**OFFERING MEMORANDUM**

# AmBev International Finance Co. Ltd.

***Incorporated with limited liability in the Cayman Islands***

**R$300,000,000**
**9.500% notes due 2017**
**Payable in U.S. Dollars**

**Unconditionally Guaranteed by**

# Companhia de Bebidas das Américas – AmBev

***Incorporated with limited liability in Brazil***

---

AmBev International Finance Co. Ltd., as Issuer, is offering R$300,000,000 aggregate principal amount of notes due 2017, bearing interest of 9.500% per year, and payable in U.S. dollars. The notes will mature on July 24, 2017. Interest will accrue from July 24, 2007 and will be payable on January 24 and July 24 of each year, beginning on January 24, 2008.

Companhia de Bebidas das Américas – AmBev, or AmBev, as Guarantor, has unconditionally and irrevocably guaranteed the full and punctual payment of principal, interest and all other amounts that may become due and payable in respect of the notes. The guaranty will rank equally with other unsecured unsubordinated indebtedness of AmBev. The guaranty will be effectively junior to the secured indebtedness of AmBev and the indebtedness of any subsidiary of AmBev (other than the notes). See "Description of the Guaranty."

For a more detailed description of the notes, see "Description of the Notes" beginning on page 24.

---

This offering memorandum shall constitute a prospectus for the purpose of the Luxembourg Law dated July 10, 2005 on Prospectuses for Securities. Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market. See "Listing and General Information."

We have agreed to offer to exchange the notes for a new issue of identical debt securities registered under the U.S. Securities Act of 1933, or the Securities Act.

---

***Investing in the notes involves risks. See "Risk Factors" beginning on page 13 of this offering memorandum and the general risk factors relating to AmBev beginning on page 11 of AmBev's annual report on Form 20-F for the year ended December 31, 2006.***

The notes have not been registered under the Securities Act, or any state securities laws. Accordingly, the notes are being offered and sold in the United States only to qualified institutional buyers in accordance with Rule 144A under the Securities Act, or Rule 144A, and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act, or Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on the transfer of the notes, see "Notice to Investors."

---

Offering Price 100.000%

---

The initial purchasers expect to deliver the notes in book-entry form through The Depository Trust Company, or DTC, and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg, or Clearstream, and Euroclear Bank S.A./N.V., or Euroclear, as operator of the Euroclear System, on or about July 24, 2007.

*Joint Lead Managers and Bookrunners*

**Citi** **Credit Suisse**

The date of this offering memorandum is July 30, 2007.

## TABLE OF CONTENTS



---

**You should rely only on the information contained in this offering memorandum. We have not authorized anyone to provide you with different information. Information contained in this offering memorandum is accurate only as of the date of this offering memorandum regardless of the time of delivery of this offering memorandum or of sale of the notes. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, imply that there has been no change in our affairs and in the affairs of each of our shareholders or that information set forth herein is correct as of any date subsequent to the date hereof. None of the Issuer, AmBev, or Citigroup Global Markets, Inc., or Citigroup, or Credit Suisse Securities (USA) LLC and its affiliates, or Credit Suisse, as the initial purchasers, is making an offer of the notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate at any date other than the date on the front of this offering memorandum.**

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to "AmBev," "the Guarantor," "our company," "we," "our," "ours," "us" or similar terms refer to Companhia de Bebidas das Américas – AmBev and its consolidated subsidiaries, and all references to the "Issuer" refer to AmBev International Finance Co. Ltd., a wholly-owned subsidiary of AmBev and the issuer of the notes. The initial purchasers assume no responsibility for the accuracy or completeness of any of the information contained herein (financial, legal or otherwise).

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the notes described in this offering memorandum. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes. Distribution of this offering memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

Neither the initial purchasers nor the trustee make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. The information contained in this offering memorandum is provided by us and not by the initial purchasers.

Neither the U.S. Securities and Exchange Commission, or the SEC, any state securities commission nor any other regulatory authority, has approved or disapproved the notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Notice to Investors."

The notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM. The notes may not, and will not, be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution of securities under Brazilian laws and regulations. The notes are not being offered into Brazil. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any offer for subscription or sale of the notes to the public in Brazil.

The notes may not be offered or sold in the Cayman Islands.

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

In making an investment decision, prospective investors must rely on their own examination of the company and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable legal investment or similar laws or regulations.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

The Issuer or the Guarantor takes the responsibility for the information contained in this offering memorandum.

Neither we, the trustee nor any of the initial purchasers, nor any of their respective subsidiary or representatives are making any representation to you regarding the legality of any investment by you under applicable legal investment or similar law. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of notes.

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any note offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation.

## INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

**PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL INCOME TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSES OF AVOIDING ANY PENALTIES THAT MAY**

**BE IMPOSED ON THE TAXPAYER UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE NOTES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## SECURITIES AND EXCHANGE COMMISSION REVIEW

We have agreed to (1) file a registration statement with the SEC with respect to a registered offer to exchange the notes for new exchange notes having terms substantially identical in all material respects to the notes (except that the new exchange notes will not contain terms with respect to additional interest or transfer restrictions) or (2) file a shelf registration statement with respect to resales of the notes. See "Exchange Offer; Registration Rights." In the course of the review by the SEC of the registration statements, we may be required to make changes to the description of our business, financial statements and other information included or incorporated by reference in this offering memorandum.

## WHERE YOU CAN FIND MORE INFORMATION

We are subject to the periodic reporting and other informational requirements of the Exchange Act of 1934, or the Exchange Act. Accordingly, we are required to file reports and other information with the SEC. You may inspect and copy reports and other information to be filed by us at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of these materials upon written request from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges, as well as the charges for mailing copies of the documents we have filed. You may also inspect and copy this material at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and we are not required to file proxy statements with the SEC. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions contained in Section 16 of the Exchange Act.

## INFORMATION INCORPORATED BY REFERENCE

By incorporating the following Exchange Act filings and submissions by reference, these documents are made a part of this offering memorandum:

- annual report on Form 20-F for the year ended December 31, 2006; and
- reports on Form 6-K for the quarter ended March 31, 2007, submitted on May 10, 2007.

All documents which we will file or submit, as the case may be, with the SEC on Form 20-F, and Forms 6-K which specifically state that they are intended to be incorporated by reference, under the Exchange Act, after the date of this offering memorandum and prior to the termination of any offering of securities offered by this offering memorandum shall be deemed to be incorporated by reference in, and to be a part of, this offering memorandum from the date such documents are filed or submitted. Our file number for documents filed or submitted under the Exchange Act is 001-15194. We will provide without charge, to any person who receives a copy of this offering memorandum and any accompanying offering memorandum supplement, upon such recipient's written or oral request, a copy of any document this offering memorandum incorporates by reference, other than exhibits to such incorporated documents, unless such exhibits are specifically incorporated by reference in such incorporated document. Requests should be directed to:

Investors Relations Manager
Companhia de Bebidas das Américas – AmBev
R. Dr. Renato Paes de Barros, 1017-4$^{o}$ andar
São Paulo, SP, Brasil
Telephone: +55-11-2122-1415

Any statement contained in this offering memorandum or in a document incorporated in, or deemed to be incorporated by reference to, this offering memorandum shall be deemed to be modified or superseded, for purposes of this offering memorandum, to the extent that a statement contained in the offering memorandum or any other subsequently filed or submitted document which also is incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. Any document incorporated by reference will be available free of charge at the offices of the Luxembourg paying agent.

## FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that are subject to risks and uncertainties. Some of the matters discussed concerning our business operations and financial performance include forward-looking statements within the meaning of the Exchange Act.

These statements are based on the beliefs and assumptions of our management, and on information currently available to us. Forward-looking statements include statements regarding the intent, belief or current expectations of AmBev or its directors or executive officers with respect to, but not limited to:

- The declaration or payment of dividends;
- The direction of future operations;
- The implementation of principal operating strategies, including existing, potential acquisition or joint venture transactions or other investment opportunities;
- The implementation of our financing strategy and capital expenditure plans;
- The utilization of our subsidiaries' income tax losses;
- The factors or trends affecting our financial condition, liquidity or results of operations; and
- The implementation of the measures required under our performance agreement entered into with the *Conselho Administrativo de Defesa Econômica*.

Forward-looking statements also include information concerning possible or assumed future results of our operations under this offering memorandum as well as statements preceded by, followed by, or that include, the words "believes," "may," "will," "continues," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. The future results of AmBev may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Investors are cautioned not to put undue reliance on any forward-looking statements.

Investors should understand that the following important factors, in addition to those discussed in this offering memorandum, could affect our future results and could cause results to differ materially from those expressed in such forward-looking statements:

- General economic conditions in our principal geographic markets, such as the rates of economic growth, fluctuations in exchange rates or inflation;
- Governmental intervention, resulting in changes to the economic, tax or regulatory environment in Brazil or other countries in which we operate;
- Industry conditions, such as the strength of product demand, the intensity of competition, pricing pressures, the introduction of new products by us, the introduction of new products by competitors, changes in technology or in our ability to obtain products and equipment from suppliers without interruption and at reasonable prices, and the financial condition of our customers and distributors; and
- Operating factors, such as the continued success of our sales, manufacturing and distribution activities and the consequent achievement of efficiencies.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this offering memorandum, references to "*Real*", "*Reais*" or "R$" are to the legal currency of Brazil, references to "U.S. dollar" or "U.S.$" are to the legal currency of the United States. We have translated some of the Brazilian currency amounts contained in this offering memorandum into U.S. dollars. We have also translated some amounts from U.S. dollars into *Reais.* All financial information relating to us that is presented in U.S. dollars in this offering memorandum has been translated from *Reais* at the period end exchange rate or average exchange rate prevailing during the period, as published by the Central Bank of Brazil, or the Central Bank, unless the context otherwise requires. The exchange rate on July 17, 2007 was R$1.86 to U.S.$1.00, as published by the Central Bank. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of the readers of this offering memorandum and should not be construed as implying that the Brazilian currency amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any rate. See "Key Information—Exchange Rate Information—Exchange Controls" in our Form 20-F for more detailed information regarding the translation of *Reais* into U.S. dollars.

### Financial Statements

Our financial information included in or incorporated by referenced into this offering memorandum is derived from the following financial statements:

- our consolidated financial statements as of December 31, 2006 and 2005 and related consolidated statements of income, changes in stockholders'equity, changes in financial position and cash flows for each of the years in the three-year period ended December 31, 2006, audited by Deloitte Touche Tohmatsu Auditores Independentes, or Deloitte, included in the annual report on Form 20-F;

- our consolidated financial statements as of December 31, 2002 and 2003 and for the years then ended have not been included in this offering memorandum; and

- our unaudited financial statements at and for the three-month periods ended March 31, 2007, subject to special review by KPMG Auditores Independentes, or KPMG, and our unaudited financial statements for the three-month period ended March 31, 2006, presented for comparison purposes, subject to special review by Deloitte, included in the reports on Form 6-K submitted on May 10, 2007.

Potential investors should read the financial information included in this offering memorandum in conjunction with (1) "Item 5. Operating and Financial Review and Prospects" and "Item 18. Financial Statements" included in the annual report on Form 20-F for year ended December 31, 2006, and (2) our financial statements and related notes included in the reports on Form 6-K submitted on May 10, 2007.

#### *Guarantor Financial Statements*

We have prepared our audited annual consolidated financial statements as of December 31, 2006 and 2005, and for each of the years in the three-year period ended December 31, 2006 in *Reais* in accordance with accounting practices adopted in Brazil, or Brazilian GAAP, which are based on Law No. 6,404 of December 15, 1976, as amended, or Brazilian Corporate Law, the rules and regulations issued by the CVM, and the accounting standards issued by the *Instituto dos Auditores Independentes do Brasil*, or the Brazilian Institute of Independent Accountants or IBRACON, as applied by us in preparing our statutory financial statements and annual report and accounts, which differ in certain significant respects from accounting principles generally accepted in the United States, or U.S. GAAP. The audited financial statements included in our Form 20-F have been prepared in accordance with Brazilian GAAP and include a reconciliation of net income and shareholders' equity to U.S. GAAP. In addition to the reconciliation of these key balances, the financial statements also include a discussion of the reconciling differences in accounting principles and the presentation of the U.S. GAAP condensed balance sheets and statements of operations in *Reais*.

We have prepared our unaudited consolidated financial statements as of March 31, 2007, and for the three month periods ended March 31, 2007 and 2006 in *Reais* in accordance with Brazilian GAAP as applied by us in preparing our statutory financial statements and quarterly reports and accounts, which differ in certain significant

respects from U.S. GAAP. The unaudited financial statements included in our reports on Form 6-K attached hereto as Exhibit B have been prepared in accordance with Brazilian GAAP.

The financial information contained in this offering memorandum, including that in our Form 20-F and Form 6-Ks, is in accordance with Brazilian GAAP, except as otherwise noted.

***Issuer Financial Statements***

We have not included any financial statements for the Issuer in this offering memorandum. The Issuer was incorporated on July 5, 2007 and therefore does not have historical financial statements. The Issuer will not publish financial statements, except for such financial statements that the Issuer may be required to publish under the laws of the Cayman Islands. In addition, the Issuer does not intend to furnish to the trustee or the holders of the notes any financial statements of, or other reports relating to, the Issuer. The Issuer will not have any operations independent from AmBev. The Issuer's obligations under the notes will be fully and unconditionally guaranteed by AmBev.

**Market Data and Other Information**

We have obtained the market and competitive position data, including market forecasts, used throughout this offering memorandum, including those in our Form 20-F and in our Form 6-Ks, from internal surveys, market research, publicly available information and industry publications. We include data from reports prepared by ourselves; the Central Bank; ACNielsen, or Nielsen and other industry publications. Industry publications, including those referenced in the preceding sentence, generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither we nor the initial purchasers make any representations as to the accuracy of such information, but we take the responsibility for the correct extraction or reproduction of such information.

**Rounding**

Percentages and some amounts in this offering memorandum have been rounded for ease of presentation. Any discrepancies between totals and the sums of the amounts listed are due to rounding.

## SUMMARY

*This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information you should consider before investing in the notes. You should carefully read this entire offering memorandum before investing, including "Risk Factors", and the documents incorporated by reference herein, including (1) our annual report on Form 20-F for the year ended December 31, 2006, and (2) our reports on Form 6-K submitted on May 10, 2007, which include our consolidated financial statements for the three months ended March 31, 2007 and related notes. See "Presentation of Financial and Other Information" herein, our annual report on Form 20-F for the year ended December 31, 2006, and our report on Form 6-K submitted on May 10, 2007 for information regarding our consolidated financial statements and other introductory matters.*

### Overview

We are the largest brewer in Latin America in terms of sales volumes and the fifth largest beer producer in the world, according to our estimates. We produce, distribute and sell beer, carbonated soft drinks, or CSDs, and other non-alcoholic and non-carbonated, or NANC, products in 14 countries across the Americas. We are also PepsiCo's largest bottler outside the United States.

We conduct our operations through three business units:

- **Brazil**, which includes three divisions: (i) beer sales, or Beer Brazil; (ii) CSD & NANC; and (iii) sales of malt and by-products to third parties, or Other Products;
- **Hispanic Latin America**, or **HILA**, which includes our controlling stake in Quilmes Industrial (Quinsa) Société Anonyme, or Quinsa, and the operations of our subsidiaries in the Dominican Republic, Ecuador, Guatemala (which also serves Nicaragua and El Salvador), Peru and Venezuela. We refer to our HILA operations, excluding Quinsa and its subsidiaries, as "HILA-ex"; and
- **North America**, represented by our subsidiary Labatt Brewing Company Ltd.'s operations (or Labatt), which include domestic sales in Canada and beer exports to the United States.

In Brazil, we are the leader in the beer market, with a 67.2% volume share as of April, 2007, according to Nielsen; in the CSD segment we are the second largest competitor, with a 17.0% volume share as of April, 2007, also according to Nielsen. Our operations in Brazil were responsible for 62.2% of our net revenues in 2006 (R$10,963.1 million) as compared to 62.1% in 2005 (R$9,902.8 million).

The acquisition of our stake in Quinsa, starting in early 2003, granted AmBev access to leading positions in the Argentine, Bolivian, Uruguayan and Paraguayan markets, as well as to Quinsa's operations in Chile. Our HILA operations were responsible for 15.7% of our net revenues in 2006 (R$2,762.4 million) against 13.0% in 2005 (R$2,080.3 million).

In North America, we sell some of our brands in the United States, including *Labatt Blue* and *Kokanee*, and in Canada we sell *Budweiser* and *Bud Light* (brewed and sold under license from Anheuser-Busch, Inc.), *Labatt Blue*, *Alexander Keith's* and *Kokanee*. Our North America operations were responsible for 22.1% of our net revenues in 2006 (R$3,888.2 million) against 24.9% in 2005 (R$3,975.5 million).

We had consolidated net revenues of R$17,613.7 million in 2006 compared to R$15,958.6 million in 2005. In 2006, our aggregate beer and CSD production capacity was 209.3 million hectoliters per year. Our total annual beer production capacity was 143.8 million hectoliters. Our total CSD production capacity was 65.5 million hectoliters. In 2006, the production of these facilities totaled 98.0 million hectoliters for beer and 23.6 million hectoliters for CSD.

### Competitive Strengths

We believe that we have several competitive strengths:

*Leading position in six beverage markets*: We are the leading producer in the beer markets of Brazil, Canada, Argentina, Paraguay, Uruguay and Bolivia. We are also the second largest producer in the Brazilian and Argentinean soft drinks markets. Brazilian, Argentinean, Bolivian and Uruguayan markets are presenting strong growth over the past three years. The Canadian market is growing at a stable rate and our Canadian operations delivered the strongest EBITDA per hectoliter among all our units. Our leading position in these markets has enabled us to generate a substantial and growing revenue base. Moreover, it provides an excellent platform for further growth.

*Extensive and efficient distribution system*: Through our distribution network, comprised both of direct and third party distribution systems, we serve almost a million points of sale in Brazil, 340 thousand in Argentina, 59 thousand in Bolivia, 47 thousand in Paraguay and 31 thousand in Uruguay. In Canada each province has a different distribution system, which comprises of Government owned companies, partnership with the government and also partnership with Molson and Sleeman. This network allows us to deepen our market penetration and further enhances our favorable competitive position in terms of both cost and service.

*Broad portfolio of leading brand name products*: We offer a complete portfolio of beer, soft drink and NANC beverage products, including some of the most consumed beer brands in the world. The *Skol*, *Brahma* and *Antarctica* brands are the top three beer brands in Brazil, according to Nielsen. In addition, we own the second most consumed soft drink brand in Brazil, *Guaraná Antarctica*, according to Nielsen. In Canada we sell Budweiser, which is the largest selling brand in that country. In Argentina, our brand Quilmes is also the market leader. We believe that our extensive beverage portfolio enables us to address a wide variety of consumer preferences across consumption occasions, demographic profiles and regions.

*Low cost producer*: We believe that we are one of the lowest cost producers in the beer industry. We have increased operating efficiency and production capacity through significant investments in plant modernization, plant construction and technological advancement. We regularly set benchmarks for ourselves against other participants in the beverage industry and implement new projects and measures to further improve our productivity. In addition, we expect to continue to: (i) achieve further reductions on prices of raw material, packaging and utilities through negotiation, development of new national and international suppliers and tolling operations; (ii) reduce costs and increase yields through the launch of several multifunctional initiatives and projects, and new developments in Packaging Engineering; (iii) increase process and packaging efficiencies by improving plant floor execution to reduce labor costs; and (iv) reduce fixed costs through supplier centralization and development.

*Management expertise*: We are present in several markets throughout the Americas which presents significant opportunities for growth. We believe our management expertise, coupled with our leading brands and our extensive network, will allow us to capitalize on such opportunities. Moreover, our management possesses over a decade-long track record of successfully operating AmBev's business through political instability and economic downturns, such as periods of high inflation and currency devaluation. Our management team has proven over time its ability to continue creating value even in the most difficult circumstances.

**Business Strategy**

We aim to continuously improve economic value. Our main drivers are:

- Our people and culture;
- Top line growth;
- Distribution efficiency and execution;
- Permanent cost and expense reduction; and
- Financial discipline.

***Our People and Culture***

We are aware of the value and importance of highly qualified, motivated and committed employees. We carefully manage our hiring and training process with a view to maintaining outstanding professionals among our ranks. In addition, we believe that we have created through our compensation program, which is based on both variable payment and stock ownership, financial incentives for high performance and results.

Another core element of our culture is our distinguished managerial capabilities, which are summarized by: (i) hardworking ethos; (ii) results focused evaluations; (iii) encouragement of our executives to act not just as managers, but as owners; (iv) leadership through personal example; and (v) appreciation for field experience.

***Top Line Growth***

We are continually seeking sustainable growth in our net revenues, primarily through four different initiatives:

- *Portfolio management*: we continually pursue increased sales of premium, higher-priced and more profitable products in our sales mix;
- *Maximize share of consumer expenditure*: we seek to maximize our share of the consumer's expenditure on our products;
- *Market share*: we are committed to maintaining and strengthening our leading position in the markets where we operate, as well as evaluating opportunities to establish a presence in new markets across the Americas where we currently do not operate; and
- *Increase per capita consumption*: based on proprietary research focused on consumer behavior and occasions of consumption, we aim to increase per capita consumption in the markets where we operate.

***Distribution Efficiency and Execution***

Delivering national beer brands to almost one million points of sale in Brazil is a very complex feature of our business. In recent years, we have been focusing on direct distribution in major cities while still strengthening our third-party distribution system. In Brazil, for instance, instead of operating three inherited, parallel, single-brand systems (each of them dedicated to one of our major brands, *Skol*, *Brahma* and *Antarctica*), we are shifting towards a multi-brand network of distributors committed to handling all of our brands.

In addition, we are constantly seeking to improve our point of sale execution through new and creative measures. One of our key marketing initiatives was the introduction into the Brazilian market of our custom-made beer refrigerators designed and built to chill beer at the optimal temperature for on-premise consumption. These refrigerators also work as effective marketing tools, as they are decorated with images related to our core brands.

***Permanent Cost and Expense Reduction***

Cost and expense control is one of our employees' top priorities. Each of our departments must comply with its respective annual budget for fixed costs; the employees of those departments that exceed the budget are not entitled to bonuses.

As a measure to avoid unnecessary expenses, we have designed a management control system inspired by zero-base budgeting procedures. That system demands that every manager builds the annual budget for his or her respective department from scratch.

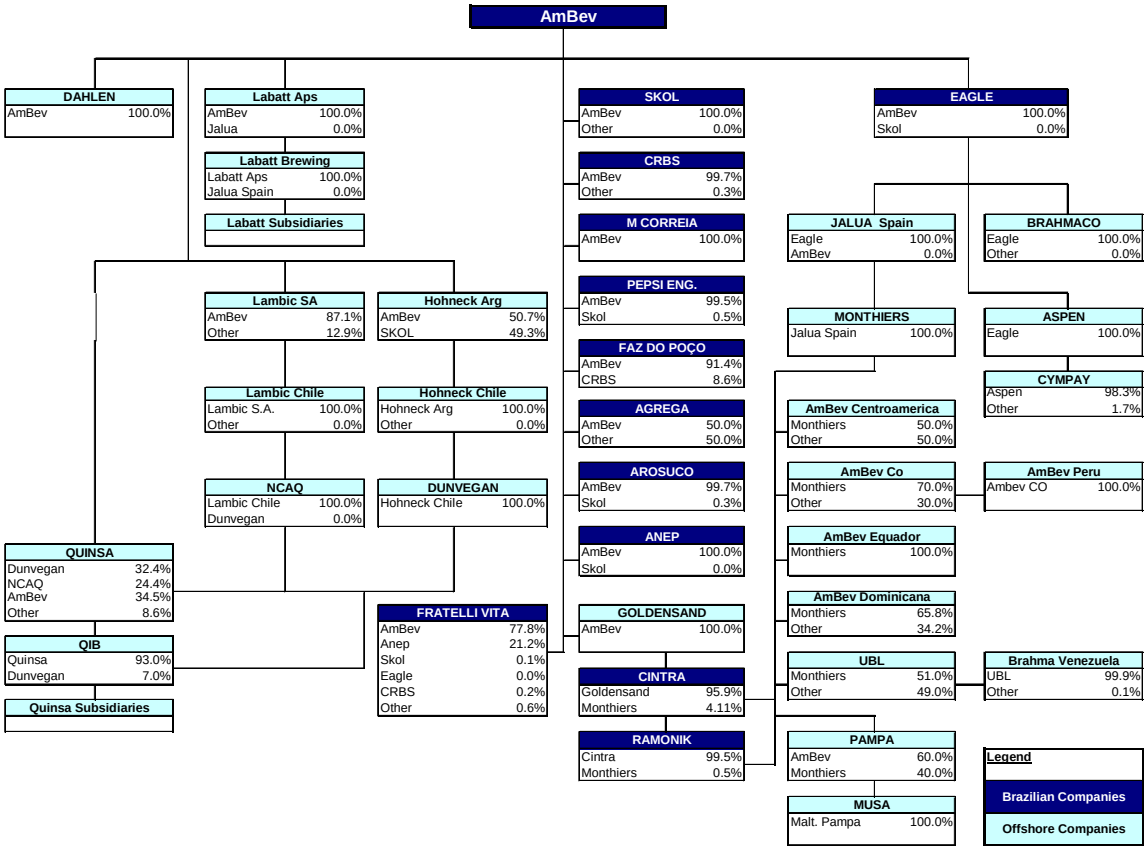
***Financial Discipline***

We have a policy of not retaining unnecessary cash. Through a combination of dividends and share buy-backs, we have returned to our shareholders the cash flow generated by our operations, after allocating funds for our operational needs and investment plans.

**Organizational Structure**

The controlling shareholders of AmBev, Interbrew International B.V., and AmBrew S.A., are both subsidiaries of InBev S.A./N.V., or InBev, and *Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência*, or FAHZ, which together hold approximately 89.6% of AmBev's common shares, as of April 30, 2007. InBev indirectly holds shares of AmBev common stock that represent approximately 73.5% of the total voting power of AmBev's capital stock, as of April 30, 2007.

Since the merger of Companhia Brasileira de Bebidas, or CBB, into AmBev on May 31, 2005, AmBev conducts the bulk of its operations in Brazil directly. We also indirectly control Labatt, the operations of HILA-ex and our stake in Quinsa and Quilmes International (Bermuda) Ltd., or QIB. The following chart illustrates the ownership structure of our principal subsidiaries as of June 30, 2007 by total share capital owned.




***AmBev***

We are incorporated as a corporation with unlimited duration under the laws of Brazil. AmBev was incorporated as Aditus Participações S.A. on September 14, 1998 and is the successor of Companhia Cervejaria Brahma and Companhia Antarctica Paulista Indústria Brasileira de Bebidas e Conexos (for more information about AmBev, please see our Form 20-F). As of March 31, 2007 our paid in capital stock was R$5,716 million. Our principal executive offices are located at Rua Dr. Renato Paes de Barros, 1017, 4th floor, CEP 04530-001, São Paulo, SP, Brazil, tel.: (5511) 2122-1415, e-mail: ir@AmBev.com.br.

***AmBev International Finance Co. Ltd.***

The Issuer, a wholly-owned subsidiary of AmBev, is an exempted company that was incorporated with limited liability on July 5, 2007 under the laws of the Cayman Islands. Its registered office is located at M&C

Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

**The Offering**

*This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information you should consider before investing in the notes. You should carefully read this entire offering memorandum, including the Form 20-F and Forms 6-K attached hereto, before investing in the notes.*

| | |
|---|---|
| Issuer | AmBev International Finance Co. Ltd. |
| Guarantor | Companhia de Bebidas das Américas—AmBev. |
| Notes Offered | R$300,000,000 aggregate principal amount, being the amount in *Reais* equivalent to U.S.$161,290,322.58, of 9.500% Notes due 2017, payable in U.S. dollars. |
| Guaranty | AmBev will irrevocably and unconditionally guarantee the full and punctual payment of principal, interest, additional amounts and all other amounts that may become due and payable in respect of the notes. |
| Issue Price | 100.000% of the principal amount. |
| Principal Amount | The outstanding principal amount of the notes will be R$300,000,000, which is the amount in *Reais* equivalent to US$161,290,322.58 calculated using the R$ Ptax Rate on July 17, 2007 of R$1.86 per U.S. dollar. |
| Maturity Date | July 24, 2017. |
| Final Principal Payment | On the maturity of the notes the Issuer will pay the holders of the notes principal in an amount in U.S. dollars, based on the Applicable Market Rate determined as of the relevant Rate Determination Date. |
| Interest Payment Dates | January 24 and July 24, beginning January 24, 2008. |
| Interest Payments | Interest on the notes will be payable in U.S. dollars based on the Applicable Market Rate determined as of the relevant Rate Determination Date. |
| Applicable Market Rate | The Applicable Market Rate will be the R$ Ptax Rate on the Rate Determination Date, provided that if the R$ Ptax Rate is not available on such date, the Rate Determination Date will be the BRL12 rate. If the Applicable Market Rate cannot be calculated as described above, it will be determined by reference to the quotations received from three leading Brazilian banks selected by the Issuer. The Applicable Market Rate will then be the average of the *Real*-U.S. dollar exchange rates obtained from the Brazilian reference banks. If only two quotations are obtained, the Applicable Market Rate will then be the average of the *Real*/U.S. dollar exchange rates obtained from the Brazilian reference banks. If only one such quotation is obtained, the Applicable Market Rate will then be that quotation. In the event that no quotations are obtained from the Brazilian reference banks, if we determine in our sole discretion that there are one or two other suitable replacement banks active in the currency and foreign exchange market that could provide quotations of the *Real*-U.S. dollar exchange rate, the calculation agent shall ask such banks to provide such |

| | |
|---|---|
| | quotations and will use such quotations we receive from them to determine the Applicable Market Rate (taking an average rate, as set forth above, if applicable). |
| R$ Ptax Rate | The rate determined by the calculation agent that is equal to the *Real*/U.S. dollar commercial rate, expressed as the amount of *Reais* per one U.S. dollar as reported by the Central Bank on the SISBACEN Data System under transaction code PTAX800 ("*Consultas de Câmbio*" or Exchange Rate Enquiry), Option 5, "*Venda*" ("*Cotações para Contabilidade*" or Rates for Accounting Purposes) (or any successor screen established by the Central Bank), for such Rate Determination Date. |
| BRL12 Rate | The EMTA BRL Industry Survey Rate (BRL12), which is the final *Real*/U.S. dollar specified rate of U.S. dollars, expressed as the amount of *Reais* per one U.S. dollar, published on EMTA's website (www.emta.org) for the Rate Determination Date. BRL12 is calculated by EMTA (or a service provider EMTA may select in its sole discretion) using the EMTA BRL Industry Survey Methodology dated as of March 1, 2004, as amended from time to time, pursuant to which EMTA conducts a twice-daily survey of up to 15 Brazilian financial institutions that are active participants in the *Real*/U.S. dollar spot market, with a required minimum participation of at least five financial institutions. |
| Rate Determination Date | The third business day preceding each scheduled interest or principal payment date or the third business day preceding the date on which any payment is made in respect of the notes following an acceleration of the maturity of the notes. |
| Reference Banks | Three leading Brazilian banks selected by the Issuer in its sole discretion. |
| Business Day | A day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in the City of New York; provided, however, that solely for the purposes of determining the Applicable Market Rate, "business day" means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in the City of São Paulo, Brazil, and the City of New York. |
| Payment of Additional Amounts | The Issuer in respect of the notes, and AmBev, in respect of the guaranty, will pay additional amounts in respect of any payments of interest or principal so that the amount you receive after Brazilian or Cayman Islands withholding tax, duties, assessments or other governmental charges of any nature, will equal the amount that you would have received if no withholding tax had been applicable, subject to certain exceptions. See "Description of the Notes–Additional Amounts." |
| Tax Redemption | The Issuer and AmBev may, at their option, redeem the notes, in whole but not in part, at 100% of their principal amount plus accrued and unpaid interest and additional |

| | |
|---|---|
| | amounts, if any, upon the occurrence of specified events relating the applicable tax law. See "Description of the Notes—Redemption—Early redemption for taxation reasons." |
| Covenants ..... | The indenture governing the notes will contain restrictive covenants that, among other things and subject to certain exceptions, (1) limit AmBev's ability to:<br>• incur liens; and<br>• consolidate, merge or transfer assets; and<br>(2) limit the ability of the Issuer to:<br>• incur liens;<br>• incur indebtedness;<br>• declare dividends and make distributions;<br>• consolidate, merge or transfer assets; and<br>• engage in certain activities and transactions. |
| Events of Default ..... | The notes and the indenture will contain certain events of default, consisting of, among others, the following:<br>• failure to pay principal when due;<br>• failure to pay interest and other amounts within 30 days of the due date therefor;<br>• breach of a covenant or agreement in the indenture, the guaranty and any of the other relevant transaction documents by AmBev or the Issuer;<br>• acceleration of indebtedness of the Issuer, AmBev or a Material Subsidiary (as defined elsewhere in this offering memorandum) or a failure to pay indebtedness when due or at final maturity that, in aggregate, equals or exceeds U.S.$50 million;<br>• certain judgment against AmBev, the Issuer, or a Material Subsidiary that equals or exceeds U.S.$50 million;<br>• certain events of bankruptcy, liquidation or insolvency of the Issuer, AmBev or any Material Subsidiary;<br>• condemnation or seizure of all or a substantial part of the aggregate property and assets of the Issuer, AmBev or a Material Subsidiary<br>• certain events which result in the notes, the indenture, the guaranty or the registration rights agreement cease to be in full force and effect and binding and enforceable against the Issuer or AmBev; and<br>• if AmBev fails to retain 100% direct or indirect ownership of the outstanding voting or economic |

| | |
|---|---|
| | interest in the Issuer. |
| Exchange Offer; Registration Rights..... | In connection with the issuance of the notes, the Issuer, AmBev and the initial purchasers will enter into an agreement for your benefit obligating us to file a registration statement with the SEC so that you can:<br>• exchange the notes for registered notes having substantially the same terms as the notes and evidencing the same indebtedness as the notes (referred to in this offering memorandum as the "exchange notes"); and<br>• exchange the related guaranty for a registered guaranty having substantially the same terms as the original guaranty.<br>The Issuer and AmBev have agreed to conduct a registered exchange offer for the notes under the Securities Act on or before November 30, 2008. If the exchange offer is not completed or, if required, the shelf registration statement is not declared effective on or before November 30, 2008, the annual interest rate applicable to the notes entitled to registration will be increased by 0.50% per annum. See "Exchange Offer; Registration Rights." |
| Further Issuances..... | The Issuer will reserve the right, under certain circumstances, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes. |
| Form and Denomination; Settlement..... | The notes will be issued in the form of global notes in fully registered form without interest coupons. The global notes will be exchanged or transferred, as the case may be, for definitive certificate notes in fully registered form without interest coupons only in limited circumstances. The notes will be issued in registered form in denominations of R$250,000 and integral multiples of R$1,000 in excess thereof. See "Description of Notes—Form, Denomination and Registration."<br>The notes will be delivered in book-entry form through the facilities of The Depository Trust Company, or DTC, for the accounts of its participants, including Euroclear Bank S.A./N.V., as the operator of the Euroclear System, or Euroclear, and Clearstream Banking, société anonyme, or Clearstream Banking, and will trade in DTC's Same-Day Funds Settlement System. |
| Notice to Investors..... | The notes have not been registered under the Securities Act and are subject to limitations on transfers, as described under "Notice to Investors." |
| Listing..... | Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market . |

| | |
|---|---|
| Use of Proceeds | The net proceeds of this offering will be used to by AmBev for the repayment of short-term debt and general corporate purposes. See "Use of Proceeds." |
| Governing Law | The indenture, the notes, the guaranty and the registration rights agreement will be governed by the laws of the State of New York. |
| Calculation Agent | Deutsche Bank Trust Company Americas. |
| Trustee, Registrar and Transfer Agent | Deutsche Bank Trust Company Americas. |
| Principal Paying Agent | Deutsche Bank Trust Company Americas. |
| Luxembourg Paying Agent and Transfer Agent | Deutsche Bank Luxembourg S.A. |
| Luxembourg Listing Agent | Deutsche Bank Luxembourg S.A. |

**Risk Factors**

Investing in the notes involves risks. Prospective purchasers of the notes should consider carefully all the information set forth in this offering memorandum and, in particular, should evaluate the specific factors involved with an investment in the notes under the section "Risk Factors" beginning on page 13 and the risk factors related to Brazil and our company beginning on page 11 of our Form 20-F.

## SUMMARY FINANCIAL AND OTHER INFORMATION

The following summary financial data has been derived from our financial statements. The summary financial data at and for the years ended December 31, 2006, 2005 and 2004 have been derived from our audited financial statements included in our Form 20-F for the year ended December 31, 2006 attached hereto as Exhibit A. The summary financial data at and for the three-month periods ended March 31, 2007 and 2006 have been derived from our unaudited interim financial information included in our Forms 6-K.

Brazilian GAAP varies in significant respects from U.S. GAAP. For a discussion of the significant differences as they relate to our financial statements, see note 23 to our financial statements included in our Form 20-F attached hereto as Exhibit A.

This financial information should be read in conjunction with "Presentation of Financial and Other Information" and the financial statements, including the notes thereto, included in the Form 20-F and Forms 6-K attached hereto.

| | For the three months ended March 31, | | For the year ended December 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2007 (unaudited) | 2006 (unaudited) | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Statement of Operations Data** | *(R$ in millions, except for per share amounts, number of shares and other operating data)* | | | | | | |
| **Brazilian GAAP** | | | | | | | |
| Gross sales, before taxes, discounts and returns | 8,615.2 | 7,462.8 | 32,487.8 | 28,878.7 | 23,297.6 | 17,143.5 | 14,279.9 |
| Net sales | 4,655.0 | 3,969.7 | 17,613.7 | 15,958.6 | 12,006.8 | 8,683.8 | 7,325.3 |
| Cost of sales | (1,552.0) | (1,325.0) | (5,948.7) | (5,742.3) | (4,780.5) | (4,044.2) | (3,341.7) |
| Gross profit | 3,103.0 | 2,644.7 | 11,665.0 | 10,216.3 | 7,226.3 | 4,639.6 | 3,983.6 |
| Selling, general and administrative[1] | (1,361.6) | (1,222.4) | (5,408.7) | (5,173.6) | (3,611.1) | (2,333.6) | (1,932.7) |
| Provision for contingencies and other | (27.1) | 13.8 | 111.8 | (71.5) | (260.2) | (187.9) | (123.7) |
| Other operating expenses, net | (369.6) | (246.0) | (955.1) | (1,075.4) | (420.9) | (240.1) | 199.4 |
| Financial income | 29.1 | 21.0 | 168.4 | 521.2 | 468.6 | 601.8 | 2,530.3 |
| Financial expenses | (325.3) | 296.4 | (1,246.7) | (1,607.9) | (1,244.9) | (508.7) | (3,277.3) |
| Equity in Investees | 0.1 | 0.2 | 1.4 | 2.0 | 5.6 | (6.2) | - |
| **Operating income**[2] | **1,048.6** | **914.9** | **4,336.1** | **2,811.1** | **2,163.4** | **1,964.9** | **1,379.6** |
| Non-operating income (expense), net | 7.6 | 4.8 | (28.8) | (234.3) | (333.9) | (100.7) | (72.2) |
| Income tax benefit (expense) | (422.9) | (259.4) | (1,315.3) | (845.1) | (511.8) | (426.1) | 280.6 |
| Income before equity in affiliates, profit sharing and minority interest | 633.3 | 660.3 | 2,992.0 | 1,731.7 | 1,317.6 | 1,438.1 | 1,588.0 |
| Profit sharing and contributions | 21.0 | (14.6) | (194.4) | (202.8) | (152.4) | (23.6) | (125.1) |
| Minority interest | (8.4) | 10.2 | 8.7 | 16.8 | (3.7) | (2.9) | 47.4 |
| **Net income** | **645.9** | **655.9** | **2,806.3** | **1,545.7** | **1,161.5** | **1,411.6** | **1,510.3** |
| **U.S. GAAP** | | | | | | | |
| Net sales | — | — | 16,945.4 | 14,836.7 | 10,936.7 | 7,929.4 | 7,310.4 |
| Operating income | — | — | 6,177.8 | 4,478.3 | 2,856.6 | 2,038.2 | 1,569.2 |
| Net income | — | — | 4,096.7 | 2,711.0 | 1,472.7 | 1,689.4 | 1,642.2 |

| | At March 31, | At December 31, | | | | |
|---|---|---|---|---|---|---|
| | 2007 (unaudited) | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Balance Sheet Data:** | *(R$ in millions, except for per share amounts, number of shares and other operating data)* | | | | | |
| **Brazilian GAAP** | | | | | | |
| Cash, cash equivalents and short-term investments | 1,689.5 | 1,765.0 | 1,096.3 | 1,505.4 | 2,690.0 | 3,290.0 |
| Total current assets | 6,147.1 | 6,817.4 | 5,474.7 | 5,379.6 | 5,500.5 | 5,571.4 |
| Prepaid pension benefit cost | 17.0 | 17.0 | 20.0 | 20.6 | 22.0 | 21.6 |
| Investments | 17,968.0 | 17,990.4 | 16,727.1 | 18,218.7 | 1,711.4 | 637.3 |
| Property, plant and equipment, net | 5,508.4 | 5,723.9 | 5,404.6 | 5,531.7 | 4,166.3 | 3,330.6 |
| Deferred income tax – non-current | 3,370.2 | 3,566.7 | 3363.9 | 2,216.6 | 1,831.8 | 1,558.4 |
| Total assets | 34,509.6 | 35,645.1 | 33,401.8 | 32,802.6 | 14,830.1 | 12,381.5 |
| Short-term debt[3] | 1,744.9 | 2,038.7 | 1,209.4 | 3,443.1 | 1,976.1 | 607.4 |
| Total current liabilities | 5,596.7 | 6,844.5 | 5,052.3 | 8,771.7 | 4,720.0 | 2,833.7 |
| Long-term debt[4] | 6,091.7 | 5,396.9 | 5,994.2 | 4,367.6 | 4,004.3 | 3,879.3 |
| Debentures | 2,065.1 | 2,065.1 | — | — | — | — |
| Accrued liability for contingencies | 665.6 | 663.3 | 1,037.1 | 1,471.0 | 1,232.9 | 989.3 |
| Sales tax deferrals and other tax credits | 682.0 | 687.7 | 698.9 | 711.9 | 772.1 | 803.1 |
| Post-retirement benefit[5] | 293.3 | 326.6 | 584.6 | 646.0 | 72.9 | 53.4 |
| Total long-term liabilities | 9,827.1 | 9,160.0 | 8,209.7 | 6,822.5 | 5,605.5 | 5,339.1 |
| Minority interest | 222.8 | 222.7 | 122.6 | 212.5 | 196.4 | 79.1 |
| Subscribed and paid-up capital | 5,716.1 | 5,716.1 | 5,691.4 | 4,742.8 | 3,124.1 | 3,046.2 |
| Shareholders' equity | 18,713.0 | 19,268.1 | 19,867.3 | 16,995.9 | 4,382.9 | 4,129.6 |
| **U.S. GAAP** | | | | | | |
| Total assets | — | 39,732.0 | 35,447.5 | 34,069.0 | 13,766.0 | 11,584.6 |
| Shareholders' equity | — | 21,107.7 | 20,601.9 | 17,876.3 | 4,382.9 | 3,960.6 |

| | As of or for the three months ended March 31, | As of or for the year ended December 31, | | | | |
|---|---|---|---|---|---|---|
| | 2007 (unaudited) | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Other Financial Information:** | *(R$ in millions, except for per share amounts, number of shares and other operating data)* | | | | | |
| **Brazilian GAAP** | | | | | | |
| Net working capital[6] | (2,289.1) | (26.9) | 422.3 | (3,392.1) | 780.5 | 2,737.7 |
| Cash dividends paid[7] | 440.9 | 1,790.8 | 2,272.0 | 602.9 | 1,026.9 | 335.6 |
| Depreciation and amortization of deferred charges[8] | 289.8 | 1,188.4 | 1,087.5 | 922.2 | 766.3 | 659.5 |
| Capital expenditures[9] | 189.5 | 1,425.7 | 1,369.5 | 1,273.7 | 862.2 | 544.7 |
| Operating cash flows - generated (used)[10] | 1,327.9 | 5,985.3 | 4,149.6 | 3,418.7 | 2,527.6 | 3,595.0 |
| Investing cash flows - generated (used)[10] | (485.7) | (3,785.3) | (1,619.3) | 110.7 | (2,014.7) | (1,603.1) |
| Financing cash flows generated (used)[10] | (664.8) | (1,468.6) | (2,973.9) | (3,433.8) | (346.7) | (2,912.2) |
| **Other Operating Data:** | | | | | | |
| Total production capacity - beer[11] | | 143.8 million hl | 120.9 million hl | 114.2 million hl | 88.3 million hl | 89.7 million hl |
| Total production capacity - CSD & NANC[11] | | 65.5 million hl | 42.4 million hl | 43.9 million hl | 45.7 million hl | 37.3 million hl |
| Total beer volume sold[12] | | 98.0 million hl | 76.7 million hl | 63.9 million hl | 56.9 million hl | 62.0 million hl |
| Total CSD & NANC volume sold[12] | | 33.4 million hl | 23.6 million hl | 22.8 million hl | 19.2 million hl | 19.6 million hl |
| Number of employees[13] | | 35,090 | 28,567 | 25,974 | 18,890 | 18.570 |

*(footnotes on following page)*

(1) General and administrative expenses include director's fees.
(2) Operating income under Brazilian GAAP is presented after financial income and financial expense.
(3) Includes current portion of long-term debt.
(4) Excludes current portion of long-term debt.
(5) Consistent with accounting practice under Brazilian GAAP, following the issuance of accounting standard NPC No. 26, we record actuarial obligation for pension liabilities and post-retirement benefits, including medical benefits to retirees in our financial statements.
(6) Represents total current assets less total current liabilities.
(7) Includes dividends and interest on shareholders' equity (including withholding tax paid by AmBev in respect thereof). The dividend and interest on shareholders' equity per 1,000 shares for Brazilian GAAP purposes is calculated net of withholding tax. We changed the criteria for reporting this amount in 2002 and therefore the dividends per share disclosed in the years prior to 2002 do not conform to those disclosed in our annual report on Form 20-F for the year ended December 31, 2002.
(8) Includes depreciation of property, plant and equipment and amortization of deferred charges.
(9) Represents cash expenditures for property, plant and equipment.
(10) Operating, Investing and Financing cash flows data is derived from our consolidated financial statements.
(11) Represents available production capacity of AmBev and its respective subsidiaries, domestic and international, including Quinsa's total capacity (through 2005, Quinsa's capacity is not considered; hl is the abbreviation for hectoliters; CSD & NANC is the abbreviation for Carbonated Soft Drinks and Non Alcoholic and Non Carbonated Soft Drinks).
(12) Represents full-year volumes of AmBev and its respective subsidiaries (except for the three months ended march 31, 2007). Quinsa and its subsidiaries are included in 2006 numbers and excluded through 2005. Labatt's volumes for 2004 were consolidated from August 27 onwards.
(13) Includes all production- and non-production-related employees of AmBev and its respective subsidiaries. Quinsa and its subsidiaries are included in 2006 numbers and excluded through 2005.

## RISK FACTORS

*Before making an investment decision, you should consider all of the information set forth in this offering memorandum, including the risk factors described below and the risk factors in our Form 20-F for the year ended December 31, 2006. In particular, you should consider the special features applicable to an investment in Brazil and applicable to an investment in AmBev.*

*For purposes of this section, when we state that a risk, uncertainty or problem may, could or would have an "adverse effect" on us, we mean that the risk, uncertainty or problem may, could or would have an adverse effect on our business, financial condition, liquidity, results of our operations or prospects, except as otherwise indicated or as the context may otherwise require. You should view similar expressions in this section as having a similar meaning.*

*This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this offering memorandum.*

### Risks Relating To the Notes and the Guaranty

***Interest and principal payments on your notes will depend on the exchange rate between the Real and the U.S. dollar at the time of the relevant payment.***

You are assuming the foreign exchange risk in connection with payments on the notes. Since the notes are denominated in *Reais* and the interest and principal payments we make on the notes is determined by reference to the *Real*-U.S. dollar exchange rate, you will bear all of the risk that the *Real* may depreciate, and if the *Real* were to depreciate over the life of the notes, the interest and principal payments you receive on the notes would decrease, perhaps significantly. Brazil has historically experienced periods of extreme volatility. In 1999, after the Central Bank allowed the *Real*-U.S. dollar exchange rate to float freely, the *Real* depreciated by 32.4%. Between January 1, 2000 and December 31, 2004, the *Real* depreciated 8.5% against the U.S. dollar, depreciating by 8.5%, 15.7% and 34.3%, respectively, in 2000, 2001 and 2002 and appreciating by 22.3% in 2003, 8.8% in 2004, 13.4% in 2005 and 9.5% in 2006. If the *Real* were to depreciate further against the U.S. dollar, the principal amount due at the maturity or upon redemption of the notes could be significantly less than the initial amount you invested, and you could lose a significant portion of your investment in the notes. See "Exchange Controls and Foreign Exchange Rates" for a history of the exchange rate between the *Real* and the U.S. dollar.

***We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, some of which may be beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes. If we cannot make scheduled payments on our debt, we will be in default and, as a result our debt holders could declare all outstanding principal and interest to be due and payable.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture do not prohibit us or our subsidiaries from doing so. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you.

***The Issuer has no operations of its own, so that holders of the notes must depend on AmBev to provide the Issuer with sufficient funds to make payments on the notes when due.***

The Issuer is a direct wholly-owned subsidiary of AmBev and was organized in the Cayman Islands as a company with limited liability on July 5, 2007. The Issuer was established in Cayman Islands to primarily act as a finance subsidiary of AmBev.

Accordingly, the ability of the Issuer to pay principal, interest and other amounts due on the notes will depend upon AmBev's financial condition and results of operations and its ability to provide funds to the Issuer to satisfy its obligations, including its obligations with respect to the notes. In the event of an adverse change in AmBev's financial condition or results of operations, the Issuer may thus have insufficient funds to repay all amounts due on or with respect to the notes.

***Payments on the notes and the guaranty will be junior to any secured debt obligations of the Issuer and AmBev, as the case may be, and effectively junior to debt obligations of AmBev's subsidiaries.***

The notes and the guaranty will constitute unsecured unsubordinated obligations of the Issuer and AmBev and will rank equal in right of payment with all of the other existing and future unsecured unsubordinated indebtedness of the Issuer and AmBev, respectively. Although the holders of the notes will have a direct, but unsecured claim on the assets and property of the Issuer, payment on the notes will be subordinated to any secured debt of the Issuer, if any, to the extent of the assets and property securing such debt. Payment on the notes will also be effectively subordinated to the payment of secured and unsecured debt and other creditors of AmBev. In addition, under Brazilian law, the obligations of AmBev under the guaranty are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees, expenses and costs. In the event of the Issuer's or AmBev's liquidation, such statutory preferences will have preference over any other claims, including claims by any holder of the notes.

Prior to the issuance of the notes, the Issuer had no debt outstanding. As of March 31, 2007, on a consolidated basis, AmBev had R$10,113.9 (US$4,932.6) million of debt outstanding, R$602.2 (US$293.7) million of which was secured debt. As of March 31, 2007, AmBev's subsidiaries had R$4,232.2 (US$2,064.1) million of debt outstanding. In addition, AmBev has off-balance sheet exposures relating to financial guarantees, repurchase obligations and trade-in and warranty commitments.

Any right of the holders of the notes, through enforcement of the guaranty, to participate in the assets of AmBev and the assets of AmBev's subsidiaries upon any liquidation or reorganization will be subject to the prior claims of AmBev's secured creditors and the creditors of its subsidiaries. The indenture relating to the notes includes a limitation on the Issuer's and AmBev's ability, in the future, to create liens, although such limitation is subject to certain significant exceptions. The indenture does not restrict AmBev's subsidiaries, other than the Issuer, from creating liens.

AmBev conducts a portion of its business operations through its subsidiaries. In servicing payments to be made on its guarantee of the notes, AmBev will rely, in part, on cash flows from these subsidiaries, mainly dividend payments.

The ability of these subsidiaries to make dividend payments to AmBev will be affected by, among other factors, the obligations of these entities to their creditors, requirements of Brazilian corporate and other law, and restrictions contained in agreements entered into by or relating to these entities.

***Our obligations under the notes and the guaranty are subordinated to certain statutory liabilities.***

Under Brazilian law, our obligations under the notes, the guaranty, and the indenture are subordinated to certain statutory preferences. In the event of our bankruptcy, and according to the Brazilian bankruptcy law, such statutory preferences, such as certain claims for salaries and wages up to a certain limit, social security and other taxes, court fees and expenses, will have preference over any other claims, including claims by any investor in respect of the notes.

***The relative volatility and illiquidity of the securities issued by Brazilian issuers may substantially limit your ability to sell the notes at the price and time you desire.***

Investing in securities of companies in emerging markets, such as Brazil, involves greater risk than investing in securities of companies from more developed countries and such investments are generally considered speculative in nature.

Brazilian investments are subject to economic and political risks, involving, among others:

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

The Brazilian securities markets are substantially smaller, less liquid, more concentrated and more volatile than major U.S. and European securities markets. The relatively small market capitalization and illiquidity of the Brazilian securities markets have a strong influence in the markets outside Brazil where our securities are traded and may substantially limit your ability to sell the notes at the price and time you desire.

***There may not be a liquid trading market for the notes.***

There can be no assurance that a liquid trading market for the notes will develop or, if one develops, that it will be maintained. If an active market for the notes does not develop, the price of the notes and the ability of a holder of notes to find a ready buyer will be adversely affected.

***Deterioration in economic and market conditions in other emerging market countries may adversely affect the market price of AmBev's securities.***

Economic and market conditions in other emerging market countries, especially those in Latin America, influence the market for securities issued or guaranteed by Brazilian companies and investors' perception of economic conditions in Brazil. Past economic crises in emerging markets, such as in Southeast Asia, Russia and Argentina, triggered securities market volatility in Brazil and other emerging market countries' securities markets. In the recent past, Argentina, Venezuela, Uruguay and Paraguay experienced a significant economic downturn. The market value of the notes may therefore be adversely affected by events occurring outside of Brazil.

***Judgments of Brazilian courts enforcing our obligations under the notes or the indenture would be payable only in Reais.***

Any judgment obtained in a court in Brazil in case judicial proceedings were brought in Brazil seeking to enforce our obligations under the notes or the indenture would be expressed in Brazilian currency equivalent to the amount of foreign currency of such sum at the prevailing exchange rate: (i) at the date the debt was originally due; or (ii) at the date on which the judicial proceeding was filed; or (iii) at the date the judgment is rendered, in which cases the inflation adjustment of the amount due should be made in accordance with the indexes established by the court; or (ii) at the date that the payment is actually made, as determined by the Brazilian court hearing the proceeding. Upon the rendering of such a judgment, we would be able to satisfy our obligations under the notes (a) upon payment in Brazil, in Brazilian currency, or (b) upon remittance abroad of the foreign currency equivalent amount to the amount in Brazilian currency expressed in said judgment, converted according to the exchange rate prevailing at the date of such remittance, subject to the validity of the registration of the notes with the Central Bank.

***Controls and restrictions on foreign currency remittance could impede our ability to make payments under the notes.***

Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reasons to foresee a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil.

We cannot assure you that mechanisms for the transfer of *Reais* and conversion into U.S. dollars will continue to be available at the time we are required to perform our obligations under the notes or the indenture or

that a more restrictive control policy, which could affect our ability to make payments under the notes or the indenture in U.S. dollars, will not be instituted in the future. If such financial mechanisms are not available, the Guarantor may have to rely on a special authorization from the Central Bank to make payments under the notes in U.S. dollars. We cannot assure you that any such Central Bank approval would be obtained or that such approval would be obtained on a timely basis.

***A finding that the guaranty executed by AmBev was a fraudulent conveyance could result in noteholders losing their legal claim against AmBev.***

The Issuer's obligation to make payments on the notes is supported by AmBev's obligation under the guaranty to guarantee payments by the Issuer on the notes. AmBev has been advised by Gibson, Dunn & Crutcher LLP, its United States counsel, that the guaranty is valid and enforceable in accordance with the laws of the State of New York. AmBev has been advised by its Brazilian legal counsel that the guaranty has been duly authorized under the laws of Brazil and is valid, binding and enforceable against AmBev in accordance with its terms. In the event that U.S. federal or state fraudulent conveyance or similar laws are applied to the guaranty, and the Guarantor, at the time it entered into the guaranty:

- Was or is insolvent or rendered insolvent by reason of its entry into the guaranty;
- Was or is engaged in business or transactions for which the assets remaining with AmBev constituted unreasonably small capital; or
- Intended or intends to incur, or believed or believes that it would incur, debts beyond its ability to pay such debts as they mature; and
- Received or receives less than reasonably equivalent value or fair consideration therefore,

then the obligations of AmBev under the guaranty could be avoided, or claims in respect of the guaranty could be subordinated to the claims of other creditors. Among other things, a legal challenge to the guaranty on fraudulent conveyance grounds may focus on the benefits, if any, realized by AmBev as a result of the Issuer's issuance of these notes. To the extent that the guaranty is held to be a fraudulent conveyance or unenforceable for any other reason, the holders of the notes would not have a claim against AmBev under the guaranty and will solely have a claim against the Issuer. We cannot assure you that, after providing for all prior claims, there will be sufficient assets to satisfy the claims of the noteholders relating to any avoided portion of the guaranty.

***There are significant restrictions on your ability to transfer or resell your notes.***

The notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Notice to Investors." Therefore, you may be required to bear the risk of your investment for an indefinite period of time.

Under the registration rights agreement described below under "Exchange Offer; Registration Rights", the Issuer and AmBev have agreed to file an exchange offer registration statement with the SEC seeking to exchange a class of SEC registered notes for the notes and to use our reasonable best efforts to cause such registration statement to become effective with respect to the exchange notes. The SEC, however, has broad discretion to declare any registration statement effective and may delay, defer or suspend the effectiveness of any registration statement for a variety of reasons. If issued under an effective registration statement, the exchange notes generally may be resold or otherwise transferred by each holder of the exchange notes with no need for further registration. However, the exchange notes will constitute a new issue of securities with no established trading market. We cannot assure you that there will be an active trading market for the exchange notes or, in the case of non-exchanging holders of the notes, an active trading market for the notes following the exchange offer. See "Exchange Offer; Registration Rights."

***Changes in our credit ratings may adversely affect the value of the notes.***

The notes are expected to be rated BBB by Fitch and S&P. Such ratings are limited in scope, an do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

***Book-entry registration***

Because transfers and pledges of global notes can be effected only through book entries at the DTC, the liquidity of any secondary market for global notes may be reduced to the extent that some investors are unwilling to hold notes in book-entry form in the name of a DTC participant. The ability to pledge global notes may be limited due to the lack of a physical certificate. Beneficial owners of global notes may, in certain cases, experience delay in the receipt of payments of principal and interest since such payments will be forwarded by the paying agent to DTC who will then forward payment to the respective DTC participants, who will thereafter forward payment directly, or indirectly through Euroclear or Clearstream, to beneficial owners of the global notes. In the event of the insolvency of DTC or of a DTC participant in whose name global notes are recorded, the ability of beneficial owners to obtain timely payment and (if the limits of applicable insurance coverage by the Securities Investor Protection Corporation are exceeded, or if such coverage is otherwise unavailable) ultimate payment of principal and interest on global notes may be impaired.

***EU Council Directive 2003/48/EC***

Under European Union Directive 2003/48/EC on the taxation of savings income, Member States of the European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including the Cayman Islands have agreed to adopt similar measures with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive. See "Taxation– European Union Directive on the Taxation of Savings Income".

## USE OF PROCEEDS

The net proceeds from the sale of the notes, after deducting amounts paid in connection with commissions and other expenses of the offering, are expected to amount to approximately R$297.2 million. The Issuer will make the net proceeds available to AmBev and these amounts will be used by AmBev for the repayment of short-term debt and general corporate purposes. The occurrence of unforeseen events or changed business conditions could result in the application of the proceeds of this offering in a manner other than as described in this offering memorandum.

## EXCHANGE CONTROLS AND FOREIGN EXCHANGE RATES

The exchange rate on July 27, 2007, the last available official exchange rate published by the Central Bank before the date of this offering memorandum, was R$1.90 to U.S.$1.00. For information regarding exchange controls and foreign exchange rates in Brazil, please see “Key Information—Exchange Rate Information—Exchange Controls” in our Form 20-F.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For our discussion and analysis of financial condition and results of operations for the three-year period ended December 31, 2006 and for the three-month periods ended March 31, 2007 and 2006, see our annual report on Form 20-F and our reports on Form 6-K.

## CAPITALIZATION

### The Issuer

The Issuer was recently established with minimal share capital. Accordingly, after giving pro forma effect to the offering of the notes, substantially all of the Issuer's capitalization will be in the form of long-term indebtedness, in an aggregate amount equivalent to the gross proceeds of this offering.

### AmBev

The table below sets forth our consolidated debt and capitalization at March 31, 2007, derived from our unaudited interim financial information which was subject to a limited review by KPMG:

- On historical basis at March 31, 2007; and
- As adjusted to give effect to the issuance of the notes offered hereby, assuming gross proceeds from the issuance of R$300,000,000 and the application of R$300,000,000 of these proceeds to prepay short term debt.

You should read this table in conjunction with our financial statements included in our Form 20-F for the year ended December 31, 2006 and our Forms 6-K.

| | Historical (at March 31, 2007) | | As Adjusted | |
|---|---|---|---|---|
| **(amounts expressed in millions)** | **(in *Reais*)** | **(in U.S.$)[1]** | **(in *Reais*)** | **(in U.S.$)[1]** |
| Cash, cash equivalents and short-term investments | 1,689.50 | 824.2 | 1,689.5 | 824.2 |
| Short-term indebtedness | 1,808.80 | 882.3 | 1,508.8 | 736.0 |
| Long-term indebtedness | 8,156.80 | 3,978.90 | 8,456.8 | 4,125.2 |
| Minority interest | 222.8 | 108.7 | 222.8 | 108.7 |
| Shareholders' equity | 18,713.00 | 9,128.30 | 18,713.0 | 9,128.3 |
| Total capitalization[2] | 27,092.60 | 13,215.90 | 27,392.6 | 13,362.2 |

(1) Solely for the convenience of the reader, *Real* amounts at and for the period ended March 31, 2007 have been translated into U.S. dollars at the commercial selling rate at March 31, 2007 of R$2.05 to U.S.$1.00. See "Key Information—Exchange Rate Information" in our Form 20-F for further information about exchange rates.

(2) Total of Long-term indebtedness, minority interest and shareholders' equity.

Except as disclosed in this offering memorandum, there has been no material change in the capitalization of our company since March 31, 2007.

## THE ISSUER

The Issuer is a direct wholly-owned subsidiary of AmBev and was incorporated in the Cayman Islands as an exempted company with limited liability on July 5, 2007. The Issuer was established to primarily act as a finance subsidiary of AmBev. The registered office of the Issuer is located at M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Issuer was registered with company number 190545.

The directors of the Issuer are Luiz Fernando Ziegler de Saint Edmond, Graham D. Staley and Pedro de Abreu Mariani, each of whom are executive officers of our company. The directors have, in accordance with the Articles of Association of the Issuer, given general notice to AmBev International that they are employed by our company. Each of the directors resides in the City of São Paulo, State of São Paulo, Brazil.

**Description of Share Capital**

The authorized share capital of the Issuer is US$50,000.00, divided into of 50,000 shares, each with a US$1.00 par value, of which 250 shares have been issued, are fully paid and non-assessable and are registered in the name of AmBev.

The Issuer is a Cayman Islands company and its affairs are governed by its memorandum and articles of association, the Companies Law (2004 Revision) and the common law of the Cayman Islands. The following are summaries of material provisions of the Issuer’s memorandum and articles of association and the Companies Law insofar as they relate to the material terms of its ordinary shares.

*General*. The issued and outstanding ordinary shares are fully paid and non-assessable. The issued and outstanding ordinary shares are registered in the name of AmBev. The ordinary shares are not entitled to any sinking fund or pre-emptive or redemption rights and shareholders may freely hold and vote their shares.

*Voting Rights*. Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote, including the election and removal of directors. Voting at any meeting of shareholders is by a poll. The Issuer's memorandum and articles of association do not provide for actions by written consent of shareholders.

The required quorum for a meeting of the Issuer's shareholders consists of a number of shareholders present in person or by proxy and entitled to vote that represent the holders of at least a majority of the Issuer's issued voting share capital. Annual shareholders' meetings are not required as a matter of Cayman Islands law, but may be called or requisitioned in accordance with the Issuer’s Memorandum and Articles of Association.

Subject to the quorum requirements set out in the Issuer’s Memorandum and Articles of Association, any ordinary resolution to be made by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting of the Issuer, while a special resolution requires the affirmative vote of two-thirds of the votes cast attaching to the ordinary shares. A special resolution is required for matters such as a change of name, amending the memorandum and articles of association and placing the Issuer into voluntary liquidation. Holders of ordinary shares, which are currently the only shares carrying the right to vote at general meetings, have the power, among other things, to elect directors, ratify the appointment of auditors and make changes in the amount of the Issuer's authorized share capital.

*Dividends*. The holders of the Issuer's ordinary shares are entitled to receive such dividends as may be declared by the board of directors. Subject to a statutory solvency test, dividends may be paid out of profits, which include net earnings and retained earnings undistributed in prior years, and out of share premium, a concept analogous to paid-in surplus in the United States.

*Liquidation*. If the Issuer is liquidated, the liquidator may, with the approval of the shareholders, divide among the shareholders in cash or in kind the whole or any part of the Issuer's assets, may determine how such division shall be carried out as between the shareholders or different classes of shareholders, and may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator, with the

approval of the shareholders, sees fit, provided that a shareholder shall not be compelled to accept any shares or other assets which would subject the shareholder to liability.

*Miscellaneous*. Share certificates, although not required to be issued under Cayman Islands law, if issued in the names of two or more persons are deliverable to anyone of them named in the share register, and if two or more such persons tender a vote, the vote of the person whose name first appears in the share register will be accepted to the exclusion of any other.

**Indemnification**

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our articles of association provide for indemnification of officers and directors for losses, damages, cost and expenses incurred in their capacities as such, except if they acted in a willfully negligent manner or defaulted in any action against them.

**Inspection of Books and Records**

Holders of the Issuer's shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records.

## DESCRIPTION OF THE NOTES

*The following summary describes certain provisions of the notes and the indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the indenture and the notes. Capitalized terms used in the following summary and not otherwise defined herein shall have the meanings ascribed to them in the indenture. You may obtain copies of the indenture and specimen notes upon request to the trustee or the paying agent in Luxembourg at the addresses set forth on the inside back cover of this offering memorandum.*

### GENERAL

The Issuer will issue the notes under the indenture, among the Issuer, Deutsche Bank Trust Company Americas, as trustee, registrar and calculation agent, New York paying agent and transfer agent, and Deutsche Bank Luxembourg S.A. as Luxembourg paying agent in Luxembourg and as Luxembourg transfer agent.

The notes will have the following basic terms:

- The notes will be in an aggregate principal amount of R$300,000,000, being the amount in *Reais* equivalent to U.S.$161,290,322.58, calculated using the exchange rate of R$1.86 per U.S. dollar (which was the R$ Ptax Rate as at July 17, 2007.)

- The Issuer will pay all amounts due in respect of principal or interest on the notes (including Additional Amounts) in U.S. dollars, as calculated by the calculation agent by translating the *Real* amount into U.S. dollars at the Applicable Market Rate for the applicable Rate Determination Date.

- The notes will bear interest at a fixed note rate of 9.500% per annum from the date of issuance until all required amounts due in respect thereof have been paid. Interest on the notes will be paid semiannually on January 24 and July 24 of each year, commencing on January 24, 2008, to the noteholders registered as such as of the close of business on a record date being the tenth business day preceding such payment date. Interest for the first interest period will accrue from July 24, 2007. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

- The Issuer and AmBev have agreed to conduct a registered exchange offer for the notes under the Securities Act on or before November 30, 2008. If this does not occur and the Issuer has not otherwise provided for an effective registration statement permitting the resale of the notes on or prior to the date that is one year after the closing date, the note rate will increase to 10.000% per annum (0.50% in excess of the initial note rate) until such time as such exchange offer is consummated. See “Exchange Offer; Registration Rights.”

- Payments of amounts due by the Issuer under the notes and the indenture will be guaranteed by AmBev and any and all payments by AmBev will be made free and clear of and without withholding or deduction of any taxes, subject to certain limitations and conditions. See “Description of the Guaranty.”

- The notes will be issued in fully registered form, without coupons, in minimum denominations of R$250,000 and integral multiples of R$1,000 in excess thereof.

### RANKING

The notes will be general senior unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* amongst themselves and equal in right of payment with all other unsecured and unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law).

## LISTING

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market. See "Listing and General Information."

## FURTHER ISSUANCES

The indenture by its terms does not limit the aggregate principal amount of notes that may be issued thereunder and permits the issuance, from time to time, of additional notes of the same series as is being offered hereby, provided that among other requirements (i) no Default or Event of Default under the indenture shall have occurred and then be continuing or shall occur as a result of such additional issuance and (ii) such additional notes rank *pari passu* and have equivalent terms and benefits as the notes offered hereby except for the original issuance date. Any additional notes will be part of the same series as the notes that the Issuer is currently offering and will vote on all matters with the notes as a single class.

## PAYMENTS OF PRINCIPAL AND INTEREST

Payment of the principal of the notes, together with accrued and unpaid interest thereon at the note rate, or payment upon redemption prior to maturity, will be made only:

- following the surrender of the notes at the office of the trustee or any other paying agent; and
- to the person in whose name the note is registered as of the close of business, New York City time, on the due date for such payment.

Payments of interest on a note, other than the last payment of principal and interest or payment in connection with a redemption of the notes prior to maturity, will be made on each payment date to the person in whose name the note is registered at the close of business, New York City time, on the record date, which shall be the date ten business days prior to such payment date, immediately preceding each such payment date.

Payments of principal and interest shall be made by depositing immediately available funds in U.S. dollars into an account maintained by the trustee, acting on behalf of the noteholders.

All amounts due in respect of principal or interest on the notes (including Additional Amounts) will be paid in U.S. dollars, calculated by the calculation agent by translating the *Real* amounts into U.S. dollars at the Applicable Market Rate on the applicable Rate Determination Date. Capitalized terms used in the preceding sentence shall have the following meanings:

> "*Applicable Market Rate*" means, for any Rate Determination Date, the rate determined by the calculation agent (the "R$ Ptax Rate") that is equal to the *Real*/U.S. dollar commercial rate, expressed as the amount of *Reais* per one U.S. dollar as reported by the Central Bank on the SISBACEN Data System under transaction code PTAX800 ("*Consultas de Câmbio*" or Exchange Rate Enquiry), Option 5, "*Venda*" ("*Cotações para Contabilidade*" or Rates for Accounting Purposes) (or any successor screen established by the Central Bank), for such Rate Determination Date; provided, however, that if the Ptax Rate scheduled to be reported on any Rate Determination Date is not reported by the Central Bank on such Rate Determination Date, then the Applicable Market Rate will be BRL12. If the Applicable Market Rate cannot be calculated as described above, the calculation agent will determine the Applicable Market Rate by reference to the quotations received from three leading Brazilian banks as shall be selected by the Issuer in its sole discretion (collectively, the "Reference Banks"). The quotations will be determined in each case for such Rate Determination Date as soon as practicable after it is determined that the Applicable Market Rate cannot be calculated as described above for such Rate Determination Date. The calculation agent will ask each of the Reference Banks for quotations for the offered *Real*/U.S. dollar exchange rate for the sale of U.S. dollars. The Applicable Market Rate will be the average of the *Real*/U.S. dollar exchange rates obtained from the Reference Banks. If only two quotations are obtained, the Applicable Market Rate will then be the average of the *Real*/U.S. dollar exchange rates obtained from the Reference Banks. If only one quotation is obtained, the Applicable Market Rate will be that quotation. Where no such quotations are

obtained from the Reference Banks, if the Issuer determines in its sole discretion that there are one or two other suitable replacement banks active in the *Real*/U.S. dollar market, the calculation agent shall ask such banks to provide such quotations and shall use such quotations as it receives to determine the Applicable Market Rate (taking an average rate, as set forth above, if applicable).

"*BRL12*" means the EMTA BRL Industry Survey Rate (BRL12), which is the final *Real*/U.S. dollar specified rate of U.S. dollars, expressed as the amount of *Reais* per one U.S. dollar, published on EMTA's website (www.emta.org) for the Rate Determination Date. BRL12 is calculated by EMTA (or a service provider EMTA may select in its sole discretion) using the EMTA BRL Industry Survey Methodology dated as of March 1, 2004, as amended from time to time, pursuant to which (as of the date of this offering memorandum) EMTA conducts a twice-daily survey of up to 15 Brazilian financial institutions that are active participants in the *Real*/U.S. dollar spot market, with a required minimum participation of at least five financial institutions.

"*Business day*" means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in the City of New York; provided, however, that solely for the purposes of determining the Applicable Market Rate, "business day" means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in São Paulo, Brazil, and the City of New York.

"*Rate Determination Date*" means the third business day preceding each scheduled interest or principal payment date or the third business day preceding the date on which any payment is made in respect of the notes following an acceleration of the maturity of the notes.

The Issuer has appointed Deutsche Bank Trust Company Americas as the calculation agent.

The notes will initially be represented by one or more global notes, as described herein. Payments of principal and interest on the global notes will be made to DTC or its nominee, as the case may be, as registered holder thereof. It is expected that such registered holder of global notes will receive the funds for distribution to the holders of beneficial interests in the global notes. Neither the Issuer nor the trustee shall have any responsibility or liability for any of the records of, or payments made by, DTC or its nominee or Euroclear or Clearstream.

If any date for a payment of principal or interest or redemption is not a business day in the city in which the relevant paying agent is located, the Issuer will make the payment on the next business day in the respective city. No interest on the notes will accrue as a result of this delay in payment.

The Issuer has appointed the New York paying agent to receive payment of the principal amount of and interest on the notes. The Issuer will be required to make all payments of principal of and interest and other amounts on the notes to the principal paying agent by 1:00 p.m. (New York City time) on the business day prior to the applicable payment date and otherwise in accordance with the terms of the indenture.

Payments in respect of the notes will be made in the coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

All payments made by AmBev under the guaranty shall be paid to the trustee or the New York paying agent. To the extent that funds are received in excess of those required to satisfy the Issuer's obligations under the notes and the indenture then due and payable, the trustee shall be required to deposit such excess amounts in a segregated account until the next payment date when such funds shall be used by the trustee to satisfy the Issuer's obligations under the notes.

In the case of amounts not paid by the Issuer under the notes (after giving effect to any applicable grace period therefor), interest will continue to accrue on such amounts (except as provided below) at a rate equal to the default rate (i.e., 1% per annum in excess of the note rate), from and including the date when such amounts were due (after giving effect to any applicable grace period therefor), and through but excluding the date of payment by the Issuer or AmBev, as the case may be.

Any money deposited with the trustee or any paying agent, or then held by the Issuer in trust for the making of any payment in respect of any note and remaining unclaimed for two years after such payment has become due and payable (if then held by the trustee or any paying agent) shall be paid or returned to the Issuer upon request by the Issuer or (if then held by the Issuer) shall be discharged from such trust; and noteholders shall thereafter, as unsecured general creditors, seek recourse only to the Issuer for payment thereof (unless an applicable abandoned property law designates another person), and all liability of the trustee or such paying agent with respect to such trust money, and all liability of the Issuer, as trustee thereof, shall thereupon cease; provided that the trustee or such paying agent, before being required to make any such repayment, may at the expense of the Issuer provide notice to noteholders, that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the latest date of mailing, any unclaimed balance of such money then remaining will be repaid or redelivered to the Issuer.

**GUARANTY**

AmBev will unconditionally and irrevocably guarantee, on an unsecured basis, the due and punctual payment, whether at the expected maturity date, by acceleration or otherwise, of all sums from time to time payable by the Issuer under the indenture and the notes whether such sums are in respect of principal, interest or any other amounts. See "Description of the Guaranty" below.

**ADDITIONAL AMOUNTS**

Except as provided below, the Issuer will make all payments of principal and interest on the notes without withholding or deducting any present or future taxes, duties, assessments or other governmental charges of any nature imposed by the Brazil or Cayman Islands or any political subdivision of Brazil or the Cayman Islands. If the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or other governmental charges, except as provided below, the Issuer will pay the noteholders any additional amounts necessary to ensure that they receive the same amount as they would have received without such withholding or deduction.

The Issuer will not, however, pay any additional amounts in connection with any tax, duty, assessment or other governmental charge that is imposed due to any of the following:

- the noteholder or beneficial owner has some connection (present or former) with the taxing jurisdiction other than merely holding the notes or receiving principal or interest payments on the notes (such as citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present within the taxing jurisdiction);

- any tax imposed on, or measured by, net income;

- the noteholder or beneficial owner fails to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with the taxing jurisdiction, if (i) such compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or a part of the tax, duty, assessment or other governmental charge, (ii) the noteholder or beneficial owner is able to comply with such requirements without undue hardship and (iii) at least 30 calendar days prior to the first payment date with respect to which such requirements under the applicable law, regulation, administrative practice or treaty shall apply, the Issuer or the trustee has notified all noteholders that they will be required to comply with such requirements;

- the noteholder fails to present (where presentation is required) its note within 30 calendar days after the Issuer has made available to the noteholder a payment of principal or interest, provided that the Issuer will pay additional amounts which such noteholder would have been entitled to had the note owned by such noteholder been presented on any day (including the last day) within such 30-day period;

- any estate, inheritance, gift, value added, use or sales taxes or any similar taxes, assessments or other governmental charges;

- where any additional amounts are imposed on a payment on the notes and are required to be made pursuant to Council Directive 2003/48/EC of the Council of the European Union on the taxation of savings income in the form of interest payments (or any Directive otherwise implementing the conclusions of the ECOFIN Council meetings of November 26 and 27 2000, December 13, 2001 and January 31, 2003) or any law implementing or complying with, or introduced in order to conform to, any such Directive;

- where the noteholder or beneficial owner could avoid any additional amounts by requesting that a payment on the notes be made by, or presenting the relevant notes for payment to, another paying agent located in a member state of the European Union; and

- any combination of the foregoing.

The Issuer will also (i) make such withholding or deduction and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law. Upon written request from the trustee, the Issuer will furnish to the trustee, within five business days after the delivery of such written request, certified copies of tax receipts or, if such receipts are not obtainable, documentation reasonably satisfactory to the trustee evidencing such payment by the Issuer. Upon written request of the noteholders to the trustee, copies of such receipts or other documentation, as the case may be, will be made available to the noteholders. At least 10 business days prior to each date on which any payment under or with respect to the notes is due and payable, if the Issuer is obligated to pay additional amounts with respect to such payment, the Issuer, as applicable, will deliver to the trustee an officers' certificate stating that additional amounts will be payable, the amounts so payable and setting forth such other information as the trustee shall reasonably require for tax purposes.

The Issuer will, upon the written request of any noteholder, indemnify and hold harmless and reimburse such noteholder for the amount of any taxes, duties, assessments or other governmental charges of any nature imposed by Brazil or the Cayman Islands or any political subdivision of Brazil or the Cayman Islands (other than any such taxes, duties, assessments or other governmental charges for which the noteholder would not have been entitled to receive additional amounts pursuant to any of the conditions described in the second paragraph of this section titled "Additional Amounts") so imposed on, and paid by, such noteholder as a result of any payment of principal or interest on the notes, so that the net amount received by such noteholder after such reimbursement would not be less than the net amount the noteholder would have received if such taxes, duties, assessments or other governmental charges would not have been imposed or levied and so paid.

The Issuer will pay any stamp, administrative, court, documentary, excise or property taxes arising in Brazil or Cayman Islands in connection with the notes and will indemnify the noteholders for any such taxes paid by noteholders.

All references to principal, interest, or other amounts payable on the notes shall be deemed to include any additional amounts payable by the Issuer under the notes or the indenture. The foregoing obligations shall survive any termination, defeasance or discharge of the notes and the indenture.

If the Issuer shall at any time be required to pay additional amounts to noteholders pursuant to the terms of the notes and the indenture, the Issuer will use its reasonable endeavors to obtain an exemption from the payment of (or otherwise avoid the obligation to pay) the tax, assessment or other governmental charge which has resulted in the requirement that it pay such additional amounts.

**CERTAIN COVENANTS**

For so long as any of the notes are outstanding and the Issuer has obligations under the indenture and the notes, the Issuer will comply with the terms of the covenants, among others, set forth below:

***Performance of obligations under the notes and the indenture***

The Issuer shall duly and punctually pay all amounts owed by it, and comply with all its other obligations, under the terms of the notes and the indenture.

***Performance of obligations under the transaction documents***

The Issuer will agree to duly and punctually perform, comply with and observe all obligations and agreements to be performed by it set forth in the indenture, the notes, the guaranty and registration rights agreement (collectively, the "transaction documents").

***Maintenance of books and records***

The Issuer shall maintain books, accounts and records in all material respects in accordance with applicable law.

***Maintenance of office or agency***

The Issuer shall maintain an office or agency in the Borough of Manhattan, The City of New York, where notices to and demands upon the Issuer in respect of the indenture and the notes may be served. Initially this office will be at the offices of CT Corporation System located at 111 Eighth Avenue, New York, NY 10011, and the Issuer will agree not to change the designation of such office without prior notice to the trustee and designation of a replacement office in the same general location.

***Ranking***

The Issuer will ensure that the notes will constitute general senior, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu*, without any preferences among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law).

***Notice of certain events***

The Issuer will give notice to the trustee, as soon as is practicable and in any event within 10 calendar days after the Issuer becomes aware or should reasonably become aware, of the occurrence of any Event of Default or an event which with the passage of time or other action would become an Event of Default (a "Default"), accompanied by a certificate of a responsible officer of the Issuer setting forth the details of such Event of Default or Default and stating what action that the Issuer proposes to take with respect thereto.

***Limitations on the Issuer***

Issuer will covenant not to, so long as any of the notes are outstanding, without the prior consent in writing of the trustee if so directed by the holders of not less than 25% of the principal amount of the outstanding notes:

- engage in any business or carry out any activities other than (i) the financing of AmBev and its consolidated subsidiaries; (ii) any cash management measures and investments; (iii) the entering into of any hedging arrangements; (iv) any transaction in the ordinary course of business of the Issuer which is consistent with items (i), (ii) and (iii) above; and (v) any other transaction required by applicable law;

- incur any indebtedness for borrowed moneys if following the incurrence of such indebtedness, the Issuer will be required to register as an "investment company", under the U.S. Investment Company Act of 1940, as amended; or

- declare or pay any dividends, make any distribution of its assets, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, dispose of any part of any collateral or create any Lien (as defined in "Description of the Guaranty–Limitation on liens") or right of recourse in respect thereof in favor of any person, or consolidate or merge with any other person (other than as provided "–Limitation on consolidation, merger, sale or conveyance" below).

***Limitation on consolidation, merger, sale or conveyance***

The Issuer will not, in one or a series of transactions, consolidate or amalgamate with or merge into any corporation or convey, lease or transfer all or substantially all of its properties, assets or net sales to any person (other than a subsidiary of AmBev) or permit any person (other than a subsidiary of AmBev) to merge with or into it unless:

- either the Issuer is the continuing entity or the person formed by such consolidation or into which the Issuer is merged or that acquired or leased such property or assets of the Issuer will be a company organized and validly existing under the laws of Brazil, the Cayman Islands or the United States and shall assume (jointly and severally with the Issuer unless the Issuer shall have ceased to exist as part of such merger, consolidation or amalgamation), by a supplemental indenture (the form and substance of which shall be previously approved by the trustee), or by operation of law, all of the Issuer's obligations on the notes and under the indenture;

- the successor company (jointly and severally with the Issuer unless the Issuer shall have ceased to exist as a result of such merger, consolidation or amalgamation) agrees to indemnify each noteholder against any tax, assessment or governmental charge thereafter imposed on such noteholder solely as a consequence of such consolidation, merger, conveyance, transfer or lease with respect to the payment of principal of, or interest on, the notes;

- immediately after giving effect to the transaction, no Event of Default, or Default has occurred and is continuing; and

- the Issuer has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that the transaction and the supplemental indenture, if applicable, comply with the indenture and that all conditions precedent provided for in the indenture and relating to such transaction have been complied with.

Notwithstanding anything to the contrary in the foregoing, so long as no event or condition that, with the giving of notice, the lapse of time or failure to satisfy certain specified conditions, or any combination thereof, would constitute an Event of Default under the indenture or the notes or an Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom the Issuer may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to a subsidiary of AmBev in cases when the Issuer is the surviving entity in such a transaction and such transaction would not have a material adverse effect on the Issuer, it being understood that if the Issuer is not the surviving entity, the Issuer shall be required to comply with the requirements set forth in the previous paragraph.

***Provision of financial statements and reports***

In the event the Issuer shall file any financial statements or reports with the SEC or shall publish or otherwise make such statements or reports publicly available in the Cayman Islands, Brazil, the United States or elsewhere, the Issuer shall furnish a copy of such statements or reports to the trustee within 15 calendar days of the date of filing or the date the information is published or otherwise made publicly available, as the case may be.

***Further actions***

The Issuer will, at its own cost and expense, and will cause its subsidiaries to, at their own cost and expense, satisfy any condition or take any action (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required, as may be necessary or as the trustee may reasonably request, in accordance with applicable laws and/or regulations, to be taken, fulfilled or done in order (a) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the notes, the indenture and the registration rights agreement, (b) to ensure that the Issuer's obligations under the notes, the indenture and the registration rights agreement are legally binding and enforceable, (c) to make the notes, the indenture and the registration rights agreement admissible in evidence in the courts of the State of New York, the Cayman Islands or Brazil, (d) to enable the trustee to exercise and enforce its rights under and carry out the terms, provisions and purposes of the notes, the indenture and the registration rights

agreement, (e) to take any and all action necessary to preserve the enforceability of, and maintain the trustee's rights under the notes, the indenture and the registration rights agreements and (f) to assist the trustee in the trustee's performance of its obligations under the notes, the indenture and the registration rights agreement.

***Available information***

For as long as the notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, to the extent required, furnish to any noteholder of a note issued under Rule 144A, or to any prospective purchaser designated by such noteholder, upon request of such noteholder, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Issuer and AmBev to the extent required in order to permit such noteholder to comply with Rule 144A with respect to any resale of its note, unless during that time, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about the Issuer is otherwise required pursuant to Rule 144A.

***Appointment to fill a vacancy in the office of the trustee***

The Issuer, whenever necessary to avoid or fill a vacancy in the office of the trustee, will appoint in the manner set forth in the indenture, a successor trustee, so that there shall at all times be a trustee with respect to the notes.

**REDEMPTION**

***Redemption at maturity***

Unless previously redeemed, or purchased and cancelled, the notes shall be redeemed at their principal amount in U.S. dollars on the final maturity date. The redemption price payable at such time shall be the original principal amount of the notes plus accrued and unpaid interest thereon at the note rate and all other amounts due and payable under the terms of the notes and the indenture.

***Early redemption for taxation reasons***

The Issuer and AmBev may redeem the notes in whole, but not in part, upon giving not less than 30 nor more than 60 calendar days' notice to the noteholders if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to under "Additional Amounts" above or (ii) the Guarantor has or will become obliged to pay additional amounts in respect of payments due under the Guaranty or direct or indirect payments to the Issuer made to permit the Issuer to service the notes reflecting a withholding tax rate in excess of 15%, in each case as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Brazil, respectively, or any political subdivision or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations (including a determination by a court of competent jurisdiction), which change or amendment becomes effective on or after the issue date of the notes and, in any such case, such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it. However, any such notice of redemption shall be given within 60 calendar days of the earliest date on which the Issuer or AmBev would be obligated to pay such additional amounts if a payment in respect of the notes were then due. Prior to the giving of any notice of redemption described in this paragraph, the Issuer will deliver to the trustee an officers' certificate stating that the Issuer is entitled to redeem the notes in accordance with the terms in the indenture and stating the facts relating to such redemption. Concurrently, the Issuer or AmBev, as the case may be, will deliver to the trustee a written opinion of counsel to the effect that the Issuer or AmBev, as applicable, has become obligated to pay such additional amounts as a result of a change or amendment described above, that the Issuer or AmBev cannot avoid payment of such additional amounts by taking reasonable measures available to them and that all governmental approvals necessary for the Issuer to effect such redemption have been obtained and are in full force and effect or specifying any necessary approvals that have not been obtained. In any such redemption, the Issuer shall pay the trustee on the date fixed for redemption an amount in U.S. dollars equal to the sum of (i) of the then outstanding principal amount of the notes, (ii) all unpaid interest accrued to the date fixed for redemption and (iii) all other amounts owed to noteholders under the terms of the indenture or the notes. For purposes of this paragraph and notwithstanding anything to the contrary under the terms of the indenture, the notes or the guaranty, any payment made by the Issuer to AmBev with respect to a note or the guaranty shall constitute or

be deemed to constitute a payment of other than (i) additional amounts or (ii) taxes, duties, assessments or other governmental charges whatsoever imposed by a taxing jurisdiction. No such redemption shall be effective unless and until the trustee receives the amount payable upon redemption as set forth above.

***Cancellation***

Any notes redeemed by the Issuer will be immediately cancelled and may not be reissued or resold unless the Issuer (i) procures a person who purchases the notes to be redeemed on the relevant date of redemption and at the relevant redemption price (in which event the notes may be so resold and need not be cancelled) or (ii) notifies the trustee in writing on or prior to the relevant date of redemption that the notes so redeemed by the Issuer will not be cancelled (in which event the notes may be held by the Issuer pending resale as provided in (i) above and need not be cancelled).

**PURCHASES OF NOTES BY THE ISSUER AND AMBEV**

The Issuer and AmBev, and each of their respective affiliates, may at any time purchase any notes in the open market or otherwise at any price; *provided* that, in determining whether noteholders holding any requisite principal amount of notes have given any request, demand, authorization, direction, notice, consent or waiver under the indenture, notes owned by the Issuer, AmBev and each of their respective subsidiaries or affiliates shall be deemed not outstanding for purposes thereof. All notes purchased by the Issuer or AmBev or any of their respective affiliates may, at the option of the Issuer or AmBev, continue to be outstanding or be cancelled.

**EVENTS OF DEFAULT**

The following events will each be an "Event of Default" under the terms of the notes and the indenture:

(a) The trustee shall not receive any amount due from the Issuer under the notes and the indenture or from AmBev under the guaranty in respect of principal on any of the notes, whether on the expected maturity date, upon redemption or on the final maturity date or otherwise by the scheduled due date therefor;

(b) The trustee shall not receive any payment in respect of any interest or other amounts due on or with respect to the notes (including additional amounts, if any), from the Issuer in accordance with the terms of the notes and the indenture or from AmBev under the guaranty by the scheduled due date therefor and such nonreceipt shall continue for a period of 30 calendar days from such scheduled due date;

(c) The Issuer or AmBev, as applicable, shall fail to perform, observe or comply with any term, covenant, agreement or obligation contained in any of the indenture, notes, guaranty or the registration rights agreement and such failure (other than any failure to make any payment contemplated in clause (a) or (b) hereof) is either incapable of remedy or continues for a period of 60 calendar days (inclusive of any time frame contained in any such term, covenant, agreement or obligation for compliance thereunder) after written notice of such failure has been received by the Issuer or AmBev from the trustee;

(d) (i) The acceleration on any indebtedness of the Issuer, AmBev or any subsidiary thereof with total assets of more than U.S.$400,000,000 (or its equivalent in another currency) (each such subsidiary, a "Material Subsidiary"), unless such acceleration is at the option of the Issuer, AmBev or any Material Subsidiary thereof; or (ii) the Issuer, AmBev or any Material Subsidiary thereof fails to pay any indebtedness when due on any final maturity date or, as the case may be, beyond any applicable grace period; *provided*, *however*, that the aggregate amount of any such indebtedness falling within (i) and (ii) above (as to which the time for payment has not been extended by the relevant obligees) equals or exceeds U.S.$50,000,000, (or its equivalent in another currency);

(e) One or more final and nonappealable judgments or final decrees is entered against the Issuer, AmBev or any Material Subsidiary thereof involving in the aggregate a liability (not yet paid or reimbursed by insurance) of U.S.$50,000,000 (or its equivalent in another currency) or more, and all such judgments

or decrees shall not have been vacated, discharged or stayed within 120 calendar days after the rendering thereof;

(f) Either the Issuer, AmBev or any of their Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization, *recuperação judicial ou extrajudicial* or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seek the appointment of a trustee, receiver, *administrador*, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment or conveyance for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(g) An involuntary case or other proceeding shall be commenced against either the Issuer, AmBev or any of their Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debt under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, *administrador*, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against either the Issuer, AmBev or any of their Material Subsidiaries under the bankruptcy laws as now or hereafter in effect;

(h) Either the Issuer, AmBev or any of their Material Subsidiaries shall admit in writing its inability to pay its debts as and when they fall due or shall become unable to pay its debts, or shall convene a meeting for the purpose of proposing, or otherwise propose or enter into, any composition or arrangement with its creditors or any group or class thereof, or anything analogous to, or having a substantially similar effect to, any of the events specified in this paragraph (h) or in paragraph (f) or (g) above or (i) below shall occur in any jurisdiction;

(i) Either the Issuer, AmBev or any of their Material Subsidiaries shall cease or threaten to cease to carry out its business except (i) a winding-up, dissolution or liquidation for the purpose of and followed by a consolidation, merger, conveyance or transfer or, in the case of a Material Subsidiary, whereby the undertaking, business and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or AmBev, as applicable, or any of their respective subsidiaries or affiliates, or the terms of which shall have been approved by a resolution of a meeting of the noteholders or (ii) a voluntary winding-up, dissolution or liquidation of a Material Subsidiary where there are surplus assets in such Material Subsidiary attributable to the Issuer or AmBev, as applicable, and/or any other subsidiary that it is either a Material Subsidiary or will become a Material Subsidiary upon such transfer of assets, and such surplus assets are distributed to the Issuer or AmBev, as applicable, and/or such subsidiary;

(j) Any event occurs that under the laws of the Cayman Islands, Brazil or any political subdivision thereof has substantially the same effect as any of the events referred to in any of paragraphs (f), (g), (h) or (i);

(k) Any of the notes, the indenture, the guaranty or the registration rights agreement, or any part thereof, shall cease to be in full force and effect or binding and enforceable against the Issuer or AmBev or admissible in evidence in the courts of Brazil, it becomes unlawful for the Issuer or AmBev to perform any material obligation under any of the foregoing, or the Issuer or AmBev shall contest the enforceability of any of the foregoing or deny that it has liability under any of the foregoing;

(l) All or a substantial part of the aggregate property and assets of the Issuer or AmBev or any Material Subsidiary shall be condemned, seized or otherwise appropriated, or custody of such property shall be assumed by any governmental authority or court or any other person purporting to act under the authority of the government of any jurisdiction, or the Issuer or AmBev or any of its Material Subsidiaries shall be prevented from exercising normal control over all or substantial part of such property and such default is not remedied within 30 calendar days after it occurs; or

(m) AmBev fails to retain at least 100% direct or indirect ownership of the outstanding voting or economic interests (equity or otherwise) of and in the Issuer.

**REMEDIES UPON OCCURRENCE OF AN EVENT OF DEFAULT**

If an Event of Default occurs, and is continuing, the trustee shall, upon the request of noteholders holding not less than 25% in principal amount of the notes then outstanding, by written notice to the Issuer (and to the trustee if given by noteholders) declare the principal amount of all of the notes and all accrued interest thereon immediately due and payable; *provided* that if an Event of Default described in paragraphs (f), (g), (h), (i) or (j) above occurs and is continuing, then and in each and every such case, the principal amount of all of the notes and all accrued interest thereon shall, without any notice to the Issuer or any other act by the trustee or any noteholder, become and be accelerated and immediately due and payable. Upon any such declaration of acceleration, the principal of the notes so accelerated and the interest accrued thereon and all other amounts payable with respect to the notes shall be immediately due and payable. If the Event of Default or Events of Default giving rise to any such declaration of acceleration shall be cured following such declaration, such declaration may be rescinded by noteholders holding a majority of the notes.

The noteholders holding at least a majority of the aggregate principal amount of the outstanding notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, or that the trustee determines in good faith may involve the trustee in personal liability, or that the trustee reasonably believes it will not be adequately indemnified against the costs, expenses or liabilities, which might be incurred, or that may be unduly prejudicial to the rights of noteholders not taking part in such direction and the trustee may take any other action it deems proper that is not inconsistent with any such direction received from noteholders. A noteholder may not pursue any remedy with respect to the indenture or the notes unless:

(i) the noteholder gives the trustee written notice of a continuing Event of Default;

(ii) noteholders holding not less than 25% in aggregate principal amount of outstanding notes make a written request to the trustee to pursue the remedy;

(iii) such noteholder or noteholders offer the trustee adequate security and indemnity satisfactory to the trustee against any costs, liability or expense;

(iv) the trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period, noteholders holding a majority in aggregate principal amount of the outstanding notes do not give the trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any noteholder to receive payment of the principal of, premium, if any, interest on or additional amounts related to such note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the notes, which right shall not be impaired or affected without the consent of the noteholder.

**MODIFICATION OF THE INDENTURE**

The Issuer and the trustee may, without the consent of the noteholders, amend, waive or supplement the indenture for certain specific purposes, including, among other things, curing ambiguities, defects or inconsistencies, or making any other provisions with respect to matters or questions arising under the indenture or the notes or making any other change that will not adversely affect the interest of any noteholder.

In addition, with certain exceptions, the indenture may be modified by the Issuer and the trustee with the consent of the holders of a majority of the aggregate principal amount of the notes then outstanding. However, no modification may, without the consent of the noteholder of each outstanding note:

- change the maturity of any payment of principal of or any installment of interest on any note;
- reduce the principal amount or the rate of interest, or change the method of computing the amount of principal or interest payable on any date;
- change any place of payment where the principal of or interest on notes is payable;
- change the coin or currency in which the principal of or interest on the notes is payable;
- impair the right of the noteholders to institute suit for the enforcement of any payment on or after the date due;
- reduce the percentage in principal amount of the outstanding notes, the consent of whose noteholders is required for any modification or the consent of whose noteholders is required for any waiver of compliance with certain provisions of the indenture or certain defaults under the indenture and their consequences provided for in the indenture; or
- modify any of the provisions of certain sections of the indenture, including the provisions summarized in "— Modification of the Indenture," except to increase any percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of each noteholder.

**DEFEASANCE AND COVENANT DEFEASANCE**

The Issuer may, at its option, elect to be discharged from the Issuer's obligations with respect to the notes. In general, upon a defeasance, the Issuer will be deemed to have paid and discharged the entire Indebtedness represented by the notes and to have satisfied all of the Issuer's obligations under the notes and the indenture except for (i) the rights of the noteholders to receive payments in respect of the principal of and interest and additional amounts, if any, on the notes when the payments are due, (ii) certain provisions of the indenture relating to ownership, registration and transfer of the notes, (iii) the covenant relating to the maintenance of an office or agency in New York and (iv) certain provisions relating to the rights, powers, trusts, duties and immunities of the trustee.

In addition, the Issuer may, at its option, and at any time, elect to be released with respect to the notes from the covenants described above under the caption "— Certain Covenants" ("covenant defeasance"). Following such covenant defeasance, the occurrence of a breach or violation of any such covenant with respect to the notes will not constitute an Event of Default under the indenture, and certain other events (not including, among other things, non-payment or bankruptcy and insolvency events) described under "— Events of Default" also will not constitute Events of Default.

In order to exercise either defeasance or covenant defeasance, the Issuer will be required to satisfy, among other conditions, the following:

- the Issuer must irrevocably deposit with the trustee, in trust, for the benefit of the noteholders, cash in U.S. dollars or U.S. government obligations, or a combination thereof, in amounts sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of and each installment of interest on the notes on the stated maturity of such principal or installment of interest in accordance with the terms of the indenture and the notes and all amounts owing or to become owing to the trustee in accordance with the indenture;
- in the case of an election to fully defease the notes, the Issuer must deliver to the trustee an opinion of counsel stating that (x) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (y) since the date of the indenture there has been a change in the applicable U.S. Federal income tax law or the interpretation thereof, in either case to the effect that, and based thereon, the opinion of counsel shall confirm that, the noteholders will not recognize gain or loss for U.S. Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to U.S. Federal income tax on the same amount, in the same manner and at the same time as would have been the case if such deposit, defeasance and discharge had not occurred;

- in the case of a covenant defeasance, the Issuer must deliver to the trustee an opinion of counsel to the effect that the noteholders will not recognize gain or loss for U.S. Federal income tax purposes as a result of such deposit and covenant defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same time as would have been the case if such deposit and covenant defeasance had not occurred;

- no Event of Default, or event or condition that with the giving of notice, the lapse of time or failure to satisfy certain specified conditions, or any combination thereof, would become an Event of Default, including, with respect to certain events of bankruptcy or insolvency, has occurred and is continuing with respect to the notes, at any time during the period ending on the 121st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

- the Issuer must deliver to the trustee an opinion of counsel to the effect that payment of amounts deposited in trust with the trustee will not be subject to future taxes, duties, fines, penalties, assessments or other governmental charges imposed by a taxing jurisdiction, except to the extent that additional amounts in respect thereof shall have been deposited in trust with the trustee;

- the Issuer must deliver to the trustee an opinion of counsel to the effect that such defeasance or covenant defeasance shall not result in a breach or violation of, or constitutes a default under, any other agreement or instrument to which the Issuer is a party or by which it is bound; and

- such defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company as defined under the Investment Company Act of 1940, as amended.

**THE TRUSTEE**

Deutsche Bank Trust Company Americas is the trustee under the indenture and has been appointed by the Issuer as registrar and paying agent with respect to the notes. The Issuer may have normal banking relationships with Deutsche Bank Trust Company Americas in the ordinary course of business. The address of the trustee is 60 Wall Street – MS-2710, New York, NY – 10005, United States.

The trustee may at any time resign by giving written notice to the Issuer and by giving notice of such resignation to the noteholders.

In addition, in case at any time any of the following shall occur with respect to any Notes:

- the trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act, after written request thereafter by the Issuer or by any noteholder who has been a bona fide noteholder for at least six months,

- the trustee shall cease to be eligible under the Indenture and shall fail to resign after written request therefore by the Issuer or by any noteholder, or

- the trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Issuer may remove the trustee, and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, or (B) subject to the requirements of Section 315(e) of the Trust Indenture Act, any noteholder who has been a bona fide noteholder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the trustee and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, remove the trustee and appoint a successor trustee.

The majority of the noteholders may at any time, with not less than 30 days notice, remove the trustee and appoint a successor trustee by delivering to the trustee so removed, to the successor trustee so appointed and to the Issuer, provided that unless a default or event of default shall have occurred and be continuing, the Issuer shall consent (such consent not to be unreasonably withheld).

If the trustee shall resign, be removed, or become incapable of acting or if a vacancy shall occur in the office of trustee with respect to the notes for any cause, the Issuer shall promptly appoint a successor trustee or trustees by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, one copy of which instrument shall be delivered to the former trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted such appointment pursuant to the Indenture within 30 days after the mailing of such notice of resignation or removal, the former trustee may, at the Issuer's expense, petition any court of competent jurisdiction for the appointment of a successor trustee, or any noteholder who has been a bona fide noteholder for at least six months may, subject to the requirements of Section 315(e) of the Trust Indenture Act, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

**PAYING AGENTS; TRANSFER AGENTS; REGISTRAR**

The Issuer has initially appointed Deutsche Bank Trust Company Americas as paying agent, registrar and transfer agent. The Issuer may at any time appoint new paying agents, transfer agents and registrars. However, the Issuer will at all times maintain a paying agent in New York City until the notes are paid.

The Issuer will maintain a paying agent and transfer agent in Luxembourg so long as the rules of the Luxembourg Stock Exchange so require. The Issuer will provide prompt notice of the termination, appointment or change in the office of any Luxembourg paying agent or Luxembourg transfer agent acting in connection with the notes.

**NOTICES**

For as long as the notes are listed on the Luxembourg Stock Exchange, the Issuer will publish any change (a) as to the identity of the (i) the Issuer, (ii) the Guarantor, or (iii) Luxembourg paying and transfer agent, and (b) relating to the notes, in a leading newspaper in Luxembourg, which is expected to be *d'Wort*, or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, the Issuer will mail notices to the registered address of the noteholders as provided in the register. So long as DTC, or its nominee, is the registered holder of the global notes, each person owning a beneficial interest in a global note must rely on the procedures of DTC to receive notices provided to DTC. Each person owning a beneficial interest in a global note who is not a participant in DTC must rely on the procedures of the participant through which the person owns its interest in the global note to receive notices provided to DTC.

**GOVERNING LAW**

The indenture and the notes are governed by the laws of the State of New York.

**JURISDICTION**

The Issuer has consented to the non-exclusive jurisdiction of any court of the State of New York or any U.S. Federal court sitting in The City of New York, New York, United States, and any appellate court from any thereof. The Issuer has appointed CT Corporation System, 111 Eighth Avenue, New York, NY 10011 as its authorized agent upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. Federal court sitting in The City of New York in connection with the indenture or the notes.

**WAIVER OF IMMUNITIES**

To the extent that the Issuer may in any jurisdiction claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in

connection with the indenture and the notes and to the extent that in any jurisdiction there may be immunity attributed to the Issuer or the Issuer's assets, whether or not claimed, the Issuer has irrevocably agreed for the benefit of the noteholders not to claim, and irrevocably waive, the immunity to the full extent permitted by law.

**CURRENCY RATE INDEMNITY**

The Issuer has agreed that, if a judgment or order made by any court for the payment of any amount in respect of any notes is expressed in a currency other than U.S. dollars, the Issuer will indemnify the relevant noteholder against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from the Issuer's other obligations under the indenture, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due under the indenture or the notes.

**FORM, DENOMINATION AND REGISTRATION**

The notes will be issued in registered form without interest coupons. No notes will be issued in bearer form. The notes will be denominated in *Reais*.

The Issuer has agreed to maintain a paying agent, registrar and transfer agent in the Borough of Manhattan, the City of New York and to maintain a Luxembourg paying agent and Luxembourg transfer agent in Luxembourg. The Issuer has initially appointed the trustee at its corporate trust office as principal paying agent, transfer agent, authenticating agent and registrar and Deutsche Bank Luxembourg S.A. as its paying agent and Luxembourg transfer agent for all notes. Each transfer agent will keep a register, subject to such reasonable regulations as the Issuer may prescribe.

**BOOK-ENTRY; DELIVERY AND FORM**

Notes offered and sold to QIBs in reliance on Rule 144A under the Securities Act will be represented by a single, permanent global note in definitive, fully registered book-entry form (the "restricted global note") which will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the notes represented thereby with a custodian for DTC for credit to the respective accounts of such purchasers (or to such other accounts as they may direct) at DTC.

Notes offered and sold in reliance on Regulation S will be represented by a single, permanent global note in definitive, fully registered book-entry form (the "Regulation S global note" and, together with the restricted global note, the "global notes") which will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the Notes represented thereby with a custodian for DTC for credit to the respective accounts of such purchasers (or to such other accounts as they may direct) at Euroclear or Clearstream. Prior to the 40$^{th}$ calendar day after the later of the commencement of the offering of the notes and the issue date of the notes, interests in the Regulation S global note may only be held through Euroclear or Clearstream.

Each global note (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Notice to Investors." Except in the limited circumstances described below, owners of beneficial interests in a global note will not be entitled to receive physical delivery of certificated notes.

**GLOBAL NOTES**

The Issuer expects that pursuant to procedures established by DTC (a) upon deposit of the global notes, DTC or its custodian will credit on its internal system portions of the global notes to the respective accounts of persons who have accounts therewith and (b) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants as defined below) and the records of participants (with respect to interests of persons other than participants). Such accounts will initially be designated by or on behalf of the initial purchasers and ownership of beneficial interests in the global notes will be limited to persons who are participants and have accounts with DTC

or persons who hold interests through participants. Except as otherwise described herein, investors may hold their interests in a global note directly through DTC only if they are participants in such system, or indirectly through organizations which are participants in such system.

You may hold your interests in the Regulation S global note directly through Clearstream or Euroclear if you are a participant in such systems, or indirectly through organizations which are participants in such systems. Beginning 40 calendar days after the later of the commencement of the offering of the notes and the issue date of the notes (but not earlier), you may also hold such interests through organizations other than Clearstream or Euroclear that are participants in the DTC system. Clearstream and Euroclear will hold such interests in the Regulation S global note on the books of their respective depositories, which in turn will hold such interests in the depositories' names on the books of DTC.

So long as DTC or its nominee is the registered owner or holder of any global note, DTC or such nominee will be considered the sole owner or noteholder represented by that global note for all purposes under the indenture and the notes. No beneficial owner of an interest in any note will be able to transfer such interest except in accordance with the applicable procedures of DTC and, if applicable, Euroclear and Clearstream, in addition to those provided for under the indenture.

Payments of principal of and interest (including additional amounts) on the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of the Issuer, the trustee or any paying agent under the indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests representing any notes held by DTC or its nominee.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal of or premium and interest (including Additional Amounts) on a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee.

Payment to owners of beneficial interests in a global note held through such participant will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. If a holder requires physical delivery of a certificated note for any reason, including to sell notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the applicable global note in accordance with the normal procedures of DTC and those procedures set forth in the indenture. Consequently, the ability to transfer interests in a global note to such persons may be limited.

Before the 40$^{th}$ calendar day after the later of the commencement of the offering of the notes and the issue date, transfers by an owner of a beneficial interest in the Regulation S global note to a transferee who takes delivery of such interest through the restricted global note will be made only in accordance with the applicable procedures and upon receipt by the trustee of a written certification Form, denomination and registration from the transferor in the form provided in the indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A.

Transfers by an owner of a beneficial interest in the restricted global note to a transferee who takes delivery of such interest through the Regulation S global note, whether before, on or after the 40$^{th}$ day referred to above, will be made only upon receipt by the trustee of a certification to the effect that such transfer is being made in accordance with Regulation S.

Transfers of physical notes to a person who will hold through a global note will be made only in accordance with the applicable procedures and upon receipt by the trustee of a written certification in the form

provided in the indenture (i) in the case of a transfer into the restricted global note before the 40th day referred to above, to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and (ii) in the case of a transfer into the Regulation S global note, to the effect that such transfer is being made in accordance with Regulation S.

Any beneficial interest in a global note that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to have an interest in the first global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other global note.

Subject to compliance with the transfer restrictions applicable to the notes, the Issuer understands that crossmarket transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such crossmarket transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels or Luxembourg time, respectively). The Issuer understands that Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Regulation S global note in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositories of Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a restricted global note from a DTC participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and such credit will be reported to the relevant Euroclear or Clearstream participant on such business day following the DTC settlement date. Cash received in Euroclear or Clearstream as a result of sales of interests in the Regulation S global note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

The Issuer expects that DTC will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange) only at the direction of the participant to whose interests in the applicable global notes are credited and only in respect of the aggregate principal amount of notes as to which such participant has given such direction. However, if there is an Event of Default under the indenture and the notes and the holders of more than 50% of the total principal amount of the notes represented by the global note advise the trustee in writing that it is in the holders' best interest to do so, DTC will exchange the applicable global note for physical notes (as defined below), which it will distribute to participants and which will be legended to the extent set forth under "Notice to Investors."

The Issuer understands that DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The Issuer further understands that DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations ("participants"). The Issuer further understands that indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the global notes among the DTC participants, Euroclear and Clearstream, they are under no obligation to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the trustee or the paying agent will have any responsibility for the performance by DTC,

Euroclear, Clearstream, the participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

**PHYSICAL NOTES**

Interests in the global notes will be exchangeable or transferable, as the case may be, for physical notes ("physical notes") if (i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the global notes, or DTC ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Issuer within 90 calendar days, (ii) the Issuer, at its option, elects to terminate the book-entry system through a depositary or (iii) an Event of Default has occurred and is continuing with respect to the global notes and the holders of more than 50% of the total principal amount of the notes represented by the global note advise the trustee in writing that it is in the holders' best interest to do so.

**REPLACEMENT, EXCHANGE AND TRANSFER OF NOTES**

If a note becomes mutilated, destroyed, lost or stolen, the Issuer may issue, and the trustee will authenticate and deliver, a substitute note in replacement. In each case, the affected noteholder will be required to furnish to the Issuer, the trustee and certain other specified parties an indemnity under which it will agree to pay the Issuer, the trustee and certain other specified parties for any losses they may suffer relating to the note that was mutilated, destroyed, lost or stolen. The Issuer and the trustee may also require that the affected noteholder present other documents or proof. The affected noteholder will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, destroyed, lost or stolen note.

Under certain limited circumstances, beneficial interests in the global note may be exchanged for physical notes. If the Issuer issues physical notes, a noteholder of such physical note may present its notes for exchange with notes of a different authorized denomination, together with a written request for an exchange, at the office or agency of the Issuer designated for such purpose in the City of New York or Luxembourg. In addition, the noteholder of any physical note may transfer such physical note, in whole or in part, by surrendering it at any such office or agency together with an executed instrument of assignment. Each new physical note issued in connection with a transfer of one or more physical notes will be available for delivery from the registrar and the Luxembourg transfer agent within five Luxembourg business days after receipt by the registrar and the Luxembourg transfer agent of the relevant original physical note or physical notes and the relevant executed instrument of assignment. Transfers of the physical notes will be effected without charge by or on behalf of the Issuer, the registrar or the Luxembourg transfer agent, but only upon payment (or the giving of such indemnity as the registrar or such transfer agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

The Issuer will not charge the noteholders of notes for the costs and expenses associated with the exchange, transfer or registration of transfer of the notes. The Issuer may, however, charge the noteholders of notes for any other tax or governmental charges. The Issuer may reject any request for an exchange or registration of transfer of any note (i) made within 15 calendar days of the mailing of a notice of redemption of notes or (ii) made between any regular record date and the next interest payment date.

## DESCRIPTION OF THE GUARANTY

*The following summary describes certain provisions of the guaranty. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the guaranty. You may obtain copies of the guaranty upon request to the trustee or the paying agent in Luxembourg at the addresses set forth on the inside back cover of this offering memorandum.*

### GENERAL

In connection with the execution and delivery of the indenture and the notes, AmBev, the parent company and the direct or indirect owner of all of the outstanding equity securities of the Issuer, will enter into the guaranty with and for the benefit of the trustee and the noteholders. The guaranty will provide that AmBev will unconditionally and irrevocably guarantee the due and punctual payment, whether at the expected maturity date, by acceleration or otherwise, of all sums from time to time payable by the Issuer under or with respect to the indenture and the notes whether such sums are in respect of principal, interest, any make-whole premium or any other amounts due in respect of the notes.

### RANKING

The obligation of AmBev under the guaranty will rank *pari passu* with all other senior unsecured and unsubordinated obligations of AmBev (other than obligations preferred by statute or by operation of law).

### PAYMENTS

#### *General*

In the event that the Issuer does not make payments to the trustee of all or any portion of the guaranteed obligations, upon notice of such non-payment by the trustee, AmBev will make immediate payment to the trustee of all or any portion of the guaranteed obligations owing or payable under the indenture and the notes. This notice shall specify the amount of principal and accrued interest and other amounts due on or with respect to the indenture and/or the notes that were not paid on the date that such amounts were required to be paid under the terms of the indenture and the notes.

The obligations of AmBev under the guaranty shall be absolute and unconditional upon receipt of the foregoing notice from the trustee absent manifest error and continuing and shall remain in full force and effect until all the guaranteed obligations have been paid and satisfied in full. Under the guaranty, AmBev has agreed that the guaranteed obligations will be paid strictly in accordance with the terms of the indenture and the notes, regardless of any law, regulation or order in any jurisdiction affecting any such terms or the rights of the trustee with respect thereto.

All amounts payable by AmBev under the guaranty shall be payable in U.S. dollars and in immediately available funds to the trustee at the account specified by the trustee.

#### *Subrogation*

Until such time as the trustee has irrevocably been paid in full all amounts owing under the notes, the indenture and the guaranty, AmBev irrevocably waives any claim or other rights it may acquire against the Issuer that arise from the existence, payment, performance or enforcement of the Issuer's obligations under the notes, the indenture and the guaranty, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification or any right to participate in any claim or remedy of the trustee against the Issuer, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law including, without limitation, the right to take or receive from the Issuer, directly or indirectly, in cash or other property or in any other manner, payment or security on account of such claim or other rights. If any amount shall be paid to AmBev in violation of the preceding sentence and the amounts owing to the trustee under the notes, the indenture and the guaranty shall not have been irrevocably paid in full, then such amount shall be deemed to have been paid to AmBev for the benefit of, and held in trust for the benefit of, the trustee, and shall forthwith be paid to the trustee. AmBev acknowledges that

it will receive direct and indirect benefits from the issuance of the notes and that the waiver set forth in this paragraph is knowingly made in contemplation of such benefits.

***Continuation of guaranty***

The guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any portion of the guaranteed obligations is rescinded or must otherwise be returned by the trustee upon the insolvency, bankruptcy or reorganization of the Issuer, AmBev, the trustee or otherwise, all as though such payment had not been made.

**CERTAIN COVENANTS**

For so long as any of the notes are outstanding and AmBev has obligations under the guaranty, AmBev will comply with the terms of the covenants, among others, set forth below:

***Performance of obligations under the transaction documents***

AmBev shall duly and punctually cause the Issuer to pay all amounts owed by it and comply with all its other obligations under the terms of the notes, the indenture and the registration rights agreement and itself shall comply with its obligations under the guaranty and the registration rights agreement.

***Maintenance of corporate existence***

AmBev will, and will cause each of its subsidiaries to, maintain in effect its corporate existence and all registrations necessary therefor and take all reasonable actions to maintain all rights, privileges, titles to property, franchises, concessions and the like necessary or desirable in the normal conduct of its business, activities or operations; provided that, this covenant shall not require AmBev or any of its subsidiaries to maintain any such right, privilege, title to property or franchise or the like or require AmBev to preserve the corporate existence of any subsidiary, if the failure to do so does not, and will not, have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Maintenance of properties***

AmBev will, and will cause each of its subsidiaries to, keep all its property used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted; *provided* that, this covenant shall not require AmBev or any of its subsidiaries to maintain any such right, privilege, title to property or franchise if the failure to do so does not, and will not, have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Compliance with laws***

AmBev will comply, and will cause its subsidiaries to comply with all applicable laws, rules, regulations, orders and directives of any government or government authority or agency having jurisdiction over AmBev, AmBev's business or any of the transactions contemplated herein, except where the failure so to comply would not have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Maintenance of government approvals***

AmBev will, and will cause its subsidiaries to, duly obtain and maintain in full force and effect all governmental approvals, consents or licenses of any government or government agency or authority under the laws of Brazil or any other jurisdiction having jurisdiction over AmBev or its subsidiaries necessary in all cases for each of AmBev and the Issuer to perform its respective obligations under the transaction documents to which it is a party (including, without limitation, any authorization required to obtain and transfer U.S. dollars or any other currency which at that time is legal tender in the United States, out of Brazil or the Cayman Islands in connection with the notes, the indenture and the guaranty) or for the validity or enforceability thereof, except where the failure to do so would not have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Payments of taxes and other claims***

AmBev will, and will cause each of its subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon AmBev or such subsidiary, as the case may be, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of AmBev or such subsidiary, as the case may be; *provided*, *however*, that neither AmBev nor any subsidiary will be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith and, if appropriate, by appropriate legal proceedings or where the failure to do so would not have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Maintenance of ownership of the Issuer***

For so long as any notes are outstanding, AmBev will retain 100% direct or indirect ownership of the outstanding voting and economic interests (equity or otherwise) of and in the Issuer. Failure to maintain such ownership will constitute an Event of Default under the indenture.

***Maintenance of books and records***

AmBev shall maintain books, accounts and records in accordance with Brazilian GAAP, unless it is otherwise doing so under U.S. GAAP in accordance with its status as a foreign private issuer under the Securities Act.

***Maintenance of office or agency***

AmBev shall maintain an office or agency in the Borough of Manhattan, The City of New York, where notices to and demands upon AmBev in respect of the guaranty may be served. Initially this office will be the offices of CT Corporation System located at 111 Eighth Avenue, New York, NY 10011, and AmBev will agree not to change the designation of such office without prior notice to the trustee and designation of a replacement office in the same general location.

***Ranking***

AmBev will ensure that the guaranty will constitute general senior unsecured and unsubordinated obligations of AmBev and will rank *pari passu*, without any preferences among themselves, with all other present and future unsecured and unsubordinated obligations of AmBev (other than obligations preferred by statute or by operation of law).

***Notice of certain events***

AmBev will give notice to the trustee, as soon as is practicable and in any event within ten calendar days after AmBev becomes aware or should reasonably become aware, of the occurrence of any Event of Default or a Default under the notes and the indenture, accompanied by a certificate of a responsible officer of AmBev setting forth the details of such Event of Default or Default and stating what action that AmBev proposes to take with respect thereto.

***Limitation on consolidation, merger, sale or conveyance***

AmBev will not, in one or a series of transactions, consolidate or amalgamate with or merge into any corporation or convey, lease or transfer all or substantially all of its properties, assets or net sales to any person (other than a direct or indirect subsidiary of AmBev) or permit any person (other than a direct or indirect subsidiary of AmBev) to merge with or into it unless:

- either AmBev is the continuing entity or the person formed by such consolidation or into which AmBev is merged or that acquired or leased such property or assets of AmBev will be a company organized and validly existing under the laws of Brazil, the United States or any country that is a member of the European Union and shall assume (jointly and severally with AmBev unless AmBev

shall have ceased to exist as part of such merger, consolidation or amalgamation), by an amendment to the guaranty (the form and substance of which shall be previously approved by the trustee), all of AmBev's obligations under the guaranty;

- the successor company (jointly and severally with AmBev unless AmBev shall have ceased to exist as part of such merger, consolidation or amalgamation) agrees to indemnify each noteholder against any tax, assessment or governmental charge thereafter imposed on such noteholder solely as a consequence of such consolidation, merger, conveyance, transfer or lease with respect to the payment of principal of, or interest on, the notes;

- immediately after giving effect to the transaction, no Event of Default, and no Default has occurred and is continuing; and

- AmBev has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that the transaction and the amendment to the guaranty, if applicable, comply with the terms of the guaranty and that all conditions precedent provided for in the guaranty and relating to such transaction have been complied with;

Notwithstanding anything to the contrary in the foregoing, so long as no event or condition that, with the giving of notice, the lapse of time or failure to satisfy certain specified conditions, or any combination thereof would constitute an Event of Default under the indenture or the notes or an Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom:

- AmBev may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to a direct or indirect subsidiary of AmBev in cases when AmBev is the surviving entity in such transaction and such transaction would not have a material adverse effect on AmBev and its subsidiaries taken as a whole, it being understood that if AmBev is not the surviving entity, AmBev shall be required to comply with the requirements set forth in the previous paragraph; or

- any direct or indirect subsidiary of AmBev may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to, any person (other than AmBev or any of its subsidiaries or affiliates) in cases when such transaction would not have a material adverse effect on AmBev and its subsidiaries taken as a whole; or

- any direct or indirect subsidiary of AmBev may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to, any other direct or indirect subsidiary of AmBev; or

- any direct or indirect subsidiary of AmBev may liquidate or dissolve if AmBev determines in good faith that such liquidation or dissolution is in the best interests of AmBev, and would not result in a material adverse effect on AmBev and its subsidiaries taken as a whole and if such liquidation or dissolution is part of a corporate reorganization of AmBev.

***Limitation on liens***

AmBev will not, and will not cause or permit any of its subsidiaries to, issue, assume or guarantee any Indebtedness, if that Indebtedness is secured by a Lien upon any Guarantor Specified Property now owned or hereafter acquired, unless, together with the issuance, assumption or guarantee of such Indebtedness, the notes shall be secured equally and ratably with (or prior to) such Indebtedness.

This restriction does not apply to:

(i) any Lien in existence on the date of the guaranty;

(ii) any Lien on any property acquired, constructed or improved by AmBev or any of its subsidiaries after the date of the indenture which is created, incurred or assumed contemporaneously with, or within 12 months after, that acquisition (or in the case of any such property constructed or improved, after the completion or commencement of commercial operation of such property,

whichever is later) to secure or provide for the payment of any part of the purchase price of such property or the costs of that construction or improvement (including costs such as escalation, interest during construction and finance costs); *provided* that in the case of any such construction or improvement the Lien shall not apply to any other property owned by AmBev or any of its subsidiaries, other than any unimproved real property on which the property so constructed, or the improvement, is located;

(iii) any Lien on Guarantor Specified Property which secures Indebtedness owing to an Official Lender;

(iv) any Lien on any property existing at the time of its acquisition and which is not created as a result of or in connection with or in anticipation of that acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of that property);

(v) any Lien on any property acquired from a corporation or any other Person which is merged with or into AmBev or its subsidiaries, or any Lien existing on property of a corporation or any other Person which existed at the time such corporation becomes a subsidiary of AmBev and, in either case, which is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such corporation);

(vi) any Lien which secures only Indebtedness owing by any of AmBev's subsidiaries, to one or more of AmBev's subsidiaries or to AmBev and one or more of AmBev's subsidiaries;

(vii) any Lien arising by operation of law and arising in the ordinary course of business of AmBev or its subsidiaries, such as tax, merchants', maritime or other similar liens (including any judicial liens);

(viii) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (i) through (vii) inclusive; *provided* that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property); and

(ix) any Lien of AmBev or any of its subsidiaries that does not fall within paragraphs (i) through (viii) above and that secures an aggregate amount of Indebtedness which, when aggregated with Indebtedness secured by all other Liens of AmBev and its subsidiaries permitted under this paragraph (ix) at any time does not exceed 10% of Consolidated Net Tangible Assets at the time any such Indebtedness is issued, assumed or guaranteed by AmBev or any of its subsidiaries or at the time any such Lien is entered into.

As used herein, the following terms have the respective meanings set forth below:

"*Consolidated Net Tangible Assets*" means the total amount of assets of AmBev and its consolidated subsidiaries, (less applicable depreciation, amortization and other valuation reserves), except to the extent resulting from write-ups of capital assets, after deducting therefrom (i) all current liabilities of AmBev and its consolidated subsidiaries (excluding intercompany items) and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent financial statements delivered by AmBev to the trustee pursuant to "— Provision of financial statements and reports."

"*Guarantor Specified Property*" means (i) any manufacturing facility, including land and buildings and other improvements thereon and equipment located therein, (ii) any executive offices, administrative buildings, and research and development facilities, including land and buildings and other improvements thereon and equipment located therein, in each case of AmBev or any of its subsidiaries, and (iii) any intangible assets, including, without limitation, any brand names, trademarks, copyrights, patents and similar rights and any income (licensing or otherwise), proceeds of sale or other revenue therefrom. For the

avoidance of doubt, Guarantor Specified Property excludes any receivables or cash flow arising from the sales of goods and services by AmBev or any of its subsidiaries in the ordinary course of business.

"*Hedge Agreements*" means interest rate protection agreements, interest rate swaps, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"*Indebtedness*" of any Person means, without duplication,

(i) indebtedness of such Person for borrowed money;

(ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade accounts payable for which there is no interest due and payable (other than default interest) according to the terms of such obligations and which are incurred in the ordinary course of such Person's business but only if and for so long as the same remain payable on customary trade terms);

(iii) all reimbursement or payment obligations of such Person with respect to letters of credit, bankers' acceptances, surety bonds and similar instruments, except for reimbursement or payment obligations with respect to letters of credit (including trade letters of credit) securing obligations (other than obligations described in (i) above or (iv), (vii) or (viii) below) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement);

(iv) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses;

(v) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(vi) all net obligations of such Person with respect to Hedge Agreements;

(vii) all direct or indirect guaranties in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise assure a creditor against loss in respect of, any indebtedness referred to in clauses (i) through (vi) above; and

(viii) all indebtedness referred to in clauses (i) through (vii) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness.

"*Lien*" means any mortgage, pledge, security interest, *aval*, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to give any security interest).

"*Official Lender*" means (a) any Brazilian governmental financial institution, agency or development bank (or any other bank or financial institution representing or acting as agent for any of such institutions, agencies or banks), including, without limitation, Banco Nacional de Desenvolvimento Econômico e Social and the related system, (b) any multilateral or foreign governmental financial institution, agency or development bank (or any other bank or financial institution representing or acting as agent for any such institutions, agencies or banks), including, without limitation, the World Bank, the International Finance Corporation and the Inter-American Development Bank and (c) any governmental authority of jurisdictions

where AmBev or any of its subsidiaries conducts business (or any bank or financial institutions representing or acting as agent for such governmental authority).

"*Person*" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

***Transactions with affiliates***

AmBev shall not, and shall not permit any of its subsidiaries to, enter into or carry out (or agree to enter into or carry out) any transaction or arrangement with any affiliate, except for any transaction or arrangement entered into or carried out on terms no less favorable to AmBev or such subsidiary than those which could have been obtained on an arm's-length basis with a person that is not an affiliate; *provided, however*, that the foregoing shall not apply to transactions (i) between AmBev and the Issuer or (ii) between or among AmBev, the Issuer and/or any of their respective subsidiaries not involving any other person so long as consummation of any such transaction will not have a material adverse effect on AmBev and its subsidiaries taken as a whole or have a material adverse effect on the rights of the noteholders.

***Provision of financial statements and reports***

AmBev will provide to the trustee, in English or accompanied by an English translation thereof, (i) as soon as available and in any case within 60 calendar days after the end of each fiscal quarter (other than the fourth quarter), its unaudited and consolidated balance sheet and statement of income calculated in accordance with Brazilian GAAP and accompanied by a report thereon by an independent public accountant of recognized international standing (unless AmBev is preparing interim financial statements under U.S. GAAP for purposes of filings under the United States securities laws, in which case this clause (i) shall be deemed to apply to U.S. GAAP rather than Brazilian GAAP and such financial statements shall be delivered as soon as available and in any case within 90 calendar days after the end of the fiscal quarter) and (ii) as soon as available and in any case within 180 calendar days after the end of each fiscal year, its audited and consolidated balance sheet and statement of income calculated in accordance with U.S. GAAP or in accordance with Brazilian GAAP, together with a reconciliation to U.S. GAAP in accordance with the rules and regulations of the United States securities laws, and in either case accompanied by a report thereon by an independent public accountant of recognized international standing. AmBev will provide, at least annually, together with the financial statements delivered after the end of each fiscal year an officers' certificate stating that a review of AmBev's activities has been made during the period covered by such financial statements with a view to determining whether AmBev has kept, observed, performed and fulfilled its covenants and agreements under the guaranty and that no Event of Default under the indenture and the notes has occurred during such period.

In satisfaction of the foregoing financial statement delivery requirement, AmBev will furnish the links to the websites where of all financial statements and financial reports, promptly upon such statements and reports being publicly available, filed by AmBev with the SEC or published or otherwise made publicly available in Brazil, the United States or elsewhere, and in any case within 15 calendar days of such statements and reports becoming available.

***Further actions***

AmBev will, at its own cost and expense, and will cause its subsidiaries to, at their own cost and expense, satisfy any condition or take any action (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required, as may be necessary or as the trustee may reasonably request, in accordance with applicable laws and/or regulations, to be taken, fulfilled or done in order (a) to enable AmBev to lawfully enter into, exercise its rights and perform and comply with its obligations under the guaranty and each of the other transaction documents to which it is a party, (b) to ensure that AmBev's obligations under the guaranty and each of the other transaction documents to which it is a party are legally binding and enforceable, (c) to make the guaranty and each of the other relevant transaction documents admissible in evidence in the courts of the State of New York or Brazil, (d) to enable the trustee to exercise and

enforce its rights under and carry out the terms, provisions and purposes of the guaranty and each of the other transaction documents, (e) to take any and all action necessary to preserve the enforceability of, and maintain the trustee's rights under, the guaranty and each of the other transaction documents to which it is a party and (f) to assist the trustee in the trustee's performance of its obligations under the guaranty and each of the transaction documents.

**ADDITIONAL AMOUNTS**

Except as provided below, AmBev will make all payments of amounts due under the guaranty without withholding or deducting any present or future taxes, duties, assessments or other governmental charges of any nature imposed by Brazil, the Cayman Islands or any political subdivision of the foregoing. If AmBev is required by law to withhold or deduct any such taxes, duties, assessments or other governmental charges, except as provided below, AmBev will pay the noteholders any additional amounts necessary to ensure that they receive the same amount as they would have received without such withholding or deduction.

AmBev will not, however, pay any additional amounts in connection with any tax, duty, assessment or other governmental charge that is imposed due to any of the following:

- the noteholder or beneficial owner has some connection (present or former) with the taxing jurisdiction other than merely holding the notes or receiving payments on the notes or under the guaranty (such as citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present within the taxing jurisdiction);

- any tax imposed on, or measured by, net income;

- the noteholder or beneficial owner fails to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with the taxing jurisdiction, if (i) such compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or a part of the tax, duty, assessment or other governmental charge, (ii) the noteholder or beneficial owner is able to comply with such requirements without undue hardship and (iii) at least 30 calendar days prior to the first payment date with respect to which such requirements under the applicable law, regulation, administrative practice or treaty shall apply, AmBev or the trustee has notified all noteholders that they will be required to comply with such requirements;

- the noteholder fails to present (where presentation is required) its note within 30 calendar days after AmBev has made available to the noteholder a payment of principal or interest, provided that AmBev will pay additional amounts which such noteholder would have been entitled to had the note owned by such noteholder been presented on any day (including the last day) within such 30-day period;

- any estate, inheritance, gift, value added, use or sales taxes or any similar taxes, assessments or other governmental charges;

- where any additional amounts are imposed on a payment on the notes and are required to be made pursuant to Council Directive 2003/48/EC of the Council of the European Union on the taxation of savings income in the form of interest payments (or any Directive otherwise implementing the conclusions of the ECOFIN Council meetings of November 26 and 27 2000, December 13, 2001 and January 21, 2003) or any law implementing or complying with, or introduced in order to conform to, any such Directive;

- where the noteholder or beneficial owner could avoid any additional amounts by requesting that a payment on the notes be made by, or presenting the relevant notes for payment to, another paying agent located in a member state of the European Union;

- any combination of the foregoing.

AmBev will also (i) make such withholding or deduction and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law. Upon written request from the trustee, AmBev will furnish to the trustee, within five business days after the delivery of such written request, certified copies of tax receipts or, if such receipts are not obtainable, documentation reasonably satisfactory to the trustee evidencing such payment by the Issuer. Upon written request of the noteholders to the trustee, copies of such receipts or other documentation, as the case may be, will be made available to the noteholders. At least 10 business days prior to each date on which any payment under or with respect to the guaranty is due and payable, if AmBev is obligated to pay additional amounts with respect to such payment, AmBev will deliver to the trustee an officers' certificate stating that additional amounts will be payable, the amounts so payable and setting forth such other information as the trustee shall reasonably request for tax purposes.

AmBev will, upon the written request of any noteholder, indemnify and hold harmless and reimburse such noteholder for the amount of any taxes, duties, assessments or other governmental charges of any nature imposed by Brazil, the Cayman Islands or any political subdivision of the foregoing (other than any such taxes, duties, assessments or other governmental charges for which the noteholder would not have been entitled to receive additional amounts pursuant to any of the conditions described in the second paragraph of this section titled "Additional Amounts") so imposed on, and paid by, such noteholder as a result of any payment made under or with respect to the guaranty, so that the net amount received by such noteholder after such reimbursement would not be less than the net amount the noteholder would have received if such taxes, duties, assessments or other governmental charges would not have been imposed or levied and so paid.

AmBev will pay any stamp, administrative, court, documentary, excise or property taxes arising in Brazil or Cayman Islands in connection with the notes and will indemnify the noteholders for any such taxes paid by noteholders.

All references to principal, interest, or other amounts payable under the guaranty shall be deemed to include any additional amounts payable by AmBev under the guaranty. The foregoing obligations shall survive any termination, defeasance or discharge of the notes and the indenture.

If AmBev shall at any time be required to pay additional amounts to noteholders pursuant to the terms of the guaranty, AmBev will use its reasonable endeavors to obtain an exemption from the payment of (or otherwise avoid the obligation to pay) the tax, assessment or other governmental charge which has resulted in the requirement that it pay such additional amounts.

**AVAILABLE INFORMATION**

For as long as the notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, AmBev will, to the extent required, furnish to any noteholder, or to any prospective purchaser designated by such noteholder, upon request of such noteholder, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Issuer and AmBev to the extent required in order to permit such noteholder to comply with Rule 144A with respect to any resale of its note, unless during that time, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about the Issuer or AmBev is otherwise required pursuant to Rule 144A.

**EVENTS OF DEFAULT**

There are no events of default under the guaranty. The indenture, however, contains events of default relating to AmBev which may trigger an Event of Default and acceleration of the notes. Upon any such acceleration (including any acceleration arising out of the insolvency or similar events relating to AmBev), if the Issuer fails to pay all amounts then due under the notes and the indenture, AmBev will be obligated to make a payment as described herein. See "Description of the Notes—Events of Default."

**AMENDMENTS**

The guaranty may only be amended or waived in accordance with its terms pursuant to a written document which has been duly executed and delivered by AmBev and the trustee, acting on behalf of the noteholders.

The indenture will provide that the trustee may, without the consent or approval of the noteholders (but always with the consent or approval of AmBev), amend, waive or supplement the guaranty for certain specific purposes, including, among other things, curing ambiguities, defects or inconsistencies, or making any other provisions with respect to matters or questions arising under the guaranty, the indenture or the notes or making any other change that will not adversely affect the rights of any noteholder.

Except as contemplated above, the indenture will provide that the trustee may execute and deliver any other amendment to the guaranty or grant any waiver thereof only with the consent of the noteholders of a majority in aggregate principal amount of the notes then outstanding.

**GOVERNING LAW**

The guaranty is governed by the laws of the State of New York.

**JURISDICTION**

AmBev has consented to the non-exclusive jurisdiction of any court of the State of New York or any U.S. Federal court sitting in The City of New York, New York, United States and any appellate court from any thereof. AmBev has appointed CT Corporation System, 111 Eighth Avenue, New York, NY 10011 as its authorized agent upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. Federal court sitting in The City of New York in connection with the guaranty.

**WAIVER OF IMMUNITIES**

To the extent that AmBev may in any jurisdiction claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the guaranty (or the indenture and the notes to the extent related thereto) and to the extent that in any jurisdiction there may be immunity attributed to the Issuer or AmBev or their assets, whether or not claimed, AmBev has irrevocably agreed with the trustee, for the benefit of the noteholders, not to claim, and irrevocably waive, the immunity to the full extent permitted by law.

**CURRENCY RATE INDEMNITY**

AmBev has agreed that, if a judgment or order made by any court for the payment of any amount in respect of any of its obligations under the guaranty is expressed in a currency other than U.S. dollars, AmBev will indemnify the relevant noteholder, against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from AmBev's other obligations under the guaranty, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant note or under any such judgment or order.

## EXCHANGE OFFER; REGISTRATION RIGHTS

*This summary of the provisions of the registration rights agreement does not purport to be complete and is subject to all the provisions of the registration rights agreement, a copy of which is available from us upon request.*

The Issuer and AmBev will enter into a registration rights agreement with the initial purchasers on the closing date of this offering. In that agreement, the Issuer and AmBev will agree for the benefit of the holders of the notes that we will use our reasonable best efforts to file with the SEC and cause to become effective a registration statement relating to an offer to exchange the notes for an issue of unsubordinated SEC-registered notes with terms identical to the notes (except that the exchange notes will not be subject to restrictions on transfer or to any increase in annual interest rate as described below).

When the SEC declares the exchange offer registration statement effective, we will offer the exchange notes in return for the notes and duly notify the Luxembourg Stock Exchange in accordance with Notices section on page 38 of this offering memorandum. The exchange offer will remain open for at least 20 business days after the date notice is mailed to holders of the notes (or longer if required by applicable law) after the date we mail notice of the exchange offer to noteholders. For each note surrendered to us under the exchange offer, the noteholder will receive an exchange note of equal principal amount. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the notes or, if no interest has been paid on the notes, from the closing date of this offering. A noteholder that participates in the exchange offer will be required to make certain representations to the Issuer and AmBev (as described in the registration rights agreement). The Issuer and AmBev have agreed to conduct a registered exchange offer for the notes under the Securities Act on or before November 30, 2008. The notes issued in relation to the exchange offer will be listed on the Euro MTF Market of the Luxembourg Stock Exchange.

Under current SEC interpretations, the exchange notes will generally be freely transferable after the exchange offer, except that any broker-dealer that participates in the exchange must deliver a prospectus meeting the requirements of the Securities Act when it resells the exchange notes. Notes not tendered in the exchange offer shall bear interest at the rate set forth on the cover page of this offering memorandum and be subject to all the terms and conditions specified in the indenture, including transfer restrictions, but will not retain any rights under the registration rights agreement (including with respect to increases in annual interest rate described below) after the consummation of the exchange offer.

In the event that the Issuer and AmBev determine that a registered exchange offer is not available under applicable law or if applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer, or, if for any reason, the Issuer and AmBev does not consummate the exchange offer on or before November 30, 2008 or upon receipt of a written request from any initial purchaser representing that it holds notes that are ineligible to be exchanged in the exchange offer of notes, the Issuer and AmBev will use their reasonable best efforts to cause to become effective a shelf registration statement relating to resales of the notes and to keep that shelf registration statement effective until the expiration of the time period referred to in Rule 144(k) under the Securities Act, or such shorter period that will terminate when all notes covered by the shelf registration statement have been sold. The Issuer and AmBev will, in the event of such a shelf registration, provide to each noteholder copies of a prospectus, notify each noteholder when the shelf registration statement has become effective and take certain other actions to permit resales of the notes. A noteholder that sells notes under the shelf registration statement generally will be required to make certain representations to us (as described in the registration rights agreement), to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the registration rights agreement that are applicable to such a noteholder (including certain indemnification obligations). Holders of notes will also be required to suspend their use of the prospectus included in the shelf registration statement under specified circumstances upon receipt of notice from us. Under applicable interpretations of the staff of the SEC, our affiliates will not be permitted to exchange their notes for registered notes in the exchange offer.

If the exchange offer is not completed (or, if required, the shelf registration statement is not declared effective) on or before November 30, 2008, the annual interest rate borne by the notes will be increased by 0.50% per annum until the exchange offer is completed, the shelf registration statement is declared effective or the notes

become freely tradable under the Securities Act. If a shelf registration statement is required to be filed pursuant to the registration rights agreement, has been declared effective and thereafter either ceases to be effective or the included prospectus ceases to be usable at any time during the required effectiveness period, and such failure to remain effective or be usable exists for more than 45 days (whether or not consecutive) in any 3-month period or 90 days (whether or not consecutive) in any 12-month period, the interest rate on the notes will be increased by 0.50% per annum commencing on the 46th or 91st day, as applicable in such 3-month or 12-month period and ending on such date that the shelf registration statement has again been declared effective or the prospectus again becomes usable.

If the Issuer and AmBev effect the exchange offer, we will be entitled to close the exchange offer 20 business days after the date notice is mailed to holders of the notes (or such longer time as required by applicable law) after its commencement, provided that the Issuer and AmBev have accepted all notes validly surrendered in accordance with the terms of the exchange offer.

## TAXATION

*The following discussion summarizes certain Brazilian, Cayman Islands, U.S. federal income and European Union tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws and regulations now in effect in Brazil, laws, regulations, rulings and decisions now in effect in the United States, and a directive of the European Union, in each case which may change. Any change could apply retroactively and could affect the continued validity of this summary.*

*This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.*

### Brazilian Taxation

*The following is a general summary of the Brazilian tax considerations relating to an investment in the notes by a non-resident of Brazil. It is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general description only and does not address all possible tax consequences relating to an investment in the notes.*

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE CONSEQUENCES OF PURCHASING THE NOTES, INCLUDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE, REDEMPTION OR REPAYMENT OF THE NOTES OR COUPONS.**

Interest income, which for the purposes of this paragraph includes any deemed income on the difference between the issue price of the notes and the price at which the notes are redeemed ("original discount") payable by the Issuer on notes, may not, under Brazilian law, be regarded as payable by a Brazilian obligor and, accordingly, Brazilian income and withholding taxes may not apply to notes issued by the Issuer.

Interest income (which for the purposes of this paragraph includes any deemed income on the difference between the issue price of the notes and the original discount) payable by a guarantor resident in Brazil, such as AmBev, to an individual, company, entity, trust or organization domiciled outside Brazil is subject to withholding income tax, or withholding, which is due from the non-resident beneficiary of the interest. Brazilian tax laws expressly authorize the payor to pay the income or earnings net of taxes and, therefore, to gross up the amount due to include the withholding in the basis. In this case, the burden of the withholding is transferred to the payor. The rate of withholding is 15% unless the holder of the notes is resident in a tax haven (i.e., countries which do not impose any income tax or which impose it at a maximum rate lower than 20% or where the laws impose restrictions on the disclosure of ownership composition or securities ownership), in which case the applicable rate is 25%.

In case AmBev is required to assume the obligation to pay the principal amount of the notes to the holder, the Brazilian tax authorities could try to impose withholding income tax at a rate of 15% or 25% (as described above).

Generally, any capital gains generated outside Brazil as a result of a transaction between two non-residents of Brazil with assets not located in Brazil are not subject to tax in Brazil. On the other hand, when the assets are located in Brazil, such capital gains are subject to income tax, according to Law No. 10,833, enacted on December 29, 2003. Although the notes will be registered in Luxembourg and although we believe that the notes would not fall within the definition of assets located in Brazil for the purposes of Law No. 10,833, we cannot assure prospective investors that such interpretation will prevail.

In case the notes are deemed to be located in Brazil, capital gains recognized by a non-resident from the sale or other disposition of the notes to a Brazilian resident or a non-resident will be subject to income tax in Brazil at a rate of 15%, or 25% if the seller is located in a tax haven.

All fund transfers in connection with financial transactions in Brazil are subject to the temporary contribution on financial transactions, or the CPMF, which is levied at a rate of 0.38% on any bank account withdrawals. The tax burden generated by the imposition of such contribution will be incurred by AmBev. The CPMF is set to expire on December 31, 2007, although the Brazilian federal government may extend it or transform the CPMF into a permanent tax.

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the notes outside Brazil, nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the notes, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such Brazilian states.

**Cayman Islands Tax Considerations**

The Issuer has applied for and expects to receive from the Governor in Cabinet of the Cayman Islands an undertaking pursuant to the Tax Concession Law (Revised) of the Cayman Islands that, for a period of 20 years from the date of such undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income gains or appreciation shall apply to the Issuer or its operations and no such tax or tax in the nature of estate duty or inheritance tax shall be payable on the shares, notes or other obligations of the Issuer.

The Issuer has been advised that, under existing Cayman Islands laws:

(1) Payments in respect of the notes and guaranty will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of the notes and gains derived from sale of the notes will not be subject to Cayman Islands income or corporate tax. The Cayman Islands currently has no income tax or taxation in the nature of a withholding tax, corporate or capital tax and no estate duty, inheritance tax or gift tax; and

(2) Provided notes are not executed in or brought into the Cayman Islands, no capital or stamp duties are levied in the Cayman Islands on the issue or redemption of the notes. Holders whose notes are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duties imposed under the laws of the Cayman Islands in respect of the notes, and an instrument transferring title to a security which is in registered form would, if brought into or executed in the Cayman Islands, be subject to Cayman Islands stamp duty. Cayman Islands stamp duties of a nominal amount would also be payable in the event that documentation relating to the guaranty were brought into or executed in the Cayman Islands. There is no applicable tax treaty between the United States and the Cayman Islands.

**U. S. Federal Income Tax Considerations**

***Internal Revenue Service Circular 230 Disclosure***

**PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL INCOME TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE NOTES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following is a description of the principal U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of notes by a holder thereof. This description only applies to notes held as capital assets and does not address, except as set forth below, aspects of U.S. federal income taxation that may be applicable to holders that are subject to special tax rules, such as:

- Financial institutions;
- Insurance companies;
- Real estate investment trusts;
- Regulated investment companies;
- Grantor trusts;
- Tax-exempt organizations;
- Dealers or traders in securities or currencies;
- Holders that will hold a note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes; or
- U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar.

Moreover, this description does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership or disposition of notes and does not address the U.S. federal income tax treatment of holders that do not acquire notes as part of the initial distribution at their initial issue price, which will equal the first price at which a substantial amount of the notes is sold for money to the public (not acting in the capacity of underwriters, placement agents or wholesalers). Each prospective purchaser should consult its tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, holding and disposing of notes.

This description is based on the Internal Revenue Code of 1986, or the Code, as amended, existing and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or to differing interpretations which could affect the tax consequences described herein.

For purposes of this description, a U.S. Holder is a beneficial owner of notes who for U.S. federal income tax purposes is:

- An individual citizen or resident of the United States;
- A corporation organized in or under the laws of the United States, any State thereof, or the District of Columbia;
- An estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust (1) that has validly elected to be treated as a United States person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more United States persons have the authority to control.

A Non-U.S. Holder is a beneficial owner of notes other than a U.S. Holder or an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership (or any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences.

***Interest***

It is expected, and this discussion assumes, that the notes will be issued with no more than a de minimis amount of original issue discount for U.S. federal income tax purposes. Therefore, if you are a U.S. Holder, interest paid to you on a note, including any Additional Amounts, will be includible in your gross income as ordinary interest income in accordance with your usual method of tax accounting. As a result of the inclusion of any amounts attributable to withheld taxes, the amount included in your income for U.S. federal income tax purposes with respect to a payment of interest may be greater than the amount of cash actually received (or receivable).

Because the amount of interest payable in U.S. dollars under the notes is determined by reference to the U.S. dollar value of *Reais* at periodic intervals over the term of the notes, you should consult your tax advisor regarding the application of the foreign currency exchange rules under applicable U.S. Treasury regulations.

In general, under these rules, if you use the cash method of accounting for tax purposes, you will not realize any foreign exchange gain or loss in respect of interest payments except to the extent that the exchange rate used to determine the amount of interest payable in U.S. dollars with respect to an interest payment differs from the "spot rate" in effect on the date such payment is received. Under applicable Treasury regulations, the "spot rate" generally means a rate that reflects a fair market rate of exchange available to the public for currency under a "spot contract" in a free market and involving representative amounts. A "spot contract" is a contract to buy or sell a currency on the nearest conventional settlement date, generally two business days following the date of execution of the contract. If such a spot rate cannot be demonstrated, the IRS has the authority to determine the spot rate.

If you use the accrual method of accounting for tax purposes, you may determine the amount of income that you recognize with respect to the interest payments by reference to the U.S. dollar value of the *Reais* by using one of two methods. Under the first method, you would determine the amount of income accrued in *Reais* based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year. The average rate of exchange for an interest accrual period (or partial period) is the simple average of the spot exchange rates for each business day of such period (or such other average that is reasonably derived and consistently applied by the holder).

If you elect the second method, you would determine the amount of income accrued on the basis of the "spot rate" in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the "spot rate" in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if you receive a payment of interest within five business days of the last day of its accrual period or taxable year, you may instead translate the interest accrued into U.S. dollars at the "spot rate" in effect on the day that you actually receives the interest payment. If you elect the second method, that method will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies and to all debt instruments that you subsequently acquire. You may not revoke this election without the consent of the Internal Revenue Service, or the IRS.

When you actually receive an interest payment in U.S. dollars (or a payment attributable to accrued but unpaid interest upon the sale or retirement of its note) determined by reference to *Reais* for which you accrued an amount of income, you will recognize exchange gain or loss taxable as U.S. source ordinary income measured by the difference, if any, between the exchange rate that you used to accrue interest income and the "spot rate" in effect on the date you received such interest payment. Any foreign exchange gain or loss recognized generally will not be treated as interest income or expense, except to the extent provided by administrative pronouncements of the IRS.

Interest on the notes will be treated as foreign source income for U.S. federal income tax purposes. For U.S. foreign tax credit limitation purposes, for taxable years beginning on or before December 31, 2006, interest on the notes generally will constitute “passive income,” or, in the case of certain U.S. Holders, “financial services income” and will constitute “high withholding tax interest” if the interest is subject to withholding at a rate of five percent or more. You should note, however, that the “financial services income” and “high withholding tax interest” categories are eliminated for taxable years beginning after December 31, 2006. Thereafter, the foreign tax credit limitation categories are limited to “passive category income” and “general category income.” Additionally, a foreign tax credit for foreign taxes imposed with respect to the notes may be denied where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the

foreign tax credit are complex. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

The interest rate on the notes is subject to increase if the notes are not registered within a prescribed time period. Further, Additional Amounts will be paid in the event that certain withholding taxes are imposed on payments made on the notes. We intend to treat the possibility of payments of such additional interest or additional amounts as remote or incidental contingencies, within the meaning of applicable Treasury Regulations. Therefore, we do not intend to treat the notes as "contingent payment debt instruments" as defined in applicable Treasury Regulations. Assuming that such treatment is correct, any additional interest or Additional Amounts will be taxable to you at the time they accrue or are received in accordance with your method of accounting for U.S. federal income tax purposes. Our determination regarding the remote or incidental nature of such contingencies is binding on you (unless you explicitly disclose in the manner required by applicable Treasury Regulations that your determination is different from ours) but is not binding on the IRS, which could take a position contrary to ours.

Subject to the discussion below under the caption "—U.S. Backup Withholding Tax and Information Reporting," if you are a Non-U.S. Holder, payments to you of interest on a note generally will not be subject to U.S. federal income tax unless the income is effectively connected with your conduct of a trade or business in the United States (or, if a tax treaty applies, the interest is attributable to a permanent establishment maintained by you in the United States).

***Sale, Exchange or Disposition***

If you are a U.S. Holder, upon the sale, exchange or disposition of a note, you will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or disposition, other than accrued but unpaid interest, which will be taxable as interest, and your adjusted tax basis in the note. If a note is sold before maturity for an amount denominated in *Reais*, the amount realized generally will be the U.S. dollar value of the *Reais* received, calculated at the spot rate of exchange in effect on the date the note is sold. If the notes are traded on an established securities market, however, a cash basis U.S. Holder (or an accrual basis U.S. Holder if it so elects) will determine its amount realized using the spot rate of exchange in effect on the settlement date. Your adjusted tax basis in a note generally will equal the cost of the note to you., Any gain or loss will be capital gain or loss, and will be long-term capital gain or loss if your holding period for the notes exceeds one year . Any portion of the gain or loss recognized on the sale, exchange or disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. The deductibility of capital losses is subject to limitations. Any gain or loss you recognize on the sale, exchange or disposition that is attributable to fluctuations in currency exchange rates will constitute exchange gain or loss and will be taxable as U.S. source ordinary income or loss. You will only recognize such foreign exchange gain or loss to the extent of the total gain or loss you realize on the sale, exchange or disposition.

If any gain from the sale or exchange of notes is subject to Brazilian tax, you may not be able to credit such taxes against your U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code, because such gain generally would be U.S. source income, unless such tax can be credited (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

Pursuant to U.S. Treasury Regulations, if you recognize a loss on the sale or exchange of the notes due to fluctuations in foreign currency exchange rates, you may be required to disclose the transaction as a "reportable transaction" on IRS Form 8886 (or a suitable substitute) in the event the loss exceeds $50,000 if you are an individual or trust, or higher amounts for certain other holders. Additionally, if you recognize a loss on the sale or exchange of the notes due to other circumstances, you may be required to disclose the transaction as a reportable transaction in the event the loss exceeds $2,000,000 in any single taxable year (or $4,000,000 in any combination of taxable years) you are an individual, S corporation, trust, or higher amounts if you are any other holder.

Subject to the discussion below under the caption "—U.S. Backup Withholding Tax and Information Reporting," if you are a Non-U.S. Holder, any gain realized by you upon the sale, exchange or disposition of a note generally will not be subject to U.S. federal income tax, unless:

- The gain is effectively connected with your conduct of a trade or business in the United States (or, if a tax treaty applies, the gain is attributable to a permanent establishment maintained by you in the United States); or

- If you are an individual Non-U.S. Holder, you are present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

***U.S. Backup Withholding Tax and Information Reporting***

U.S. backup withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale, exchange or disposition of an obligation, to certain non-corporate holders of notes that are United States persons. Information reporting generally will apply to payments of principal of, and interest on, notes, and to proceeds from the sale or redemption of, notes within the United States, or by a United States payor or United States middleman, to a holder of notes that is a United States person (other than an exempt recipient, including a corporation, and certain other persons). The payor will be required to withhold backup withholding tax on payments made within the United States, or by a United States payor or United States middleman, on a note to a holder of a note that is a United States person, other than an exempt recipient, such as a corporation, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a United States payor or United States middleman, of principal and interest to a holder of a note that is not a United States person will not be subject to backup withholding tax and information reporting requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. Backup withholding is not an additional tax and amounts withheld under the backup withholding rules generally may be claimed as a credit against your U.S. federal income tax liability provided that the required information is furnished to the IRS.

The above description is not intended to constitute a complete analysis of all U.S. federal income tax consequences relating to the acquisition, ownership, and disposition of the notes. Prospective purchasers of notes should consult their own tax advisors concerning the U.S. federal income tax consequences of their particular situations.

**European Union Directive on the Taxation of Savings Income**

In accordance with the European Union Directive 2003/48/EC regarding the taxation of savings income, Member States of the European Union are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg instead impose a withholding system in relation to such payments for a transitional period (unless during such period they elect otherwise). For more information, see “Risk Factors–Risks Relating to the Notes and the Guaranty–EC Council Directive 2003/48/EC”.

THE DESCRIPTION IS THIS SECTION "TAXATION" IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

## CERTAIN ERISA CONSIDERATIONS

### General Fiduciary Matters

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on employee benefit plans subject to Title I of ERISA ("ERISA Plans"), on entities that are deemed to hold the assets of ERISA Plans and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan**,** as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans") and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

In considering an investment in the notes, any Plan fiduciary which proposes to cause a Plan to purchase the notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Code.

Governmental plans, certain church plans and foreign plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to other federal, state, local or foreign laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code ("Similar Law"). Fiduciaries of any such plans should consult with their counsel before purchasing the notes to determine the need for, and the availability, if necessary, of any exemptive relief under any Similar Law.

### Prohibited Transaction Issues

The fiduciary of a Plan that proposes to purchase and hold any notes should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of Plan assets. Such parties in interest or disqualified persons could include, without limitation, us, the Issuer or the underwriters (or any of their respective affiliates). Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the notes on behalf of a Plan, Prohibited Transaction Class Exemption ("PTCE") 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by an insurance company pooled separate account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the "Class Exemptions") or Section 408(b)(17) of ERISA could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the notes.

### Representation

Accordingly, by acceptance of the notes, each purchaser and subsequent transferee of the notes will be deemed to have represented and warranted that either (A) no assets of a Plan or governmental, church or foreign plan have been used to acquire and hold such notes or an interest therein or (B) the purchase and holding of such notes or an interest therein by such purchaser or transferee are exempt from the prohibited transaction restrictions of

ERISA and the Code, pursuant to one or more prohibited transaction statutory or administrative exemptions, or does not otherwise violate any applicable Similar Law.

**The foregoing discussion is general in nature and is not intended to be all-inclusive. Each Plan fiduciary (and each fiduciary for a governmental, church or foreign plan subject to Similar Law) should consult with its legal advisor concerning the potential consequences to the plan under ERISA, the Code or any Similar Law of an investment in the notes.**

## PLAN OF DISTRIBUTION

### Plan of Distribution

Under the terms and subject to the conditions contained in the purchase agreement, by and among the Issuer, AmBev and the initial purchasers, the initial purchasers have agreed to purchase, and the Issuer has agreed to sell to them, severally, the amounts set forth opposite their names below:

| Name | Proposed Principal Amount |
|---|---|
| Citigroup Global Markets Inc. | R$150,000,000 |
| Credit Suisse Securities (Europe) Limited | R$ 10,000,000 |
| Credit Suisse Securities (USA) LLC | R$140,000,000 |
| Total | R$300,000,000 |

The purchase agreement provides that the obligations of the initial purchasers to pay for and accept delivery of the notes is subject to, among other conditions, the delivery of certain legal opinions relating to the validity of the securities by its counsel. The initial purchasers are obligated to take and pay for all of the notes offered hereby if any notes are taken. The notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the notes, the offering price and other selling terms may from time to time be varied by the initial purchasers.

The purchase agreement provides that the Issuer will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the initial purchasers may be required to make in respect thereof.

The Issuer has been advised by the initial purchasers that they propose to resell the notes initially in the United States to QIBs (as defined in Rule 144A under the Securities Act) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and outside the United States to non-U.S. persons in reliance on Regulation S.

The initial purchasers have agreed that, except as permitted by the purchase agreement, they (or any affiliate of theirs) will not offer, sell or deliver the notes (i) as part of its distribution at any time or (ii) otherwise until 40 calendar days after the later of the commencement of this offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which they sell notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a broker/dealer (whether or not it is participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The notes have not been registered under the Securities Act and will be subject to significant resale restrictions. See “Notice to Investors.” We have agreed to register the notes under the Securities Act prior to November 30, 2008. See “Exchange Offer; Registration Rights.” Prior to this offering, there has been no active market for the notes. Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market.

In connection with this issue, the initial purchasers or any person acting for it may over allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period after the issue date of the notes. However, there may be no obligation on the initial purchasers or its agents to do such stabilizing, and if commenced, it may be discontinued at any time, and must be brought to an end after a limited period.

The initial purchasers have from time to time in the past provided, and may in the future provide, investment banking, financial advisory and other services to us and our affiliates for which they have received or

expect to receive customary fees. In addition, the initial purchasers have extended funds and credit to us pursuant to one or more credit facilities and derivative contracts. The initial purchasers may, from time to time, in the future, provide additional credit or funds to us pursuant to these or other agreements.

Subsequent trading of the notes in private transactions is not subject to registration in Brazil to the extent such trading does not qualify as a public offering or distribution. Persons wishing to offer or acquire the notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Other than with respect to the proposed listing of the notes on the Luxembourg Stock Exchange and the proposed registration of the notes pursuant to the registration rights agreement, no action has been or will be taken in any country or jurisdiction by us or the initial purchasers that would permit a public offering of notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this offering memorandum comes are required by us and the initial purchasers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver notes or have in their possession or distribute such offering material, in all cases at their own expense.

**Notice to Prospective Investors in the United Kingdom**

The initial purchasers have represented and agreed that:

(a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the notes which are the subject of the placement contemplated by this offering memorandum in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

**Notice to Prospective Investors in Hong Kong**

The notes may not be offered or sold in Hong Kong, by means of any document other than (a) to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, (b) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (c) in circumstances that do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to our notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) will be issued other than with respect to notes which is or is intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance of Hong Kong and any rules thereunder.

**Notice to Prospective Investors in Japan**

The notes offered in this listing memorandum have not been registered under the Securities and Exchange Law of Japan, and the initial purchasers have not offered or sold and will not offer or sell, directly or indirectly, the notes in Japan or to or for the account of any resident of Japan, except (1) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (2) in compliance with any other applicable requirements of Japanese law.

**Notice to Prospective Investors in Singapore**

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the notes have not been offered or sold or made subject of an invitation for subscription or purchase and will not be sold or offered or be made subject of an invitation for subscription or purchase, and this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person that is:

(A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

**Notice to Prospective Investors in Brazil**

The notes may not and will not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution of securities under Brazilian laws and guidelines. Accordingly, the notes have not been nor will be registered with the CVM nor has this offering memorandum been submitted to the CVM for approval. Documents relating to the offer, as well as the information contained therein, may not be supplied to the public in Brazil, nor used in connection with any offer for subscription or sale of the notes in Brazil.

## NOTICE TO INVESTORS

*The following information relates to the form and transfer of the notes. Because of the following restrictions, purchasers of notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the notes.*

The notes (including the guarantees) have not been registered, and will not be registered, under the U.S. Securities Act or any other applicable securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

**Purchasers' Representations and Restrictions on Resale and Transfer**

Each purchaser of notes (other than an initial purchaser in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have acknowledged, represented and agreed with us and the initial purchasers as follows:

(1) It agrees that either (A) no assets of a Plan or governmental, church or foreign plan will be used to acquire and hold such notes or an interest therein or (B) the purchase and holding of such notes or an interest therein by such purchaser or transferee are exempt from the prohibited transaction restrictions of ERISA and the Code, pursuant to one or more prohibited transaction statutory or administrative exemptions, or does not otherwise violate any applicable Similar Law.

(2) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States.

(3) It acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(4) It understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes.

(5) It will not resell or otherwise transfer any of such notes except (a) to the Issuer or AmBev, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act.

(6) It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

(7) It acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S and listed on the Luxembourg Stock Exchange) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture.

(8) It acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with.

(9) It acknowledges that we, the initial purchaser and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchaser. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, and agreements on behalf of each account.

The following is the form of restrictive legend which will appear on the face of the Rule 144A global note, and which will be used to notify transferees of the foregoing restrictions on transfer:

**"This Note (and the related guaranty) have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Note, agrees that this Note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (i) to AmBev International Finance Co. Ltd. or Companhia de Bebidas das Américas – AmBev, (ii) so long as this Note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (iii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act afforded by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this Note, represents and agrees that it will notify any purchaser of this Note from it of the resale restrictions referred to above.**

**The foregoing legend may be removed from this Note on satisfaction of the conditions specified in the indenture referred to herein."**

The following is the form of restrictive legend which will appear on the face of the Regulation S global note and which will be used to notify transferees of the foregoing restrictions on transfer:

**"This Note (and related guaranty) has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Note, agrees that neither this Note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration. The foregoing legend may be removed from this Note after 40 days beginning on and including the later of (i) the day on which the Notes are exchanged for notes owned by persons other than distributors (as defined in Regulation S under the Securities Act) and (ii) the original issue date of this Note."**

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global notes and certificated notes, see "Description of the Notes."

## ENFORCEMENT OF CIVIL LIABILITIES

### Cayman Islands

The Issuer is an exempted limited liability company incorporated under the laws of the Cayman Islands. The Issuer has been incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of exchange control or currency restrictions and the availability of professional and support services.

However, the Cayman Islands have a less developed body of securities laws as compared to the United States and certain other jurisdictions and provides protections for investors to a significantly lesser extent. All of the Issuer's assets are located outside the United States. In addition, all of its directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of the Issuer's or such persons' assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against them, judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

We have been advised by our Cayman Islands counsel, Maples and Calder, that there is uncertainty as to whether the courts of the Cayman Islands would (1) recognize or enforce judgments of United States courts obtained against the Issuer or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or (2) be competent to hear original actions brought in each respective jurisdiction against the Issuer or such persons predicated upon the securities laws of the United States or any state thereof.

Maples and Calder has further advised the Issuer that a final and conclusive judgment in federal or state courts of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings by way of an action commenced on the judgment debt in the courts of the Cayman Islands.

### Brazil

We are a corporation incorporated under the laws of Brazil. Substantially all of our directors and officers, our independent accountants, and some of the advisors named herein reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all of our assets are, located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside Brazil upon such persons, or to enforce against them or against us judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the notes, we will (1) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, we will irrevocably submit to the jurisdiction of such courts and (2) name an agent for service of process in the Borough of Manhattan, The City of New York. See "Description of the Notes."

We have been advised by our Brazilian legal counsel, Levy & Salomão – Advogados, that a final conclusive judgment for the payment of a sum certain rendered by any New York state or federal court sitting in New York City in respect of the payment of the bonds would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction), and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been previously ratified by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*), such ratification being available only if the judgment:

- fulfills all formalities required for its enforceability under the laws of the United States;

- is issued by a competent court after proper service of process on the parties, which service must comply with Brazilian law if made in Brazil, or after sufficient evidence of the parties' absence has been given, as established pursuant to applicable law;

- is not subject to appeal;

- is authenticated by the Brazilian consulate in the State of New York and is accompanied by a sworn translation thereof into the Portuguese language; and

- is not against Brazilian public policy, good morals or national sovereignty.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the U.S. securities laws with respect to the notes.

Original actions may be brought in connection with this offering memorandum predicated solely on the federal securities laws of the United States in Brazilian courts and , subject to applicable law, that Brazilian courts may enforce such liabilities in such actions against us or the directors and officers and certain advisors named herein (provided that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action).

A plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of the litigation in Brazil and does not own real property in Brazil, must post bond to secure the payment of the defendant's legal fess and court expenses as determined by the relevant Brazilian court, except in the case of the enforcement of a foreign judgment which is duly confirmed by the Brazilian Superior Court of Justice.

## VALIDITY OF THE NOTES

The validity of the notes offered and sold in this offering and certain legal matters in connection with the notes will be passed upon for us by Gibson, Dunn & Crutcher LLP, and for the initial purchasers by Shearman & Sterling LLP. Certain matters of Brazilian law relating to the notes will be passed upon for us by Levy & Salomão Advogados, and for the initial purchasers by Pinheiro Guimarães - Advogados. Certain matters of Cayman law will be passed upon for us by Maples and Calder.

## INDEPENDENT AUDITORS

Our financial statements including balance sheets as of December 31, 2006 and 2005 and the related consolidated statements of income, changes in stockholders'equity changes in financial position, and cash flows for the years ended December 31, 2006, 2005 and 2004 included in our Form 20-F have been audited by Deloitte Touche Tohmatsu Auditores Independentes, as stated in their reports. Our unaudited financial statements at and for the three-month period ended March 31, 2006, presented for comparison purposes, have been subject to a special review by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with the standards of IBRACON.

With respect to the unaudited interim financial information for the period ended March 31, 2007, incorporated by reference herein, KPMG Auditores Independentes has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included in AmBev's quarterly report furnished on Form 6-K for the quarter ended March 31, 2007, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

## LISTING AND GENERAL INFORMATION

1. The notes have been accepted for clearance through DTC, Euroclear and Clearstream Banking. The CUSIP, Common Code and ISIN numbers for the notes are as follows:

| | Restricted Global Note | Regulation S Global Note |
|---|---|---|
| CUSIP | 02319L AA3 | G0253J AA3 |
| COMMON CODE | 031259681 | 031259673 |
| ISIN | US02319LAA35 | USG0253JAA37 |

2. Copies of our latest audited annual financial statements and unaudited quarterly financial statements, and copies of our *estatuto social* (by-laws), as well as the indenture (including forms of notes), will be obtainable at the offices of the principal paying agent and any other paying agent, including the Luxembourg paying agent.

3. The audited consolidated financial statements of AmBev as of December 31, 2006, 2005 and 2004 included herein have been prepared in accordance with Brazilian GAAP. The unaudited consolidated interim financial statements of AmBev as of and for the three-month periods ended March 31, 2007 and 2006 have been prepared in accordance with Brazilian GAAP. Except as disclosed in this offering memorandum, there has been no material adverse change in (a) AmBev's financial position since March 31, 2007, the date of the latest unaudited interim financial statements incorporated by reference or (b) in the Issuer's financial position since the date of incorporation.

4. Except as disclosed in this offering memorandum, neither we nor the Issuer are involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as we or the Issuer are aware is any such litigation or arbitration pending or threatened.

5. Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market.

6. The issuance of the notes was authorized by the Issuer’s board of directors on July 16, 2007.

7. So long as the notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of this exchange so require, we shall appoint and maintain a paying agent in Luxembourg, where the notes may be presented or surrendered for payment or redemption, in the event that the global notes are exchanged for definitive certificated notes. In addition, in the event that the global notes are exchanged for definitive certificated notes, announcement of such exchange shall be made through the Luxembourg Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive certificate notes, including details of the paying agent in Luxembourg. So long as the notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of this exchange so require, the following documents will be available at the offices of the Luxembourg Paying Agent at the address set forth on the inside backcover of this offering memorandum: (i) the bylaws of AmBev and the Issuer, (ii) all documents incorporated by reference herein, (iii) copies of the registration rights agreement, indenture and the related guarantees.

8. AmBev's registered office is at Rua Dr. Renato Paes de Barros, 1017, 4th Floor, 04530-001, São Paulo, SP, Brazil and its statutory documents can be inspected at its headquarter at the same address. AmBev does not produce or publish any non-consolidated financial statements.

9. The guaranty, the notes, the indenture and the registration rights agreement are governed by the laws of the State of New York.

**PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER AND GUARANTOR**

**AmBev International Finance Co. Ltd.**
PO Box 309GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

**Companhia de Bebidas das Américas – AmBev**
Rua Dr. Renato Paes de Barros, 1017, 4th floor
04530-001 São Paulo–SP
Brazil

**TRUSTEE, REGISTRAR, PRINCIPAL PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT**
**Deutsche Bank Trust Company Americas**
60 Wall Street – MS-2710
New York, NY 10005
United States

**LUXEMBOURG PAYING AGENT, TRANSFER AGENT AND LISTING AGENT**
**Deutsche Bank Luxembourg S.A.**
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

**LEGAL ADVISORS**

*To AmBev International Finance Co. Ltd. and Companhia de Bebidas das Américas - AmBev as to United States Law*
**Gibson, Dunn & Crutcher LLP**
200 Park Avenue
New York, New York 10166
USA

*To the Initial Purchasers as to United States Law*
**Shearman & Sterling LLP**
599 Lexington Avenue
New York, New York 10022
USA

*To AmBev International Finance Co. Ltd. and Companhia de Bebidas das Américas - AmBev as to Brazilian Law*
**Levy & Salomão Advogados**
Av. Brigadeiro Faria Lima, 2601 – 12th floor
01452-924 São Paulo–SP
Brazil

*To the Initial Purchasers as to Brazilian Law*
**Pinheiro Guimarães - Advogados**
Av. Paulista, 1842 – 24th floor
01310-923 São Paulo–SP
Brazil

*To AmBev International Finance Co. Ltd. and Companhia de Bebidas das Américas - AmBev as to Cayman Islands Law*
**Maples and Calder**
PO Box 309GT – Ugland House
South Church Street, George Town
Cayman Islands

**INDEPENDENT ACCOUNTANTS TO COMPANHIA DE BEBIDAS DAS AMÉRICAS – AMBEV**
**KPMG Auditores Independentes**
Rua Dr. Renato Paes de Barros, 33
04530-904 São Paulo–SP
Brazil

**R$300,000,000**

# AmBev International Finance Co. Ltd.

***Incorporated with limited liability in the Cayman Islands***

## 9.500% Notes due 2017

## Payable in U.S. Dollars

OFFERING MEMORANDUM

**Citi** **Credit Suisse**

**July 17, 2007**