered EBITDA of R$999.6 million, a 43.5% margin which represents a 27.9% organic growth in EBITDA and 660 bps in margin.
- Quinsa posted an EBITDA of R$1,552.5 million, a growth of 32.8% and a margin expansion of 110 basis points in the year, reflecting strong growth in both the beer and CSD divisions.
- HILA-Ex delivered a negative EBITDA of R$124.1 million, representing an organic loss of R$108.2 million in the quarter compared to a loss of R$20.1 million in 2007.
- Labatt contributed EBITDA of R$1,453.5 million, organically growing its margins by 0.1% in the year.

Financial Highlights – AmBev Consolidated – R$ million	YTD 07	YTD 08	% As Reported	% Organic
Total volumes	142,916.1	146,962.8	2.8%	3.0%
Beer	102,990.3	105,016.4	2.0%	2.1%
CSD and NANC	39,925.9	41,946.4	5.1%	5.1%
Net sales	19,648.2	20,899.5	6.4%	7.9%
Gross profit	13,107.4	13,735.6	4.8%	6.2%
Gross margin	66.7%	65.7%	-100 bps	-50 bps
EBITDA	8,696.5	9,006.8	3.6%	4.6%
EBITDA margin	44.3%	43.1%	-120 bps	-120 bps
Net Income	2,816.4	3,059.5	8.6%	–
Net Income excluding changes in accounting practices	2,816.4	3,407.9	21.0%	–
No. of share outstanding (millions)	615.6	614.0	-0.3%	–
EPS (R$/shares)	4.58	4.98	8.9%	–
EPS excluding changes in accounting practices	4.58	5.55	21.3%	–
EPS excluding goodwill amortization and accounting changes (R$/shares)	7.41	8.81	18.8%	–

Note: Per share calculation is based on outstanding shares (total existing shares less shares held in treasury).

Financial Highlights by Business Segment

The tables below show the consolidated financial highlights per business segment. The results presented refer to the 12 month-periods ended on December 31, 2008 and 2007.

Consolidated Brazil Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	94,607.6	(323.5)	–	809.8	95,093.9	0.5%	0.9%
Net Revenue	12,454.5	(23.9)	–	660.2	13,090.8	5.1%	5.3%
COGS	(3,902.5)	(0.1)	–	(245.6)	(4,148.2)	6.3%	6.3%
Gross Profit	8,552.0	(24.1)	–	414.6	8,942.6	4.6%	4.9%
Gross Margin	68.7%	–	–	–	68.3%	-40 bps	-20 bps
SG&A Total	(3,458.5)	(397.7)	–	(332.4)	(4,188.6)	21.1%	9.7%
EBIT	5,093.6	(421.8)	–	82.2	4,754.0	-6.7%	1.6%
EBIT Margin	40.9%	–	–	–	36.3%	-460 bps	-120 bps
EBITDA	6,014.2	(14.6)	–	125.2	6,124.8	1.8%	2.1%
EBITDA Margin	48.3%	–	–	–	46.8%	-150 bps	-120 bps

Quinsa Consolidated Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	30,524.2	–	–	3,173.6	33,697.8	10.4%	10.4%
Net Revenue	2,686.8	–	(47.4)	794.1	3,433.5	27.8%	29.6%
COGS	(1,083.1)	0.0	42.0	(315.9)	(1,356.9)	25.3%	29.2%
Gross Profit	1,603.8	0.0	(5.5)	478.2	2,076.6	29.5%	29.8%
Gross Margin	59.7%	–	–	–	60.5%	80 bps	10 bps
SG&A Total	(645.8)	(86.7)	29.2	(121.0)	(824.3)	27.6%	18.7%
EBIT	958.0	(86.7)	24.4	356.5	1,252.2	30.7%	37.2%
EBIT Margin	35.7%	0.0%	–	–	36.5%	80 bps	210 bps
EBITDA	1,155.1	0.0	19.1	378.3	1,552.5	34.4%	32.8%
EBITDA Margin	43.0%	–	–	–	45.2%	220 bps	110 bps

Hila-ex Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	6,277.8	–	–	146.3	6,424.1	2.3%	2.3%
Net Revenue	680.6	–	(27.7)	(30.3)	622.6	-8.5%	-4.5%
COGS	(395.2)	–	17.6	(51.2)	(428.8)	8.5%	13.0%
Gross Profit	285.4	–	(10.2)	(81.5)	193.7	-32.1%	-28.6%
Gross Margin	41.9%	–	–	–	31.1%	nm	nm
SG&A Total	(402.8)	–	24.5	(18.7)	(397.0)	-1.4%	4.6%
EBIT	(117.4)	–	14.3	(100.2)	(203.3)	nm	nm
EBIT Margin	-17.2%	–	–	–	-32.7%	nm	nm
EBITDA	(20.1)	–	4.2	(108.2)	(124.1)	nm	nm
EBITDA Margin	-3.0%		–	–	-19.9%	nm	nm

North America Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	11,506.6	150.4	–	90.0	11,747.0	2.1%	0.8%
Net Revenue	3,826.2	42.7	(247.8)	131.5	3,752.6	-1.9%	3.4%
COGS	(1,160.1)	(17.0)	78.5	(131.2)	(1,229.9)	6.0%	11.3%
Gross Profit	2,666.1	25.7	(169.3)	0.3	2,522.8	-5.4%	0.0%
Gross Margin	69.7%	–	–	–	67.2%	-250 bps	-230 bps
SG&A Total	(1,327.9)	(1,260.8)	(4.3)	(6.5)	(2,599.5)	95.8%	0.5%
EBIT	1,338.3	(1,235.1)	(173.6)	(6.2)	(76.7)	-105.7%	-0.5%
EBIT Margin	35.0%	–	–	–	-2.0%	-3700 bps	-130 bps
EBITDA	1,547.3	3.0	(98.8)	2.0	1,453.5	-6.1%	0.1%
EBITDA Margin	40.4%	–	–	–	38.7%	-170 bps	-130 bps

Brazilian Operations

Beer Brazil Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	70,124.5	(295.3)	–	131.7	69,960.9	-0.2%	0.2%
Net Revenue	10,158.1	(23.0)	–	450.4	10,585.5	4.2%	4.5%
COGS	(2,809.8)	0.4	–	(224.2)	(3,033.6)	8.0%	8.1%
Gross Profit	7,348.3	(22.6)	–	226.1	7,551.8	2.8%	3.1%
Gross Margin	72.3%	–	–	–	71.3%	-100 bps	-80 bps
SG&A Total	(2,881.6)	(291.6)	–	(320.1)	(3,493.3)	21.2%	11.3%
EBIT	4,466.7	(314.2)	–	(94.0)	4,058.5	-9.1%	-2.1%
EBIT Margin	44.0%	–	–	–	38.3%	-560 bps	-240 bps
EBITDA	5,166.0	(13.2)	–	(73.5)	5,079.3	-1.7%	-1.4%
EBITDA Margin	50.9%	–	–	–	48.0%	-290 bps	-260 bps

CSD&Nanc Brazil Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	24,483.1	(28.2)	–	678.1	25,132.9	2.7%	2.8%
Net Revenue	2,110.9	(0.9)	–	185.2	2,295.2	8.7%	8.8%
COGS	(976.5)	(0.5)	–	24.5	(952.5)	-2.5%	-2.5%
Gross Profit	1,134.4	(1.5)	–	209.7	1,342.7	18.4%	18.5%
Gross Margin	53.7%	–	–	–	58.5%	480 bps	480 bps
SG&A Total	(573.2)	(106.1)	–	(13.9)	(693.2)	20.9%	2.4%
EBIT	561.2	(107.5)	–	195.9	649.6	15.7%	34.8%
EBIT Margin	26.6%	–	–	–	28.3%	170 bps	650 bps
EBITDA	782.6	(1.4)	–	218.3	999.6	27.7%	27.9%
EBITDA Margin	37.1%	–	–	–	43.5%	650 bps	660 bps

Other Products Brazil Results – R$ million

	YTD 07	Scope	Currency Translation	Organic Growth	YTD 08	% As Reported	% Organic
Volume ('000 hl)	–	–	–	–	–	–	–
Net Revenue	185.5	–	–	24.6	210.1	13.3%	13.3%
COGS	(116.2)	–	–	(45.9)	(162.1)	39.5%	39.5%
Gross Profit	6 9.3	–	–	(21.2)	48.0	-30.7%	-30.7%
Gross Margin	37.3%	–	–	–	22.8%	nm	nm
SG&A Total	(3.6)	–	–	1.6	(2.1)	-43.1%	-43.1%
EBIT	65.6	–	–	(19.7)	45.9	-30.0%	-30.0%
EBIT Margin	35.4%	–	–	–	21.9%	nm	nm
EBITDA	65.6	–	–	(19.7)	45.9	-30.0%	-30.0%
EBITDA Margin	35.4%	–	–	–	21.9%	nm	nm

Analysis of Financial Performance in 2008

Net Revenues

Net revenues grew 7.9% in 2008, reaching R$20,899.5 million.

Brazil Operations

Net revenues generated by AmBev's main business unit, represented by Beer, CSD&Nanc beverages, delivered organic growth of 5.3%, reaching R$13,090.8 million. The performance of each operation is demonstrated below.

Beer

Net revenues from beer sales in Brazil increased organically by 4.5% in 2008, totaling R$10,585.5 million. Main drivers that contributed to this growth were:

- Organic beer sales volume growth of 0.2%, reflecting a slowdown in the industry due to unfavorable weather and the negative impact of food inflation on consumer disposable income.

- Organic growth of 4.2% in revenue per hectoliter, which reached R$151.3. This increase was a result of (i) a price increase in 2008; and (ii) sales expansion through AmBev's direct distribution structure.

CSD&Nanc

Net revenues generated by CSD&Nanc in 2008 grew 8.8%, reaching R$2,295.2 million. Main drivers that contributed to this growth were:

- Organic sales volume growth of 2.8%, reflecting (i) market share gains in soft drinks (2008: 17.8%; 2007: 17.2%), mainly supported by our innovations during the year; and (ii) market growth.

- An increase in revenues per hectoliter of 5.8% reaching R$91.3. This increase was positively impacted by the price repositioning implemented during 2008; and (ii) a favorable change in product mix.

Malt and By-products

Revenue from the sale of malt and by-products sales in Brazil increased by 13.3% to R$210.1 million in 2008.

Quinsa

Quinsa, the leading brewer in the Southern Cone, contributed revenues of R$3,433.5 million, a growth of 29.6%. The main reasons for the increased revenues were:

- Beer and soft drinks volume growth of 11.5% and 8.7%, respectively. When combined, volume of both products rose 10.4% on average.

- Organic growth of 17.4% in revenues per hectoliter, reaching R$101.9.

HILA-Ex

AmBev's operations in Northern Latin America, Central America and the Caribean (HILA-Ex) delivered net revenues 4.5% lower in 2008, totaling R$622.6 million. The main reason for the decrease in revenue was a 6.6% decline in revenue per hectoliter.

North America

Labatt's operations in North America contributed with R$3,752.6 million for AmBev's consolidated revenues, a 3.4% increase when comparing to 2007. This result is explained by:

- Labatt's sales volume increase of 1.1% in the Canadian market, partially offset by a 1.0% drop in exports to the United States.

- Increases in revenue per hectoliter of domestic sales and exports of 2.3% and 4.3%, respectively.

Cost of Goods Sold

AmBev's cost of goods sold in 2008 grew 11.4%, accumulating R$7,163.8 million.

Brazil

The cost of goods sold in the Brazilian business unit totaled R$4,148.2 million, an organic increase of 6.3%.

Beer

The COGS for beer operations in Brazil rose 8.1% organically, reaching R$3,033.6 million. COGS per hectoliter presented organic growth of 7.8%, amounting to R$43.4. The main factors that led to this increase were (i) increase in commodity prices for key cost inputs such as barley, corn and aluminum; (ii) inflation impact on direct labor costs, and (iii) lower absorption of fixed costs, which was partially offset by (iv) FX gains through our hedging policy.

CSD&Nanc

COGS for the CSD&Nanc segment in Brazil decreased 2.5%, reaching R$952.5 million. The COGS per hectoliter decreased 5.1%, totaling R$37.9, positively impacted by gains through our sugar and currency hedging contracts which more than offset the effects of inflation on labor costs.

Malt and By-products

Malt and by-products in Brazil saw a 39.5% increase in cost of goods sold to R$162.1 million in 2008.

Quinsa

Quinsa's COGS totaled R$1,356.9 million in 2008, representing a 29.2% increase. The main effects explaining this increase are:

- 10.4% organic volume growth, of which 11.5% in beer and 8.7% in CSD&Nanc.
- Organic increase of 17.0% in COGS/hl, of which 17.8% in beer and 16.3% in CSD&Nanc. The main reasons for this increase were (i) higher commodity prices, (ii) general inflation and higher labor costs, mainly in Argentina.

HILA-ex

The COGS in AmBev's operations in Northern Latin America saw an organic increase of 13.0%, reaching R$428.8 million. The main effect leading to this increase is higher commodity prices and a 2.3% increase in volumes sold.

North America

Labatt's cost of goods sold in 2008 was R$1,229.9 million, an 11.3% organic increase. This increase is mainly due to the high commodity prices in Canada, mainly offset by strong fixed costs savings and efficiency gains.

Gross Profit

AmBev's selling, general and administrative expenses totaled R$13,735.6 million in 2008, a 6.2% organic increase in the period.

Sales, General and Administrative Expenses (SG&A)

AmBev's SG&A expenses totaled R$8,009.4 million in 2008, an 8.3% organic increase. An analysis of expenses per business unit is provided below.

Brazil

SG&A expenses in Brazil totaled R$4,188.6 million in 2008, increasing 9.7% organically.

Beer

SG&Aexpenses reached R$3,493.3 million, presenting an organic growth of 11.3%. The main elements that resulted in higher operating expenses were:

- Growth of AmBev's direct distribution structure.
- Fixed expenses rising in line with inflation.
- Market investments to support the launch of innovations throughout the year.

CSD&Nanc

SG&A expenses for the CSD&Nanc segment totaled R$693.2 million, an organic increase of 2.4%. The main elements that generated higher operating expenses were the inflation, which was partially offset by greater efficiency in our commercial programs.

Malt and By-products

Malt and by-products operations generated SG&A expenses of R$2.1 million in 2008, a decrease of 43.1%.

Quinsa

Quinsa's SG&A expenses were R$824.3 million, increasing 18.7% organically. This increase is mostly explained by higher transportation and labor costs caused by inflation, and additional marketing spend to support the launch of innovations, partially offset by strong fixed costs savings.

HILA-ex

SG&A expenses for AmBev's operations in Northern Latin America totaled R$397.0 million, an increase of 4.6%, primarily a result of inflationary pressures, principally in Venezuela, partially offset by fixed cost savings.

North America

Labatt's SG&A expenses totaled R$2,599.5 million, remaining practically stable when compared to 2007. This was a result of the focus on fixed cost management as a way to offset the impact of higher commodity prices on our net income for the year.

Operating Result before Financial Income and Expenses, Provisions and Contingencies and Other Operating Income and Expenses

In 2008 AmBev delivered a 4.6% organic EBIT[1] growth to R$5,726.2 million. EBIT margin, or EBIT as a percentage of net revenue, reached 27.4%, a 490 basis point contraction when compared to 2007.

The Company's EBITDA[2] reached R$9,006.8 million, a 4.6% increase. Our EBITDA margin was 43.1%, a decline of 120 basis points when compared to 2007.

Contingency Provisions for Tax, Labor and Others

Net provisions for contingencies and others totaled a net expense of R$128.6 million, compared to a net expense of R$34.9 million in 2007, due to labor and tax provisions recognized in the period.

Other Operating Gains and Losses

Other operating gains and losses in 2008 represented a net gain of R$173.4 million compared to a net loss of R$1,442.8 million recorded in 2007.

The breakdown of the main items is provided below:

- Gain of R$1,252.7 million in other operating gains due to the reclassification of goodwill amortization expenses to Sales, General and Administrative Expenses in 2008, as a result of the adoption of new accounting practices as set forth by CVM as detailed in our financial statements below.
- Other operating losses of R$266.2 million as a result of the reversal of translation gains from foreign investments recorded from January through September 2008, directly to Shareholders' Equity, in accordance with the new accounting practices set forth by CVM.
- A loss of R$133.1 million related to losses from minority shareholders' interest in subsidiaries with net liabilities.

1 Earnings Before Interest and Taxes, equivalent to the operating result before financial income and expenses, provisions and contingencies, and other operating income and expenses.
2 Earnings Before Interest, Taxes, Depreciation and Amortization, equivalent to EBIT plus depreciation and amortization expense.

Financial Income

The Company's net financial result in 2008 was an expense of R$1,092.2 million, compared to an expense in 2007 of R$1,253.0 million. The table below demonstrates the main items that generated financial gains and losses in the Company's financial result:

Breakdown of Net Financial Results	YTD 08	YTD 07
Financial income		
Interest on cash and cash equivalents	105.6	95.3
Foreign exchange gains (losses) on financial assets	79.6	(52.3)
Net gains from derivative instruments	330.7	–
Interest income on stock ownership plan	5.8	7.7
Interest on taxes, contributions and judicial deposits	67.4	48.0
Fair value adjustment to Debt Instruments	134.1	–
Other	37.2	23.1
Total	**760.4**	**121.8**
Financial expense		
Interest expense on *Reais* denominated debt	713.9	340.9
Interest expense on foreign currency denominated debt	426.0	624.7
Foreign exchange (gains) losses on debt	535.0	(475.6)
Net losses from derivative instruments	–	653.4
Taxes on financial transactions	68.5	121.2
Interest on contingencies and other	28.7	64.1
Other	80.6	46.2
Total	**1,852.6**	**1,374.8**
Net Financial Result	**(1,092.2)**	**(1,253.0)**

This decrease is mainly due to the net adjustment to market value on debt instruments and the respective hedging instruments, totaling R$52.4 million, which was recorded in the fourth quarter 2008 due to the adoption of the new accounting practices as set forth by CVM. In addition, taxes on financial operations were significantly reduced with the end of the CPMF – Provisional Contribution on Financial Transfers in the beginning of 2008.

The Company's total indebtedness increased R$1,173.2 million compared to 2007, while its cash and cash equivalents increased R$816 million, highlighting the Company's strong cash generation in 2008.

As a result, there was an increase of R$357.3 million in AmBev's net debt. The Company estimates that the ratio of net debt to accumulated EBITDA over the past 12 months is 0.85x.

The table below details AmBev's consolidated debt profile:

Debt Breakdown R$ million	YTD 08 Current Term	YTD 08 Non-current Term	YTD 08 Total	YTD 07 Current Term	YTD 07 Non-current Term	YTD 07 Total
Local Currency	3,192.2	2,982.9	6,175.1	378.5	4,411.0	4,789.5
Foreign Currency	768.5	4,081.7	4,850.2	2,097.8	2,964.9	5,062.7
Consolidated Debt	**3,960.7**	**7,064.6**	**11,025.4**	**2,476.3**	**7,375.9**	**9,852.2**
Cash and Equivalents	–	–	3,298.9	–	–	2,308.2
Short-Term Investiments	–	–	0.1	–	–	174.8
Net Debt	**–**	**–**	**7,726.4**	**–**	**–**	**7,369.1**

Income Tax and Social Contribution

In 2008, income and social contribution tax expense was R$1,519.0 million, in line with the nominal tax rate of 34%. A reconciliation between the effective and nominal tax provisions is shown in the table below:

Income Tax and Social Contribution	YTD 08	YTD 07
Net income before taxes and profit sharing	4,695.6	4,545.7
Provision for Profit Sharing and Bonuses	(109.9)	(89.1)
Net income before income tax, social contribution and minorities	4,585.7	4,456.6
Income tax and social contribution at nominal tax rate (34%)	(1,559.1)	(1,515.2)
Adjustments to effective rate:		
Interest on own capital	337.4	368.6
Losses from foreign subsidiaries not subjected to tax	(30.3)	25.3
Equity gains from subsidiaries	(1.8)	1.6
Amortization of non-deductible goodwill	(477.7)	(485.7)
Exchange variations over investments	(1.3)	(81.0)
Tax incentives not subject to taxation	198.1	76.5
Permanent additions/reductions and other	15.7	17.1
Total income taxes and social contribution	(1,519.0)	(1,592.8)
Effective income tax and social contribution rate	33.1%	35.7%
InBev Brasil Incorporation Fiscal Benefit Adjustment		
Fiscal benefit for InBev Brasil incorporation	350.8	350.8
Total income taxes and social contribution excluding fiscal benefit effect	(1,168.3)	(1,242.1)
Effective income tax and social contribution rate adjusted for fiscal benefit	27.6%	30.3%

Employees and Management Profit Sharing

In 2008, expenses related to the employee and management profit sharing totaled R$109.9 million. Profit sharing is a key part of the Company's variable compensation policy, according to which more than 20,000 employees have a significant portion of their compensation tied to the achievement of performance targets.

For the first time, expenses for the stock ownership plan are included in this line, which totaled to R$47.5 million. This change is due to compliance with new CVM accounting practices.

In 2007, employee and management profit sharing totaled to R$89.1 million.

Minority Interest

Minority interest totaled to R$7.2 million compared to R$47.3 million in 2007. This decrease is mainly due to the purchase by AmBev of a minority stake in Quinsa during 2008.

Net Income

AmBev's net income was R$3,059.5 million, an 8.6% increase compared to 2007. Earnings per share was R$4.98, representing an 8.9% increase. Excluding the impact of the new accounting practices and goodwill amortization, EPS is R$8.81, an 18.8% increase.

New Accounting Pronouncements – Adoption of Law 11,638/07 and CVM Rules

The Company elected to adopt January 1, 2008 as its transition date for purposes of implementing the new accounting practices in accordance with Corporate Law as amended by Law 11,638/07 and by Provisional Measure no. 449/48. The amendments introduced by the aforementioned legislation are defined as changes in accounting practices. However, as allowed by CPC Technical Pronouncement 13 – First time adoption of Law 11,638/07, as approved by CVM Deliberation no. 565 on December 17, 2008 and by Provisional Measure no. 449/08, the adjustments which would impact net income were recorded in retained earnings at the transition date under the terms of art. 186 of Law 6,404/76, without applying to prior periods financial statements retroactively.

For more details, see Note 2.1 in our financial statements – Accounting Practices.

Below is the reconciliation of our net income for 2008 taking into consideration the first-time adoption of law 11,638/07, which shows how our income statement would have been presented if the changes in accounting practices due to new legislation had not been adopted.

	Reference	YTD 08
Net income before changes in accounting practices (Law 11,638/07)		**3,407.9**
Impairment of Long-lived assets	CPC 01	(2.0)
Cumulative translation adjustment	CPC 02	(530.9)
Deferred charges paid during the year	CPC 04	(6.5)
Sale tax incentives - ICMS	CPC 07	139.7
Sale tax incentives - IR	CPC 07	3.2
Transaction costs in connection with issuance of debt	CPC 08	15.6
Share based compensation	CPC 10	(47.5)
Fair value adjustment to financial instruments due to application of hedge accounting	CPC 14	52.4
Deferred taxes on temporary differences		27.6
Total of adjustments		**(348.4)**
Net income as reported		**3,059.5**

Reconciliation Between EBITDA and Net Income

Both EBITDA and EBIT are measures utilized by the AmBev's management to demonstrate the Company's performance.

EBITDA is calculated by excluding from Net income the following items: (i) Provision for Income Tax and Social Contribution; (ii) Provision for Profit Sharing & Bonuses; (iii) Minority Interest; (iv) Non-Operating Income (Expenses); (v) Net Financial Result; (vi) Equity income; (vii) Other Operating Income (Expenses); (viii) Provisions, Net; and (ix) Depreciation & Amortization. EBIT is EBITDA minus depreciations and amortizations.

EBITDA and EBIT are not accounting measures utilized in accounting practices in neither in Brazil nor in the United States of America (US GAAP). They do not mean the cash flow for the presented periods and should not be considered as an alternative to Net income as a measure of operational performance nor an alternative to Cash Flow as a measure of liquidity. EBITDA and EBIT does not have a standard calculation method and our definition of EBITDA and EBIT may not be comparable to other companies' definition of EBITDA and EBIT.

Reconciliation – Net Income to EBITDA	YTD 08	YTD 07
Net income	**3,059.5**	**2,816.4**
Provision for Income Tax and Social Contribution	1,519.0	1,592.8
Provision for Profit Sharing and Bonuses	109.9	89.1
Minority Interest	7.2	47.3
Income Before Taxes	**4,695.6**	**4,545.7**
Net Financial Results	1,092.2	1,253.0
Equity on earnings of investees	(16.9)	(3.9)
Other Operating Income (Expenses), Net	(173.4)	1,442.8
Provisions for Contingencies	128.6	34.9
EBIT	**5,726.2**	**7,272.5**
Depreciation and Amortization	3,280.6	1,424.0
EBITDA	**9,006.8**	**8,696.5**

Relationship with Independent Auditors

Our policy in relation to our independent auditors when providing services not connected with external audit is based on the principles that preserve the auditor's independence.

These principles are defined as follows:

(a) The auditor must not audit his/her own work;

(b) The auditor must not perform managerial functions; and

(c) The auditor must not advocate the interests of clients.

We have adopted pre-approval policies and procedures under which all audit and non-audit services provided by independent auditors contracted by AmBev and its subsidiaries must be pre-cleared by the Conselho Fiscal (Fiscal Council), which performs the duties of an audit committee for the purposes of the Sarbanes-Oxley Act of 2002, in accordance with Rule 10A-3(c). The Conselho Fiscal adopts a list of services and amount limits for contracting for each independent auditor under terms included in a Basic List, which is in turn approved by our Board of Directors. Any services provided from such List are deemed "pre-approved" for purposes of the Sarbanes-Oxley Act of 2002. On a quarterly basis, the Board of Directors and the Conselho Fiscal will receive from the Chief Financial Officer a summary report on the progress of the pre-approved services rendered and the corresponding fees duly authorized. Any services which are not included in the Basic List require a prior favorable opinion of the Conselho Fiscal and the approval of the Board of Directors. Our policy also contains a list of services which cannot be rendered by our external auditors. This policy is annually revised by the Board of Directors, at the suggestion of the Conselho Fiscal.

"Financial information on Companhia de Bebidas das Américas – AmBev presented herein are in compliance with the criteria of the Brazilian corporate legislation, from the financial information audited. Non-financial information, such as other operating information, were not audited by independent auditors".

Independent Auditor's Report

(a free translation from the original in Portuguese)

To
The Board of Directors and Shareholders of Companhia de Bebidas das Américas - AmBev
São Paulo - SP

1 We have examined the balance sheet of Companhia de Bebidas das Américas - AmBev and the consolidated balance sheet of the Company and its subsidiaries ("the Company") as of December 31, 2008, and the related statements of income, changes in shareholders' equity, cash flows and added value for the year then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.

2 Our examination was conducted in accordance with auditing standards generally accepted in Brazil and included: (a) planning of the audit work, considering the materiality of the balances, the volume of transactions and the accounting systems and internal accounting controls of the Company and its subsidiaries; (b) verification, on a test basis, of the evidence and records which support the amounts and accounting information disclosed; and (c) evaluation of the most significant accounting policies and estimates adopted by Company's management and its subsidiaries, as well as the presentation of the financial statements taken as a whole.

3 In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Companhia de Bebidas das Américas - AmBev and the consolidated financial position of the Company and its subsidiaries as of December 31, 2008, and the result of operations, the changes in shareholders' equity, cash flows and added value for the year then ended, in accordance with accounting practices adopted in Brazil.

4 Previously, we have examined the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2007, including the balance sheet, statements of income, changes in shareholders' equity, changes in financial position and the supplementary information on cash flows, and issued an unqualified opinion, dated February 22, 2008. As mentioned in the explanatory note 2, the accounting practices adopted in Brazil changed as from January 1st, 2008. The financial statements for the year ended December 31, 2007, presented together with the financial statements as of December 31, 2008, were prepared in accordance with accounting practices adopted in Brazil until December 31, 2007 and, as permitted by the Technical Pronouncement CPC 13 - Law 11.638/07 first adoption and Provisional Measure 449/08, are not being restated for comparative purposes.

March 3, 2009

KPMG Auditores Independentes
CRC 2SP014428/O-6

Pedro Augusto de Melo
Contador CRC 1SP113939/O-8

Guilherme Nunes
Contador CRC 1SP195631/O-1

KPMG

Opinion of the "Conselho Fiscal"

The "Conselho Fiscal" of Companhia de Bebidas das Américas – AmBev ("Company"), pursuant to its responsibilities set forth in the Company's By-laws, in its Charter and in Article 163 of Law No. 6,404/76, examined: (i) the unqualified report issued by KPMG AUDITORES INDEPENDENTES, and (ii) the Company's performance report presented by its Investor Relations Manager, with the presence of the Chief Financial Officer and Investor Relations Officer. Based on the documents submitted for review and on the clarifications presented, the undersigned members of the "Conselho Fiscal" recommended the approval of the Annual Report and the Financial Statements for the fiscal year ended December 31, 2008 at the Shareholders' Meeting of the Company.

São Paulo, March 3, 2009.

Álvaro Antônio Cardoso de Souza

Celso Clemente Giacometti

Aloisio Macário Ferreira de Souza

Emanuel Sotelino Schifferle
(Alternate Member)

Ary Waddington
(Alternate Member)

Ernesto Rubens Gelbcke
(Alternate Member)

Companhia de Bebidas das Américas - Ambev
Consolidated Balance Sheet Ended in December 31, 2008 and 2007
(in Millions of Brazilian reais)

	Parent Company		Consolidated	
ASSET	2008	2007	2008	2007
Current assets				
Cash and cash equivalents	827.8	920.8	3,298.9	2,308.2
Securities	–	–	0.1	174.8
Clients	746.8	952.8	1,629.0	1,623.1
Inventories				
Finished goods	160.7	158.1	457.0	362.6
Work in progress	60.6	56.4	116.1	87.2
Raw materials	296.4	214.1	896.8	660.8
Production materials	128.5	110.6	350.5	236.6
Warehouse and other supplies	73.4	66.8	175.5	138.3
Provisions for losses	(0.6)	(1.1)	(13.0)	(27.7)
	719.0	604.9	1,982.9	1,457.8
Recoverable Taxes (nota 3-a)	356.1	514.1	725.4	739.3
Unrealized profit from derivative	356.5	–	612.5	–
Dividends and/or interest attributed to shareholders' equity	8.0	106.4	–	–
Deferred income and social contribution taxes	806.4	535.9	945.4	649.7
Prepaid expenses	296.9	273.8	376.4	331.6
Deferred income from financial instruments	–	96.4	–	126.4
Other assets	87.6	96.1	276.4	469.5
Total Current assets	**4,205.1**	**4,101.2**	**9,847.0**	**7,880.4**
Non-current assets				
Long-term assets				
Credits with related parties (nota 4)	303.9	940.3	–	0.7
Judicial deposits and tax incentives	322.8	281.7	423.9	405.6
Advances to employees for purchase of shares	26.9	41.3	27.1	41.6
Financial investments	–	–	317.4	240.6
Deferred income and social contribution taxes (nota 14-c)	2,060.1	2,335.3	2,681.4	3,036.8
Assets held for sale	64.2	68.2	68.3	103.0
Prepaid expenses	87.3	121.6	96.0	123.3
Assets surplus – Instituto AmBev	19.9	18.5	19.9	18.5
Recoverable taxes	297.0	184.6	340.4	207.3
Deferred income from financial instruments	–	–	–	145.2
Unrealized profit from derivative	–	–	326.6	–
Other assets	17.4	4.3	49.9	24.8
TOTAL LONG-TERM ASSETS	**3,199.5**	**3,995.8**	**4,350.9**	**4,347.4**
PERMANENT				
Investments				
Interest in direct and indirect associated companies including goodwill and negative goodwill, net	20,009.4	17,336.1	(1.4)	15,002.5
Other Investments	15.7	15.9	20.7	40.4
	20,025.1	**17,352.0**	**19.3**	**15,042.9**
Property, plant and equipment	2,623.9	2,606.9	6,882.8	5,593.3
Intangible Assets	2,730.5	328.5	16,170.1	388.2
Deferred charges	–	2,177.1	–	2,223.6
PERMANENT ASSETS	**25,379.5**	**22,464.5**	**23,072.2**	**23,248.0**
NON-CURRENT ASSETS	**28,579.0**	**26,460.3**	**27,423.1**	**27,595.4**
TOTAL ASSETS	**32,784.1**	**30,561.5**	**37,270.1**	**35,475.8**

The accompanying notes are an integral part of the financial statements.

Companhia de Bebidas das Américas - Ambev
Consolidated Balance Sheet Ended in December 31, 2008 and 2007
(in Millions of Brazilian reais)

	Parent Company		Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY	2008	2007	2008	2007
CURRENT LIABILITIES				
Suppliers	1,026.8	1,083.6	2,850.2	2,129.1
Loans and financings	2,337.6	1,201.2	3,074.2	2,420.8
Debentures	886.5	55.5	886.5	55.5
Payroll, profit sharing and related charges	88.4	199.3	324.1	402.4
Dividends payable	283.1	33.6	299.7	36.4
Income tax and social contribution	0.1	303.9	332.8	720.9
Other taxes, charges and contributions payable	762.3	751.4	1,557.7	1,261.0
Debts with related parties	3,085.9	1,212.5	5.9	8.5
Unrealized loss on derivatives	–	546.7	522.2	709.3
Accounts payable - marketing	230.7	170.2	240.4	181.2
Provision for restructuring	–	–	11.5	25.4
Contingences	57.9	73.1	62.8	106.0
Others	131.3	153.9	511.3	535.6
TOTAL CURRENT LIABILITIES	8,890.6	5,784.9	10,679.3	8,592.1
NON-CURRENT LIABILITIES				
LONG-TERM LIABILITIES				
Loans and financings	2,798.0	2,633.5	5,817.4	5,310.8
Debentures	1,247.3	2,065.1	1,247.3	2,065.1
Sales tax deferrals	381.0	450.2	583.0	617.4
Provisions				
for contingencies	358.2	313.5	732.5	702.4
Debts with related parties	1,144.2	1,375.6	–	–
Provision for benefits medical assistance/other	108.2	97.4	167.9	224.2
Deferred income and social contribution taxes	155.7	18.6	398.0	131.5
Unsecured liabilities - subsidiaries	247.2	244.0	–	–
Net income - operational difference of debt swap	–	–	–	–
Other liabilities	175.6	0.5	230.3	68.6
TOTAL LONG-TERM LIABILITIES	6,615.4	7,198.4	9,176.4	9,120.0
Deferred income	–	158.3	–	156.5
TOTAL NON-CURRENT LIABILITIES	6,615.4	7,356.7	9,176.4	9,276.5
Minority interests	–	–	136.3	187.3
SHAREHOLDERS' EQUITY				
Subscribed paid-in capital	6,602.0	6,105.2	6,602.0	6,105.2
Capital reserve	7,962.4	9,952.6	7,962.4	9,952.6
Profit reserves				
Legal	208.8	208.8	208.8	208.8
Statutory	1,904.5	2,312.2	1,904.5	2,312.2
Adjustments to assets valuation	709.7	–	709.7	–
Treasury shares	(109.3)	(1,158.9)	(109.3)	(1,158.9)
	17,278.1	17,419.9	17,278.1	17,419.9
TOTAL SHAREHOLDERS' EQUITY	32,784.1	30,561.5	37,270.1	35,475.8

The accompanying notes are an integral part of the financial statements.

Companhia de Bebidas das Américas – Ambev
Income Statement (in Millions of Brazilian Reais)
Ended in December 31, 2008 and 2007

(Expressas em milhões de reais – except for net income per thousand shares of capital stock)

	Parent Company		Consolidated	
	2008	2007	2008	2007
Receita Bruta				
Gross sales and/or services	25,308.4	25,433.9	39,704.6	37,016.2
Gross sales deductions	(14,094.3)	(13,722.9)	(18,805.2)	(17,368.0)
Net sales and/or services	11,214.1	11,711.0	20,899.4	19,648.2
Cost of sales and/or services	(4,386.3)	(4,213.7)	(7,163.8)	(6,540.8)
Gross Profit	**6,827.8**	**7,497.3**	**13,735.6**	**13,107.4**
Operating Expenses/Income				
Selling	(2,043.3)	(1,985.7)	(4,414.2)	(4,102.4)
Administrative expenses	(515.3)	(438.8)	(801.5)	(770.2)
Tax, labor and other contingencies	(110.5)	3.2	(128.6)	(34.9)
Management fees	(17.1)	(13.5)	(17.1)	(13.5)
Depreciation, amortization and exhaustions	(953.3)	(727.2)	(2,776.7)	(948.8)
Financial income	618.0	281.3	760.4	121.8
Financial expenses	(2,632.3)	(1,058.1)	(1,852.6)	(1,374.8)
Equity accounting result	2,116.9	(139.2)	16.9	3.9
Other operating income/expenses, net	213.5	42.9	173.4	(1,442.8)
	(3,323.4)	(4,035.1)	(9,040.0)	(8,561.7)
Operating Income	**3,504.4**	**3,462.2**	**4,695.6**	**4,545.7**
Income Before Taxes/Profit Sharing	**3,504.4**	**3,462.2**	**4,695.6**	**4,545.7**
Provision for Income and social contribution taxes	(391.9)	(94.7)	(1,458.6)	(963.6)
Deferred income tax	(15.7)	(520.2)	(60.4)	(629.3)
Income Before Statutory Profit Sharing/Contributions	**3,096.8**	**2,847.3**	**3,176.6**	**2,952.8**
Participações estatutárias e contribuições				
Statutory profit sharing/contributions	(37.3)	(30.9)	(109.9)	(89.1)
Income Before Minority Interests	**3,059.5**	**2,816.4**	**3,066.7**	**2,863.7**
Minority interests	–	–	(7.2)	(47.3)
Profit/Loss For The Year	**3,059.5**	**2,816.4**	**3,059.5**	**2,816.4**
Quantidade total de ações do capital social no fim do exercício (em milhares)	614.9	624.4		
Number of outstanding shares excluding treasury shares (in thousands)	614.0	615.6		
Lucro líquido por lote de mil ações do capital social total no fim do exercício, em reais – R$	4,975.61	4,510.57		
Lucro líquido por lote de mil ações do capital social no fim do exercício, excluídas as ações em tesouraria, em reais – R$	4,982.90	4,592.09		

The accompanying notes are an integral part of the financial statements.

Companhia de Bebidas das Américas – Ambev
Statement of Changes in Shareholders' Equity
For The Years Ended in December 31, 2008 and 2007
(Expressed in millions of reais)

	Subcribed and paid-in capital	Capital Reserve	Profit Reserves: Statutory Reserves	Profit Reserves: Legal Reserve	Treasury Shares	Retained earnings	Adjustments to assets Valuation	Total
Balances at December 31, 2006	5,716.1	12,870.6	1,413.3	208.8	(940.7)	–	–	19,268.1
Stock Plan Subscription	128.3	–	–	–	–	–	–	128.3
From reserve capitalization	260.8	(260.8)	–	–	–	–	–	–
Advance for future capital increase related to stock ownership plan	–	0.0	–	–	–	–	–	0.0
Share repurchase	–	–	–	–	(3,082.6)	–	–	(3,082.6)
Goodwil on subscribed Capital	–	(8.1)	–	–	–	–	–	(8.1)
Cancellation on treasury shares	–	(2,760.4)	–	–	2,760.4	–	–	–
Transfer of treasury shares to stock ownership plan	–	(38.2)	–	–	104.0	–	–	65.8
Subsidy of financing and fiscal incentives	–	149.5	–	–	–	–	–	149.5
Net income	–	–	–	–	–	2,816.4	–	2,816.4
Apropriation of net income	–	–	–	–	–	–	–	–
Statutory reserve	–	–	898.9	–	–	(898.9)	–	–
Interim interest attributed to shareholders' equity	–	–	–	–	–	(1,084.0)	–	(1,084.0)
Interim dividends	–	–	–	–	–	(841.8)	–	(841.8)
Dividens and interest attributed to shareholders' equity prescribed	–	–	–	–	–	8.3	–	8.3
Balances at December 31, 2007	6,105.2	9,952.6	2,312.2	208.8	(1,158.9)	–	–	17,419.9
Adjustments of previous Years								
Stock option	–	53.6	–	–	–	(53.6)	–	–
Hedge - adjustment to market value	–	–	–	–	–	(305.5)	–	(305.5)
Hedge - adjustment curve x market	–	–	–	–	–	5.7	–	5.7
Write-off of deferred assets	–	–	–	–	–	(62.2)	–	(62.2)
Deferred income tax/social contribution changes in practices - Law 11638/07	–	–	–	–	–	123.1	–	123.1
Adjusted Balance	6,105.2	10,006.2	2,312.2	208.8	(1,158.9)	(292.5)	–	17,181.0
Capital Increase	55.7	–	–	–	–	–	–	55.7
Capital Increase from reserves capitalization	441.1	(441.1)	–	–	–	–	–	0.0
Recording/Realization of Capital Reserves	–	–	–	–	–	–	–	–
Share repurchase	–	–	–	–	(630.3)	–	–	(630.3)
Goodwill on subscription of shares	–	(12.0)	–	–	–	–	–	(12.0)
Cancellation on treasury shares	–	(1,638.2)	–	–	1,638.2	–	–	–
Transfer of treasury shares to stock ownership plan	–	–	–	–	–	–	–	–
Subsidy of financing and fiscal incentives	–	–	–	–	–	–	–	–
Equity strument - stock option plan	–	47.5	–	–	–	–	–	47.5
Sale of treasury shares	–	–	–	–	41.7	–	–	41.7
Net income/loss for the period	–	–	–	–	–	3,059.5	–	3,059.5
Adjustments to assets valuation	–	–	–	–	–	–	–	–
Secrutities adjustments	–	–	–	–	–	–	418.3	418.3
Translation Accumulated Adjustments	–	–	–	–	–	–	530.9	530.9
Business Combination Adjusments	–	–	–	–	–	–	–	–
Effects od Law 11638/07 - Adjsutments to Investees	–	–	–	–	–	–	(100.1)	(100.1)
Deferred income tax/social contribution Hedge - Law 11638/07	–	–	–	–	–	–	(139.4)	(139.4)
Apropriation of net income	–	–	–	–	–	–	–	–
Statutory reserve	–	–	(407.7)	–	–	407.7	–	–
Interim interest attributed to shareholders' equity	–	–	–	–	–	(992.5)	–	(992.5)
Interim dividends	–	–	–	–	–	(2,195.1)	–	(2,195.1)
Dividens and interest attributed to shareholders' equity prescribed	–	–	–	–	–	12.9	–	12.9
Balances at December 31, 2008	6,602.0	7,962.4	1,904.5	208.8	(109.3)	(0.0)	709.7	17,278.1

The accompanying notes are an integral part of the financial statements.

Companhia de Bebidas das Américas – Ambev
Consolidated Statement of Value Added (In R$ Million)
Ended in December 31, 2008 and 2007
(Expressed in millions of reais)

	Parent Company		Consolidated	
DESCRIPTION	2008	2007	2008	2007
Revenues	19,570.1	20,241.2	30,760.5	28,675.1
Sale of Goods, Products and Services	19,591.6	20,249.6	30,753.5	28,653.5
Other Revenues	3.9	0.6	40.9	33.9
Revenues Related to Construction of Own Assets	0.0	0.0	0.0	0.0
Allowance for/Reversal of Doubtful Accounts	(25.3)	(9.0)	(33.9)	(12.3)
Input Acquired from Third Parties	(7,284.8)	(7,105.9)	(12,004.5)	(10,741.6)
Costs of Products, Goods and Services Sold	(5,256.9)	(5,098.0)	(5,957.6)	(5,540.4)
Materials – Energy – Third Party Services – Other	(2,025.7)	(2,018.9)	(6,040.9)	(5,215.5)
Loss/Recovery of Assets	(2.2)	11.0	(6.0)	14.4
Gross Value Added	12,285.3	13,135.3	18,756.0	17,933.4
Retention	(1,129.0)	(1,035.0)	(2,972.5)	(2,986.8)
Depreciation, Amortization and Depletion	(1,129.0)	(1,035.0)	(2,972.5)	(2,986.8)
Net Value Added Produced	11,156.4	12,100.3	15,783.5	14,946.6
Value Added Received in Transfers	2,600.6	358.6	640.3	355.9
Equity in the Earnings of Subsidiaries and Associated Companies	2,116.9	(139.2)	16.9	3.9
Financial Revenues	618.0	281.3	760.4	121.8
Other	(134.3)	216.5	(137.0)	230.2
Total Value Added to Distribute	13,756.9	12,458.9	16,423.8	15,302.5
Allocation of Value Added	13,756.9	12,458.9	16,423.8	15,302.5
Personnel	835.5	772.1	2,181.4	1,966.5
Direct Compensation	595.3	555.3	1,550.8	1,436.1
Benefits	156.8	142.6	420.7	328.4
Government Severance Indemnity Fund for Employees (FGTS)	44.2	42.4	59.0	52.2
Other	39.2	31.8	150.9	149.9
Taxes, Fees and Contributions	7,234.7	7,883.4	9,282.4	9,133.7
Federal	2,260.6	2,659.5	4,184.9	4,077.5
State	4,964.9	5,214.0	5,086.8	5,044.9
Municipal	9.3	9.9	10.7	11.3
Third Parties Capital Remuneration	2,627.3	987.0	1,893.3	1,338.6
Interest Rates	2,566.9	933.0	1,780.1	1,239.0
Rentals	60.4	54.0	113.3	99.6
Remuneration of Own Capital	3,059.5	2,816.4	3,066.6	2,863.7
Interest on Equity	487.1	1,084.0	487.1	1,084.0
Dividends	602.4	841.8	602.4	841.8
Retained Earnings/Accumulated Losses for the Year	1,970.0	890.6	1,970.0	890.6
Retained Earnings – Minority Shareholders	0.0	0.0	7.2	47.3

Companhia de Bebidas das Américas – Ambev
09.01 – Statement of Cash Flow – Indirect Method (in R$ Million)
Years ended in December 31, 2008 and 2007
(Expressed in millions of reais)

	Parent Company		Consolidated	
	2008	2007	2008	2007
Atividades Operacionais				
Net income for the year	3,059.5	2,816.4	3,059.5	2,816.4
Expenses (income) not affecting cash and cash equivalents				
Depreciation and amortization	1,129.0	876.3	3,280.6	1,424.0
Tax, labor and fiscal contingencies	110.5	(3.2)	132.4	25.1
Fees on tax and fiscal contingencies	18.6	70.6	21.1	82.9
Gain/loss in the settlement of tax credits	(9.1)	(37.2)	(40.4)	(34.4)
Share-based payment	47.5	–	47.5	–
Unrealized loss on derivatives	(356.5)	167.0	(90.3)	119.8
Result from adjustment to market value of operations	(8.9)	–	(52.4)	–
Encargos financeiros e variações sobre impostos e contribuições	–	–	–	–
Loss in sale of permanent assets	172.6	952.8	96.4	83.0
Financial charges and variation over stock plan	(5.8)	(7.7)	(5.8)	(7.7)
Exchange variation and charges over financings	1,289.3	123.4	1,546.7	343.2
Benefits from deferred income tax and social contribution	15.7	413.9	60.4	629.3
Exchange variation over foreign subsidiary	–	88.3	–	227.5
Amortized goodwill, net of realized negative goodwill	–	158.7	(8.1)	1,560.3
Dividends received from subsidiaries/parent company	1,603.0	963.4	–	–
Minority interest	–	–	7.2	47.3
Equity accounting	(2,116.9)	139.2	(16.9)	(3.9)
Unsecured liabilities	133.1	–	133.1	–
Interest and variation over loans with related companies	1,165.7	(76.2)	–	–
Other, net	8.4	(30.0)	37.2	(17.7)
Variation on Assets				
Accounts receivable from clients	180.0	(106.2)	47.6	(165.2)
Recoverable taxes	132.3	57.5	(10.3)	(49.8)
Other assets	282.5	123.5	(352.7)	(40.3)
Receivables from related parties	338.5	(630.8)	–	–
Inventories	(114.1)	(15.0)	(389.7)	(148.9)
Court deposits	10.1	81.8	(53.0)	(16.1)
Variation on Liabilities				
Suppliers	245.4	460.4	594.2	843.4
Salaries, profit sharing and social charges	(110.9)	(61.8)	(107.1)	(62.1)
Income tax, social contribution and other taxes	144.9	307.9	715.3	885.7
Income tax and social contribution paid	(337.9)	(204.0)	(716.1)	(631.8)
Disbursements related to provision for contingencies	(121.5)	(121.1)	(160.1)	(170.7)
Other taxes and contribution payable	55.7	75.8	94.2	52.8
Payment of interest on loans	(523.8)	(560.7)	(782.1)	(816.0)
Other liabilities	183.8	144.0	(154.8)	126.6
Net Cash from Operating Activities	6,620.7	6,167.0	6,933.6	7,102.5
Investiment Activities				
Financial investments maturing in over 90 days	–	–	69.6	(224.2)
Securities and deposits in guarantee	–	–	–	–
Investment acquisition	(2,697.3)	(58.0)	(862.5)	(430.1)
Disposal of fixed assets	47.5	16.8	154.0	107.5
Acquisition of fixed assets	(1,078.6)	(1,018.2)	(2,055.4)	(1,630.9)
Opening cash – Organization new company	–	–	–	3.5
Capital increase in subsidiary	–	–	–	(12.7)
Expenses from deferred charges	–	(363.1)	–	(15.5)
Net Cash from Investiment Activities	(3,728.4)	(1,422.5)	(2,694.3)	(2,202.4)

As notas explicativas são parte integrante das demonstrações contábeis.

	Parent Company		Consolidated	
	2008	2007	2008	2007
Financing Activities				
Financing				
Fund raising	5,778.4	6,678.4	7,149.1	9,428.5
Financing amortization	(5,394.0)	(6,253.3)	(7,179.6)	(8,568.7)
Variação no capital de minoritários	–	–	(14.6)	(4.9)
Capital increase (decrease)	55.7	128.3	46.8	128.3
Financed sale of shares	130.0	96.6	59.5	54.5
Share repurchase	(630.3)	(3,084.6)	(632.3)	(3,094.4)
Payment of dividends and interest on own capital	(2,925.1)	(1,990.8)	(2,913.7)	(1,952.6)
Net Cash from Financing Activities	(2,985.3)	(4,425.4)	(3,484.8)	(4,009.2)
Foreign Exchange Variation over Cash and Cash Equivalents	–	–	236.1	(121.7)
Increase (Decrease) of Cash and Cash Equivalents	(93.0)	319.1	990.6	769.3
Opening Balance of Cash and Cash Equivalents	920.8	601.7	2,308.2	1,538.9
Closing Balance of Cash and Cash Equivalents	827.8	920.8	3,298.9	2,308.2
Increase (Decrease) of Cash and Cash Equivalents	(93.0)	319.1	990.6	769.3

The accompanying notes are an integral part of the financial statements.

1. Our Group and Operations

a) Overview

Companhia de Bebidas das Américas - AmBev (referred as "Company" or "AmBev" or "Parent Company"), headquartered in São Paulo, produces and sells beer, draft beer, soft drinks, other non-alcoholic beverages and malt, either directly or by participating in other companies in Brazil and elsewhere in the Americas.

The Company maintains an agreement with PepsiCo International, Inc. ("PepsiCo") to bottle, sell and distribute Pepsi products in Brazil and in other Latin American countries, including Lipton Ice Tea, Gatorade and H2OH!.

The Company maintains a licensing agreement with Anheuser-Busch, Inc., through its subsidiary Labatt Brewing Company Limited ("Labatt Canada"), to produce, bottle, sell and distribute Budweiser products in Canada. In addition, the Company and certain of its subsidiaries produce and distribute Stella Artois under license of InBev S.A./N.V. ("InBev") in Brazil, Argentina, Canada, and other countries and, by means of a license granted to InBev, it distributes Brahma in the United States and in certain countries of Europe, Asia and Africa.

The Company's shares are traded on the São Paulo Stock Exchange – BOVESPA and on the New York Stock Exchange – NYSE, as American Depositary Receipts - ADRs.

b) Main events occurred in the periods of 2008 and of 2007

(i) Sale of the brands and assets of Cervejaria Cintra Indústria e Comércio Ltda. ("Cintra")

On May 21, 2008, the Company entered into a "Private Instrument of Assignment and Transfer of Assets, Rights and Obligations, with Sale and Purchase of Brands and Other Covenants", with Schincariol Participações e Representações S.A. ("Schincariol"). The amounts related to the assignment and transfer of brands and sale of the distribution assets, according to the agreement, were R$16,600 and R$22,400, respectively.

The result of the assignment and transfer of brands totaled a loss of R$40, while the result of the sale of the distribution assets generated a profit of R$3,334. As a result of the sale of the brands, the corporate name of Cintra was changed to Londrina Bebidas Ltda. ("Londrina"), on June 20, 2008.

(ii) Outcome of the public tender offer for the shares of Quinsa

On February 12, 2008 the Company announced the closure of the public voluntary tender offer to acquire 5,483,950 Class A shares and up to 8,800,060 Class B shares (including Class B shares issued as American Depositary Shares ("ADS") issued by its subsidiary Quinsa, Société Anonyme ("Quinsa"), which represented the outstanding Class A and Class B shares (including Class B shares held as ADS) not owned by AmBev or by its subsidiaries.

AmBev purchased 3,136,001 Class A shares, and 8,239,536.867 Class B shares (including 7,236,336.867 Class B shares held as ADS) issued by Quinsa.

With the settlement of the offering, AmBev's interest in Quinsa's voting capital went up to 99.56%, holding a 99.26% economic interest. The Company disbursed, during February and March, the amount of R$617,632 (equivalent to US$353,499), to settle the transaction, which generated goodwill in the amount of R$500,737.

(iii) Acquisition of interest from minority shareholders of Quilmes Industrial Société Anonyme ("Quinsa")

During the year of 2008, the Company and its subsidiary Dunvegan S.A. purchased some shares from Quinsa's minority shareholders in the amount of R$52,713 (equivalent to US$26,229), of which 1,299,147 were Class A shares and 459,569 Class B shares. These transactions resulted in goodwill amounting to R$43,265.

(iv) Interest increase – Lambic Holding S.A. ("Lambic")

On January 24, 2008, the Company, through its subsidiary Cervejarias Reunidas Skol Caracu S.A. ("Skol"), paid the amount of R$82,262 (equivalent to US$46,000), for the acquisition of 12.901% of the shares of the subsidiary Lambic Holding S.A. ("Lambic"), in Argentina. This transaction has resulted in a goodwill in the amount of R$36,783.

(v) Acquisition of Obrinvest – Obras e Investimentos S.A. ("Obrinvest")

On January 16, 2008, the Company acquired the total capital stock of Obrinvest – Obras e Investimentos S.A., the owner of Cintra brand. The difference between the amount of R$16,614 paid and Obrinvest's book value of R$185 was recorded in "Intangible assets" as brands and patents. On May 15, 2008 there was the dissolution of Obrinvest. On the same date, the assets and liabilities of Obrinvest were assumed by the Company. On May 21, 2008, the Company sold the brands and assets related to Cintra, as described in note (i) above.

(vi) Merger of the subsidiary Beverage Associates Holding Ltd ("BAH")

On June 29, 2007, the subsidiary BAH was merged into AmBev, with the purpose of simplifying the corporate structure and reducing costs of the two companies involved. The amortization of the goodwill recorded by AmBev, based on future profitability, is being, after the merger, considered deductable for fiscal purposes, pursuant to the tax legislation in force. As BAH was 100% controlled by AmBev, there was no issuance of shares in the merger.

(vii) Acquisition of Lakeport Brewing Income Fund ("Lakeport") by Labatt Canada

On March 29, 2007 Labatt Canada acquired 91.43% of Lakeport's Units, and paid for the Units the amount of CAD$208,468 (equivalent to R$376,412 on December 31, 2007), recording a goodwill of CAD$205,935 (equivalent to R$371,838 on December 31, 2007), which is being amortized in a straight-line basis in the course of 10 years. Subsequent to the compulsory acquisition of the remaining Units, Lakeport became Labatt Canada's wholly-owned subsidiary.

(viii) Sale and purchase agreement related to Cintra

On March 28, 2007, the Company announced the execution of the purchase and sale agreement of the total quotas of Goldensand – Comércio e Serviços; Sociedade Unipessoal Lda. ("Goldensand"), Cintra's parent company, owning 95.89% of the quotas. The amount paid for the purchase was R$43,167 and resulted in goodwill of R$363,069, which is being amortized in 10 years.

In addition, the Company, through a Subsidiary, also acquired 4.11% of Cintra's quotas at the acquisition price of R$6,482, resulting in goodwill of R$13,061, which is being amortized in 10 years. These transactions did not include the acquisition of Cintra's brands.

(ix) Acquisition of 20% of the common shares of the subsidiary Compañia Cervecera AmBev Ecuador S.A. ("AmBevEcuador")

On March 5, 2007, the Company, through its subsidiary Monthiers S.A. ("Monthiers"), acquired 120,500 common shares of AmBev Ecuador from Freeville Management Ltd., for the amount of US$1,336, representing an interest increase of 20% in its capital stock. Thus, the Company increased its interest in the capital of AmBevEcuador from 80% to 100% and recorded goodwill of R$770.

2. Presentation of Accounting Statements and Significant Practices Adopted

The individual and consolidated accounting statements were created according to the accounting practices adopted in Brazil, which encompass the corporate law, the Pronouncements, Counseling and Interpretations issued by the Accounting Pronouncement Committee and the rules issued by the Brazilian Securities Commission (CVM).

2.1 Initial adoption of Law no. 11,638/07

The Company chose to prepare the transition balance sheet on January 1, 2008, which is the accounting starting point pursuant to the corporate legislation amended by Law 11,638/07 and by Provisional Measure no. 449/08. The amendments introduced by the aforementioned legislation constitute a change in accounting practice. However, as allowed by the Technical Pronouncement CPC no. 13 – Initial Adoption of Law no. 11,638/07, approved by CVM Resolution no. 565 of December 17, 2008 and by Provisional Measure no. 449/08, all the adjustments affecting income were made against retained earnings on the transition date, pursuant to article 186 of Law no. 6,404/76, without retroactive effects on the financial statements.

Below are the equity adjustments resulting from the initial adoption of Law no. 11,638/07 and Provisional Measure no. 449/08, the summary of the accounting practices altered by this law, and the summary of its effects on 2008 income and on shareholders' equity on December 31, 2008.

	Parent Company			
	12/31/07	Transition Date – 01/01/2008		
	Balances	Adjustments		Balances
Shareholders' Equity – Parent Company	17,419,950	(238,930)		17,181,020
Capital Stock	6,105,207	–		6,105,207
Capital Reserve	9,952,577	53,610		10,006,187
Profit Reserve	2,521,035	–		2,521,035
Treasury Shares	(1,158,869)	–		(1,158,869)
Accumulated Profits (Losses)	–	(292,540)	(a)	(292,540)

Summary of Adjustments – Parent Company	
(a) Adjustments against accumulated profits	(292,540)
(a.1) Financial Instruments evaluated at fair value by applying the *hedge* accounting concept	(299,795)
(a.2) Write-off of deferred assets	(62,221)
(a.3) Share-based payment	(53,610)
(a.4) Deferred income tax and social contributions	123,086

	Consolidated			
	12/31/07	Transition Date – 01/01/2008		
	Balances	Adjustments		Balances
Shareholders' Equity - Consolidated	17,419,950	(238,930)		17,181,020
Capital Stock	6,105,207	–		6,105,207
Capital Reserve	9,952,577	53,610		10,006,187
Profit Reserve	2,521,035	–		2,521,035
Treasury Shares	(1,158,869)	–		(1,158,869)
Accumulated Profits (Losses)	–	(292,540)	(a)	(292,540)

Summary of Adjustments – Consolidated	
(a) Adjustments against accumulated profits	(292,540)
(a.1) Financial Instruments evaluated at fair value by applying the *hedge* accounting concept	(260,528)
(a.2) Write-off of deferred assets	(102,521)
(a.3) Share-based payment	(53,610)
(a.4) Deferred income tax and social contributions	125,530
(a.5) Effects of equity accounting of Law 11,638 from subsidiaries	(1,411)

a) Financial instruments

The financial instruments existing on the transition date were reclassified to: (i) financial asset or liability measured at fair value through income; (ii) held to maturity; (iii) loans and receivables; and (iv) available for sale. Except for certain exceptions, financial liabilities are recognized initially at fair value plus occasional transaction costs and their subsequent measurement is carried out at amortized cost.

The difference between the book value and the fair value of financial instruments measured at fair value and the differences between the amount recorded and the new amount calculated for financial instruments evaluated by the amortized cost method were allocated in the retained earnings balance on the transition date.

On that date, the Company reclassified and/or recognized assets and liabilities related to hedge operation accounting whose characteristics meet the requirements set forth by the Technical Pronouncement CPC no. 14 – Financial Instruments, approved by CVM Resolution no. 566; considering that the documents needed for the application of the hedge accounting concept were complete.

b) Deferred assets

The residual balance of deferred assets, which could not be reclassified to other accounts of the balance sheet, was written off against the retained earnings account on January 1, 2008. The acquisitions made during 2008, which could also not be classified to other balance sheet accounts, were written off against the income for the year in the Other operating expenses account.

Deferred assets, which met the criteria set forth by the Technical Pronouncement CPC no. 4 – Intangible Assets, were reclassified to the intangible assets group on January 1, 2008, totaling R$2,112,785.

c) Adjustments at present value

In the management's opinion, assets and liabilities items originated from long-term operations and from relevant short-term operations were already substantially adjusted at present value according to the international accounting standards, and therefore no adjustments of this nature were required.

d) Equity accounting

The exchange rate variation from the conversion of subsidiaries' income no exterior was disregarded in the Equity accounting account and included in a specific account in Shareholders' Equity, in the Adjustment for equity evaluation group.

The amounts of tax incentives of ICMS (value-added tax) and Income tax of subsidiaries, which were previously recorded in the Equity earnings and additions, were reclassified to the Equity in the earnings of subsidiaries and Associated companies account.

e) Donations and subsidies

The donations and subsidies received by the Company prior to the initial adoption of Law no. 11,638/07 and Provisional Measure no. 449/08 were recorded in the Capital reserve account in Shareholders' Equity, in which they will be kept until their allocation, and the donations and subsidies received as of the year 2008, when it is possible to ensure that the conditions set forth have been met by the Company, are being recognized in the income for the year.

f) Share-based payment

The Company granted stock options to part of its staff that may only be exercised after the specific vesting periods. These options are evaluated at fair value and recognized as expenses in contra account of capital reserve as the service rendering term is fulfilled.

The initial adjustment regarding the adoption of Law no. 11,638 was made against retained earnings or accumulated losses, totaling R$53,611.

g) Effects of the initial adoption of Law no. 11,638/07 and Provisional Measure no. 449/08

Below is the reconciliation of the income for 2008 and shareholders' equity on December 31, 2008 taking into account the effects of the initial adoption of Law no. 11,638/07 with the income that would have been obtained in case the changes in accounting practices related to the aforementioned law had not been adopted.

Parent Company	2008
2008 result before the adjustments resulting from the adoption of Law no.11,638/07 and Provisional Measure no. 449/08	3,403,735
Adjustments of the effects resulting from initial adoption of Law no.11,638/07 and Provisional Measure no. 449/08	
Value of assets recovery – CPC 1	(1,976)
Adjustment of translation exchange variation of financial statements – CPC 2	(530,866)
Write-off of deferred assets acquired during the period – CPC 4	(4,972)
Receipt of donations and subsidies– CPC 7	142,876
Cost of transaction on issuing securities – CPC 8	17,265
Expenses with share-based payment – CPC 10	(47,538)
Financial instruments measured at fair value by applying *hedge* accounting – CPC 14	52,419
Deferred income taxes and social contributions on temporary differences	28,535
2008 result adjusted by the adoption of Law no. 11,638/07 and Provisional Measure no.449/08	3,059,478

	12/31/2008
Shareholders' Equity on 12/31/2008 before adjustments resulting from the adoption of Law no.11,638/07 and Provisional Measure n°449/08	17,104,040
Adjustments on transition date recognized in:	
Accumulated Loss or Profits	
Write-off of deferred assets on 12/31/2007 – CPC 4	(62,221)
Option Plan – CPC 10	(53,611)
Financial Instruments – Fair Value – CPC 14	(299,795)
Equity Accounting Adjustment	
Adjustment of translation exchange variation of financial statements – CPC 2	530,866
Financial Instruments – Hedge Reserves – CPC 14	418,403
Capital reserve	
Equity instruments – CPC 10	101,148
Deferred income taxes and social contributions on temporary differences	(16,298)
Equity accounting – effects of adjustments of Law 11,638 in the investees	(100,137)
Difference between net income of 2008 and adjusted income	(344,257)
Shareholders' Equity on 12/31/2008 adjusted by adopting the Law no. 11,638/07 and Provisional Measure no.449/08	17,278,138

Consolidated	2008
2008 result before the adjustments resulting from the adoption of Law no.11,638/07 and Provisional Measure no. 449/08	3,407,875
Adjustments of the effects resulting from initial adoption of Law no. 11,638/07 and Provisional Measure no.449/08	
Value of assets recovery – CPC 1	(1,976)
Adjustment of translation exchange variation of financial statements – CPC 2	(530,866)
Write-off of deferred assets acquired during the period – CPC 4	(6,486)
Receipt of donations and subsidies– CPC 7	142,876
Cost of transaction on issuing securities – CPC 8	15,571
Expenses with share-based payment – CPC 10	(47,538)
Financial instruments measured at fair value by applying *hedge* accounting – CPC 14	52,419
Deferred income taxes and social contributions on temporary differences	27,603
2008 result adjusted by the adoption of Law no. 11,638/07 and Provisional Measure no. 449/08	3,059,478

	12/31/2008
Shareholders' Equity on 12/31/2008 before adjustments resulting from the adoption of Law no.11,638/07 and Provisional Measure no.449/08	17,333,893
Adjustments on transition date recognized in:	
Accumulated Loss or Profits	
Write-off of deferred assets on 12/31/2007 – CPC 4	(102,521)
Option Plan – CPC 10	(53,611)
Financial Instruments – Fair Value – CPC 14	(260,528)
Equity Accounting Adjustment	
Adjustment of translation exchange variation of financial statements – CPC 2	530,866
Financial instruments – Hedge Reserves – CPC 14	91,140
Capital reserve	
Equity instruments – CPC 10	101,148
Deferred income taxes and social contributions on temporary differences	(13,852)
Difference between net income of 2008 and adjusted income	(348,397)
Shareholders' Equity on 12/31/2008 adjusted by adopting the Law no. 11,638/07 and Provisional Measure no.449/08	17,278,138

2.2 Summary of main accounting practices

a) Accounting estimates

The preparation of the accounting statements according to the accounting practices adopted in Brazil requires that the Company's Management use its own considerations for determining them and the register of accounting estimates. Assets and liabilities subject to estimates and premises include net book value of fixed asset, allowance for decreasing at recoverable value, allowance for doubtful accounts, provisions for inventory devaluation, deferred assets tax income, provision for contingencies, measurement of financial instruments, and assets and liabilities related to employees' benefits. The settlement of the transactions involving these estimates may result in different values from the estimated due to the inaccuracy inherent to the process of their determination. The Company annually reviews these estimates.

b) Financial Instruments

Non-derivative financial instruments include financial investments, investments in instruments of debt and assets, accounts receivable and other receivable, loans and financing, just as accounts payable and other debts.

Non-derivative financial instruments are initially recognized by the accreted fair value for instruments that are not recognized by the fair value through the result of any other costs of transactions directly attributable. Subsequently to the initial recognition, the non-derivative financial instruments are measured as described below:

Instruments held to maturity

If the company has the positive intent and capacity of holding its debt instruments to maturity, these are classified under held to maturity.

Investments held to maturity are measured at the amortization cost by using the effective interest rate method, deduced from eventual decreases at their recoverable value.

Instruments available for sale

The company's investments in equity instruments and of certain assets related to debt instruments are classified under available for sale. Subsequently to the initial recognition, they are evaluated at the fair value and their fluctuations, except for decreases in their recoverable value, and the differences in foreign currency of these instruments are directly recognized under shareholders' equity, net of tax effects. When an investment is no longer recognized, the accumulated profits or losses in shareholders' equity are transferred to results.

Financial instruments at fair value through result

An instrument is classified at the fair value through the result if it is kept for negotiation, that is, designed as such when the initial recognition was done. The financial instruments are designed at the fair value through the result if the company manages these investments and made decisions of purchase and sale based on their fair value according to the investment strategy and risk management documented by the company. After initial recognition, attributable costs of transactions are recognized under results when incurred. Financial instruments at the fair value through result are measured at the fair value and their fluctuations are recognized in the result.

Other

Other non-derivative financial instruments are measured at the amortization cost by using the effective interest rate method, deduced by eventual decreases in the recoverable value.

Derivative Financial Instruments

The Company holds derivative financial instruments to protect risks related to foreign currencies, interest rate and commodities.

The derivatives are initially recognized at their fair value; attributable costs of transactions are recognized under result when incurred. Subsequently to the initial recognition, the derivatives are measured at the fair value and the changes are accounted in the result, except under the circumstances described below, for accounting hedge operations.

Cash Flow Hedge

The changes in the fair value of the protection derivative instrument designed as cash flow hedge are directly recognized in shareholder's equity, as the hedge is considered effective. If the hedge is not considered effective, the changes are recognized in the result.

If the hedge instrument does not fulfill the criteria for hedge accounting operation, it expires, it is sold, finished or exercised and the hedge accounting operation is prospectively discontinued. The accumulated profit or loss previously recognized in shareholder's equity remains there until other predicted transactions (forecast transactions) occur. When the protected item is a non-financial asset, the value recognized in shareholders' equity is transferred to the value of the respective asset when this is recognized. In other cases, the value recognized in the shareholders' equity is transferred to the result in the same period in which the protected item affects the result.

Fair Value Hedge

The changes in the fair value of a coverage derivative instrument designed as fair value hedge are recognized in the result. The protected item is also measured at the fair value regarding the risk to be covered; the attributable profit or loss to the insured risk is recognized in the result and adjusts the value of the protected item.

c) Determination of net income

Revenues and expenses are recognized on an accrual basis. Sales revenues and their respective costs are recorded when all risks and benefits related to products sold are transferred to customers. Sales revenues are not recorded if there is a significant uncertainty regarding its realization.

Pursuant to corporate legislation amended by Law no. 11,638/07 and by Provisional Measure no. 449/08, the Non-operating income account was extinct. Thus, the transactions once recorded in this account are now presented in the "Other operating revenues (expenses)" (see note 16).

d) Current and Non-current Assets

- Cash and cash equivalents

  Cash and cash equivalents, represented by amounts with immediate settlement and with maturity date to 90 days, are represented at the acquisition cost, plus income earned until the balance sheet date and adjusted, when applicable, at its equivalent market value.

- Short-term investments

  The short-term investments, represented by marketable securities, government bonds and bank deposit certificates, in addition to those denominated in foreign currency, they are classified under aimed at negotiation, measured at their fair value and recognized in financial result.

  The consolidated balance sheet of short-term investments, as of December 31, 2008, includes deposits in bank account and financial investments, subject to the issuance of foreign debt bonds of subsidiaries, in the amount of R$156,125 (R$19,255 on December 31, 2007).

- Accounts receivable

Accounts receivable is stated at the invoiced amount including respective sales taxes.

The allowance for doubtful accounts is recorded in an amount considered adequate by management to cover probable losses in the realization of credits, as follows:

	Parent Company		Consolidated	
	12/31/08	12/31/07	12/31/08	12/31/07
Opening balance	138,709	134,088	186,121	185,605
Constitution	25,305	8,993	37,073	24,852
Reversal/utilization	(30,127)	(4,372)	(15,571)	(18,953)
Exchange rate variation(*)	–	–	7,541	(5,383)
Closing balance	133,887	138,709	215,164	186,121

(*) Exchange rate variation related to the allowance for doubtful accounts of foreign companies.

- Inventories

Inventories are stated at average cost of purchases or production, adjusted, when necessary, by the provision for reduction at realizable values. Inventories cost includes purchase, transportation and warehouse costs. For finished goods and work in progress products, costs include overhead related to the production.

- Other assets

Other current and non-current assets are presented at cost value, including, when applicable, the income earned to the end of the year. When necessary, a reserve for reduction in market values is recorded.

e) Investments, Property, Plant and Equipment and Intangible Assets

Investments in subsidiaries and in joint subsidiaries are evaluated by the equity accounting method and, during its first evaluation, the accounting practices adopted are standardized to those adopted by the Company. The accounting value of these investments includes the breakdown of the acquisition costs in equity value, goodwill or negative goodwill, and the latter two are presented in the Intangible Assets.

Goodwill in investments, substantiated in the surplus value of property, plant and equipment, is amortized based on the expected useful life of property, plant and equipment of the subsidiary, while goodwill (negative goodwill) attributed to the expected future results is amortized within the term of ten years, being the goodwill recorded in item "Administrative expenses" and the Negative goodwill in "Other operating revenues", attributed to various economic reasons, will only be realized upon the possible sale or write-off of investments.

Property, plant and equipment are stated at acquisition cost and include interest from the financing incurred during the construction of certain qualified assets. Maintenance and repair expenses, when incurred, are recorded as expenses. Losses with bottles and crates during production are included in the cost of goods sold. Other losses in the realization of the property, plant and equipment are evaluated by the Company management and, when applicable, a provision is recorded.

Depreciation is calculated by the straight-line method, considering the useful and economic life of the assets, at the annual rates mentioned in Note 6.

Intangible assets are stated at acquisition cost, and are composed mainly of goodwill and by the cost with contract rescission of distribution when the Company begins to distribute its products directly in certain areas. Amortization is calculated by the straight-line method, at the annual rates mentioned in Note 7, within the term limits established in the legislation.

Fixed assets and intangible assets have their recoverable values tested, at least, annually, in case there are indicators of value loss. The goodwill and the assets with undefined useful life have their recoverable value annually tested, apart from having indicators of value loss.

f) Current and non-current liabilities

These are stated at known or calculable values, plus, when applicable, the corresponding charges and monetary variations accrued until the date of the financial statements (amortized cost).

Pursuant to the corporate legislation amended by Law no. 11,638/07 and by Provisional Measure no. 449/08, the Deferred income group was extinct. Thus, the transactions once recorded in this group are presented in Other liabilities, in Long-term liabilities.

g) Provision for contingencies and liabilities related to administrative or law proceedings

The provision for contingencies is established according to updated values, referring to labor, tax, civil and commercial issues under discussion at the administrative or judicial levels, based on the estimated losses established by the Company's internal and external legal counsel, in the cases in which such losses are considered probable.

Tax reductions, obtained based on judicial decisions derived from lawsuits filed by the Company and its subsidiaries against the fiscal authorities are subject to provisioning until they are ultimately ensured in favor of the Company and its subsidiaries.

h) Fiscal incentives

The Company and its subsidiaries have certain state fiscal incentive programs as deferred tax payments, with partial or full reductions of these. In some States the grace periods and reductions are not conditional.

However, when the conditions exist, they refer to facts under Company's control. The benefit related to the reduction of these tax payments is accounted for in the income for the year of the Company and its subsidiaries, based on the accrual basis of accounting of these taxes, or upon the compliance by the companies of the obligations established by the state programs, in order to receive the benefit granted.

ICMS (value-added tax) benefits are recorded in the income for the year, in the Other operating revenues account, in the amount of R$139,660 and R$238,349, in the parent company and consolidated statements, respectively.

Income tax benefits are recorded in the Provision for income tax and social contribution account, in the amount of R$3,215 and R$117,061, in the parent company and consolidated statements, respectively.

i) Income and social contribution taxes

The income and social contribution taxes are calculated at the rates set forth in the applicable legislation. Charges related to income tax and social contribution is recorded on the accrual basis, plus the deferred income tax calculated at temporary differences between the accounting and tax basis of assets and liabilities.

The Company also records the deferred income tax corresponding to the future tax benefit on tax losses carryforward and negative basis of social contribution where these benefits are expected to be realized, within 10 years, based on the future results projection.

j) Actuarial assets and liabilities related to employee benefits

The Company and its subsidiaries record the actuarial assets and liabilities related to benefits to employees in accordance with the CVM Resolution no. 371, as of December 13, 2000.

The actuarial gains and losses are recorded as income or expense, based on unrecognized gains and losses, which exceed, in each period, the higher between (a) 10% of the present value of the actuarial liability and (b) 10% of the fair value of the plan assets, amortized by the estimate future average time of service of the plan participants.

k) Transactions with related parties

Transactions with related parties are carried out under usual market conditions and include, among others, the buying and selling of raw materials such as malt, concentrates, labels, corks, bottles and various finished goods.

Loan agreements among the Company's subsidiaries in Brazil have undetermined maturity terms and are subject to financial charges, except for some agreements with subsidiaries, in which the Company holds 100% of the capital stock, which are not subject to financial charges.

Agreements involving the Company's foreign subsidiaries are usually monetarily restated based on the US dollar variation, plus market interest.

l) Functional currency and translation of the financial statements of subsidiaries located abroad

The Company Management has defined that your functional currency is the real, according to the rules described on CPC 2 – Effects in the Changes of Exchange Rate and Translation of Accounting Statements, approved by CVM Resolution no. 534.The functional currency of the companies abroad is the currency of the own country, except the malt operations located in Argentina and Uruguay whose currency is the US dollar as their functional currency, as their revenues and cash flows are considerably pegged to such a currency.

Assets and liabilities of the subsidiaries located abroad are translated into reais at the exchange rates effective on the date of the financial statements. The income statement accounts are translated and maintained in reais at the average exchange rates of each month.

The difference between the net income determined at the exchange rates on the date of the financial statements and that ascertained at the average exchange rates of the period, as well as the profits and losses resulting from the exchange variance on the opening balances of the equity, are recorded in the Shareholders' Equity account, in the group "Equity evaluation adjustments", pursuant to Technical Pronouncement CPC no. 2 – Effects of Changes in the Exchange Rate and Conversion of Financial statements. As well as the profits and losses resulting from the exchange variance on the opening balances of the equity, are recorded.

The parity between local currency and the US Dollar ("US$") was used for the translation of the financial statements of subsidiaries located abroad, at the rates below. The exchange rate from US Dollar to Brazilian Real ("R$") used on December 31, 2008 was R$2.34 (R$1.77 on December 31, 2007).

Currency	Name	Country	Initial rate	Final rate
DOP	Dominican peso	Dominican Republic	34.17	35.37
GTQ	Quetzal	Guatemala	7.63	7.78
PEN	Peruvian sol	Peru	2.99	3.14
VEF	Bolívar	Venezuela	2,150.00	2,1500
ARS	Peso	Argentina	3.15	3.45
BOB	Boliviano	Bolivia	7.67	7.07
PYG	Guarani	Paraguay	4,849.90	4,930.00
UYU	Uruguayan peso	Uruguay	21.55	24.35
CLP	Chilean Peso	Chile	495.82	629.11
USD	US Dollar	Equator	1.77	2.34

The parity between Canadian Dollars ("CAD") and reais was used for the translation of Labatt Canada's financial statements at the rate of R$1.91 on December 31, 2008 (R$1.81 on December 31, 2008).

m) Consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its direct and indirect subsidiaries, as mentioned in Note 5 (c) and (d). The accounting policies were applied uniformly to the consolidated companies and are consistent with those applied in the previous year.

The Company consolidates net liabilities and the results of Agrega Inteligência em Compras Ltda. ("Agrega") and Ice Tea do Brasil Ltda. ("ITB"), proportionally to its stake in the accounting statements of these companies.

On December 31, 2008, total net liabilities recorded by AmBev relative to these companies amounted to R$6,470 and net results totaled a loss of R$4,241, (liabilities net of R$2,119 and a profit of R$3,674, respectively, on December 31, 2007).

The Company also consolidates the financial statements of the fund Taurus Investment SPC ("Taurus Investment"), an investment fund fully and directly controlled through the Company's subsidiaries. On December 31, 2008 and 2007, the balances presented at the consolidated financial statements related to the fund corresponded, primarily, to short-term investments and operations with derivative instruments used to mitigate the Company's exposure to variations in the prices of commodities, interest rate and exchange rates.

n) Reclassifications

With the purpose of improving the presentation of certain amounts and transactions in its financial statements, as well as maintaining the comparability between the periods, the Company made the following reclassifications on December 31, 2007:

- Balance Sheet: from Provisions for Contingencies – Non-current to Current, the amount of R$73,147 and R$105,960 in the Parent Company and in the Consolidated, respectively;
- Consolidated Statement of Income: a) from Cost of goods sold, the amount of R$5,172, from sales expenses, the amount of R$6,603 and from administrative expenses, the amount of R$7,956, to employee profit sharing, totaling R$19,731; b) from Administrative expenses to Tax, labor and other contingencies, in the amount of R$9,815;
- Statement of cash flow: of Amortization, in the group, using cash in financing activities for Payment of interests on loans, in generating cash group from the operating activities, the amounts of R$523,829 parent company and R$728,053 consolidated (R$560,703 and R$816,029 in 2007, respectively).

3. Recoverable Taxes and Taxes Payable

a) Breakdown of recoverable taxes – Current and non-current:

	Parent Company				Consolidated			
	Current		Non-current		Current		Non-current	
	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
IPI	5,612	16,097	–	–	38,577	26,308	–	–
ICMS	104,638	122,535	125,049	130,801	134,578	132,653	155,192	137,396
PIS / COFINS	57,936	48,499	35,261	29,766	73,525	57,932	40,767	30,780
IRRF	10,685	17,696	–	–	14,036	35,076	–	–
IRPJ / CSLL	174,896	294,925	–	6,298	320,098	372,334	–	14,708
Other local taxes	2,287	14,369	136,714	17,741	2,868	14,717	144,448	24,373
Foreign units taxes	–	–	–	–	141,743	100,287	–	–
	356,054	514,121	297,024	184,606	725,425	739,307	340,407	207,257

b) Breakdown of taxes payable - current:

	Parent Company		Consolidated	
	12/31/08	12/31/07	12/31/08	12/31/07
IPI	149,875	73,176	180,948	76,956
ICMS	573,524	622,550	710,114	642,953
PIS / COFINS	7,206	16,086	11,046	18,778
IRRF	6,803	7,585	8,527	8,628
Other local taxes	24,889	32,024	50,574	55,543
Foreign units taxes	–	–	596,519	458,134
	762,297	751,421	1,557,728	1,260,992

Abbreviations used:

IPI – Excise Tax
ICMS – Value-Added Tax
PIS – Social Integration Program
COFINS – Contribution for Social Security Financing
IRRF – Withholding Income Tax
IRPJ – Corporate Income Tax
CSLL – Social Contribution on Net Income

4. Related Parties

4.1 – Transactions with related parties

	Balances on December 31, 2008			Transactions occurred in 2008		
Companies	Credits with Subsidiaries	Accounts Payable	Loan agreements receivable	Loan agreements payable	Net sales	Net financial income
AmBev[i]	288,063	(2,869,713)	15,849	(1,360,311)	683,033	1,165,672
AmBev Bebidas	269,381	(266,925)	–	–	64,676	(333)
AmBev International	445,602	–	226,898	(151,884)	–	(212,525)
Arosuco	225,861	(12,880)	–	–	685,864	(279)
Aspen	–	(7)	72,816	(262,694)	–	57,935
Brahmaco	1,169	(1,169)	315,119	(304,219)	–	(3,289)
Brahma Venezuela	1,795	(37,506)	20,699	–	–	(2,909)
Londrina	115,139	(21,201)	–	–	144,996	–
CRBS S.A.	–	(2,065)	172	–	–	–
Cympay	117,132	(4,052)	1,991	–	168,273	(133)
Dahlen	–	–	171,970	(3,059)	–	(4,186)
Dunvegan S.A.	143,449	(1,169)	453,815	(876,318)	–	18,472
Eagle	–	(678)	262	(1,675)	–	(63)
Fratelli Vita	153,154	(69,680)	–	(125,193)	75,916	30,790
Fratelli Vita Ltd	–	–	125,193	–	–	(43,360)
Goldensand	–	–	–	–	–	35,451
Jalua Spain S.L.	7	–	494,870	(693,597)	–	86,796
Labatt Canadá	–	(14,501)	–	(327)	11,939	–
Malteria Uruguai S.A.	210,087	(69,847)	–	(164)	519,162	1,113
Malteria Pampa S.A.	7,359	(63,962)	299	–	249,304	(119)
Monthiers S.A.	719,664	–	2,141,572	(54,418)	–	(859,495)
NCAQ	–	–	294,185	–	–	(55,864)
Quinsa	778	–	–	–	2,021	–
Skol	–	(3,851)	–	(9,111)	–	–
Taurus Investments	776,167	–	–	–	–	(242,631)
Other National	13,752	(20,617)	22,096	(126,066)	31,985	13,003
Other International	10,764	(28,611)	–	(384,641)	1	9,121
TOTAL	3,499,323	(3,488,434)	4,357,806	(4,353,677)	2,637,170	(6,833)

Companies	Balances on December 2007 Credits with Subsidiaries	Accounts Payable	Loan agreements receivable	Loan agreements payable	Transactions occurred in 2007 Net Sales	Net financial income
AmBev[i]	880,786	(1,602,392)	59,492	(985,694)	454,107	(202,156)
AmBev Bebidas	–	–	–	–	–	–
AmBev International	261,314	–	–	–	–	1,547
Arosuco	146	(73,738)	–	–	652,649	(35)
Aspen	–	–	87,667	(220,243)	–	(11,773)
Brahmaco	886	(886)	218,438	(211,069)	–	719
Brahma Venezuela	1,177	(22,629)	70,880	–	–	(4,141)
Londrina	526	(1,168)	–	(2,663)	31,210	–
CRBS S.A.	122,656	–	240	(24,913)	–	–
Cympay	68,493	(32,715)	1,382	–	102,628	1,890
Dunvegan S.A.	108,725	(886)	360,763	(718,981)	–	(28,780)
Eagle	–	(867,971)	198	(2,617)	–	41
Fratelli Vita	3,723	(2,428)	266,211	(90,014)	54,523	(15,449)
Goldensand	–	–	–	(86,176)	–	(7,356)
Jalua Spain S.L.	–	–	430,166	(544,334)	–	27,098
Labatt Canadá	1,107	(4,981)	–	(261)	13,014	–
Malteria Uruguai S.A.	104,087	(79,131)	–	–	302,425	(8,241)
Malteria Pampa S.A.	71,474	(40,433)	459	–	142,557	(90)
Monthiers S.A.	546,600	–	1,459,074	–	–	313,200
Quinsa	–	(3,877)	–	–	17,618	–
Skol	–	–	207	(18,476)	–	–
Taurus Investments	588,295	–	–	–	–	(74,612)
Other National	31	(19,765)	80,023	(104,717)	9,309	5,819
Other International	5,382	(15,947)	–	(21,024)	–	1,713
TOTAL	2,765,408	(2,768,947)	3,035,200	(3,031,182)	1,780,040	(606)

(i) AmBev has amounts recorded under "Accounts receivable and payable" with its shareholders FAHZ and InBev, whose financial statements are not part of the Company's consolidated information, and, therefore, balances were not eliminated.

Names used:

AmBev Brasil Bebidas Ltda ("AmBev Bebidas")
AmBev International Finance Co. Ltd. ("AmBev International")
Arosuco Aromas e Sucos Ltda. ("Arosuco")
Aspen Equities Corporation ("Aspen")
Brahmaco International Limited ("Brahmaco")
Cerveceria y Maltería Paysandú ("Cympay")
Compañia Brahma Venezuela S.A ("Brahma Venezuela")
Eagle Distribuidora de Bebidas S.A. ("Eagle")
Fratelli Vita Bebidas S/A ("Fratelli Vita")
Fundação Antônio e Helena Zerrenner – Instituição Nacional de Beneficência ("FAHZ")
InBev NV/SA ("InBev")

4.2 – Management compensation

The amounts referring to the compensation of key management staff are presented below:

	2008	2007
Short-term benefits[i]	14,323	12,898
Share-based compensation[ii]	10,362	8,124
Post-employment benefits	645	33
Other long-term benefits	1,023	394
Total	26,353	21,449

(i) Correspond substantially to the executive officers' compensation and profit sharing (including performance bonus).
(ii) Corresponds to the cost of the options granted to Management.

5. Investment In Direct Subsidiaries

a) Changes in investments in direct subsidiaries, including goodwill and negative goodwill.

	Investment in subsidiaries	Goodwill	Total
Balance on December 31, 2006	18,965,546	2,238,203	21,203,749
Equity accounting(i)	(139,235)	–	(139,235)
Reversal of provision for investment losses	3,419	–	3,419
Transfer of goodwill on BAH merger to Intangible Assets	–	(2,136,832)	(2,136,832)
Goldensand acquisition	(505,513)	548,680	43,167
Goodwill amortization	–	(122,816)	(122,816)
Recalculation goodwill on Goldensand acquisition	185,611	(185,611)	–
Dividends received and receivable	(963,354)	–	(963,354)
Exchange rate variation in subsidiary abroad	(88,337)	–	(88,337)
Equity earnings and additions on subsidiaries	212,854	–	212,854
Sale of investments(iii)	(790,013)	–	(790,013)
Miranda Correa merger	(46,258)	–	(46,258)
Transfer of goodwill on Miranda Correa merger to Intangible Assets	–	(2,527)	(2,527)
Capital transfer to jointly-owned subsidiary Agrega	600	–	600
Capital transfer to subsidiary Goldensand	72,461	–	72,461
Capital reduction in jointly-owned subsidiary Agrega	(598)	–	(598)
Capital reduction in subsidiary Fratelli Vita	(155,931)	–	(155,931)
Interest increase in subsidiaries(ii)	1,682	–	1,682
Balance on December 31, 2007	16,752,934	339,097	17,092,031
Equity accounting(i)	2,116,909	–	2,116,909
Reversal of provision for investment losses	8,170	–	8,170
Exchange rate variation in investments abroad	242,446	–	242,446
Goodwill amortization	–	(114,683)	(114,683)
Obrinvest acquisition/merger	16	–	16
Quinsa minority shareholders acquisition	116,824	504,380	621,204
Dividends received and receivable	(1,603,042)	–	(1,603,042)
Equity earnings and additions on subsidiaries	(4,178)	–	(4,178)
Interest increase in subsidiaries(iv)	591	–	591
Capital transfer to subsidiary Skol	82,634	–	82,634
Capital transfer to subsidiary Eagle	745,315	–	745,315
Capital transfer to subsidiary AmBev International	32,136	–	32,136
Capital transfer to subsidiary AmBev Bebidas	265,813	–	265,813
Capital transfer to subsidiary CRBS	24,685	–	24,685
Capital transfer to subsidiary Goldensand	121,578	–	121,578
Capital transfer to subsidiary Dahlen	804,207	–	804,207
Effects of Law 11,638/2007(vi)	(100,137)	–	(100,137)
Exchange rate variation from conversion in subsidiaries	288,420	–	288,420
Reclassification of goodwill to Intangible group(v)	–	(728,794)	(728,794)
Balance on December 31, 2008	19,895,321	–	19,895,321

On December 31, 2008, the balance of Investment in subsidiaries includes the balance of Provision for unsecured liabilities at Goldensand in the amount of R$114,070 recorded, at the Parent Company, in Non-current liabilities.

(i) This result comprises goodwill amortization of Labatt AS in Labatt Canada at the amount of R$1,284,691 (R$1,129,448 in 2007).
(ii) Increase resulting from the percentage variation in the subsidiaries CRBS and Fratelli Vita.
(iii) Sale of investments Miranda Correa, CRBS and Skol.
(iv) Interest increase in subsidiaries Skol, CRBS and Fratelli.
(v) In compliance with CPC 4 – Intangibles, all the Company's goodwill is classified in the Intangibles group, according to Note 7.
(vi) Reserve originated from Law no. 11,638/2007 regarding the effects of adjustments made by investees.

b) Negative Goodwill – Consolidated:

	December 31, 2008			December 31, 2007
Negative Goodwill	Cost	Accumulated Amortization	Residual Amount	Residual Amount
Quilmes International	(50,068)	31,793	(18,275)	(24,367)
AmBev Ecuador	(18,485)	10,269	(8,216)	(10,270)
	(68,553)	42,062	(26,491)	(34,637)

c) Information on direct subsidiaries:

Subsidiary	Interest %	Shareholders' Equity	Adjusted income for the period	Investment[i]	Equity Account Result[i]
	On December 31, 2008				
Agrega	50.00	8,419	17,271	4,210	8,635
AmBev Bebidas [ii]	99.50	538,374	320,312	535,676	318,708
AmBev International	100.00	119,078	46,379	119,078	46,379
Anep–Antarctica Empreendimentos e Participações Ltda. ("Anep")	100.00	82,454	17,974	82,454	17,974
Arosuco	99.70	1,111,355	672,952	1,062,319	662,665
BSA Bebidas Ltda.	100.00	7,074	(3,261)	7,074	(3,261)
CRBS S.A.	10.68	245,281	39,094	26,188	1,515
Dahlen S.A.	100.00	908,172	3,401	908,172	3,401
Eagle	95.43	3,553,794	845,783	3,391,746	807,022
Fazenda do Poço Agrícola e Florestamento S.A. ("Fazenda do Poço")	91.41	607	(3)	555	(2)
Fratelli Vita	77.97	336,051	88,571	259,861	69,279
Goldensand	100.00	(114,070)	8,170	–	–
Hohneck	50.69	1,042,647	130,490	528,536	66,147
Labatt AS	99.99	11,341,497	(440,185)	11,341,275	(440,183)
Lambic Holding S.A.	87.10	711,826	231,204	619,993	201,376
Malteria Pampa S.A.	60.00	440,556	117,209	236,041	47,473
Obrinvest	–	–	–	–	(25)
Quinsa	42.43	1,876,929	707,749	796,426	300,315
Skol	11.84	758,605	90,131	89,787	9,491
				20,009,391	2,116,909

Subsidiary	Interest %	Shareholders' Equity	Adjusted income for the period	Investment[i]	Equity Account Result[i]
	On December 31, 2007				
Agrega	50.00	7,148	7,038	3,574	3,519
AmBev Bebidas[ii]	99.50	253,873	13,628	252,601	13,560
AmBev International	100.00	1,297	1,297	1,297	1,297
Anep–Antarctica Empreendimentos e Participações Ltda. ("Anep")	100.00	102,213	30,991	102,213	30,991
Arosuco	99.70	624,348	356,054	585,045	349,097
BAH[iii]	–	–	56,637	–	56,637
BSA Bebidas Ltda.	100.00	10,335	(3)	10,335	(3)
CRBS S.A.	–	–	–	–	2,100
Dahlen S.A.	100.00	38,335	(1,905)	38,335	(1,905)
Eagle	99.96	1,835,557	(380,719)	1,835,130	(380,569)
Fazenda do Poço Agrícola e Florestamento S.A. ("Fazenda do Poço")	91.41	610	(5)	557	(5)
Fratelli Vita	77.97	428,598	86,600	331,791	65,149
Goldensand	100.00	(244,030)	3,419	–	–
Hohneck S.A.	50.69	983,921	(101,365)	498,767	(51,384)
Labatt AS	99.99	12,447,602	(363,155)	12,447,367	(363,154)
Lambic Holding S.A.	87.10	353,603	48,006	307,984	41,812
Malteria Pampa S.A.	60.00	181,361	59,732	103,377	39,313
Cervejaria Miranda Correa S.A.[iv]	–	–	–	–	17,916
Quinsa	34.53	1,386,128	394,813	478,591	80,260
Skol[v]	–	–	–	–	(43,866)
				16,996,964	(139,235)

(i) Certain amounts may not correspond directly to the interest percentages, due to the unrealized profits among the companies of the group.
(ii) New corporate name of the company Pepsi–Cola Engarrafadora Ltda.
(iii) Company merged into AmBev on June 29, 2007.
(iv) Company merged into AmBev Bebidas on November 30, 2007.
(v) See Note 5(a) (iii).

d) Relevant indirect interest in subsidiaries:

Company Name	Total percentage of indirect holding – %	
	12/31/08	12/31/07
Abroad		
Quinsa	57.38	56.83
Jalua Spain, S.L.	100.00	100.00
Monthiers	100.00	100.00
Aspen	100.00	100.00

6. Property, Plant and Equipment

a) Composition

	Parent Company				
	12/31/08			12/31/07	Annual Depreciation rates(i)
	Cost	Accumulated depreciation	Residual Amount	Residual Amount	
Property, Plant and Equipment					
Land	75,766	–	75,766	94,487	
Buildings and constructions	1,410,693	(751,503)	659,190	693,486	4,00%
Machinery and equipment	3,863,387	(2,990,497)	872,890	953,316	10,00%
Offsite goods/equipment	1,375,584	(724,729)	650,855	641,292	20,00%
Other property, plant and equipment	57,165	(36,083)	21,082	15,209	20,02%(ii)
Construction in progress	344,108	–	344,108	209,085	
	7,126,703	(4,502,812)	2,623,891	2,606,875	

	Consolidated				
	12/31/08			12/31/07	Annual Depreciation rates(i)
	Cost	Accumulated depreciation	Residual Amount	Residual Amount	
Property, Plant and Equipment					
Land	337,565	–	337,565	284,654	
Buildings and constructions	3,182,379	(1,539,205)	1,643,174	1,465,928	4.0%
Machinery and equipment	10,564,127	(7,798,247)	2,765,880	2,312,244	10.0%
Offsite goods/equipment	2,822,259	(1,571,813)	1,250,446	1,012,775	20.0%
Other property, plant and equipment	285,155	(191,882)	93,273	89,902	19.99%(ii)
Construction in progress	792,425	–	792,425	427,840	
	17,983,910	(11,101,147)	6,882,763	5,593,343	

(i) Depreciation rates may increase from 50% to 100%, due to the number of production shifts in which the asset is used.
(ii) Weighted average depreciation rate on December 31, 2008 and 2007.

On December 31, 2008, the Company and its subsidiaries hold property, plant and equipment intended for sale in the residual amount of R$64,219 in the Parent Company statement and R$68,333 in the Consolidated Statement (R$68,237 and R$102,981 in the Parent Company and Consolidated statements, respectively, on December 31, 2007), which are classified as long-term assets, minus the provision for potential loss at realization, in the amount of R$36,121 in the Parent Company statement and R$37,290 in the Consolidated statement (R$36,196 and R$37,364 in the Parent Company and Consolidated statements, respectively, on December 31, 2007).

b) Assets granted as collateral for bank loans

As a result of bank loans contracted by the Company and its subsidiaries, on December 31, 2008, there are assets including property, with a net book value totaling R$451,117 (R$608,797 on December 31, 2007), which have been granted as collateral for bank loans. Such restriction has no impact on the use of such assets and on the Company's operations.

7. Intangible Assets

	Parent Company			
	12/31/08			12/31/07
	Cost	Accumulated amortization	Residual amount	Residual amount
Area disengagement	968,297	(740,949)	227,348	231,995
BAH Goodwill(i)	2,331,089	(734,142)	1,596,947	1,914,823
Pati do Alferes Goodwill(i)	12,409	(12,409)	–	2,482
Pilcomayo Goodwill(i)	24,817	(24,817)	–	4,963
CBB Goodwill(i)	702,760	(665,316)	37,444	107,720
Astra Goodwill(i)	109,097	(66,828)	42,269	54,620
Miranda Correa Goodwill(i)	5,514	(3,538)	1,976	2,527
(–) Provision for asset impairment – CPC 1	(1,976)	–	(1,976)	–
Quinsa Goodwill(ii)	504,380	(78,143)	426,237	–
Goldensand Goodwill(ii)	363,068	(60,511)	302,557	338,864
Maltaria Pampa Goodwill(ii)	–	–	–	233
Software	260,476	(178,972)	81,504	90,371
Trademarks and patents	7,776	(4,100)	3,676	3,697
Other intangible assets	4,512	(2,795)	1,717	2,486
Projects	81,903	(71,083)	10,819	–
	5,374,122	(2,643,603)	2,730,518	2,754,781

	Consolidated			
	12/31/08			12/31/07
	Cost	Accumulated amortization	Carrying amount	Carrying amount
Area disengagement	1,165,824	(878,835)	286,989	255,628
BAH Goodwill(i)	2,331,089	(734,142)	1,596,947	1,914,823
Goodwill on merged investments – Pati do Alferes(i)	12,409	(12,409)	–	2,482
Goodwill on merged investments – Pilcomayo(i)	24,817	(24,817)	–	4,963
Future profitability (CBB merger)(i)	702,760	(665,316)	37,444	107,720
Future profitability (Astra)(i)	109,097	(66,828)	42,269	54,620
Miranda Correa(i)	5,514	(3,538)	1,976	2,527
(–)Provision for asset impairment – CPC 1	(1,976)	–	(1,976)	–
Labatt Canada(ii)	16,383,304	(4,418,845)	11,964,459	13,249,150
Lakeport (Note 1(b)(vii)) (ii)	396,963	(69,239)	327,724	343,950
QIB(ii)	93,372	(53,240)	40,132	49,962
Quinsa (Note 1(b)(ii))(ii)	1,623,922	(760,830)	863,092	508,355
Cympay(ii)	26,556	(21,173)	5,383	7,867
Embodom(ii)	224,111	(104,818)	119,293	141,416
Maltaria Pampa(ii)	18,788	(18,788)	–	1,955
Ind. Del Atlântico(ii)	5,116	(2,558)	2,558	3,069
Goldensand (Note 1(b)(viii))(ii)	363,069	(60,511)	302,558	338,863
Cintra (Note 1(b)(viii))(ii)	13,061	(2,177)	10,884	12,190
Lambic (Note 1(b)(iv))(ii)	36,783	(3,678)	33,105	–
AmBev Ecuador(ii)	770	(141)	629	706
Labatt Canada subsidiaries(ii)	3,160,290	(3,132,066)	28,224	27,804
Quinsa subsidiaries (consolidated)(ii)	1,068,857	(719,880)	348,977	307,988
Software	364,843	(242,308)	122,535	123,879
Trademarks and patents	27,757	(4,319)	23,438	6,191
Other intangible assets	6,127	(3,455)	2,672	2,535
Projects	81,903	(71,083)	10,820	–
	28,245,126	(12,074,994)	16,170,132	17,468,643

(i) Goodwill reclassified from deferred assets (resulting from merged subsidiaries) to the intangible assets group, pursuant to CPC no. 04.

(ii) Goodwill reclassified from investments to the intangible assets group, pursuant to CPC no. 04. The amortization of such goodwill, formerly classified under the group of other operating expenses, is, from 2008, presented in the group of depreciation and amortization.

8. Loans, Financing and Debentures

				Parent Company			
				Current		Non-current	
Mode and purposes	Final Maturity	Weighted Average Rate	Currency	12/31/08	12/31/07	12/31/08	12/31/07
Brazilian Reais							
ICMS tax incentives	Mar/2018	2.68%	R$	7,751	45,372	185,015	169,628
Investments in permanent assets	Aug/2013	9.24%	R$	110,033	163,373	141,527	194,811
Promissory Notes	Apr/2009	102.00% CDI	R$	1,636,196	–	–	–
Working capital	–	–	R$	–	46,773	–	–
Agro-industrial credit	Dec/2009	94.00% CDI	R$	95,230	–	–	85,335
Agro-industrial credit	Apr/2009	TR + 9.00%	R$	432,906	–	–	391,315
Total Brazilian reais				**2,282,116**	**255,518**	**326,542**	**841,089**
In foreign currency							
Working capital	–	–	EUR	–	438,756	–	–
Working capital	–	–	YEN	–	379,050	–	–
Working capital	–	–	USD	–	24,799	–	–
Import financing	–	–	USD	–	50,723	–	–
Bond 2011	Dec/ 2011	10.50%	USD	6,014	4,559	1,273,710	885,650
Bond 2013	Sep/ 2013	8.75%	USD	35,436	26,846	1,183,422	885,650
Investments in permanent assets	Jan/2011	5.18%	UMBNDES	13,985	20,918	14,292	21,064
Total in foreign currency				**55,435**	**945,651**	**2,471,424**	**1,792,364**
Total loans and financing Financings				**2,337,551**	**1,201,169**	**2,797,966**	**2,633,453**
Debentures 2009	Jul/2009	101.75% CDI	R$	843,974	21,848	–	817,050
Debentures 2012	Jul/2012	102.50% CDI	R$	42,536	33,620	1,247,281	1,248,030
Total debentures				**886,510**	**55,468**	**1,247,281**	**2,065,080**
Grand Total				3,224,061	1,256,637	4,045,247	4,698,533

				Consolidated			
				Current		Non-current	
Mode and purposes	Final Maturity	Weighted Average Rate	Currency	12/31/08	12/31/07	12/31/08	12/31/07
Brazilian reais							
ICMS tax incentives	Mar/2018	2.68%	R$	8,454	45,482	190,873	174,126
Investments in permanent assets	Aug/2013	9.24%	R$	110,033	190,575	141,527	204,288
Working capital (Labatt)	Jan/2012	14.39%	R$	10,539	–	1,185,978	–
Working capital	–	–	R$	–	74,585	–	1,190,879
Promissory Notes	Apr/2009	102.00% CDI	R$	1,636,196	–	–	–
Agro-industrial credit	Dec/2009	94.00% CDI	R$	95,230	–	–	85,335
Agro-industrial credit	Apr/2009	TR + 9.00%	R$	432,904	–	–	391,315
Bond 2017 (Nota 8 (e))	Jul/2017	9.50%	R$	12,350	12,350	217,250	300,000
Total Brazilian reais				2,305,706	322,992	1,735,628	2,345,943

Mode and purpose	Final Maturity	Weighted Average Rate	Currency	Consolidated Current 12/31/08	Consolidated Current 12/31/07	Consolidated Non-current 12/31/08	Consolidated Non-current 12/31/07
Working capital	Sep/2011	6.70%	USD	149,876	84,624	40,915	46,497
Foreign currency							
Working capital	Oct/2012	BA + 3.56%	CAD	–	–	723,020	325,010
Working capital	Sep/2010	24.96%	VEF	157,206	–	37,158	–
Working capital	Dec/2012	24.00%	DOP	2,917	103,388	10,573	–
Working capital	Aug/2011	8.65%	GTQ	29,383	16,008	27,073	35,939
Working capital	Oct/2010	7.03%	PEN	50,688	85,338	96,026	114,484
Working capital	Nov/2009	8.29%	BOB	37,763	28,748	–	–
Working capital	–	–	EUR	–	438,756	–	–
Working capital	–	–	YEN	–	379,050	–	–
Working capital	–	–	ARS	–	36,284	–	–
Working capital	–	–	UYU	–	4,585	–	–
Working capital	–	–	VEB	–	117,568	–	–
Bond 2011	Dec/2011	10.50%	USD	6,014	4,559	1,273,710	885,650
Bond 2013	Sep/2013	8.75%	USD	35,436	26,846	1,183,422	885,650
Import financing	Oct/2011	5.49%	USD	–	101,356	–	3,464
Investments in permanent assets	Mar/2012	7.31%	USD	88,398	68,845	215,001	227,610
Investments in permanent assets	Mar/2009	23.50%	ARS	102,954	132,937	–	–
Investments in permanent assets	Jan/2011	5.18%	UMBNDES	13,984	20,918	14,291	21,064
Investments in permanent assets	–	–	DOP	–	9,646	–	36,288
Raw material	Oct/2011	6.50%	USD	3,398	–	483	–
Notes Series A (notes 8 (d) ii)	–	–	USD	–	287,104	–	–
Notes Series B (notes 8 (d) ii)	–	–	CAD	–	90,281	–	–
Senior Notes – BRI	Dec/ 2011	7.50%	CAD	–	–	169,852	160,338
Other	Dec/2013	13.40%	ARS	7,100	8,872	10,422	11,960
Other	Jun/2009	8.50%	PYG	82,648	49,207	–	
Other	Dec/2016	5.87%	USD	744	2,895	279,781	210,928
Total in foreign currency				768,509	2,097,815	4,081,727	2,964,882
Total loans				3,074,215	2,420,807	5,817,355	5,310,825
Debentures 2009	Jul/2009	101.75% CDI	R$	843,974	21,848	–	817,050
Debentures 2012	Jul/2012	102.50% CDI	R$	42,536	33,620	1,247,281	1,248,030
Total debentures				886,510	55,468	1,247,281	2,065,080
Grand Total				3,960,725	2,476,275	7,064,636	7,375,905

Abbreviations used:

EUR - European Community Euro
YEN - Japanese Yen
CAD –Canadian Dollar
BA - Bankers Acceptance – Corresponding to 1.41% p.a. as of 12/31/08
TJLP - Long-Term Interest Rate - Corresponding to 6.25% p.a. on 12/31/08
CDI - Interbank Deposit Certificate - corresponding to 13.62% p.a. on 12/31/08
UMBNDES - Rate incurring on BNDES financing pegged to Currency Basket

a) Classification of the financial liabilities

The company's financial liabilities are classified under the category "Financial liabilities not measured at the fair value", being recognized based on the amortization cost, by using the internal rate of return for interest calculation, except for the Bonds 2011, 2013 and 2017 whose protected risks undergo variations on their fair value with recognition in the income for the period, similar treatment to the protection derivatives, in accordance with the hedge accounting application.

b) Guarantees

Certain loans and financings related to purchase of property, plant and equipment are guaranteed by plants real estate mortgage and collateral of equipment. See Note 6(b).

AmBev's subsidiaries, except for Labatt and Quinsa operations, hold debt and raw materials purchase agreements secured by AmBev's sureties and guarantees.

c) Maturities

As of December 31, 2008, long-term loans, financings and debentures fall due as follows:

	Parent Company	Consolidated
2010	297,633	530,398
2011	1,298,871	2,139,618
2012	1,260,727	2,708,458
2013	1,188,016	1,190,623
2014 onwards	–	495,539
Total long-term	4,045,247	7,064,636

d) ICMS sales tax incentives

	Parent Company		Consolidated	
	12/31/08	12/31/07	12/31/08	12/31/07
Current liabilities				
Financing	7,751	45,372	8,454	45,482
Sales tax deferrals	50,721	22,420	52,704	24,114
Non-current liabilities				
Financing	185,015	169,628	190,872	174,126
Sales tax deferrals	380,981	450,188	583,030	617,441

Balances classified as Financings refer to programs offered by certain Brazilian states, through which a percentage of the ICMS sales tax due, it is financed by the financial agent associated to the Government, on average for a six-year period as from the original ICMS maturity date.

Other balances refer to the financed deferral of ICMS payment due for terms of up to twelve years, as part of incentive programs to the industry. The deferred percentages may be stated during the program or vary regressively, from 75% in the first year to 40% in the final year. The deferred amounts are partially indexed by 60% to 80% of a general price index. The sales tax deferral is recorded as current liabilities under the item "Other taxes and contributions payable" an in non-current liabilities, in the item "Deferral of taxes on sales".

e) Labatt Canada

On January 14, 2007, a R$473,675 loan was contracted, with semiannual interest amortization at the fixed rate of 12.13% p.a. and maturity date on January 18, 2012.

f) Bond 2017

On July 24, 2007, AmBev, through its wholly-owned subsidiary AmBev International Finance Co. Ltd ("AmBev International"), issued R$300,000 ("Bond 2017") in bonds denominated in reais with a fixed interest rate of 9.50% per year, amortized on a half-yearly basis, and maturity on July 24, 2017. These bonds are fully and unconditionally guaranteed by AmBev. The payments of interest and principal will be in US Dollars, based on the exchange rate of the respective payment day.

g) Promissory Notes

On April 15, 2008 the Company carried out the 1st issuance of Commercial Promissory Notes, in the amount of R$1,500,000, in a single tranche, with remuneration of 102.00% of CDI. The interest will be fully amortized on the maturity date which will occur on April 10, 2009.

h) Contractual clauses

As of December 31, 2008, the Company and its subsidiaries are in compliance with the contractual clauses of its significant loan and financing operations.

9. Contingencies

(i) Proceedings with probable loss:

	Parent Company			
	12/31/08			12/31/07
	Provisions	Judicial Deposit	Net Provisions	Net Provisions
PIS and COFINS	42,943	(42,943)	–	–
ICMS and IPI	170,687	(1,573)	169,114	166,928
IRPJ and CSLL	54,984	(323)	54,661	55,978
Labor claims	199,875	(97,309)	102,566	79,131
Other	94,639	(4,887)	89,752	84,581
Total	563,128	(147,035)	416,093	386,618
Current liabilities	57,880	–	57,880	73,147
Non-current liabilities	505,248	(147,035)	358,213	313,471

	Consolidated			
	12/31/08			12/31/07
	Provisions	Judicial Deposit	Net Provisions	Net Provisions
PIS and COFINS	73,009	(55,695)	17,314	16,653
ICMS and IPI	427,010	(1,573)	425,437	429,381
IRPJ and CSLL	70,220	(323)	69,897	80,015
Labor claims	249,525	(112,903)	136,622	137,943
Other	151,964	(5,989)	145,975	144,427
Total	971,728	(176,483)	795,245	808,419
Current liabilities	62,770	–	62,770	105,960
Non-current liabilities	908,958	(176,483)	732,475	702,459

	Parent Company					
	Balance on 12/31/07	Accruals	Reversals	Payments	Exchange variation/ Monetary restatement	Balance on 12/31/08
PIS and COFINS	40,432	234	–	(219)	2,496	42,943
ICMS and IPI	168,486	14,227	(7,631)	(9,066)	4,670	170,686
IRPJ and CSLL	56,392	685	(3,643)	(81)	1,630	54,983
Labor claims	208,736	134,449	(62,985)	(80,325)	–	199,875
Other	90,877	18,610	(3,201)	(12,305)	661	94,642
Total contingencies	564,923	168,205	(77,460)	(101,996)	9,457	563,129
(-) Judicial deposits	(178,305)	(66,993)	93,558	4,704	–	(147,036)
Total contingencies, net	386,618	101,212	16,098	(97,293)	9,457	416,093

	Consolidated					
	Balance on 12/31/07	Accruals	Reversals	Payments	Exchange variation/ Monetary restatement	Balance on 12/31/08
PIS and COFINS	70,529	281	(1,366)	(225)	3,791	73,010
ICMS and IPI	430,938	37,702	(29,106)	(24,525)	12,001	427,010
IRPJ and CSLL	80,429	697	(8,376)	(821)	(1,709)	70,220
Labor claims	273,272	166,949	(86,606)	(108,954)	4,863	249,524
Other	152,580	49,175	(20,490)	(40,395)	11,094	151,964
Total Contingencies	1,007,748	254,804	(145,944)	(174,920)	30,040	971,728
(-)Judicial deposits	(199,329)	(80,043)	98,095	4,794	–	(176,483)
Total contingencies, net	808,419	174,761	(47,849)	(170,126)	30,040	795,245

Main liabilities related to fiscal claims and provisions for contingencies:

a) ICMS and IPI

The Company has several administrative and judicial proceedings related to ICMS and IPI taxes. The reasons for these litigations are, among others, compensations, fulfillment of judicial injunctions exempting from tax payment and credits.

b) Labor

The Company and its subsidiaries are involved in approximately 4,400 labor proceedings, considered as probable losses, with former employees, mainly related to overtime, dismissals, termination pays and benefits, among others.

c) Other lawsuits

The Company and its subsidiaries have received notice of infraction and/or NFLDs (Tax Delinquency Notices) brought by the Brazilian Institute of Social Security – INSS. These lawsuits question, among other issues, the collection of contribution on PLR (Profit Sharing) payments, as well as withholding tax thereof to service suppliers.

The Company and its subsidiaries are involved in several lawsuits brought by former distributors, which require an indemnification for finishing the contract relation of distribution with the company.

(ii) Proceedings with probable loss:

The Company and its subsidiaries have other ongoing lawsuits for which, in the opinion of its legal counsels, the risk of loss is possible but not probable. For the lawsuits shown below, the Company's management understands there is no need for provision:

	Parent Company		Consolidated	
	12/31/08	12/31/08	12/31/08	12/31/08
PIS and Cofins	184,926	236,066	299,871	289,834
ICMS and IPI	1,264,681	644,351	1,325,273	768,264
IRPJ and CSLL	603,870	524,855	3,083,459	3,319,035
Labor claims	54,554	84,888	64,790	95,700
Civil claims	226,574	192,048	258,698	239,325
Other	298,997	234,629	322,462	317,751
Total	2,633,602	1,916,837	5,354,553	5,029,909

On December 31, 2008, the Company and its subsidiaries do not have contingent assets for which the probability of success is probable to be disclosed.

a) Profits generated abroad

The Company and its subsidiaries received tax assessments, related to tax authorities' understanding about the Brazilian laws in connection with taxation in Brazil of profits obtained by subsidiaries or affiliated companies domiciled abroad.

Based on the opinion of its legal advisors, the Company's management understands that these tax assessments were made based on incorrect analysis of the laws mentioned above, because among other factors: (i) it considers the assumption of availability, which did not exist in prevailing laws in the period referring to the tax assessment; (ii) it disregards the existence of a treaty entered into between Brazil and Spain to avoid double taxation; and (iii) by mistake in the ascertainment of amounts supposedly due.

In December 2008, the Taxpayers' Council (Conselho de Contribuintes) judged one of the lawsuits related to the taxation of profits abroad involving the Company. The decision was partly favorable, and the Company will file an appeal. Based on the opinion of its legal advisors, the Company did not make a provision related to these tax lawsuits, considering them as involving a risk of possible loss, in the total amount of R$2,682,829.

b) Labatt Canada

Labatt Canada was assessed by the Canadian Government for the interest rate used in certain related party debts and related party transactions, and other transactions existing in the past. The total amount of the exposure may reach CAD$218,000, equivalent to R$416,979 on December 31, 2008. In the event Labatt Canada is required to pay these amounts, CAD$110,000 will be reimbursed by its former parent company InBev, equivalent to R$210,402 on December 31, 2008.

During 2008, payments of CAD $115,277, equivalent to R$220,496, have been made on account as required by Canadian tax law. Out of this amount, InBev has reimbursed Labatt Canada in CAD$79,186, equivalent to R$151,463. Labatt Canada is continuing to challenge these assessments. After considering the transactions in the period, the likely payable amount was assessed at CAD$63,586, equivalent to R$121,624, which is provisioned as "Other liabilities" on December 31, 2008.

c) Stock subscription bonus

Certain holders of the Company's subscription bonus issued in 1996 for exercise in 2003 proposed lawsuits to subscribe correspondent shares in an amount lower than the Company considers as established upon the bonus issuance, and also to receive dividends correspondent to these shares since 2003 (in a current amount of approximately R$119,602) besides the legal fees. In case the Company loses the totality of these lawsuits, the issuance of 5,536,919 preferred shares and 1,376,344 common shares would be necessary, receiving in counterentry funds significantly lower than the shares' market value.

10. Social Programs

a) IAPP - Instituto AmBev de Previdência Privada (AmBev Private Pension Plan Institute)

AmBev and its subsidiaries in Brazil sponsor two types of pension plans: a defined contribution plan (open to new participants) and a defined benefit plan (closed to new participants since May 1998), with the possibility of migrating from the defined benefit plan to the defined contribution plan. These plans are funded by the participants and by the sponsor, and managed by the IAPP. The main purpose of these plans is to supplement the retirement benefits of employees and management. In the year ended on December 31, 2008, the Company and its subsidiaries made contributions to IAPP in the amount of R$995 (R$6,100 on December 31, 2007, 2008).

Based on the independent actuary's report, IAPP's plans position on December 31 is the following:

	2008	2007
Present value of the actuarial liability	(473,016)	(409,902)
Fair value of assets	963,876	982,274
Non-recognized profits and losses	(37,315)	(176,942)
Non-recognized cost of past service	2,191	2,486
Net actuarial assets	455,736	397,916
Security reserve	(435,864)	(379,413)
Net actuarial assets	19,872	18,503

The surplus of assets of IAPP is booked by the Company in its financial statements, under "Other assets", on December 31, 2008, at the amount of R$19,872 (R$18,503 on December 31, 2007), amount estimated as maximum limit of its future utilization.

b) Medical assistance benefits and others provided directly by the Company and subsidiaries

The Company and its subsidiaries directly provide medical assistance, reimbursement of medicine expenses and other benefits to retired employees, and such benefits are not being granted to new retirements.

On December 31, 2008, the balances of R$108,226 and R$167,870 of the Parent Company and Consolidated respectively (R$97,420 and R$224,163 of the Parent Company and Consolidated respectively, on December 31, 2007), are recognized in the Company's financial statements in the account "Other", in Long-term liabilities, in the following amounts:

	Pension Plan	Post-retirement benefit		
	Labatt	Labatt	AmBev	Total
Present value of the actuarial liability	1,680,892	196,019	151,808	2,028,719
Fair value of assets	(1,358,368)	–	–	(1,358,368)
Plan deficit	322,524	196,019	151,808	670,351
Non-amortized actuarial adjustments	(464,374)	(30,812)	(43,582)	(538,768)
Subtotal	(141,850)	165,207	108,226	131,583
Distributors' plan[i]	36,287	–	–	36,287
Total	(105,563)	165,207	108,226	167,870

[i] The liability regarding the distributors' plan represents the pro rata interest of Labatt Canada on these plans' obligations that will be financed by Labatt Canada through the allocation of service costs from these associated companies.

Changes in the provision for medical assistance benefits and others, as per the independent actuary's report, were as follows:

	AmBev	Labatt	Total
Balance on December 31, 2007	97,420	126,743	224,163
Financial charges/expenses incurred	19,889	67,922	87,811
Exchange rate variation	–	7,521	7,521
Actuarial adjustment	–	50,877	50,877
Payment of benefits	(9,083)	(193,419)	(202,502)
Balance on December 31, 2008	108,226	59,644	167,870

c) Fundação Antônio e Helena Zerrenner Instituição Nacional de Beneficência – FAHZ

The FAHZ's primary objectives are to provide the sponsor's employees and managers with medical/hospital and dental assistance, to sponsor professional specialization and graduation courses, and to maintain facilities that provide aid and assistance to the elderly, by means of direct actions or agreements.

Changes in the FAHZ's actuarial liabilities, as per the independent actuary's report, were as follows:

Balance on December 31, 2007	224,918
Financial charges incurred	44,193
Payment of benefits	(32,868)
Balance on December 31, 2008	236,243

The actuarial liabilities related to the benefits provided by the FAHZ were fully offset by its assets on December 31, 2008 at the same date, and the assets surplus was not recorded by the Company in its financial statements, due to the possibility of using it for other purposes than those related to payment of benefits.

d) Actuarial assumptions

The medium- and long-term assumptions adopted by the independent actuary when calculating the actuary liabilities were as follows:

	Annual percentage (in nominal terms)			
	AmBev		Labatt	
	2008	2007	2008	2007
Discount rate	10.8	10.8	6.95	5.25
Rate of expected return from assets	11.6	9.6	7.44	7.4
Increase in the compensation component	7.1	7.1	3.0	3.0
Increase in the cost of medical services	7.3	7.1	8.0	8.5

11. Shareholders' Equity

a) Subscribed and paid-in capital stock

On December 31, 2008, the Company's capital stock, at the amount of R$6,601,990, was represented by 614,936 thousand shares of which 345,508 thousand are common shares and 269,428 thousand are preferred shares, all of them non-par registered shares.

At the Board of Directors Meeting held on October 9, 2008, the Company increased its capital by the amount of R$2,212 upon the issuance of 24,000 preferred shares fully subscribed by Fundo de Investimentos do Nordeste – FINOR with funds from tax incentives referring to the allocations of 1998/1997 calendar year.

At the Board of Directors' Meeting held on July 25, 2008, the members of the Board ratified the Company shareholders' subscription of 431,000 common shares and 61,000 preferred shares at the price of R$111.48 and R$123.30 per share, respectively, totaling R$55,662. The 25,000 common shares and 95,000 preferred shares whose shareholders exercised the right to withdraw provided for in the legislation were deducted from this ratification; the amount of R$14,578 referring to the aforementioned right was reimbursed to shareholders on 7/25/2008.

At the Annual Ordinary and Extraordinary General Meeting held on April 28, 2008, the following changes in the Company's capital stock occurred:

- Capital stock increase in the amount of R$307,236, by means of the issuance of 1,814 thousand common shares and 852 thousand preferred shares to Interbrew and Ambrew, all of those shares being paid-up with the partial capitalization of the fiscal benefit ascertained by the Company with the partial amortization of the special goodwill reserve;

- Capital stock increase in the amount of R$131,672, without the issuance of shares, corresponding to the capitalization of 30% of the fiscal benefit ascertained by the Company with the partial amortization of the incentive reserve;

- Cancellation of 1,792 thousand common shares and 10,871 thousand preferred shares issued by the Company held in treasury, without decrease of the capital stock amount.

b) Changes in the subscribed capital shares made during 2008:

	Number of shares – per thousand shares		
Description	Preferred	Common	Total
On December 31, 2007	279,362	345,055	624,417
Increases:			
Annual and Extraordinary General Meeting held on 04.28.08	852	1,814	2,666
Board of Directors Meeting held on 07.25.08	61	431	492
Board of Directors Meeting held on 10.09.08	24	–	24
Cancellations:			
Annual and Extraordinary General Meeting held on 04.28.08	(10,871)	(1,792)	(12,663)
On December 31, 2008	269,428	345,508	614,936

c) Authorized capital

The Company is authorized to increase its capital stock up to 700,000 thousand shares, regardless of by-law amendment, upon the Board of Directors' resolution, which shall resolve on the payment conditions, characteristics of shares to be issued and issuance price, and shall also establish whether the capital stock shall be increased by means of public or private subscription.

d) Appropriation of income for the year and constitution of statutory reserves

The Company's Bylaws provide for the following appropriation of the net income for the year, after the deductions set forth by law:

(i) 35% percentage for the payment of mandatory dividends to all its shareholders. Pursuant to the legislation, preferred shares will receive a dividend 10% higher than common shares.

(ii) An amount not higher than 68.875% of the net income, to set up the investments reserve, for the purpose of financing the expansion of the activities of the Company and its subsidiaries, even for the subscription of capital increases or creation of new projects. This reserve shall not exceed 80% of the capital stock. Should it reach this limit, it shall be incumbent upon the General Meeting to resolve on the balance, thus distributing it to shareholders or increasing the Company's capital.

(iii) Distribution to the employees of up to 10% of the net income for the year, based on predetermined criteria. To the managers it shall be attributed an amount equal to the maximum legal limit. The profit sharing is conditioned to reaching group and individual targets previously established by the Board of Directors at the beginning of the year.

e) Proposed dividends

Calculation of the percentage of dividends approved by the Board of Directors on net income for the years ended on December 31:

	2008	2007
Proposed allocations:		
Net income for the year	3,059,478	2,816,407
Legal reserve (5%)[i]	–	–
(-) Constitution of tax incentive reserve	(142,876)	–
Basis for calculating the year's dividends	2,916,602	2,816,407
Dividends and interest attributed to shareholders' equity paid[ii]	3,181,108	1,925,800
(-) Withholding income tax	(122,776)	(142,513)
Total dividends distributed, net[iii]	3,058,332	1,783,287
Percentage of dividends on the calculation basis - %	104.86	57.15
Net dividends per outstanding shares		
Proposed allocations:		
(excluding treasury shares) – R$		
Common	4.74	1.87
Preferred	5.21	2.05

(i) The legal reserve was not constituted, pursuant to the corporate legislation, which establishes that such reserve may stop being constituted when, added to the capital reserves, it exceeds thirty per cent (30%) of the Company's capital stock.

(ii) Part of the dividends and interests on own capital was paid by using the investment reserve.

(iii) At the Board of Directors Meeting held on December 22, 2008, the members of the Board approved the distribution of interest attributed to shareholders' equity resulting from income ascertained in the extraordinary balance sheet of August 31, 2008, to be attributed to the compulsory minimum dividends for the year 2008, at the ratio of R$0.3900 per common share and R$0.42900 per preferred share. The distribution of interest attributed to shareholders' equity was taxed pursuant to the current legislation. which resulted in a net distribution of R$0.33150 per common share and R$0.36465 per preferred share.

These payments were made as of January 30, 2009 (subject to the approval of the Annual General Meeting referring to the fiscal year ended on December 31, 2008) based on the shareholding of January 14, 2009 for Bovespa shareholders and January 19, 2009 for NYSE shareholders, without monetary restatement. The shares and the ADRs have been traded ex-dividends as of January 15, 2009.

f) Interest attributed to shareholders' equity

Under the law, companies have the option to distribute to the shareholders interest calculated based on the long-term interest rate (TJLP) on shareholders' equity, and such interest, which is tax deductible, can be considered as part of the mandatory dividends when distributed.

Although this interest is recorded in the accounting and fiscal books as financial revenue, when declared by subsidiaries and associated companies, and as financial expenses, at the occurrence of the allocation of the amounts to be paid to the shareholders, it is reclassified to shareholders' equity and presented as dividends, to reflect the essence of the transaction. Thus, interest attributed to shareholders' equity is considered as dividends received and paid and is not recorded in the statement of income. Consequently, in these financial statements, the aforementioned records are reclassified. i.e. the interest attributed to shareholders' equity received or receivable is credited to the investment account and the interest attributed to shareholders' equity paid or payable is debited from the retained earnings.

The interest attributed to shareholders' equity and dividends not claimed within 3 years of the beginning of payment becomes time-barred and is reverted to the Company (Law no. 6.404/76. Article 287, subsection II, item a).

g) Treasury shares

During the year ended December 31, 2008, the Company acquired in the market 2,104,914 thousand preferred shares at the weighted average cost of R$121,19, the maximum cost being R$126,52, and the minimum cost being R$98,90, and 258,479 thousand common shares at the weighted average cost of R$108,53, the maximum cost being R$111,48 and the minimum cost being R$86,20.

Changes in the Company's treasury shares during the year ended on December 31. 2008 were as follows:

	Number of shares – per thousand shares			
Description	Preferred	Common	Total	R$
On December 31. 2007	7,668	1,191	8,859	1,158,869
Movements occurred during the period:				
Shared buyback related to the Plan	2,213	473	2,686	346,971
Share acquisitions – Market	2,105	257	2,362	283,283
Share cancellations	(10,872)	(1,791)	(12,663)	(1,638,204)
Transfer of shares to shareholders of the Plan	(287)	(25)	(312)	(41,642)
On December 31. 2008	827	105	932	109,277

On March 3, 2008, the closing of the share buyback program launched on December 12, 2007 was approved. On this same date, the Company launched a new buyback program to acquire common and preferred shares issued by itself, up to the amount of R$750,000, which matured on February 26, 2009, in compliance with CVM Instruction no 10/80 and its subsequent amendments.

h) Equity evaluation adjustments

Pursuant to Law no. 11,638/07 and Provisional Measure no. 449/08 the following effects were recognized in the Company's Shareholders' Equity, in the "Equity evaluation adjustments" group:

	Parent Company
	12/31/2008
Shareholders' Equity – Equity evaluation adjustments	
Exchange rate variation in the conversion of financial statements	530,866
Equity Accounting – Effects of adjustments to Law no. 11.638/07 in investees	(100,137)
Hedge Reserves – cost	409,953
Hedge Reserves - Other	8,450
Deferred income tax and social contribution – Shareholders' Equity	(139,385)
	709,747

12. Share Acquisition Plan ("Plan")

AmBev maintains a plan for purchase of shares by employees, in order to align the interests of shareholders with those of employees. The Plan is managed by the Board of Directors. The Board of Directors periodically creates share acquisition plans, defining the terms and categories of employees to be benefited, and determines the price for which the shares will be purchased.

The options granted as from 2006 have a 5-year vesting period and expire no later than 10 years after the grant date. Should the existing labor agreement come to an end, the rights to the stock options expire under certain conditions.

The beneficiaries of share purchase rights granted as from 2003 are no longer entitled to advances by term subscription of shares. On December 31, 2008, the outstanding balance of term subscription refers to the plans granted before 2003, and amounts to R$27,090 in the consolidated statement (R$41,579 on December 31, 2007). The loans are guaranteed by the shares purchased.

Changes in outstanding share options for the year ended on December 31, 2008 were as follows:

	Share purchase option – per thousand shares			
	2008		2007	
Description	Preferred	Common	Preferred	Common
Balance of share purchase options at the beginning of the year	2,296	155	243,383	33,825
Share grouping(*)			(240,949)	(33,487)
Movements occurred during the period:				
Exercised	(129)	(25)	(614)	(123)
Cancelled	(141)	(18)	(390)	(60)
Granted	803	–	866	–
Balance of share purchase options at the end of the year	**2,829**	**112**	**2,296**	**155**

(*) Share grouping at the ratio of 100 to 1 – see Note 11(a)

13. Treasury

a) Derivative instruments

The Company's use of derivatives observes strictly the financial risk policy approved by the Board of Directors. The purpose of the policy is to set out guidelines for the management of financial risks inherent to the capital market in which AmBev carries out its operations. The policy comprises four (4) main points: (i) capital structure, financing and liquidity, (ii) transactional risks related to the business, (iii) translation and balance conversion risks and (iv), credit risks of financial counterparts.

The policy establishes that all the financial assets and liabilities in each country where the Company operates must be maintained 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 and commodities (mainly aluminum, wheat and sugar) that may affect the Company's revenues, costs and/or investments amounts. Any exception to the policy must be approved by the Board of Directors.

To meet its objectives, the Company and its subsidiaries use derivative interest and commodities. Derivative instruments authorized by the risk policy are futures contracts traded on forex, deliverable forwards, non-deliverable forwards and swaps. On December 31, 2008, the Company and its subsidiaries had no target forward operations, swaps with currency verification or any other derivative operation implying in leveraging above the nominal value of their agreements. The derivative operations are classified per strategy according to its purpose, as follows:

i) Financial hedge – operations contracted with the purpose of protecting the Company's net indebtedness against foreign exchange variations and interest rates. Derivatives used to protect the risks related to Bonds 2011, 2013 and 2017 were stated as Fair value hedge instruments, in accordance to CPC 14. Therefore, its results, measured according to their fair value, are recognized in each accounting period in financial income.

ii) Operational hedge – These contracted operations for the purpose of reducing the Company's exposure to the fluctuation of exchange variation and raw material prices, investments, equipment and services to be acquired. All derivatives recorded in this strategy are classified as cash flow hedge instruments. Thus, net results of such operations calculated at its fair value, are recorded in the shareholders' equity account up to the moment of recognition of the hedged item, when the accumulated results are recorded in the corresponding booking accounts, as set forth in CPC no. 14.

iii) Fiscal hedge – operations contracted with the purpose of minimizing the fiscal impact of operations between the Company and subsidiaries. Net income from these operations is recognized on the accrual basis in the income tax result of each period.

On December 31, 2008 and 2007, these instruments' contracted amounts and their respective fair values, as well as each year's accumulated effects, are as demonstrated in the table below:

Purpose / Risk / Instrument		Notional Value		Fair Value		Accumulated Effect[2]	
		12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Foreign Currency	Future Contracts[1]	1,630,058	1,164,187	(52,960)	11,256	408,905	(244,803)
Foreign Currency	Non Deliverable Forwards	984,737	361,074	161,206	(6,808)	174,620	7,027
Foreign Currency	Deliverable Forwards	315,772	55,256	13,406	(177)	9,672	(1,244)
Interest Rates	Future Contracts[1]	(1,000,000)	–	(460)	–	(12,710)	–
Commodity	Future Contracts[1]	236,798	83,513	(53,039)	2,781	(86,258)	(4,769)
Commodity	Swaps	471,008	420,234	(293,716)	(27,751)	(303,704)	(40,466)
Operating Hedge		2.638.373	2,084,264	(225,563)	(20,699)	190,525	(284,255)
Foreign Currency	Future Contracts[1]	(713,369)	(786,369)	23,209	(4,687)	(34,128)	187,561
Foreign Currency	Swaps	2,635,641	3,996,404	172,931	(535,142)	347,030	(896,851)
Foreign Currency	Non Deliverable Forwards	1,469,253	1,198,703	379,282	–	41,074	119,103
Interest Rates	Future Contracts[1]	382,000	450,000	(216)	13	(284)	(3,448)
Interest Rates	Swaps	921,660	886,823	14,577	(139,604)	(22,958)	(59,811)
Financial Hedge		4,695,185	5,745,561	589,783	(679,420)	330,734	(653,446)
Foreign Currency	Future Contracts[1]	(1,590,329)	(900,529)	52,689	(9,160)	(302,366)	232,448
Fiscal Hedge		(1,590,329)	(900,529)	52,689	(9,160)	(302,366)	232,448
Total Derivatives		5,743,229	6,929,296	416,909	(709,279)	218,893	(705,253)

(1) Futures contracts are traded on organized futures exchanges, whereas other derivative financial instruments are traded directly with financial institutions.

(2) Income generated by operations during the year ended in 2008. The amount generated in the year, R$28,368was recognized in income for the year, of which R$330,734as financial income and R$(302,366) as income tax and social contribution; and the gain of R$190,525 was recorded in shareholders' equity, partially amortizing the earnings retained in previous periods, which will be recognized in future periods as property, plant and equipment or investment, depending on the nature of each hedge.

These instruments, as of December 31, 2008, at Fair Value and Notional Value per instrument, matured as follows:

Purpose / Risk / Instrument		Fair Value					
		2009	2010	2011	2012	> 2012	Total
Foreign Currency	Futures Contracts	(46,023)	(6,937)	–	–	–	(52,960)
Foreign Currency	Non Deliverable Forwards	161,659	(454)	–	–	–	161,205
Foreign Currency	Deliverable Forwards	14,031	(625)	–	–	–	13,406
Interest Rates	Futures Contracts	(91)	(369)	–	–	–	(460)
Commodities	Futures Contracts	(49,658)	(3,380)	–	–	–	(53,038)
Commodities	Swaps	(293,716)	–	–	–	–	(293,716)
Operational Hedge		(213,798)	(11,765)	–	–	–	(225,563)
Foreign Currency	Future Contracts	18,141	(1,833)	4,806	(1,594)	3,688	23,209
Foreign Currency	Swaps	–	–	164,206	–	8,725	172,931
Foreign Currency	Non Deliverable Forwards	297,596	–	–	81,686	–	379,282
Interest Rates	Futures Contracts	(6)	(7)	(13)	(13)	(177)	(216)
Interest Rates	Swaps	(31,977)	46,554	–	–	–	14,577
Financial Hedge		283,754	44,714	168,999	80,079	12,236	589,783
Foreign Currency	Futures Contracts	52,689	–	–	–	–	52,689
Fiscal Hedge		52,689	–	–	–	–	52,689
Total Derivatives		122,645	32,949	168,999	80,079	12,236	416,909

Purpose / Risk / Instrument		Notional Value					
		2009	2010	2011	2012	>2012	Total
Foreign Currency	Future Contracts	1,408,043	222,015	–	–	–	1,630,058
Foreign Currency	Non Deliverable Forwards	975,188	9,549	–	–	–	984,737
Foreign Currency	Deliverable Forwards	305,145	10,627	–	–	–	315,772
Interest Rates	Future Contracts	(700,000)	(300,000)	–	–	–	(1,000,000)
Commodities	Future Contracts	199,070	37,728	–	–	–	236,798
Commodities	Swaps	471,008	–	–	–	–	471,008
Operational Hedge		2,658,454	(20,081)	–	–	–	2,638,373
Foreign currency	Future Contracts	(510,635)	58,425	(169,433)	64,852	(156,579)	(713,369)
Foreign currency	Swaps	–	–	1,247,725	–	1,387,917	2,635,641
Foreign currency	Non Deliverable Forwards	1,188,813	–	–	280,440	–	1,469,253
Interest Rates	Future Contracts	447,500	(5,000)	(5,000)	(2,500)	(53,000)	382,000
Interest Rates	Swaps	300,000	621,660	–	–	–	921,660
Financial Hedge		1,425,678	675,085	1,073,292	342,792	1,178,338	4,695,185
Foreign Currency	Future Contracts	(1,590,329)	–	–	–	–	(1,590,329)
Fiscal Hedge		(1,590,329)	–	–	–	–	(1,590,329)
Total Derivatives		2,493,803	655,004	1,073,292	342,792	1,178,338	5,743,229

The Company has identified the main risk factors that may generate losses in its operations with derivative financial instruments. Accordingly, it has developed a sensitivity analysis based on three (3) scenarios that may generate impacts on the Company's future results and/or cash flows, as described below:

1 – Base scenario: maintenance of foreign exchange rate, interest and commodities prices on the same levels observed on December 31, 2008.

2 – Adverse scenario: 25% deterioration in each transaction's main risk factor as compared to the level observed on December 31, 2008.

3 – Remote scenario: 50% deterioration in each transaction's main risk factor as compared to the level observed on December 31, 2008.

In addition to presenting the possible effects on individual results of derivative operations, we also show in the analysis the effects of derivative operations contracted for asset protection along with each.

Risk Factor	Financial Instrument	Risk	Base Scenario	Adverse Scenario	Remote Scenario	VaR (R$)[i]
Foreign Currency	Future Contracts	Dollar depreciation	(52,960)	(407,514)	(815,029)	266,710
Foreign Currency	*NDFs*	Dollar and Euro depreciation	161,206	(246,184)	(492,368)	47,658
Interest Rates	*Deliverable Forwards*	Dollar depreciation	13,406	(78,943)	(157,886)	9,149
Interest Rates	Future Contracts	Reduction in Interbank Deposit Certificate (CDI)	(460)	(5,239)	(10,937)	3,254
Commodity	Future Contracts	Commodities depreciation	(53,039)	(59,200)	(118,399)	56,257
Commodity	*Swaps*	Commodities depreciation	(293,716)	(117,752)	(235,504)	61,814
Operating Hedge			(225,563)	(914,832)	(1,830,124)	
Foreign Currency	Future Contracts	Dollar depreciation	23,209	(178,342)	(356,685)	116,721
Foreign Currency	*Swaps*	Dollar depreciation	172,931	(658,910)	(1,317,821)	67,448
Foreign Currency	*NDFs*	Dollar depreciation	379,282	(367,313)	(734,626)	26,598
Interest Rates	Future Contracts	Increase in interest rate	(216)	(16,055)	(32,569)	6,179
Interest Rates	*Swaps*	Increase in interest rate	14,577	(14,735)	(47,729)	13,519
Financial Hedge			589,783	(1,235,356)	(2,489,429)	
Foreign Currency	Future Contracts	Dollar appreciation	52,689	(397,582)	(795,164)	260,210
Fiscal Hedge			52,689	(397,582)	(795,164)	
Total Derivatives			416,909	(2,547,770)	(5,114,717)	

[i] Unaudited information.

Transaction	Risk	Base Scenario	Adverse Scenario	Remote Scenario
Foreign exchange hedge	Dollar and euro depreciation	91,623	(654,588)	(1,309,636)
Input purchases		(91,623)	654,588	1,309,636
Commodities hedge	Fall in commodities prices	(346,754)	(176,952)	(353,903)
Input purchases		346,754	176,952	353,903
Foreign exchange hedge	Dollar and euro depreciation	29,568	(83,292)	(166,585)
Capex purchase		(29,568)	83,292	166,585
Operational hedge		(225,563)	(914,832)	(1,830,124)
Operational purchases		225,563	914,832	1,830,124
Net effect		–	–	–
Foreign exchange hedge	Foreign currency depreciation	575,422	(1,204,566)	(2,409,132)
Net debt		(575,422)	1,204,566	2,409,132
Interest rate hedge	Increase in interest rates	14,361	(30,790)	(80,298)
Expenses with interest		(14,361)	30,790	80,298
Financial hedge		589,783	(1,235,356)	(2,489,429)
Net debt and interest		(589,783)	1,235,356	2,489,429
Net effect		–	–	–
Foreign exchange hedge	Dollar appreciation	52,689	(397,582)	(795,164)
Tax expenses		(52,689)	397,582	795,164
Fiscal hedge		52,689	(397,582)	795,164
Tax expenses		(52,689)	397,582	795,164
Net effect		–	–	–

(i) Operational Hedge

During the year ended in 2008, the effect relating to the commodities and currency hedge operations recorded in the statement of income as "Cost of goods sold" were:

Description	Decrease (Increase) in the cost of goods sold
Currency hedge	(74,796)
Hedge of aluminum	(21,803)
Hedge of sugar	18,884
Hedge of wheat	(5,367)
Hedge of fuel	(881)
Total	(83,963)

On December 31, 2008, unrealized gains in the amount of R$212,425 were recorded in shareholders' equity. Such gain is recognized at credit of the Company's result: the amount of R$203,975 in "Cost of goods sold", when corresponding finished products are sold and the remaining balance at operating expense, as it is an expense hedge, or in property, plant and equipment, on the occasion of its acquisition, as it is a Capex hedge.

(ii) Ascertainment of fair value of derivatives

The Company evaluates derivative 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 ends are estimated independently and brought to present value, where the difference between the result of the asset and liability amount generates the swap's market value. For the derivative instruments traded on the Stock Exchange, the fair value is calculated according to the adjustment prices disclosed thereby.

(iii) Margins given as guarantee

Aiming to comply with the guarantees required by the derivative exchanges and/or contractors in certain operations with derivative instruments, as of December 31, 2008 the Company kept an amount of R$226,431 in immediate liquidity or cash investments and R$105,000 in bank sureties as collateral for derivative operations.

b) Debt financial instruments

The Company's financial liabilities, mainly represented by foreign debt securities, debentures and promissory notes, are recorded at cost value, monetarily restated according to the effective rate method, plus monetary and exchange variations, according to closing indexes for each period. Additionally, the Bonds issued by AmBev and maturing in 2011, 2013 and 2017 are stated as items subject to fair value hedge. As such, variations in the fair value of hedged risk factors are recognized in income in contra account to the amount of their respective debts.

Had the Company used a method where its financial liabilities could be recognized at market value, it would have recognized an additional loss, before income and social contribution taxes, of approximately R$(268,841) on December 31, 2008 (R$466,492 on December 31, 2007), as presented below:

Financial liabilities	Book value	Market value	Difference
Working Capital BRL (Labatt)	1,196,519	1,391,674	(195,155)
Senior Notes – BRI[i]	169,852	175,865	(6,013)
International financing (other currencies)	2,352,850	2,352,850	–
Promissory Notes	1,636,195	1,636,195	–
Agro-industrial credit	528,135	528,135	–
BNDES/FINEP/EGF	279,835	279,835	–
Bond 2011	1,279,725	1,293,585	(13,860)
Bond 2013	1,218,858	1,327,213	(108,355)
Bond 2017	229,600	229,600	–
Debentures	2,133,791	2,079,249	54,542
Total	11,025,360	11,294,201	(268,841)

[i] Private Bonds entered into by Brewers Retail Inc. (BRI) and proportionally consolidated by Labatt Canada in Canadian dollars.

The criterion used to determine the market value of the bonds was based on quotations of investment brokers. on quotations of banks which provide services to AmBev and on the secondary market value of bonds on the reference date as December 31, 2008, approximately 110,19% of face value for Bond 2011, 110,55% for Bond 2013 and 72,42% for Bond 2017 (116,75% for Bond 2011, 116,67% for Bond 2013 and 86,91% for Bond 2017 on December 31, 2007).

c) Financial Assets

The financial investments, represented by securities, government bonds and bank deposits certificates, including stated at foreign currency, are classified under Aimed at Negotiation, measured at their fair value with recognition in the financial income.

	Parent Company		Consolidated	
Modes and purposes	12/31/08	12/31/07	12/31/08	12/31/07
In Reais				
Cashes and Banks	151,179	612,475	1,124,189	1,460,028
Investments	676,634	308,356	2,174,677	848,201
Grand Total	827,813	920,831	3,298,866	2,308,229

d) Financial income and expenses:

	Parent Company		Consolidated	
	12/31/08	12/31/07	12/31/08	12/31/07
Financial income				
Exchange variation on financial assets	–	–	79,595	(52,314)
Interest on cash and cash equivalents	39,576	24,982	105,612	95,321
Net gains on derivative instruments	444,863	–	330,734	–
Financial charges on taxes. contributions and judicial deposits	16,432	16,009	67,350	47,999
Income from adjustment of operations at market value[i]	90,587	–	134,070	–
Income from stock option plan	5,772	7,665	5,823	7,715
Interest and exchange variation on loans	–	215,353	6,123	–
Other	20,758	17,251	31,094	23,127
	617,988	281,260	760,401	121,848
Financial expenses				
Exchange variation on financings	(601,910)	462,002	(534,996)	475,624
Net losses on derivative instruments	–	(726,747)	–	(653,446)
Interest on debts in foreign currencies	(260,839)	(270,120)	(425,980)	(624,667)
Interest on debts in reais	(489,363)	(333,534)	(713,934)	(340,899)
Interest and exchange rate variation on loans	(1,165,672)	–	–	–
Taxes on financial transactions	(27,019)	(100,193)	(68,454)	(121,199)
Financial charges on contingencies	(20,078)	(49,173)	(28,659)	(64,087)
Other	(67,388)	(40,313)	(80,591)	(46,153)
	(2,632,269)	(1,058,078)	(1,852,615)	(1,374,827)
Net financial income	(2,014,281)	(776,818)	(1,092,214)	(1,252,979)

[i] It corresponds to the results of the fair value variation of the *Bonds* 11, 13 and 17, items subject to hedge. Such result added to the effect of the fair value variations of the hedge instruments sums the amount of R$52,419, according to what was mentioned on Note 2.1 (g) – Application of CPC 14 Financial Instruments.

e) Concentration of credit risk

A substantial part of the Company's sales is related to distributors, supermarkets and retailers, within a broad distribution network. Credit risk is reduced because of the large spread in the number of customers and control procedures to monitor this risk. Historically, the Company does not record significant losses on receivables from cutomers.

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, not allowing credit concentration. i.e. the credit risk is monitored and minimized as the negotiations are carried out only with a select group of counterparties highly qualified.

The process that determines the financial institutions authorized to operate as the Company's counterparts is in our credit risk policy. This policy establishes maximum limits of exposure to each counterpart based on the risk rating and on each counterpart's capitalization. Currently, the minimum risk rating accepted by the Company is A- (from Fitch and S&P) or A3 (from Moody's).

Aiming to minimize the credit risk with its counterparties in material derivative operations, the Company adopts bilateral "trigger" clauses with these counterparties. Pursuant to these clauses, whenever the fair value of an operation exceeds a percentage of its notional value (usually between 10% and 15%). the debtor shall settle the difference related to this limit on behalf of the creditor. In 2008, the total amount of this limit is R$292,125 (equivalent to US$125,000) in derivative operations contracted in Brazil, and R$151,905 (equivalent to US$65,000) in derivative operations contracted abroad.

On December 31, 2008, the Company had relevant short-term investments in the following financial institutions: ABN Amro Real, Banco do Brasil, Bradesco, Unibanco, Santander, BNP Paribas and JP Morgan. The Company had derivatives agreements with the following financial institutions: BBVA, Bank of Nova Scotia, Banco Votorantin, Citibank, Calyon, Deutsche Bank, Goldman Sachs, Itaú, BBA, JP Morgan Chase, Macquarie, Morgan Stanley, Prudential Securities, Santander, ScotiaBank, Societè Generale, TD Securities and Unibanco.

14. Income and Social Contribution Taxes

The company, for income tax and social contributions determination purposes, has opted for the Tax System in Transition (TST), according to the allowed by the Provisional Measure no 449/2008.

a) Reconciliation of consolidated income and social contribution taxes expenses with their nominal amounts rates

	Year ended on December 31	
	2008	2007
Consolidated net income before income and social contribution taxes	4,695,620	4,545,693
Statutory profit sharing and contributions	(109,935)	(89,111)
Consolidated net income before income and social contribution taxes and minority interest	4,585,685	4,456,582
Expected expense with income and social contribution taxes at nominal rates (34%)	(1,559,133)	(1,515,237)
Adjustments to obtain the effective rate resulting from permanent differences:		
Goodwill amortization. non-deductible portion[i]	(477,744)	(485,681)
Foreign subsidiaries' income not subject to taxation	(30,273)	25,284
Interest attributed to shareholders' equity	337,447	368,566
Equity gains (losses) in subsidiaries[ii]	(1,848)	1,561
Exchange variation on investments	(1,280)	(80,980)
Fiscal incentives of nontaxable income taxes and ICMS[ii]	198,100	76,527
Permanent additions and exclusions and other	15,688	17,123
Income and social contribution taxes expenses	(1,519,043)	(1,592,837)

(i) The amortization of nondeductible goodwill comprises the effects of Labatt AS in Labatt Canada, totaling R$1,284,691 in the period ended on December 31, 2008 (R$1,129,448 on December 31, 2007), generating a tax effect as it is not deductible, totaling R$436,795 (R$384,012 on December 31, 2007).

(ii) The presentation of fiscal incentives in the line of equity gains and losses was changed for comparison purposes.

b) Breakdown of benefit (expenses) of income and social contribution taxes on net income

	Parent Company		Consolidated	
	2008	2007	2008	2007
Current	(391,938)	(94,693)	(1,458,664)	(963,566)
Deferred	(15,718)	(520,185)	(60,379)	(629,271)
Total	(407,656)	(614,878)	(1,519,043)	(1,592,837)

c) Breakdown of deferred taxes

Deferred income and social contribution taxes are recorded to reflect future tax effects on temporary differences between fiscal and accounting basis related to assets and liabilities.

According to CVM Instruction 371, as of June 27, 2002, the Company, based on the expectation of future taxable profits, determined by technical studies approved by the management, also recognized tax assets related to tax losses carryforward and negative basis of social contribution, which do not expire and whose utilization is limited to 30% of annual taxable income. The deferred tax assets accounting balance is reviewed periodically and projections are evaluated annually.

The income and social contribution taxes were calculation based on:

	Parent Company		Consolidated	
	12/31/08	12/31/07	12/31/08	12/31/07
Current assets				
Tax losses carryforwards	250,000	60,001	354,173	157,050
Temporary differences:				
Goodwill future profitability – Mergers	350,770	350,770	350,770	350,770
Provision for interests attributed to shareholders' equity	87,137	–	87,137	–
Provision for restructuring	–	–	22,565	11,536
Provision for employees profit sharing	2,366	29,459	3,589	32,265
Provision for marketing and selling expenses	78,454	57,871	78,775	57,872
Others	37,713	37,834	48,406	40,232
	806,440	535,935	945,415	649,725
Long-term assets				
Tax losses carryforwards	124,680	107,866	541,950	624,666
Temporary differences:				
Provision for losses on tax incentives	3,085	3,085	7,619	7,619
Goodwill future profitability – Mergers	1,495,160	1,822,470	1,495,160	1,822,470
Provision for benefits to employees	36,797	33,123	40,182	68,834
Provision for losses on properties held for sale	12,281	12,307	12,678	12,704
Provision for losses on hedge	72,823	159,933	72,823	159,933
Allowance for doubtful accounts	6,767	8,959	10,687	10,466
Other temporary provisions	174,721	174,240	272,390	277,276
Deferred assets on shareholders' equity adjustments Law no. 11,638	125,030	–	127,170	–
Others	8,736	13,285	100,718	52,810
	2,060,080	2,335,268	2,681,377	3,036,778
Long-term liabilities				
Temporary differences				
Accelerated depreciation	–	–	9,430	34,290
Adjustments on shareholders' equity adjustments Law no. 11,638	141,329	–	141,329	–
MTM derivative adjustment and commodities	–	–	60,175	–
Withholding of Income Tax on dividends	–	–	59,937	47,215
Others	14,372	18,571	127,106	49,980
	155,701	18,571	397,977	131,485

The management considers that the balances of deferred income taxes on temporary differences will be realized proportionally to the ultimate conclusion of contingencies and events that originated them.

Based on technical studies of projections of future taxable income determined according, to CVM Instruction 371, the Company estimates to recover the deferred tax assets on tax losses carryforwards of the parent company and subsidiaries located in Brazil and abroad, in the following years:

Amounts in millions of Reais					
Year	2009	2010	2011	2012	Total
Amount	354	379	125	38	869

Part of tax benefit corresponding to the tax loss carryforward of subsidiaries abroad was not recorded as an asset, as management cannot determine whether its realization is probable.

15. Commitments with Suppliers

The Company holds agreements with certain suppliers to acquire certain quantities of materials that are important for the production and packaging processes, such as plastics for PET bottles, aluminum, natural gas and property, plant and equipment.

The Company has the following commitments assumed with suppliers:

On December 31, 2008					
Year	2009	2010	2011	2012	Total
Amounts	1,798,862	1,125,686	130,501	25,043	3,080,092

On December 31, 2007					
Year	2008	2009	2010	2011	Total
Amounts	1,777,305	884,246	898,200	–	3,559,751

16. Other Operating Income and Expenses, Net

	Parent Company		Consolidated	
Operating Revenues	2008	2007	2008	2007
Subsidies for investments of subsidiaries	–	212,854	–	226,472
ICMS Tax Incentives	139,660	–	238,349	–
Tax recovery	24,763	26,207	25,483	32,128
Reversal of provision for Cintra assets	–	–	18,487	–
Recovering of expenses between Companies of the Group	148,608	–	–	–
Negative goodwill by advanced settlement of fiscal incentive	45,239	34,419	45,208	34,419
Reversal of provision for investment losses	8,170	3,419	–	6,442
Gain in the disposal of property, plant and equipment	2,340	–	31,056	31,341
Gain in the disposal of assets aimed at selling	2,092	8,479	26,745	7,583
Other operating revenues	9,296	30,003	40,537	49,266
	380,168	315,381	425,865	387,651
Operating Expenses				
Results with minority shareholders	(133,125)	–	(133,125)	–
Write-off of deferred assets – Law 11,638	(4,972)	–	(6,486)	–
Goodwill amortization	–	(122,816)	–	(1,500,639)
Goodwill Amortization Complement (i)	–	(35,845)	–	(59,627)
Exchange variance on investments abroad (ii)	–	(88,337)	–	(227,537)
Write-off of non-recoverable on Tax on manufactured products / ICMS	–	(13,928)	(10,087)	(17,381)
Loss of interests in investees	–	–	(31,332)	–
Provision for losses on permanent assets	(2,770)	(273)	(3,074)	(377)
Losses in the disposal of property, plant and equipment	(2,107)	(1,013)	(404)	–
Other operating expenses	(23,653)	(10,204)	(67,980)	(24,874)
	(166,627)	(272,416)	(252,488)	(1,830,435)
Other operating (expenses) revenues, net	213,541	42,965	173,377	(1,442,784)

(i) In 2007, the Company reviewed the amortization period of goodwill related to this investment, changing this period from 10 to 7 years.

(ii) The investment exchange variance abroad was reclassified under Other operating (expenses) revenues to the Group of Shareholders' Equity, in the subgroup of "Adjustments to Equity Accounting", in compliance with the guidelines from CPC 2 – Effects in the Changes of Exchange Rate and Translation of Accounting Statements.

17. Insurance

The Company and its subsidiaries maintain standard programs of security, training, environment and quality in all its units, in order among other purposes, to reduce risks of accidents. In addition, it maintains insurance agreements, which coverage is determined by experts taking into consideration the nature and degree of risks, for amounts deemed sufficient to cover occasional significant losses on its assets and liabilities. Due to their nature, risk assumptions are not included in the scope of a financial statements audit, and therefore were not reviewed by our independent auditors.

18. Environment

During the 2008 fiscal year, the Company and its subsidiaries invested the amounts of R$46,766 and R$60,682 in environment-related construction and equipment for treatment of water and effluents and residue disposal (R$32,378 and R$48,450 in 2007, respectively).

19. Subsequent events

a) Dividends payable – subsidiary Quilmes

At a Quinsa's Board of Executive Officers meeting held on February 10, 2008, the executive officers approved the distribution of dividends related to the 2008 income in the amount of R$664,576 (equivalent to US$295,000 on February 10, 2009), to be paid by our subsidiary Quilmes Industrial Société Anonyme ("Quinsa").

b) New licensee for the beers of the Labatt family in the United States

The company announced on February 26, 2009 that, subject to the approval of the United States Department of Justice, the KPS Capital Partners, a fund of private equity with capital over US$1.8 billion, will receive an exclusive license from the beers of the Labatt family (that include, mainly, Labatt Blue and Labatt Blue Light) for the United States of America.

Information to Shareholders

We promote simple and direct access through several channels of communication

Shares outstanding (12/31/08)
614,003,000 shares

Share exchanges
São Paulo stock exchange (Bovespa)
Tickers: AMBV3 (ON); AMBV4 (PN)
Principal indices in which AmBev shares participate:
IBX and IBOVESPA

New York stock exchange (NYSE)
Tickers: ABVc (ON); ABV (PN)

Dividend policy
The AmBev by-laws establish mandatory dividends corresponding to 35% adjusted annual net profit of the Company, calculated in accordance with Brazilian Corporate Law.

The mandatory dividend includes the amount paid as interest on own capital.

Preferred shares are entitled to dividends in cash 10% greater than those paid to common shares.

Shareholder services
To send changes of address, dividend checks, account consolidations, direct deposit of dividends, changes of registration, certificates of lost shares, share holdings and investment plans, dividends and capital, please contact:

Retail shareholders in Brazil
Nilson Casemiro
Tel.: + 55 (11) 2122-1402
E-mail: acnilson@ambev.com.br

Independent Auditors in 2008
KPMG
Rua Dr. Renato Paes de Barros, 33
São Paulo, SP 04530-904
Brazil
Tel.: +55 (11) 2183-3000
Fax.: +55 (11) 2183-3001

Depositary bank in Brazil
Banco Itaú
Tel.: + 55 (11) 5029-7780

AmBev – Headquarters
Rua Dr. Renato Paes de Barros, 1.017 – 4th floor
São Paulo, SP 04530-000
Brazil
Tel.: +55 (11) 2122-1200
Fax: +55 (11) 2122-1526

Depositary bank and transfer agent in the USA
Bank of New York
101 Barclay Street
New York, NY 10286
Tel.: +1 (888) 269-2377
E-mail: adr@bankofny.com

Additional information
Please send requests for information to:
AmBev – Investor Relations Department
Rua Dr. Renato Paes de Barros, 1.017 – 4th floor
São Paulo, SP 04530-000
Brazil
Tel.: +55 (11) 2122-1414/1415
E-mail: ir@ambev.com.br

Website for investors

Our website for investors contains additional financial and operational information about the company, as well as transcriptions of teleconferences. Investors can also register to automatically receive by e-mail communications, relevant facts and notifications about company events and presentations.
www.ambev-ir.com

Annual report – Online version

This annual report is also available, in an on-line version at AmBev´s IR website: www.ambev-ir.com

Publications

The Company annual report, the declaration of material events and the annual report on Form 20-F are available free of charge at the abovementioned Investor Relations department. If you are receiving duplicate or unsolicited copies of our annual report, please let us know.

Send your comments

Your opinion of the annual report is very important to us. Please send your comments to ir@ambev.com.br.

Credits

Production and Graphic Design

Bowne do Brasil Comunicação Corporativa
www.bowne.com

Coordination of Graphic Design
Antonio Madeira

Creation and Design
Thiago Andrade

Development and Electronic Graphic
Maíra Amelia and Diego Oliveira

Editing and Image Processing
Tuanny Blumer

Publishing and Desktop
Jorge Ramos, Sérgio Silva and Francisco Pedreira Junior

Photography
AmBev and Márcio Ferrari

Visual Quality Assurance
Adelimar Franco and Fernanda Barros

Editorial Content

ÓGUI – Agência de Comunicação
www.agenciaogui.com.br

Editing
Silvia Braido and Velma Gregório

Texts
Fernanda Bopp, Silvia Braido and Velma Gregório

Development and Creation of Cover

MPM
www.mpmpropaganda.com.br

Printing

Margraf